SHIPPINGUTVALGET

Weekly Report

WEEK 10

Compiled by Shippingutvalget

Summary

Middle East tensions dominated markets this week following US-Israeli strikes on Iran and disruptions to the Strait of Hormuz. Tanker rates surged to record or near-record levels, with VLCCs briefly implying TCE earnings exceeding $400,000/day and Suezmax basket TCE touching $197,000/day mid-week. Aframax firmed across Atlantic basins, with TD25 reaching WS302. LNG earnings exploded, with BLNG1 hitting $207,000/day East of Suez and Atlantic rates rocketing to $300,000/day amid QatarEnergy's force majeure on 77 MTPA. VLGCs strengthened to around $80,000/day on rerouting and ton-mile gains. In dry bulk, the BDI rose to 2,233 with Kamsarmax and Supramax firming post-Lunar New Year, while Capesize held around $29,000/day. Rising bunker costs linked to elevated oil prices remain a key variable across all segments.

Segment	Typical Vessel	Spot ($/DAY)	1-yr TC ($/DAY)
VLCC	300 000 DWT	315 000	135 000
Suezmax	150 000 DWT	197 000	85 000
Aframax	110 000 DWT	116 000	67 500
Capesize	180 000 DWT	29 000	29 500
Kamsarmax	82 000 DWT	18 000	18 000
Supramax	58 000 DWT	17 500	16 000
VLGC	84 000 cbm	80 000	41 000
LNG (East)	174 000 cbm	207 000	100 000
LNG (West)	174 000 cbm	300 000	100 000

Latest Headlines

- Iran-US/Israel war – Hormuz stait effectively blocked with numerous vessels stranded inside
- Tankers being attacked in the Middle Eastern Gulf
- VLCC period market hit records levels with 1 year TC breaking $135,000 barrier
- QatarEnergy declares Force Majure and shuts down plant after Iran attacks
- Strongest Bulk market in the CNY-period in sixteen years

Key Figures

Energy & Commodities

Brent spot: USD 84.00/bbl

Brent front month: USD 83.7 /bbl

Iron ore: USD 99.05/mt

Thermal coal: USD 115.80/mt

Coking coal: USD 244.50/mt

Wheat: USD 202.00/mt

Bunkers

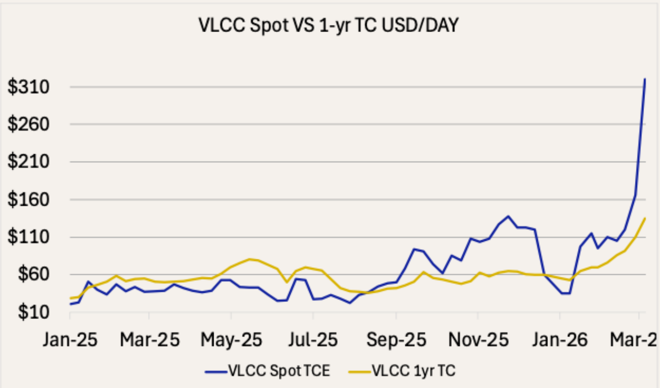
Singapore: VLSFO 640.00, MGO 967.00 USD/mt

Rotterdam: VLSFO 573.50, MGO 944.00 USD/mt

Tankers

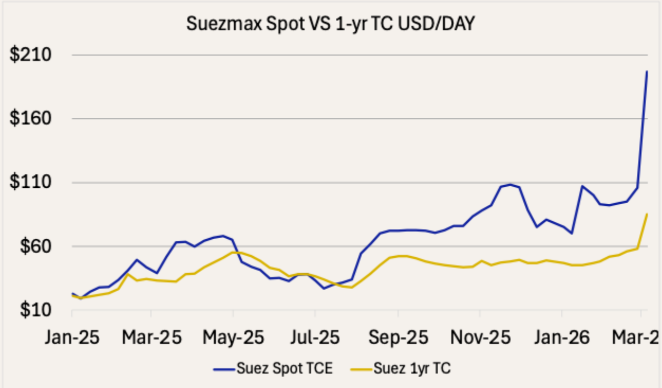
VLCC

The VLCC market has entered a highly unusual phase, with TD3C rates climbing sharply to WS400 levels and implying TCE earnings briefly exceeding $400,000/day, even as confirmed fixture activity remains scarce. The move appears largely sentiment-driven rather than transaction-supported, with many vessels positioned outside the Arabian Gulf as owners adopt a cautious wait-and-see approach following US and Israeli strikes on Iran and security risks around the Strait of Hormuz. Delayed transits and cautious repositioning are reducing effective fleet capacity through increased tonne-days. With roughly 20% of global oil flows normally passing through Hormuz and Asian demand remaining firm, the market looks structurally tight once trading normalizes.



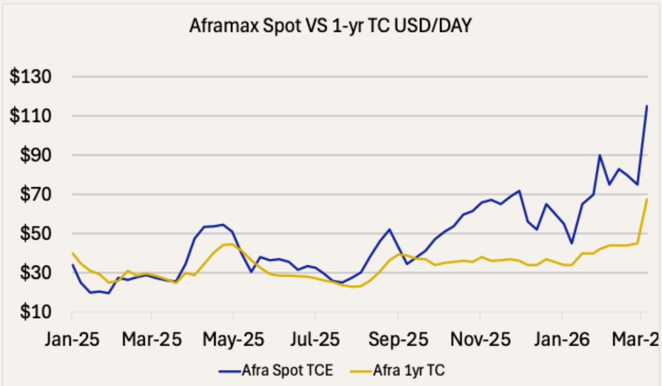
Suezmax

The Suezmax market surged this week, heavily influenced by escalating Middle East tensions following strikes on Iran. TD23 (MEG-Mediterranean) led the spike, reaching WS398 and implying TCE earnings near $267,000/day, with contracts reported on subs at WS525 and WS750 in the MEG reflecting extreme risk premiums. Atlantic routes also firmed, with TD6 (Black Sea-Med) at WS280 and TD20 (West Africa-UKC) at WS258. The Suezmax TCE basket climbed sharply, touching $197,000/day mid-week before easing slightly, signalling a highly volatile but bullish market tone.



Aframax

Aframax sentiment strengthened across the Atlantic basin during Week 10 as tightening regional supply supported firmer fixing levels. Uncertainty linked to developments in the Middle East has contributed to a more cautious positioning of tonnage, while continued ballasting toward the US Gulf has gradually reduced availability in European basins. In the North Sea, TD7 rose to WS 203.75 as a relatively short tonnage list allowed owners to hold firmer ideas while fixing activity moved into second-decade March dates. Mediterranean markets followed a similar trajectory, with TD19 climbing to WS 239.75 amid improving sentiment and the risk of further supply tightening should additional vessels reposition westward. Across the Atlantic, TD25 strengthened to WS 302.25 on sustained US Gulf enquiry.

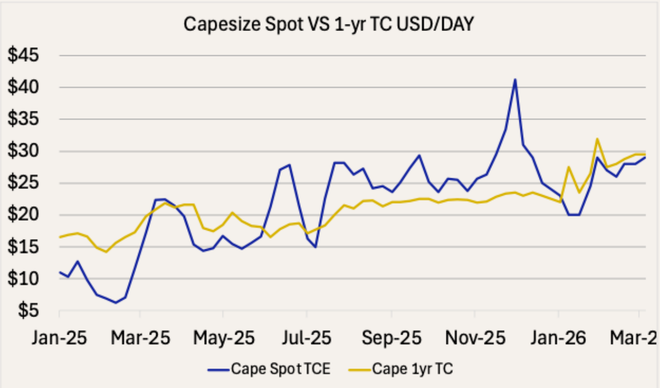


Dry Bulk

The Baltic Dry Index rose to 2,233 this week. Capesize corrected from early-week strength, while Kamsarmax and Supramax firmed. Post-Lunar New Year normalization continues, with improving cargo enquiry supporting sentiment, though rising oil prices and Middle East tensions are pushing bunker costs higher.

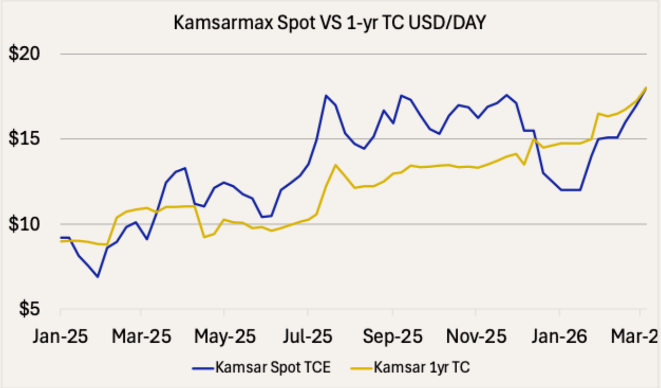
Capesize

Capesize markets remained firm this week as activity normalized post-Lunar New Year, with the TC Average (182k) around USD 29,000/day. In the Pacific, C5 strengthened toward USD 11.3/mt on steady West Australia–China iron ore flows and resilient Chinese port stock dynamics, with C10 rising toward USD 31,800/day. The Atlantic remained the primary driver, with Brazil-China stems absorbing prompt tonnage and keeping C14 near USD 28,500/day despite more ballasters entering the basin. FFA curves continue to price a clear Q2 premium as liquidity gradually returns post-LNY. Firmer oil prices linked to Middle East tensions are pushing bunker costs higher, potentially influencing vessel speeds and tightening effective fleet supply.



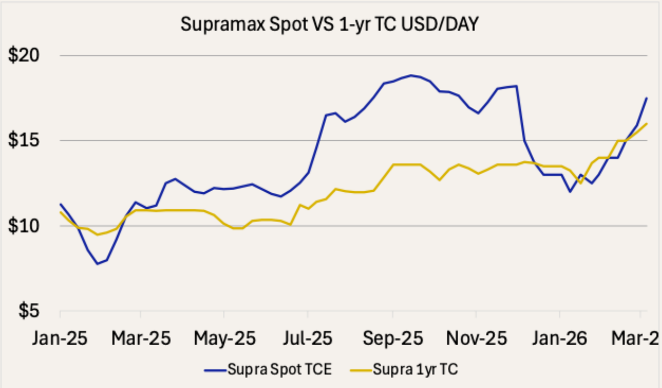
Kamsarmax

Kamsarmax firmed this week, with the P5TC recovering to USD 18,100/day from USD 17,000/day. The Atlantic remained a drag with P1A easing to USD 13,300/day, while the Pacific provided support - P3A at USD 21,000/day and P2A at USD 23,600/day. Fronthaul grain routes gained, with P7 at USD 56.7/mt and P8 at USD 47.8/mt. FFAs reflected near-term optimism, with March at USD 19,900 tapering to USD 14,950 for Cal27.



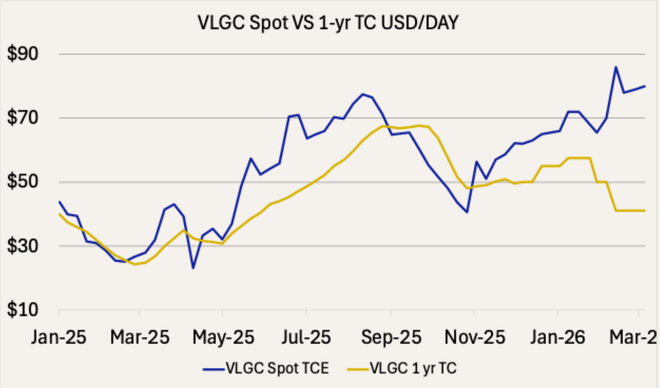
Supramax

The Supramax segment gained momentum this week, with the S11TC climbing further to USD around 17,600/day. Atlantic routes anchored sentiment, with S1C firming to USD 27,000/day and S4A advancing to USD 28,100/day on steady fronthaul and transatlantic flows. Pacific performance was more mixed, with S2 holding near USD 17,500/day and S10 improving to USD around USD 14,600/day. On the paper side, March settled at USD 17,000 with Cal27 at USD 13,000, reflecting near-term support against longer-term uncertainty. Chinese steel export policy remains a key variable for forward demand visibility.



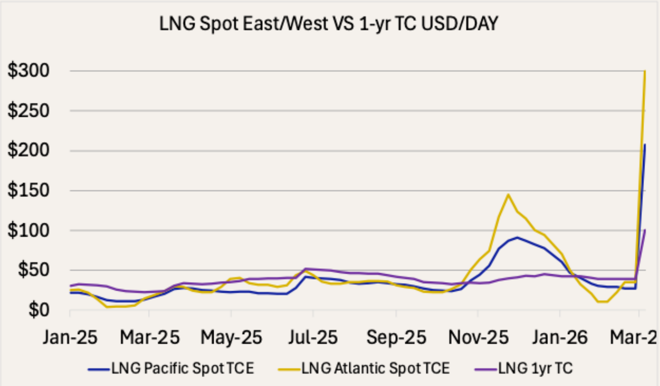
LPG

As expected following the severe bottleneck in the Strait of Hormuz and ongoing tensions in the Persian Gulf, VLGC rates have strengthened further to around USD 80,000 per day. At the same time, extended rerouting has increased ton-mile demand, providing additional support to freight levels. Should delays persist and export flows from the Middle East remain uncertain, rates are likely to stay firm.



LNG

LNG earnings exploded this week as US-Israeli strikes on Iran practically closed the Strait of Hormuz and triggered QatarEnergy's force majeure on 77 MTPA. East of Suez, BLNG1 surged to USD 207,000/day as vessel strandings, cancelled war-risk insurance and Houthi threats to resume Red Sea attacks created extreme tonnage scarcity. Atlantic rates rocketed to USD 300,000/day on panic fixing. Both basins now price in an unprecedented dual-chokepoint disruption.



Market Outlook

Tankers

The near-term outlook remains almost entirely contingent on developments in the Strait of Hormuz. Should the situation escalate further, VLCC and Suezmax rates could push into uncharted territory, with sentiment already running well ahead of confirmed fixtures. However, any diplomatic resolution would likely trigger a rapid unwind of the geopolitical risk premium. The medium-term picture hinges on whether Cape of Good Hope rerouting becomes the new norm, which would structurally tighten fleet supply through increased tonne-miles and support elevated earnings for longer.

Dry Bulk

The dry bulk market enters the coming weeks with cautiously improving fundamentals. Post-Lunar New Year cargo enquiry is building across all segments, and FFA curves suggest a meaningful Q2 recovery. Capesize remains supported by Brazil-China iron ore flows, while Kamsarmax and Supramax benefit from grain and fronthaul activity. The primary headwind is bunker costs, which have risen sharply and could weigh on voyage economics if sustained. Chinese steel demand and trade policy remain longer-term variables to watch.

Gas

LNG and LPG markets face the same binary outcome as tankers — Hormuz is everything. If QatarEnergy's force majeure persists and the strait remains disrupted, LNG spot rates could sustain historically unprecedented levels as tonnage scarcity compounds rerouting demand. A normalisation of flows would bring rapid relief, but structural damage to market confidence and insurance frameworks may keep a meaningful risk premium in place well beyond any ceasefire.

Shipping Glossary

Vessel types

VLCC - Very Large Crude Carrier
A crude tanker of ~300,000 dwt, primarily trading Middle East - Asia and long-haul crude routes.

Suezmax
A crude tanker of ~150,000 dwt, sized to transit the Suez Canal fully laden. Common on West Africa - Europe/Asia trades.

Aframax
A crude/product tanker of ~80,000-120,000 dwt, dominant in regional trades such as North Sea, Mediterranean, US Gulf and Asia short-haul.

Capesize
A dry bulk carrier of ~180,000 dwt that is too large for the Suez Canal. Mainly used for iron ore and coal on Brazil/Australia - China routes.

Kamsarmax
A subtype of Panamax bulk carrier, ~80,000-85,000 dwt, optimized for loading at Port Kamsar (Guinea). Used mainly for grains, coal, and bauxite.

Supramax
A dry bulk vessel of ~58,000 dwt, employed in regional and mid-range trades carrying coal, steels, fertilizers and minor bulks.

VLGC - Very Large Gas Carrier
A ~84,000 cbm LPG carrier used for transporting propane and butane, especially on US Gulf/Middle East - Asia routes.

LNG Carrier
A gas carrier of 160,000-180,000 cbm designed to transport liquefied natural gas such as methane at -162°C. Megi/xdf propulsion - also known as two-stroke.

Freight Metrics

WS - Worldscale
A percentage of the Worldscale flat rate used to price tanker voyages. WS100 equals the flat rate; WS200 means double the flat rate.

TC - Time Charter
A contract where the charterer hires the vessel for a period (e.g., 6 months, 1 year) at a daily rate.

TCE - Time Charter Equivalent
A normalized $ per day earnings figure calculated from voyage returns after deducting bunker, port, and canal costs. Used to compare voyage and period economics.

BDI - Baltic Dry Index
a composite benchmark published daily by the Baltic Exchange, measuring the average cost of shipping dry bulk commodities such as iron ore, coal, and grain

Regional Abbreviations

MEG - Middle East Gulf
Core loading area for crude and LPG, including Saudi Arabia, UAE, Iraq, Kuwait, Qatar.

WAF - West Africa
Key crude export region including Nigeria and Angola, heavily influencing Suezmax and VLCC markets.

UKC - United Kingdom Continent
European refining and discharge region covering the UK, France, Belgium, Netherlands, Germany.

ECSA - East Coast South America
Major agricultural and mineral export region - primarily Brazil and Argentina - driving Panamax and Supramax demand.

ARA - Amsterdam-Rotterdam-Antwerp
A major Northwest European refining, storage, and trading hub, comprising the ports of Amsterdam, Rotterdam, and Antwerp.

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Date: 05.03.26

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