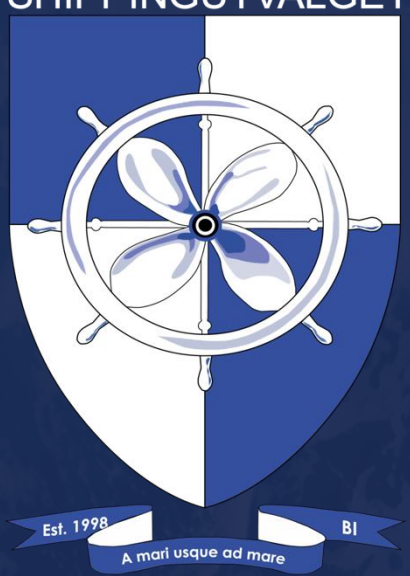
SHIPPINGUTVALGET



MONTHLY REPORT

October 2026

Offshore · S&P

OFFSHORE

OCTOBER 2026 · MONTHLY REVIEW

MARKET SUMMARY

Offshore held up well in October despite the turmoil in the Middle East, and drilling once again led the way. New contracts for Seadrill, Transocean and Arabian Drilling show rig owners winning longer and better-paid work, with Transocean Norge's Shell job in Norway implying a dayrate above USD 500,000. The Transocean–Valaris merger, set to close around 1 December, should tighten the floater market further. The rest of offshore is steadier: OSV rates are holding, DOF agreed to sell a modern subsea vessel on attractive terms, and wind vessel orders are back after a year-long pause. With Brent above USD 100/bbl, oil companies have both the cash and the reason to keep investing offshore.

Drilling firm. Subsea steady. Wind returning.

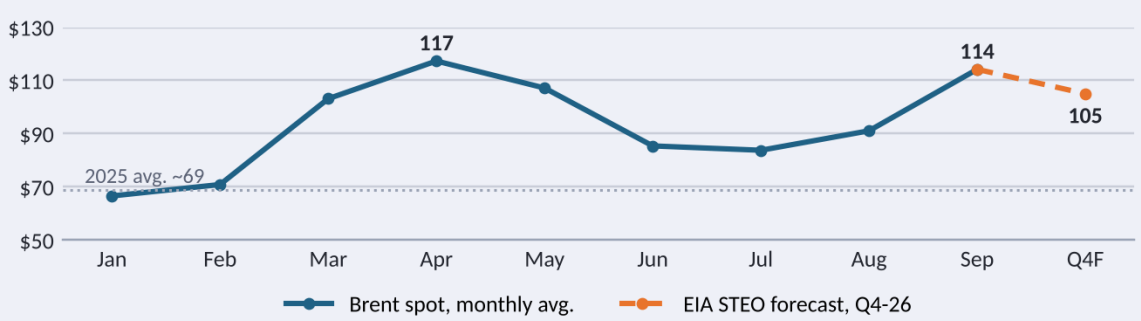
MARKET SENTIMENT

Floaters	Jack-ups	OSV	Subsea	FPSO	Wind
Firm	Firm	Steady	Steady	Strong	Recovering

KEY EVENTS

Company	Value	Event
Seadrill	**USD 420m**	West Carina, 880-day drillship contract in Indonesia
Transocean	**USD 517k/day**	Transocean Norge, 120-day Shell job in Norway
Arabian Drilling	**USD 533m**	Four jack-ups for KJO in the Middle East
Borr Drilling	**Rig lost**	Jack-up Prospector 5 sank outside Gabon
Yinson	**USD 2.3bn**	Lowest bid to build Petrobras' P-88 FPSO, Brazil
IWS Fleet	**EUR 260m**	Four CSOV newbuilds at Nantong Rainbow, China
DOF	**Not disclosed**	Sale of CSV Skandi Implementer (2018-built)

BRENT 2026 · USD/BBL



OFFSHORE

DRILLING · SUBSEA & OSV · WIND

DRILLING

Floaters keep tightening, and consolidation is next.

October's fixtures show rig owners winning both longer and better-paid work. West Carina's 880-day contract completes Seadrill's plan to reprice three older contracts to market levels, while Transocean Norge's Shell job implies a harsh-environment rate above USD 500,000/day. The Transocean–Valaris merger will leave fewer, larger floater owners, which should support rates. In the Middle East, the KJO awards add jack-up work, but the outlook depends on the conflict. On a darker note, Borr Drilling's Prospector 5 sank offshore Gabon on 24 October, with three confirmed dead.

SUBSEA & OSV

OSV rates hold up, and buyers want modern subsea vessels.

OSV rates held steady in September and remain above their five-year average. PSV rates rose in West Africa and South East Asia, while softer AHTS demand weighed on rates in the Middle East. DOF agreed to sell the 2018-built construction vessel Skandi Implementer on attractive terms, and says the sale will materially reduce its net debt. In Brazil, Petrobras is negotiating with Yinson to build the P-88 FPSO for the Albacora field, after Yinson's USD 2.3bn bid came in lowest of five.

WIND

Orders are back, but this is a careful restart, not a boom.

After a year-long pause, six C/SOVs were ordered in the third quarter. The largest order came from Oslo-listed IWS Fleet: four CSOVs from Nantong Rainbow in China for EUR 260m, delivering in 2029–30, with options for four more. Dong Fang Offshore also ordered a CSOV from VARD, and NYK Line ordered an Ulstein design at PaxOcean. High financing costs still weigh on new wind projects.

WHAT TO WATCH

- **3 Nov:** US midterms, with markets watching for escalation with Iran afterwards
- **24 Nov:** Transocean and Valaris shareholder votes, closing expected around 1 Dec
- **P-88:** whether Petrobras signs the FPSO contract with Yinson before year-end
- **Prospector 5:** Findings from the incident and the impact on BW Energy's Dussafu drilling

SALE & PURCHASE

OCTOBER 2026 · MONTHLY REVIEW

MARKET SUMMARY

Tanker values kept climbing in October, and the reason is simple: a ship that can trade today is worth far more than one delivered in 2029. Spot earnings on the strongest VLCC routes peaked above 1.6 mUSD/day in early October, about seven times the one-year charter rate of around USD 220,000/day. Newbuilding slots stretch into 2029 and 2030, so buyers pay up for prompt tonnage. The buyer list has also changed. Gulf producers struggling to get crude out through Hormuz are buying ships themselves, shuttling cargoes out and transferring them to larger tankers off Oman, while container money is moving in: MSC bought Atherina directly, and Sinokor, reportedly backed by MSC's owner, has bought over 70 VLCCs since December. Dry bulk stayed calm, with values largely flat and sales only single digits above valuation.

5 yr VLCC: 205 mUSD **58% above a new VLCC**

MARKET OVERVIEW

Oct est., mUSD	5 yr old	10 yr old	Newbuild	5 yr vs new ship	10 yr vs new ship
DRY BULK					
Capesize	**77**	60	-	-	-
Kamsarmax	**42**	32	39	8% above	18% below
Ultramax	**39**	30	36	8% above	17% below
Handysize	**31**	24	-	-	-
TANKERS					
VLCC	**205**	180	130	58% above	38% above
Suezmax	**125**	105	87	44% above	21% above
Aframax / LR2	**86**	76	74	16% above	3% above

NEWBUILDING

Newbuild prices barely moved in October, with a VLCC still at 130 mUSD and ordering strongest in tankers, LPG and containers. A five-year-old VLCC costs 75 mUSD more, but at today's one-year charter rate it earns that back in about 11 to 12 months gross, before operating costs, while a ship ordered now does not deliver before 2029.

VLCC premium: 75 mUSD **Earned back: 11 to 12 months gross**

SALE & PURCHASE

SELECTED SALES

Nr.	Vessel	Type	Built	Price (mUSD)	Valuation	vs valuation
1.	**Atherina**	VLCC	2011	146.0	146.8	**1% below**
2.	**Southern Emperor**	VLCC	2004	110.0	102.9	**7% above**
3.	**Tataki**	Suezmax	2010	97.0	81.8	**19% above**
4.	**Pan Advance**	Capesize	2009	37.0	34.6	**7% above**
5.	**New Wavelet**	Kamsarmax	2021	42.0	38.8	**8% above**

WHY THESE SALES MATTER

1. **Atherina**: Sold at valuation to MSC, highlighting container capital entering crude and supporting high tanker prices.
2. **Southern Emperor**: At almost 22 years old, it fetched 85% of the newbuild price. A ship this age normally trades closer to scrap value.
3. **Tataki**: A 16-year-old Suezmax sold above the newbuild price and 19% over valuation. Buyers are paying for prompt delivery, not age.
4. **Pan Advance**: Dry bulk pays for prompt ships too, but only single digits.
5. **New Wavelet**: Priced in line with our 5 yr Kamsarmax estimate of 42 mUSD. Dry bulk is pricing much closer to normal.

OUTLOOK

Tanker values should hold while earnings do, and after a dip in mid-October, VLCC rates firmed again at month end as available tonnage tightened. At around 2.5 years of charter earnings to pay back a five-year-old VLCC, buyers are pricing in that today's market lasts. The main risk is a calmer Hormuz, which would hit the oldest tankers hardest, since their prices rest almost entirely on today's earnings. Newbuild prices should hold while yards are full, but this year's orders deliver from 2028 and will start closing the secondhand premium. Dry bulk should stay orderly, led by Capesize.

WHAT TO WATCH IN NOVEMBER

1. **Values**: a cut in VLCC values or sales below valuation would signal the peak.
2. **Hormuz after the US midterms (3 Nov)**: a deal could reopen the strait and pull values down, while renewed strikes would tighten it further and push them up.
3. **Buyers**: if Gulf producers and Sinokor stop buying, demand for tankers falls fast.
4. **Newbuilds**: whether owners keep ordering at 130 mUSD, or start to pause.

SHIPPING GLOSSARY

S&P VESSEL TYPES

VLCC (Very Large Crude Carrier)
Crude tanker of about 300,000 dwt, used on long-haul routes such as Middle East to Asia.

Suezmax
Crude tanker of about 150,000 dwt, the largest size that can transit the Suez Canal fully laden.

Aframax / LR2
Tanker of about 110,000 dwt. Aframax carries crude on regional routes, while LR2 is the version built for refined products.

Capesize
Dry bulk carrier of about 180,000 dwt, mainly carrying iron ore and coal.

Kamsarmax
Dry bulk carrier of about 82,000 dwt, a larger Panamax trading grain, coal and minor bulks.

Ultramax
Dry bulk carrier of about 64,000 dwt with its own cranes, trading grain, coal, fertiliser and steel.

Handysize
Dry bulk carrier of about 38,000 dwt, suited to smaller cargoes and ports.

OFFSHORE UNITS

Floater
Drilling rig that floats rather than stands on the seabed, either a drillship or a semi-submersible.

Jack-up
Rig with legs lowered to the seabed, used in shallow water.

OSV (Offshore Support Vessel)
Umbrella term for vessels serving offshore installations, including PSVs and AHTS.

PSV (Platform Supply Vessel)
Carries fuel, water, equipment and supplies to rigs and platforms.

AHTS (Anchor Handling Tug Supply)
Vessels designed for anchor handling, rig towing, supply operations, and offshore support services.

CSV (Construction Support Vessel)
Subsea vessel with crane and equipment for installing and maintaining seabed infrastructure.

CSOV / SOV (Commissioning / Service Operation Vessel)
Houses technicians and gives walk-to-work access to offshore wind turbines.

FPSO (Floating Production, Storage and Offloading)
Floating unit that produces oil from a field, stores it and offloads it to tankers.

S&P TERMS

S&P (Sale & Purchase)
The market for buying and selling ships, mainly secondhand, but also newbuild contracts, resales and ships sold for recycling.

Newbuild
A new ship ordered from a shipyard, typically delivered two to four years later.

Valuation
Independent estimate of what a specific ship is worth at a given time.

Prompt delivery
A ship that can be handed over and start trading right away.

Gross
Earnings before operating costs such as crew, maintenance and insurance.

OFFSHORE TERMS

Dayrate
The daily fee an oil company pays to hire a drilling rig.

Harsh environment
Rigs built for rough, cold waters such as the North Sea.

Brent
Benchmark price for North Sea crude, used to price most of the world's oil.

EIA STEO
The US Energy Information Administration's Short-Term Energy Outlook, a monthly price forecast.

KJO (Khafji Joint Operations)
Joint oil operation between Saudi Arabia and Kuwait.

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ABOUT SHIPPINGUTVALGET

Shippingutvalget is one of BI Norwegian Business School's most dynamic and professionally oriented student organisations, dedicated to promoting insight and career opportunities within the global maritime industry. The committee provides direct access to leading shipowners, brokers, commodity houses, and financial institutions through company presentations, market discussions, academic workshops, and international industry trips.

The analyst team is structured by segment. On the tanker desk: Eskil Gravdal, Jonas Slettebø Haughom, and Sigurd Heidenreich Røed. Dry bulk: Phebe Fox, Alexandra Andrup, and Victoria Lorck. On gas: Marcus Barnett, and Lars Baller. S&P: Torbjørn Bliksrud. Offshore: Felix Østby.

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