

Product Tankers: Less Cargo, Higher Earnings – The Market Paradox :

The product tanker market has experienced an extraordinary freight rally between early August and mid-October 2026, despite a significant contraction in global refined petroleum product trade. While declining cargo volumes would normally translate into weaker vessel demand and softer freight rates, the opposite has occurred. Refinery disruptions, geopolitical developments and changing vessel employment have created a market increasingly driven by tonnage availability and geographical imbalances rather than underlying cargo growth.

According to Signal Ocean data, global seaborne refined product shipments declined by 10.9% year-on-year between 1 August and 15 October, falling from 265.96 million MT in 2025 to 237.07 million MT in 2026. Clean petroleum products accounted for most of this contraction, declining by 12.1% to 186.75 million MT, with naphtha recording the steepest reduction at 23.7%, followed by jet fuel at 14.5%, diesel at 10.3% and gasoline at 9.9%. Meanwhile, fuel oil shipments decreased by 5.8% to 50.32 million MT, highlighting the broader weakness in refined product transportation demand.

Interestingly, this contraction has coincided with an exceptional strengthening in freight earnings. Between 3 August and 14 October, all 18 monitored Baltic Exchange product tanker routes registered gains, with LR2 and LR1 vessels leading the rally. The LR2 Middle East Gulf–UK Continent route (TC20) surged from USD 108,734/day to USD 324,060/day, an increase of 198%, while the LR1 equivalent (TC8) climbed 173% to USD 234,399/day. Similarly, the LR2 Middle East Gulf–Japan route (TC1) reached USD 284,762/day, compared to USD 138,253/day in early August. The Mediterranean–Far East LR2 route (TC15) recorded an even more remarkable 414% increase, reaching USD 172,513/day.

The MR market has followed a similar upward trajectory, although geographical differences remain considerable. South Korea–Singapore (TC11) earnings increased by 261% to USD 64,144/day, while West Coast India–Japan (TC12) climbed 280% to USD 50,642/day. Singapore–Australia (TC7) strengthened by 188% to USD 67,775/day. Conversely, the Atlantic market experienced a less pronounced recovery, with US Gulf–UK Continent (TC14) increasing by just 35%, illustrating the stronger momentum across Eastern Hemisphere trades.

A particularly important development is the changing employment pattern of larger product-capable tankers. During the examined period, Aframax engaged in crude trading increased by 20.3% year-on-year to 858 vessels, while crude-trading Panamax rose 18.6% to 134 units. Conversely, clean-trading LR2 participation declined by 39.2% to 158 vessels, while LR1 participation fell 9.6% to 208 units. With crude tanker earnings reaching exceptionally elevated levels, owners have increasingly found dirty trading more attractive, effectively withdrawing substantial capacity from the clean market. Importantly, returning these vessels to refined product transportation requires tank cleaning, preparation and additional time, preventing an immediate supply response.

IN A NUTSHELL:

- **Global refined product shipments declined 10.9% y-o-y, yet tanker freight earnings surged dramatically . (Page 1)**
- **LR2 TC20 earnings skyrocketed 198%, reaching USD 324,060/day despite weakening cargo demand. (Page 1)**
- **Exceptional crude earnings attracted LR vessels, tightening clean tanker supply and availability. (Page 1)**
- **Geopolitical developments may boost product demand, while delayed LR returns sustain rates. (Page 1)**
- **Crude oil held below \$90 a barrel on Monday, with markets balancing easing supply pressures against renewed geopolitical risks. (Page 8)**

		Week 42	Week 41	±%	Average Indices		
					2026	2025	2024
DRY	BDI	2,511	2,917	-13.9%	2,604	1,676	1,756
	BCI	3,249	4,340	-25.1%	4,102	2,557	2,724
	BPI	2,314	2,424	-4.5%	2,055	1,483	1,570
	BSI	1,865	1,814	2.8%	1,479	1,128	1,243
	BHSI	1,011	996	1.5%	823	661	704
WET	BDTI	7,556	7,964	-5.1%	2,867	1,068	1,094
	BCTI	2,538	2,403	5.6%	1,502	667	821

Looking ahead, geopolitical developments could further support this imbalance. The recent US–Russia agreement facilitating Russian diesel shipments, alongside Washington’s temporary sanctions relief, could generate additional product tanker employment and reshape trading routes.

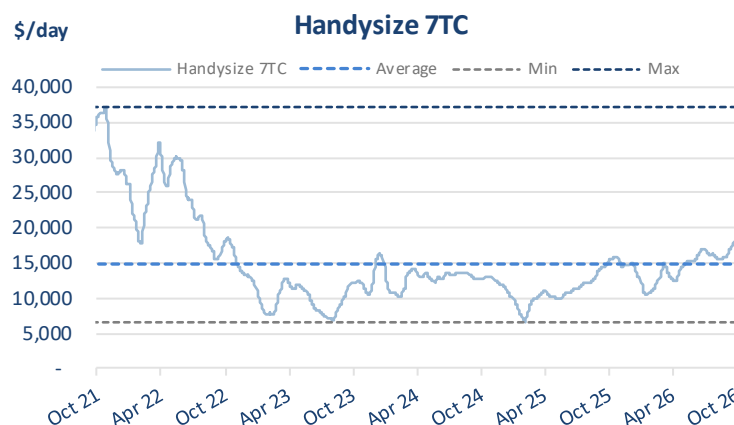
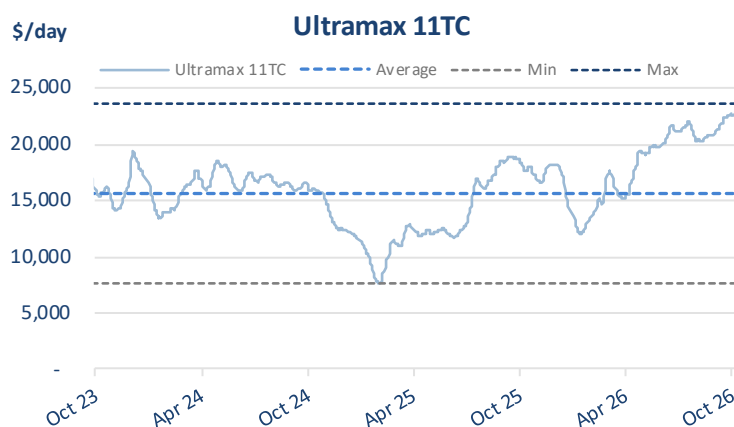
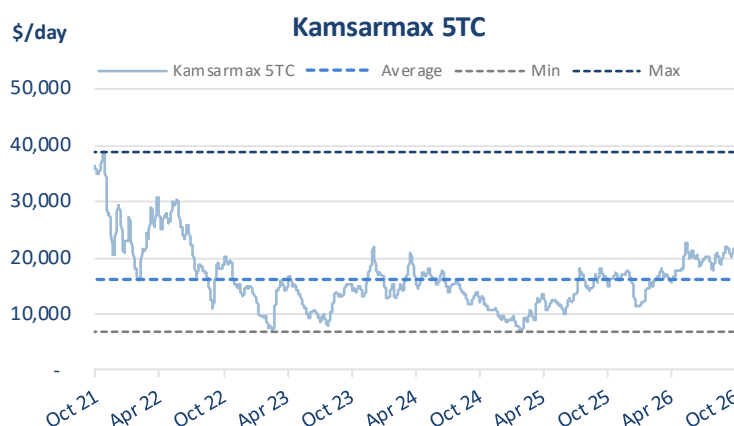
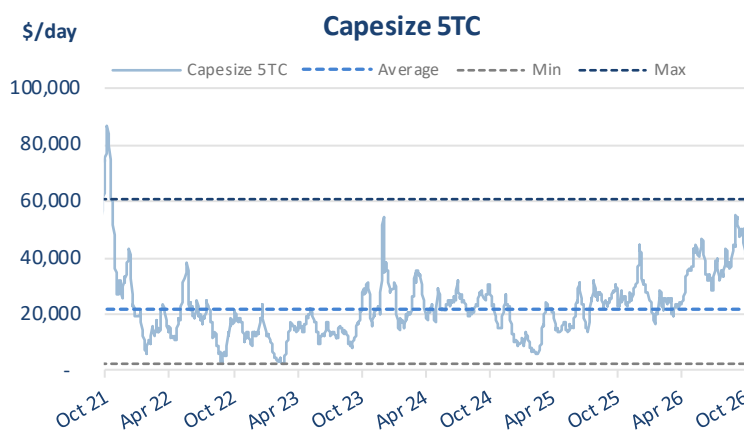
However, the actual increase in shipments remains uncertain. Should additional cargo demand materialise while LR vessels continue favouring lucrative crude employment, clean tanker availability could tighten further. Consequently, freight earnings may remain elevated despite declining overall trade volumes, with vessel deployment and geopolitical developments increasingly determining the market’s direction.

Capesize: The Capesize C5TC average declined by USD 9.9k/day closing the week at USD 25,961/day. Trip from Continent to F.East is down by 11.4k/day at USD 67,167/day, Transatlantic R/V is lower by 12.4k/day at USD 31,500/day, and Bolivar to Rotterdam is lower by 12.7k/day at USD 36,480/day, while Transpacific R/V is reduced by 11.2k/day at USD 26,468/day. Trip from Tubarao to Rotterdam is reduced by 15.3k/day at USD 12,890/day, China-Brazil R/V is lower by 6.7k/day at USD 27,373/day, and trip from Saldanha Bay to Qingdao is reduced by 15.3k/day at USD 12,890/day.

Kamsarmax/Panamax: The Kamsarmax P5TC Timecharter average started the week at USD 21,813/day closing with a decline at USD 20,827/day. Trip from Skaw-Gib to F.East is softer by 1.6k/day at USD 29,097/day, Pacific R/Vis up by 0.6k/day at USD 21,904/day, while Transatlantic R/V is reduced by 1.7k/day at USD 20,545/day, and Singapore R/V via Atlantic is decreased by 1.8k/day at USD 19,829/day.

Ultramax/Supramax: The Ultramax S11TC average closed the week about USD 0.6k/day higher than its opening at USD 23,573/day. The Supramax S10TC average closed the week about 0.6k/day higher than its opening at USD 21,539/day. The Baltic Supramax Asia S3TC average closed the week about 0.9k/day higher than previous week at USD 23,106/day. N.China one Australian or Pacific R/V is improved by 1.1k/day at USD 24,019/day, USG to Skaw Passero is firmer by 0.2k/day at USD 31,919/day. S.China trip via Indonesia to EC India is up by 1.1k/day at USD 27,307/day, trip from S.China via Indonesia to S.China pays USD 17,581/day, while Med/B.Sea to China/S.Korea is increased by .9k/day at USD 26,075/day.

Handysize: The Handysize HS7TC average closed the week improved by .3k/day at USD 18,200/day. Skaw-Passero trip to Boston-Galveston pays 0.2k/day more at USD 14,850/day, Brazil to Cont. pays 1.9k/day more at USD 28,472/day, S.E. Asia trip to Spore/Japan 0.2k/day is firmer at USD 17,625/day, China/S.Korea/Japan round trip is increased by 0.5k/day at USD 17,706/day, and trip from U.S. Gulf to Cont. is reduced by 1k/day at USD 20,429/day, while N.China-S.Korea-Japan trip to S.E.Asia is increased by 0.3k/day at USD 18,275/day.

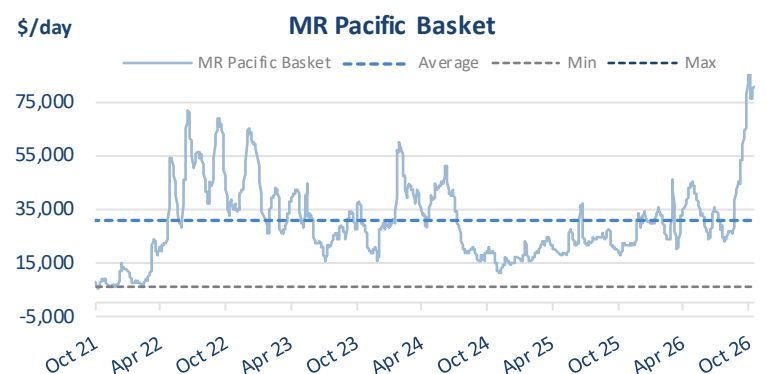
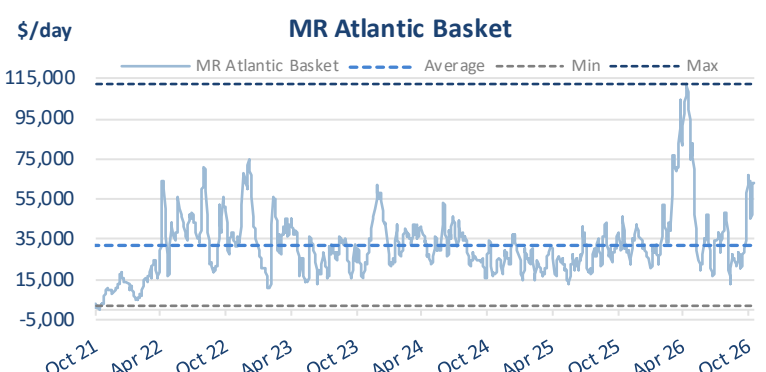
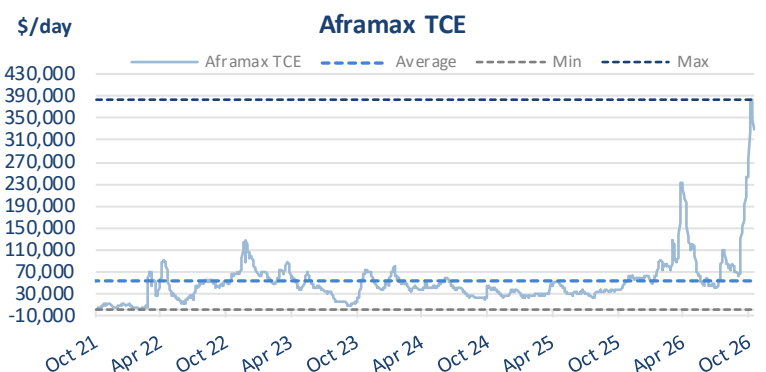
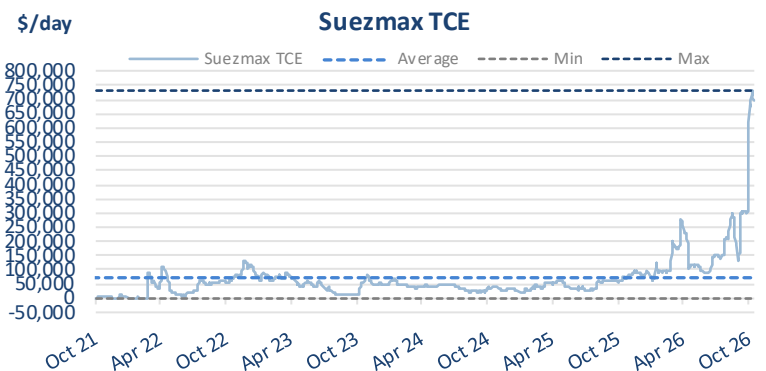
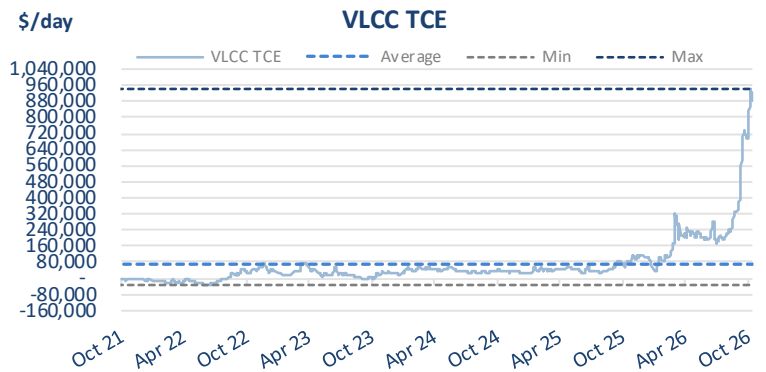


VLCC: average T/CE ended the week down by 53.3k/day at USD 883,372/day. Middle East Gulf to China trip is down by 24.6k/day at USD 1,387,683/day. West Africa to China trip is down by 51.6k/day at USD 711,081/day and US Gulf to China trip is down by 83.6k/day at USD 551,352/day.

Suezmax: average T/CE closed the week firmer by 0.3k/day at USD 700,137/day. West Africa to Continent trip is down by 59.2k/day at USD 511,221/day, Black Sea to Mediterranean is up by 59.7k/day at USD 889,052/day, and Middle East Gulf to Med trip is improved by 0.4k/day at USD 759,554/day, while trip from Guyana to ARA is reduced by 40.7k/day at USD 530,492/day.

Aframax: average T/CE closed the week lower by 56.3k/day at USD 328,345/day. North Sea to Continent trip is down by 50.4k/day at USD 474,585/day, Kuwait to Singapore is up by 2k/day at USD 456,238/day, while route from Caribbean to US Gulf trip is down by 124k/day at USD 222,908/day. Trip from South East Asia to East Coast Australia is up by 10.9k/day at USD 263,242/day & Cross Mediterranean trip is down by 38.1k/day at USD 329,935/day. US Gulf to UK-Continent is reduced by 110.2k/day at USD 198,525/day and the East Coast Mexico to US Gulf trip is down by USD 152.1k/day at USD 247,546/day.

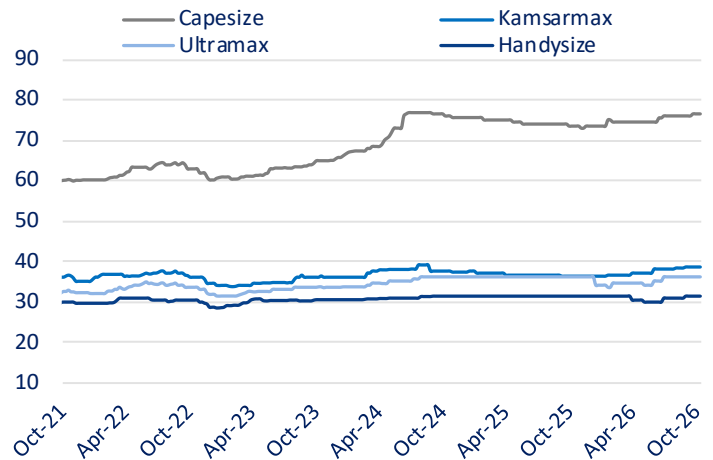
Products: The **LR2** route (TC1) Middle East to Japan is this week higher by 13.9k/day at USD 284,616/day. Trip from (TC15) Med to Far East has increased by 30k/day at USD 172,995/day and (TC20) AG to UK Continent is up by 50.9k/day at USD 333,985/day. The **LR1** route (TC5) from Middle East Gulf to Japan is up by 8.8k/day at USD 202,500/day, while the (TC8) Middle East Gulf to UK-Continent is up by 50.9k/day at USD 333,985/day. The **MR** Atlantic Basket is increased by 18.2k/day at USD 63,419/day & the **MR** Pacific Basket earnings are improved by 4.8k/day at USD 81,008/day. The **MR** route from Rotterdam to New York (TC2) is firmer by 13.9k/day at USD 284,616/day, (TC6) Intermed (Algeria to Euro Med) earnings are firmer by 8.8k/day at USD 202,500/day, (TC14) US Gulf to Continent is down by 0.8k/day at USD 49,439/day, (TC18) US Gulf to Brazil earnings are lower at USD 113,357/day, (TC23) Amsterdam to Le Havre is higher by 14.5k/day at USD 78,276/day while Yeosu to Botany Bay (TC22) is softer by 5.5k/day at USD 47,057/day and ARA to West Africa (TC19) is up by 17.7k/day at USD 59,951/day.



Dry Newbuilding Prices (\$ mills)

Size	Oct 2026	Oct 2025	±%	Average Prices		
	2026	2025	±%	2026	2025	2024
Capesize	76.5	73.5	4%	75.1	74.2	73.2
Kamsarmax	38.5	36.3	6%	37.4	36.6	37.5
Ultramax	36.0	36.0	0%	35.0	35.9	35.1
Handysize	31.5	31.5	0%	31.0	31.5	31.1

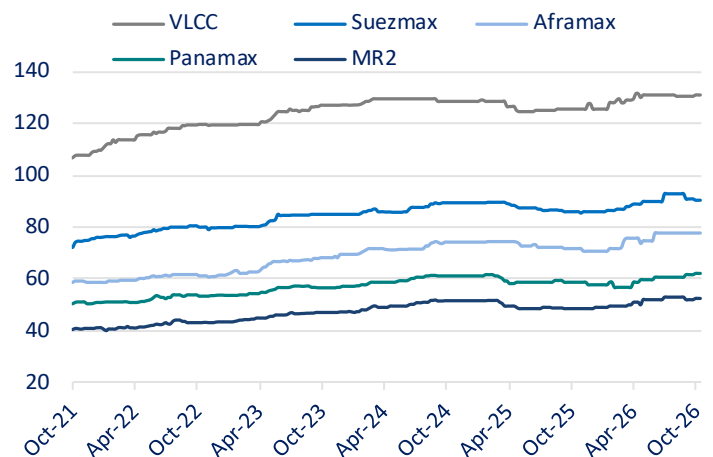
Above prices/trends refer to Chinese shipbuilding



Tanker Newbuilding Prices (\$ mills)

Size	Oct 2026	Oct 2025	±%	Average Prices		
	2026	2025	±%	2026	2025	2024
VLCC	131.5	126.0	4%	130.4	126.6	129.4
Suezmax	90.5	85.9	5%	89.7	87.5	87.6
Aframax	78.0	72.0	8%	75.8	73.0	72.7
Panamax	62.5	59.0	6%	59.8	59.5	60.2
MR2	52.5	48.5	8%	51.3	49.3	50.2

Above prices/trends refer to S. Korean shipbuilding



Newbuilding Activity:

NEWBUILDING ORDERS

TYPE	UNITS	SIZE	YARD	BUYER	PRICE (\$ mills)	DELIVERY	COMMENTS
LNG	5	174,000 CBM	HUDONG ZHONGHUA	MISC	N/A	2030	20Y TC PETRONAS LNG, OPTIONS
VLGC	4	93,000 CBM	HD HYUNDAI HEAVY	BGN	116.7 EACH	2030	LPG DF
TANKER	3	157,000 DWT	JIANGSU NEW HANTONG	LIQUIMAR TANKERS	84 EACH	H2 2030	SCRUBBER FITTED
TANKER	6	74,000 DWT	JIANGSU NEW HANTONG	EMARAT MARITIME	N/A	2029-30	
BC	1	82,000 DWT	HENGLI	EURODRY	37	Q3 2029	
BC	4+2	82,000 DWT	JIANGSU WATTS ENERGY	YZJ MARITIME	N/A	2029-30	
CONTAINER	2	14,000 TEU	HUDONG ZHONGHUA	SHANGHAI ZHONGGU LOGISTICS	N/A	2029-30	SCRUBBER FITTED
CONTAINER	2	9,200 TEU	SWS	DANAOS	109 EACH	2029	

DRY SECONDHAND PRICES (\$ mills)							
		Oct 2026	Oct 2025	±%	Average Prices		
					2026	2025	2024
Capesize	Resale	85.0	75.5	13%	81.3	75.7	75.7
	5 Year	76.0	63.0	21%	71.5	62.6	62.6
	10 Year	60.0	48.0	25%	55.3	45.6	43.1
	15 Year	41.0	28.6	43%	36.4	27.4	27.9
Kamsarmax	Resale	47.0	38.7	21%	44.0	38.7	41.8
	5 Year	42.0	32.5	29%	38.0	32.3	32.3
	10 Year	34.0	25.4	34%	29.3	24.8	27.3
	15 Year	23.0	16.2	42%	20.2	15.6	18.1
Ultramax	Resale	44.0	37.9	16%	42.4	37.8	40.6
	5 Year	39.0	31.1	26%	36.9	31.1	31.1
	10 Year	30.5	23.0	33%	28.3	22.9	26.0
Supramax	15 Year	20.0	15.5	29%	17.6	15.0	15.9
Handysize	Resale	38.0	33.0	15%	36.0	33.0	34.0
	5 Year	31.5	26.5	19%	29.6	25.9	25.9
	10 Year	24.0	20.4	18%	22.7	19.0	19.8
	15 Year	15.0	12.0	25%	13.6	11.7	12.3

*Resale prices refer to prompt delivery ex yard, second-hand prices refer to Japan built vessels

Dry S&P Activity:

On the Ultramax sector, the **“Bulk Guatemala”** - 61K/2013 Iwagi was sold for USD 23 mills to Lianson Fleet Group basis an old sale. Moving down the sizes, the Supramax **“Ever Progress”** - 57K/2012 Jiangsu Hantong was sold for USD 16.24 mills via auction, while the Japanese-built **“Jin Xing”** - 55K/2007 Oshima changed hands for USD 14.6 mills to Heng Fa Shipping. Finally, on the Handysize sector, the **“Stellar Isabela”** - 38K/2017 Shimanami found new owners for high USD 24 mills.

BULK CARRIER SALES							
NAME	DWT	YEAR	COUNTRY	YARD	BUYERS	PRICE (\$ mills)	COMMENTS
MARITIME KING	95,675	2011	JAPAN	IMABARI	UNDISCLOSED	REGION 19	
BULK GUATEMALA	61,446	2013	JAPAN	IWAGI	LIANSON FLEET GROUP	23	OLD SALE
EVER PROGRESS	56,592	2012	CHINA	JIANGSU HANTONG	UNDISCLOSED	16.24	AUCTION
JIN XING	55,496	2007	JAPAN	OSHIMA	HENG FA SHIPPING	14.6	
STELLAR ISABELA	37,993	2017	JAPAN	SHIMANAMI	UNDISCLOSED	HIGH 24	

TANKER SECONDHAND PRICES (\$ mills)

		Oct	Oct	±%	Average Prices		
		2026	2025		2026	2025	2024
VLCC	Resale	230.0	147.0	56%	178.9	146.6	144.2
	5 Year	210.0	116.9	80%	150.1	115.4	115.4
	10 Year	185.0	85.6	116%	123.4	85.3	84.1
	15 Year	160.0	57.7	177%	93.2	56.2	57.1
Suezmax	Resale	140.0	93.8	49%	115.8	94.3	98.4
	5 Year	125.0	76.6	63%	99.1	76.5	76.5
	10 Year	110.0	60.5	82%	82.2	61.0	66.3
	15 Year	92.0	40.6	127%	62.1	40.8	47.4
Aframax	Resale	100.0	74.6	34%	90.4	75.6	84.3
	5 Year	85.0	62.0	37%	78.3	62.8	62.8
	10 Year	72.5	50.3	44%	67.1	50.9	58.2
	15 Year	60.0	35.3	70%	48.0	35.1	41.6
MR2	Resale	60.0	51.0	18%	55.1	51.3	54.3
	5 Year	52.0	42.5	22%	48.2	41.5	41.5
	10 Year	42.0	33.3	26%	38.3	31.4	37.5
	15 Year	30.0	20.6	45%	26.9	20.5	26.5

*Resale prices refer to prompt delivery ex yard, second-hand prices refer to Japan built vessels

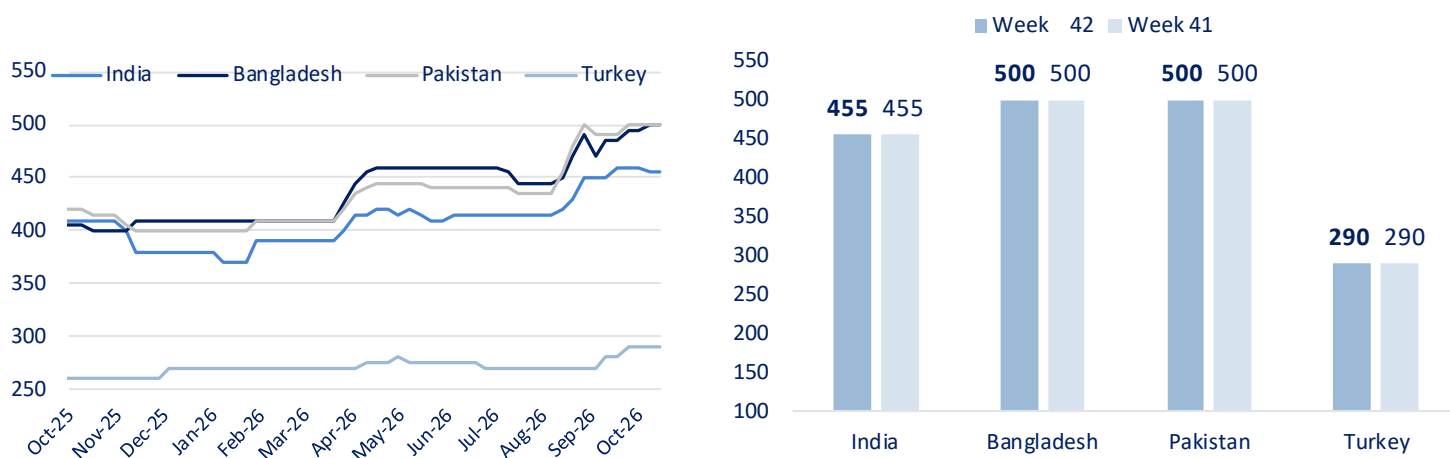
Tanker S&P Activity:

On the Suezmax sector, the **"Maran Poseidon"** - 158K/2010 HHI was sold for USD 98.5 mills, while the **"Zouzou N."** - 150K/2010 New Times changed hands for USD 103 mills. Moving down the sizes, Chinese buyers acquired the coated Aframax **"Afra Mare"** - 105K/2008 HHI for USD 59 mills. Finally, on the MR2 sector, the **"Prive Angel"** - 51K/2008 STX found new owners for USD 24.5 mills basis prompt delivery in Fujairah. .

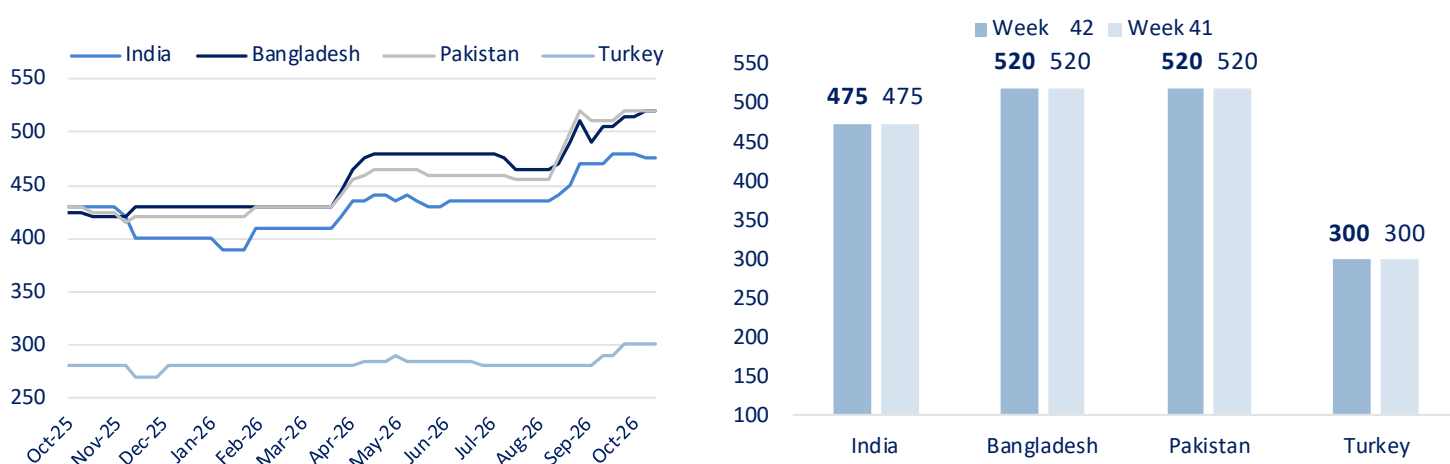
TANKER SALES

NAME	DWT	YEAR	COUNTRY	YARD	BUYERS	PRICE (\$ mills)	COMMENTS
MARAN POSEIDON	158,267	2010	S. KOREA	HHI	UNDISCLOSED	98.5	
ZOUZOU N.	149,991	2010	CHINA	NEW TIMES	UNDISCLOSED	103	
AFRA MARE	105,348	2008	S. KOREA	HHI	CHINESE	59	COATED, SCRUBBER FITTED
PRIVE ANGEL	51,246	2008	S. KOREA	STX	UNDISCLOSED	24.5	PROMPT DELIVERY IN FUJAIRAH

Dry Demolition Prices (\$/LDT)



Tanker Demolition Prices (\$/LDT)



DEMO SALES

NAME	TYPE	YEAR	DWT	LDT	COUNTRY	PRICE (\$/LDT)	BUYERS	COMMENTS
VIRINI PREM	OFFSHORE	1988	183,257	20,870	S. KOREA	N/A	NIGERIA	
FOTEX	GC	1997	8,668	2,600	JAPAN	530	BANGLADESH	
FUNCHAL	PASSENGER	1961	2,975	5,895	DENMARK	N/A	N/A	

COMMODITIES AND CURRENCIES			
Energy	Price	Weekly	YoY
Crude Oil	101.21	7.91%	76.16%
Brent	108.56	1.73%	78.31%
Natural gas	3.18	-0.26%	-14.30%
Gasoline	3.21	-2.42%	87.75%
Heating oil	4.87	3.17%	129.68%
Ethanol	1.94	-3.60%	22.20%
Naphtha	912.78	4.33%	86.90%
Propane	1.12	11.10%	75.23%
Uranium	90.10	0.11%	10.35%
Methanol	3380.00	-16.21%	54.34%
TTF Gas	88.50	4.93%	214.28%
UK Gas	218.08	3.99%	195.46%

Metals			
Gold	4,160.0	-0.27%	-3.69%
Silver	57.5	-4.59%	-19.27%
Platinum	1,656.9	-2.26%	-20.03%

Industrial			
Copper	6.53	-2.54%	14.90%
Coal	150.40	1.04%	39.91%
Steel	3068.00	-0.58%	-0.90%
Iron Ore	90.90	0.24%	-15.15%
Aluminum	3005.50	-1.35%	0.36%
LithiumCNY/T	102950.00	-10.79%	-13.12%

Currencies			
EUR/USD	1.122	0.63%	-4.39%
GBP/USD	1.333	0.93%	-0.96%
USD/JPY	158.263	-0.22%	0.96%
USD/CNY	6.681	-0.21%	-4.24%
USD/CHF	0.825	-1.15%	4.06%
USD/SGD	1.279	-0.12%	-0.54%
USD/KRW	1329.080	-0.43%	-7.77%
USD/INR	95.239	-0.45%	5.96%

Bunker Prices	VLSFO	IFO380	MGO	Spread VLSFO-	Diff Spread	% Spread
Singapore	913.50	890.50	1254.0	23.00	-56.5	-71.1%
Rotterdam	740.50	647.00	1392.5	93.50	37.5	67.0%
Fujairah	967.00	753.00	1606.5	214.00	-42.0	-16.4%
Houston	767.50	584.50	1384.5	183.00	-4.0	-2.1%

- Global equity markets delivered mixed weekly performances. In the US, the Dow Jones rose 0.7% to 52,002, while the S&P 500 declined 1.95% to 7,659 and the Nasdaq dropped 4.48% to 26,140. European stocks diverged, with the Euro Stoxx 50 slipping 0.08% to 6,204 and the Stoxx 600 gaining 2.09% to 645. Asian markets weakened: Japan's Nikkei fell 5.8% to 65,026, Hong Kong's Hang Seng edged down 0.1% to 24,187, and China's CSI 300 lost 3.4% to finish at 4,171.
- Crude oil fell approximately 2% toward \$99 per barrel on Monday, reversing part of last week's rally as recovering supplies offset geopolitical risks. US Energy Secretary Chris Wright said Persian Gulf flows had reached approximately 80% of prewar levels, although refined products remained constrained. President Trump announced a Russian diesel export agreement and postponed additional sanctions. Meanwhile, Ukrainian attacks hit Russian oil infrastructure, Saudi clashes with Houthi rebels continued, and three tankers suffered damage in the strategic Strait of Hormuz.
- Coal futures hovered around \$150 per ton, near a three-year high, as expensive LNG encouraged greater coal use for power generation. Asian and European buyers increased imports ahead of winter, with coal approximately 80% cheaper than LNG. The IEA forecast record global coal demand this year despite ongoing energy transition efforts. Meanwhile, tighter Indonesian export restrictions contributed to a 23% shipment decline in August, while lower quotas and policy uncertainty could reduce annual production by over 12 million metric tons.

WTI Crude Oil



Coal



XCLUSIV SHIPBROKERS INC.

Kifissias 342 Avenue,
15451 Psychico, Athens, Hellas.

T: +30 210 6710222

E: snp@xclusiv.gr

Apostolos Archontakis

Assets / SnP & NB
apa@xclusiv.gr

Nikos Berdelis

Assets / SnP & Projects
nsb@xclusiv.gr

Yannis Olziersky

Assets / SnP & NB
yo@xclusiv.gr

Panagiotis Tsilingiris

Assets & Finance
pt@xclusiv.gr

Andreas Arfariotis

Assets / SnP & NB
ana@xclusiv.gr

John N. Cotzias

Assets / SnP & Projects
jnc@xclusiv.gr

George Papoutsis

Assets / SnP & Projects
gdp@xclusiv.gr

Dimitris Roumeliotis

Research Analyst
research@xclusiv.gr

Afroditi Argouslidou

Office Admin & Accounts
info@xclusiv.gr

Vasiliki Baka

Assets / SnP & NB
vb@xclusiv.gr

Alexandros Koutalianos

Assets / SnP & NB
aik@xclusiv.gr

Miltiadis Vaio Raptis

SnP
mvr@xclusiv.gr

Eirini Diamantara

Research Analyst
research@xclusiv.gr

DISCLAIMER: All information & data contained in this report, has been carefully obtained from market sources and proprietary databases. All necessary responsible care has been taken in the collection, validation, compilation, production and editing of this report, however, *Xclusiv Shipbrokers Inc.* and/or any of its subsidiary companies makes no guarantee for accuracy & the companies and any associated persons shall not be held liable for any loss incurred in any way whatsoever by any person, individual or company that relies on the information contained herein. This report is confidential and intended for the sole use of the recipient. All data, info, charts, views and news contained in this report are property of *Xclusiv Shipbrokers Inc.* but can be freely reproduced by any third party in any media, press, TV, radio, internet provided that the source being *Xclusiv Shipbrokers Inc.* is clearly identified, labelled and respected.

Members of:



**Baltic
Exchange**

BIMCO



Awards:

