

## **Tanker Weekly Report 28Aug23 – 4Sep23**

The Baltic Dirty Tanker Index reached a YTD low this week dropping from 776 to 732. In the VLCC market rates for TD3C suffered this week losing over 6 points to close at ws36.95, the lowest it's been this year. According to TradeWinds, freefalling rates have seen a key Baltic Exchange measure turn negative for the first time in a year. The Baltic's average time charter equivalent for the largest crude carriers — based on routes from the Middle East to the US Gulf and China — hit minus \$1,374 per day going into the weekend, down \$1,861 on the day. Big cuts in production by Opec+ countries aimed at lifting oil prices and addressing global economic uncertainty have affected tanker rates out of the Middle East. As such, TD3C paper has also declined sharply as seen in the Sep FFA which is printing at ws43 currently down from ws51 on Monday. Q4 also traded much lower at ws58 last after trading in the ws62-66 range for the past month.

On the Suezmax, market rates for the TD20 Nigeria/Rotterdam had another poor week and, although several ships have been quietly picked off by charterers, there is still not enough activity for owners to get a decent grip on rates. With a persistent over supply of tonnage the spot has dropped from ws74.09 to ws70 over the course of the week. Early in the week TD20 paper saw a sharp drop at the front of the curve with Sep FFA falling from ws82 to ws73.5, it has recovered a touch since to print at ws76 last.

For the Stateside Aframax market, rates on the trans-Atlantic USGC/AFRA route have been fairly stable around the ws114 level this week after a sharp drop the previous weekend. On paper Sep FFA lagged slightly behind the spot, as it felt the effects of last weekend it dropped and is currently trading at ws125, ten points lower than Tuesday last week.

The BCTI Index retreated this week, slipping from 843 to 803. For MRs on the UK continent freight rates were improving early in the week, assisted by the notably strong Mediterranean market, before suffering a correction down to close at ws211.25. The TC2 paper market came off as well towards the back end of the week with Q4(23) losing 5 points to trade at ws196 last. In America MR rates strengthened this week with the TC14 index climbing from ws130 to ws145 last. TC14 paper edged slowly higher but trading was relatively thin over the past few days with a holiday in the US not helping matters.

In the Middle East Gulf LR1s on the 55kt MEG/Japan run (TC5) were relatively unchanged this week with a small drop of just over 1.5 points to close at ws145. TC5 paper was also stable with Sep FFA trading in the ws152-158 range all week and Q4 hovering around the ws166 level with one outlying print up at ws172 in small. Lastly Mediterranean Handymax's had hit their peak at ws279.56 at the start of the week and have since plummeted to ws222.22 at the time of writing. TC6 paper followed the spot closely with Sep FFA dropping from ws265 to ws215 between Tuesday and Friday.

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