



Product tanker owners await upturn

PRODUCT tankers shipping gasoline across the Atlantic have had little positive movement on spot market earnings this week, leaving owners to hold out for an anticipated upturn in the coming weeks, *writes Hal Brown*.

Spot market earnings are now around \$14,400 per day on the Baltic Exchange's index, compared with \$15,600 per day at the start of the week, on the benchmark transatlantic trade. The uninspiring level reflects the build-up of tonnage in northwest Europe, as ships wait to carry gasoline cargoes across the Atlantic to New York harbour.

A brighter picture lies ahead for owners, however.

According to Norwegian brokers, time charter activity has been high in 2013, which is a sign of charterers expecting spot rates to rise. Charterers want to secure tankers at lower levels for an extended period of time, to avoid a spot market rise.

Trafigura, for example, was recently said to have secured eight medium range product tankers on three-year time charters at \$15,500 per day each.

In the longer term, the picture is even brighter for product tankers.

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In light of this optimism, product tanker owners such as D'Amico International Shipping and Scorpio Tankers have been renewing and expanding their fleets. ■

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