



13.03.2026

Tanker Market Report

Locked Strait

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The crisis in the Middle East shows no signs of abating. Attacks on oil infrastructure in the region have continued, and multiple vessels have been hit. Transit through the SOH remains effectively blocked, with just a few tankers crossing Hormuz since the outset of hostilities. With storage filling up, Gulf countries have been forced to shut production and refining capacity. The IEA report released yesterday assesses that the region's crude production has been cut by at least 10

mbd. Global oil supply as a result is projected to fall by 8 mbd this month, as some production increases are expected elsewhere. The latest estimates of regional refining capacity shut-ins range between 2.35 and 3 mbd.

With Asia heavily dependent on Middle East supply, refining runs there have also been progressively curtailed, whilst the list of force majeure declarations by the petrochemical sector continues to grow. Earlier this week China announced an immediate ban on exports of clean and dirty refined products in March. The IEA agreed to release a record 400 million barrels from the SPR, the US Treasury authorised Russian oil sales through April 11 and is considering a temporary waiver of the Jones Act. Yet, this is failing to cool the markets, with Brent trading up 9% week-on-week.

The key question is: what comes next for tanker markets? With developments in the Middle East evolving rapidly, uncertainty prevails. One thing is clear: the longer the current crisis keeps flows locked in, the more bearish the outlook becomes.

Should the bulk of Gulf barrels remain constrained for an extended period, VLCCs and LRs are naturally the most exposed. It remains highly uncertain whether US security guarantees, insurance cover and military convoys will allow flows to return to pre-28 February levels. Reuters reported on Tuesday that the US Navy is declining near-daily industry requests for Hormuz escorts, citing the attack risk as too high. Commercial traffic never fully resumed in the Red Sea despite considerable military efforts, with Houthi attacks continuing largely unabated until a ceasefire was reached. Whilst some high-risk owners may be willing to transit through the SOH subject to war-risk insurance and military escorts, there will equally be many operators unwilling to trade into the Gulf whilst missiles continue to fly.

Of course, there are barrels increasingly trading outside the Gulf. The most notable example here is Yanbu. There has been a significant increase in VLCC fixture activity since the start of the month, following Aramco's announcement that it will be redirecting all Arab Light volumes there (which averaged 2.15 mbd from Saudi Arabia's East Coast in 2025) and more recently suggesting that the East-West pipeline could

soon be operating at its full 7 mbd capacity. Saudi Arabia's West Coast is also home to substantial refining capacity. Other outlets for crude include Fujairah, via the 1.5 mbd ADCOP pipeline, with exports around 1.2 mbd last year, and Mina Al-Fahal, with exports averaging 1 mbd in 2025. However, these ports are at greater risk of attacks and the related disruptions. It remains to be seen how large an actual increase in shipments from Yanbu will be. Nonetheless, even if volumes increase substantially, a significant portion of Gulf barrels will remain shut in.

On the freight front, we have seen a correction in rates, but an uneven one. Rates originating from the Middle East still command a significant premium due to the obvious risks. A sharper correction has been seen in the West, particularly for crude tanker rates. Yet, freight remains expensive, potentially denting demand from Asian refiners for Atlantic Basin barrels. However, if the situation in the Middle East remains unchanged, there is likely to be an increase in ballasters heading to the Atlantic, and the reality is that there are simply not enough cargoes for the number of vessels that will be available. VLCC rates for Atlantic Basin loadings will come under substantial downward pressure. This will

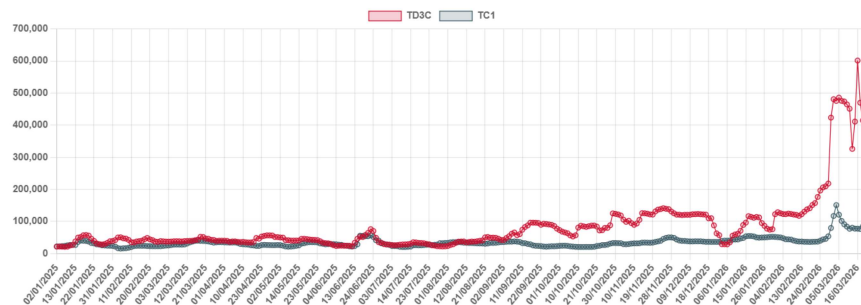
inevitably drag Suezmax rates lower as well. A similar dynamic will materialise in the clean market. LRs are the most vulnerable, but the downward pressure will eventually filter down to smaller sizes.

It is impossible to predict how long the conflict in the Middle East will last. Perhaps the Trump administration had hoped for a swift resolution following targeted strikes on senior military leadership (similar to the rapid outcome seen in Venezuela). However, Iran is clearly digging in. The IRGC said on Tuesday that they would not allow “one litre of oil” to be shipped through the SOH if US and Israel attacks continue, whilst Iran’s new supreme leader has called for the SOH to “remain closed” in his first statement. Another question is how likely it is that Trump reverses course on Iran. The longer the war continues, the more catastrophic the consequences for the world become.

However, the longer-term picture is somewhat more constructive. Once the situation in the Middle East stabilises and crude flows resume, we are likely to see pent-up demand as refiners move to replenish both commercial and strategic inventories. The longer-term picture is also becoming more positive. If there is

a regime change in Iran, this would bring Iranian barrels back onto mainstream VLCCs and Suezmaxes, with this incremental demand helping to offset the increasing volume of new tanker deliveries expected in 2026 and 2027. Furthermore, the prolonged absence of Middle Eastern barrels from global supply reduces the risk of a heavy oversupply scenario that could ultimately have triggered global production cutbacks.

VLCC and LR2 TCEs (\$/day)



Crude Oil

East

The second week of War began with some activity in Yanbu in the VLCC market, with freight levels remaining firm despite relatively slow overall activity in the region. After a busy start, enquiry gradually eased as most Yanbu cargoes were covered, although owners continued to test higher levels. As the week progressed, activity slowed further, with only limited cargoes emerging from the Red Sea and outside AG, while a few subject failures between the Red Sea and Sidi Kerir added vessels back onto the tonnage list. Some ballasters were also seen lingering around Galle, waiting to see if enquiry would pick up again. Toward the end of the week, a few cargoes surfaced from outside AG, with ports such as Mina Al Fahal and

Fujairah attracting owners. While freight softened following recent fixtures, the market is now waiting to see where levels will settle as the week closes.

Suezmaxes in the East continued in the same vein as last week; disruption continues here with the Fujairah Force Majeure lifted but Sohar exports stopped because of heightened risk. That being said, the premium we saw from Yanbu has eroded somewhat with WS470 on subs for Yanbu/Onsan. The natural window for Red Sea load should open up the list of willing Suezmax owners, but as the majority is expected to load on VLCCs, uncertainty remains as we close out the market this week.

West Africa

The WAF VLCC market remained relatively quiet throughout the week, with little fresh enquiry reported on the surface. Owners' sentiment started the week on a firm footing, although freight levels gradually softened as the days progressed. A WAF/East run concluded around WS229 early in the week, which slightly eased owners' expectations. As more options

became available to charterers and fresh cargoes emerged only gradually, freight levels came under further pressure. With the tonnage list expanding slightly and TD15 fixtures contributing to the softer tone, charterers appeared to regain some control toward the end of the week while the rates settled under WS200.

West Africa has taken a knock to Suezmax owners' confidence as the March program finishes up and we begin to see charterers work under the radar to take ships quietly for April dates. As we move into a fresh week, TD20 is likely to be tested around the WS260 mark, with the premium to go East remaining flat as owners look to lock in these earnings. Paper trades flat for now, though the affect of so many ballasters coming to the market between the 5-10 window is likely underestimated.

Mediterranean

TD6 remains largely untested since the start of the week when 135kt x WS350 was put on subs 5 times for end March/ early April dates. Little has changed in

this market since to push rates either way, perhaps there is a tinge of softness around as the Atlantic basin softened for the majority of the week. Ultimately, it is likely rates will remain flat at the next chance of fixing. Med/East has been active this week, with at least 2 fixtures reported for long East at the \$15m mark. This level could come under further pressure as owners look to lock in these earnings on long runs against the back of increased uncertainty in the tanker market. Yet, when runs via the Suez are to be concerned, the same players will likely be eyeing up the Yanbu cargoes which will continue to dribble into the market.

This week begun cautiously once more for Med Aframaxes. Surrounding markets started to take stock of failed fixtures and the talk of lengthening lists made sentiment soften somewhat as the week progressed. This being said the Med market itself remained a tricky hunting ground for charterers, with a thin list exacerbated by relets having already ballasted away to cover their programs in the States. As such, despite the sizeable corrections in the North Sea and USG markets, the Med remained resilient. XMED voyages with reasonable flat rates were still concluded in the WS340-350 range, with WS360 being achieved twice

for smaller flats by the close. As we look forward with bunker prices also still firm given events around Hormuz, it will take a long quiet period for rates to fall away more significantly.

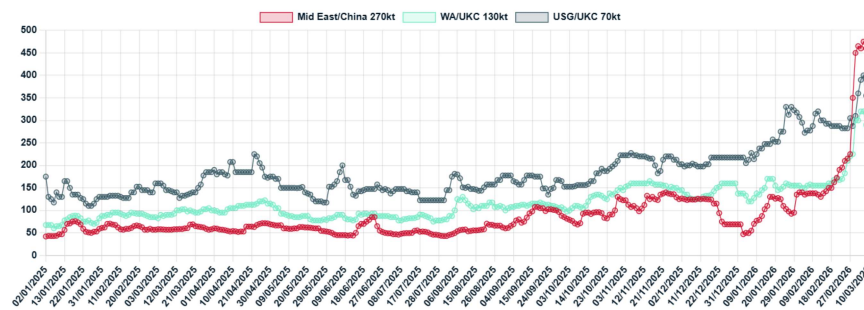
US Gulf/Latin America

The States VLCC market began the week quietly, with little visible activity and owners' sentiment remaining relatively firm, despite rates easing slightly from last week's levels. Pressure from recent fixtures in WAF and the generally subdued Atlantic market weighed on freight, with charterers expecting levels to soften further below last done. As the week progressed, a small amount of activity emerged, with charterers hoping that additional ballasters heading west would help bring rates down. Toward the end of the week, freight levels softened following recent fixtures in the all region, although the tonnage list remained relatively tight as some ballasters lingered around the AG waiting for clearer direction in the market.

North Sea

A week of ups and downs in the Aframax market in the North as it kicked off with a bit of a correction which turned out to be too much for some to stomach and we've subsequently crept back up. There has been plenty of local business, with a smattering of longer questions being asked and more to come it seems. Local levels now sit at around WS225, with a hint of further upside. We've had the standard ballasters to both Med and the States markets and even with this uptick, that won't change things. East questions are rearing their head and with bbls starting to go that way we won't have heard the end of it in the near term at least.

Crude Tanker Spot Rates (WS)



Clean Products

East

Week two of the war in Iran and with the SoH in a total shutdown we are now really starting to see the consequences. Owners are having to make the tough call on if they ballast out or sit tight for now. As expected, WCI stems are being fought after highly and charterers can push for a discounted rates as owners are keen to fix out of the region. The Red Sea is now effectively the only load region for Middle East exports, and this week has seen some owners make the call to ballast into the Red Sea to pick up a West stem rather than committing to a lengthy ballast. On the whole, uncertainty remains and most for now are sitting tight and monitoring the situation.

A very quiet week for AG MRs as escalating tensions in

the Middle East effectively halted activity. With force majeure declared across several India/Asia refiners and export programmes stalled cargo enquiry has dried up. As a result, many prompt vessels have opted to ballast West in search of employment. The recent surge in bunker prices has also pressured TCE returns across key routes. With no sign of de-escalation and enquiry remaining sporadic, sentiment remains weak heading into next week.

UK Continent

The global clean arbitrage market is wide open from the UKC: distillates in and seemingly exporting UMS and naphtha to all corners of the planet. MR owners are happily booking the longest possible voyages they can at the highest possible rates as the general sentiment appears to be slowing. We feel that peak rates in general have passed as it is not the full chaos it was at the beginning of the crisis. Questions are abound as to the next phase of this market, with the expectation being that tonnage from the East will gradually displace in favour of the West as the USG remains the most attractive market and is continually drawing

owners attention. If this continues we expect some more mid to long term weakness in rates. In the short term it is still active and unpredictable, especially in light of export controls and sanction policy changes.

The first half of the week started at a good pace for Handies, with a healthy amount of fresh enquiries quoted for UKC/Med and also XUKC as rates on TC23 firmed to 30kt x WS400 and 30kt x WS390 down to the Med. The Handy list has been lacking some depth for some time now and there hasn't been any relief from the MRs as owners have looked to lock in higher tces over a sustained period with short-haul runs lower down in the pecking order to fix. As the week progressed, cargo enquiry halted creating a softer feeling in the market, which will see levels correct down in the short-term. Yet, with uncertain times ahead globally, owners are hopeful this is only a small bump in the road.

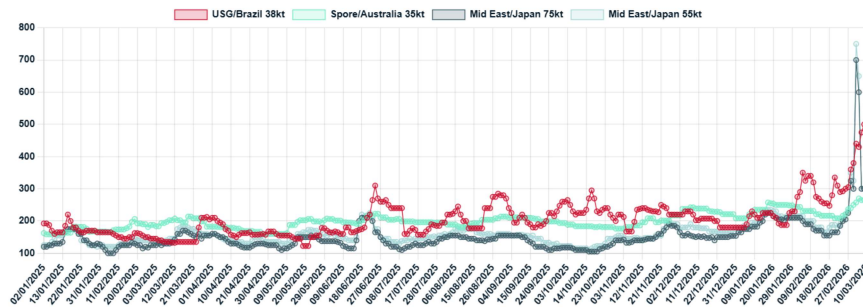
Med

There has been minimal to report on regarding true Med MR business, with rates holding steady for the most part of this week at the 37kt x WS240 mark. Tonnage has remained well stocked throughout, putting charterers under little pressure. With USG loads being the golden ticket for owners here and as enquiry thinned, it was only a matter of time before we saw a pause in sentiment and rates correcting downwards with WS230 a fair call to close. The general mood is bearish for MRs in the Med, given surrounding markets are sliding and fixing rates are slower.

Despite the ongoing conflict in the Middle East keeping bunker rates inflated, we have seen Med Handies correct downwards this week from WS430 to WS330 levels. We started as a standoff between charterers and owners with rates trading sideways – but as fixing rates slowed and tonnage was replenished,

charterers gained a foothold on an evolving softer market. With the AG disruption ongoing, it is very much a week by week scenario on how rates respond.

Clean Tanker Spot Rates (WS)



Dirty Products

Handy

It's been a busy week for cargoes out of NWE, as enquiries began to flow from the off and into an already tight list. The few naturally positioned ships available were soon picked off, and owners took advantage to push on levels from WS340 through the gears to WS352.5 by the close of play on Friday.

Owners will be hoping for more of the same next week, where we expect to see a thinly spread list from the off and fewer WMed units to call upon. We expect to see levels soon pushed toward the WS360 mark should enquiry continue to flow.

The Mediterranean saw a steadier week of more gradual firming, with WS330 repeated a handful of times before owners pushed to the WS335 mark, where most of the week's dealings were concluded as tonnage continued to be clipped away from the list. WS350 was fixed out of the Black Sea, theoretically putting XMed at WS340, but so far, these levels have yet to be confirmed for a standard XMed run. Come Friday, the list looked tight, and owners are keen to push rates on early into next week, where we expect to see a tighter list.

MR

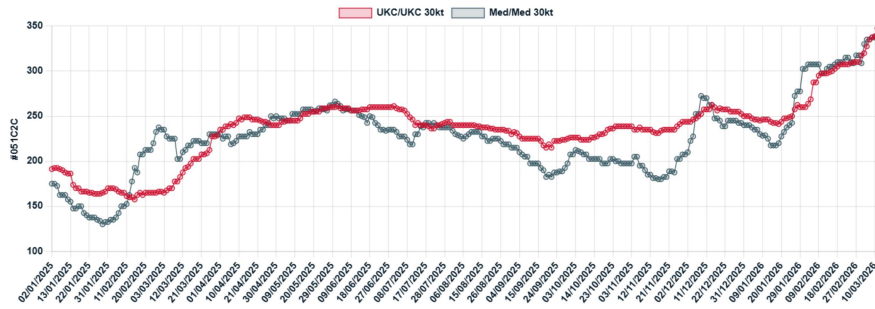
Off-market dealings have clipped away some MRs basis 45kt this week, but a well-publicised and fresh test is yet to be circulated as Handy stems and part cargoes are the main source of employment. Supply is

scarce across both regions, with owners' rate ideas rising to keep pace with a hot Handy market. We expect to see next done levels in or around the WS260-265 range in the Med and WS260-270 in the UKC.

Panamax

Panamax tonnage is expected to open up toward the end of the month, with the majority of available units opening up ex DD in the East Med. A fresh test here is needed, but rare ideas are currently around the WS180-190 mark for cargoes into the USG off vessels' dates. Over in the US, TD21 held steady at the WS360-370 mark this week as owners held the line despite a quieter period of enquiry. All eyes will be watching the White House as they consider a short-term waiver for the Jones Act, potentially driving up demand.

Dirty Product Tanker Spot Rates (WS)



Rates & Bunkers

Clean and Dirty Tanker Spot Market
Developments – Spot WS and \$/day TCE (a)

	wk on wk change	Mar 12th	Mar 5th	Last Month*	FFA Q1
TD3C					
VLCC					
AG- China WS	-124	349	473	137	221
TD3C					
VLCC					
AG- China TCE \$/day	-164,75 0	342,000	506,750	130,250	182,000
TD20					
Suezma x WAF- UKC WS	-68	261	329	154	192

TD20					
Suezma					
x WAF-	-49,750	130,250	180,000	73,500	79,250
UKC TCE					
\$/day					

TD25					
Aframax					
USG-	-144	249	393	277	275
UKC WS					

TD25					
Aframax					
USG-	-60,000	58,750	118,750	80,250	63,500
UKC TCE					
\$/day					

TC1 LR2				
AG-				
Japan	-88	359	447	190
WS				

TC1 LR2
 AG-
 Japan -42,250 84,000 126,250 47,500
 TCE
 \$/day

TC18
 MR
 USG- 3 457 454 334 306
 Brazil
 WS

TC18
 MR
 USG- -2,250 64,000 66,250 48,000 34,000
 Brazil
 TCE
 \$/day

TC5 LR1
 AG-
 Japan -108 361 469 205 244
 WS

TC5 LR1					
AG-					
Japan	-37,500	57,500	95,000	36,500	23,750
TCE					
\$/day					

TC7 MR					
Singapo					
re-EC	-12	255	267	232	240
Aus WS					

TC7 MR					
Singapo					
re-EC	-10,750	17,500	28,250	27,250	12,500
Aus TCE					
\$/day					

(a) based on round voyage economics at 'market' speed, eco, non-scrubber basis

Bunker Prices (\$/tonne)

	wk on wk change	Mar 12th	Mar 5th	Last Month*
Rotterdam VLSFO	+205	800	595	442
Fujairah VLSFO	+305	1057	753	459
Singapore VLSFO	+429	1132	704	470
Rotterdam LSMGO	+157	1174	1,017	669