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Tanker Report – Week 49 2020

VLCCs

Rates rose again this week, albeit modestly, which translates into an uplift in time-charter equivalent (TCE) earnings of between 45-50% in the Middle East and West Africa. Rates firmed 2.5 points to WS31 (about \$11,500 per day) for 270,000mt ME Gulf to China, while on the 280,000mt ME Gulf to USG via the Cape/Cape routing rates are assessed at WS16.5 level - up a single point. In the Atlantic, rates for 260,000mt West Africa to China firmed 4.5 points to just shy of WS35 (about \$17,500 per day). 270,000mt US Gulf to China rates are now assessed at close to \$4.7m, about \$80k higher than a week ago.

Suezmax

Rates for 135,000mt Black Sea/Med were weakened by two points to WS51 level and 130,000mt Nigeria to UKContinent is now trading around WS37 - also down a couple of points. In the Middle East market, rates remain around WS18-19 for 140,000mt Basrah/Med.

Aframax

Rates for 80,000mt Ceyhan/Lavera remained steady at WS60. In Northern Europe the 80,000mt cross-North Sea market slipped a couple of points to just under WS75 and 100,000mt Baltic/UK Cont saw a marginal slide of 1 point to WS45. Across the Atlantic, after the Thanksgiving impetus had subsided, rates have tumbled with charterers seemingly able to regain control. 70,000mt Carib/US Gulf rates fell 15 points to WS90, while 70,000mt US Gulf/UK Cont saw rates down 17 points to WS62.5-65 region.

Clean

In the Middle East Gulf/Japan trade, charterers have managed to squeeze rates down further with the market for 75,000mt starting the week in the very low WS70s before Idemitsu covered at WS67.5. Today levels are closer to mid WS60s. By contrast, it was a marginally better week for owners in the LR1 trade with rates for 55,000mt to Japan hovering between WS80/82.5 region - representing a gain of around five points. The MR market again saw decent activity with rates for 35,000mt AG/East Africa starting the week around WS135 before climbing to WS145 and then WS160. There is now talk of BP taking the 'Maersk Cayman' with last cargo vegoil - also for 6 December - loading at WS175. Closer to home, in the 37,000mt UKContinent/USAC trade, it was an uneventful week with rates holding steady at WS75 region. There was little to enthuse after the Thanksgiving holiday in the USA, with the backhaul trip of 38,000ms from US Gulf to UKContinent losing three / four points to sit now around WS45/46 region. The 38,000mt US Gulf to Brazil run drifted down around 1.5 points to settle at WS65. There was activity in the 30,000mt cross-Mediterranean trade with East Med loaders achieving mid WS80s and Black Sea paid between WS90/92.5 level. West Med tonnage was tighter - and the market peaked here at WS95 - although it is now assessed closer to WS90..

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