

Diesel flows from US Gulf Coast to NW Europe and Med sea have been increasing as the summer draws to a close, with month on month increase in July and August. Multiple factors are driving record volume across the Atlantic including low clean tanker freight rates, depressed Gulf Coast diesel prices due inventories and run rates in the US. One factor driving the volume increase has been freight-rate volatility. The 38 kt USGC-ARA clean tanker freight rate values have been extremely volatile of late, beginning June at \$57.99/t ton before cratering to \$29.27/t by June 12. As soon as freight rates came off, the arbitrage to move barrels became more profitable so charterers booked ships quickly, driving down available tonnage and causing the freight rates to spike. A few more swings followed in July before settling in August between \$34.09/t and \$30.30/t.

Iran attacking Israel and concerns of escalating regional conflict are already "factored in" by energy industry in the Middle East, as per shippers and market analysts. "Since ships and companies affiliated with Israel are already under threat from Houthis and Iran, we believe that operational patterns have already factored in such threats, and that recent Iranian saber rattling has not resulted in further measures of significance at this point," David Loosley, of Bimco said. Freight costs to move crude oil and refined products from the Middle East were little changed or down since. TC20 CPP on a LR 2 vessel from the Persian Gulf to the UK slumped 5% on Aug. 12 to \$50.80 a metric ton, the lowest since December 2023, while the dirty tanker rate to move crude oil from the Persian Gulf to the Mediterranean was unchanged at \$15.86/t, as per Platts assessments.

CRUDE & DIRTY TANKERS

Routes	VLCC	Comments	USD/Day	Change
TD2	Middle East Gulf to South East Asia		27,650	2800
TD3	Middle East to East Asia		25,200	2450
TD15	WAF to East Asia		32,000	2050
TD22	US Gulf to East Asia Lumpsum	6,862,500	29,200	1200
Average VLCC			28,800	1900

Routes	SUEZMAX	Comments	USD/Day	Change
TD 6	Black Sea to Mediterranean		22,250	250
TD 20	West Africa to UK / ARA / Continent		23,000	250
TD 23	Middle East Gulf to Mediterranean		31,550	550
TD 27	Guyana to ARA		19,950	-50
Average Suezmax			22,600	250

Routes	AFRAMAX	Comments	USD/Day	Change
TD7	North Sea to NW Europe		24,350	550
TD8	Middle East Gulf to SE Asia		34,100	-450
TD9	Caribbeans to US Gulf		10,950	-1350
TD14	SE Asia to ANZ		28,400	-300
TD18	Baltic to UK - Continent	30,000 MT	27,150	-400
TD19	Cross Mediterranean		24,150	400
TD21	Caribbeans to US Gulf	50,000 MT	24,650	-4200
TD25	USGC to ARA		21,550	-150
TD26	EC Mexico to US Gulf		9,900	-1900
Average Aframax			23,750	-300

CLEAN PRODUCT TANKERS

Routes	LR CPP	Comments	USD/Day	Change
TC1	Middle East Gulf to North Asia	LR2	27,500	275
TC5	Middle East Gulf to North Asia	LR1	14,050	-550
TC8	Middle East Gulf to UK-Continent	LR1	27,950	-2900
TC15	Euro Med to SE Asia LR2 - Lumpsum	3,341,500	11,250	150
TC16	Europe to WAF	LR1	21,600	-225
TC 20	MEG to UK/Cont - LR2 - Lumpsum	4,206,500	40,500	-800
Average LR			25,950	-500

Routes	MR CPP	Comments	USD/Day	Change
TC2	Europe to US Atlantic coast		10,200	975
TC6	X-Med	Handy	13,100	6800
TC7	Singapore to East Coast Australia		17,350	425
TC10	North Asia to West coast America		27,850	550
TC11	North Asia to SE Asia		13,800	1900
TC12	Middle East Gulf / WCI to North Asia		11,400	250
TC14	US Gulf to Continent		12,700	-1450
TC17	Persian Gulf to EAF		17,450	-350
TC18	US Gulf to Brazil		25,150	-1575
TC19	NW Europe to WAF		14,650	900
TC21	US Gulf to Caribbean Lumpsum	568,000	13,950	-1250
TC 22	Korea to South Australia		21,950	200
TC 23	ARA to UK Continent	Handy	6,800	-1150
MR Atlantic Basket			22,600	-750
MR Pacific Basket			19,750	1050
Average MR			17,500	500

Tankers - TC rate indication - USD / Day >> 1 year period

VLCC Eco	VLCC	Suezmax	Aframax	LR2	LR1	MR Eco	MR	Handy	ST- J19
\$42,000	\$38,000	\$37,500	\$38,000	\$35,000	\$32,000	\$28,000	\$26,500	\$23,000	\$21,000
Sale and Purchase		Non Scrubber fitted, Non Ice, Built at Standard First class yard, SS Done							
Vessel Type		VLCC - 300 Kt Dwt	Suezmax 160Kt Dwt	Aframax 115Kt Dwt		MR 50 Kt Dwt - IMO			
Million USD - 5 Year		\$ 109 - 110 M	\$ 82 - 83 M	\$ 72 - 73 M		\$ 46 - 47 M			
Million USD - 10 Year		\$ 83 - 84 M	\$ 67 - 68 M	\$ 58 - 59 M		\$ 38 - 39 M			

Crude - ICE	USD	Change	Bunker Port	VLSFO	Change	MGO	Change
Brent	79.93	-0.77	Singapore	612	-8.0	709	-5.0
WTI	77.23	-1.27	Hongkong	619	2.0	722	3.0
HFO - Max 3.5%	USD	Differential	Fujairah	607	-5.0	811	-3.0
East (SG / HK / FUJ)	497.0	115.7	Rotterdam	556	-1.0	697	-1.0
West (ARA/Hou/NY)	490.7	82.0	Houston	569	-2.0	715	-2.0