



Tanker Report – Week 20 2020

VLCCs

There has been a good volume of fixtures in the Middle East Gulf as charterers worked towards covering the balance of May cargoes. Next month will see fewer fixtures as there will be less cargoes due to the OPEC+ cuts, with reports of one charterer getting a third of their requested stems from Saudi Arabia – and the Kuwaitis reported to be aiming for their contractual minimums. Owners this week have managed to maintain rates, with 270,000mt to China at WS59 level, while 280,000mt to USG via the cape/cape routing remaining at just under WS35. In West Africa a similar tale bore out with rates remaining flat at WS57. In the Gulf of Mexico little activity was seen, with only a couple of cargoes being covered. Rates for 270,000mt USG/China voyages slipped \$400k to now be assessed around \$6.5m.

Suezmaxes

Rates in this sector remain under downward pressure, particularly in West Africa and the Middle East. The market for 130,000mt Nigeria/UKCont is currently assessed at mid WS80s,

down 5 points. However, due to the downturn of Middle Eastern fortunes for shipowners there are several ballasters from the East looking ex West Africa, demonstrating a weaker feel to both markets. Rates for 140,000mt Basrah/Med took a 10-point dive yesterday to WS45 level, as a trader's relet was taken by a Greek refiner at the equivalent of low WS40s. In the 135,000mt Black Sea/Med market rates have remained flat around the WS90 level.

Aframaxes

There were mixed fortunes in this sector, with rates for 80,000mt Ceyhan/Med falling steadily to WS110-112.5 level, down 20 points, with owners still trying to find the floor. Meanwhile, in North Western Europe rates for 80,000 Cross-North Sea were boosted by 15 points to WS115 and the 100,000mt Baltic/UKC route gained a modest 5 points. Across the Atlantic, rates for 70,000mt Carib/USG climbed 15 points to WS145 level, and 70,000mt USG/ARA is up 10 points to WS135.

Clean

Reverse gear was the name of the game this week as clean markets everywhere continued their dramatic falls. In the Middle East Gulf, the rates almost halved with 75,000mt to Japan now assessed at barely WS200, having started the week at WS387.5. The LR1s also followed suit, losing over 180 points to barely WS200 basis 55,000mt and remain under heavy downward pressure here. In the 37,000mt UKC to USAC trade rates began the week at WS 167.5, peaking at just below WS170 before falling away to settle at WS150 region. The market in the 38,000mt backhaul trade from US Gulf to UKC was flooded with tonnage and rates fell 15 points to WS87.5. The 30,000mt clean cross-Med trade continued its dramatic decline, with the market down 36.25 points at WS105 with charterers rather spoilt for choice here.

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