



Crude Tanker Comments

It has been another subdued week for the VLCC market, with activity failing to gain sustained traction despite a brief midweek uptick. After a very quiet start, Tuesday brought a welcome injection of activity, led by a reliable Brazil market quote which paid in line with last done. While this offered some encouragement and showed owners attempting to draw a line under recent softness, confidence remained fragile. In the middle of the week, repeated fixing at similar levels out of Brazil suggested that the market may have found a degree of stability. In fact, the last four Brazil fixtures this week have all paid at the same level; consistent activity out of the Americas has helped owners firm up their expectations. Some activity was also seen in the East, though limited circulation of details continued to frustrate owners and offered little support to sentiment. With enquiry uneven, the market remained sensitive to whether fresh volume would appear or whether opportunities would again dry up.

The latter part of the week tailed off quietly. Multiple Brazil quotes re-emerged, with owners largely holding their ground and resisting further erosion in the hope that additional cargoes might surface. Labour Day and the UK bank holiday appear to have encouraged caution, with many participants opting to wait rather than force the issue. That said, a steady stream of ships has continued to disappear quietly throughout the week, pointing to private fixing beneath the surface. Overall, sentiment remains steady but subdued, with the market now looking ahead in the hope that increased volume can break the current inertia and provide clearer direction.

The Suezmax market traded on a varied and softer note this week, with CPC rates high and Atlantic rates under increasing pressure. Earlier in the week, the US Gulf was trading WS 207.5 for TA, with Guyana reaching heights of around WS 310 for a short run and an Angola-Italy run paying WS 215. However, as the week progressed, increasing Eastern ballasters put pressure on the Atlantic markets, with TD20 paying down to WS 190 as the week ended and the US Gulf reaching lows of WS 200 for a TA run. But CPC held firmer rates throughout the week, reaching WS 255 for Med, as compared to WS 230 the previous week, supported by consistent enquiry and tighter lists and maintaining a premium to the Atlantic since these runs are shorter. Over in the East, the market remained quiet, partly because some quotes were inside the AG and presented security risks. Still, Yanbu and Bashayer enquiry was present, and rates remain high due to risks stemming from the Middle East. Overall, the market ended the week on a softer note in the Atlantic, with firmer CPC and high east rates.

Med Aframax owners had a decent end to last week after rates recovered a bit. This week started quietly as the market stayed focused on the US Gulf, where rates were rising quickly. Despite US firming, it was becoming clear by midweek that there were multiple obvious X-Med choices which would not ballast TA, making many feel that Med rates would not be able to enjoy similar success. Rates held steady for a while, but they later lost momentum; TD19 has been at WS 290 for a few days now.

The North Sea position list was still tight on Monday, and many owners were freighting against the ballast to the US, so firming seemed inevitable. By Tuesday, vessels had started ballasting TA in force. Days ago, dates had already stretched out, and for the following window there were a few natural options in Lundqvist, TK, and Shell. Sentiment was firm, though volume was still too low for a large boost in rates, which are likely to hold in the near future. TD7 ends the week at WS 235.

Product Tanker Comments

The AG LR2 segment overall is 30 per cent smaller due to the clean-dirty changeover, but even with that in mind, there was an average count of LR2s basis West Coast India or Fujairah this week. Rates out of Oman are the same as last week's, with a deal agreed at 75KT x WS 275, but aside from this, there is precious little to talk about. The Red Sea is seeing a few more ships ballast in, so rates there will likely re-adjust down as and when routes are next tested.

There was slightly more activity seen across the LR1s, but the market is still struggling. Rates agreed have been fairly consistent, with WS 280 being paid for naphtha east stems ex-Duqm and ex-Sikka. Westbound runs have not been tested properly for some time now. The Red Sea remains busy, with WS 440 being paid to take naphtha east, also. Realistically, there is plenty of tonnage there for any potential demand, so rates could start to slip next week. Unfortunately, it has been an uneventful week as the wider geopolitical situation remains uncertain and tense.

The situation for AG MRs is unchanged. Tonnage is tight, and ships in the area are generally more keen on the premium load ports of Oman and Fujairah, but the majority of the volume continues to flow from WCI. For the first time in over a month, a few ships ballasted towards AG-WCI from East to South Africa; previously, vessels had preferred to head west. The list will likely remain tight next week.

It was another steady week for Med MRs by and large, with moderate activity managing to absorb enough tonnage to leave the list on the tight side for the back end of the week. Med-TA saw slight weakening with 37 KT x WS 270 placed on subs, but it rebounded quickly with a naphtha requirement paying 37 KT x WS 280, with UKC arranged at 37 KT x WS 375 in the same fixture and Med-Far East at USD 7.6 Mn. Tonnage should look healthier on Monday, and with local runs seemingly dominating trades at present, charterers could look to apply pressure again if volumes are not there.

Med Handies saw quick corrections this week after an inactive Monday and Tuesday, with X-Med dropping to 30 KT x WS 445, over 100 points from last Friday's close. Since then, though, volumes have drastically improved and tightened the list – helped, perhaps, by May Day squeezing more activity across Wednesday and Thursday as charterers looked to get covered before the long weekend. Here, levels have stabilised, and 30 KT x WS 450 has been consolidated as the conference rate. Next week, charterers will be looking at a revitalised list; however, owners are hopeful of pushing upwards if activity is there.

The MR market in NWE has remained quiet and soft this week as the lack of fresh stems continues to prevent any meaningful absorption of the growing tonnage list. Although some activity emerged yesterday, it was not enough to stabilise levels, with TC2 softening from WS 240 down to WS 230 on the latest subs fixture. More and more vessels are ballasting over towards the US from both NWE and the Med this week, even with TC14 correcting down to WS 375. Looking into next week, sentiment remains soft, with only one outstanding stem currently visible. Without new stems being quoted, the market freight levels will remain under downward pressure unless the week starts on a busy note to help clear out the growing number of prompt vessels.

		BDTI	BCTI	
		2752	2038	
Δ W-O-W		↓Softer	↓Softer	
BDA				
(USD/LDT)	TKR/LRG	TKR/MED	TKR/SML	
This week	459.5	463.6	466.4	
Δ W-O-W	3.0	2.3	3.0	
BALTIC TCE DIRTY				
	Route	Qty	\$/ Day	W-O-W
TD3C	ME Gulf / China	270,000	402,906	↓Softer
TD7	UKC / UKC	80,000	125,585	↓Softer
TD15	WAF / China	260,000	99,653	↓Softer
TD19	Med / Med	80,000	94,269	↓Softer
TD20	WAF / Cont	130,000	79,132	↓Softer
TD22	USG / China	270,000	92,880	↓Softer
TD25	USG / Cont	70,000	116,470	↑Firmer
TD26	EC Mex / USG	70,000	183,340	↑Firmer
TD27	Guyana / UKC	130,000	85,023	↓Softer
BALTIC TCE CLEAN				
	Route	Qty	\$/ Day	W-O-W
TC1	ME Gulf / Japan	75,000	159,226	↑Firmer
TC2	Cont / USAC	37,000	18,038	↓Softer
TC5	ME Gulf / Japan	55,000	126,609	↓Softer
TC6	Algeria / EU Med	30,000	88,261	↓Softer
TC7	Sing. / ECA	30,000	41,979	↓Softer
TC8	ME Gulf / UKC	65,000	111,360	↓Softer
TC14	USG / UKC	38,000	54,974	↓Softer
TC17	ME Gulf / EAFR	35,000	91,936	↓Softer
TC20	ME Gulf / UKC	90,000	154,854	↑Firmer
TC21	USG / Caribs	38,000	46,072	↓Softer



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