

AFFINITY TANKER WEEKLY

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Crude Tanker Comments

The VLCC market regained its momentum after an early week stall but has since been tested down significantly on Friday. Two Brazil/East market quotes on Monday and Tuesday consecutively fixed lower than last done levels, giving charterers encouragement and reason to slow down a touch. By Wednesday, however, the market experienced an active trading session with new cargoes coming ex-AG, WAF and Brazil, along with concluded fixtures coming out the woodwork. Wednesday closed with WS 140 being posted for an AG/Short East run, buoying owners' optimism that more gains were in the offing.

A standoff ensued on Thursday whereby the main headline was a TD3C cargo covering at WS 122.5, a notable downward correction where many owners questioned the validity, especially given a WAF/East cargo went own programme with the lowest owner's fixing idea at WS 130. It was clear Friday that many owners were prepared to seek coverage ahead of the weekend, exemplified by a fresh TD15 quote achieving WS 107.5 – 10 points down on Thursday's BITR. This was swiftly followed by a TD3C voyage fetching WS 109 on older tonnage, crystallising the downward corrections across the board. We head into next week with charterers feeling more in control, albeit with plenty of volume left to cover in the natural fixing window.

Suezmaxes remained a rollercoaster market this week, mainly owing to conflicting news from CPC regarding the return of SPM 3 and also a fire on the main oilfield supplying the key pipeline. TD20 rates have settled at WS 157.5, and while tonnage was in healthy supply, the owners with the ships to fix were the more bullish kind and rates did not crater as would otherwise be expected following the confusion from CPC. USG continues to go bananas on the Aframaxes, and this is supporting Suezmaxes despite the Brent chain restriction for USG Aframaxes. CPC rates have swung from WS 262.5 to WS 195 to WS 200 following pipeline supply volatility. East of Suez is a slower affair, with rates currently at WS 165 for East and WS 100 for Basrah-West via Suez; most ballasters west are getting picked off quickly.

Med Aframaxes had an active Monday, and over five cargoes were worked. With widespread delays, at least three charterers were forced to compete for prompt replacements. X-Med rates rose significantly, with 80 x WS 290 on subs Arzew-Spain. Safe itineraries were scarce. On Tuesday, the list remained extremely tight for natural dates, with weather-related port delays creating additional headaches for charterers. Midweek, enquiry began to slow down; however, very few February dates had been worked yet. Suezmaxes started playing their part in covering prompt replacements, while Aframax prompt ships remained non-existent. The weather continued to be a mess, and rates seemed to be plateauing. TD19 ends the week at WS 260.

In the North Sea, Aframax rates kept escalating locally, with WS 170 paid ex-WC Norway. Surrounding markets continued to perform, and ballasters thus continued to leave the area. Local players were therefore not very numerous early in the week, and the market saw limited activity on Monday, with the majority of cargoes withdrawn. Despite this, any uncovered end-month requirements which needed a safe ship were expected to face higher rates. On a positive note, by the middle of the week the North Sea was – unusually – not flagging behind the rest of the Aframaxes. The famously steady market experienced two-year high TCEs; charterers were saved to some degree by the extreme weather deterring a couple of ships from ballasting across. Natural candidates remain very limited. TD7 sits at WS 195 at close on Friday.

Product Tanker Comments

The first two weeks of the year saw a significant resurgence of LR2 CPP demand in the Middle East, and with the lists on the leaner side and owners hopped up on the significant upside on earnings, it is no surprise that charterers held back this week. 75,000 MT naphtha was fully fixed in the WS 217.5-WS 220 range, which was agreed on subs last week. There was then a pause in fresh cargo which was only interrupted with a 16-year-old ship privately agreed at the very-discounted WS 190. For this ship, non-ECO non-scrubber-fitted earnings are still around USD 39,000 per day, but with the list still lean, more modern vessels were not in the mood to entertain the same for their shinier ships. As the week has gone on, some further pragmatism might develop in light of this continued lack of demand, but it would not be a surprise if next week the winner of this drawn-out Mexican standoff became clear.

Elsewhere in the open market, there has been precious little about which to comment, but one can only imagine that some off-market conversations are taking place somewhere. One area where liquidity was also not very prolific – but where expectations have been very much on the buoyant side – is the Red Sea. The continued pull from the Atlantic Basin on the dirty side as well as a thinner window of CPP-trading ships will lead to an increase on the next concluded deal up from the USD 3.55 Mn which was last fixed. This number was USD 50,000 above the highest number agreed in 2025 and looks to remain very poised for most of Q1 with the USG Aframax market and sentiment around potential Venezuelan exports very heightened at the moment. It was a flat week overall, but the mood in this segment is upbeat.

After an exceptionally busy start to the year, it is no surprise to see the LR1 market take a breather. Some larger freight levels failed this week, with some more recent corrections downwards as a consequence. TC5 has diminished, with the most recent fully fixed deal agreed at WS 217.5, a 10-point tumble. Westbound business has not been overly busy this week, but a few options were sent into WAFR, Brazil, and USAC rather than the more vanilla UKC run, which could be rated at USD 3.4 Mn via Cape of Good Hope. Although current market sentiment is a bit weaker than last week, earnings are still strong for owners, and the broader sentiment looking forward remains bullish given current geopolitical tensions.

Overall, it was a relatively quiet week for the Med MRs in terms of fresh activity, but with little ballaster replenishment following a recently-strong US market, the list has remained tight inside February. A firm Handysize market has also helped drive rates upwards. Med-UKC now likely sits at WS 170, with WAFR assessed at approximately WS 180. In order to tempt an MR away from a 30,000 MT parcel, X-Med remains at 37 x WS 200. TA likely maintains WS 140 levels, still holding some flavour amongst owners to head stateside. Moving onto early February laycans, charterers should begin to see more tonnage optionality, but, as with the Handysizes, the caveat of bad weather remains.

It was another rollercoaster week for Med Handysizes, largely driven by the weather. This week was essentially a carbon copy of the previous one, just from a baseline 50 points higher. By late Wednesday, X-Med had been repeated at WS 300 for the first time since November 2024. The next 24 hours were quiet, but some activity returned, and last subbed is now WS 250. Next week should bring more positions for early February dates, but the weather could provide a bounce again.

	BDTI	BCTI
△ W-O-W	1626 ↑Firmer	857 ↑Firmer
BDA		
(USD/LDT)	TKR/LRG	TKR/MED
This week	413.6	420.1
△ W-O-W	5.3	6.0
BALTIC TCE DIRTY		
Route	Qty	\$ / Day
TD3C	ME Gulf / China	270,000
TD7	UKC / UKC	80,000
TD15	WAF / China	260,000
TD19	Med / Med	80,000
TD20	WAF / Cont	130,000
TD22	USG / China	270,000
TD25	USG / Cont	70,000
TD26	EC Mex / USG	70,000
TD27	Guyana / UKC	130,000
BALTIC TCE CLEAN		
Route	Qty	\$ / Day
TC1	ME Gulf / Japan	75,000
TC2	Cont / USAC	37,000
TC5	ME Gulf / Japan	55,000
TC6	Algeria / EU Med	30,000
TC7	Sing. / ECA	30,000
TC8	ME Gulf / UKC	65,000
TC14	USG / UKC	38,000
TC17	ME Gulf / EAFR	35,000
TC20	ME Gulf / UKC	90,000
TC21	USG / Caribs	38,000



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