AFFINITY TANKER WEEKLY

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Affinity Research LLP, 44th Floor,
The Leadenhall Building, 122 Leadenhall Street,
London, EC3A 8EE, United Kingdom

T. +44 203 142 0100
F. +44 203 142 0101

E. research@affinityship.com
W. affinityship.com

Crude Tanker Comments

It's been a busy week on VLCCs with plenty of ships disappearing on private terms, adding to the firming sentiment across all regions. The AG has slowly picked itself up off the bottom, cruising through the high WS 40s with next done likely to start with a '5' for modern TD3C. Many owners have been holding off the past couple days, confident in continued improvement and, with August stems releasing next week, they are optimistic of charterers simultaneously working late July and early August dates, which could further drive fixing levels. The week started with a bloated AG list but that has now been chopped down to more balanced supply.

West of Suez, the lists are much tighter, particularly on the front end where charterers have needed to move quickly or get creative when covering their dates. TD22 has finally crossed the USD 7 Mn mark with USD 7.05 Mn repeated a few times and now owners will be seeking added upside come Monday. Brazil has been exceptionally busy with at least nine fixtures sealed this week and another cargo reported working. Rates have been a bit slower to react, however, with only a 1.5-point gain for Brazil / East from last Friday. Nevertheless, options for natural dates have dwindled significantly, so there is scope for more firming if supported by consistent enquiry. The same can be said in WAF, albeit with far less volume covered; that reduced supply leaves the complex poised to firm up. Overall, activity has been consistent to address the lacklustre fundamentals we saw at the beginning of the week whereby owners should be confident of further improvements heading into Monday.

On the Suezmaxes, charterers starved the market all last week and for the start of this week, and tonnage was looking pretty long. But all the cargoes that were sat on came out at once and owners managed to in fact reclaim 2.5 points from last done WS 77.5, and the fixing level was then pretty much set for the week. It is worth noting that WS 75 has been paid ex-Angola which, coupled with expectations of the third decade WAFR programme being mostly covered, that softness is creeping in for next week.

The USG has been pretty much non-existent all week, but some action is occurring over there today with rates losing 2.5 points from last done for TA. CPC rates corrected lower to WS 90 but then the fixing level, much like WAFR, was set and multiple cargoes were covered at that on Wednesday and Thursday. East of Suez, one could almost say we have jumped, metaphorically speaking sadly, into Doc Brown's Delorean with Marty Mcfly and gone back to 12 June 2025 as rates settled back down to WS 95 for East which, frankly, was long overdue following the cessation of hostilities between Iran and Israel, which started on 13 June this year. AG has seen some activity, but it has mostly been off-market as usual, with a few more ships exploring the ballast west after not being shown the cargoes that worked this week.

It has been an uneventful week for Aframaxes in Europe. Tonnage refreshed over the weekend, but rates managed to hold at WS 125 – 130 levels. As the week progressed, the list shortened as vessels were repeatedly taken out quietly at last done levels. Yet there has not been enough volume to give owners the impetus to push rates higher and dates are now well covered.

In the North Sea, it has been a very slow week, and charterers have continued to push tonnage out daily without any coverage. TD7 remains at WS 120 with very little activity of which to speak.

Product Tanker Comments

On the AG LR2s, we started the week off with another extensive list of good tonnage, which did little to discourage the bears of the previous five days. Freight looked a little exposed, but there were early signs of life in the market overall. First, the MRs bottomed out and then started to lift. This was hand-in-hand with significant LR1 fixing (we were aware of around 18 LR1s agreed on subs between Tuesday and Thursday). The LR2s did indeed continue to soften as there was just too much quality prompt tonnage at charterers' disposal.

First, we saw WS 112.5 on subs for TC1 (down from WS 120 last week), but then we saw WS 110 on subs, which was then followed by WS 107.5. At this point, charterers were aware of a slightly thinning list and immediately put up to eight more deals on subs or committing their own ships for program ex-AG or West Coast India, which could well indicate optimising of these levels with the realisation that we are pretty much at YTD bottom levels and owners might well start turning down cargo opportunities at the proposed low freight ideas.

A lot of the details are quiet now, which hints that levels are unchanged at this time, but we are set to have a thinner list come Monday, where we would understand owners for starting to develop some cautious optimism should the demand be sustained. Westbound shipments have not been tested so much this week, but should quiet agreements have been made then the freight for the same would have been inside the USD 3,500,000 that was fixed last week, which would have been the natural gesture in step with the 12.5-point drop on eastbound cargos. However, this week was a strong week for Red Sea exports, with several ships on subs and the rate settling around USD 2,500,000 for Yanbu/UKC and feeling more settled above the recent low of USD 2,300,000.

It has meanwhile been un undoubtedly positive week for the LR1s; activity levels have been strong throughout and we see a notable tightening of tonnage supply, so with that it isn't a huge surprise to see an improvement on freight levels. Some ships have been quietly picked off for off-market cargoes – perhaps more than we've typically seen in recent weeks – further adding pressure to the already constrained tonnage list.

TC5 has edged up to WS 145 on last done, and rates may push higher if the upward momentum is sustained, supported by a now significantly leaner tonnage pool. AG-Westbound enquiry has been limited and is due for a fresh test. That said, AG/West is currently estimated around USD 2,850,000. While there has been some short-haul activity, volumes have been notably down compared to the substantial fixing in recent weeks. With the market now on firmer footing, these routes will also need to be retested.

In the West, an active midweek and a sufficiently tightened list has lifted TC2 to WS 95 at the time of writing. Meanwhile, the WAFR premium has held firm, now sitting at +20 points above TC2 as market sentiment remains steady.

In the Med, activity both on- and off-market picked up towards the end of the week, tightening tonnage and resulting in WS 110 on subs for Med/UKC, a rise of 10 points.

	BDTI	BCTI
	929	546
Δ W-O-W	↓Softer	↑Firmer

BDA

(USD/LDT)	TKR/LRG	TKR/MED	TKR/SML
This week	421.4	424.5	426.0
Δ W-O-W	-10.4	-10.5	-10.3

BALTIC TCE DIRTY

	Route	Qty	$ / Day	W-O-W
TD3C	ME Gulf / China	270,000	29,057	↑Firmer
TD7	UKC / UKC	80,000	29,217	↓Softer
TD15	WAF / China	260,000	33,811	↑Firmer
TD19	Med / Med	80,000	25,761	↓Softer
TD20	WAF / Cont	130,000	30,009	↓Softer
TD22	USG / China	270,000	35,077	↑Firmer
TD25	USG / Cont	70,000	31,140	↓Softer
TD26	EC Mex / USG	70,000	27,212	↓Softer
TD27	Guyana / UKC	130,000	27,741	↓Softer

BALTIC TCE CLEAN

	Route	Qty	$ / Day	W-O-W
TC1	ME Gulf / Japan	75,000	20,925	↓Softer
TC2	Cont / USAC	37,000	4,234	↑Firmer
TC5	ME Gulf / Japan	55,000	20,560	↑Firmer
TC6	Algeria / EU Med	30,000	6,746	↑Firmer
TC7	Sing. / ECA	30,000	21,340	↓Softer
TC8	ME Gulf / UKC	65,000	21,723	↑Firmer
TC14	USG / UKC	38,000	13,652	↓Softer
TC17	ME Gulf / EAFR	35,000	21,467	↑Firmer
TC20	ME Gulf / UKC	90,000	24,680	↓Softer
TC21	USG / Caribs	38,000	17,424	↓Softer

Note: TD25, TD26, TD27, TC14, TC21 values as last published by the Baltic Exchange

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Affinity (Shipping) LLP, 44th Floor,
The Leadenhall Building, 122 Leadenhall Street,
London, EC3A 8EE, United Kingdom

T. +44 (0) 20 3696 7110
F. +44 (0) 20 3696 7111

E. affinity@affinityship.com
W. affinityship.com