



Baltic Briefing

Baltic Exchange member news, views and events



Tanker Report – Week 22 2020

VLCCs

Improved volumes have tightened the supply of vessels, enabling owners to regain some of the recent lost ground. The Middle East Gulf sector saw rates flat in the first half of the week, then progressive rises midweek with rates for 270,000mt to China jumping from WS50 to WS60 – and then mid WS60s. They now appear for the time being to have settled around WS65-67 region. Rates for 280,000mt to USG via the cape/cape route are now assessed five points higher than a week ago at WS36. In West Africa rates recovered 12 points to WS 64/65 level. In the Gulf of Mexico, although there has been limited activity, rates for 270,000mt USG/China rates are now assessed at just over \$6.5m, up about \$750k.

Suezmaxes

Rates in this sector in the West remained flat as 130,000mt Nigeria/UKCont are still at WS72 and 135,000mt Black Sea/Med at WS73. In the 140,000mt Middle East/Med market, rates have eased a further 4 points and now rest around WS32.

Aframaxes

There was more downward pressure on this sector. In the 80,000mt Ceyhan/Med route, rates slipped another eight points to WS80. In Northern Europe, 80,000mt Cross-North Sea lost another 15 points to WS92.5 and 100,000mt Baltic/UKC is now at WS75, 18 points lower than last week. Across the Atlantic yet more pain for owners as rates for 70,000mt Carib/USG were weakened by another 15 points to WS75. The market for 70,000mt USG/ARA is down around 13 points at WS72.5-75 level.

Clean

Overall it was another slow week in the Middle East Gulf, although levels appear to be stabilising with rates for 75,000 mt to Japan hovering around WS115/120 region. Likewise, the status quo is being maintained on the LR1s with rates assessed close to WS130 level for Japan discharge. Owners plying the 37,000mt UKC to USAC trade saw a good volume of enquiry. Rates recovered from low WS100s to WS140, which was agreed by Exxon on Torm tonnage. Brokers feel there is potential for further improvement here. It was a similar story in the 38,000mt backhaul trade from US Gulf to UKC, which saw a flurry of activity at end of last week ahead of the Memorial Day holiday in the USA. This led rates to firm from WS80 a week ago and the momentum was maintained with rates now sitting in the mid WS90s. The 30,000mt clean cross-Med trade continued to firm, gaining over 20 points a week ago. Levels were broadly maintained with west Med loading now paying in the low/mid WS150s with a Skikda load covered at WS 152.5. Cargoes loading in the east Med were fixed as high as WS 172.5/175, with Black Sea load paying around WS185.

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