

27/02/2024

Prices movement (front month)	19-Feb	26-Feb	% Change (Settlement Prices)
Brent Crude	83.56	82.53	-1.23%
VLSFO (Singapore)	612.36	602.72	-1.57%

Crude Oil Market :

Over the past week, Brent crude prices have experienced no notable fluctuations as the ongoing factors influencing the market continue to act against each other. Any price movements have been largely driven by a combination of geopolitical tensions, supply concerns, and demand outlooks. At the beginning of the week, Brent crude futures did tick up, erasing earlier losses, as the more actively traded May24 Brent crude future touched intraday highs of \$82.14/bbl. The market maintains its geopolitical risk premium following a near-miss attack by the Houthis on a US flagged oil tanker, the Tom Thoro over the weekend.

Looking at the supply-side dynamics, downward pressure is coming from robust non-OPEC production coming from countries such as the US, as well as some non compliance from OPEC members with regards to production cut quotas. Supporting prices are production disruptions in key oil-producing regions and maintenance activities, as well as expectations of OPEC+ to announce in early March the rollover of the voluntary production cuts through June at least.

Overall, Brent crude prices have been relatively stable compared to the previous month, and Brent crude prices are expected to average \$80/bbl in 2024 and 2025 with a balanced market according to BofA. The market awaits further clarity on geopolitical developments and supply-demand dynamics. The coming weeks are expected to see continued vigilance among market participants, with Brent crude prices likely to remain sensitive to evolving geopolitical tensions and economic indicators.

May24 Brent Crude Futures From 20/02/24 to Date



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

Tanker Weekly Report 19thFeb24 – 26thFeb24

Dirty Petroleum Products

The Baltic Dirty Tanker Index fell sharply this week from 1338 to 1191. In the VLCC market a lack of cargo volume has caused rates to tumble with nearly a 30 point drop seen on the TD3C index which closed at ws63.91 last. On the paper market prompt contracts have also fallen as would be expected with Balmo trading at ws70 last on Wednesday when it was trading as high as ws90 the previous week. The deferred has been more resilient with Cal25 still trading around the \$14 mark.

On the Suezmax market rates for the TD20 Nigeria/Rotterdam voyage have also fallen with the index now marked over 10 points lower at ws103.41. An excess of available tonnage and a falling USG market have added to the pressure. TD20 paper saw most of its activity on the March contract which fell from ws112.5 to ws105 over the course of the week.

For the Stateside Aframax market, rates on the trans-Atlantic USGC/UKC route were no exception this week and also declined. The TD25 Index has fallen from ws212.5 to ws192.81 at the time of writing after a lacklustre week of enquiry.

Clean Petroleum Products

The BCTI Index dropped as well this week from 1099 to 1061. MRs on the UK continent initially fell seeing rates on TC2 slip from ws235 to the low 220's, they have since recovered to close higher at ws244.67 last. A relatively tight tonnage list produced on Thursday prompting the sudden surge and little options available now for the next couple of weeks. TC2 paper has been relatively quiet with participants seemingly on the fence of where the market was going to head. March contract jumped from ws220 to ws240 on Wednesday and is now trading back down at ws227. Q2 also spiked from ws205 to ws216 before correcting to trade at ws209 last. In America MR rates for TC14 softened, going from ws183.21 to ws170.36. Lastly MR's in the MEG have had another resurgence after a flurry of activity mid-week. The TC17 index added 48.57 points to close at ws326.43 last. TC17 paper followed a similar trend with March climbing from ws272 to ws310 by Friday, Q2 also jumped from ws275 to ws287 on Thursday alone.

In the Middle East Gulf LR1s on the 55kt MEG/Japan run (TC5) have seen rates soften again this week. The TC5 Index closed at ws186.88, a drop of just under 50 points which has been the result of a build up of available tonnage and increasing downward pressure on the bigger LR2's. TC5 paper has continued to be active and volatile, March has been trading in a wide range all week between ws205 and ws233, at the time of writing however its finally fallen through the ws200 level trading at ws197 last. Q2 has also struggled to find a level seeing lows of ws202.5 and highs at ws220 with ws206.5 last done, a noteworthy 180kt was seen trading at ws209 yesterday. Lastly Mediterranean Handymax's have had a strong week seeing TC6 gain from ws277.95 to ws334.44. TC6 paper followed the spot up and saw March trade 37.5 points higher at ws290 last.

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