

21/11/2023

Prices movement (front month)	14-Nov	20-Nov	Change % (settlement prices)
Brent Crude	82.47	82.32	-0.18%
VLSFO (Singapore)	653.69	660.03	+0.97%

Crude Oil Market :

Do not let the week-on-week flat Brent settlements above fool you, for it has been a very turbulent week in the crude oil markets. We saw initial downward pressure from last week’s EIA data release, as well as the ongoing backdrop of macroeconomic woe. However, oil prices have been offered support from Friday and into this week as market participants turn their gaze to this weekend’s OPEC+ meeting. There is speculation of Russia and Saudi Arabia extending their output cuts into 2024.

Brent crude futures were initially down on a US crude stockpile build of 3.6 million barrels that was published last Wednesday. Draws in gasoline and diesel inventories had provided some initial upside to the crude complex, but this brief spike was completely reversed, putting Jan24 Brent crude futures in the red for that day. The weakness persisted, despite upward revisions to both OPEC and IEA global demand growth forecasts earlier in the week, amid mixed economic data from China.

It was on Thursday that Brent crude futures slumped, with the Jan24 front contract trading as low as \$76.60/bbl on an intraday basis. There were no major macro headlines at the time that spurred such a sell off to levels not seen since July, only the continuation of weaker demand sentiment and the aforementioned oil storage builds in the US. Technical support levels were smashed through, for the contract to settle 4 dollars lower on the day.

Crude found support on Friday and into the beginning of this week as the market spotlight turns to the OPEC+ meeting this weekend, with expectation that the group is likely to maintain the supply reductions into 2024 to preserve a floor for crude prices, according to RBC Capital Markets LLC.

Jan24 Brent crude futures from Tuesday 14th November to
Date



Source: FIS, Reuters, Oil Price, Bloomberg, BBC News, Morningstar

Tanker Weekly Report 13thNov23 – 20thNov23

The Baltic Dirty Tanker Index drifted lower again this week from 1373 to 1310. In the VLCC market rates for TD3C rebounded after Bahri week with spot climbing from ws65.79 up to ws74 by Thursday, which equates to a daily round-trip TCE over \$54,000 basis the Baltic Exchange's vessel description. With growing concern about further Opec+ crude cuts It has softened a touch since to close at ws73.38 on Monday evening. TD3C paper also strengthened for most of the week with Dec FFA climbing from ws63 to a high of ws72 before softening into the weekend to print at ws68 last. Q1(24) also followed a similar trajectory gaining from \$13.1/mt up to \$13.8/mt only to be currently marked in the \$13.55/mt region. Trading has been notably thin on TD3C for the last two trading days.

On the Suezmax market rates for the TD20 Nigeria/Rotterdam voyage dipped below ws100 for the first time in over a month but managed to hold ground in the high 90's closing at ws98.64 last. TD20 paper was more resolute with Dec FFA actually gaining 8 points week-on-week to print at ws108 last. Q1(24) also managed to gain 25 cents over the week.

For the Stateside Aframax market, rates on the trans-Atlantic USGC/AFRA route have declined for the third consecutive week with rates slipping from ws216.88 to ws197.81. USGC/AFRA paper has been active with Dec FFA trading 1320kt since last Monday in the ws186-200 range with a last done at ws190. Q2(24) is also worth mentioning seeing a sharp climb from \$32.3/mt to \$34/mt between Monday and Thursday last week.

The BCTI Index had a strong week climbing from 785 to 862, the highest it's been since late September. MRs on the UK continent fell again this week, TC2 lost 20 points to close at ws180.5 on Monday. On TC2 paper Dec has traded regularly and managed to hold around the ws230 level for much of the week but finally dropped to ws225 on Monday. Cal24 has struggled to find its level bouncing around in the \$28-28.25/mt range. In America MR rates for TC14 saw decent gains off the back of continuing demand – TC14 is now marked over 75 points higher at ws223.21. TC14 paper mimicked the spot market with BALMO surging from ws185 to ws210 by Thursday before trading ws206 last on Friday. Dec FFA has also climbed from ws163 to ws187 over the course of the week. Finally MR's in the MEG had a little resurgence this week pushing up from ws203.64 to ws221.43. |

In the Middle East Gulf LR1s on the 55kt MEG/Japan run (TC5) were fairly stable edging just a little lower from ws136.25 to ws132.5 over the course of the week. However TC5 paper pushed higher for most of the week with Dec FFA trading in the high 160's through Thursday and Q1(24) trading just shy of \$44/mt. A selloff was witnessed on Monday though with Dec trading multiple levels on its path down from ws165 to ws159.5 and Q1(24) slipping back towards the \$43/mt mark. Lastly Mediterranean Handymax's saw massive gains reflected in the TC6 jumping from ws231.11 to ws328.33 – the route cause of which being ongoing port delays and a surplus of cargoes being worked in the market. On the paper TC6 BALMO has responded in kind gaining 75 points to print at ws330 last, Dec has also gained 40 points trading at ws335 last.

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