



Crude Tanker Comments

It has been an exceptionally busy week on the VLCCs that once again showcased how rapidly sentiment can move the needle in the sector. Monday opened with a handful of market quotes, and by Tuesday, the remaining April AG dates were released, causing cargo enquiry to come thick and fast.

Fundamentals played their part, with limited modern well-approved vessel availability in the 1-5 April window causing a bit of a scramble to cover amidst rising levels. Tonnage was cleared out as TD3C charged toward the WS 70-mark but, similar to recent months, these returns appeared too attractive, and a quiet Thursday forced owners' hands to cover bases rather than seek improvements. The market has now topped, with last done AG/China below WS 64 today, and charterers are happy to hold off before returning next week to apply further downward pressure.

Atlantic activity has been steady with plenty of end-April enquiry ex-Americas. Freight rose in line with eastern activity but, without much change in the tonnage supply, appears vulnerable to fall back congruently. Owners will need to regroup next week and go again, perhaps buoyed by the recent news of further Iranian sanctions on Thursday, although it is probably too early to determine what impact this will have. There is hope that there should be further end-first decade volume to cover in the AG and, should Atlantic enquiry pick up, it would safeguard against too heavy a drop in fixing levels.

It has been a funny old week for Suezmaxes. Owners were confident at the start of the week that rates would push on, but relets ended up spoiling the party in WAFR, with rates now repeating at WS 95 for TD20. We are expecting rates to kick on again for cargoes that work in second decade April, owing to the lack of VLCC action in WAFR, which should leave lots of volume for Suezmaxes.

The USG also remains firm with one cargo still uncovered and with only three offers in at present. East of Suez has been active with the usual AG/India run paying up to WS 140! But for the longer haul routes, rates remain flat as a pancake.

It was a largely uneventful week for Aframax in the Med until Thursday. Until then, a replenish tonnage list had ensured that rates were ticking over at the bottom through the first half of the week. But, come Thursday, volumes increased amid a short list, compounded by some tricky cargoes, which gave owners the impetus to push rates a bit higher. TD19 climbed from WS 115 to around WS 125 at the time of writing and sentiment is firmer. The action is expected to continue as we head into the weekend.

By contrast, the North Sea remains stilted. Rates continue to drift at WS 107.5 levels, with those vessels able to ballast out of the region continuing to do so. However, there is still ample tonnage to Hoover up what little enquiry there may be, meaning little prospect of any change in fortunes.

Product Tanker Comments

There was enough of a buzz as we started off this week, which was stoked further by USD 4,250,000 being reported on Tuesday as fixed for a prompt cargo from West Coast India to UKC via the Cape of Good hope. This has taken the westbound trade to above USD 4 Mn for the first time since January, which has of course led to firming on the naphtha trade as well, with an increase of WS 5 points on TC1, with WS 165 being the latest agreed for 75,000mt.

East African imports also improved with a WS 47.5-point improvement basis 90,000mt up to WS 170 being fixed. This bullish energy was only witnessed in the first two days of the week, after which we have noticed a significant dying down of fresh demand since. The list remains poised come Monday, so owners will have some confidence that the quieter end of the week does not dampen their aspirations too much.

On the LR1s, it seems like we've had another week split into two halves. The beginning of the week saw a healthy amount of stem quotes and ships being placed on subjects, which added pressure to an already tight tonnage list. This week, the balance between short-haul and long-haul business has been fairly even, after several weeks in which short-haul dominated. Despite the tightening tonnage list, rates have fluctuated quite a bit, not following the steady, consistent upward trend that many had anticipated.

The most recent TC5 was recorded at WS 182.5, a gain of around 15 points since the start of the week, though it was due to a replacement deal. There's been some westbound enquiry, but it's been limited to only a few quiet fixtures, leading to differing opinions on what the market rate should be. Given the shortage of available tonnage during the natural fixing window, we suggest freight rates at USD 3.30 Mn via Suez. The second half of the week was much quieter, with only a handful of small fixings taking place and no significant volume coming through the market. However, with the tonnage list still so tight, it's unlikely that rates will soften next week. We'll have to see how much cargo demand emerges moving forward.

In the UKC, Handies firmed gradually throughout the week on the back of a firm MR market. X-UKC moves went up to the equivalent of 30 x WS 210 by the end of the week and UKC/Med was seen fixed at 30 x WS 190.

As mentioned, it was a busy week for the MRs. Front-end tonnage has cleared out and the market has moved up by 30 points from the start of the week, with WS 180 the call to finish.

In the Med, it was a very quiet Friday for the MRs as expected with nothing fresh reported here as the market cools with tonnage tight. WS 280 is the latest seen subbed with rumours of WS 285.

It was also a very positive week for the Handies in the Med, with levels rising roughly 80 points since Monday. All eyes are now on how itineraries look come Monday morning. One fresh stem was seen on Friday, but off the back of this no further movement has been seen in the MR market. WS 170 is the call at close with tonnage tight and, on the surface, most waiting until Monday now to work.

		BDTI		BCTI
		990		848
Δ W-O-W		↑ Firmer		↑ Firmer
BDA				
(USD/LDT)		TKR/LRG	TKR/MED	TKR/SML
This week		450.0	453.2	456.6
Δ W-O-W		4.0	2.6	2.8
BALTIC TCE DIRTY				
Route		Qnt	\$ / Day	W-O-W
TD3C	ME Gulf / China	270,000	46,589	↑ Firmer
TD7	UKC / UKC	80,000	25,230	↓ Softer
TD15	WAF / China	260,000	48,171	↑ Firmer
TD19	Med / Med	80,000	33,386	↑ Firmer
TD20	WAF / Cont	130,000	40,975	↓ Softer
TD22	USG / China	270,000	43,446	↑ Firmer
TD25	USG / Cont	70,000	35,548	↑ Firmer
TD26	EC Mex / USG	70,000	29,226	↑ Firmer
TD27	Guyana / UKC	130,000	39,922	↓ Softer
BALTIC TCE CLEAN				
Route		Qnt	\$ / Day	W-O-W
TC1	ME Gulf / Japan	75,000	38,714	↑ Firmer
TC2	Cont / USAC	37,000	21,899	↑ Firmer
TC5	ME Gulf / Japan	55,000	29,844	↑ Firmer
TC6	Algeria / EU Med	30,000	50,941	↑ Firmer
TC7	Sing. / ECA	30,000	23,034	↑ Firmer
TC8	ME Gulf / UKC	65,000	33,779	↑ Firmer
TC14	USG / UKC	38,000	11,524	↑ Firmer
TC17	ME Gulf / EAFR	35,000	29,308	↑ Firmer
TC20	ME Gulf / UKC	90,000	42,076	↑ Firmer
TC21	USG / Caribs	38,000	16,921	↑ Firmer



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