



Crude Tanker Comments

Considerable gains were made across the board this week on the VLCCs, with the AG leading the charge. 1st decade May cargoes came thick and fast from the outset, having piled up a bit over the Easter holidays, and charterers needed to cover their bases against a contracting tonnage list. TD3C jumped from the mid WS 60s to low 70s as a result, with some charterers reaching into early 2nd decade to ensure coverage. It will be interesting to see where we go from here – charterers will naturally try to take the momentum away and will be in no rush to cover beyond mid-month dates. On the other hand, with the Chinese off next Thursday, Friday and Monday, plus others off for Labour Day, we could see some early action next week to keep the market propped up. As with past months, however, once the market hits WS 70 levels, the returns can be too tempting to turn down, so owners' resolve will be an important factor, particularly as charterers will likely take the private route next week.

WAF and Brazil have firmed in accordance with the AG, but with little open enquiry / circulated info to provide a firm benchmark. A few mid-month WAF cargoes are doing the rounds today and, with the Suezmax market still firm for now, we are likely to see VLCCs remain the preference in the short term. The USG has been busy but with little material change in freight – TD22 has hovered in the USD 8.2 – 8.3 Mn range. There are a couple cargoes still reportedly working, but with the list providing sufficient options, it's unlikely we'll see any dramatic change just yet.

The market in the West started off steadily after the Easter break, but an influx of enquiry in WAFR and the Med increased owners' sentiment and, with the cargoes in WAFR being more awkward voyages on the whole, owners held the cards and rates have increased for TD20. CPC rates saw a brief dip on a relet before rebounding to WS 135 and those levels so far have been retained. There is some caution to note however as now dates are moving on and tonnage is committing ex-East, which coupled with tonnage opening in Europe over the weekend, seems to suggest the market will cool down from next week. East of Suez has been a quiet affair with rates languishing at WS 100 for East and circa WS 55 for westbound. More tonnage is committing to ballast out rather than stay local, but it seems there will be enough players around to keep rates where they currently stand.

Courtesy of the long Easter weekend, Aframax tonnage in the Med was given ample opportunity to refresh and owners' hopes for a busy start to the week on Tuesday were swiftly dashed. Having closed at WS 195 on Thursday last week, TD19 quickly fell under pressure, and charterers were able to knock rates down to WS 180 levels. These levels were repeated throughout the middle of the week, with owners worried about missing out and, although there were some X-Med standouts to work through and a subsequently busier week, rates have failed to budge and remain at WS 180. As we close the week, the front end of the tonnage list has noticeably thinned, with very little opening prior to end-month dates. However, X-Med appears to be working 6 May onwards now, so the list appears balanced for the next dates.

By (some) contrast, the North Sea Aframax market has firmed slightly over the course of the short week. The market has been busy as dates shift into May laycans and, with faced with a short tonnage list, charterers have been forced to cough up a couple of extra points. TD7 has climbed to WS 140 levels and, with some vessels continuing to ballast across the Atlantic, further enquiry could push levels even higher.

Product Tanker Comments

Tuesday and Wednesday this week saw an encouraging spat of enquiry entering the LR2 segment and any ideas of achieving sub-WS 120 for Arabian Gulf/Japan were quickly dispatched on Wednesday, when WS 125 was agreed three times in quick succession. Since then, the demand has been a lot quieter in the Arabian Gulf / West Coast Indian loading markets, but with the list on the leaner side, come Monday, owners will retain their cautious optimism, especially as the LR1 segment is bubbling up beneath them, which has every chance of more stems developing more in this segment. The Red Sea has had a slightly different week of it; with reduced West loading demand, we saw USD 2,500,000 agreed on subs last night from two East Med ballasting ships for Yanbu/UKC, which represents a USD 275,000 discount on the last agreed number.

It has been a very much revitalised market in the LR1s this week that started from Good Friday onwards. A host of deals came through and, to start with, the numbers agreed were in line with last done levels as charterers scooped up a whole bunch of the prompter ships which were clogging up the top of the lists. USD 350,000 was the going number to start with for a standard X AG cargo, but last done peaked up to USD 475,000, and the view here being that for any more local activity that needs to be covered soon will only lead to more monies being deemed appropriate. 55,000mt naphtha Arabian Gulf/Japan moved on from WS 135 to WS 140, WS 145, and more recently WS 150 which, while this top number has since failed, does set the bar around these levels with the list this lean. Westbound has been quite varied on where to call it; at the start of the week, we saw USD 2,900,000 being agreed for Sikka/USAC, but we would only expect considerably more than this to develop when next looked at after the positivity witnessed this week.

Coming in this week off the back of the long easter weekend saw Med MR tonnage levels well supplied here, added to by a quieter West Africa export market currently adding more ballasters to the list in direction Gib. Rates came under pressure as a result and Med/TA has ticked down to the now subbed and repeated level of WS 145. This is now holding, with a better performing northwest Europe market giving the MRs some stability going into the close of the week. It's a quiet close here now, with little fresh seen in the market for Friday and looking forward, further enquiry is needed ex-Med or NWE to continue to clear out the positions en route to Europe currently. It's been a steady week here on the Handies, too. Up until today, we have seen on-and-off market fixtures subbed mostly around WS 170, the level at which we opened the week on Tuesday. Off the back of a decent level of activity and tonnage tightening, Friday has seen a slight uptick in levels and WS 175 has now been subbed and repeated here to close the week. Going into next week, we expect another resupply of vessels and, with the cargo window now working into early May dates, we should begin to see further positions firm enough to work in this window come Monday. A quick start needed to maintain levels here.

In the UKC, the MR market has not really moved too much this week. There was always some wood to chop through coming in after the long weekend; however, a decent week of activity has resulted in WS 152.5 being paid twice on Friday to close. The Handies this week have remained fairly stable and fixing in the region of 30 x WS 167.5-172.5 for X-UKC. UKC/Med runs were arranged at 30 x WS 162.5.

		BDTI		BCTI
		1142		676
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		0.0	0.0	0.0
BALTIC TCE DIRTY				
Route		Qty	\$ / Day	W-O-W
TD3C	ME Gulf / China	270,000	55,010	↑Firmer
TD7	UKC / UKC	80,000	55,065	↑Firmer
TD15	WAF / China	260,000	52,418	↑Firmer
TD19	Med / Med	80,000	61,124	↓Softer
TD20	WAF / Cont	130,000	57,338	↑Firmer
TD22	USG / China	270,000	45,941	↑Firmer
TD25	USG / Cont	70,000	46,507	↓Softer
TD26	EC Mex / USG	70,000	52,561	↓Softer
TD27	Guyana / UKC	130,000	54,152	↑Firmer
BALTIC TCE CLEAN				
Route		Qty	\$ / Day	W-O-W
TC1	ME Gulf / Japan	75,000	26,921	↑Firmer
TC2	Cont / USAC	37,000	16,231	↓Softer
TC5	ME Gulf / Japan	55,000	22,849	↑Firmer
TC6	Algeria / EU Med	30,000	20,182	↓Softer
TC7	Sing. / ECA	30,000	15,577	↓Softer
TC8	ME Gulf / UKC	65,000	25,483	↑Firmer
TC14	USG / UKC	38,000	9,335	↓Softer
TC17	ME Gulf / EAFR	35,000	21,275	↑Firmer
TC20	ME Gulf / UKC	90,000	31,550	↓Softer
TC21	USG / Caribs	38,000	11,665	↓Softer



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