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Tanker Report – Week 17 2020

VLCCs

The week got off to a slow start, then on Tuesday activity ramped up with an influx of cargoes causing rates to rocket upwards. However, by the end of the week the trajectory was downwards, with heavy pressure being applied.

In the Middle East, 280,000mt to the US Gulf via the Cape to Cape routing is now rated at WS110, having peaked at WS125, this still represents a rise of about 18 points week-on-week. For 270,000mt to China, rates peaked at WS195/197.5 level. They are currently at mid WS160s, again a rise of 15-17.5 points since a week ago. In the 260,000mt West Africa to China market a similar story unfolded, with rates peaking at W177.5/180 level. This was before falling back to mid WS150s, up 15-17.5 points from last week. There was minimal enquiry for the 270,000mt US Gulf to China route and rates are being assessed now at just over \$16m. This is a rise from just under \$14m last week, with only one notable fixture of a Columbia to China trip at \$15.5m.

Suezmaxes

The market for 130,000mt West Africa to the UK-Continent had a much more adventurous week than in previous weeks. Rates were rapidly firming in the early part of the week, moving 50 points to low WS180s. A mirrored effect took place in the 135,000mt Black Sea to Mediterranean trade, with rates gaining 45 points to mid WS180s. The 140,000mt Basrah to Mediterranean route also gained traction and moved sharply upwards, with rates now at WS155, up 45-47.5 points over the week.

Aframaxes

A much more positive week in this sector. Rates for 80,000mt Ceyhan to the Mediterranean almost doubled, now being assessed at high WS220s, showing a gain of 120 points. In Northern Europe owners played a waiting game, which worked in their favour. Rates for 80,000mt cross-North Sea are now close to WS240, up 75 points. The 100,000mt Baltic to UK-Continent trade gained about 67 points to WS207.5/210 level. Across the Atlantic the market for 70,000mt Caribbean to the US Gulf has been boosted to WS200, a rise of 75 points. The 70,000mt US Gulf to UK-Continent-Mediterranean performed even better, gaining nearly 80 points to WS187.5-190 level.

Clean

For owners trading in the clean market, it was a phenomenal week in all areas. The market in the Middle East Gulf to Japan trade for 75,000mt started the week with a relatively modest gain of just over 27.5 points to low WS270s. By the end of the week it had risen to WS500, which was reported fixed by Chevron on STI tonnage. The LR1s followed suit, gaining just over 160 points, with last reported done here being on 'Sunda' to ATC at WS425. With plenty of enquiry, including period and charterers also looking for storage, the tonnage list was extremely tight. With delays at discharge ports, this was the perfect storm for owners to capitalise, with ships in ballast especially attractive. In the 37,000mt UK-Continent to US Atlantic Coast trade, rates more than doubled, with the market now hovering around WS425, with Baltic to West Africa fixed at WS450. Similarly, rates in the 38,000mt backhaul trade from the US Gulf to UK-Continent firmed from WS112.5 at the start of the week to sit now in the low WS260s. The 30,000mt clean cross-Mediterranean market ended last week in the low WS250s. There are now reports of WS550/575 having been done, with Black Sea to Mediterranean reportedly fixed at WS615.

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