

VLCC

In another slow week for the VLCC market, COA business headed East has continued to account for a large number of loadings from the MEG, with the resulting build-up of spot tonnage intensifying the pressure on owners to accept further cuts in freight. It is possible that this market is now approaching its floor, with rising bunker prices continuing to erode earnings and some owners unwilling to fix their vessels at lower levels.

In West Africa, a replacement vessel was put on subjects to India at a level \$200K lumpsum lower than what was originally fixed, illustrating the weakness currently experienced in this market. The tonnage list here is expansive, with a wide range of vessels and oil company relets available, which will likely suppress rates further. There has been little action in the USG, with increasing tonnage supply and little action to support rates.

Suezmax

Despite a relatively well balanced tonnage list in West Africa, with previous fixtures helping to take some vessels out of the region, the market had been generally slow and rates moved sideways. But after a busy spell towards the end of the week, charterers are now facing a tighter tonnage list and potential rise in rates. The Mediterranean market firmed toward the end of the week, with a tightening tonnage list in both the West and East of the region. Activity in the Black Sea has been quiet, with little to report.

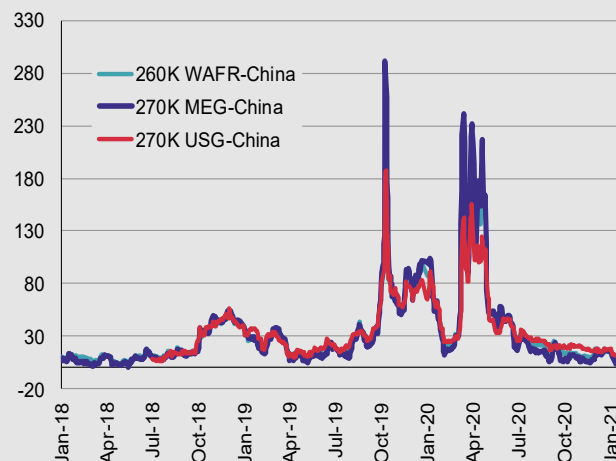
Aframax

Rates have fallen in the North Sea this week, with subdued cargo enquiry as well as an extensive tonnage list continuing to dampen progress. In the Baltic, rates have been supported by an increasing need for ice-class vessels, as cold weather has set in across parts of the region. There is substantial tonnage in place to meet these requirements however, holding rates flat into next week. There has been no movement in the Mediterranean, with insufficient cargo availability yielding negative returns for owners.

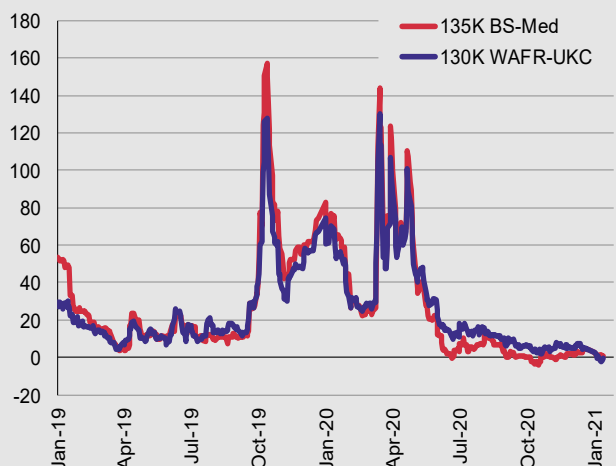
A decent amount of fixing took place in the USG earlier this week, however this spurt of activity failed to lift rates and enquiry has started to taper off. The list of vessels available for a third decade load is building, and it is likely that charterers are holding back their cargoes to capitalise on this. Rates are expected to tick down further next week, with the market needing more activity to clear out tonnage.

Rates in the Indonesia region remained stable this week, with a fair share of short and long runs into North Asia fixed. Cargoes have been covered rapidly, with owners readily accepting last-done rates. Activity in Australia continued at a gentle pace, with a couple of enquiries surfacing. Vessel supply here is balanced, and rates are stable. Poor weather and ullage issues out of ports in North China have started to have an upward effect on rates in the Far East, with ships being held back from discharging. A scramble for vessels has taken place, with the current uncertainty causing a stir in the market that is set to persist until the delays are alleviated.

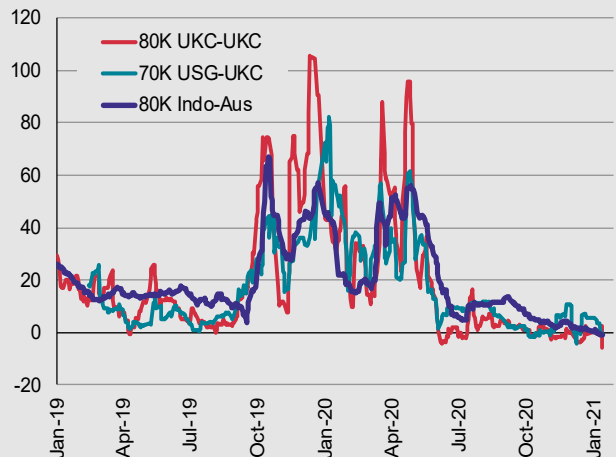
VLCC Spot Rates \$'000/day

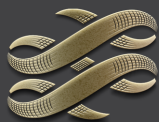


Suezmax Spot Rates \$'000/day



Aframax Spot Rates \$'000/day





MR

Rates in North Asia slipped this week amidst adequate tonnage supply, although the end-January window's fixing appears to be picking up, suggesting a bottoming in rates. Declining competition from the LR2s should also lend some support to this market. In Southeast Asia, rates also fell but are expected to be lifted or at least remain steady looking ahead, with the busier MEG-WCI MR market helping to potentially draw tonnage from the region.

After picking up last week, activity in Northwest Europe has slowed and ultimately rates have softened. There are two cargoes remaining to be covered in the region, but with the current tonnage build-up set to last there is little potential for an uptick and rates are expected to drop further looking ahead.

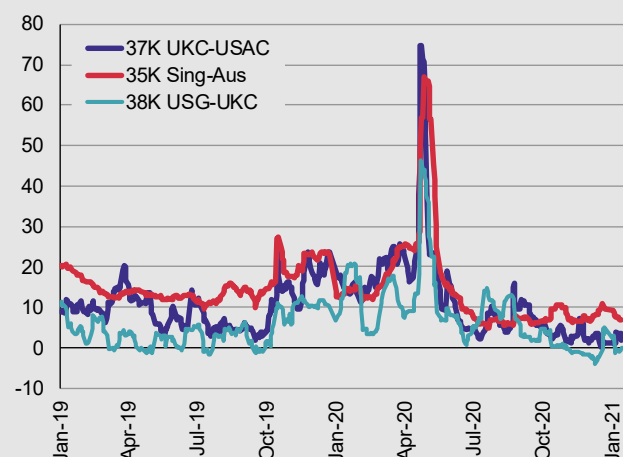
A busy week in the Americas has prevented rates from falling through the floor, with enquiry in Latin America, as well as naphtha demand in the East keeping things ticking over. The front end of the tonnage list here has tightened, and forward supply is set to decrease with ships ballasting towards Europe. Provided demand remains consistent, rates could begin to lift into next week.

LR

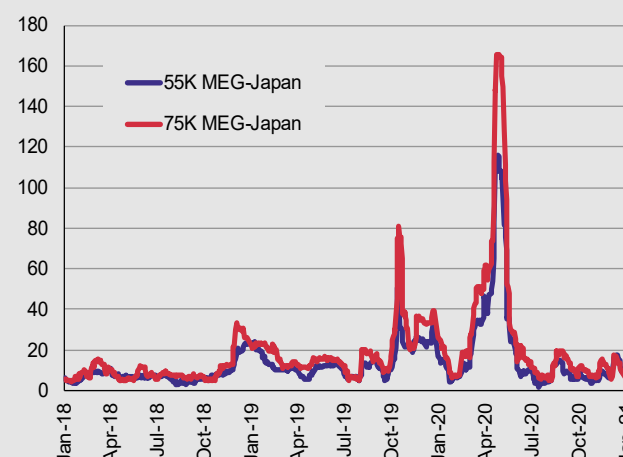
The LR2 market East of Suez has seen a steady amount of activity this week, with owners looking to improve rates but charterers doing their best to hold off. The list is long and there are only two cargoes in the market, sentiment for next week is steady.

The LR1 market East of Suez experienced a mixed bag this week, with rates to the West softening whereas Eastern voyages saw levels improve after a flurry of fresh enquiry entered the market. Vessel supply here has tightened, however there are still six ships open in the MEG/WCIN area by Monday. With charterers fixing far forward into end Jan-February dates, we may see less cargo in the market next week which could halt rates from spiking.

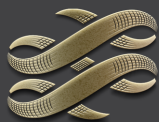
MR Spot Rates \$'000/day



LR Spot Rates \$'000/day



Size	Voyage	WS/\$LS Today	+/- w-o-w	WS/\$LS ytd avg	TCE Today	TCE +/- w-o-w	TCE ytd avg
VLCC	270K MEG-China	35.0	-5.0	39.5	4,079	-9,814	9,259
	270K USG-China	4,500,000	-100,000	4,655,000	11,667	-4,983	13,582
	260K WAFR-China	33	-6.0	38.1	2,705	-10,670	8,473
	Triangulated (MEG-USG/WAFR-China)				3,163	-9,612	7,383
Suezmax	130K WAFR-UKC	40.0	-1.5	39.3	-221	-4,890	-284
	135K BSEA-MED	60.0	1.0	60.0	921	-3,241	1,263
Aframax	80K cross-UKC	77.5	-9.0	82.9	-6,020	-3,082	-2,611
	80K cross-MED	70.0	0.0	71.5	-2,330	-1,676	-1,420
	70K USG-UKC	62.5	-14.5	73.6	7,920	3,829	2,473
	80K Indo-Aus	62.5	0.0	63.4	-831	-2,028	-81
MR	37K UKC-USAC	100.0	-10.0	101.3	2,019	1,630	2,402
	38K USG-UKC	80.0	2.5	79.8	-443	1,017	11
	30K Sing-Aus	137.0	-2.0	139.6	6,981	-2,836	7,673
	40K MEG-UKC	1,075,000	25,000	1,080,000	1,257	-1,510	1,658
	Triangulated Atlantic				6,462	2,522	6,729
LR 1	55K MEG-Japan	85.0	0.0	85.9	3,398	-13,920	3,966
	65K MEG-UKC	1,250,000	-50,000	1,300,000	-443	-8,748	860
	60K UKC-WAFR	110.0	-2.5	109.8	11,288	5,997	11,426
LR 2	75K MEG-Japan	85.0	10.0	82.5	7,044	-6,120	6,766
	90K MEG-UKC	1,640,000	90,000	1,624,000	1,589	-4,750	1,733
	80K Med-Japan	2,350,000	50,000	2,255,000	5,362	3,198	4,532



Period Market

There hasn't been any real change of emphasis or market dynamics this week, and as such little fresh direction has been seen. VLCC TC activity has slowed, and while there appears to be some potential within CPP arbitrage for new build VLCC's and Suezmaxes this has been limited. Activity has been almost exclusively CPP based for either maiden or follow-on maiden voyages. For Aframax, there was a little more enquiry than last week but it's marginal, with charterers in no rush as any TC now will almost certainly be loss making.

Some oil companies have begun to make a play on LR2's and something we expect could become more of a trend as so many global refineries close or change their use. Storage still plays a role amidst weaker West demand, with a couple of significant charterers making open market calls for 1/2/3 years deals on MRs.

Weekly Timecharter Fixtures

SC Shandong (CSSC/Wah Kwong), 300dwt, NB, scrubber, min 11 max 18 mos, usd 34,000, delv ex-yard Jun '21, Trafigura - old/ swapped with SC Hunan Venture/one fixture only

Gilos (Transmed), 319dwt, 04blt - joined Tankers Intl pool

Nave Celeste (Navios), 299dwt, 03blt, 1-3mos, 1mos @ 20,500 / balance RNR, Clearlake - old

Kanaris 21 (NS Lemos) 158dwt, NB, scrubber, min 3mos/max 6mos+opt 6mos, upto 90 days usd 16k/91-180 days usd 18k opt 6 mos usd 24k, delv SK yard 30/Jan '21, Trafigura

Ayse C (Koch), 158dwt, 20blt, scrubber, Antwerp 21Jan, rumrd on subs CPP short tc sub

Zeynep (Koch), 158dwt, 20blt, scrubber, CPP, min 30 max 120 days storage, usd 19,500, dely Lome 20-25/Jan '21, CSSSA - subs/ storage

Bergitta (Bergshav), 105dwt, 07blt, DPP, 12mos, avg.rate @ usd 14k (starts low and to high teens thru the period), trading on USG/ Caribs, Penfield

TBR EBN Hawkel Ex Ionic Anemos (GNMTC), 112k dwt, NB, scrubber, 6+6mos, usd 16,750 / 17,250, Trafigura - subs

PS Genova (Premuda), 109dwt, 10blt, DPP, 6mos, RNR, CNR - rptd

PS Pisa (Premuda), 109dwt, 10blt, DPP, 6mos, usd 16,000, Wellbred

Wellington (Union - new acquisition), 109dwt, 09blt, CPP (last cgo DPP), 24mos, usd high teens, dely Spore Feb '20, BP

Ampleforth (Union - new acquisition), 109dwt, 08blt, CPP, 24mos, usd high teens, dely Cont Feb '20, BP

Thunderbolt (BULL), 108dwt, 08blt, CPP, 12mos, usd 14,500 + p/s TC1 linked, dely AG Jan '21, Shell

Timberwolf (BULL), 109dwt, 08blt, CPP, 12mos, usd 14,500 + p/s TC1 linked, dely Spore Jan '21, Shell

Ghibli (Marwave), 113dwt, 09blt, CPP, 120-150days, 120days usd 15,000 / balance usd 18,000, dely ARA 22/Dec '20, Resource - storage

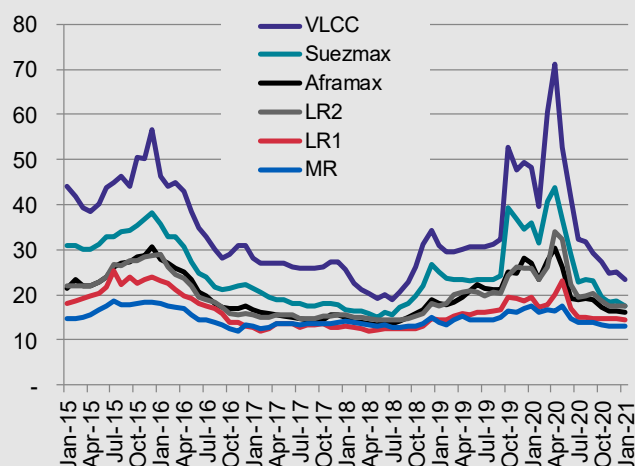
Timecharter Rate Estimates: \$'000/day

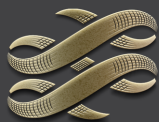
1 Year	non-ECO	ECO	
Crude			
VLCC	23,500	27,500	↓
Suezmax	17,500	20,000	↓
Aframax	16,000	17,000	↔
Panamax	14,500	16,000	↔
Products			
LR2	17,500	19,500	↔
LR1	14,500	16,500	↔
MR	13,000	14,500	↔
Handy	12,750	13,500	↔

3 Year	non-ECO	ECO	
Crude			
VLCC	27,500	32,000	↔
Suezmax	22,500	25,500	↔
Aframax	19,000	21,500	↔
Panamax	15,000	17,000	↔
Products			
LR2	19,000	22,000	↔
LR1	15,000	17,000	↔
MR	14,000	15,500	↔
Handy	13,000	14,000	↔

Rate assessments for evaluation purposes only.
Arrow indicates trend rather than weekly rate change.
Assessments basis: NON ECO MAX 10YRS, ELY DELV, MR IMO CLASS, AFRAMAX-LR2 115DWT, HANDY 37DWT

Timecharter Rate Estimates: \$'000/day





FFA Forward Curves (WS and \$/t)

Route	Period	Worldscale	US\$/t
VLCC/TD3C BITR	1Q2021	34.761	6.337
Suez/TD20 BITR	1Q2021	42.967	6.067
Afra/TD7 BITR	1Q2021	99.167	5.831
MR/TC2 BITR	1Q2021	117.490	14.463
LR1/TC5 BITR	1Q2021	93.319	19.093

Data from Baltic Exchange as of cob 14 January '21

Weekly Timecharter Fixtures — Continued

Jag Lokesh (Great Eastern), 106dwt, 09blt, scrubber, CPP, 40-90days, usd 20,000 nett, dely Lome 15/Jan '21, Mocoh - storage

Amazon Beauty (Sun Enterprises), 73dwt, 04blt, CPP, 20-45days, 1-20days @ usd 14,500 / 21-30days @ 16k, 31-45days @ 17k, dely Lome 10/Jan '21, CSSSA - storage

Altesse (Roxana), 74dwt, 10blt, CPP, 6+6mos, usd 14,750/15,750, dely Rsea Jan '21, ATS - MTBE trade

Nord Vision (Norient), 50dwt, 21blt, CPP, IMO 2/3, 2+1yrs, usd 15,250/16,750, dely ex-yard Vietnam Mar '21, Trafigura

Nord Valkyrie (Norient), 50dwt, 21blt, CPP, IMO 2/3, 1+1yrs, usd 14,750/16,250, dely ex-yard Vietnam Jan'21, Trafigura

Financial Indicators

Spot Prices

Brent	54.68	\$/bbl
WTI	51.86	\$/bbl
Gasoil	450.50	\$/t

Delivered IFO 380

Fujairah	330.00	\$/t
Singapore	350.50	\$/t
Houston	329.50	\$/t
Rotterdam	330.00	\$/t

Delivered VLSFO

Fujairah	450.50	\$/t
Singapore	452.50	\$/t
Houston	423.50	\$/t
Rotterdam	420.50	\$/t

WATCH OUT FOR...

China reported its highest number of daily coronavirus cases in more than ten months on Friday, sparking concerns surrounding the toll that a new wave of lockdowns in the world's largest crude oil importer would have on the global oil market, Reuters report.

Cases have surged despite over 28 million people in China's Northern provinces already being placed under home quarantine, with the country also experiencing its first coronavirus death on the mainland since May.

Furthermore, additional concern has been directed towards the Lunar New Year holiday in February, which typically sees around 280 million workers travelling back home during the period. During last year's holiday, cases of the virus spread rapidly, forcing a series of quarantine measures which trapped workers, ultimately stunting economic activity and industrial production.