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Tanker Market Softened in April

in Hellenic Shipping News 22/05/2024

The VLCC tanker market softened last month, OPEC said in its latest monthly report. Dirty freight rates showed divergent trends in April. VLCC spot freight rates were softer, with the Middle East-to-East route falling 11%, m-o-m. In contrast, Suezmax spot freight improved, with the US Gulf Coast (USGC)-to-Europe route seeing a 3%, m-o-m, increase in rates. The Aframax market also improved, with Intra-Med rates up 15%, although East Suez rates declined. Rates for clean tankers declined on all reported routes, with East of Suez rates down 10% and West of Suez rates falling 20%.

Spot fixtures

Global spot fixtures fell sharply in April, with fixtures down by almost 5 mb/d, or 35%, m-o-m, to average 9.3 mb/d. Compared with April 2023, global spot fixtures were down by 4.9 mb/d, or over 34%. OPEC spot fixtures averaged 6.6 mb/d in April, representing a drop of 3.7 mb/d, or 36%. Compared with the same month last year, fixtures declined by about 3.1 mb/d, or 32%.

Table 7 - 1: Spot fixtures, mb/d

Spot fixtures	Feb 24	Mar 24	Apr 24	Change Apr 24/Mar 24
All areas	15.0	14.3	9.3	-5.0
OPEC	10.2	10.2	6.6	-3.7
Middle East/East	5.5	6.0	4.4	-1.6
Middle East/West	1.6	1.2	0.6	-0.6
Outside Middle East	3.1	3.0	1.6	-1.5

Sources: Oil Movements and OPEC.

Middle East-to-East fixtures declined 1.6 mb/d, or almost 27%, to average 4.4 mb/d. Compared with the same month in 2023, fixtures on the Middle East-to-East route fell by about 1.4 mb/d, or over 24%. Spot fixtures on the Middle East-to-West route declined by 0.6 mb/d, or about 49%, m-o-m, to average 0.6 mb/d. Fixtures were also down 0.6 mb/d or 51%, y-o-y. Fixtures on routes outside the Middle East fell 1.5 mb/d, or 48%, m-o-m, to average 1.6 mb/d. Compared with the same month of 2023, fixtures were 1.1 mb/d, or 41%, lower.

Sailings and arrivals

OPEC sailings increased by 0.9 mb/d, or over 4%, m-o-m, to average just under 22 mb/d in April. Compared with the same month in 2023, OPEC sailings were broadly unchanged. Middle East sailings averaged 17.5 mb/d in April, representing an increase of 0.4 mb/d, or about 2%, m-o-m. Y-o-y sailings from the region declined by 0.2 mb/d, or 1%. Crude arrivals increased again in all monitored regions.

Table 7 - 2: Tanker sailings and arrivals, mb/d

Sailings	Feb 24	Mar 24	Apr 24	Change Apr 24/Mar 24
OPEC	20.8	21.1	22.0	0.9
Middle East	16.1	17.2	17.5	0.4
Arrivals				
North America	8.6	8.8	9.5	0.7
Europe	11.8	12.6	12.7	0.1
Far East	15.6	16.3	17.3	1.0
West Asia	8.4	8.7	10.1	1.4

Sources: Oil Movements and OPEC.

North American arrivals rose 0.7 mb/d, or about 8%, to average 9.5 mb/d. Compared with April 2023, North American arrivals were 0.4 mb/d, or over 4%, lower. Arrivals to Europe edged up by about 0.1 mb/d, or less than 1%, to average 12.7 mb/d. Compared with the same month of 2023, arrivals to Europe were 0.6 mb/d, or 5%, higher. Far East arrivals rose by 1.0 mb/d, or about 6%, m-o-m, to average 17.3 mb/d in April. Y-o-y arrivals in the region were up by 2.4 mb/d, or over 16%. Arrivals in West Asia averaged 10.1 mb/d, representing an increase of 1.4 mb/d, or over 16%, in April. Y-o-y, arrivals in the region increased 1.6 mb/d, or 18%.

Dirty tanker freight rates

Very large crude carriers VLCC spot rates were softer in April. On average, VLCC spot freight rates fell 11%, m-o-m. Compared with the same month of 2023, VLCC rates were 8% lower. On the Middle East-to-East route, rates dropped by 11%, m-o-m, to average WS62 points. This represents a y-o-y decline of 6%. Rates on the Middle East-to-West route also fell 11%, m-o-m, in April to average WS42 points. Compared with the same month of 2023, rates on the route declined by 13%. Similarly, West Africa-to-East spot rates slipped 1%, m-o-m, to average WS63 points in April. Compared with the same month of 2023, rates were 5% lower.

Table 7 - 3: Dirty VLCC spot tanker freight rates, Worldscale (WS)

VLCC	Size 1,000 DWT	Feb 24	Mar 24	Apr 24	Change Apr 24/Mar 24
Middle East/East	230-280	70	70	62	-8
Middle East/West	270-285	52	47	42	-5
West Africa/East	260	70	71	63	-8

Sources: Argus and OPEC.

Suezmax

Suezmax spot freight rates improved in April, edging up 5%, m-o-m. They were up 10% compared with the same month of 2023. On the West Africa-to-USGC route, spot freight rates in April averaged WS106, representing a recovery of 7%, m-o-m. Compared with the same month of 2023, spot rates rose 4%. Rates on the USGC-to-Europe route increased 3%, m-o-m, to average WS91 points. Compared with the same month of 2023, they rose 18%.

Table 7 - 4: Dirty Suezmax spot tanker freight rates, WS

Suezmax	Size 1,000 DWT	Feb 24	Mar 24	Apr 24	Change Apr 24/Mar 24
West Africa/US Gulf Coast	130-135	103	99	106	7
US Gulf Coast/ Europe	150	92	88	91	3

Sources: Argus and OPEC.

Aframax

Aframax spot freight rates rose in the Mediterranean and the Atlantic basin. On average, rates rose 8%, m-o-m, and they were 6% higher than in the same month of the previous year. Spot rates on the Caribbean-to-US East Coast (USEC) route rose 10%, m-o-m, to average WS170 points in April. Rates were 47% higher compared with the same month of 2023.

Table 7 - 5: Dirty Aframax spot tanker freight rates, WS

Aframax	Size 1,000 DWT	Feb 24	Mar 24	Apr 24	Change Apr 24/Mar 24
Indonesia/East	80-85	157	167	158	-9
Caribbean/US East Coast	80-85	191	154	170	16
Mediterranean/Mediterranean	80-85	166	159	183	24
Mediterranean/Northwest Europe	80-85	154	157	176	19

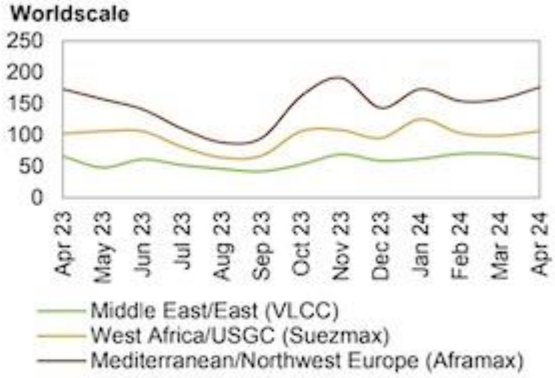
Sources: Argus and OPEC.

Cross-Med spot freight rates rebounded by 15%, m-o-m, to average WS183 points. This represents a 4%, y-o-y, increase. Meanwhile, rates on the Mediterranean-to-Northwest Europe (NWE) route rose 12%, m-o-m, to average WS176 points. Compared with the same month of 2023, rates were up just 2%. In contrast, rates on the Indonesia-to-East route fell 5%, m-o-m, to average WS158 points in April. Compared with the same month of 2023, rates were 13% lower.

Clean tanker freight rates

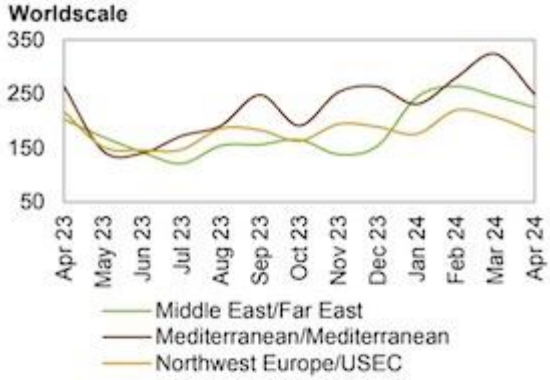
Clean spot freight rates declined, with East of Suez rates down 10%, m-o-m, and West-of-Suez rates falling 20%. As a result, clean spot rates averaged 15% lower overall.

Graph 7 - 1: Crude oil spot tanker freight rates, monthly average



Sources: Argus and OPEC.

Graph 7 - 2: Products spot tanker freight rates, monthly average



Sources: Argus and OPEC.

Rates on the Middle East-to-East route fell 9%, m-o-m, to average WS225 points in April. Compared with the same month in 2023, rates were still up 11%. Clean spot freight rates on the Singapore-to-East route declined 10%, m-o-m, to average WS252 points. This represents a 4% gain compared with the same month of 2023. Spot freight rates on the NWE-to-USEC route declined 13%, m-o-m, to average WS180 points.

Table 7 - 6: Clean spot tanker freight rates, WS

	Size				Change
East of Suez	*1,000 DWT*	Feb 24	Mar 24	Apr 24	Apr 24/Mar 24
Middle East/East	30-35	264	246	225	-21
Singapore/East	30-35	311	280	252	-28
West of Suez					
Northwest Europe/US East Coast	33-37	220	207	180	-27
Mediterranean/Mediterranean	30-35	280	324	249	-75
Mediterranean/Northwest Europe	30-35	290	334	259	-75

Sources: Argus and OPEC.

This represents a 17% decrease compared with April 2023. Rates around the Mediterranean experienced relatively larger losses, with the Cross-Med declining 23%, m-o-m, to average WS249 points, and rates on the Med-to-NWE route falling 22%, m-o-m, to average WS259 points. When compared with the same month of 2023, rates were about 5% lower on both routes.

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