



# Weekly Tanker Newsletter

21 July 2025

## Crude Tanker Markets

## VLCC

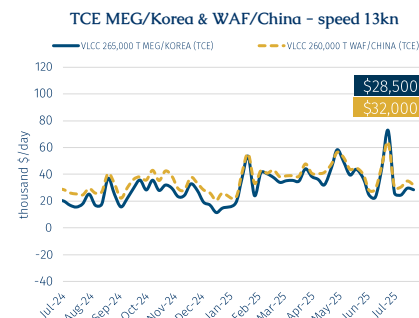
## Middle East

## West Africa

**MEG:** In the Middle East at the start of last week, Owners were hopeful to see further gains in the market with some July stems still outstanding and new August stems, with increased output, on the horizon. The list was long but sentiment was firm on the back of the expected activity which saw rates rise towards the mid w50's. As the week progressed however the expectation did not come to fruition as August dates were slow to enter the market. With the list having grown longer throughout the week from this, rates came under pressure. Rates for MEG/China climbed initially from w53 to reach w55 midweek before softening to the w51 level and charterers again in control.

**WAF/Brazil:** In West Africa rates followed a similar trajectory to the MEG, dropping off in the second half of last week. Rates for WAF/China are yet to be tested lower but are likely to drop on next done to the w53 level in line with rates from Brazil/East. However, as earnings here drop owners may be reluctant to commit to a longer voyage from the Atlantic and therefore a floor to rates may not be far.

**USG:** In the US Gulf the early part of the list still remained tight however and rates for USG/China rose steadily, despite not many cargoes seemingly working. A replacement at 7.5m started the improvement but this rate was then improved further with 7.6m towards the end of last week, despite the East softening.



## Suezmax

## West Africa

## Mediterranean

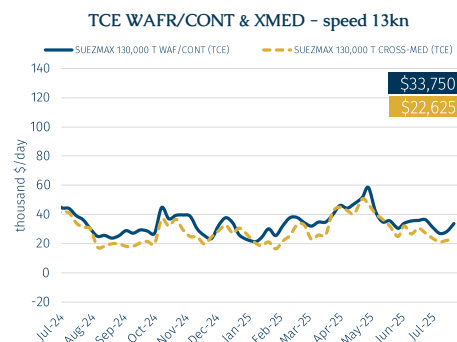
**WAF:** Quiet end to a busy last week as market takes a breather with still numerous still on subs awaiting their fate. List is replenishing 6-7 August onwards and as such we expect Charterers to challenge owners' ideas at w87.5 for UKCM. With 9 Vs fixed/on subs off 1st decade and a decent amount already fixed on Suezmaxes, we anticipate only a handful of cargoes outstanding off 1st decade. Fundamentals tend to lean more in Charterers favor. Stable for now at w87.5. To the East 130 at w92.5-95 lvls. Eastern ballasters: 7 in total / 1 hold / 1 potential - until 14th August bss Angola.

**BSea/Med:** Market held steady on Friday at 135 x w97.5 for CPC/MED, supported by ongoing demand. The list looked tighter with much of it cleared. Replacement rumors in the Black Sea added to the firm sentiment. Hariga/Pembroke-Trieste-Ningbo pegged at 130 x w85-90 - \$4.35m via Cape (to be tested). Market starts the day balanced.

**UKC/Baltic:** Much ado about nothing. The local NSea trades are being put against relets and fuel arb to the East seems closed for now. Adjacent markets are keeping rates stable, however this week could see some softening. WCN/UKC-Med 135 x w95-60. UKC/Rdam \$3.7m lvls.

**USG/CBS/LATAM:** Decent activity last week has kept the rates stable despite the softening Afra market. European positions still have less incentive to fix from USG than WAF and rates could firm a touch on the back of a tight front end of the list. USG/UKCM 145 x w65. The usual off market fixing ex Guyana with the traditional candidates being tucked away. Guyana/UKCM 130 x w85-87.5. Brazil quiet on the surface albeit West Coast tonnage also getting quietly taken, rates pegged against WAFR at 130 x w82.5-85.

**MEG:** Market has been busier over the last week as Indian public requirements ended up paying a premium versus AG/East. The list is already looking more date sensitive and owners might feel an opportunity to press rates up on the front end of the window. We don't notice more ballasters committing to the Atlantic though. AG/east 130 x w95-97.5, Basrah/UKCM 140 x w47.5 cape, USG circa \$3.0m level.



## Aframax

## North Sea

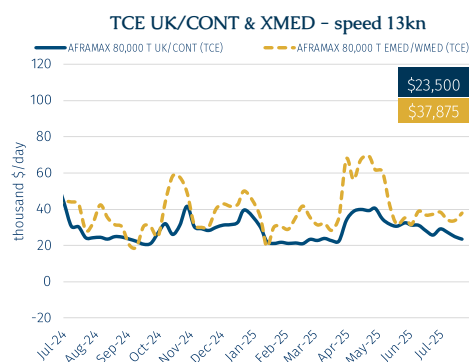
## Mediterranean

**Med:** Owners managed to push rates higher last week on the back of a tight position list. However, at the time of writing there is very limited fresh inquiry and rates seem steady and up for a fresh test.

**x-Med:** 80 x w135.

**North Sea:** Not much to say for the NSea market last week. Narrative remained unchanged with a plentiful tonnage list and scarce inquiry. For this week, expect owners to focus on anything that makes sense in surrounding markets. Softer tone overall.

**x-NSea:** 80 x w115.



## Clean Tanker Markets

### Middle East Gulf

MR2



LR1



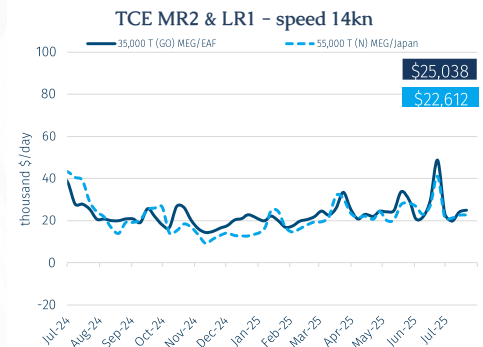
**MR:** A quieter start to the week for the MRs with not much fresh enquiry being reported. The weekend has allowed for the tonnage list to repopulate, allowing for more ballasters to become available for early August laycan dates. A few vessels have failed causing for the front end of the list to also have a few quality candidates. There are whispers of a few cargoes that are still to be quoted for this early august window. As it is only a Monday, owners will rather wait and see what tomorrow will bring in hopes that the market doesn't begin sliding downwards. Sentiment is stable for the time being.  
**x-AG:** 400k, **AG/EAF:** 35 x w225, **AG/Spore:** 35 x w210, **TC12:** 35 x w170.

**LR1:** Despite today's quiet start, the end of last week saw several more LR1s on subs, keeping the list relatively tight through the remainder of July. The TC1/TC5 spread remains wide, and in theory we should see long haul stems carried on the LR2s, though there are some prompt candidates that might be more pragmatic, if tested. Still, the sentiment is there, and Friday's sanctions gave rise to a push on August paper, peaking at w159, before settling at w153. The tonnage list for the balance of July certainly looks a little tighter, with some uncertain itineraries that could cause headaches for charterers, when looking to cover the inevitable short-haul stems that we are still yet to see. Sentiment is still firm.

**AG/Jpn:** 55 x w147.5, **AG/UKC:** 3M (via Cape), **AG/Spore:** 60 x w145, **AG/EAF:** 60 x w145.

**LR2:** Monday opened with a few fresh stems on the LR2s as charterers began to test the August window. With the dust now settling from Friday's sanctions news and no immediate market impact, focus has shifted back to fundamentals. Despite a strong finish to July in terms of volumes, the tonnage list remains long, with a clear overhang rolling into the new month. That said, with 10 days of July still to go, charterers are still seeking coverage for end-month stems. This could help sustain last week's momentum and keep rates steady through the early part of the week.

**AG/Jpn:** 75 x w127.5, **AG/UKC:** 3.75M (via Cape), **AG/Spore-EAF:** 90 x w125.



### North West Europe/ Americas

MR



LR1

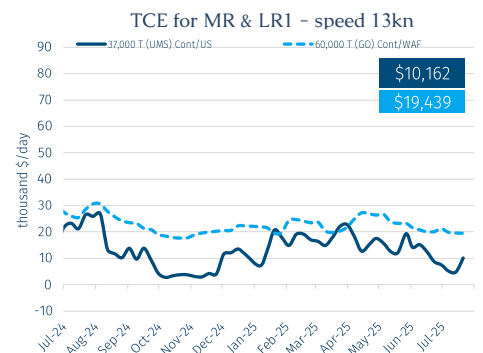


**MR CONT:** Well, it was certainly a more positive week for owners last week after the misery of the last few. There is no denying that the list of tonnage in NWE up to the end of the month is scarce. If this week sees a similar amount of demand as last week, we will see rates rise again, it's just a question of by how much. One thing to note, though, is that if Europe does jump up significantly, we will likely start to see some US and ECC ships head this way due to the US market coming off, which would help resupply for the early August window.

**TC2:** w120, **ARA/WAF:** w140.

**LR1 WEST:** Cont/Chiba: \$2.85M, Cont/RSea: \$1.35M, Cont/AG: \$1.75M.

**LR2 WEST:** Cont/AG: \$1.8M.



### Mediterranean

MR1



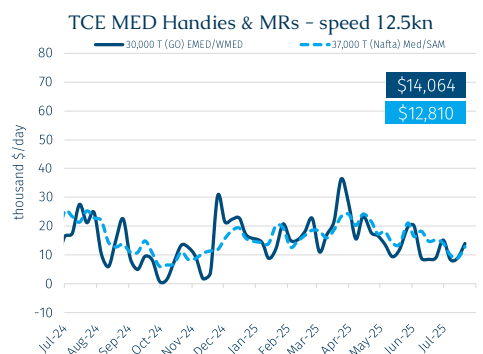
MR2



**MR/Handy:** The Med Handy market was fairly active last week, rates increased quite a lot in the first half of the week which brought back some optimism in the market with x-Med close to w190. A pretty tight list together with a few replacements and good amount of volume was the main reason. The week ended with rates corrected down to w150 for x-Med and expecting rates to remain steady for the time being. The MRs in the Med remain pretty stable to start off the week. A few bits happening under the radar but rather quiet. With the Cont firming also we saw the Med following behind by the end of the week with a fairly tight list of non-Russian players. The list is longer this week and there is not much volume to see this change at the moment, expecting the market to remain steady for now.

**x-Med MR:** w145.

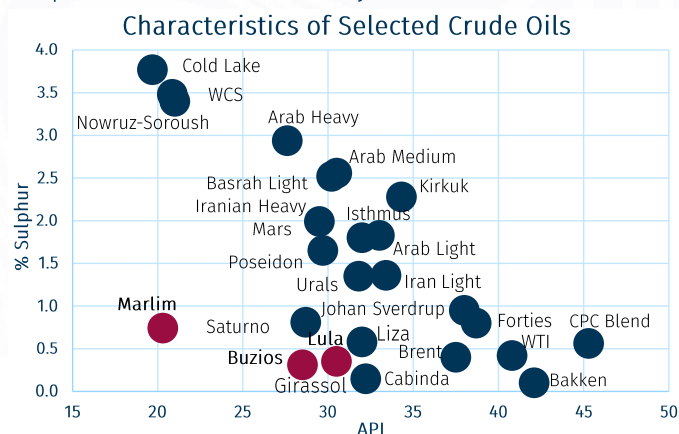
**x-Med Handy:** w160.



## Tariffs on Brazil to shift oil flows and tanker markets

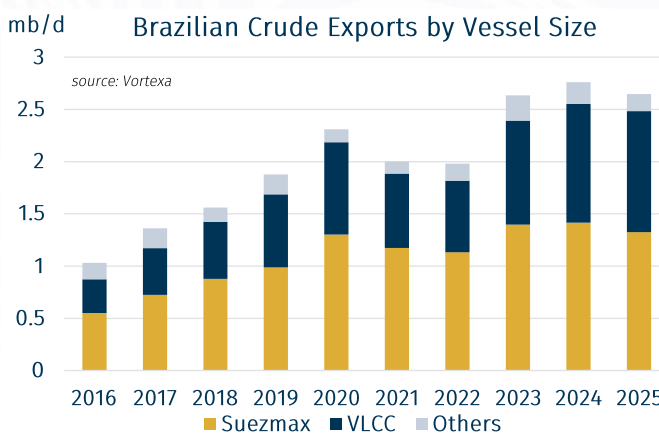
US President Trump's administration is shifting toward aggressive tariffs, extended from its initial target – China – towards other economies in both the developed and developing world. After a degree of short-term relief when trade flows seemed to have adapted and found their way amid troubled waters, it

appears some more structural changes could be just around the corner in the shape of US tariffs. Indeed, the next few weeks should determine how the tanker industry will navigate these and especially the introduction of a 50% tariff on Brazil's oil.



**In the next episode.** The next key milestones in the US tariff landscape will unfold over the coming weeks. On 31 July, an appeals court ruling is expected to determine the fate of the broader baseline tariffs on oil-related goods, potentially pausing or reinforcing them. The ruling is not limited to crude oil but could apply to a broader selection of goods within the energy complex, including oilfield equipment, petrochemicals, and refined products. Then, on 1 August, a new wave of tariffs, notably a 50% duty on imports of Brazilian crude is slated to be introduced. Indeed, given the diplomatic tension between President Trump and Brazilian President Lula, there is a high probability of these tariffs being implemented. This will mark one of the most direct trade actions targeting South America's largest oil producer in recent years. Whereas refined products like gasoline and diesel remain exempt, the move is set to reconfigure crude flows between the Americas, reshuffle global tanker trade flows, and introduce complexity for tankers.

**Rerouting is the direction.** The immediate impact of the upcoming policy is the redirection of Brazil's crude oil going to the US. Brazil exported about 205 kb/d of crude to the US in 2024, accounting for 13% of its total exports. Although a marginal change has been observed so far this year as the US accounts for 11.9% of Brazil's total exports, this still suggests there will be a further reduction after the tariff is introduced as Brazilian crude will instantly become uneconomic in US refineries. In addition to being a noticeable loss for Brazilian crude oil exports, it paves the way for rerouting away from US West Coast (USWC), which is particularly exposed to the Brazilian



tariff fallout since it is not connected by pipeline to US shale oil deposits nor Canada. Indeed, 80% of Brazilian crude exports are medium-sweet which makes such cargoes ideal for USWC refiners where 87% of Brazilian oil directed to the US discharged last year.

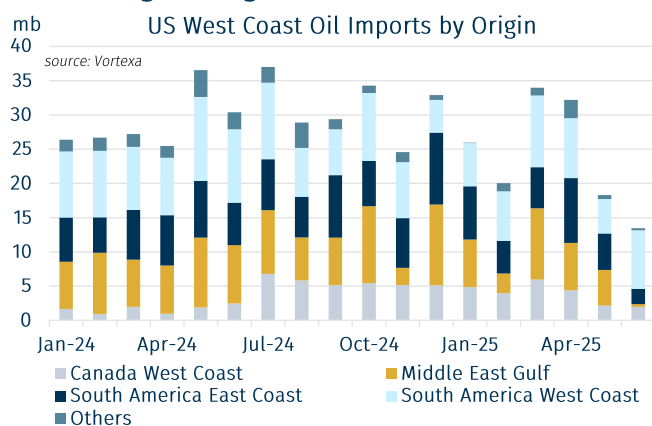
**US West Coast pressure point.** The region already relies heavily on Canadian TMX crude that is being shipped down by Aframaxes from Vancouver. Although these flows could potentially rise, considering the ongoing trade tensions between the US and Canada, this appears unlikely. Bearing in mind the US West Coast's current crude import's origin breakdown, this could open the door to more imports from the Middle East. Nonetheless, these barrels are heavy sour and thus not a like-for-like swap. A potential supplier of medium-sweet barrels in the Atlantic Basin would be Guyana where production and exports are soaring. Meanwhile, West African countries such as Nigeria and Angola are large exporters of medium-sweet oil in the Atlantic.

**Heading East?** China (42%) and Southeast Asia (5.7%) already buy significant volumes of Brazilian crude, supported by blending capacity and storage infrastructure. With the US becoming less of an option to Brazil, these buyers could easily absorb Brazilian barrels. In this scenario, this potential change will significantly increase tonne-mile demand, as voyages that once took roughly 20 days to reach the USWC could now stretch to about 40 days (Brazil to Northern China via the Cape of Good Hope). With longer haul routes now dominating Brazil's exports, vessel utilization should be hiked...

## Topic of the Week (cont.)

...For example, each Brazil-China round-trip should occupy a vessel for 100 days when considering the ballast time, compared to just 30 for a Brazil-US voyage.

**Or heading to the Continent?** If not Asia, another likely scenario involves the redirection of Brazilian crude to Europe. Refiners in the Continent have historically processed medium-sweet grades. However, the backing out of Russian barrels has resulted in European refiners seeking alternatives from elsewhere in the Atlantic. Indeed, Europe has been increasing its Brazilian crude imports throughout the past five years, with these having stabilized at close to 300 kb/d. These cargoes are mostly hauled by VLCCs and Suezmaxes. However, the impact from a switch away from the US to Europe would be marginal given that the voyage distance to Northwest Europe and the central Mediterranean is around the same as to the USGC with these voyages being about 20% less than to the Los Angeles region.



**A story for VLCCs and Suezmaxes.** Suezmaxes (~50%) and VLCCs (~40%) lift most Brazilian crude. Assuming that Asia picks up more Brazilian barrels, this should support VLCCs, especially when cargoes are co-loaded or combined via ship-to-ship (STS) transfers. If tariffs were to continue to 2026, the shift in trade flows and additional inefficiencies of the fleet would come timely to meet and expected increase in fleet growth for VLCCs and Suezmax for which deliveries are expected to rebound after two years of lows.

**Blessing or curse?** Although the broader market narrative in 2025 has been dominated by Russian sanctions and Red Sea tensions, US tariffs on

Brazil have quietly added a bullish undercurrent to the crude tanker market. Although in the context of the global crude tanker market, the impact of these shifts is marginal, when considering today's already delicate freight environment, this marginal tightening should help to support spot rates. By pushing Brazil to redirect over 10% of its crude exports away from the US, the policy alters voyage patterns, theoretically inflates tanker utilization, and therefore potentially adds support to freight rates, especially for VLCCs given this year's relatively benign supply-side picture. As Brazilian flows potentially pivot more towards long-haul east-bound voyages, it injects tonne-mile demand into a market already absorbing shocks from geopolitical fractures such as those at play in the Red Sea. The potential impact may start small, however, it reflects onto fleet deployment, vessel profitability, and Atlantic basin freight equilibrium. Moreover, it again demonstrates that tanker markets continue to be buffeted by exogenous influences as trade is being reshaped this year, and not just by fundamentals, but by foreign policy. As for tanker operators, it's not just about following the cargo, it's about staying ahead of the next political swell.

## Market Pointers

**Crude prices steady despite geopolitical turbulence.** Last week, oil prices traded in relatively narrow bands as prices remained little moved by a raft of geopolitical news concerning tariffs, Gaza and Russia. Following some initial strength, benchmark crude prices ended the week slightly down reflecting the consensus opinion that the 18th EU sanctions package is unlikely to move the global oil balance significantly. Nonetheless, diesel prices in the west did see some support stemming from the potential for a tighter market there in the future following the ban on imports of refined products made from Russian crude but produced in third countries as well as the sanctioning of India's Vadinar refinery. Last week's lackluster prices were carried into Monday's trading as, by the time of writing, front month ICE Brent was trading at around \$68.50/bbl while NYMEX WTI stood at close to \$66.60/bbl.

**EU lowers Russian oil price cap and sanctions more tankers.** Last week saw the European Union finalize the 18th package of economic and individual measures on Russia, which according to the EU is 'one of its strongest sanctions packages against Russia to date'. This saw the \$60/bbl price cap replaced with a dynamic mechanism which sets the maximum price paid for Russian exported to third countries using G7 shipping and logistics services at 15% lower than the average price of Urals. This is set to be reviewed every six months. At the end of last week, this implied a price cap \$47.60/bbl. Furthermore, the EU sanctioned an additional 105 tankers which takes the number sanctioned by the block to 444. Among a raft of other sanctions which targeted a range of entities and individuals, Rosneft's largest refinery in India – the 405 kb/d Vadinar plant operated by Nayara Energy – was also sanctioned. The EU also banned imports of refined products made from Russian crude but produced in third countries. However, there are exceptions for several countries and there will be a six month transitional period before this ban is implemented.

**Russia expected to ban gasoline exports.** Independent of the stricter EU measures on Russian oil, reports are circulating that Russia may introduce another gasoline export ban. Expectations are that any ban should begin in August and, as with similar bans in 2023 and 2024, could last until October. Any ban will be introduced to ensure stable domestic supply at a time when prices have recently been rising. Shipping data indicate that Russia has recently been exporting around 50 kb/d of gasoline, mainly via Baltic ports on MR2s and MR1s. These have

been heading for Latin America and North and West Africa.

**Northern Iraqi crude exports to resume soon?** Last week saw Baghdad and the Kurdistan Regional Government (KRG) reportedly reach a deal which, if confirmed, should see the resumption of crude flows along the 1.6 mb/d-capacity pipeline to the Turkish port of Ceyhan in the eastern Mediterranean. The deal reportedly will see KRG transfer all oil revenues to Iraq's state-controlled oil marketing organization SOMO. In return, the KRG will receive a \$16/bbl advance for each barrel exported which reflects the transportation cost of each barrel. The dispute has been rumbling on since March 2023 which has seen the pipeline shut since then. Before the dispute the pipeline was shipping between 400-500 kb/d of Kirkuk crude to Ceyhan where it was predominantly being loaded onto Suezmax and Aframax for onward transport to Europe (90%) and Asia (10%). Although Iraq is bound by the ongoing OPEC+ supply agreement, it has tended to overproduce recently. It is therefore tentatively suggested that it will hike production from its Northern fields regardless of its output quota.

**But Turkey terminates crude oil pipeline agreement with Iraq.** Hot on the heels of the above story, the Turkish government has decided to terminate its long-standing crude oil pipeline agreement with Iraq which has been in place since 1973. The agreement governs the use of the Kirkuk – Ceyhan pipeline and has in place since 1973. This decision is likely linked to the decision by an arbitration court ruling (which is being appealed by Ankara) that Turkey should pay Iraq \$1.5 billion for unauthorized exports allegedly marketed by the KRG between 2014 and 2018. It is anticipated that this decision should not halt the immediate return of Kirkuk oil to the pipeline given that the current agreement will remain in place until 27 July 2026. However, unless a new agreement can be reached, it does cast doubt over the long-term prospects for Northern Iraq's crude exports. There is also another crude pipeline from Northern Iraq to the Syrian port of Baniyas. However, this has not been used since 2003. There have been discussions to revamp this line which has a capacity of 300 kb/d, although this would be a far more expensive option than to use the line to Ceyhan which has reportedly been maintained over the past few years despite the lack of volumes.

## Fleet Statistics

TANKER FLEET BREAKDOWN						N° OF SHIPS
	> 19 YRS	15-19 YRS	10-14 YRS	5-9 YRS	< 5 YRS	IN SERVICE
VLCC/ULCC	188	168	198	238	115	907
SUEZMAX	157	117	150	159	115	698
AFRAMAX	236	169	97	106	79	687
LR2	48	108	84	134	120	494
PANAMAX	48	8	1	10	2	69
LR1	95	149	71	62	5	382
MR2	365	461	377	385	297	1885
MR1	236	150	62	50	10	508
<b>TOTAL</b>	<b>1373</b>	<b>1330</b>	<b>1040</b>	<b>1144</b>	<b>743</b>	<b>5630</b>

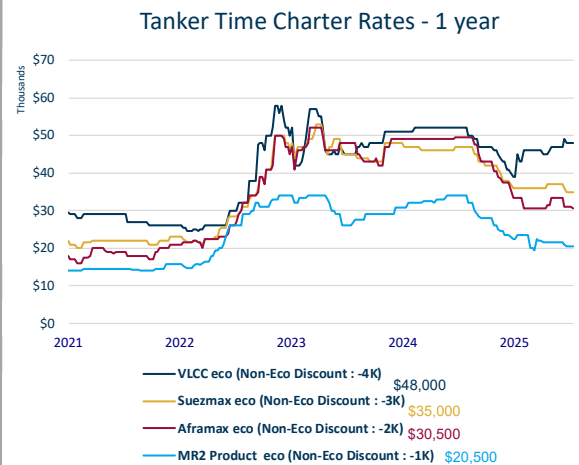
TANKER ORDERBOOK						N° OF SHIPS
2025 DELIVERED	2025	2026	2027	2028+	ON ORDER	
3	4	35	45	26	110	
15	15	54	47	24	140	
6	13	8	15	4	40	
31	19	78	70	28	195	
0	0	0	1	3	4	
2	8	24	17	13	62	
48	49	158	84	25	316	
3	1	13	10	0	24	
<b>108</b>	<b>109</b>	<b>370</b>	<b>289</b>	<b>123</b>	<b>891</b>	

TANKER DELIVERIES					N° OF SHIPS
	4/2025	5/2025	6/2025	7/2025	
VLCC/ULCC	0	0	1	1	
SUEZMAX	3	1	3	3	
AFRAMAX	1	1	2	0	
LR2	4	3	6	5	
PANAMAX	0	0	0	0	
LR1	0	0	0	2	
MR2	7	8	3	10	
MR1	0	0	0	0	
<b>TOTAL</b>	<b>15</b>	<b>13</b>	<b>15</b>	<b>21</b>	

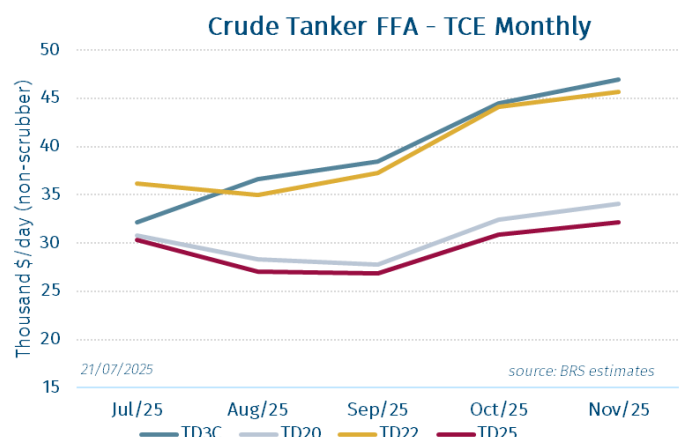
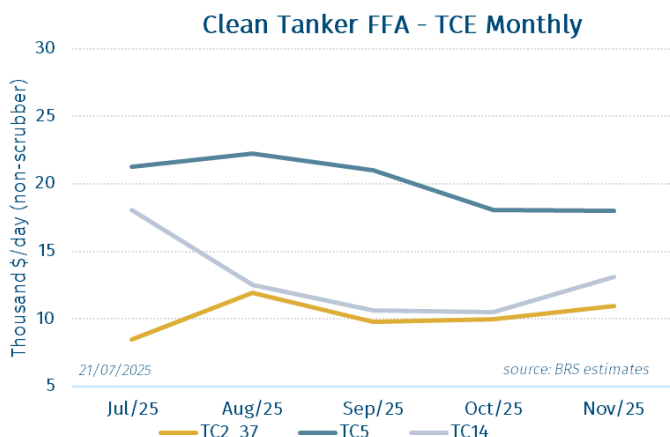
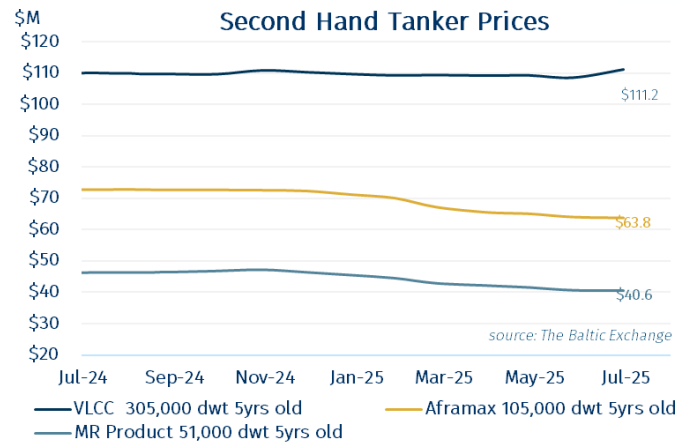
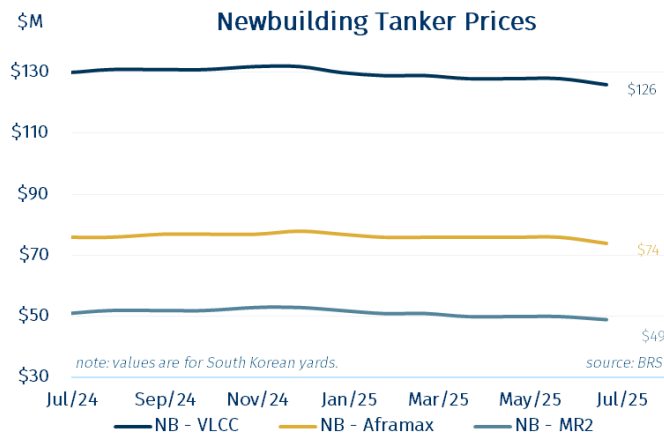
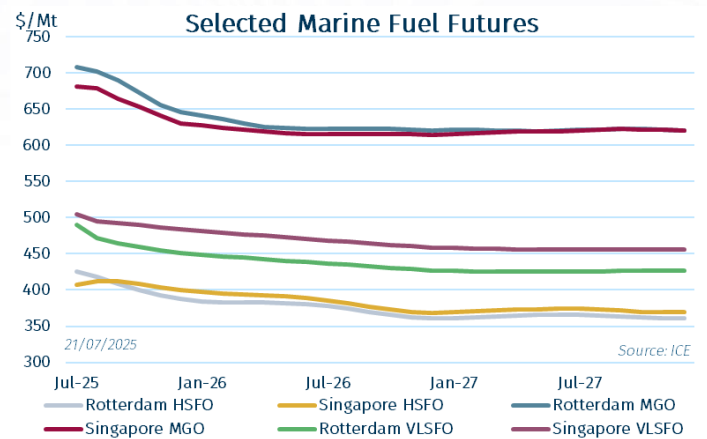
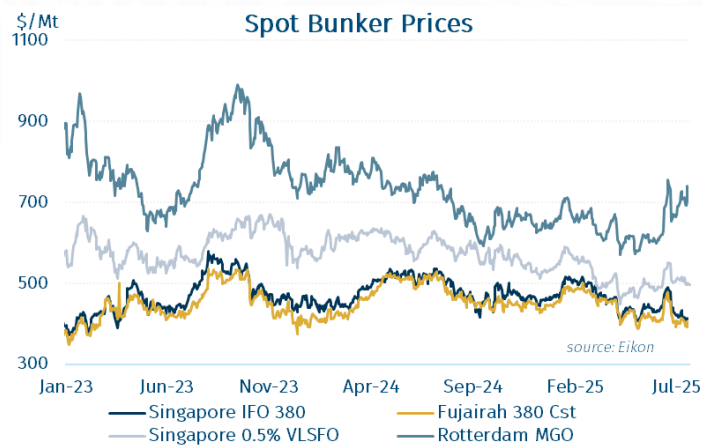
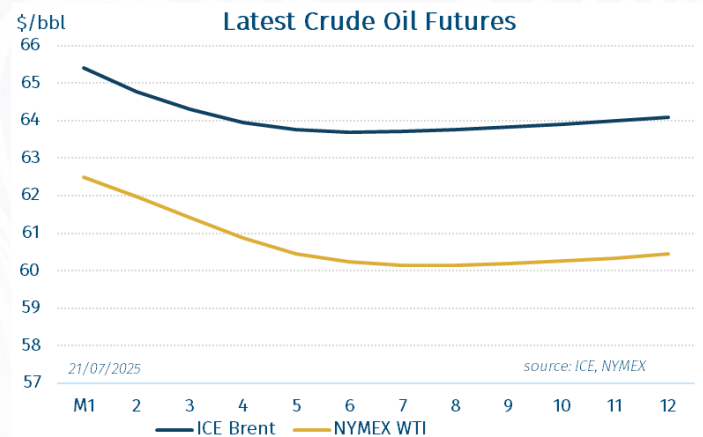
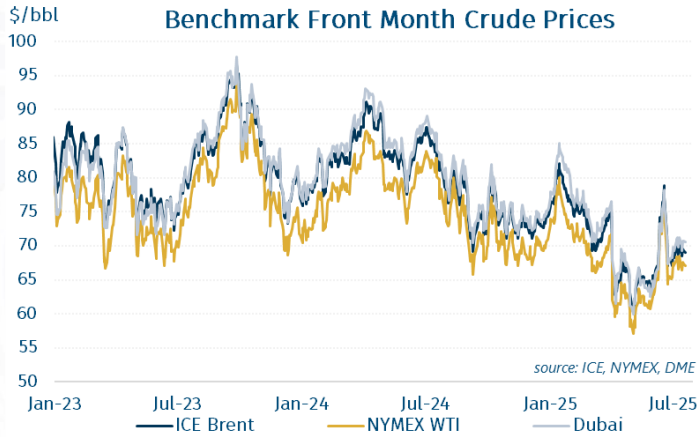
TANKER DELETIONS					N° OF SHIPS
DEMOLITION, LOSS AND CONVERSION					
	4/2025	5/2025	6/2025	7/2025	
VLCC/ULCC	0	0	0	0	
SUEZMAX	0	0	0	0	
AFRAMAX	1	0	1	1	
LR2	0	1	0	0	
PANAMAX	0	0	0	0	
LR1	1	0	0	0	
MR2	0	0	2	0	
MR1	0	0	0	0	
<b>TOTAL</b>	<b>2</b>	<b>1</b>	<b>3</b>	<b>1</b>	

## Time Charter Rates

\$/day		1yr	Trend	3yrs	5yrs
VLCC	NON ECO	\$42'000	STABLE		
	ECO	\$48'000		\$42'000	\$40'000
	ECO SCRB	\$52'000		\$45'000	\$43'000
SUEZMAX	NON ECO	\$31'000	STABLE		
	ECO	\$35'000		\$33'000	\$31'000
	ECO SCRB	\$36'500		\$34'000	\$32'000
AFRAMAX	NON ECO	\$26'000	STABLE		
	ECO	\$30'500		\$28'000	\$27'000
	ECO SCRB	\$31'500		\$29'000	\$28'000
LR2	NON ECO	\$25'000	STABLE		
	ECO	\$29'500		\$28'000	\$27'000
	ECO SCRB	\$31'000		\$30'000	\$28'500
LR1	NON ECO	\$21'000	STABLE	\$21'000	
	ECO	\$23'500		\$22'500	\$21'000
	ECO SCRB	\$25'000		\$24'000	\$22'500
MR2	NON ECO	\$17'000	STABLE		
	ECO	\$20'500		\$19,000	\$18,500
	ECO SCRB	\$21'000		\$19,500	\$19,000
MR1	NON ECO	\$17'500	STABLE	\$17'500	\$17'500
	ECO	\$18'500		\$19'000	\$19'000
	ECO SCRB	\$19'000			



## Latest Prices and Freight Rates



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