

WEEKLY TANKER ROUND-UP



WEEK 26 26 JUNE 2020

Despite the danger of a so-called second wave of Corona infections, satellite data shows traffic across the globe coming back to pre-covid levels – pointing to a recovery in fuel demand and a sign of global economic recovery - whilst the vaccine against the virus remains elusive. Fuel Oil prices saw a slight uptick this week riding on the uptick seen in Crude. Charterers remain firmly in the driving seat; taking the dismayed owners on a bumpy ride.

VLCC

Blistering summer finally hit VLCCs this week with a nosedive in freights across geographies. Lack of activity compounded by floating storage volumes that began to descend saw record number of open vessels. MEG/East rates are at WS30s and WAF-China at WS38 level (an 11-month low). With the increased bunker prices and continuing downward trend, OPEX levels face serious threat. Per Day VLCC earnings are at about \$23-25k levels (compared to \$40k levels last week).

SUEZMAX

Ah the agony and ecstasy of being the second heir in waiting to the crude oil transport throne! Last week saw an uptick in activity in the suezmax segment as expensive VLCCs saw stems being split. Pub bound owners called off their parties as VLCC rates came crashing and suddenly Suezmaxes were not the cheaper alternative anymore. A number of subs were failed. BlackSea/Med settled at WS48.75, 140,000mt Middle East Gulf to Med remained flat at WS21.5 level while the 130,000mt west Africa to UKCont trade, rates sat at midWS40s level. Daily earnings are at \$9-10000 levels, well below OPEX (compared to \$12-16k Levels last week).

Aframax

The darkness deepens for aframax. Oil Company relets lap up whatever cargoes are available, leaving not even scraps for other owners. Production cuts in Nsea/Baltics and lack of cargoes elsewhere resulted in little to no activity in the market. 80,000mt Ceyhan/Med continued the downward trend and settled at WS57. Across the Atlantic, rates for 70,000mt Carib/USGulf fell five points to WS65, while the 70,000mt USGulf/UKCont market remained static around WS67.5-70 mark. All this translates to about \$1500 per day TCE (compared to 3700\$ to 4000\$ per day last week)

Clean

An insipid week for owners as activities continue to be stalled and rates remain under pressure. LR2(75k dwt) TCE is at about \$22000 PD and MRs are in the region \$15-16000 PD.

Specialised Tankers/Chemicals/Edibles

Recently I read a report that showed how this pandemic has not had any impact on Palm Oil movement. This nails the largely unaffected 'freight situation' for owners in the specialised segment. There are no celebrations here but then there are no nosedives or a complete silence of activity either. However we did see the intermediate/Handy segment struggle in comparison as Vegoil (used for bio fuels in Europe) that makes up for a decent East to West longer tonne mile haul dry up and owners in this segment struggling to fix / complete their stowage to vessels plying the route. Space remains plenty going forward to July.

Weekly Verdict: Owners wait out the summers as charterers sip Piña colada under the Sun. Freight and tonnage list remains in charterers favour. We might not see more downward slides in some segments that have already bottomed out.

WEEKLY TANKER ROUND-UP



BUNKER PRICES

PORTS	MFO 0.5%	IFO 380 CST	IFO 180 CST	MGO (0.1%)
Asia Pacific				
Singapore	\$310.00(-12.00)	\$234.75(-6.50)	\$243.75(-7.50)	\$357.00(-12.00)
Hong Kong	\$330.00(-13.00)	\$255.00(-10.00)	\$264.00(-11.00)	\$360.00(-10.00)
Shanghai	\$325.00(-10.00)	\$270.00(-10.00)	\$279.00(-11.00)	\$398.00(-12.00)
Busan	\$346.25(+1.25)	\$290.75(-4.25)	\$299.00(-5.25)	\$415.50(-5.50)
Colombo	\$382.00(+10.50)	\$291.00(-13.00)	\$300.00(-14.00)	\$415.00(-5.00)
Mumbai	\$340.00(0.00)	\$283.00(-13.00)	\$292.00(-14.00)	\$410.00(-5.00)
Middle East & Africa				
Fujairah	\$305.00(-10.00)	\$220.00(-15.00)	\$229.00(-16.00)	\$410.00(-10.00)
Jeddah	-	-	-	-
Durban	\$360.00(-10.00)	-	\$267.00(-3.00)	\$475.00(-5.00)
Port Elizabeth	\$370.00(-27.00)	-	-	\$535.00(0.00)
Port Louis	-	-	-	-
Las Palmas	\$309.00(-8.00)	\$251.00(-21.00)	\$264.00(-21.00)	\$371.00(-11.00)
Europe				
Antwerp	\$280.00(-11.00)	\$231.00(-21.00)	\$252.00(-21.00)	\$332.00(-6.00)
Rotterdam	\$280.00(-11.00)	\$231.00(-21.00)	\$252.00(-21.00)	\$332.00(-6.00)
St. Petersburg	\$300.00(-18.00)	\$228.00(-19.00)	\$258.00(-19.00)	\$340.00(-22.00)
Gibraltar	\$309.00(-8.00)	\$250.00(-22.00)	\$263.00(-22.00)	\$371.00(-11.00)
Istanbul	\$335.00(-10.00)	\$248.00(-17.00)	\$251.00(-17.00)	\$372.00(-13.00)
Piraeus	\$354.00(-3.00)	\$258.00(-9.00)	\$261.00(-9.00)	\$364.00(-21.00)
Americas				
Los Angeles	\$332.00(+8.00)	\$249.50(+2.00)	\$296.50(+2.00)	\$394.50(-1.00)
New Orleans	\$325.50(+8.00)	\$259.50(+1.00)	\$285.50(+1.00)	\$376.50(+7.00)
Panama Canal	-	\$285.00(-2.00)	\$305.00(-2.00)	\$373.00(-15.00)
Houston	\$305.00(+8.00)	\$253.00(+5.00)	\$291.00(+5.00)	\$366.00(+7.00)
Santos	\$289.00(-13.00)	\$298.75(-6.50)	\$330.25(-6.50)	\$437.00(-6.00)
Zona Comun	\$357.50(0.00)	-	-	-

Delivered Indications of Previous Day.