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Since 1856

Weekly Tanker Newsletter

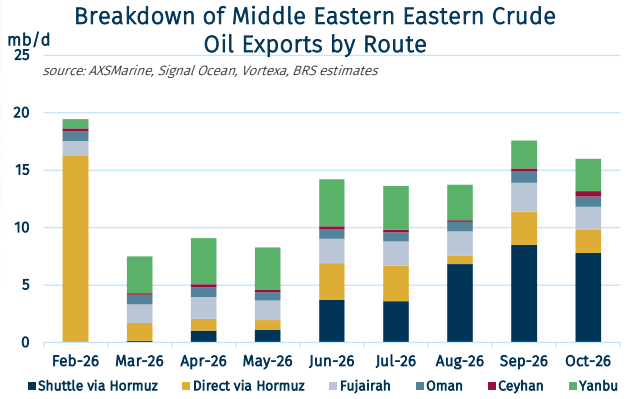
9 November 2026

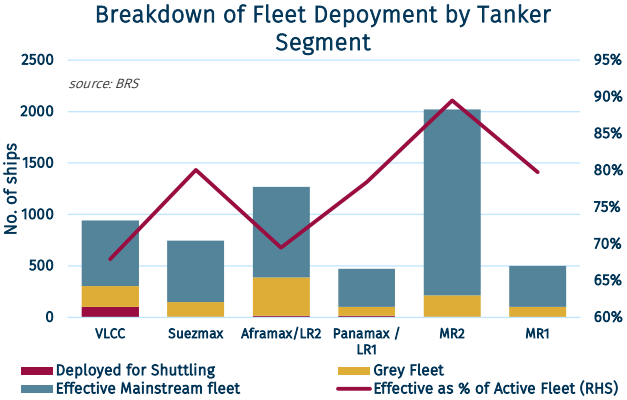
BRS Weekly Tanker Newsletter

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A deep dive into shuttling

One of the key developments since the outbreak of the Middle Eastern conflict has been the introduction of shuttling networks ferrying oil from export terminals within the Middle East Gulf to the Gulf of Oman and the West Coast of India where it is then transferred onto other tankers for onward transport. This has also been one of the key factors which has injected inefficiencies into taker markets, propelling tanker hire rates and earnings to the stratosphere and instigating the ongoing cargo cascade. This week, we take a deep dive into current shuttling activity, discuss its future and how it could impact tanker fleet utilization moving forwards.





A necessity. The development of shuttling networks which started in mid-April and 'took off' in June reflects Middle Eastern oil companies taking steps to continue exporting crude through the increasingly dangerous Strait of Hormuz. This has been a necessary step given that the vast majority of private ship owners and charterers became unwilling to expose their ships to the risk of attack immediately after Iran's closure of the Strait in February. This was reflected by Middle East Gulf crude exports shipped via Hormuz plunging from 16.3 mb/d in February to 1.7 mb/d in March (of which most was Iranian oil). Indeed, the only Middle East Gulf countries which have the ability to reroute oil to bypass Hormuz are Saudi Arabia (via Yanbu) and the UAE (via Fujairah). Although Iraq can also export its Kirkuk crude oil via the Turkish port of Ceyhan, its southern fields which account for the bulk of its oil output are not connected to this line, leaving much of its oil stranded.

A return to the 1980s. Shuttling is also about companies shouldering the risk of passing Hormuz and better capturing the value of their crude, as crude sold for lifting within the Middle East has been sold up to a $45/bbl discount to that delivered in the Gulf of Oman. This also harks back to the tanker wars of the 1980s when similar networks were installed. The difference is that Middle Eastern oil production is now more than double then and thus the shuttling requirement is several times larger. Accordingly, its impact is far larger now and has spread across the world and through small tanker segments, reaching even chemical tankers.

Shuttlers assemble! Before the Middle East conflict, only Saudi Arabia controlled a meaningful national tanker fleet, although the UAE's ADNOC controlled a majority stake in tanker pool operator Navig8. As discussed in detail in the October issue of the BRS Monthly Tanker Report, Middle Eastern oil companies are now treating tankers similarly to other energy infrastructure and considering them of national importance. Accordingly, these countries' national oil companies have embarked on an unprecedented tanker buying spree or taken vast volumes of tonnage under time charter deals for the express purpose of deploying them for shuttling.

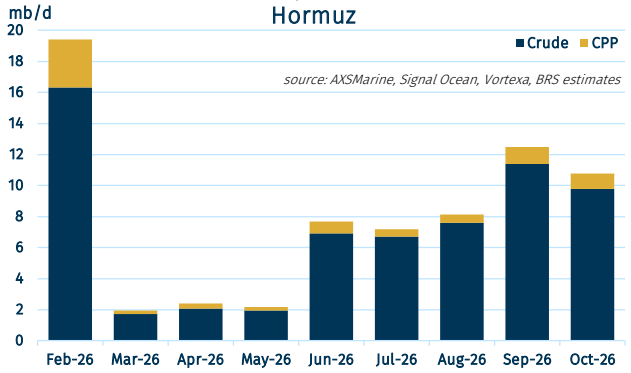
VLCCs leading the way. A total of 141 oil tankers is now assessed as being deployed purely for shuttling crude and products. VLCCs are by far the tanker of choice for this and account for 72% of all shuttlers. This reflects that around 80% of Middle East crude exports have historically been hauled by VLCCs and their improved economies of scale compared with Suezmaxes and Aframaxes remain attractive despite the short shuttle voyages. Moreover, considering that Middle Eastern crude exports still lag their pre-conflict levels by around 2-3 mb/d and record second-hand VLCC prices are being broken on an almost weekly basis, it appears that there remains plenty of appetite from Middle...

Topic of the Week (cont.)

...Eastern oil companies to expand their crude tanker fleets. The shuttling of fuel oil and clean products is also yet to take off. This may reflect insurance issues, damage to Middle Eastern refineries or weaker voyage economics compared with crude. Nonetheless, an eventual pickup in such shuttling cannot be discounted over the next few months.

Effective fleet capacity constrained. Today, 1,332 deep sea tankers are assessed as being in the grey fleet, representing 19% of that active fleet. When considering this combined with the deployment of tonnage for shuttling it appears that the effective capacity to serve the mainstream (non-Russian, non-Iranian) market is being constrained. This is most apparent for VLCCs where the effective fleet for mainstream business is calculated at only 639 units, equivalent to 68% of the active fleet. For context, the last time the global VLCC fleet touched this level was 2015.

Middle East Oil Exports via the Strait of Hormuz

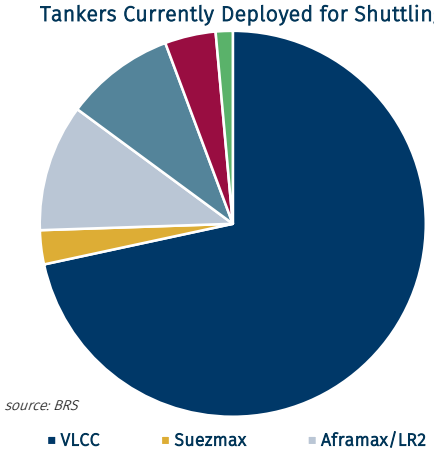


A waiting game. The number of ships deployed for shuttling only partly explains why tanker tonnage has become so tight. A key factor is waiting time. Ship tracking data suggest that due to the frequency of STS transfers, delays are soaring for units both loading and discharging in the Gulf of Oman and these can run into weeks. Furthermore, ships appear to be delayed more when leaving the Middle East Gulf rather than entering. This could reflect external threats, waiting on STS ships to be in position or even issues with selling the cargo. Nonetheless, the shuttling business does appear to have become more efficient over recent weeks with data implying that, once discharged, the average time shuttle tankers take to enter the Middle East Gulf, load and leave has fallen to 14 days from 25 days in August.

Will shuttling persist? Even if a peaceful and sustainable solution to the Middle East conflict was agreed tomorrow, it is anticipated that shuttling will remain a key feature of Middle Eastern tanker markets across the medium and potentially longer terms. This reflects the likelihood that the security situation in Hormuz will remain unstable with Iran likely to flex its muscles in the Strait from time to time. Nonetheless, in the event of a peace deal, more owners would likely be willing for their ships to pass Hormuz which would trim the requirement for shuttling. Regardless, it is also possible that, if they wished, oil exporters could introduce clauses requiring buyers to load in the Gulf of Oman rather than the Middle East Gulf. Indeed, considering the idea of a periodic Iranian threat, it would be folly for Middle Eastern exporters to completely dismantle or redeploy their shuttling networks especially considering that they have been assembled at great cost.

Swapping out. If permitted by sanctions etc, companies could eventually opt to replace any modern tonnage deployed for shuttling with available vintage tonnage, potentially from the grey fleet. This would have the impact of increasing the effective fleet. Across the longer term it appears likely that most regional producers will build out pipelines and export infrastructure bypassing Hormuz. However, this may not necessarily destroy shuttling demand but could just see it shift, again based on risk. For example, some crude exports from Yanbu are currently shuttled into the Mediterranean where they are transferred to other tankers for transport to end-buyers.

Tankers Currently Deployed for Shuttling



Market Pointers

Oil prices routed! Last week saw benchmark oil prices plunge by between $13/bbl (13%) and $19/bbl (17%), marking the steepest weekly drop since the early days of Covid in 2020. The downward momentum started as the front month ICE Brent contract rolled over to January at the beginning of the week but accelerated when the result of the US midterm elections was announced on Wednesday. Despite a multitude of upside risks, this injection of bearish sentiment appears to reflect anticipation that President Trump will soon seek to end the unpopular conflict in the Middle East. In turn, this should also improve the security situation in the Strait of Hormuz and thus reduce oil supply disruptions there. At the close of the trading week, front month ICE Brent and NYMEX WTI stood at $98.32/bbl and $90.83/bbl, respectively.

US midterm elections and their potential impact on shipping markets. Despite their political importance, the recent US midterm election results are unlikely to have a significant immediate impact on shipping markets. Nonetheless, Democratic control of both chambers of Congress could create longer-term legislative gridlock and increase scrutiny of the Trump administration's Iran policy, even though the new Congress will not sit until 3 January 2027. The results may also intensify domestic pressure to seek an end to the conflict, although the president retains substantial authority over military operations, limiting the immediate influence of the new congressional balance. Recent developments have provided conflicting signals, with US strikes on Iranian air defense installations on Qeshm Island followed by Trump's indication that Washington has no immediate plans for further military action. This uncertainty leaves the prospect of further escalation versus diplomatic progress unresolved. Oil prices fell sharply following the election as markets priced in a greater likelihood of de-escalation, before edging higher on Thursday amid continued uncertainty surrounding negotiations and the conflict's trajectory, highlighting ongoing volatility in energy markets. For shipping, the key factor remains whether diplomatic progress translates into improved security and reliable transit through the Strait of Hormuz.

US targets network providing false flags to Iran's shadow fleet. The US Treasury announced a new round of sanctions on 4 November targeting an India-based network accused of providing fraudulent vessel registrations and maritime certifications to Iran's shadow fleet. The measures target Suniel Kumar Sharma and his spouse, Jaspreet Preeti Shahid, alongside two associates and nine associated entities in India and Singapore, under the administration's Operation Economic Outcast. According to Treasury, the network established fraudulent flag registries and classification societies across multiple jurisdictions, claiming to represent countries including Guyana, Eswatini, Laos, Aruba and Mozambique. Its operations date back to at least 2014, when Sharma and Shahid allegedly attempted to impersonate Dominica's flagging authority. The fraudulent registrations allowed sanctioned tankers transporting Iranian oil, including vessels operating on behalf of Iran's Revolutionary Guard and its proxies, to continue operating under unauthorized flags. The US Treasury cited the case of the tanker Majestic X, which was seized by US forces on April 22 while carrying Iranian oil under a fraudulent Guyanese flag. Other vessels named in the latest US sanctions include Ping Shun, Lattafa, Binary Star and Vera. The action highlights Washington's increasing focus on the intermediaries and maritime service providers supporting Iran's shadow fleet, extending enforcement beyond vessel owners and operators to the infrastructure facilitating their continued operations.

India's crude imports reach record 5.5 mb/d in October. India's crude oil imports reached a record 5.5 mb/d in October 2026, up 9% month-on-month, surpassing the previous peak of 5.25 mb/d in March 2025. The increase was driven by refiners building inventories and raising throughput to capitalize on high diesel cracks and tight global petroleum product markets. This can be seen in India's CPP exports which exceeded 1.3 mb/d in October, including over 0.5 mb/d of ULSD. The increase in crude imports saw Russia supply 2.1 mb/d, while imports from the Middle East Gulf exceeded 2 mb/d, mainly from Saudi Arabia and the UAE. Iraqi imports stood at close to 460 kb/d, largely sourcing heavy-sour Basrah Heavy, with some of the lost supply offset by over 240 kb/d of Venezuelan crude. The increase of crude imports emphasizes that India's refiners are capitalizing on current market conditions for petroleum products. In terms of vessel class used to transport this growth of imports, it was relatively evenly distributed across Aframaxes, Suezmaxes and VLCCs. Aframaxes primarily carried Russian crude, while VLCCs served Middle East Gulf shuttle trades and longer-haul imports from Venezuela and West Africa. Suezmaxes were mainly employed on Russian and Middle East Gulf routes. It will be interesting to see if the growth in refining capacity and the subsequent growth in CPP exports will continue once flows of Middle Eastern product exports return to pre-war levels.

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Crude Tanker Markets

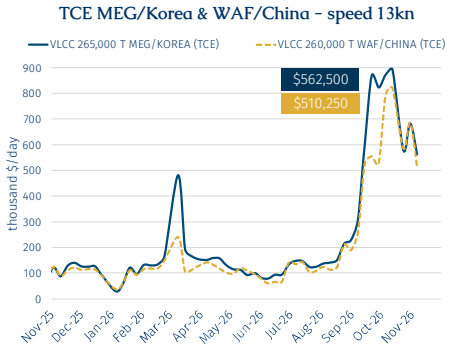
VLCC

Middle East | West Africa

MEG: In the Middle East after several quiet dates cracks in sentiment started to appear and charterers bided their time. Rates for GOO/China fell from w670 to end the week with w585 reported on subs yet with the significant drop in the Atlantic and Suezmaxes outpricing VLCCs here also, rates have further downside and the bottom is not in sight yet.

WAF/Brazil: In West Africa and Brazil, with the bottom falling out of the Suezmaxes market rates here came under pressure. Rates for Brazil/China dropped from w607 to w572 midweek yet after two successive quiet days rates dropped even lower with w500 on subs for WAF/China. Suezmaxes remain more competitive still VLCC will need to drop further to compete and thus significant further downside appears likely next week. Soft.

USG: In the US Gulf, with Aframaxes having softened further, the dearth in VLCC activity continued. With smaller sizes still more competitive for moving cargo east, we can expect the quiet days to continue.



Suezmax

West Africa | Mediterranean

WAFR: Rates have corrected sharply as physical catches up with paper, with each cargo attracting numerous offers and tonnage building quickly from both Eastern ballasters and ECC/USAC. Limited activity in CPC, Fujairah and USG is adding further supply pressure, while VLCCs remain comparatively firmer and could attract more Eastbound stems. TD20 is assessed around w400, with East runs around w410.

BSEA-MED: The recent w725 conference level has failed to hold as the Atlantic correction continues to weigh on the region. November stems are nearly covered, with a quieter period expected before December business emerges and tonnage availability likely to build. Med activity remains subdued and further downward adjustment is possible. Hariga/UKC-Med is assessed at w420–460, while Med/Singapore stands around $15m via Suez. Softer.

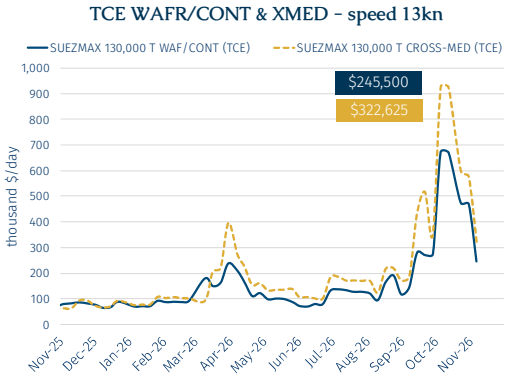
UKC-CONT: Suezmax economics are becoming more attractive following the sharp correction, potentially bringing the segment back into consideration for longer-haul fuel oil trades. However, the tonnage list remains long and owners are increasingly looking East for employment. WCN/UKC is assessed at 135 x w425, WCN/Med at w220, while Rotterdam/Singapore stands around $17m. Soft/Sideways

USG-CBS-LATAM: A sharp USG/UKCM fixture at 145 x w295 has surprised the market after weeks of very limited activity, highlighting continued pressure on rates. USG remains relatively isolated, while USAC/ECC tonnage is increasingly looking towards WAF. Guyana remains quiet with 4–5 November stems still expected, while Brazil has largely fixed under the radar and is assessed around w410. Softer.

FUJ-GOO: Rates have corrected further as the sharp decline in Western markets and increased competition between relets weigh on sentiment. Further downside remains possible, although prompt cargoes face a shorter list of available candidates. Fujairah/East is assessed at 130 x w500, while Fujairah/UKCM stands at 140 x w250 via Suez. Softer.

WEST OF SUEZ – Rates continue to correct sharply as plentiful FOC tonnage, relets and limited WAFR enquiry keep charterers firmly in control. An options cargo is now on subjects at 130 x w440 WAFR/UKCM and 130 x w450 East. At these levels, Suezmaxes are becoming more competitive versus VLCCs, which could attract additional volume, but until the tonnage list tightens owners remain under pressure. Softer.

EAST OF SUEZ – Activity finally saw some fresh testing after a prolonged quiet period, but abundant Suezmax tonnage, softer VLCC sentiment and the continued correction in the West leave owners with limited leverage. Security concerns around Hormuz also remain elevated. Without a meaningful increase in cargo volume, rates are expected to remain under downward pressure. No fresh Thursday rate was provided in the latest comment. Softer.



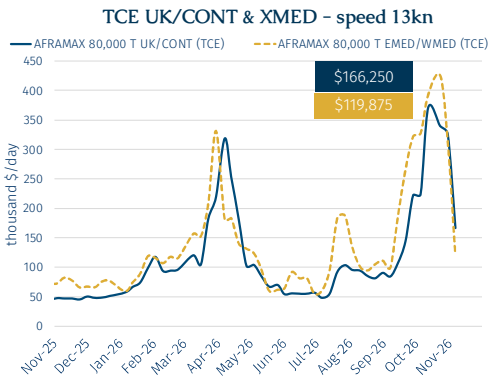
Aframax

North Sea | Mediterranean

Med: A week owners will want to forget. Rates corrected sharply on the back of weak sentiment, lengthy lists and limited activity. Sentiment remains dreadful, with further corrections still expected.
x-Med: 80 x w280

North Sea: The NSea has held relatively well against surrounding markets. However, with local tce's significantly outperforming ballast options, charterers are expected to push for a considerable correction on the right run.
X-Nsea: 80 x w325

USG: USG market saw rates plummet further off back off lessened demand and build up of tonnage. Starting off around w650 (TD25) and ending the week in low 300's (w325) with potential to soften further. For any rebound to occur, demand will have to increase to chew through excess tonnage.
USG/UKCM: 70 x w325



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Clean Tanker Markets

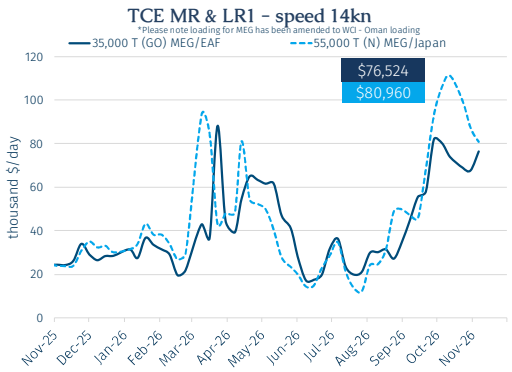
Middle East Gulf

MR LR1

MR: The MR market has gained further momentum this week, with activity picking up and owners increasingly managing to push rates higher. TC12 saw a vessel on subs at w500, while TC17 has now recorded two vessels on subs at w600, confirming the firmer trend across the segment. Owners remain well positioned, supported by tightening tonnage availability for approved units and ships being drawn towards stronger Far East TCE opportunities rather than repositioning back to the AG. Meanwhile, LR1s continue to offer a more economical alternative for eastbound naphtha stems, potentially limiting some MR demand on that side. Overall, sentiment remains firmly in owners' favour, with limited regional supply and any further increase in enquiry likely to drive additional upward pressure on rates.
AG/EAF: 35 x w950, **AG/Spore**: 35 x w825

LR1: The LR1's finish the week softer, with TC5 dropping to w450, while private fixing has yet to clear enough of the overhang. The 20-day list closes at 62% above its 6-month average this week, although that count includes West positions that may not ballast and owners holding out for inside-AG or westbound stems. Individual cargoes may therefore prove to be trickier than the headline suggests, however, competitive MR and LR2 freight continues to cap the LR1's. The upcoming Bahri Week may bring more private business across the table for owners, though prompt positions still face plenty of competition and further softening looks likely without a fresh run of stems.
AG/Jpn: 55 x w1000, **AG/UKC**: 15M (via Cape), **AG/Spore**: 60 x w1000, **AG/EAF**: 60 x w1000

LR2: The LR2's have also come off considerably, with TC1 reported on subs at w400 on a less-favoured ship, although with slow enquiry, this looks likely to be repeated. Furthermore, with westbound numbers down to $9M via Suez and DPP's correction weakening owners' alternatives, the outlook is far from positive. Currently, most business remains regional and does little to absorb ships for long. Lower freight is drawing more trader interest and could help reopen the westbound diesel arb, with cheaper bunkers also cushioning owners' earnings. The East is busier, but much of the enquiry remains tender-led and needs to turn into fixtures. Owners are talking up a floor, though the test next week is whether private fixing and long-haul demand can take enough ships out to support it.
AG/Jpn: 75 x w920, **AG/UKC**: 20M (via Cape), **AG/Spore-EAF**: 90 x w920

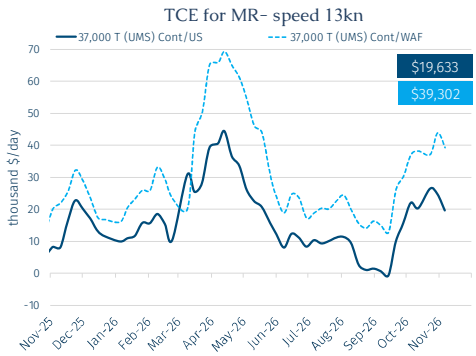


North West Europe

MR

MR CONT: - The North has continued to soften, with a slow start as fresh enquiry remained limited and the tonnage list continued to build. Activity improved as the week progressed, with cargoes gradually coming forward at a steadier pace. However, the increased activity has yet to make a real impact on sentiment, as available tonnage continues to outweigh demand. Owners have been forced to lower their ideas to secure employment, and with the list still looking heavy, further pressure on rates is expected heading into next week.
TC2: w195, **ARA/WAF:** w295

HANDY CONT: Handies in the North have had another slow week, with cargo flow remaining limited. Owners have had to lower their ideas considerably to secure employment, while charterers are happy to sit back and see how much further rates can come down. With no signs of pickup in activity, the market remains under pressure heading into next week.

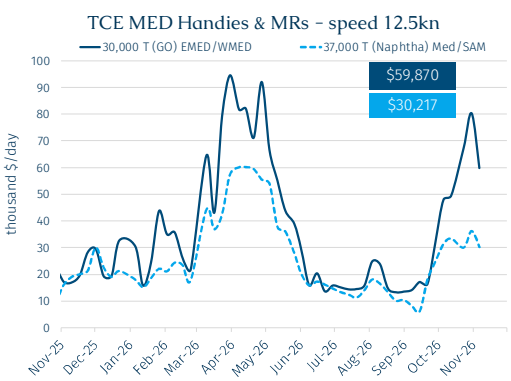


Mediterranean

Handy MR

MR: The MR market has lost some momentum towards the end of the week, with fresh activity slowing and fewer cargoes coming forward. Despite a relatively balanced tonnage list, softer demand has started to take some of the strength out of the market, with rates adjusting lower.
x-Med MR: w400

Handy: A difficult week for Handies in the Med, with TC6 dropping almost 100 points over the course of the week. Cargo flow has remained weak, while the growing tonnage list has left Owners competing more aggressive for the available stems. With little support coming from the cargo side, the market looks set to remain on a softer footing heading into next week.
x-Med Handy: w410



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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	224	211	169	228	109	941
SUEZMAX	181	135	125	171	133	745
AFRAMAX	277	175	61	112	64	689
LR2	66	112	100	123	178	579
PANAMAX	54	3	3	9	1	70
LR1	138	138	48	48	31	403
MR2	454	450	414	355	353	2026
MR1	287	104	77	22	17	507
TOTAL	1681	1328	997	1068	886	5960

TANKER ORDERBOOK

N° OF SHIPS

2026 DELIVERED	2026	2027	2028	2029+	ON ORDER
35	8	59	140	154	361
45	11	64	86	94	255
12	1	20	17	15	53
66	9	64	60	95	228
0	0	1	5	0	6
23	3	21	22	22	68
114	40	122	108	114	384
9	3	14	5	13	35
304	75	365	443	507	1390

TANKER DELIVERIES

N° OF SHIPS

	8/2026	9/2026	10/2026	11/2026
VLCC/ULCC	3	4	4	0
SUEZMAX	4	4	3	0
AFRAMAX	0	4	1	0
LR2	6	9	3	1
PANAMAX	0	0	0	0
LR1	2	2	2	1
MR2	7	15	9	1
MR1	0	3	0	0
TOTAL	22	41	22	3

TANKER DELETIONS

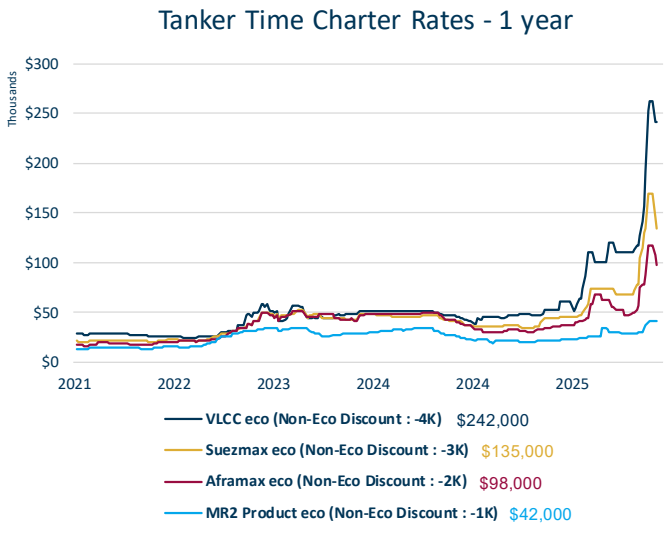
DEMOLITION,LOSS AND CONVERSION

N° OF SHIPS

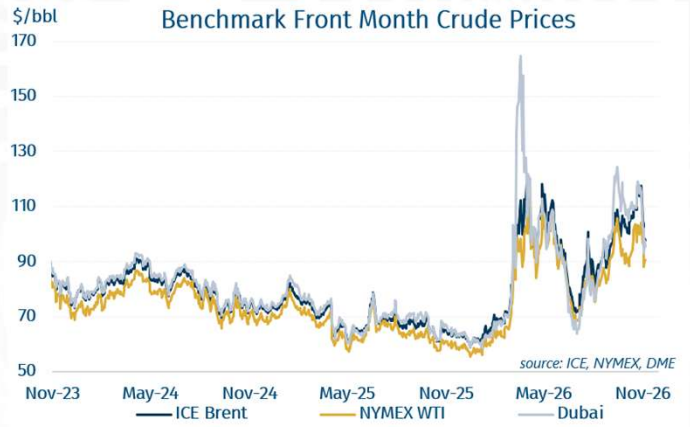
	8/2026	9/2026	10/2026	11/2026
VLCC/ULCC	1	1	0	0
SUEZMAX	0	4	0	0
AFRAMAX	1	1	0	0
LR2	0	0	0	0
PANAMAX	0	0	0	0
LR1	0	0	0	0
MR2	1	4	2	0
MR1	2	0	1	0
TOTAL	5	10	3	0

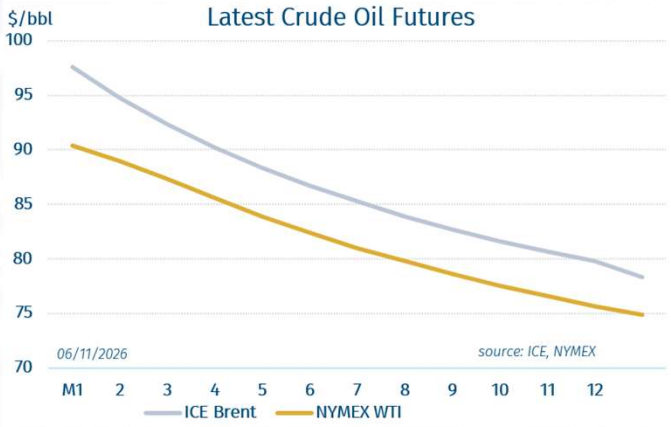
Time Charter Rates

$/day		1yr	Trend	3yrs	5yrs
VLCC	NON ECO	$232'000	STABLE		
	ECO	$242'000		$105'000	$68'000
	ECO SCRB	$250'000		$110'000	$73'000
SUEZMAX	NON ECO	$130'000	DOWN		
	ECO	$135'000		$77'000	$47'000
	ECO SCRB	$140'000		$80'000	$50'000
AFRAMAX	NON ECO	$93'000	DOWN		
	ECO	$98'000		$53'000	$38'000
	ECO SCRB	$100'000		$55'000	$40'000
LR2	NON ECO	$93'000	DOWN		
	ECO	$98'000		$53'000	$35'000
	ECO SCRB	$100'000		$55'000	$36'000
LR1	NON ECO	$65'500	STABLE	$25'500	
	ECO	$68'000		$28'000	$26'250
	ECO SCRB	$69'500		$29'500	$27'750
MR2	NON ECO	$40'000	STABLE		
	ECO	$42'000		$25'000	$22'500
	ECO SCRB	$43'000		$26'000	$23'500
MR1	NON ECO	$38'000	STABLE	$22'000	$21'000
	ECO	$39'500		$23'000	$22'000
	ECO SCRB	$40'000			

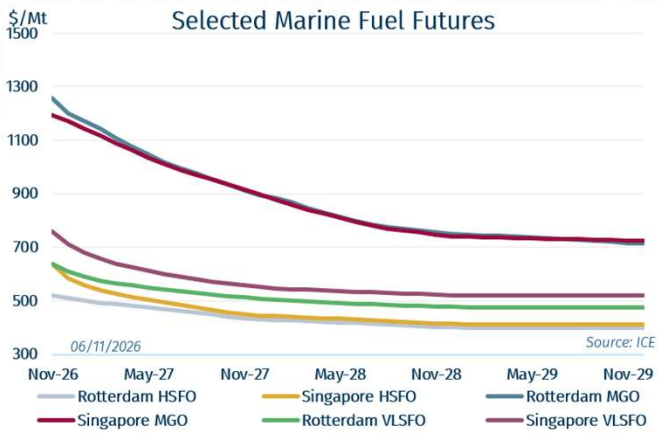


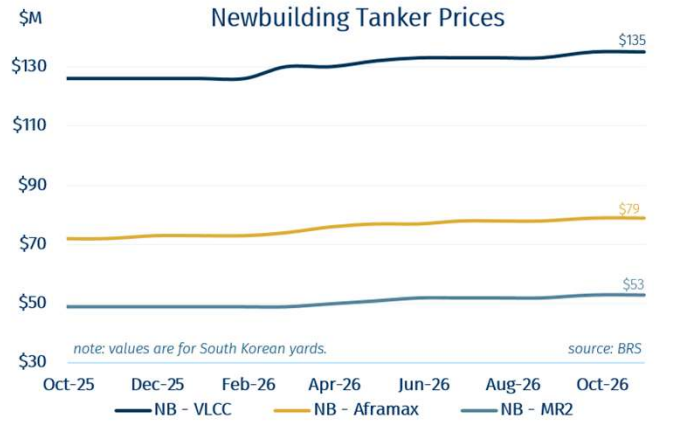
Latest Prices and Freight Rates

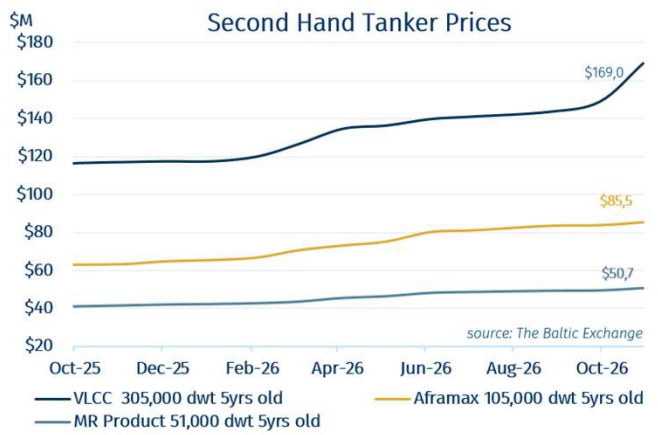


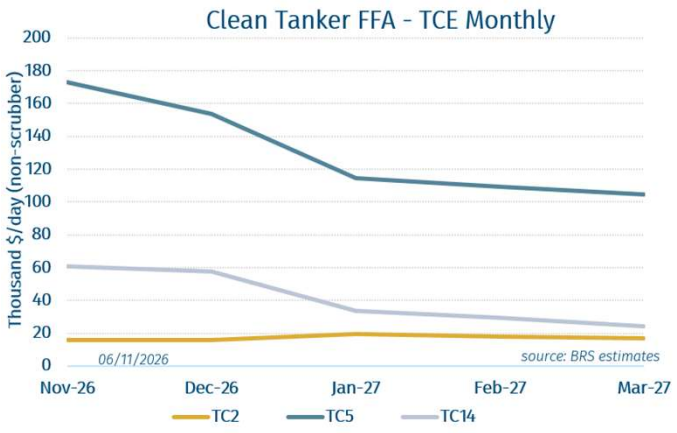


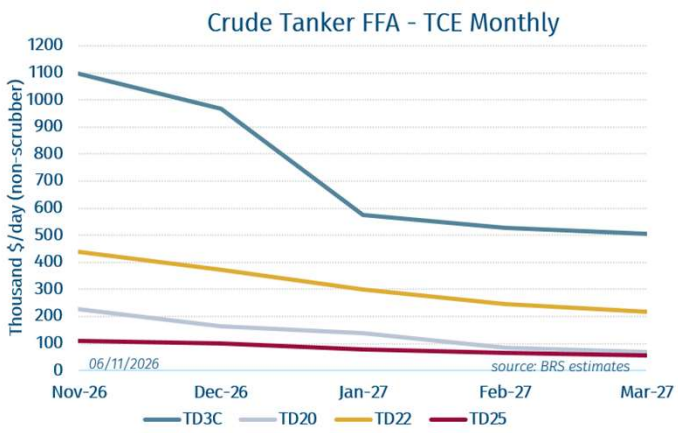












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