



Crude Tanker Comments

VLCs end the week on a softer footing, after a few missed opportunities prevented any turnaround and kept levels trending downward. Only a couple of points have been shed throughout the course of the week, far from the bounce back that owners were hoping for coming in on Monday. Throw in a few failed AG subs bringing back good options on the front end of the list and it feels as though the market is susceptible to further downward testing. We have seen good volume East of Suez with enquiry spanning the second decade of March and a mixed bag of fixing numbers as a result. It does feel well covered now for early second decade but with work still to be done in the 15-20 March window.

The Atlantic has been markedly quiet this week with the exception of four+ Brazil fixtures and rumours of early April questions being asked. USG needs testing having been dormant all week, but a TD22 quote from yesterday attracting seven or so offers could provide the new benchmark as charterers aim for sub-USD 8 Mn. IE week has been in full swing in London, contributing to the considerable number of mysteries on the page and underscoring the fact there is still below-radar activity. With many of the mysteries committing to Cape, it suggests the Atlantic has not been as quiet as it appears on the surface. The tonnage outlook is fairly positive for owners still and, even with the usual weekend replenishment, should provide a good platform going into next week. It may take a few fixtures at current/lower levels to clear out the earlier positions, but it would be unwise to rule out a potential resurgence come mid/end week, providing enquiry picks up.

With IE week finally drawing to a close, its expected repercussions have borne fruit on the Suezmaxes, with a lack of enquiry in the Atlantic seeing rates drop to WS 85, down from WS 95 last Friday – TCEs remain OK, mind, slightly above the USD 30,000 per day mark. One reason to be positive for Suezmaxes in the West is that the crossover for Aframax in the USG is very close, so we can expect more charterers to consider those trades, especially if Afras escalate further. On the other hand, East of Suez markets have been a mixed bag to say the least. AG/India rates have made small gains with a lack of natural AG/India players in position for the current fixing window, however the West/East runs remain rather untested, but tonnage is more available for those voyages, with WS 102.5 reported last done for East. Meanwhile, TD23 keeps trundling along at the WS 88-89 mark.

Aframaxes had a very slow start to IE week, with next-to-no activity in the Med/Black Sea. The list was very accessible, building expectations from the very beginning that charterers would be testing rates increasingly lower. This was pretty much unavoidable, with rates dropping to WS 122.5, which brought charterers out of their hiding spaces just as the week came to an end. Thursday alone saw over eight cargoes worked and, while X-Med rates remained at the bottom at WS 122.5, certain voyages have been climbing up to WS 130 levels. Libya is well covered as the weekend looms, and natural candidates are expected to firm up over the weekend. On the upside, there have been positive news of KBT exports potentially resuming next month, but the actual cargoes are yet to materialise.

The North Sea and US Gulf markets also had a slow start to begin the week, with rates testing lower amid significant interest on a market quote. WS 110 levels were once again paid for X-North Sea, but lower has been achieved on certain runs - relets continuing to populate the list didn't help owners' case. And quiet days continued until the very end, with very little action reported in the North. Ballasters were out *en masse*, with eight of the FOCs heading TA, and two going to the Med. After a very busy previous week, the North Sea has returned to its normal lacklustre speed... Logical candidates remain in abundance as the week comes to an end, but with Med rates dropping, we expect to see fewer ballasters going over there, while a firming US market should keep attracting tonnage.

Product Tanker Comments

AG LR2 activity this week has been rife with off-market/private deals taking place, with approximately only 10 deals being quoted or leaked into the market. This can suggest that a lot of those private deals might not have much bearing on freight levels, with rates being pretty much "same-same". When cargo had been quoted in the market, it did in fact expose how many vessels are available in the fixing window, as we saw rates take an unexpected haircut on Wednesday. Several westbound deals had been agreed at a similar time at USD 3.20 Mn and USD 3.25 Mn via Cape, with another Sikka/West at USD 3.20 Mn for a +15-year-old and Russian-history vessel routing via Suez. There had been some midweek softening for TC1, but the latest fixture today had been agreed slightly up at WS 125. Rumours are today of owners offering at WS 135 levels for TC1, so confidence amongst owners is robust.

It has been a rather uninspiring week on the LR1s, with little fresh activity to report day by day. We have seen six failed cargoes and mostly short haul business elsewhere so it will be no surprise if we see tonnage build up quite dramatically over the next one-two week fixing window, this could have adverse effects on freight levels. We are yet to see any westbound cargoes load out of the AG this week so rates have been untested; we have freighted it at USD 2.80 Mn this week, but owners may find it difficult to achieve these levels next week given the build up of tonnage. TC5 had been agreed at WS 140 at the start of the week but has yet to be retested too. Ultimately, the short-term outlook on the AG LR1s is bearish if demand remains sluggish. On the contrary, there has been a solid amount of activity seen in the Red Sea this week which is starting to tighten up - the latest X-Red Sea agreed was at USD 600,000.

It has been a slow week also for the Southeast Asia MRs, with demand sluggish through and sentiment soft. As such, freight rates corrected down on both TC7 and regional short haul runs, with TC7 dropping to WS 180 and X-Singapore reported dropping below USD 200,000. The outlook going forwards looks positive, with demand rising as we saw more TC7 enquiries come in towards the end of this week. The firming AG market is expected to provide some support to freight rates as well, and a more balanced tonnage list as we approach the forward fixing windows means that we may soon see rates bottom out.

Activity overall has been on the quieter side this week in NWE with IE week in full swing in London. Despite this, with tonnage not oversupplied on the Handies, rates have held relatively stable around WS 200 levels but with some cargoes also finding other routes of cover by taking MRs or even covering on smaller tonnage.

Despite limited enquiry throughout IE week, rates have remained fairly stable on the continent on MRs. However, the lack of activity eventually took its toll and cracks started to appear towards the end of this week and TC2 is now freighted at WS 150.

Med Handies have had a quieter time of it this week, perhaps as expected. A few bits have been bubbling below the surface, and they have tightened the list since Monday; however, not enough to stop rates correcting to end the week at WS 155 levels for TC6.

MRs in the Med have ticked over steadily on the activity levels with a balanced tonnage list, and we have seen a notable level of enquiry on the naphtha; however, freight has relaxed slightly throughout the week, and we are now fixing approximately WS 165 levels for Med/TA.

		BDTI		BCTI
		885		670
Δ W-O-W		↓Softer		↓Softer
BDA				
(USD/LDT)		TKR/LRG	TKR/MED	TKR/SMI
This week		448.3	452.8	455.6
Δ W-O-W		-3.1	-3.3	-3.4
BALTIC TCE DIRTY				
Route		Qnt	\$ / Day	W-O-W
TD3C	ME Gulf / China	270,000	37,233	↓Softer
TD7	UKC / UKC	80,000	28,824	↑Firmer
TD15	WAF / China	260,000	40,141	↓Softer
TD19	Med / Med	80,000	30,729	↓Softer
TD20	WAF / Cont	130,000	33,827	↓Softer
TD22	USG / China	270,000	41,239	↓Softer
TD25	USG / Cont	70,000	38,568	↑Firmer
TD26	EC Mex / USG	70,000	28,819	↑Firmer
TD27	Guyana / UKC	130,000	33,333	↓Softer
BALTIC TCE CLEAN				
Route		Qnt	\$ / Day	W-O-W
TC1	ME Gulf / Japan	75,000	24,745	↑Firmer
TC2	Cont / USAC	37,000	16,483	↑Firmer
TC5	ME Gulf / Japan	55,000	18,927	↑Firmer
TC6	Algeria / EU Med	30,000	13,731	↓Softer
TC7	Sing. / ECA	30,000	18,453	↓Softer
TC8	ME Gulf / UKC	65,000	21,963	↑Firmer
TC14	USG / UKC	38,000	4,766	↓Softer
TC17	ME Gulf / EAFR	35,000	22,169	↑Firmer
TC20	ME Gulf / UKC	90,000	26,491	↑Firmer
TC21	USG / Caribs	38,000	7,131	↓Softer