



Weekly Report

22 DEC 2017 | WEEK 51

CRUDE

Crude flat prices gained from last week, buoyed by the continued shutdown of the Forties crude oil pipeline as well as diminishing US crude stockpiles. EIA data indicated that US crude inventories declined for the fifth consecutive week, down by 6.5 mmb for the week ending Dec 15. ICE Brent front-month futures jumped by \$1.59/bbl on the week while Dubai swaps rose by \$0.82/bbl w-o-w.

CRUDE PRICES

\$/BBL	22 DEC	15 DEC	W-O-W CHANGE
ICE Brent	64.90	63.31	1.59 ▲
Dubai	62.17	61.35	0.82 ▲

SPOT VLCC RATES

WS (2017 basis)	22 DEC	15 DEC	W-O-W CHANGE
AG/Japan (265 kt)	53.00	48.00	5.00 ▲
AG/Singapore (270 kt)	54.00	49.00	5.00 ▲
AG/USGC (280 kt)	25.00	24.00	1.00 ▲
WAF/Far East (260 kt)	57.00	57.50	-0.50 ▼

VLCC

The East of Suez VLCC market saw an influx of activity on the release of January AG stems. As such, rates for the benchmark AG/Japan route rose by w5 points from last week. Further gains were limited by a lengthy position list that rolled over from December.

In comparison, the WAF VLCC market was fairly muted with rates for the key WAF/Far East route down by w0.5 points on the week. The spike in the Brent-Dubai EFS spread has weighed on demand for WAF crude, with some Angolan and Nigerian cargoes left unsold from the January program as reported by Reuters.

SPOT SUEZMAX/AFRAMAX RATES

WS (2017 basis)	VESSEL	22 DEC	15 DEC	W-O-W CHANGE
AG/East (130 kt)	Suezmax	87.50	87.50	0.00 ●
WAF/UKC (130 kt)	Suezmax	87.50	87.50	0.00 ●
AG/East (80 kt)	Aframax	112.50	115.00	0.00 ●
Indo/Japan (80 kt)	Aframax	110.00	107.50	2.50 ▲

SUEZMAX/AFRAMAX

It was a fairly dull affair for Suezmaxes trading in Asia as the market awaited the confirmation of January stem dates. Suezmax rates for the key AG/East route eased by w2.5 points from last week. The WAF Suezmax market faced a lack of fresh cargo enquiry with the December program fully covered as well as an ease in Turkish Straits delays, leading to the slip in rates. As such, TD20 fell by w2.5 points from the week before to w87.5.

Some Christmas cheer was seen in the Asian Aframax market as rates for an Indo/Japan trip and AG/East voyage grew by w9 points and w12 points w-o-w respectively. A flurry of activity in the Indo/Singapore region helped to clear out some tonnage while charterers gave in to owners' demands for higher rates for long-haul voyages to Oz. A lack of ballasters to the AG has tightened vessel supply in the region.

LR / MR

Asian LR rates came under downwards pressure this week as TC1 and TC5 dropped by w10 and w12 points respectively. While muted activity at the start of the week weighed on LR2 rates, a pick-up in cargo demand towards the end of the week is likely to prevent further decline in rates. The LR1 segment saw a lack of fresh activity amidst ample vessel supply. At least 15 LR1s are available for loading in the AG over the next week.

Asian MR rates continued to ease as sluggish activity led to a build-up of tonnage in all key areas. Rates for the key AG/Japan route inched down by w1.5 points from the week before while rates for a South Korea/Singapore run basis 40 kt fell by \$70,000 w-o-w.

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