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Tanker Report – Week 21 2020

VLCCs

There has again been a good volume of fixtures in all areas this week, with charterers able to capitalize on weakening sentiment. In the Middle East Gulf, rates for 270,000mt to China softened about eight points to WS50 level and for 280,000mt to USG via the cape/cape route rates are now assessed at low WS30s – three points lower than a week ago. In west Africa, rates fell a modest four points to WS52.5 level. In the Gulf of Mexico, a few deals were seen with each one slightly lower than the next. For 270,000mt USG/China rates are assessed at just under \$5.9m, down from \$6.1m a week ago, although there is a report today of Occidental fixing at \$5.75m.

Suezmaxes

Rates in this sector in the West are now about 12% lower than a week ago, with 130,000mt Nigeria/UKCont rated at WS72, and 135,000mt Black Sea/Med at WS76.5. In the Middle East rates have eased slightly with 140,000mt to the Med down about 3 points at the WS37 mark.

Aframaxes

There was more downward pressure on this sector. In the 80,000mt Ceyhan/Med route, rates slipped a further nine points to high WS80s while in Northern Europe, 80,000mt Cross-North Sea is now about 10 points lower than a week ago at WS111. For 100,000mt Baltic/UKC, rates here remained flat at WS95-97.5 level. On the other side of the Atlantic a woeful tale bore out, with rates collapsing about 55 points (~35%) as 70,000mt Carib/USG is now rated at WS90 and 70,000mt USG/ARA is down to W88.

Clean

Overall it was another very disappointing week for owners as the slide in rates continued. In the Middle East Gulf, 75,000mt to Japan has now been fixed at WS120 – representing a loss of over 50 points from the assessment at the start of the week. In a similar vein, LR1s are hovering in the low WS130s for 55,000mt, equating to a drop of 30 points plus over the week. In the 37,000mt UKC to USAC trade rates began the week just below WS130 and WS105 has now been agreed. With a long weekend approaching – and sentiment weak – rates remain under significant downward pressure. The same gloomy scenario played out across the Atlantic with the 38,000mt backhaul trade from US Gulf to UKC falling around 17 points to WS70. The 30,000mt clean cross-Med trade provided the only modest encouragement for owners here with rates regaining some lost as they recovered to mid WS 130 representing an improvement of 20 points over this week.

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