



## Crude Tanker Comments

After a punchy start to the week on the VLCCs, things slowed down on the surface but rates didn't. Instead, we've found ourselves in a Mexican standoff, with charterers holding back in hopes of softening sentiment, while owners stand firm, backed by tight lists and volume still to cover. Despite the quieter tempo, the mystery list has grown significantly, with plenty of fixing happening off-market and Chinese tonnage quietly disappearing. A fair number of fixtures failed, but this was more tactical than telling. We saw owners keeping subs short to get back out and chase higher levels, which showed the pace of the market this week. The AG/East run at WS 107.5 and TD22 at USD 12.525 Mn were standout numbers, showing the market's resilience.

We also saw the familiar Indian pattern emerge, this time clearing out tonnage in WAFR rather than the AG, helping to keep the list tight and momentum ticking over. Suezmaxes have also made noise this week, with rates climbing sharply and potentially absorbing a few stems, which may lighten the volume next week for VLCCs. As we head into the weekend, charterers will be hoping a slight tonnage replenishment helps ease the pressure. But with October dates now in play and volume still lurking, next week could kick off fast. Owners are still in the driving seat, but we will see if they can stay in control next week.

On the Suezmaxes, rates in WAFR have been repeated at WS 115 on TD20 for cargoes loading off 1st decade dates. But as dates start looking into the 2nd decade and the list grows, can owners maintain these high benchmark levels? CPC rates followed WAFR's theme of repeating last done levels at WS 142.5. But again, it's been slow on the surface so can charterers chisel some points off last done next week?

The USG has been active and rates have crept up to WS 97.5 for TA of the back of a slim tonnage profile in the area. But now the Aframax floor has given out beneath us, we should expect a quieter market next week. Guyana production is up though, so hopefully cargo numbers remain healthy despite the caving Aframax floor, which will inevitably Hoover up the USG volume. Turning our attention to the AG market, and much like a SpaceX rocket, owners' sentiment has taken off! This was mainly due to the stratospheric VLCC market above us and the expectation that the rising tide lifts all boats, and on the face of it that seems true, with WS 135 on subs for AG/East! But now VLCCs are seemingly topping out and the rise in Suezmax rates appear sentiment rather than fundamentals driven; let's see if rates can remain in their new high orbit or, just like some SpaceX rockets, crash back down to earth in a big ball of flames...

It's been a steady week for the European Aframax markets. In the Med, last week ended on a stronger note and owners came into this week with a sense of optimism. Charterers were faced with a tighter list after eight ships ballasted across the Atlantic last week, but Monday and Tuesday started quietly, with X-Med dates largely covered for September. However, the still-tight tonnage list ensured sentiment remained with owners, who have managed to push TD19 up by a few points to WS 140.

Unsurprisingly, the North Sea had a quiet start to the week, but owners managed to push for a few more points on the back of the strengthening neighbouring markets. Although the market remained quiet on the surface throughout the second half of the week, rates continued to inch higher, with the list of natural North Sea players still slim. By the end of the week, TD7 had risen to WS 130, an increase of roughly five points on the week.

## Product Tanker Comments

It has been quite the lacklustre week on the LR2s in the AG. The tonnage list has been given the opportunity to replenish well in the absence of any decent level of enquiry, so it has been no surprise to see rates soften throughout the week. TC1 rates have steadily declined to WS 120 at last done, but with the incoming tonnage, it wouldn't be a surprise to see charterers targeting lower levels at WS 115 or perhaps even WS 110. Westbound business has certainly been a more predominant feature in the market compared to previous weeks and we have therefore seen some proper testing of real market levels; USD 3,450,000 via Cape has been agreed twice at last done levels off the AG. Perhaps it does get worse before it gets better, because we need to see quite the clear-out of tonnage before there can be any signs of improvement.

The LR1s did their best to hold this week whilst the LR2s and MRs struggled. For the most part, rates had mostly held when tested across all routes, but there haven't really been big volumes of fixing for evidence. The list is slightly longer than the rolling six-month average and does provide suitable options for enquiry, but the reality is that the length of the LR1 tonnage list has kept the market (mostly) floating, whereas the MR and LR2 lists have been very long, and we have seen the market slump throughout the week. TC5 had held on for most of the week before falling off Friday, with the latest being agreed at WS 135 (admittedly it was agreed for a slightly older/less approved lady), so it will be interesting to see what the next levels agreed will be next week. Westbound enquiry has been present for both AG & WCI loading but not necessarily abundant; nevertheless, a test has been done and agreed as follows: AG/UKC at USD 3,050,000 via Cape and WCI/UKC USD 2,900,000 via Cape. Shorthaul business has been mixed this week but certainly not as busy as we typically see; that said, the market has been holding well across routes. Looking forward, sentiment isn't necessarily rocking but it doesn't feel all doom and gloom.

It has been an inviting level of activity for the MRs in NWE. Rates began the week trading at WS 110 for TC2, and with new stems entering the market, we have seen a clear-out of tonnage at the front of the list. As a result, we have seen rates trading upwards, with the latest vanilla TC2 being done at WS 130 and the WAFR premium holding at +20. As the week closes out, only two stems remain uncovered and market sentiment feels topky. On the Handies, it has also been busy, as the list remains tight. Rates have traded upwards from WS 155 for X-UKC, now with rumours of WS 175 being on subs. We have seen the lack of tonnage left in the market pressuring rates for TC23 to WS 165 and sentiment tight.

In the Med, there were also good levels of activity on the MRs, and at close the list looks tight for well-approved tonnage. With the vast majority being private however, Med/TA is lacking a surface test since last done of WS 120. Levels, however, are expected to have crept up more in line with TC2 and the current assessment is around the WS 125 mark heading into next week. The Handies began the week with a much thinner list than we've seen in recent times, and thus the consensus was potential was there, provided activity would be substantial. Monday-Wednesday saw WS 135 repeated whilst the list continued to contract, and yesterday owners were finally able to capitalise and raise levels to the WS 150 mark, where we close the week. Slower end now with just one fresh stem seen today, and thus direction next week largely depends on what kind of replenishment we see over the weekend – already units are emerging for end-month dates, which could prove to cap rates here.

		BDTI	BCTI	
		1143	618	
Δ W-O-W		↑Firmer	↑Firmer	
BDA				
(USD/LDT)		TKR/LRG	TKR/MED	TKR/SML
This week		416.9	426.0	429.1
Δ W-O-W		-2.7	1.2	2.1
BALTIC TCE DIRTY				
Route		Qty	\$ / Day	W-O-W
TD3C	ME Gulf / China	270,000	95,019	↑Firmer
TD7	UKC / UKC	80,000	41,340	↑Firmer
TD15	WAF / China	260,000	84,812	↑Firmer
TD19	Med / Med	80,000	33,310	↑Firmer
TD20	WAF / Cont	130,000	52,947	↑Firmer
TD22	USG / China	270,000	80,545	↑Firmer
TD25	USG / Cont	70,000	36,196	↓Softer
TD26	EC Mex / USG	70,000	34,000	↓Softer
TD27	Guyana / UKC	130,000	50,753	↓Softer
BALTIC TCE CLEAN				
Route		Qty	\$ / Day	W-O-W
TC1	ME Gulf / Japan	75,000	23,829	↓Softer
TC2	Cont / USAC	37,000	12,148	↑Firmer
TC5	ME Gulf / Japan	55,000	21,000	↓Softer
TC6	Algeria / EU Med	30,000	12,115	↑Firmer
TC7	Sing. / ECA	30,000	22,130	↓Softer
TC8	ME Gulf / UKC	65,000	24,080	↓Softer
TC14	USG / UKC	38,000	18,844	↑Firmer
TC17	ME Gulf / EAFR	35,000	14,393	↓Softer
TC20	ME Gulf / UKC	90,000	26,397	↓Softer
TC21	USG / Caribs	38,000	20,698	↓Softer



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