

WEEKLY TANKER ROUND-UP



WEEK 24
12 JUNE 2020

Planes fly the skies again, as more countries and airlines resume 'selected' air travel. Oil prices fall on the back of slow demand growth and US fed projecting economic recovery from the pandemic to take years. US crude stockpiles hit all-time high. Tanker markets rallies south in charterers favour.

VLCC

Middle East rates remain somewhat same as the previous week; whilst Owners put up a brave face to demand few WS points above the last done - citing rising bunker rates. We did see a WS 60 fixture (some 5 points higher than last week) - but the same could not be sustained as older tonnages continue offering discounts to bargain thirsty charterers. Mid-week, rumours of a mass US 'warning' sanction listing of owners having traded from Venezuela hit the market - which thus far looks like pub gossip gone to press. VLCC earnings in the high \$40k's - \$50ks per day is a far better cry than the fate of smaller segments - whose fate you will read below - that is struggling to cover OPEX.

SUEZMAX

The Sun refuses to shine on the unlit alleys of the Suezmax segment. As soon as the VLCC markets gained a few points in the Middle East; Charterers chose to split the stems. Brokers report 5 VLCC cargoes being split, taking 10 Suezmaxes out of the market. This however did not do much in increasing the rates for the Suezmax segment. Rates remain just below w60 for meg/east. West reported an increase in activity as well, but a position list as long as a Princess' wedding veil trail gives charterers plenty to choose from. TCE's hover between \$12-16K levels (compared to \$20k lvs last week).

Aframax

Aframaxes in the West have hit rock bottom with earnings being close to Zilch. As if the current lack of activity was not enough; oil company relets are now in the market looking for employment. Brokers report TCE's on the benchmark routes have fallen below OPEX levels, in the region of \$4k levels (slightly better in the East).

Clean

When asked a broker friend on how his Clean Desk was doing and if the segment too was dying like the Dirty Desk; he replied, "Its death already. When you are dying; there is still some struggle, some movement". With the easing off of COVID related restrictions and as more people and economies sluggishly return to work; 'some activity' in terms of MTBE, Mixed Aromatics and Gasoline was reported; however not enough cargoes are around to engage a long tonnage list. It is still very much a charterers market.

Specialised Tankers/Chemicals/Edibles

A layered market emerges in the 'assorted segment' with the smaller cousins and J19s managing better rates and returns whilst the bigger tonnages MRs up to handies remain in charterer's short leash; largely due to a sizable tonnage list. Brokers report 'healthy' demand for smaller tonnages. Rates remain bearish for Straits-India Palm movements. Market sentiments continue to be in charterers favour except in rare cases when an owner gets away with a slight premium; which could be written off as an aberration.

Weekly Verdict: Freight rates are expected to remain in charterers favour; unless some event takes out tonnages off the list.

WEEKLY TANKER ROUND-UP



BUNKER PRICES

Singapore	\$314.00(+9.00)	\$247.00(+7.00)	\$260.00(+8.00)	\$350.00(+5.00)
Hong Kong	\$315.00(+10.00)	\$270.00(0.00)	\$283.00(+1.00)	\$370.50(+30.50)
Shanghai	\$318.00(+8.00)	\$280.00(+5.00)	\$293.00(+6.00)	\$390.00(0.00)
Busan	\$341.50(+21.25)	\$307.75(+27.75)	\$320.75(+28.75)	\$412.75(+24.75)
Colombo	\$375.00(+2.50)	\$306.00(+2.00)	\$319.00(+3.00)	\$462.00(+7.00)
Mumbai	\$317.50 (-4.17)	\$298.00(+2.00)	\$311.00(+3.00)	\$403.00(+8.00)
Middle East & Africa				
Fujairah	\$305.00(+5.00)	\$240.00(+5.00)	\$253.00(+6.00)	\$390.00(+5.00)
Jeddah	\$268.20(0.00)	\$209.00(0.00)	\$220.00(0.00)	\$353.00(0.00)
Durban	\$386.00(-9.00)	-	\$287.00(-9.00)	\$489.00(+4.00)
Port Elizabeth	\$390.00(-5.00)	-	-	\$535.00(-15.00)
Port Louis	\$402.50(0.00)	-	\$300.00 (0.00)	\$572.00(0.00)
Las Palmas	\$310.00(+10.00)	\$266.00(+16.00)	\$279.00(+16.00)	\$378.00(+16.00)
Europe				
Antwerp	\$294.00(+11.00)	\$237.00(-9.00)	\$258.00(-9.00)	\$347.00(+29.00)
Rotterdam	\$294.00(+11.00)	\$237.00(-9.00)	\$258.00(-9.00)	\$347.00(+29.00)
St. Petersburg	-	\$225.00(-5.00)	\$255.00(-5.00)	\$323.00(0.00)
Gibraltar	\$305.00(+5.00)	\$266.00(+16.00)	\$279.00(+16.00)	\$373.00(+11.00)
Istanbul	\$310.00(+3.00)	\$256.00(-10.00)	\$259.00(-10.00)	\$362.00(+2.00)
Piraeus	\$330.00(-2.00)	\$256.00(-4.00)	\$259.00(-4.00)	\$353.00(-2.00)
Americas				
Los Angeles	\$319.00(+4.00)	\$250.50(+2.00)	\$297.50(+2.00)	\$367.50(+4.00)
New Orleans	\$315.50(+10.00)	\$247.50(+4.00)	\$273.50(+4.00)	\$355.50(+10.00)
Panama Canal	-	\$270.00(+10.00)	\$290.00(+10.00)	\$362.00(+2.00)
Houston	\$305.00(+10.00)	\$238.00(+4.00)	\$276.00(+4.00)	\$345.00(+10.00)
Santos	\$298.00(+6.00)	\$311.00(+7.00)	\$342.50(+7.00)	\$434.00(+2.00)
Zona Comun	\$332.50(0.00)	-	-	\$497.50(0.00)

*Delivered Indications of Previous Day.