



10.07.2026

Tanker Market Report

Can the US Keep It Up?

Can the US Keep It Up?

Over the course of more than 100 days of the Strait of Hormuz closure, the US proved to be the single most important source of replacement barrels, both for crude and clean products. The increase in US crude exports has been nothing short of spectacular: in the second quarter of the year, exports averaged around 5.2 mbd, up by 1.4 mbd compared to the 2025 average. The biggest growth was seen in long haul trade to Asia, which doubled from the 2025 baseline.

Unquestionably, this growth was for the most part fuelled by the colossal US SPR release, helped by a modest increase in domestic US production. A similar trend was observed for clean exports, though increases here have been more modest. Total clean exports averaged close to 3 mbd in Q2, 450 kbd above their 2025 baseline, with the biggest gains in absolute terms seen in trade to Europe, Africa and Asia.

With the ceasefire unravelling and attacks in the Strait resuming, exports from the Middle East Gulf are unlikely to recover anytime soon. The need for replacement barrels therefore remains significant but can the US continue to deliver at such elevated levels?

Commercial crude stocks are notably down to their lowest level for this time of the year since 2018. An even bigger drop is seen in SPR levels, which nosedived, falling to 319.5 mbbbls in early July, their lowest level since 1983. Still, inventories are down by just 96 mbbbls from late February (although 133 mbbbls have been awarded), compared to the 172 mbbbls announced in March, meaning more barrels are still to come, though it is unclear what will happen to the 39.5 mbbbls not sold in the latest tender. Beyond that, further

releases appear less likely, with growing concerns about the minimum SPR level needed to maintain functionality and the industry warning the reserve must stay at least 20% full (roughly 143 mbbbls) for operational reasons. In any case, with domestic refining runs extremely elevated, US refiners could absorb much of the remaining release, limiting the volumes reaching the export market. Preliminary AIS data shows that weekly USG crude exports have been in steady decline since late May, falling last week to their lowest level in three months.

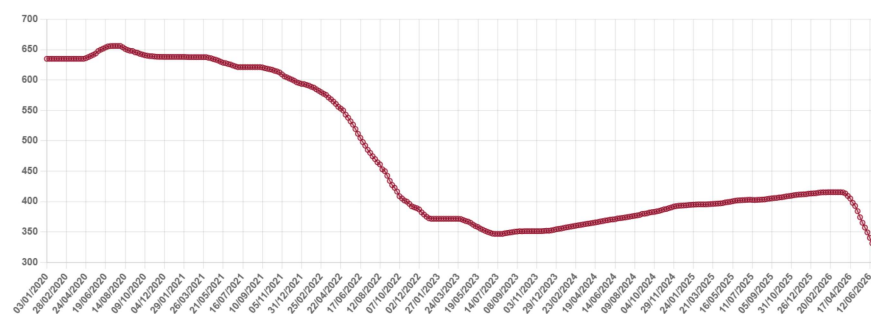
On the upside, US crude production is edging up, with the latest estimates from the EIA pointing to an increase of 200 kbd this year and a further 250 kbd in 2027. Projections have been revised up in recent months amid higher oil prices and hedging by producers. The rig count is also responding, up more than 40 units year on year after eight consecutive weekly gains. With geopolitical tensions escalating once again, and upward pressure on oil prices reemerging, further upward revisions to US crude output may also be on the cards. Nonetheless, rising production cannot fully offset the loss of SPR barrels once the current release programme runs its course.

Trade dynamics are similar for clean product exports. US refineries are running at peak utilization rates, at around 96% in June, one of the highest rates seen over the past two decades, with exports reaching as a result their record highest level last week, according to the EIA data. Yet, the extended period of elevated exports has led to a sharp draw in distillate inventories, with total stocks falling to their lowest level in over twenty years in mid-June, although levels modestly recovered since then. The situation in PADD 3 is less extreme, yet inventories there are also under pressure. Whilst the developing El Nino points to a below normal Atlantic hurricane season, with stocks this thin, even a single storm in the US Gulf could cause outsized disruption to the refining system; in addition, fairly light spring maintenance increases the chances of unplanned outages. Domestic distillate demand will also rise with the onset of the autumn harvest season. With this in mind, the peak in clean product exports has likely been reached, with flows likely to remain flat or trend lower in coming months.

Overall, the US has done the bulk of the heavy lifting in keeping global markets supplied through the crisis, but its capacity to keep doing so is diminishing. Should the

renewed escalation in the Strait lead to another prolonged closure of Hormuz, the world will find itself in a much tougher spot. With global inventories rapidly depleted in recent months, this is a recipe for much tighter supply, higher prices and significant downside risk for tanker markets.

US Crude SPR Inventories (mbbls)



Crude Oil

East

The AG and Red Sea VLCC market experienced another week dominated by geopolitical developments. The market started quietly before enquiry gradually improved, helping to tighten the prompt tonnage list and stabilise freight following the recent correction. Renewed tensions surrounding the Strait of Hormuz, together with reports of attacks on vessels, led many owners to adopt a more cautious stance, although the continued flow of cargoes prevented freight from moving significantly higher. Toward the end of the week activity remained healthy, particularly around Fujairah and Yanbu, while the gradual reduction in prompt tonnage helped maintain a firmer tone. The market now continues to watch

developments in the region closely, as further escalation or de-escalation could quickly influence freight direction.

Renewed tensions in the Middle East are keeping the Suezmax AG market as uncertain as ever this week, with everything being moved done very much under the radar, especially for inside-AG loads. Rates remain steady, but with the situation seeming to escalate this week it seems likely we will see more vessels head to COGH, allowing for some upward pressure.

Asian Aframax rates remained broadly soft this week. Fresh cargoes failed to pick up noticeably, with most fixing rolling into late July, while tonnage continues to accumulate through mid-to-late July, keeping freight under downward pressure. We assess TD14 at WS152.5-155, which needs further testing. In the adjacent TMX market, charterers have started to move on early-August cargoes. The super typhoon in the East is expected to disrupt eastern-side vessel schedules, which could tighten availability in the short term and lend some support to rates.

West Africa

The WAF VLCC market remained relatively subdued throughout the week, with limited fresh enquiry reported. Despite the lack of visible activity, sentiment was supported by developments in surrounding markets and a gradually tightening prompt tonnage list. Participants continued to look for a fresh test to establish current levels, while renewed tensions in the Middle East raised expectations that WAF could attract additional cargoes should owners become more reluctant to ballast East. Although a small amount of activity emerged later in the week, overall enquiry remained insufficient to generate meaningful momentum. Owners will now be hoping for a stronger flow of cargoes next week to better test the market.

The WAF Suezmax market has been steady and perhaps even firming a little this week, with owners looking to push closer to the WS240 mark. With end-July stems still potentially there to cover, the list remains tight and there is a good chance of someone getting caught out. The premium for East is probably

around the five-point mark today depending on the ilk of ship a charterer requires, with those able to take something a little older with fewer approvals potentially achieving less. With such attractive returns on offer, there are a few who are happy to lock in on the long runs.

Mediterranean

TD6 has been as resilient as usual, around the WS280 mark. With a fresh attack this week it seems likely we will stay around there on sentiment, though realistically it does not seem likely to change the mind of anyone currently loading there, so it won't really change the list, we may even see this chipped away at. In the Med, \$8.5m is reported to have been done this week for Libya/East via Suez; there are a few ships around keen on this kind of voyage so we feel it is repeatable and the market is pretty steady. There are also more questions for Libya on long runs this week after a long period of inactivity, with all of these cargoes tending to go short.

A week that has gone from strength to strength for Med Aframax owners. As trading opened there was already a feeling of optimism in their camp, and a serious spate of mid-month cross-Med fixing coupled with replacement activity had started to push rates on. WS167.5 soon became WS180 for normal flats, while WS200 was breached again for shorter runs, giving owners the heart to push for more. With the writing on the wall, charterers felt obliged to reach further out, which only added fuel to the fire, a fire only partially dampened by ballasters leaving a weak North Sea to conclude in the mid-WS190s in the Med. As the States began to find its feet once more and cargoes flowed, that market also recovered, with further points added to cross-Med runs in sympathy. As we reach the close, vanilla runs should be freighted at WS220, though charterers will hope the majority of the damage is done unless the States offers a further surprise on Monday.

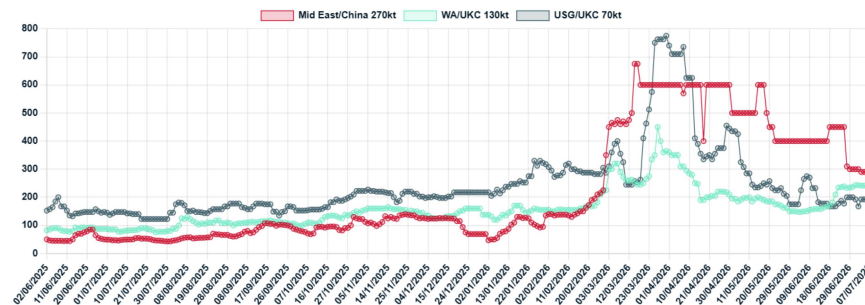
US Gulf/Latin America

The States VLCC market began the week quietly following the US holiday period, with South America continuing to generate most of the visible activity. As the week progressed, several fixtures helped establish fresh freight levels and improve price transparency, encouraging a modest pickup in activity out of the USG despite a couple of reported failed deals. Petrobras remained the main driver of sentiment, with several quotes during the week resulting in fixtures fluctuating by around 10 points between consecutive last done levels, highlighting the market's uncertainty. Meanwhile the overall tonnage list gradually tightened. Although activity improved compared with previous weeks, the market will now be watching closely to see whether stronger enquiry can be sustained and whether tighter vessel availability will provide further support to freight in the coming days.

North Sea

A bit of a recovery from the North Sea Aframax market, with surrounding markets helping to buoy owners' sentiment and give them the opportunity to push somewhat. Gains have been minimal compared with its neighbours, but with ships ballasting to the Med and States we have seen a little more balance. Things are sitting around WS150 for the time being with a sense of stability, perhaps a couple more points for the right cargo, but for now things feel steady.

Crude Tanker Spot Rates (WS)



Clean Products

East

A promising start to the week very quickly lost momentum as the political situation in the AG took a few big steps backwards. The LR2s have seen some action, but the majority has been off-market and done direct. East runs saw a negative correction with 75 × WS190 going on subs, and given the lack of stems the negative sentiment on the LR1s was very much expected. The LR1s saw TC5 drop further as 55 × WS175 (outside AG) went on subs, a sign of the growing tonnage list and owners' keenness to reposition their ships. That said, with only two open stems on the LR1s, both loading within the AG, owners with ships sat spot within the AG could take advantage of the volatility of this East CPP market yet again.

Another challenging week in the Middle East for MRs, defined by a lack of fresh cargo volume and a resurgence in unrest, with the SoH once again the centre of tensions. The week opened to a quiet start across all tanker sizes, with minimal cargo flow outside the SoH and WCI. This slim cargo base, paired with a heavily stocked list of prompt and ballast tonnage, built steady downward pressure on freight throughout the week. Compounding these fundamentals has been the sharp escalation in regional conflict, and owners were once again faced with the reality that transiting laden out of the region was unlikely in the short term, with those inside the Gulf aggressively competing mid-week for a handful of cross-AG runs and rates falling as a result. This inevitable correction eventually acted as a catalyst for a late-week bump in activity, with EAFR rates down to WS260 ex-Sohar to bring them in line with Sikka benchmarks. However, with regional tensions and uncertainty still very much playing their part, the week closes on a quiet but pressured note.

UK Continent

With a continuing strong USG market, TC2 is once again the most desirable route for many in the UKC MR sector, with rates staying relatively flat for the majority at WS130. WAF pinned itself comfortably at the WS180 mark, but then, with an increase in Brazil activity as the lack of Russian barrels now being exported takes effect, owners' ideas have picked up. Brazil pushed toward the WS200 mark, and considering WAF has been at parity recently, it was no surprise to see owners dig in and press further on this run. Come Friday we see TC2 push to WS147.5 (WS142.5 lc PALMS), and with a handful of cargoes outstanding we can imagine WAF starting with a 2 in the not too distant future.

A mixed bag of rates for Handies in the North this week. Less has been paid for older units and those with Russian history compared with more modern, well-approved ships, as levels ranged between 30 × WS172.5 and 30 × WS177.5. The front end of the tonnage list was beginning to tighten, so the weekend

has come at a good time for charterers. There also seems to be a lack of appetite now for MRs to entertain short-haul stems as they look to exit the region into better-paying sectors, which will be beneficial for Handy owners moving forward.

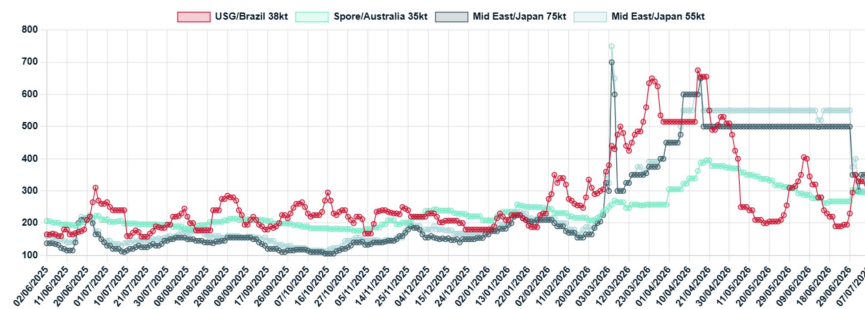
Med

Sentiment is trending upward despite minimal fixing activity to support it. Last done Med-TA sits at WS140, with last done Med-WAF at WS170. Eyes on whether there is consistent enough enquiry to keep the positive momentum going and feed owners' bullishness. As with the Handies, owners continue to feel the pressure from ex-Russian units diluting the tonnage list. With the Middle East situation unpredictable again, it will be interesting to see what impact the flat price change on bunkers will have on owners' minimum levels going forward, as well as their ambitions on specific runs.

A steady week in all for Med Handies, with rates trading sideways at the WS165 mark for the most part. We have seen a few vessels go on subs at higher rates, but on the basis of cabotage requirements, long

ballasts with inflated bunker prices, and grade sensitivity. Oversupply continues to halt owners' ambitions, with ex-Russian units adding to the dynamic by trying their hand in the vanilla market as premium volumes remain unworkable. Looking ahead, we do not anticipate much change, with rates in a holding pattern for now until something on either side of the dynamic shifts.

Clean Tanker Spot Rates (WS)



Dirty Products

Handy

Both regions experienced an influx of cargoes this week, leaving lists looking rather bare and levels firmer. The North started quickly, with WS230 covered out of the gate before repeating, off-market dealings at the time perhaps keeping levels from firming further. WS235 was eventually seen toward the end of the week, however. There are some slightly forward cargoes likely to work first thing Monday, and with next-up tonnage of a more vintage age and not workable for some, we expect to soon see WS240-245 should cargo continue to move.

Down in the Med, enquiry flowed from the off, chipping away at a tighter list, with Monday and Tuesday seeing healthy levels of activity as rates worked up from WS217.5 to WS220. Wednesday then saw a flood of cargo, clearing tonnage from the list and firming levels

to WS225 and WS230, the last confirmed rates by close of play on Friday. Rumours of WS235 paid are yet to be confirmed, but this would be in line with the trend seen here. Come Monday, we expect a tight list, with owners bullish and keen to push on toward WS240 and beyond should we see a quick start.

MR

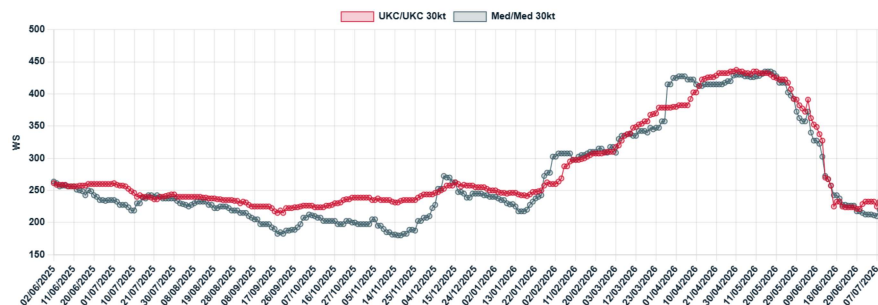
This week saw a new benchmark for owners to build on, with WS175 fixed out of Sines for a mid-month loading. While not quite the North, this has helped guide owners there too, despite a lack of full-stem enquiry. Both regions now run low on workable MRs for now, with rates sitting around WS180-185 in the Med and WS180 in the North.

Panamax

TD21 continues its steady upward trend, with levels moving slowly through the gears to WS225 as tonnage is consistently clipped away from the list. We expect this trend to continue at least in the immediate

future, though with renewed conflict in Iran we could see a trickle-down effect. In Europe, enquiry has been sluggish to surface, with levels for runs to the USG expected around 55 × WS160-170 basis Med loadings and ideas for UKC-USG slightly higher at WS180-190 given vessels need to ballast up from the Med. Tonnage is there off end-of-month dates, but the majority is ex DD. The increase in rate ideas here can mainly be put down to the local Aframax market seeing plentiful activity, helping to drag the Panamax up.

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	July 9th	July 2nd	Last Month*	FFA Q2
TD3C VLCC AG- China WS	51	345	294	403	303
TD3C VLCC AG- China TCE \$/day	58,250	361,500	303,250	421,500	306,750
TD20 Suezma x WAF- UKC WS	-10	233	243	148	194

TD20					
Suezma					
x WAF-	-7,750	118,250	126,000	60,500	87,250
UKC TCE					
\$/day					

TD25					
Aframax					
USG-	19	190	171	252	230
UKC WS					

TD25					
Aframax					
USG-	6,000	42,000	36,000	62,250	51,750
UKC TCE					
\$/day					

TC1 LR2					
AG-					
Japan	-1	361	362	511	
WS					

 TC1 LR2

AG-

Japan	-1,000	98,750	99,750	145,250
-------	--------	--------	--------	---------

TCE

\$/day

 TC18

MR

USG-	6	329	322	321	234
------	---	-----	-----	-----	-----

Brazil

WS

 TC18

MR

USG-	250	43,500	43,250	39,250	24,250
------	-----	--------	--------	--------	--------

Brazil

TCE

\$/day

 TC5 LR1

AG-

Japan	4	359	356	541	309
-------	---	-----	-----	-----	-----

WS

TC5 LR1					
AG-					
Japan	500	69,250	68,750	110,500	54,750
TCE					
\$/day					

TC7 MR					
Singapo					
re-EC	-13	286	299	296	216
Aus WS					

TC7 MR					
Singapo					
re-EC	-2,500	32,250	34,750	31,250	19,500
Aus TCE					
\$/day					

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

Bunker Prices (\$/tonne)

	wk on wk change	July 9th	July 2nd	Last Month*
Rotterdam VLSFO	+29	594	565	636
Fujairah VLSFO	-113	665	778	1,193
Singapore VLSFO	+11	653	642	735
Rotterdam LSMGO	+70	979	909	1,017