



Crude Tanker Comments

It has been a week of slightly different fortunes each side of Suez on the VLCCs but, with a busier end providing a more tangible assessment of where things stand. Information flow was lacking to begin the week, with ships disappearing quietly but little detail on levels. West of Suez has proved more resilient, owing to a tighter list on the front end, which has helped prop up rates.

Both WAF and Brazil are in the high WS 50s still, bar one market quote ex-Brazil achieving WS 55 on an eastern relet, and TD22 has corrected to low USD 8 Mn after the list opened up a touch for the 10-15 May dates being covered. The AG has been susceptible to downward pressure from charterers, with abundant compromised vessels to leverage – three ex-DD and 16+ older ships with ETA Fujairah prior end-April to start the week.

A couple of mid-week AG market quotes attracted numerous offers, taking the TD3C equivalent below WS 55 last done. There has since been resistance from owners, buoyed by the May stem release next week and the likelihood of an increase in cargo volume – a theme seen over the last few months now. We head into next week with lists looking well-balanced and the prospect of more enquiry to come in the natural window.

On the Suezmaxes, it has been a matter of how quickly things can change... CPC was ordered to pay a nominal fine and loadings ordered to resume, although at the time of writing, only one of the two SPMs taken down has since loaded a ship. The CPC programme again fills owners' hearts with joy, with 39 stems to load Suezmax in May (13 each decade).

The list in the Atlantic also remains on the tighter side as next week hones into view, and owners are optimistic that rates will kick on off the back of CPC activity. East of Suez saw a lot of ships head west after a lacklustre start to the market this week, but volume did finally arrive, but rates once again remain flat as the overabundance of tonnage worked against owners.

After a slow start to the week, the Med Aframax market has picked up sharply. News last Friday that CPC exports from SBM 1 and 2 would be resuming buoyed sentiment, but very little enquiry came into the market through Friday and Monday. Prompt tonnage continued to roll over without cover and, on Tuesday, TD19 fell to around WS 155 levels.

But activity suddenly picked up and, as rates bottomed, the list had become very thin. By Thursday, the "relentless" enquiry continued to boost owners' ideas and rates rose to WS 180. A firmer Suezmax market, itself supported by the resumption of a strong CPC program for May – courtesy of the surprise Opec+ announcement of raising production by 411,000 bpd – has ensured that they offer no respite. As we move into the weekend, the tight list suggests that rates have further to climb.

After the excitement of last week in the North Sea, this has been a quieter week. But the generally shorter list and strength in the other markets have been enough to keep TD7 at around WS 135 levels, and they are unlikely to fall by any significant amount anytime soon.

Product Tanker Comments

After a slow start for the LR2s in the AG, things have never really got going amid little happening. Inevitably, rates started – and continued – to slide over the course of the week. It has come as little surprise, then, that TC1 has fallen to around WS 130 to close the week, dropping around 20 points from where we ended the last. Returns for a modern vessel are around USD 28,000 per day.

Westbound has also slipped, albeit less dramatically, settling around USD 3.75 Mn after levelling out somewhat on Friday.

Things have been a little more active on the LR1s with bits and pieces coming through. On Tuesday, we saw six vessels being put on subs, but this was not enough to stem the inevitable slide, with tonnage remaining balanced. Compared to the LR2s, the damage was minimal, but we close the week with TC5 at around WS 140, registering a five-point drop compared to the end of last week, with earnings just hovering above USD 20,000 per day for a modern unit.

The malaise has spread to the MRs in the AG, too, albeit less markedly. Pockets of tightness in the fixing window have failed to rouse the market from its general flatness, but the market's fundamentals feel more balanced.

In the West, TC2 has corrected sharply this week, sliding down to around WS 125, its lowest level since mid-February. Returns for a modern vessel have slumped below USD 12,000 per day, although the damage has been mitigated somewhat by falling bunker prices after the havoc caused in the commodity markets – oil particularly among them – by Trump's "Liberation Day" tariffs.

On a more positive note, Med Handies have tightened up significantly this week and, as a result, rates have firmed dramatically. Rumours of 30kt x WS 275 are now on subjects, up almost 100 points from Monday if the rumours prove to be true, which would equate to earnings pushing USD 50,000 per day.

On the MRs, rates have ticked over this week with private business supporting the market, as well as the aforementioned strong Handy market absorbing tonnage. Med/TA was last subbed at 37kt x WS 162.5 and has a good chance of pushing higher come Monday if volumes are there.

Across the Atlantic, the US markets have been fairly slow since the middle of last week, with the cargo count on the lower side. This has allowed ships to build, and rates have been sliding all week. USG/Caribs started the week at USD 600,000 and closes it with USD 500,000 on subjects. Meanwhile, TC14 has fallen down to 38kt x WS 100.

		BDTI		BCTI
		1132		679
Δ W-O-W		↑Firmer		↓Softer
BDA				
(USD/LDT)		TKR/LRG	TKR/MED	TKR/SML
This week		460.4	464.5	466.4
Δ W-O-W		7.9	9.0	7.3
BALTIC TCE DIRTY				
Route		Qty	\$ / Day	W-O-W
TD3C	ME Gulf / China	270,000	35,106	↓Softer
TD7	UKC / UKC	80,000	52,590	↓Softer
TD15	WAF / China	260,000	41,547	↑Firmer
TD19	Med / Med	80,000	69,296	↑Firmer
TD20	WAF / Cont	130,000	47,705	↑Firmer
TD22	USG / China	270,000	45,462	↓Softer
TD25	USG / Cont	70,000	52,162	↑Firmer
TD26	EC Mex / USG	70,000	67,603	↑Firmer
TD27	Guyana / UKC	130,000	46,936	↑Firmer
BALTIC TCE CLEAN				
Route		Qty	\$ / Day	W-O-W
TC1	ME Gulf / Japan	75,000	28,264	↓Softer
TC2	Cont / USAC	37,000	11,879	↓Softer
TC5	ME Gulf / Japan	55,000	20,470	↓Softer
TC6	Algeria / EU Med	30,000	34,458	↑Firmer
TC7	Sing. / ECA	30,000	18,303	↓Softer
TC8	ME Gulf / UKC	65,000	25,372	↓Softer
TC14	USG / UKC	38,000	6,557	↓Softer
TC17	ME Gulf / EAFR	35,000	20,171	↑Firmer
TC20	ME Gulf / UKC	90,000	35,181	↓Softer
TC21	USG / Caribs	38,000	12,379	↓Softer



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