



Crude Tanker Comments

It has been a week of good activity without much material gain on the VLCCs, with indices only improving by a couple of points across the board. In the AG, we've seen charterers round off their end-March dates ahead of the release of April's stems, moving prudently to prevent any floodgates opening and restricting the gains to a half-point here and there.

Options on the list are still limited for any end/early dates, so we could yet see further improvement, but it has become a slower march to the WS 60-mark basis TD3C than many had hoped.

The theme of older tonnage getting booked ex-WAF has continued, with three vintage ladies going this week, highlighting charterers' desire to prioritise value over the modern units.

The Americas complex has also held steady, with last done for Brazil/East at WS 57 and USD 7.3 Mn repeated a couple of times for TD22. More enquiry is needed to avoid prolonged stagnation, otherwise, despite tonnage supply being well balanced, it feels the market will continue to drift at steady levels next week.

From a Suezmax perspective, we comparison, start with CPC; rates are up from WS 100 on Monday to WS 130 last reported, with more cargoes still working at the time of writing. WAFR was also very active in the third decade March window, although rates have only climbed minimally compared to CPC – from WS 87.5 to WS 95 so far. Rumours that WS 100 was paid for TD20 were incorrect and it seems that it was paid on a Hawaii options cargo.

With both these markets so active, tonnage is wafer thin in the usual shopping area of the UKC and Med as we head into next week; the market is poised to firm further.

By comparison, East of Suez is very much the 'ugly stepsister' of the West, with minimal action reported in the open market, save for the occasional AG/India run. It has been very dull in comparison, and we expect owners to be ballasting their ships west rather than mess around in a market with a deafening silence to it.

A slow start in the Med for Aframax set the tone for the week. Charterers tested rates down and TD19 slid to WS 115 on Tuesday, its lowest level since mid-January. However, a shorter list on the front end ensures this is the bottom and activity duly picked up on Wednesday through Thursday.

However, despite seven+ cargoes being worked on Thursday, charterers managed to keep rates at last done levels. Owners are wary of a low CPC programme expected for April, but we head into the weekend with a steadier feel in the market, despite TD19 holding at around WS 115.

In the North Sea, the market has continued to trundle along the bottom. Charterers are still presented with ample options, despite vessels ballasting out of the market. There was a large clear-out on Thursday amid non-existent enquiry, but the shorter tonnage list has improved the mood somewhat despite TD7 holding at WS 107.5 – 110 levels.

Product Tanker Comments

A real burst of energy on the LR2s, which was foreseen by many as the consequence of the gradually thinning position list over the last two weeks has gifted less and less room for charterers. We started the week with a WS 5-point lift on 75,000mt Arabian Gulf/Japan with WS 135 being agreed. Then more and more questions developed, which then led to a 10-point lift in Australian importing, with 75,000mt x WS 150 agreed for Sikka/Australia.

Then we saw the impact on the undervalued westbound trade, which lifted from USD 3,325,000 to USD 3,675,000, and then USD 3,900,000, before rising to USD 3,925,000. Australian imports then kicked on again with another 15-point lift and WS 165 on subs at the time of writing. TC1 rests at the last publicly recorded number of WS 150 on subs, but ideas are more likely hovering around WS 160 for the next round of deals.

Red Sea exports have been strong, with around six-eight LR2s finding employment for Yanbu or Gizan/West with laycans in the last two weeks of March and rates now up to USD 2,950,000 last done for a Yanbu load. The perspective remains balanced on the supply side for Monday basis Fujairah but, with this confidence really building from owners, we would only expect stronger numbers being aimed for when we resume our seats next week.

On the LR1s, we've seen a significant increase in activity, with around 26 ships being either put on subs or fixed throughout the week. As a result, the list has tightened considerably, with only 15 ships remaining in the 15-day window. Of those, just four are non-compromised (last CPP, no DD, under 15 years old, etc.) as of today. Unsurprisingly, rates have strengthened, with TC5 rising 30 points to WS 160, and there should be capacity to outstretch this in the next deal.

Westbound business has been particularly busy, with USD 3.325 Mn agreed at the start of the week, eventually being surpassed and settling at USD 3.925 Mn by week's end. Sikka/Oz business also saw a jump, climbing 25 points to WS 165. One notable trend this week has been the number of stems that have taken two or more vessels due to the volume of product being moved. Owners will be hoping to ride this momentum into next week, provided demand stays as strong as it has been.

In the West, MRs have remained fairly steady throughout the week. It should be noted some owners with Chinese vessels under their command have been reluctant to fix any transatlantic business until concerns on fees and tariffs become clearer. TC2 has hovered around 37 x WS 145-150 while Cont/WAFR runs have been slow and the rate is assessed at WS 170.

On the Handies in Northwest Europe, A good level of activity throughout the week has kept tonnage tight and, tied in with a decent week activity-wise on the MRs, sentiment until Friday has been firmer in the North. 30 x WS 195 is latest on subs ex-Cont and WS 200 on subs ex-North Spain for Cont runs. With the MRs feeling weaker for Friday, there is the possibility that MRs will begin to cap the Handies once again here, with third decade tonnage looking well supplied for when we come in on Monday.

		BDTI	BCTI	
		941	750	
Δ W-O-W		↑Firmer	↑Firmer	
BDA				
(USD/LDT)		TKR/LRG	TKR/MED	TKR/SML
This week		447.1	451.2	453.1
Δ W-O-W		-1.2	-1.7	-2.5
BALTIC TCE DIRTY				
	Route	Qnt	\$/ Day	W-O-W
TD3C	ME Gulf / China	270,000	39,850	↑Firmer
TD7	UKC / UKC	80,000	26,337	↑Firmer
TD15	WAF / China	260,000	41,977	↑Firmer
TD19	Med / Med	80,000	26,217	↓Softer
TD20	WAF / Cont	130,000	45,287	↑Firmer
TD22	USG / China	270,000	36,739	↑Firmer
TD25	USG / Cont	70,000	30,591	↓Softer
TD26	EC Mex / USG	70,000	23,538	↑Firmer
TD27	Guyana / UKC	130,000	41,490	↑Firmer
BALTIC TCE CLEAN				
	Route	Qnt	\$/ Day	W-O-W
TC1	ME Gulf / Japan	75,000	37,219	↑Firmer
TC2	Cont / USAC	37,000	17,944	↑Firmer
TC5	ME Gulf / Japan	55,000	27,877	↑Firmer
TC6	Algeria / EU Med	30,000	27,703	↑Firmer
TC7	Sing. / ECA	30,000	21,950	↓Softer
TC8	ME Gulf / UKC	65,000	29,813	↑Firmer
TC14	USG / UKC	38,000	5,343	↑Firmer
TC17	ME Gulf / EAFR	35,000	22,468	↑Firmer
TC20	ME Gulf / UKC	90,000	38,089	↑Firmer
TC21	USG / Caribs	38,000	7,411	↑Firmer



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