



## Global sentiment is slightly flatter than last week

TD3C saw some impressive gains at the beginning of the week to reach WS 112, but as the week has gone on, the market has cooled off slightly to stand at WS 105.75. Currently, owners are waiting to see the January AG loading programmes because December cargoes have all been fixed. The January stem count is expected to be released over the coming days but, until then, rates are likely to hold with last done levels being repeated at the end of this week. December one-year TC earnings are up 68 per cent y-o-y.

In the Suezmax markets, sentiment has remained strong in TD20; WS 130 was seen reported late last week and WS 140 was reported on Thursday this week. Towards the end of the week, activity on TD20 has been a bit muted with levels remaining in the low 140s. Tonnage seems to be relatively balanced at the moment so charterers will look to hold in the low 140s. Despite this lull in activity, rates for December have currently averaged WS 135.

Looking East, the AG market has seen a lot of activity in Indian short-haul business, with rates to WC India reported at WS 200. This high AG/East enquiry has allowed TD23 to tick up close to WS 64 before levelling off and holding steady at WS 63. Global sentiment is steady with levels expected to remain where they are for the week.

The North Aframax markets have been skyrocketing as of late with a 53 per cent increase week-on-week, TD7 currently stands at WS 204.44. There was talk of WS 230 mid-week with 250 being paid for a replacement but the Baltic assessment has not quite reached these levels. Bad weather has caused delays to ships, tightening the lists, and this, coupled with high chartering demand, has caused a significant boost to North rates.

Cross-Med rates have been fairly steady this week but on Thursday TD19 closed up at WS 193.33, according to the

Baltic Exchange, an increase of six per cent week-on-week. CPC was the main hub of action, a fixture was reported at over WS 200 on Thursday, over 10 points higher than the Baltic currently assesses that route. Rates are pushing upwards, with lists currently looking tight.

As for product tankers, sentiment remains strong in the East market but there hasn't been a lot of new activity late in the week. Cross-Med rates have gained WS 30 points on the week.

MEG-EAFR runs also jumped WS 30 points at the beginning of the week, but have corrected downwards slightly on Thursday. There has been plenty of activity being reported but rates have slipped closer to WS 210, after being fixed at WS 217.5 a couple days ago.

LR2s in the AG have seen a couple deals done towards the middle of the week, but early on many owners were unwilling to participate in the market, holding their ships due to arrive in the AG. This meant tonnage is not as tight as we'd seen over recent weeks. Nevertheless, TC1 increased by three points week-on-week to hold firm at WS 154.38.

Looking West, rates for LR2s heading from AG to UKC have increased to USD 2.975 Mn on subs, climbing back up to close at the levels seen two weeks ago.

There has been ample tonnage in the AG LR1 market throughout the week, therefore rates have not seen any big jumps. As the week has gone on rates have moved up and down but on Thursday TC5 closed up 6 points higher week-on-week, closing at WS 156.67. According to our latest data, there are still five cargoes left in the AG with December laycan, but owners have been selective over which cargoes to load as of late.

	BDTI	BCTI	
	1419	879	
Δ W-O-W	↑Firmer	↑Firmer	
<b>BDA</b>			
(USD/LDT)	TKR/LRG	TKR/MED	TKR/SML
This week	387.5	363.0	364.4
Δ W-O-W	-0.5	-2.0	-3.6

<b>BALTIC TCE DIRTY</b>				
	Route	Qnt	USD / Day	Δ W-O-W
TD1	ME Gulf / US Gulf	280,000	45,606	↑Firmer
TD3C	ME Gulf / China	270,000	86,621	↑Firmer
TD6	Black Sea / Med	135,000	64,100	↑Firmer
TD8	Kuwait / Sing.	80,000	40,369	↑Firmer
TD9	Caribs / US Gulf	70,000	46,551	↑Firmer
TD14	Asia / Australia	70,000	42,766	↑Firmer
TD17	Baltic / UKC	100,000	94,713	↑Firmer
TD20	WAF / Cont	130,000	57,359	↓Softer

<b>BALTIC TCE CLEAN</b>				
	Route	Qnt	USD / WS	Δ W-O-W
TC1	ME Gulf / Japan	75,000	32,788	↓Softer
TC2	Cont / USAC	37,000	20,202	↑Firmer
TC5	ME Gulf / Japan	55,000	23,863	↑Firmer
TC6	Algeria / EU Med	30,000	WS 277	↑Firmer
TC7	Sing. / ECA	30,000	23,220	↑Firmer
TC8	ME Gulf / UKC	65,000	WS 32	↑Firmer
TC9	Baltic / UKC	30,000	WS 212	↑Firmer



Bunker Prices								
(USD/T)	Fujairah	Δ*	Houston	Δ*	Rotterdam	Δ*	Singapore	Δ*
IFO 380	281	↑	333	↓	265	↑	330	↑
IFO 180	0	↓	0	↓	0	↓	0	↓
MGO	703	↑	609	↓	562	↑	586	↑

EXCHANGE RATES			CRUDE PRICES		
	Value	Δ*	(USD/Bbl)	Price	Δ*
EUR-USD	1.12	↑	Brent	64.81	↑
GBP-USD	1.34	↑	WTI	59.18	↑
USD-JPY	109.60	↑			
EUR-GBP	0.83	↓			
USD-KRW	1,171.15	↓			
USD-SGD	1.35	↓			
GBP-SGD	1.82	↑			

GDP GROWTH						
(%)	EU	India	US	China	World	
Q2 2019	1.1	5.7	2.1	6.2	3.0	
Q3 2019	1.5	6.1	2.4	6.1	3.0	

	Demolition		New Contracts	
	2019 YTD	2018	2019 YTD	2018
Handysize	4	12	0	3
Medium Range	14	23	37	91
Panamax / LR1	4	7	0	17
of which LR1:	3	3	0	14
Aframax / LR2	5	45	40	24
of which LR2:	1	7	10	12
Suezmax	7	22	24	16
VLCC	3	32	22	47
Grand Total	37	141	123	198
			Y-O-Y% Δ*	-38%

Tankers	Fleet					Deliveries			Orderbook				
	2015	2016	2017	2018	Nov-19	Delivered 2017	Delivered 2018	Delivered 2019	2019	2020	2021	Total Orderbook (Through to 2021)	% of Fleet
Handysize	560	575	586	582	594	18	8	16	2	9	1	12	2.0%
Medium Range	1431	1522	1574	1607	1681	66	56	89	10	78	33	127	7.6%
Panamax / LR1	412	429	444	449	458	21	12	13	9	9	6	24	5.2%
of which LR1:	343	358	372	381	389	18	12	11	5	5	6	16	4.1%
Aframax / LR2	920	966	1003	1009	1054	64	51	50	2	29	48	89	8.7%
of which LR2:	291	324	353	364	390	34	18	27	0	11	10	23	5.9%
Suezmax	484	511	558	568	587	57	32	26	5	29	26	62	10.2%
VLCC	641	686	726	732	795	50	39	66	7	41	19	71	8.9%
Grand Total	4,448	4,689	4,891	4,947	5,169	276	198	260	35	195	133	385	8.5%



World Oil	Demand			Supply			
	Actuals (Mn bpd)	2019	Q3-2019	Q4-2019	2019	Q3-2019	Q4-2019
<b>OECD</b>							
Canada	2.46	2.56	2.55	5.43	5.44	5.50	
Europe	14.13	14.45	14.11	-	-	-	
Japan	3.69	3.46	3.82	-	-	-	
Other OECD	6.45	6.40	6.43	4.68	4.59	4.79	
U.S. (50 States)	20.54	20.65	20.89	19.67	19.63	20.75	
Mexico	-	-	-	1.92	1.91	1.93	
<b>Total OECD</b>	<b>47.39</b>	<b>47.63</b>	<b>47.94</b>	<b>31.70</b>	<b>31.57</b>	<b>32.98</b>	
<b>As % of World</b>	<b>47.01</b>	<b>46.97</b>	<b>47.13</b>	<b>31.44</b>	<b>31.40</b>	<b>32.33</b>	

Non-OECD						
China	14.42	14.30	14.51	4.95	4.94	4.97
Europe	0.76	0.77	0.77	-	-	-
FSU	4.97	5.13	5.08	14.65	14.61	14.67
Other Asia	14.11	13.92	14.22	-	-	-
Other Non-OECD	19.17	19.64	19.18	14.28	14.76	14.48
Total OPEC	-	-	-	35.22	34.66	34.90
<b>Total Non-OECD</b>	<b>53.43</b>	<b>53.77</b>	<b>53.77</b>	<b>69.10</b>	<b>68.97</b>	<b>69.02</b>
<b>As % of World</b>	<b>52.99</b>	<b>53.03</b>	<b>52.07</b>	<b>68.56</b>	<b>68.60</b>	<b>68.63</b>
<b>Total World</b>	<b>100.82</b>	<b>101.40</b>	<b>101.71</b>	<b>100.80</b>	<b>100.54</b>	<b>101.42</b>

Time Charter Rates								
	1-Year	W-O-W	Avg 2018	Avg 2019	3-Year	W-O-W	5-Year	W-O-W
VLCC	48,000	↑	23,611	35,454	36,500	↑	34,000	→
Suezmax	34,500	→	17,044	26,339	29,000	→	24,000	→
LR2	25,000	↑	14,962	21,467	22,500	↑	20,500	→
Aframax	26,000	→	14,927	21,093	23,000	↑	20,500	→
LR1	19,000	→	12,895	16,342	16,750	→	15,750	→
MR	16,000	→	13,069	14,644	15,500	↑	14,500	→
Handysize	14,750	→	11,624	13,457	13,750	→	13,500	→

Asset Values								
	Newbuilding	W-O-W	Resale	W-O-W	5-YO	W-O-W	10-YO	W-O-W
VLCC	90.00	→	99.00	→	73.00	→	49.00	→
Suezmax	61.00	→	69.00	→	51.00	→	36.00	→
Aframax	50.50	→	54.50	→	39.00	→	29.00	→
LR2	52.00	→	55.50	→	40.00	→	30.00	→
LR1	42.00	→	41.50	→	31.00	→	18.00	→
MR	35.00	→	39.00	→	30.00	→	19.00	→
Handysize	33.00	→	35.00	→	24.50	→	13.75	→



INDICATIVE VOYAGE FIXTURES										
	Cargo Quantity	Grade	Load	Discharge	Vessel	Charterer	Laycan	Rate	Status	Comment
<b>VLCC</b>	270,000 MT	CRUDE	AG	ONSAN	NISSON DONOUSSA	S-OIL	27-29 DEC	WS 100	RPLC	STEADY
	260,000 MT	CRUDE	BRAZIL	EAST	MARAN ATHENA	PETROBRAS	12-13 JAN	WS 98.7	SUBS	FIRM
<b>Suezmax</b>	130,000 MT	CRUDE	EBOK	BRAZIL	DILLIGENT WARRIOR	PETRACO	29-31 DEC	WS 141.5	SUBS	STEADY
	135,000 MT	CRUDE	CPC	SOUTH KOREA	NORDIC TELLUS	LITASCO	8-10 JAN	USD 5.95 Mn	SUBS	STEADY
<b>Aframax</b>	100,000 MT	CRUDE	MURMANSK	UKC	NORD INDEPENDENCE	LITASCO	19-20 DEC	WS 210	FXD	FIRM
	80,000 MT	CRUDE	ES SIDER	TRIESTE	PROMETHEUS LIGHT	OMV	22-23 DEC	WS 190	SUBS	FLAT
<b>Panamax</b>	55,000 MT	LSFO	SKIKDA	USG	STROFADES	EXXON	16-17 DEC	WS 165	FIXED	STEADY
	50,000 MT	DPP	SCANDI	NORTH SPAIN	STENA PENGUIN	EQUINOR	-	WS 230	FAILED	

Spot Market		Affinity Index: Percentage change of our TCE compared to the base day: 7/01/2015 =100						
	Cargo Quantity	Route	Affinity Index*	Affinity TCE (\$/Day)	Δ* WOW	Δ* MOM	Average Year to Date (\$/day)	Average 2018 (\$/day)
<b>VLCC</b>		(TD1 & TD3C)	<b>198</b>	92,594	13%	90%	29,395	9,140
TD1	280,000 MT	ME Gulf / US Gulf	<b>781</b>	77,360	11%	85%	16,880	<b>-5,233</b>
TD3C	265,000 MT	ME Gulf / China	<b>129</b>	107,829	14%	94%	41,911	23,512
<b>Suezmax</b>		(TD6 & TD20)	<b>144</b>	83,502	2%	58%	35,743	23,135
TD6	135,000 MT	Black Sea / Med	<b>134</b>	94,515	2%	47%	45,350	32,596
TD20	130,000 MT	West Africa / Cont	<b>175</b>	72,489	2%	74%	26,137	13,673
<b>Aframax</b>		(TD8, TD14 & TD17)	<b>164</b>	77,462	22%	142%	26,363	16,116
TD8	80,000 MT	Kuwait / Sing.	<b>173</b>	57,038	0%	93%	24,565	13,926
TD9	70,000 MT	Caribs / US Gulf	<b>204</b>	63,599	7%	105%	23,780	13,329
TD14	70,000 MT	Asia / Australia	<b>170</b>	56,552	1%	78%	23,430	14,009
TD17	100,000 MT	Baltic / UK Cont	<b>158</b>	118,797	52%	243%	31,093	20,413

\*Affinity Index: Base day is 07/01/2015. The Affinity Index is calculated based on our freight rate estimates of the above routes. Starting on 7 January 2015, the Affinity index registers the freight rates from each day and then compares them to the base rate of the start date.



**INDICATIVE VOYAGE FIXTURES**

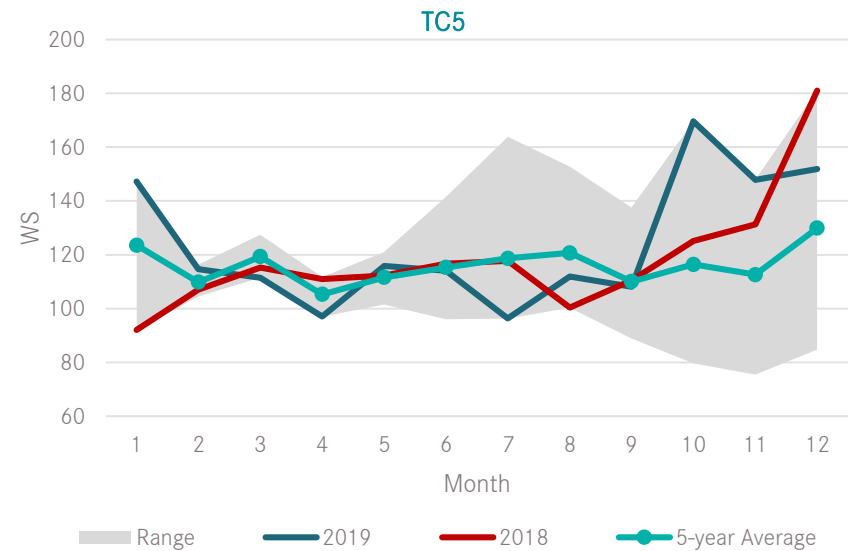
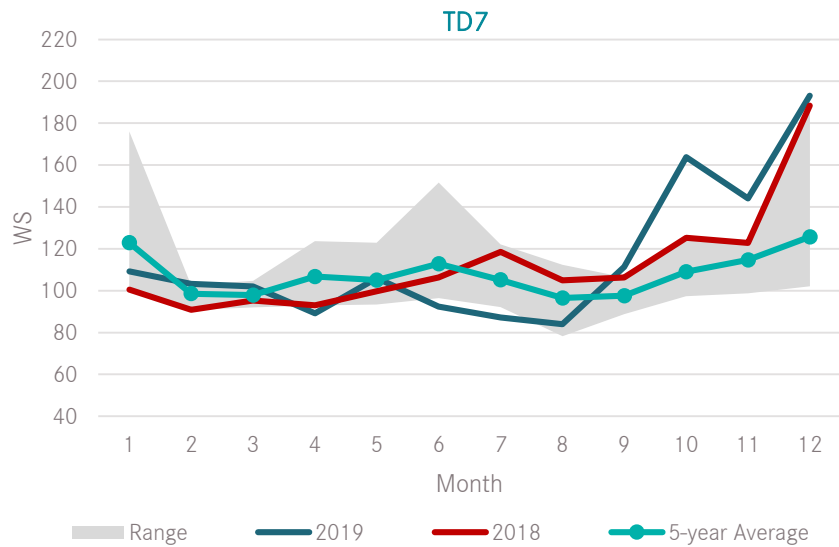
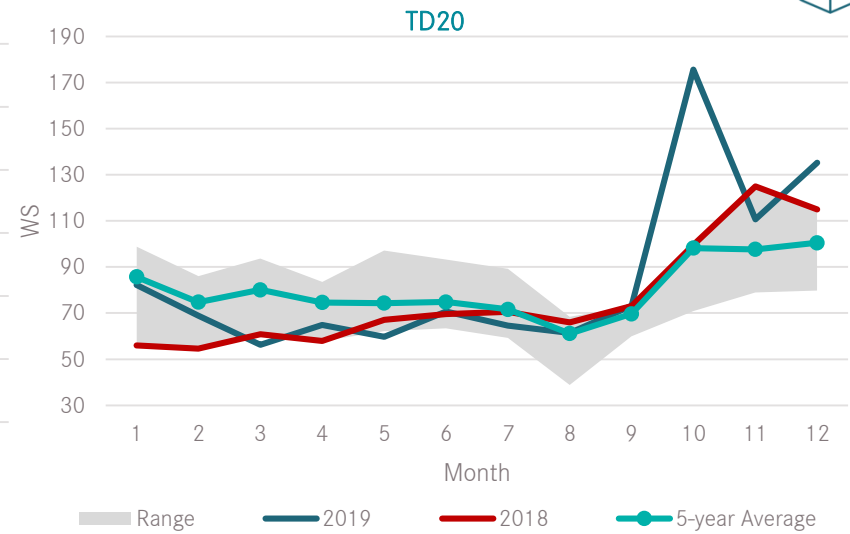
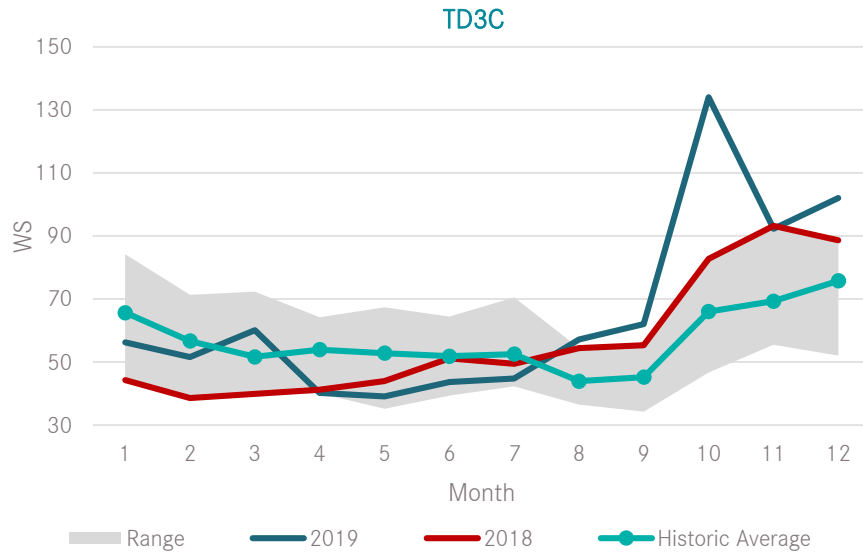
	Cargo Quantity	Grade	Load	Discharge	Vessel	Charterer	Laycan	Rate	Status	Comment
<a href="#">LR2</a>										
TC 1	75,000 MT	NAP	AG	JAPAN	EAGLE LYON	MCC	END-ELY	WS 155	SUBS	FIRM
TC 8	90,000 MT	ULSD	YANBU	WEST-OPTS	STI LAUREN	ATC	28-29 DEC	USD 2.4 Mn	FXD	FIRM
<a href="#">LR1</a>										
TC 5	55,000 MT	NAP	MEG	JAPAN	VELOS RUBY	MARUBENI	25 DEC	WS 155	SUBS	STEADY
<a href="#">MR</a>										
TC 12	40,000 MT	GTL GO	RAS LAFFAN	WEST	BW SWIFT	SHELL	18-20 DEC TBN 2	USD 1.65 Mn	SUBS	POSITIVE SENTIMENT
TC 2	37,000 MT	UMS	UKC	TA	HIGH MERCURY	EXXON	16-18 DEC	WS 175	FXD	QUIETER
TC 6	30,000 MT	ULSD	AGO	MED	MARVEA	PETROINOES	17 DEC	WS 300	SUBS	TIGHT, FIRM
TC 7	35,000 MT	CPP	DALIAN	OZ	BW PUMA	VITOL	18-20 DEC	WS 230	FXD	STEADY
TC 9	30,000 MT	ULSD	ST PETES	UKC	HAFNIA MALACCA	NESTE	23-24 DEC	WS 215	SUBS	UNTESTED

**Spot Market**

Affinity Index: Percentage change of our TCE compared to the base day: 7/01/2015 =100

	Cargo Quantity	WS/LS	Affinity TCE (\$/Day)	Δ* W-O-W	Δ* M-O-M	Average 2019 YTD (\$/day)	Average 2018 (\$/day)
<a href="#">LR2</a>							
AG / Japan	75,000 MT	152.50	23,661	-9,937	3,589	19,266	10,020
AG / UKC	80,000 MT	2.88	34,549	-10,247	10,010	25,835	12,564
AG / EA	80,000 MT	155.00	24,124	-7,527	3,221	20,430	11,505
<a href="#">LR1</a>							
AG / Japan	55,000 MT	152.50	15,074	-6,848	-2,628	13,477	7,985
AG / UKC	65,000 MT	2.05	22,692	-4,310	-1,544	20,793	10,783
AG / EA	65,000 MT	160.00	20,543	-2,652	-3,746	18,297	11,540
<a href="#">MR</a>							
AG / UKC	40,000 MT	1.65	21,063	301	1,800	16,894	10,046
WCI / Red Sea	35,000 MT	0.65	16,731	2,664	12	14,412	6,841
WCI / Japan	40,000 MT	185.00	12,183	-2,736	-690	8,799	4,646
AG / EA	35,000 MT	215.00	16,204	-364	2,920	12,487	8,583

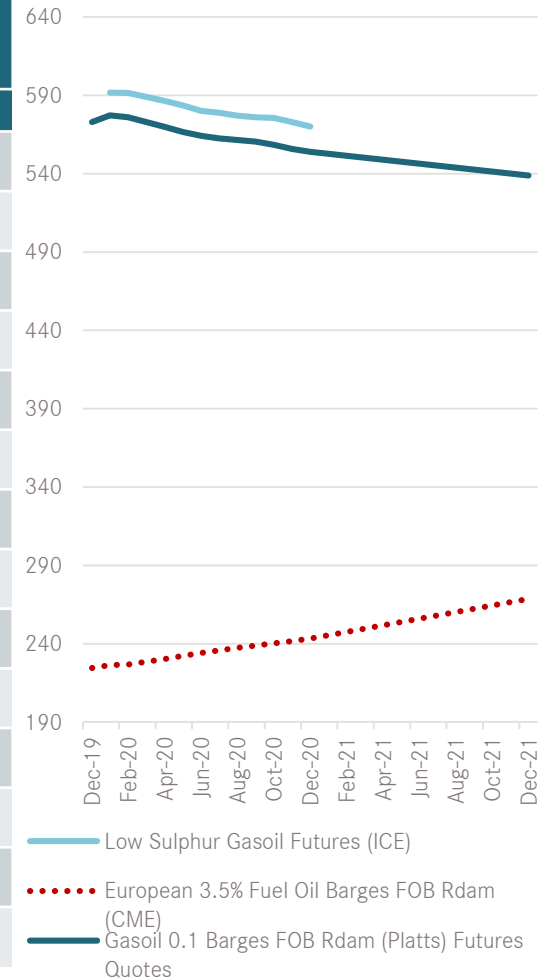
Index registers the freight rates from each day and then compares them to the base rate of the start date.

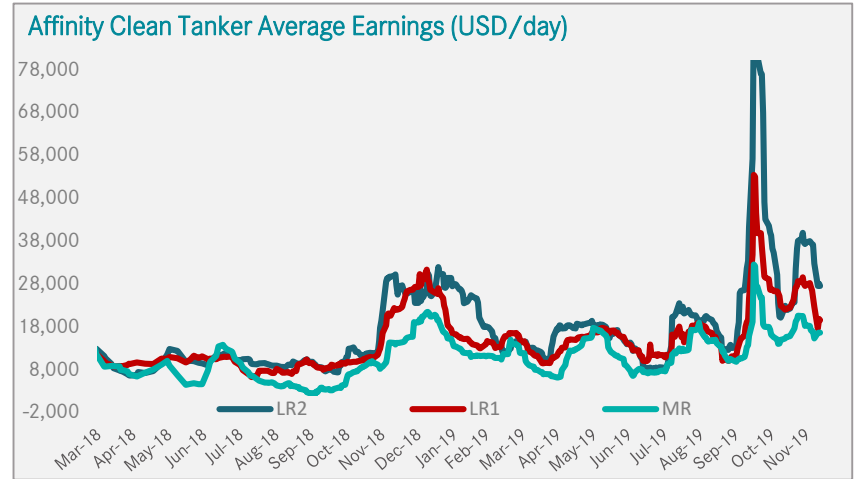
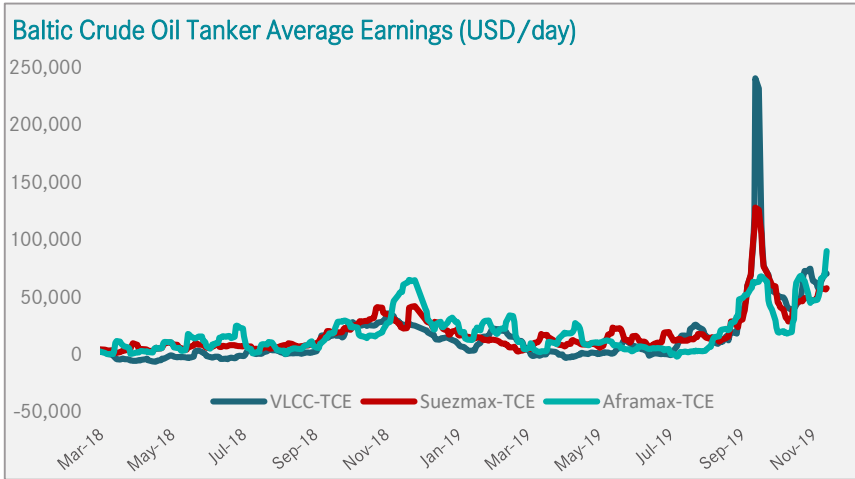




Rotterdam Futures

	Low Sulphur Gasoil Futures (ICE)			European 3.5% Fuel Oil Barges FOB Rdam (CME)			Gasoil 0.1 Barges FOB Rdam (Platts) Futures Quotes		
	13/12/2019	06/12/2019	%Δ	13/12/2019	06/12/2019	%Δ	13/12/2019	06/12/2019	%Δ
Dec-19				224.4	209.8	7%	572.9	559	2%
Jan-20	591.8	584.0	1.3%	226.3	206.7	9%	577.2	556.4	4%
Feb-20	591.5	584.5	1.2%	226.8	209.1	8%	575.9	553.0	4%
Mar-20	590.0	583.3	1.2%	228.4	212.0	8%	573.6	549.9	4%
Apr-20	586.5	579.8	1.2%	230.2	215.1	7%	569.8	547.6	4%
May-20	583.5	572.5	1.9%	232.3	217.8	7%	566.5	546.4	4%
Jun-20	580.0	571.0	1.6%	234.1	220.3	6%	564.1	545.6	3%
Jul-20	578.8	569.8	1.6%	235.8	222.8	6%	562.5	545.2	3%
Aug-20	577.0	567.8	1.6%	237.3	225.1	5%	561.4	543.2	3%
Sep-20	576.0	567.8	1.5%	238.8	227.2	5%	560.6	541.0	
Oct-20	575.5	567.5	1.4%	240.3	229.2	5%	558.5	539.7	
Nov-20	573.0	564.8	1.5%	241.7	231.7	4%	555.8	540.1	
Dec-20	570.0	562.8	1.3%	243.4	234.6	4%	554.0	538.9	3%
Dec-21				268.7	262.2	2%	538.8	528.6	2%





FFA Dirty		Dec	Jan	Feb	Mar	Apr	May
TD3C	ME Gulf / China	125.3	89.1	81.5	78.4	68.4	52.7
TD7	North Sea / Cont	130.6	103.1	102.7	95.6	92.1	85.3
TD8	Kuwait / Sing.	195.3	177.6	177.4	133.4	121.9	118.6
TD17	Baltic / Cont	133.4	107.5	120.0	95.2	88.5	80.7
TD19	Baltic / Cont	190.8	167.6	169.2	133.3	127.1	115.0
TD20	West Africa / Cont	195.0	125.0	130.8	116.0	107.4	101.6

FFA Clean		Dec	Jan	Feb	Mar	Apr	May
TC2	Cont / UAC	141.8	179.8	192.1	183.9	178.7	170.9
TC5	ME Gulf / Japan	186.6	176.7	173.8	182.0	172.2	159.5
TC6	Algeria / EU Med	164.9	210.3	236.0	228.4	198.4	175.3
TC7	Sing / ECA	195.8	207.1	216.1	200.6	196.9	199.4
TC9	Baltic / UKC	149.9	189.5	198.3	181.0	176.1	172.1
TC12	WCI / Japan	191.6	196.7	210.7	174.7	168.5	166.1
TC14	USG / Cont	111.0	143.2	160.9	128.2	126.6	121.3
TC15	Skikda / Chiba	137.6	114.7	121.9	108.2	99.4	98.3



# AFFINITY GLOBAL OFFICES



## LONDON



## OSLO



## SEOUL



## BEIJING



## HONG KONG

## SINGAPORE



## SYDNEY, MELBOURNE & PERTH



## HOUSTON



## SANTIAGO, LIMA & MONTEVIDEO



# DISCLAIMER



The information contained within this report is given in good faith based on the current market situation at the time of preparing this report and as such is specific to that point only. While all reasonable care has been taken in the preparation and collation of information in this report Affinity (Shipping) LLP (and all associated and affiliated companies) does not accept any liability whatsoever for any errors of fact or opinion based on such facts.

Some industry information relating to the shipping industry can be difficult to find or establish. Some data may not be available and may need to be estimated or assessed and where such data may be limited or unavailable subjective assessment may have to be used.

No market analysis can guarantee accuracy. The usual fundamentals may not always govern the markets, for example, psychology, market cycles and external events (such as acts of god or developments in future technologies) could cause markets to depart from their natural/usual course. Such external events have not been considered

as part of this analysis. Historical market behaviour does not predict future market behaviour and shipping is an inherently high risk business. You, should therefore, consider a variety of information and potential outcomes when making decisions based on the information contained in this report.

All information provided by Affinity (Shipping) LLP is without any guarantee whatsoever. Affinity (Shipping) LLP or any of its subsidiaries or affiliates will not be liable for any consequences thereof.

This report is intended solely for the information of the email recipient account and must not be passed or divulged to any third parties whatsoever without the written permission of Affinity (Shipping) LLP. Affinity (Shipping) LLP accepts no liability to any third parties whatsoever. If permission is granted, you must disclose the full report including all disclaimers, and not selected excerpts which may be taken out of context.

© 2019 Affinity Research LLP

44<sup>th</sup> Floor, The Leadenhall Building, 122 Leadenhall Street, London EC3A 8EE, United Kingdom

Tel +44 (0) 20 3142 0100

Email [research@affinityship.com](mailto:research@affinityship.com)