AFFINITY TANKER WEEKLY

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Crude Tanker Comments

After a rather quiet festive period, VLCC lists have replenished somewhat and some owners are now starting to get impatient once again with the lack of volume - not implying resistance, but there is a chance that soon there could be more willingness to get cracking. With dates in the natural fixing window, whether East or West of Suez, it shouldn't be too much of a tough task for charterers to keep things low and steady. A slight correction on the differential between TD3C and TD15 after competition saw sub-WS 45 locked in for a WAF/ECI run. On the other side, the equivalent of 270kt at circa WS 42.5 was done for a Taiwan run, bumping the Baltic assessment to WS 43.5. In the USG, TD22 has been seen getting paid at USD 6 Mn.

It isn't how any owners would have hoped to start the New Year, but then again, it was always going to be a slow end to this slightly awkward and broken few weeks. Next week, when we see most personnel on each side of the market come back online, we will maybe see a bit more activity. This, in turn, could start putting some upwards pressure on rates, especially as several relets have been tucked away now, which could provide more of a foundation for owners to put some pressure on. Also, rumours of a heavier third decade in the MEG should consolidate the floor.

On the Suezmaxes, 2025 started on a very quiet foot, with minimal fresh activity and tonnage lists remaining lengthy. Freight rates have subsequently corrected, with TD20 TCEs now just shy of USD 20,000 per day, well below 24 December's almost USD 25,000 per day. On the other hand, things remain pretty flat stateside, with just enough activity ex-Guyana to keep earnings flat at USD 18,000 per day levels since before Christmas. East of Suez also remains flat, with very little to report and earnings unchanged at USD 42,000 per day. There has been a dearth of activity also in the Med/Black Sea region and, with a softer Afra complex in the area, there could be a race to the bottom for freight rates, that is unless cargo demand picks up.

The Med Aframax list has really grown over the Christmas/New Year break. Numerous relets are being pushed and other owners look increasingly long, with some having over three vessels in the area – for now, there are seven FOCs, two more than the average over the past four weeks, but more are expected to come open over the weekend. Meanwhile, activity in the Med remains sluggish, and it feels this market will start shedding chunks, that is unless more cargoes come out. For now, X-Med is closing the week at WS 142 (basis 2025 flats), which translates to earnings of about USD 32,000 per day for an ECO ship.

There have been heavy corrections also in the USG, with the local market nosediving amid a lengthening tonnage list and very little activity to speak of. Therefore, it doesn't come as a surprise that earnings have settled at fresh lows of USD 23,000 per day on TD25, well below last year's average of about USD 40,000 per day for an ECO ship.

In the North Sea, the list is very long with pretty much all charterers pushing their own ships in the region. Also, standout options remain in abundance among the usual players. We don't expect much action with all the relets, but any cargo that does come should lead to significant declines in freight and earnings, which for now hover just shy of USD 30,000 per day for WC Norway/UKC.

Product Tanker Comments

It goes without saying that this week has been fragmented, with many being away from the desk to celebrate the New Year, while many were also off for Christmas the week prior, so naturally the market has struggled to get into its rhythm. That said, we can remain optimistic of things to come as market conditions seem primed given tonnage has been somewhat limited compared to previous weeks, so owners will likely be pushing for further gains to be made where possible.

By and large, activity levels this week have been reasonable but there has not been quite enough public cargo enquiry to shift the market towards an owner's market, thus slowing down the pace at which rates could improve. After some minor fluctuations throughout, TC1 closes the week at around WS 115, with LR2 AG/West business slowly climbing to USD 3.2 Mn. For the LR1s, activity levels haven't quite matched that of the LR2s and therefore we have begun to see rates stagnate for now.

This isn't to say that gains aren't there to be made, but cargo enquiry must improve to do so. TC5 can be rated at WS 115, whilst LR1 AG/West has positioned to USD 2.45 Mn. Sentiment is by no means doom and gloom and, looking ahead, there is optimism for market improvements as the demand for tonnage and cargo begins to build.

The North Asia MR market maintained its activity levels despite the disruption of a midweek holiday, with a steady influx of fresh enquiries throughout the week. The spike in demand was largely absorbed by the initially long tonnage supply, keeping freight rates stable. Backhauls traded around the USD 475,000 mark, while TC22 was repeated at WS 167.5. The outlook now leans towards the stronger side, with freight rates experiencing upward pressure as tonnage depletes up to the current fixing windows. If the current momentum carries into the following week, sentiment and rates are expected to firm further. Southeast Asia MRs held steady, with limited stems preventing upward pressure on rates. While prompt tonnage is tightening slightly due to vessels ballasting to the AG, the market remains balanced. Activity may pick up next week with the Chinese New Year approaching, but the current tonnage list appears stable.

In the UKC, MR activity was lacking until Friday, when it became slightly busier but didn't come quick enough to stop rates falling on TC2 to WS 110 (basis 2024 flats). Liftings to WAF are commanding a premium of 30 points over transatlantic runs. Still, prompt tonnage remains as it has all week. Despite a disjointed week over the New Year period, MRs in the Med have stayed steady by and large. This has been largely thanks to the emergence of a couple of prompt(ish) naphtha stems and replacements, along with three fresh cargoes coming out off the 10-12 January window in the latter part of the week, which has helped absorb the tonnage. Med/TA is currently steady at WS 125 (basis 2024 flats) off the natural fixing window.

The Med Handy market has started to soften towards the end of the week as the position list has built post-New Year's day. Current levels for TC6 are WS 165 (basis 2024 flats), which represents a 15-point drop from where we started the week. Perhaps more softening is likely given the pending weekend and potential re-stocking of the list.

	BDTI	BCTI
	841	591
Δ W-O-W	↓Softer	↓Softer

BDA

(USD/LDT)	TKR/LRG	TKR/MED	TKR/SML
This week	466.8	472.4	476.9
Δ W-O-W	0.3	-0.1	-0.4

BALTIC TCE DIRTY

	Route	Qnt	$ / Day	W-O-W
TD3C	ME Gulf / China	270,000	21,643	↑Firmer
TD7	UKC / UKC	80,000	30,895	↓Softer
TD15	WAF / China	260,000	26,360	↓Softer
TD19	Med / Med	80,000	39,897	↓Softer
TD20	WAF / Cont	130,000	22,070	↓Softer
TD22	USG / China	270,000	25,328	↓Softer
TD25	USG / Cont	70,000	23,882	↓Softer
TD26	EC Mex / USG	70,000	21,266	↓Softer
TD27	Guyana / UKC	130,000	23,290	↑Firmer

BALTIC TCE CLEAN

	Route	Qnt	$ / Day	W-O-W
TC1	ME Gulf / Japan	75,000	22,205	↑Firmer
TC2	Cont / USAC	37,000	7,378	↓Softer
TC5	ME Gulf / Japan	55,000	14,004	↑Firmer
TC6	Algeria / EU Med	30,000	18,017	↓Softer
TC7	Sing. / ECA	30,000	14,241	↓Softer
TC8	ME Gulf / UKC	65,000	18,154	↑Firmer
TC14	USG / UKC	38,000	13,787	↓Softer
TC17	ME Gulf / EAFR	35,000	17,634	↓Softer
TC20	ME Gulf / UKC	90,000	25,527	↑Firmer
TC21	USG / Caribs	38,000	13,161	↓Softer