

BalticBriefing

Baltic Exchange member news, views and events



Tanker Report – Week 18 2020

VLCCs

A quieter week in both Middle East and Atlantic regions has allowed charterers to regain control as tonnage availability increases, with the longer-term effects awaited of OPEC+ cuts, storage period charters and a fragile oil price alongside the shorter-term issues brought about by Ramadan and the various national holidays. In the Middle East rates for 270,000mt to China have fallen 70 points with a trader's relet reported to Unipet at WS85 while rates for 280,000mt to US Gulf via cape/cape routing also took a hammering, with a Chevron relet reported to Valero at WS40, down from WS100 a week ago. In West Africa, little activity was seen in the market for 260,000mt to China, although some of the failed fixtures from last week have been revived and renegotiated downwards with rates now assessed in the high WS90s and downward pressure continuing to be applied. There was very little activity in the Gulf of Mexico, however rate assessments have been revised to the \$12m mark for 270,000mt USG/China voyages, \$1.4m lower than a week ago.

Suezmaxes

Rates in this sector have tumbled, not only due to the collapsing VLCC market, but also the lack of enquiry and the small armada of cargo free vessels sitting off Gibraltar waiting for their next opportunities for gainful employment. Rates for 130,000mt Nigeria/UKCont have fallen 50+ points to WS117.5, while 135,000mt Black Sea/Med rates fell similarly to WS127 level. In the Middle East market, the focus has been on trips to the Far East where rates have come off, therefore sentiment alone has driven rates down 35+ points for 140,000mt Basrah/Med to low WS90s. However, this level is yet to be tested.

Aframaxes

Rates within Europe peaked and fell quite dramatically in the latter part of this week. 80,000mt Ceyhan/Med is now at WS172.5-175 level, down almost 60 points, while 80,000mt Cross North Sea is now WS155, a drop of 82.5 points and 100,000mt Baltic/UKC saw a similar capitulation to WS125-127.5 region. Across the Atlantic, rates for 70,000 Carib/US Gulf fell a modest 7.5 points to WS215 and 70,000mt US Gulf /UK Continent dipped about five points to WS187.5-190 level

Clean

After last week's phenomenal activity and rises in the market, this week has been less eventful and somewhat slower. However, thin availability of tonnage sees rates holding at WS500 for 75,000mt from Middle East Gulf to Japan. The LR1s, which peaked at around WS465 for 55,000mt, are presently assessed at around WS450 but brokers feel rates could be tested here. In the 37,000mt UKC to USAC trade rates eased dramatically from WS425 to sit now at around WS250 region with potential to weaken further. The market in the 38,000mt backhaul trade from US Gulf to UKC softened from WS 265 to sit now at WS 230 level and remains under downward pressure here. The 30,000mt clean cross-Med trade saw only limited activity with rates now assessed at around WS500.

For daily tanker market assessments from the Baltic Exchange please visit

www.balticexchange.com/market-information/