



Crude Tanker Comments

VLCCs started the week on firm footing and have gone from strength to strength. All indices have shot up by at least WS 25 points amidst ample inquiry, with each fixture fetching higher than the last. The AG was starting to rumble at the end of last week, with March dates beginning to hit. Last week ended with WS 135 paid on an older vessel for AG-Singapore, so owners were bullish on Monday, ready to push on. Saudi dates had not been released, so more volume was expected, and tonnage lists were exceptionally tight for a Monday – there were only 18 viable AG vessels for first decade March, most near end of the decade or with unreliable itineraries.

A few cargoes began working on Monday, with WS 142.5 and then WS 145 concluded on AG-Short East voyages – a 10-point jump from Friday. From there, the market lifted, culminating in rumours of WS 170 being paid today for a TD3C run. There are already questions about off second decade dates, and there is likely still much uncovered first-decade volume. USG has ticked along, with enquiry beneath the surface and a Korea-bound voyage going for USD 14.45 Mn midweek. Momentum should carry into next week, with TD22 printing higher and for the third-decade March looking light.

Brazil and WAFR have also seen plenty of action, especially at the end of the week, with fixtures ex. Brazil fetching up to WS 142 for a China option. This was surpassed significantly today, with a WAFR-China fixture paying WS 152.5, rounding off a very bullish week. Lists remain tight in all regions, so we do not expect any changes, though charterers may pump the brakes where possible to try to douse sentiment. All to play for next week, and it seems that there could be more captivating developments.

The Suezmax market has firmed across all regions this week, supported by constant enquiry, a tight tonnage list, and perpendicular spillover from VLCCs. TD20 rates have climbed to reach WS 165 at the end of the week, with Guyana pushing up to the WS 160s, too. USG rates followed the same trend, firming to around WS 140 as Atlantic sentiment improved and activity lifted last-done levels. Owners have remained bullish, particularly on prompt ships. CPC kept trading sideways at WS 200 to Med, but with the list tight, CPC rates could see some upward push. Further east, AG-East rates reached WS 180, backed by the firming VLCC market. The week closes with momentum clearly favouring owners.

Monday was extremely busy for Med Aframax, with at least eight cargoes, so the market could have gone higher. It was calm on Tuesday, and barring replacements, dates were already covered into March. By Wednesday, the list was tight, largely due most FOC vessels being Russian fixers or TA ballasters. The bad weather will likely persist until 22 February. Things were quiet on Wednesday and Thursday, and the list started opening up for the natural early March window. While rates remained steady, low activity and the deferral of Es Sider stems were putting pressure on rates and generating softer sentiment, and TD19 ends the week at WS 260.

Further north, TD7 opened the week at WS 190. As in the Med, TA ballasters continued in force; 25 had made the journey the previous week. Tuesday was slow, but ballasters helped keep the rate flat into the next day. Under-the-radar activity took led as the week went on, and large premiums were paid for prompt dates; the list looks different for any end/early requirements left. Despite the relative consistency through this week, there was some firming at the end, and TD7 now sits at WS 195.

Product Tanker Comments

The AG LR2 segment continues to disappoint. The top of the list remains well-stocked, with decent tonnage at charterers' disposal. We are impressed with the levels of confidence that the owning sector is displaying in areas with a few players not being nearly as proactive in covering their tonnage as this low level of demand over the Lunar New Year week might suggest. Some owners are gaining some confidence from the fact that the supply of tonnage into Fujairah between 5 and 10 March is very thin because of the active Asian-loading markets leading to many fewer vessels ballasting to AG-WCI in recent weeks. While there is some cause for confidence in the medium term, the spot ships which are left are starting to face more waiting days before their next fixtures, which comes at a cost to these still-robust earnings. Freight levels have moved either sideways or slightly down this week, with around WS 170 being the call for 75,000 T naphtha AG-Japan (though Lunar New Year has lessened demand).

Westbound has slipped a bit more, with USD 4 Mn the latest done for AG-UKC via Cape of Good Hope. Imports into East Africa have been agreed at WS 140 for a newbuild 90,000 T vessel and WS 155 for a trading ship. Red Sea exports have come off a fraction, with USD 3.575 Mn agreed for ships ballasting into the Red Sea and USD 3.4 Mn agreed for a ship open there, down from last week's USD 3.725 Mn. However, the Aframax market rallied again, and a few more west-loading CPP cargoes are creeping out, so it would not be a shock if this segment tightened up again as it is the ficklest one East of Suez. While more cargo demand is expected next week, one must keep in mind the overhang of good tonnage at the top of the list which suggests that freight improvements could only come along once these ships have been cleared out.

It was a quiet week for AG LR1s, which have struggled to find momentum. Fixing volumes have been comparatively slim, so there is much tonnage still to be covered, but rates have not suffered too badly. TCS has been hovering around WS 185, but the reality is that OSN-appropriate vessels are few, so there could be some movement on the next-done rate. Westbound demand has been very thin, but a Sikka-loading alky cargo at USD 2.7 Mn for UKC can be used as guidance. There has also been little short-haul activity, nullifying this typical added pressure on the list. Overall, demand is low, but – needless to say – it takes little activity to inject some life back into the market.

Med MRs saw a slow Monday-Wednesday period followed by a busy 48 hours in which private business has dominated. TA runs continue to be scarce, paying approximately 37 x WS 150 levels with the US markets looking attractive, albeit volatile. Med-UKC saw 37 x WS 202.5 subbed earlier in the week and 37 x WS 185 more recently, with X-Med arranged at 37 x WS 220 on the same fixture. WAFR and Brazil are currently assessed at the 37 x WS 205 mark. It is a mixed bag, therefore, but with the weather improving, the list should look healthy for charterers next week, perhaps allowing for some pressure on all levels.

The NWE Handy market has remained soft, largely due to the cost efficiency of MR tonnage, with X-UKC MRs trading at WS 160. Moving into next week, more ships will likely appear on the list, bringing greater balance to the tonnage supply. This could place more downward pressure on Handy rates, and sentiment is quiet.

		BDTI	BCTI	
		1787	805	
Δ W-O-W		↑Firmer	↓Softer	
BDA				
(USD/LDT)	TKR/LRG	TKR/MED	TKR/SML	
This week	425.8	431.7	435.4	
Δ W-O-W	4.9	5.2	4.1	
BALTIC TCE DIRTY				
	Route	Qty	\$ / Day	W-O-W
TD3C	ME Gulf / China	270,000	157,358	↑Firmer
TD7	UKC / UKC	80,000	96,812	↑Firmer
TD15	WAF / China	260,000	136,919	↑Firmer
TD19	Med / Med	80,000	96,404	↑Firmer
TD20	WAF / Cont	130,000	74,362	↑Firmer
TD22	USG / China	270,000	101,466	↑Firmer
TD25	USG / Cont	70,000	76,572	↓Softer
TD26	EC Mex / USG	70,000	102,197	↓Softer
TD27	Guyana / UKC	130,000	73,627	↑Firmer
BALTIC TCE CLEAN				
	Route	Qty	\$ / Day	W-O-W
TC1	ME Gulf / Japan	75,000	36,767	↓Softer
TC2	Cont / USAC	37,000	4,925	↓Softer
TC5	ME Gulf / Japan	55,000	28,179	↑Firmer
TC6	Algeria / EU Med	30,000	22,434	↓Softer
TC7	Sing. / ECA	30,000	21,485	↓Softer
TC8	ME Gulf / UKC	65,000	22,093	↓Softer
TC14	USG / UKC	38,000	37,314	↑Firmer
TC17	ME Gulf / EAFR	35,000	19,727	↑Firmer
TC20	ME Gulf / UKC	90,000	31,287	↓Softer
TC21	USG / Caribs	38,000	52,077	↓Softer



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