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Tanker Report – Week 11 2020

VLCCs

A week ago in the Middle East, the Saudis lowered their April crude Official Selling Price (OSP) and raised production levels by 2.6 million barrels per day (BPD), to 12.7m BPD, with an additional one million BPD coming from the United Arab Emirates. This caused the oil price to drop over 30 per cent creating a price contango which traders and oil companies alike attempted to capitalise on with storage enquiry. Over 50 ships were fixed on subjects in the first half of the week alone for voyages, many for US Gulf discharge where rates have taken a meteoric rise. 280,000mt to the US Gulf, via the Cape to Cape routing, was 400 per cent higher at WS167.5 as last done. For 270,000mt to China, rates have almost tripled to WS180. In West Africa the trip for 260,000mt to China rates have risen over 225 per cent, to WS160. The market for 270,000mt US Gulf to China has more than doubled to \$15.5m level.

Suezmaxes

In the West Africa to UK-Continent (UK-C) market, owners rode the metaphorical wave

caused by the VLCCs and were able to push rates for 130,000mt to WS135 level, more than doubling last week's rate. Rates for 135,000mt Black Sea to the Mediterranean have risen 44 points to WS127.5-130 level. The VLCC impetus has transferred down to the 140,000mt Basrah to Mediterranean market, where gains of 220 per cent were made, to WS112.5 as last assessed. WS150 is reported on subjects today.

Aframaxes

Rates for 80,000mt Ceyhan to the Mediterranean climbed over 30 points to WS135-137.5 level. In Northern Europe, 80,000mt Cross-North Sea gained 15 points to WS110. 100,000mt Baltic to UK-C shared the same uptick to WS90. On the other side of the Atlantic, 70,000mt Caribbean to the US Gulf (USG), owners pushed the market up 20 points to WS177.5. Rates for 70,000mt USG to the Mediterranean increased 35 points, rising to WS165-167.5 level.

Clean

A positive week saw rates in the 75,000mt Middle East Gulf to Japan trade climb from WS125 to sit now at close to WS155. It was a similar story on the LR1s, which gained 35 points to WS160 region. In the 37,000mt UK-C to US Atlantic Coast trade, it was a more volatile week, with rates starting in the high WS170s, before dipping down to WS160. Now there is firming sentiment, especially in light of BP fixing Minerva tonnage to West Africa at WS200. Rates in the 38,000mt backhaul trade from the USG to UK-C, were steady in the mid to high WS130s. The 30,000mt clean cross-Mediterranean market was steady at around WS175, before nudging up to close to WS180 currently.

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