

Tanker Weekly Report 16Oct23 – 23Oct23

The Baltic Dirty Tanker Index had another strong week climbing from 1221 to 1316. VLCC market rates experienced extreme volatility as tensions in the Middle East continued to create uncertainty in global oil markets. Rates initially continued their upward momentum reaching a high on Tuesday of ws63.04 only to plummet on Thursday closing at ws55.54. It is now marked at ws54.08, lower than the same time last week and with poorer sentiment. On TD3C paper cracks were already showing last Monday and the curve has been on a downward trajectory since then with Nov FFA 6 points lower week-on-week printing at ws57 in small yesterday. Q1(24) is also now 60cts lower printing at \$13.5/mt last and the Cal24 is being marked in the \$13.5/mt region after printing as high as \$13.85/mt last Monday.

On the Suezmax market rates for the TD20 Nigeria/Rotterdam voyage edged higher again this week with a small gain from ws118.64 to ws120.86. As for the paper market the front of the curve was relatively flat for most of the week but saw a flurry of activity yesterday as Nov and Dec each gained 3 points to trade ws113 and ws112 last respectively, The Nov/Dec spread also traded in a noteworthy 160kt.

For the Stateside Aframax market, rates on the trans-Atlantic USGC/AFRA route have softened after nearly doubling last week. USGC/AFRA has closed 13.75 points lower at ws200.31. The paper market was mixed at the front of the curve but saw good volume, Nov and Dec FFA's each traded in the ws168-174 and ws173-175 range respectively. However as we approached the weekend and through Monday we saw a surge upwards with Nov and Dec FFA's each trading at ws194 and ws190 last. Friday saw particularly high volumes with Q1(24) gaining 80cts over the day and the Q1(24)/Q3(24) spread trading in 125kt/m as the spread widened from \$4.4/mt to \$5.2/mt.

The BCTI Index fared better this week climbing from 748 to 779. MRs on the UK continent have suffered a lack of enquiry and as such freight rates have softened from ws152.5 to ws141.25. TC2 paper was more turbulent with Nov FFA slipping from ws189 to a low of ws180 only to jump back up to ws193 yesterday. Cal24 also traded higher than last week in the \$27.5-27.6/mt range though only for small size. In America MR rates suffered from an oversupply of available tonnage at the start of the week which pushed spot below ws100 yet again, it has recovered since though to close at ws110 yesterday evening. In the Middle East the TC17 index was slightly lacklustre and bounced around the ws240 level closing just slightly down at ws240.71.

In the Middle East Gulf LR1s on the 55kt MEG/Japan run ended the week little changed just a touch higher at ws173.13, a gain of just 1.57 points. This has mainly been a result of strong sentiment in the LR2 market in the MEG helping to prop them up. TC5 paper mimicked the spot at the front of the curve with Nov FFA climbing mid-week to a high of ws186.5 only to give up gains and trade back down at ws174 this Monday, nearly 575kt traded across the week on the Nov contract. Lastly Mediterranean Handymax's had their first consistent week in about a month, spot hovered around the ws188.5 mark.

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