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Tanker Report – Week 16 2020

VLCCs

Activity in the Middle East has slowed while owners await the May program. Rates have continued to come under downward pressure and WS167.5 was agreed for 270,000mt to the East, but we understand this has now failed. Currently the market is assessed at around WS150, with owners pinning their hopes on renewed activity next week when May cargoes appear. 280,000mt to the US Gulf via the Cape to Cape routing is rated at close to mid WS90s. This contrasts with just over WS100 at the start of the week. There was weaker sentiment also in the market for 260,000mt. West Africa to China saw rates soften from WS143 at the start of the week to around WS137.75. This was before Vitol reportedly took a Koch relet at an improved WS146 level. Enquiry from the US Gulf to China was negligible, although HOB failed a Mexico to Korea run at \$15 million and the route is today assessed at just below \$14 million.

Suezmaxes

The market for 130,000mt West Africa to the UK-Continent had an uneventful week, with rates

maintained at WS130. A similar scenario ensued in the 135,000mt Black Sea to Mediterranean trade, with rates hovering between WS132.5/135 region. The 140,000mt Basrah to Mediterranean route started the week at WS105 before dipping down to WS100 for a run to Turkey. However, rates then recovered, with Shell taking Trafigura tonnage at WS115.

Aframaxes

Rates for 80,000mt Ceyhan to the Mediterranean, which eased considerably in the run up to Easter, stabilised in the mid to high WS90s. However, with the subsequent improvement in the North, owners will be hoping this will filter through to the Mediterranean. 80,000mt Cross-North Sea had been fixed at between WS107.5/110 before a surge of activity. Around 20 ships on subjects in the last 24 hours saw rates shoot up, with the market now evaluated at around WS140. Likewise, in the 100,000mt Baltic to UK-Continent trade, which initially slipped 2.5 points to WS90, rates have rebounded. Last seen here was Total fixing at WS115, while a Murmansk cargo went at WS126.5. Across the Atlantic the market for 70,000mt Caribbean to the US Gulf regained 2.5 points to sit now at WS105 region, but with potential to firm further. The 70,000mt US Gulf to UK-Continent-Mediterranean is following a similar pattern, with rates nudging up from WS95 to low WS100s.

Clean

For owners trading in the clean market it was a prosperous week all round. The market in the Middle East Gulf to Japan trade for 75,000mt gained 32.5 points to WS240. LR1s also saw renewed activity, with rates gaining 27 points to WS235. This has reportedly been agreed by BP and brokers feel there is potential to firm further. In the 37,000mt UK-Continent to the US Atlantic Coast trade rates are now nudging WS160, having started the week at WS140. Similarly rates in the 38,000mt backhaul trade from the US Gulf to UK-Continent firmed 10 points to just over WS105. The 30,000mt clean cross-Mediterranean market recovered 15 points to around WS207.75, with the Black Sea continuing to pay 40 plus points over the Mediterranean.

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