



Weekly Tanker Newsletter

29 September 2025

Crude Tanker Markets

VLCC

Middle East

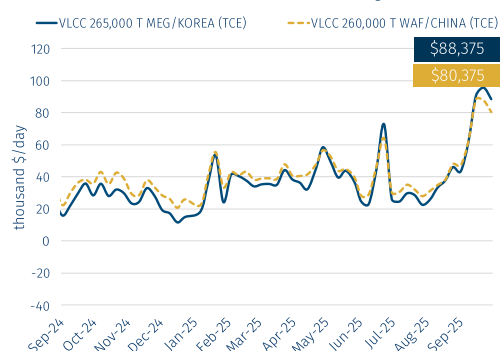
West Africa

MEG: In the Middle East, tonnage remained tight in the first half of the week with Typhoon Regasa delaying many vessels in South China. Several cargoes were worked privately and covered swiftly with charterers avoiding stoking the bullish sentiment. Rates for MEG/China hovered in the w100-101 band and while owners had hopes of rates going back to w105, the expectations of a flurry of cargoes did not come to fruition. To start the new week, with more ships having sailed in the east post-typhoon combined with the quiet days dragging on, there is a slight topy feeling to rates in the east and the potential for a slight correction although tonnage fundamentals remain tight compared to the average for the year.

WAF/Brazil: In West Africa, rates remained flat at a conference rate of w95 for WAF/China with owners comfortable to lock in a longer voyage at attractive earnings. Nonetheless, towards the end of the week with a market quote from Brazil having received 10 offers and being covered lower, rates are likely to correct in WAF too yet need testing. The dearth in US Gulf activity also added downward pressure to rates with ships open in the North Sea now also competing for cargoes from Brazil and West Africa.

USG: In the US Gulf, little openly worked apart from a lone market quote which, after a prolonged trade, corrected rates lower to an equivalent of 11.25m for USG/China midweek. With nothing worked in the second half of the week rates will likely be tested lower on next done.

TCE MEG/Korea & WAF/China – speed 13kn



Suezmax

West Africa

Mediterranean

WAFR: Not the most active last week which naturally ended with the anticipated downward correction. Atlantic lost momentum as Vs are also looking slightly softer. Last done TD20 at w107.5 and we expect rates to continue to slide. Expect Charterers to remain cautious as paper trades higher than physical (w112 Oct and w114 Nov). To the East 130 at w120 still on subs but w115-117.5 is the call today. Eastern ballast are getting scarce: in total 7 / 5 on subs or hold – until 23rd October bss Angola.

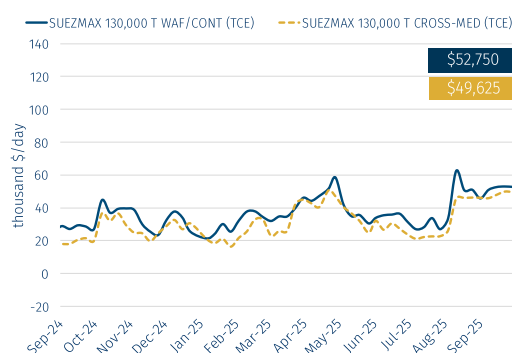
BSea/Med: It has been very steady over the past month from the Black Sea except for a few replacements the rates have remained CPC/UKC-Med 135 x w137.5-142.5 / 70k, whilst East rates are around \$6.1-6.2m lvs for CPC/Korea. Activity in the Med has been filled with some fresh entities trying to break into flows with Sarir Mesla crude oil with ships on subs and failed into the Med. For standard flows we maintain the call Hariga/Pembroke-Trieste-Ningbo 130 x w112.5-117.5-\$5.5m via Cape. Steady.

UKC/Baltic: Fuel oil arb looks to work for some traders as a lot of questions were asked for eastbound voyages. One ship fixed and one failed already. Quieter on the crude with rates expected to correct in line with TD20. WCN/UKC pegged at w110-112.5 bss 135kt and Rott/Singapore \$4.75m lvs load on top.

USG/CBS/LATAM: Slow end to a rather slow week with little fresh inquiry ex USG resulting in a bearish sentiment. Although Aframax have potential for another upward tick, Suezmaxes in the Atlantic lost steam and rates likely to come off further. USG/UKCM 145 at w92.5. Guyana has been surprisingly as Charterers are drip-feeding cargoes. Guyana/UKCM 130 at w105 and Brazil/UKCM 130 at w102.5.

MEG: Some fixing/failing end of last week from Basrah for but supply looks overall balanced. Although with west rates correcting, last done to west was the market before charterers can press rates down. East bound needs a proper test on a vanilla cargo. AG/East 130 x w120, Basrah/Ukcm w65 cape bss 140kt and USG needs testing at \$3.85m.

TCE WAFR/CONT & XMED – speed 13kn



Aframax

North Sea

Mediterranean

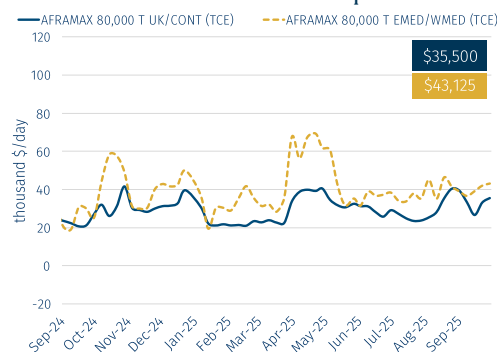
Med: Limited activity in the Med last week with rates holding relatively steady. Activity is expected to pick up following the weekend, however –at the time of writing– the list is looking long enough for charterers to cover their requirements close to last done levels.

x-Med: 80 x w142.5.

North Sea: Nominal levels of activity up north throughout last week, however, with a tight list owners managed to push rates up 5 points w-o-w. Firmer sentiment overall prior the weekend...

x-NSea: 80 x w135.

TCE UK/CONT & XMED – speed 13kn



Clean Tanker Markets

Middle East Gulf

MR2



LR1



MR: An optimistic start to the week for Owners on the MR Market. Although only a few cargoes being openly quoted, a stronger current of vessels going on subs with no details as well as whispers of charterers trying to cover their stems privately has allowed for owners this afternoon to try and push for higher than the w175 number that has been repeated numerous times on a TC17. The tonnage list is looking a bit more cut down at the front end however ongoing activity will be needed for owners to be able to push rates higher. The market for now remains stable.

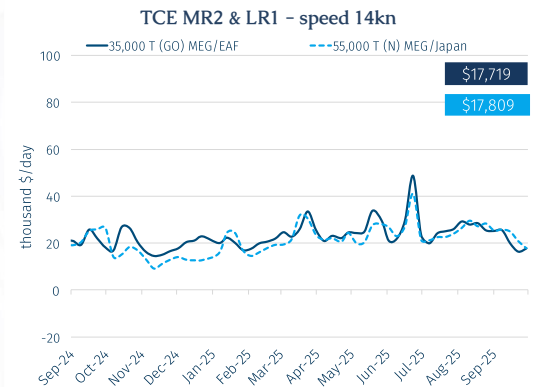
x-AG: 225k, **AG/EAf:** 35 x w175, **AG/Spore:** 35 x w170, **TC12:** 35 x w130.

LR1: The LR1 segment is still ticking over slowly with a few uncovered cargos rolling from last week. The List could prove to have some pockets of tightness around certain dates due the lack of quality units. But as it stands the list favours charterers if they have flexibility of taking +15 units as they are in abundance. As it stands owners have been able to maintain last done levels and should be the case going forward helped by a more positive LR2 segment.

AG/Jpn: 55 x w130, **AG/UKC:** 2.9M (via Cape), **AG/Spore:** 60 x w130, **AG/EAf:** 60 x w130.

LR2: The LR2 list is finally looking more interesting as the front end has almost cleared out. Today we have seen a repeat of last done east bound but owners are in a good position to try and push the rates on the next deal. We might start to see characters this week resorting to their usual tactics of fixing off market, in the hope of putting a damper on sentiment. But with a mix of stronger owners remaining on the list that could prove challenging so will call sentiment edging toward a firmer outlook.

AG/Jpn: 75 x w115, **AG/UKC:** 3.4M (via Cape), **AG/Spore-EAF:** 90 x w115.



North West Europe

MR



LR1

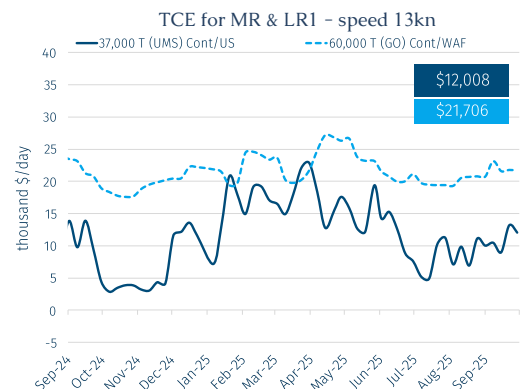


MR CONT: It's been a reasonably active week, with the sentiment flickering between firmer and softer, without much real change in rates. For now it seems to have settled in a pretty balanced position. The list looks decently supplied after the 2nd, and there are still a few relets knocking around which will help keep a lid on things. Looking at the cargoes left, it doesn't seem many are in a rush to cover, as a few charterers have their own vessels as backup, so it's unlikely we will see rates move up this weekend. In general, it all feels pretty steady going forward...

TC2: w125, **ARA/WAF:** w155.

LR1 WEST: Cont/Chiba: \$2.95M, Cont/RSea: \$1.45M, Cont/AG: \$1.85M.

LR2 WEST: Cont/AG: \$2M.



Mediterranean

MR1



MR2

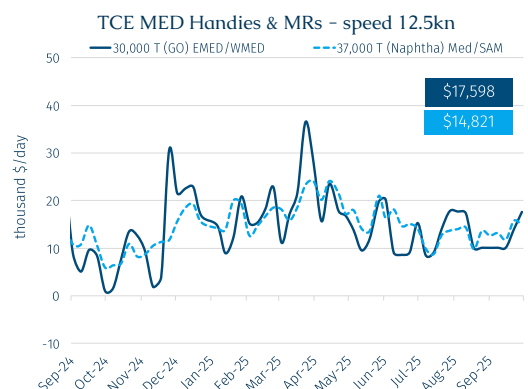


MR: Down in the Med it's been similar to the cont... it was a pretty active week in general but ended quietly. The list is looking really tight until the 3-4 October so let's see how it repopulates with firmer itineraries during the weekend but in general it feels similarly steady for the time being, its cargo dependent...

Handy: Slow start to the week in the Med, with the excitement from last week fading and rates showing signs of correction again. We'll need to see over the coming days whether this is just a minor adjustment or the beginning of a further slide. The list looks fairly well supplied and enquiry has not been particularly strong so far. As always, the market remains cargo dependent — a solid pickup in activity will be needed if rates are to hold at current levels.

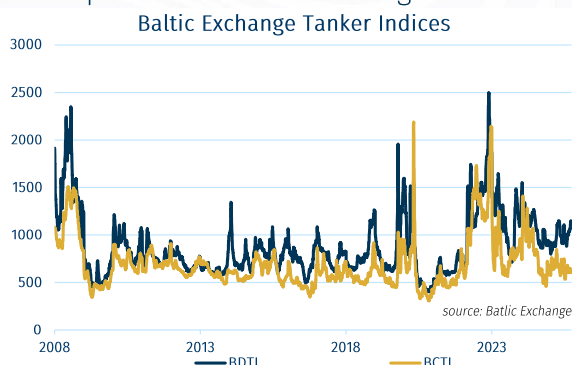
x-Med MR: w155.

x-Med Handy: w175.



Are the good times here to stay?

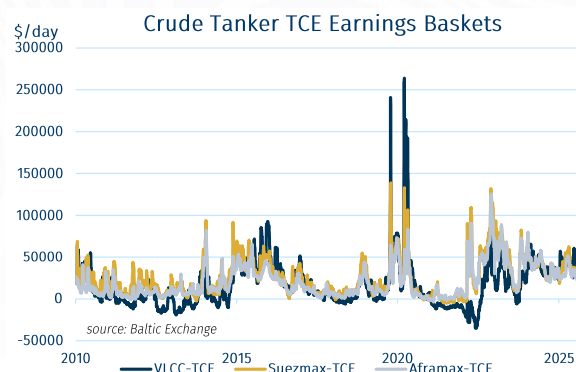
September has seen the VLCC market embark upon a relentless rally which has seen earnings near \$100,000/day on some voyages. This has led to anticipation of an upcoming cargo cascade which could help to lift other tanker segments. This week,



Stars of the show. The strong tanker earnings cycle across 2022-23 driven by rapidly shifting Russian oil flows was even more impressive given that it largely bypassed the VLCCs. However, the VLCCs are now finally having their moment in the spotlight with TCE earnings for the Baltic Exchange's VLCC basket recently touching \$88,000/day, their highest since 2020, a period characterised by the Covid-induced disconnect between oil demand and supply and the associated surge in oil on the water and floating storage. However, so far the exceptional strength of the VLCC market has yet to cascade into other crude tankers with the Baltic Exchange's Suezmax and Aframax TCE earnings baskets having oscillated around relatively strong levels of \$62,000/day and \$35,000/day, respectively, since the beginning of August. With this in mind, it can be argued the recent strength in the VLCC market is the segment playing catch up with smaller crude tankers. Indeed, it is of note that there are yet few signs of a cargo cascade from the VLCCs to their smaller brethren, and this likely reflects the relative strength of the entire crude tanker complex with the economics of both Suezmaxes and Aframaxs so far unattractive versus those of VLCCs. Accordingly, to initiate a cargo cascade it will likely take VLCC hire rates to move higher or for rates for smaller tankers to wane in comparison.

Fundamentals back to the fore. In contrast to other recent VLCC rallies which were largely sentiment-driven, particularly those stemming from elevated tensions in the Middle East, the current rally appears firmly built on fundamentals. As we noted in previous issues of this Newsletter, it was anticipated that the cumulative impact of monthly OPEC+ production hikes would eventually provide a significant boost to demand from the Middle East. Furthermore, when

we examine whether such expectations are premature and what could be the immediate trajectory for both crude and product tanker earnings.

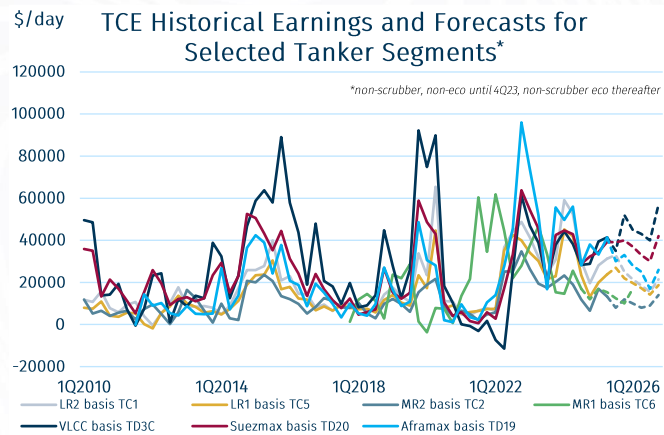


factoring in production rises from Brazil, Guyana and the US, plus the recent change to restrictions on VLCCs lifting Guyanese crude, VLCC demand has soared over the past few weeks. This also comes at a time when the delivery schedule has been extremely thin as only three units have been delivered so far this year with another two units supposed to hit the water by end-December. Furthermore, 18% (166 units) of the global VLCC fleet is classed as part of the grey fleet and thus not eligible to service mainstream demand. Indeed, 134 units (15% of the global fleet) are sanctioned.

Onwards and upwards? Analysis suggests that the VLCC segment should remain firm for some time to come as demand should remain strong as OPEC+ continues to open their taps while tonnage remains tight. Furthermore, upcoming refinery maintenance in the Middle East should also leave more crude available for export. However, next year some downward pressure could come since VLCC deliveries are set to accelerate. Indeed, when accounting for slippage, 33 units should hit the water next year. As discussed in the September issue of the BRS Monthly Tanker Report there is significant uncertainty on the demand side. Although the global supply and demand balance points to a significant oversupply, the scale of it will likely be determined by several supply-side factors. If the oversupply was to be on the higher side of projections and average 2.2 mb/d across the year, then this could see storage capacity come under pressure by the 800+ mb/d of excess supply which would need to find a home, which could lead to an increase in floating storage. However, an oversupply of this magnitude appears unlikely and thus the emergence of a super contango which would support a for-profit floating storage play currently appears farfetched. Nonetheless, considering the...

Topic of the Week (cont.)

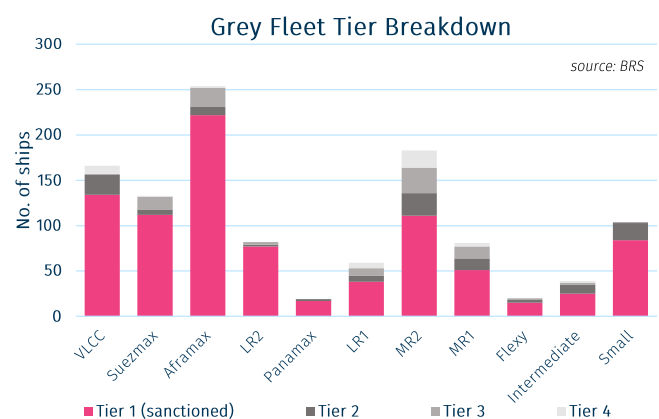
...continued unwinding of OPEC+ crude supply cuts, plus supply increases from Brazil, Guyana, Argentina and Canada, the demand side picture appears bright.



Fleet growth to weigh heavy on smaller crude tankers. On the other hand, the outlook does not appear so bright for either the Aframax or Suezmax segments. Both of these fleets should expand at a faster clip than the VLCC fleet as next year 48 Suezmaxes and 86 Aframaxes/ LR2s are expected to be delivered. Although both segments should receive support from the cargo cascade from the VLCCs, we anticipate that the sheer number of ships could prove to be a millstone to rates and earnings (which itself could initiate the cargo cascade). However, one caveat concerns Russian crude exports: If receivers opt to shun sanctioned tonnage, then this should see Russian crude exporters forced to turn to mainstream tonnage and thus sell crude at below the price cap. If this were to occur it would see demand for mainstream Aframax and Suezmax tonnage soar at the expense of the 222 and 112 Aframaxes and Suezmaxes which are sanctioned. Although this is not our Base Case, it could see mainstream Aframax rates and earnings once again move back towards or even exceed their record levels posted in 2022. If this was the case, this would likely hinder the cargo cascade from the VLCCs and therefore could see VLCC rates and earnings move higher than their current already-strong projections.

Can product tankers catch the wave? Under our Base Case scenarios, where LR2 fleet growth soars next year, it appears very difficult for product tanker earnings to match those of their dirty brethren. Furthermore, as discussed in *BRS Tanker Weekly*

Newsletter dated 16 September, upcoming refinery maintenance could be a headwind over the short-term. However, if there was tightness in the Aframax / LR2 segment driven by the above potential situation with Russia, the demand-side picture could change quickly. As with other segments, MR2 fleet growth is projected to accelerate next year as over 140 units should hit the water and without a cargo cascade from above, it appears unlikely that global MR2 fleet utilisation will be supported. Nonetheless, there are many bright demand-side spots on the horizon. Notably, expectations that growing end-user refined product demand will be supplemented by demand to build product stocks in consuming countries, especially in the Atlantic Basin. Meanwhile, net-exporting regions such as the Middle East should continue to send clean product to Asia or Europe depending on pricing signals. Furthermore, if Russia was to ban or curb its near 1 mb/d of diesel exports, this could lead to a global scramble for supplies, potentially driving up long haul trade to the benefit of LR2s. There also continues to be uncertainty over impact of the (potentially unenforceable) ban on European imports of products refined of Russian crude by third countries, which essentially impacts India. This could see Indian diesel exports shift to Asia. On the other hand, this could see US diesel exports to Europe soar, potentially supporting TC14 with these supplemented by Middle Eastern barrels hauled by LR2s.



Market Pointers

Russian supply threats guide crude prices to seven-week high. The bullish impact of repeated Ukrainian drone strikes was evident as Russia announced gasoline and diesel export restrictions. Accordingly, this sent ICE gasoil prices up by \$20/mt over the course of the week. This also offset some bearish sentiment coming from the prospect of Kurdish crude returning to international markets. Overall, crude prices rose 4% on the week, the largest such increase since the 13 June Iran-Israel strikes. A surprising drop in US crude inventories also contributed to the rise. To start the new week, rumors that OPEC+ may unwind cuts further during its 5 October increased oversupply fears. ICE Brent and NYMEX WTI were trading at \$69.1/bbl and \$64.6/bbl, respectively, at the time of writing.

Kirkuk-Ceyhan crude pipeline finally resumes. After more than two years of halted flows and many false starts, Turkey, Iraq, Kurdish regional authorities, and eight oil companies have reportedly agreed to restart flows through the pipeline which carries Kurdish crude to the Turkish port of Ceyhan. Notably absent from the deal is Norway's DNO, the largest international oil producer in Kurdistan, who said that they will continue selling directly to Kurdistan for the time being. The initial halt over \$1.5 billion in unpaid fines from Turkey to Iraq has not yet been resolved, but have resumed nonetheless. Seaborne exports of Kirkuk via Ceyhan averaged 390 kb/d in 2022, lifted equally by Aframax and Suezmaxes. Italy, Greece, and Israel were the primary recipients, meaning that cross-Mediterranean crude voyages should rise. This change may also place further pressure on Iraq to comply with OPEC+ targets, having been a persistent overproducer this so far year.

Russia extends fuel export bans until end-2025 amid refinery outages. The Russian government has announced new fuel export restrictions following repeated Ukrainian drone strikes on its refineries. Reportedly, these have, at time, cut throughput by nearly a fifth. The measures come as fuel shortages are understood to have spread across several regions, notably Crimea. Diesel exports by re-sellers and small refineries under 20 kb/d will be banned until end-2025, but larger refineries that

account for most of Russia's output are understood to remain exempt. The gasoline export ban continues to apply to both producers and re-sellers. Russia is primarily a diesel exporter, having shipped almost 1 mb/d so far in 2025 while gasoline exports total less than 50 kb/d. Pipeline diesel shipments by producers to Baltic and Black Sea ports are exempt from the ban, as are inter-governmental deals for gasoline, notably with Mongolia. If maintained, the restrictions could tighten product availability and raise diesel prices globally in an already-tight market and could be a catalyst for a scramble for alternative supplies from other major suppliers such as the US, India and the Middle East.

India's refinery runs hit record exports, pushing flows to Asia and Europe. India's crude processing is set to rise by 5.5 mb/d in 2025, lifting refined product exports to record levels. Gasoline exports should reach 400 kb/d, while diesel is expected to hit roughly 590 kb/d, the highest in four years. The increase reflects weaker domestic demand during the monsoon season, reduced domestic gasoline use in the wake of higher ethanol blending and stronger gasoline refining margins in Asia. In August, Reliance shipped diesel to Europe on a VLCC, as India moves to meet winter heating demand in Europe during heavy 4Q refinery maintenance schedules on the continent and in the Middle East. This would support MR2 and LR1 demand on Asian routes while sustaining clean LR2 and Suezmax demand to Europe.

Pakistan refiner lifts second US WTL cargo on a Suezmax. On 25 September, Pakistan's largest refiner Cnergyco booked a second cargo of US West Texas Light crude under a supply deal signed with Vitol in July to deliver 1 mb/d, with delivery due by November. Cnergyco stated that WTL's refining margins are competitive and at least one US cargo per month could be imported if economics remain favorable. Until now, Pakistan has relied almost entirely on short-haul Aframax voyages from Saudi Arabia and the UAE. Regular US Gulf shipments would introduce long-haul Suezmax voyages, raising ton-mile demand for the segment.

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 | 193 | 178 | 189 | 235 | 111 | 906 |
| SUEZMAX | 164 | 117 | 144 | 169 | 111 | 705 |
| AFRAMAX | 239 | 177 | 85 | 106 | 80 | 687 |
| LR2 | 50 | 111 | 84 | 130 | 126 | 501 |
| PANAMAX | 50 | 5 | 1 | 11 | 1 | 68 |
| LR1 | 102 | 151 | 60 | 63 | 8 | 384 |
| MR2 | 378 | 466 | 382 | 373 | 300 | 1899 |
| MR1 | 247 | 142 | 68 | 42 | 9 | 508 |
| TOTAL | 1423 | 1347 | 1013 | 1129 | 746 | 5658 |

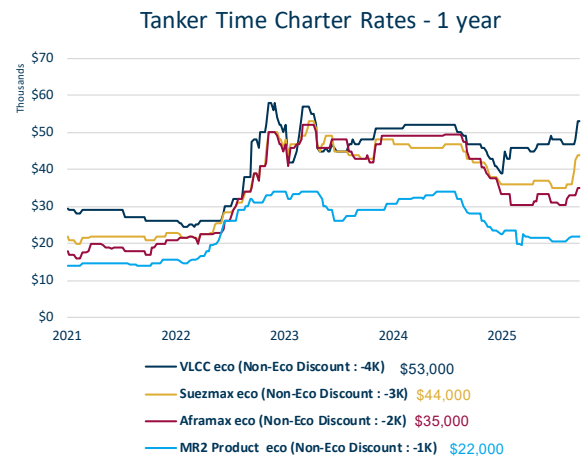
| TANKER DELIVERIES | | | | N° OF SHIPS |
|-------------------|--------|--------|--------|-------------|
| | 6/2025 | 7/2025 | 8/2025 | 9/2025 |
| VLCC/ULCC | 1 | 1 | 0 | 0 |
| SUEZMAX | 3 | 5 | 4 | 1 |
| AFRAMAX | 2 | 0 | 0 | 2 |
| LR2 | 6 | 5 | 3 | 4 |
| PANAMAX | 0 | 0 | 0 | 0 |
| LR1 | 0 | 2 | 1 | 3 |
| MR2 | 3 | 14 | 8 | 5 |
| MR1 | 0 | 0 | 0 | 0 |
| TOTAL | 15 | 27 | 16 | 15 |

| TANKER ORDERBOOK | | | | | | N° OF SHIPS |
|------------------|------|------|------|-------|----------|-------------|
| 2025 DELIVERED | 2025 | 2026 | 2027 | 2028+ | ON ORDER | |
| 3 | 4 | 40 | 51 | 32 | 127 | |
| 22 | 9 | 55 | 53 | 23 | 140 | |
| 8 | 10 | 9 | 16 | 6 | 41 | |
| 38 | 13 | 77 | 70 | 28 | 188 | |
| 0 | 0 | 0 | 1 | 5 | 6 | |
| 6 | 5 | 23 | 17 | 13 | 58 | |
| 65 | 34 | 158 | 91 | 38 | 321 | |
| 3 | 1 | 13 | 11 | 1 | 26 | |
| 145 | 76 | 375 | 310 | 146 | 907 | |

| TANKER DELETIONS | | | | | N° OF SHIPS |
|---------------------------------|--------|--------|--------|--------|-------------|
| DEMOLITION, LOSS AND CONVERSION | | | | | |
| | 6/2025 | 7/2025 | 8/2025 | 9/2025 | |
| VLCC/ULCC | 0 | 1 | 0 | 0 | |
| SUEZMAX | 0 | 0 | 0 | 0 | |
| AFRAMAX | 1 | 1 | 1 | 2 | |
| LR2 | 0 | 0 | 0 | 0 | |
| PANAMAX | 0 | 1 | 0 | 0 | |
| LR1 | 0 | 1 | 0 | 0 | |
| MR2 | 2 | 0 | 1 | 1 | |
| MR1 | 0 | 0 | 0 | 0 | |
| TOTAL | 3 | 4 | 2 | 3 | |

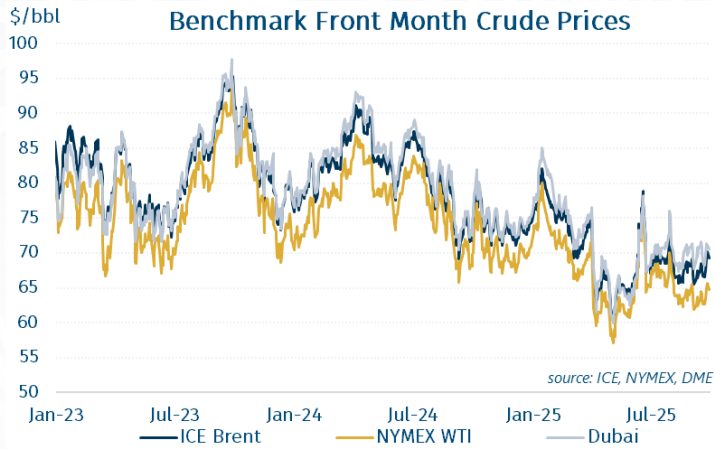
Time Charter Rates

| \$/day | | 1yr | Trend | 3yrs | 5yrs |
|---------|----------|----------|--------|----------|----------|
| VLCC | NON ECO | \$47'000 | STABLE | | |
| | ECO | \$53'000 | | \$44'000 | \$40'000 |
| | ECO SCRB | \$57'000 | | \$47'000 | \$43'000 |
| SUEZMAX | NON ECO | \$40'000 | STABLE | | |
| | ECO | \$44'000 | | \$37'000 | \$32'000 |
| | ECO SCRB | \$45'500 | | \$38'000 | \$33'000 |
| AFRAMAX | NON ECO | \$31'000 | STABLE | | |
| | ECO | \$35'000 | | \$29'000 | \$29'000 |
| | ECO SCRB | \$36'000 | | \$30'500 | \$30'500 |
| LR2 | NON ECO | \$31'000 | STABLE | | |
| | ECO | \$35'000 | | \$29'000 | \$29'000 |
| | ECO SCRB | \$36'000 | | \$31'000 | \$30'500 |
| LR1 | NON ECO | \$21'500 | STABLE | \$21'000 | |
| | ECO | \$24'000 | | \$22'500 | \$21'000 |
| | ECO SCRB | \$25'500 | | \$24'000 | \$22'500 |
| MR2 | NON ECO | \$18'500 | STABLE | | |
| | ECO | \$22'000 | | \$19'000 | \$18'500 |
| | ECO SCRB | \$22'500 | | \$19'500 | \$19'000 |
| MR1 | NON ECO | \$18'000 | STABLE | \$17'500 | \$17'500 |
| | ECO | \$19'000 | | \$19'000 | \$19'000 |
| | ECO SCRB | \$19'500 | | | |

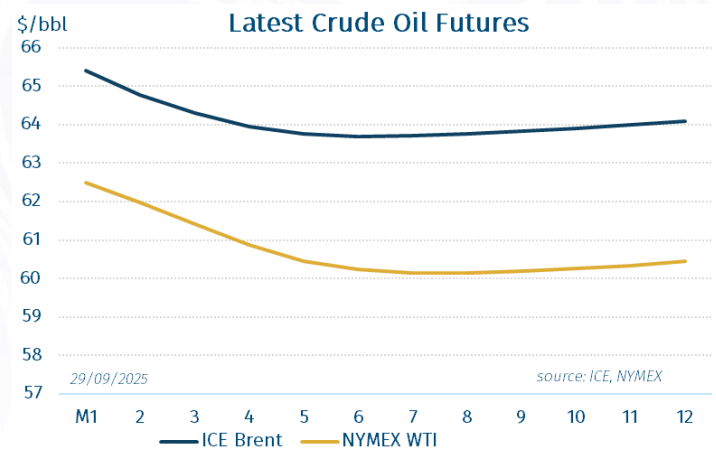


Latest Prices and Freight Rates

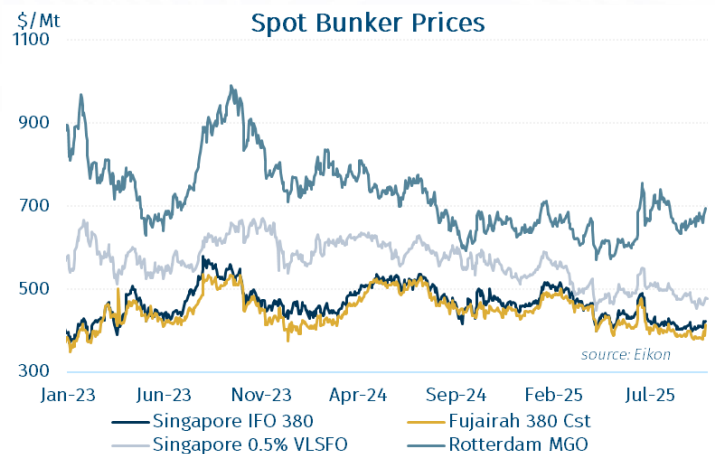
Benchmark Front Month Crude Prices



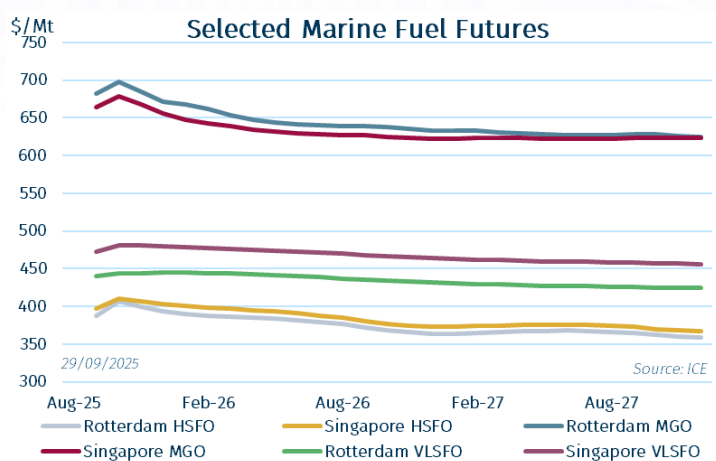
Latest Crude Oil Futures



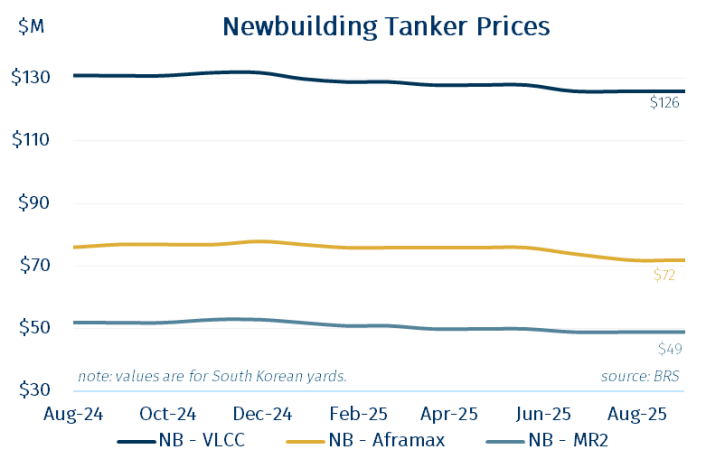
Spot Bunker Prices



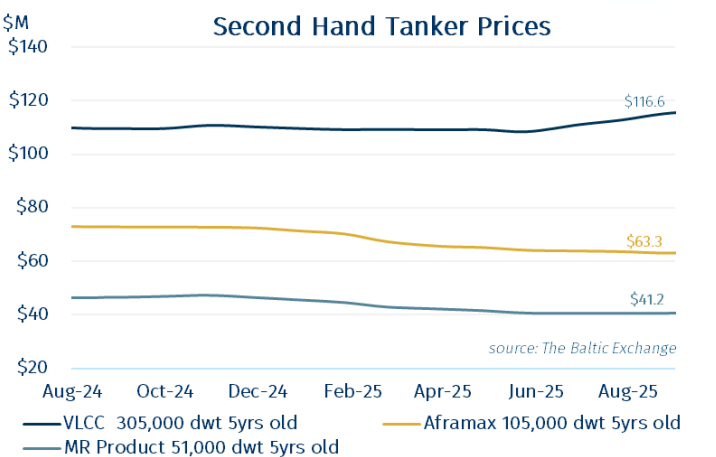
Selected Marine Fuel Futures



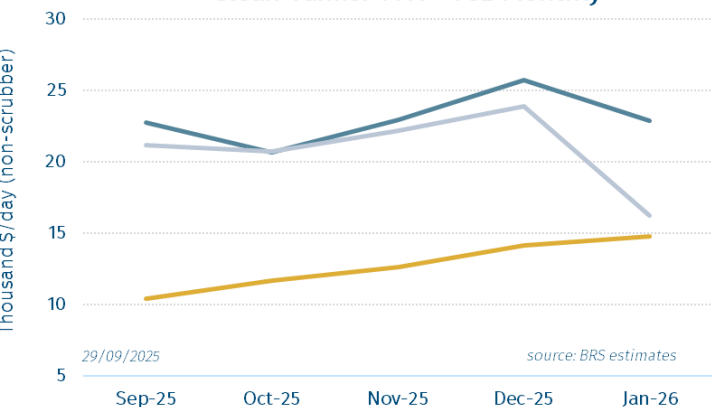
Newbuilding Tanker Prices



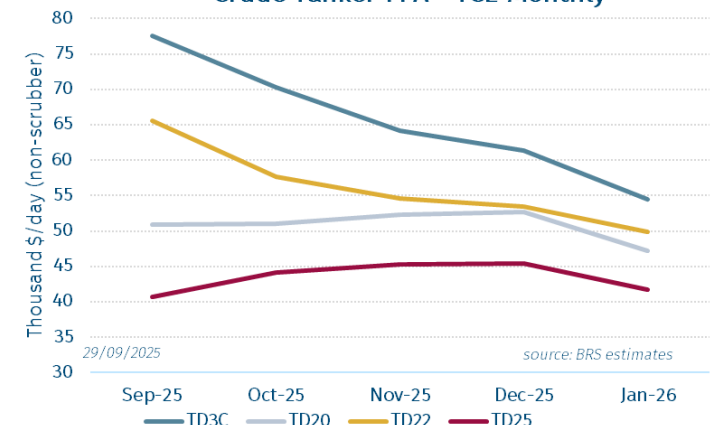
Second Hand Tanker Prices



Clean Tanker FFA - TCE Monthly



Crude Tanker FFA - TCE Monthly



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