BRS Shipbrokers
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Weekly Tanker Newsletter

18 August 2025

BRS Weekly Tanker Newsletter
18 August 2025 | Issue 1445

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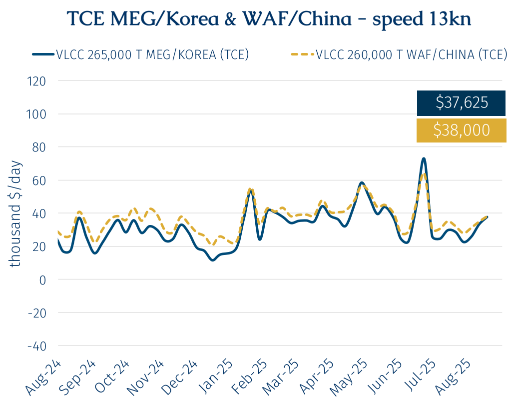
Crude Tanker Markets

VLCC — Middle East ⌃ West Africa ⌃

MEG: In the Middle East, a week of two halves with rates for MEG/China initially dropping from w56 to w54. Nonetheless a busier spell midweek brought optimism, cleared out the tonnage list and pushed rates north to the w56-57 level. With the tonnage list very tight and September stems yet to be worked in full swing, optimism has been brewing. Owners are poised for further gains this week awaiting plenty more early September stems to be worked in the coming days but whether the long-awaited flurry in the 1-5 September window will emerge remains to be seen.

WAF/Brazil: A quiet week on the surface in West Africa with charterers preferring to work privately where possible and rates for WAF/China remained flat around the w55 level. A busy start to the new week with charterers picking off ships in both WAF and Brazil wasting little time in a market ripe with bullishness off the back of tighter tonnage fundamentals in the east.

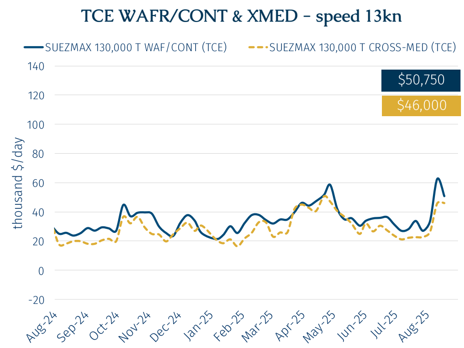
USG: In the US Gulf, rates for cross Atlantic have grown incrementally to the 3.4-3.5m level yet there remains significant reluctance on owners part to commit to a long voyage to the east at current earnings given the alternate options on offer and rates for USG/China are in need of testing as a result.



Suezmax — West Africa ⌄ Mediterranean ›

WAF: The region took a quieter note last week as rates dropped back down to 130 x w107.5 for Nigeria/UKCM cargoes with plenty of local tonnage coming open and non-CPC suitable units willing at these levels. We anticipate a softening this week if there isn't significant activity worked on early Sept dates. To the East expect owners willing 130 x w115. We do expect some activity this week as early September program start to work firm. Eastern ballasters: in total 3 / 1 subs - until 09th September bss Angola.

BSea/Med: Last week charterers kept this off market reaching to 3-10 Sept dates, but a consistent stream of CPC cargoes is still working through a heavy September program. Tonnage for East remains tight, with one Charterer seeing offers in the high $6M range. Rates steady, CPC/UKC-Med at 135 x w125-130 / 67.5k dem, and CPC/China last done at mid-$5M, with owners expecting more on the next. In the Med, Hariga/Pembroke-Trieste steady at 130 x w110-115, while Hariga/Ningbo via Cape holds at $4.5M.



UKC/Baltic: The region saw little change on Friday as the lack of fresh fixing continues to weigh on sentiment. With units gradually gravitating toward more active markets, the pace is expected to remain slow. WCN/UKC holds at 135 x w120, while Rdam/Sing is steady around $4.5M.

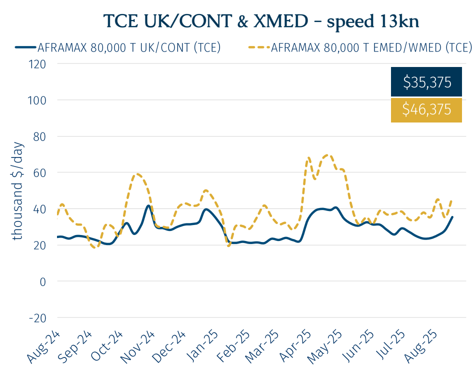
USG/CBS/LATAM: A quiet end to last week overall, though a couple more ships went on subs Friday. The list remains balanced, and with limited enquiry and ballasters still drawn to other markets, rates held steady. USG/UKCM unchanged at 145 x w80 but looking softer. Guyana remained quiet on the surface, with Guyana/UKCM at 130 x w107.5. Brazil/UKCM also ended the week subdued, last done at 130 x w107.5.

MEG: Activity remained muted into the weekend with Indian holidays slowing things down, though Indian State business continued to support volumes. Several ships disappeared on subs by Friday, tightening the list slightly. Some owners are now seriously weighing WAFR options for early September cargoes. AG/East steady at 130 x w100, Basrah/UKCM at 140 x w52.5, and AG/USG via Cape at $3.0M. Market holds stable for now.

Aframax — North Sea ⌃ Mediterranean ⌃

Med: Despite decent level of activity throughout the week, charterers did a good job to keep rates at last done levels. Sentiment/rates flat at the time of writing to kick off the week.
x-Med: 80 x w150.

North Sea: With a shortage of relets and safe ships around, owners did a good job to capitalize and push rates up w-o-w to w132.5. The list remained relatively short and sentiment firm at week's close.
x-NSea: 80 x w132.5.



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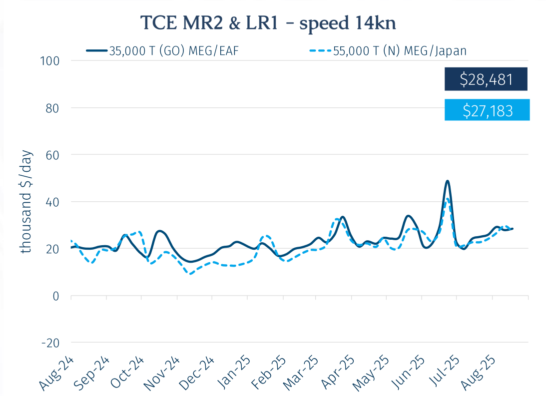
Clean Tanker Markets

Middle East Gulf — MR2 — LR1

MR: The MRs started the week off in a strong position with a few stems being newly quoted and last week ending off with a TC17 replacement job getting done at w255, a 17.5-point increase. The tonnage list is seemingly balanced however as there is prospects of market strengthening depending on what additional cargoes we could see tomorrow, owners sitting in the 25-30 Aug laycan window are holding off on committing to current cargoes in an attempt to grow sentiment. The market is showing signs of firming.
x-AG: 450k, **AG/EAF:** 35 x w240, **AG/Spore:** 35 x w215, **TC12:** 35 x w175.

LR1: The LR1 segment has started with some activity direction east towards the end of August fixing window. That along with the vessels on subs rolling from last week should give owners some needed confidence. The rates did correct slightly southbound on Friday, but we can see owners trying to dig their heels as the average number count justifies some additional stems to surface for August. As it stands charterers might be able to squeeze a few pints here and there, but we could see fates stabilizing very quickly. Will call sentiment steady for the moment.
AG/Jpn: 55 x w160, **AG/UKC:** 3.1M (via Cape), **AG/Spore:** 60 x w160, **AG/EAF:** 60 x w160.

LR2: The LR2 segment has seen a clear out end of last week with the front end of the position list looking more balanced now. Owners are still anticipating some August stems, but the fixing window is clearly starting to move into September. Charterers will try to dampen sentiment by managing cargo flows but one point to monitor is if we see a push on the smaller units that could translate positively on this segment as the rate spread could justify an upsize. Sentiment is steady for now.
AG/Jpn: 75 x w140, **AG/UKC:** 3.95M (via Cape), **AG/Spore-EAF:** 90 x w135.

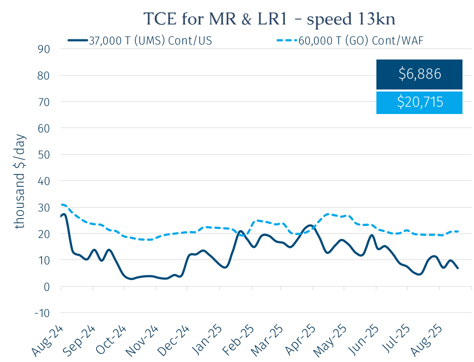


North West Europe/ Americas — MR — LR1

MR CONT: It was a bit of a topsy tervy last week for the Cont, with rates dropping from 120 TA equiv to 102.5 and the sentiment mid week felt like it could even go below 100 again... Thankfully for owners the gasoline TA arbs reopened end week, along with some South America tenders and that has changed the sentiment back to a slightly firmer outlook. List doesn't look too bad anymore and plenty of cargoes outstanding still. Rates are starting to climb again but end of week kept it fairly stable. Let's see how this week pans out but we would not be surprised to see rates climb up back to where they were at the start of last week.
TC2: w100-105, **ARA/WAF**: w120-125.

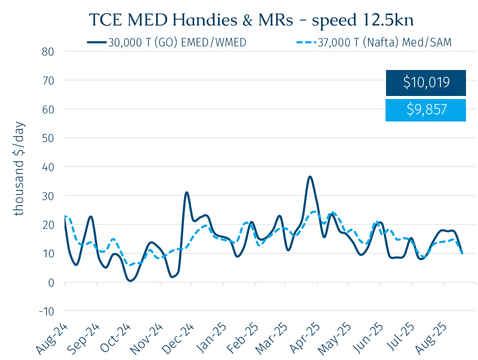
LR1 WEST: Cont/Chiba: $2.75M, **Cont/RSea:** $1.25M, **Cont/AG:** $1.65M.

LR2 WEST: Cont/AG: $1.8M.



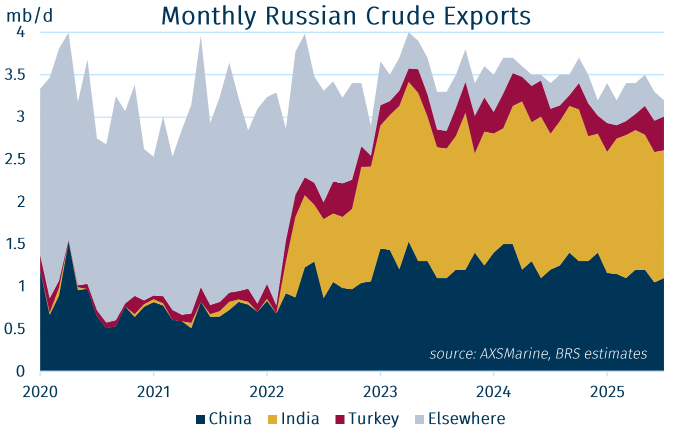
Mediterranean — MR1 — MR2

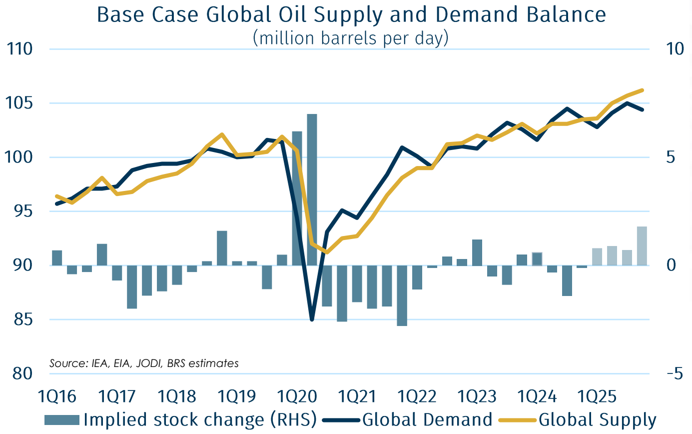
MR/Handy: The Med handies were pretty slow last week, with just a few off-market deals to start off and a lot of people off on holidays. Not a great amount of volume throughout the week and rates have softened in line. The list has been pretty long and this sentiment remains the same into this week. The Med MRs looked a bit better, the list is quite a lot tighter as usual. A premium remained between the Med and Cont markets and most WAFR ballasters that aren't Russian players have stayed there. By the end of the week most cargoes were covered and ended pretty steady.
x-Med MR: w145.
x-Med Handy: w175.



What if India stops importing Russian crude?

Last week Washington slapped an extra 25% duty, to be introduced on 27 August, on Indian goods over its persistent buying of Russian crude. This comes on top of a reciprocal 25% tariff on Indian goods agreed last month following fractious trade negotiations with the US. Although many market watchers have initially suggested that Washington may relent and not introduce these tariffs, we are not so sure. The apparent lack of progress from last Friday's summit between Presidents Trump and Putin and the reported cancelling of more US – Indian trade negotiations initially scheduled for early next week, suggest that the likelihood of these tariffs being introduced is rising rapidly.





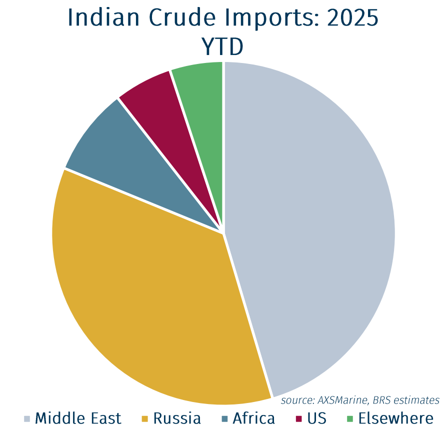
A pawn in the game. These secondary tariffs are unsurprising given that Washington has long threatened them for being major buyers of Russian oil, the revenues of which continue to fund Russia's offensive in Ukraine. Given the fractious US – India trade negotiations they also provide an opportunity for Washington to 'encourage' India to buy more US oil, imports of which have plunged since Indian refiners started buying Russian crude in 2022, while also likely using them as a tool in negotiations with Moscow. Moreover, India has historically retained good relations with both Washington and Moscow but now it appears that Washington is making it choose sides. Delhi's response to these tariffs has so far been relatively restrained and it remains unclear if Indian refiners have started to throttle back their Russian purchases. If they were to comply, then this would lead to another upending of oil flows and crude tanker demand, and considering the support that the rerouting of Russian oil has given to tanker markets since Russia's invasion of Ukraine in 2022, this would undoubtedly have a significant impact on tankers.

Few buyers? When excluding the re-export of non-Russian crude via Russian ports, three countries buy the majority of Russia's near-3.3 mb/d of crude exports: India (1.5 mb/d), China (1.3 mb/d) and Turkey (0.3 mb/d). Considering these limited buyers, if India did stop purchasing Russian oil it is anticipated that Russia would find it extremely difficult to encourage existing buyers to hike their purchases to cover the entirety of India's 1.5 mb/d, or to attract new buyers. Nonetheless, if Russian crude prices cratered China could potentially increase its purchases by up to 500 kb/d, although this would undoubtedly attract the ire of Washington. Any increased Chinese buying would likely only be short term, considering stiff competition from cheap Iranian barrels, this could see incremental Russian volumes head into storage rather than be directly processed by refiners.

What next for Russian supply? The above suggests that up to 1.5 mb/d Russian crude supply is threatened if India cuts back or stops Russian crude imports. Although Russian refiners could in theory process slightly more, this appears unlikely. Many Russian refineries have been damaged over the past few years by Ukrainian attacks and thus their runs remain lower than pre-war and relatively flat from month to month. Lower Russian oil supply implies that markets would tighten rapidly towards year-end. Nonetheless, this may not be disastrous given that, without a drop in Russian supply, global oil supply is projected to exceed demand by 1.8 mb/d in 4Q25. However, if demand was to surprise to the upside (for instance driven by a colder than average winter in the Northern Hemisphere) and if Russian supply was to slump, then this could see demand easily...

Topic of the Week (cont.)

...outstrip supply thereby propelling prices significantly higher than today, and potentially towards levels which would dent global economic activity as well as tanker earnings.



Scramble for alternatives. If India was forced to halt or significantly cut its Russian imports, this could trigger a scramble for alternatives. Given ongoing trade negotiations, US crude appears a viable alternative, although light, sweet US barrels are not a direct match for sour Russian barrels. However, even this may be difficult for India to obtain since US supply growth is rapidly decelerating with exports down year-on-year. This should place Indian refiners in direct competition with refiners in Europe and elsewhere in Asia. Furthermore, competition should also remain fierce for supplies elsewhere in the Atlantic. Notably, European refiners are expected to be running harder than usual in 4Q25 ahead of the ban on importing fuel refined from Russian crude by third countries.

The ball is in OPEC+'s court. Given that Russian crude is sour and that India remains a significant buyer of Middle Eastern crude, OPEC+ appears the more likely source to replace 'lost' Russian barrels. Indeed, the group currently sits on over 4 mb/d of spare production capacity. However, this option is complicated by Russia being a leading member of the OPEC+ Alliance and this could see its key members opt not to hike production in order to preserve harmony in the group, rather than risk the group falling apart.

Conclusion: There are three prospective scenarios which could have widely different outcomes for tanker markets:

Scenario One: A US – India deal is reached. This would see the status quo maintained with Russian flows unchanged thus supporting global crude tanker ton miles and grey fleet demand. Oil prices would remain on their current courses.

Scenario Two: India halts Russian purchases, OPEC+ sit on their hands. This would see lower oil supply and crude tanker demand against a backdrop of high oil prices. It should be noted that if the 25% extra tariff is introduced, we do not anticipate that it would remain in place for a long time as it would likely force India to make a trade deal with the US (ie. India lowering its tariffs on US goods) or Moscow to bring the end of the Ukrainian conflict a step closer. However, if it was not the case then it would hit grey fleet demand which should see many of the 1140 grey fleet tankers eventually demolished (this would not be the case if tariffs were only in place for a short period). Meanwhile, there could be a slight uptick in mainstream tanker demand, but this would depend on major oil producers (especially the US) destocking in order to meet short-term demand, and whether India could secure extra volumes of US or other Atlantic Basin crudes. It could see Atlantic Basin flows to Europe hit (as these refiners could be muscled out of the market by Indian buyers) and replaced by flows to Asia, thereby supporting global ton miles, especially for VLCCs. High bunker prices would lead to lower tanker earnings than projected under Scenario One.

Scenario Three: India halts Russian purchases, OPEC+ hikes supply. This is the most positive scenario for tanker markets as it would lead to a more balanced oil market and thus oil and bunker prices would remain on close to their current courses. It would also be the most likely scenario in the event that the additional tariffs remain in place across the longer term. The lifting of incremental OPEC+ barrels would support mainstream tanker demand at the expense of grey fleet demand, again adding to grey tanker demolition pressure. The majority of incremental supplies would be lifted from the Middle East Gulf (especially Saudi Arabia, Kuwait and the UAE). This would in turn add to short-haul Middle Eastern VLCC and Suezmax demand. This would support tanker earnings slightly above levels projected in Scenario One.

Market Pointers

Oil prices await conclusion of President Trump's meetings. Last week, oil prices gained slightly as the US-China tariff truce was extended until 10 November, raising hopes that a full trade war between the globe's two biggest economies could still be averted. In recent days, prices have mostly been dictated by US-Russia relations – crude prices jumped 2% on Thursday as US President Trump proclaimed his firm intentions ahead of his meeting with President Putin. On Monday, criticism by another White House advisor over India's Russian oil purchasing appears to have stimulated buying interest, although crude prices remain largely stable leading up to President Trump's meeting with Ukrainian President Zelensky. ICE Brent and NYMEX WTI were trading at $65.60/bbl and $62.40/bbl at the time of writing.

CPC loading schedule favors Suezmaxes. For the remainder of August and September, the CPC loading schedule features 46 Suezmaxes liftings but no Aframaxes. The total volume of crude to be loaded in September remains approximately the same as in August, at 1.65-1.75 mb/d. In 2024, 54% of CPC loadings were on Suezmaxes in comparison to 43% on Aframaxes. This shift may be related to issues on one of the three single-point moorings (SPM) in Novorossiysk, where the CPC pipeline terminates. Reports suggest that this SPM could be out of action for approximately three weeks while it undergoes maintenance. Preferentially loading Suezmaxes may be more efficient given the reduced number of moorings now available. So far this year, CPC export volumes have been resilient against infrastructure disruptions, notably the February drone attack on a key pumping station. Naturally this schedule is bullish for Suezmaxes and TD6 has remained close to year-to-date highs over recent days.

Indian refiners already looking to the US as Washington - Delhi tensions escalate. According to newswire reports, last week India's state-run Bharat Petroleum Corp awarded Glencore a five-month tender for 10 million barrels of WTI Midland crude. This tender falls in line with the Indian Prime Minister's pledge to increase US energy purchases by $15 billion, with the two nations aiming for bilateral trade of $500 billion by 2030. Reports suggest that many Indian refiners are hiking their purchases of US crude. Indeed, broker information suggests that there has been a slight increase in USG to WCI voyages on Suezmaxes and VLCCs over recent weeks.

Wildfires force Turkey to close Dardanelles, delaying Black Sea crude flows. On 11 August, Turkish maritime authorities ordered a temporary closure of the Dardanelles Strait in the wake of wildfires in the region which are impacting visibility. This marked the second such suspension in a week. The waterway provides a vital export corridor linking Russian and Caspian crude to the global market via the Mediterranean. While AXSMarine data suggest that Bosporus traffic continued normally, it appears that congestion has built further south in the Dardanelles. Local authorities warned that further shutdowns remain possible if conditions worsen. With drought and high winds likely to persist into late summer, this closure could delay tanker transits in the region leading to unpredictable tonnage tightness, particularly for Suezmaxes given their heavy CPC program.

First US-Vietnam crude shipment of the year. As part of tariff negotiations with the US, Vietnam has agreed to buy more US crude oil, resulting in the first shipment of the year. The Southeast Asian country has been reported buying 1 mn bbl of US WTI for delivery in November. Shipping data revealed that the last delivery of US crude oil to Vietnam was in October 2024, and Vietnam imported a total of 1.8 mn bbl of US crude during 2024, representing barely 2% of the country's total crude imports. Indeed, about 85% of Vietnamese crude imports come from Kuwait, given competitive prices in the Middle East and the shorter distance. Indonesia and Thailand have made similar trade pledges with the US, which could result in more ton miles for VLCCs on US-Asia routes.

Seasonal Arctic navigation has begun. Russia has resumed crude exports via the Northern Sea Route (NSR), with the LR1 MT Kirill Lavrov, Aframax MT Nevskiy Prospect, and Suezmax MT Latur heading to China. Together, they carry a cumulative 2.2 mn bbl of light sweet grade. Notably, all three vessels are sanctioned and are between the ages of 15-22, and only one appears on the official navigation permission list. Shipping data shows that Russia's Arctic exports have averaged 358 kb/d in August, the highest level since June 2023 and up from 231 kb/d a year ago. This comes as sanctions and geopolitical tensions suggest that Russian crude exports to China are likely to rise, especially as India is pressured by the US and EU to reduce such purchases. The NSR is typically open between July and November, and it reduces voyage times between Russia and China by approximately 40%.

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	190	170	194	239	113	906
SUEZMAX	159	117	148	164	113	701
AFRAMAX	237	171	93	107	78	686
LR2	49	107	86	133	121	496
PANAMAX	49	6	1	10	2	68
LR1	95	149	69	63	4	380
MR2	369	464	377	386	298	1894
MR1	239	149	62	48	10	508
TOTAL	1387	1333	1030	1150	739	5639

TANKER ORDERBOOK

N° OF SHIPS

2025 DELIVERED	2025	2026	2027	2028+	ON ORDER
3	4	39	47	28	118
18	12	54	49	22	137
6	13	9	16	6	44
33	17	78	70	28	193
0	0	0	1	3	4
2	8	24	17	13	62
56	41	158	85	24	308
3	1	13	10	0	24
121	96	375	295	124	890

TANKER DELIVERIES

N° OF SHIPS

	5/2025	6/2025	7/2025	8/2025
VLCC/ULCC	0	1	1	0
SUEZMAX	1	3	5	1
AFRAMAX	1	2	0	0
LR2	3	6	5	2
PANAMAX	0	0	0	0
LR1	0	0	2	0
MR2	8	3	14	4
MR1	0	0	0	0
TOTAL	13	15	27	7

TANKER DELETIONS

DEMOLITION,LOSS AND CONVERSION

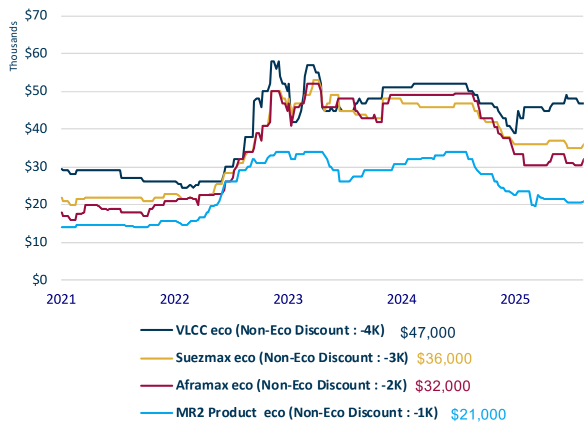
N° OF SHIPS

	5/2025	6/2025	7/2025	8/2025
VLCC/ULCC	0	0	1	0
SUEZMAX	0	0	0	0
AFRAMAX	0	1	1	0
LR2	1	0	0	0
PANAMAX	0	0	1	0
LR1	0	0	1	0
MR2	0	2	0	0
MR1	0	0	0	0
TOTAL	1	3	4	0

Time Charter Rates

$/day		1yr	Trend	3yrs	5yrs
VLCC	NON ECO	$41'000	STABLE		
	ECO	$47'000		$42'000	$40'000
	ECO SCRB	$51'000		$45'000	$43'000
SUEZMAX	NON ECO	$32'000	UP		
	ECO	$36'000		$34'000	$31'000
	ECO SCRB	$37'500		$35'000	$32'000
AFRAMAX	NON ECO	$28'000	UP		
	ECO	$32'000		$28'500	$27'250
	ECO SCRB	$33'000		$30'000	$28'750
LR2	NON ECO	$28'000	UP		
	ECO	$32'000		$28'500	$27'250
	ECO SCRB	$33'500		$30'500	$28'750
LR1	NON ECO	$21'500	UP	$21'000	
	ECO	$24'000		$22'500	$21'000
	ECO SCRB	$25'500		$24'000	$22'500
MR2	NON ECO	$17'500	UP		
	ECO	$21'000		$19,000	$18,500
	ECO SCRB	$21'500		$19,500	$19,000
MR1	NON ECO	$18'000	UP	$17'500	$17'500
	ECO	$19'000		$19'000	$19'000
	ECO SCRB	$19'500			

Tanker Time Charter Rates - 1 year



Latest Prices and Freight Rates