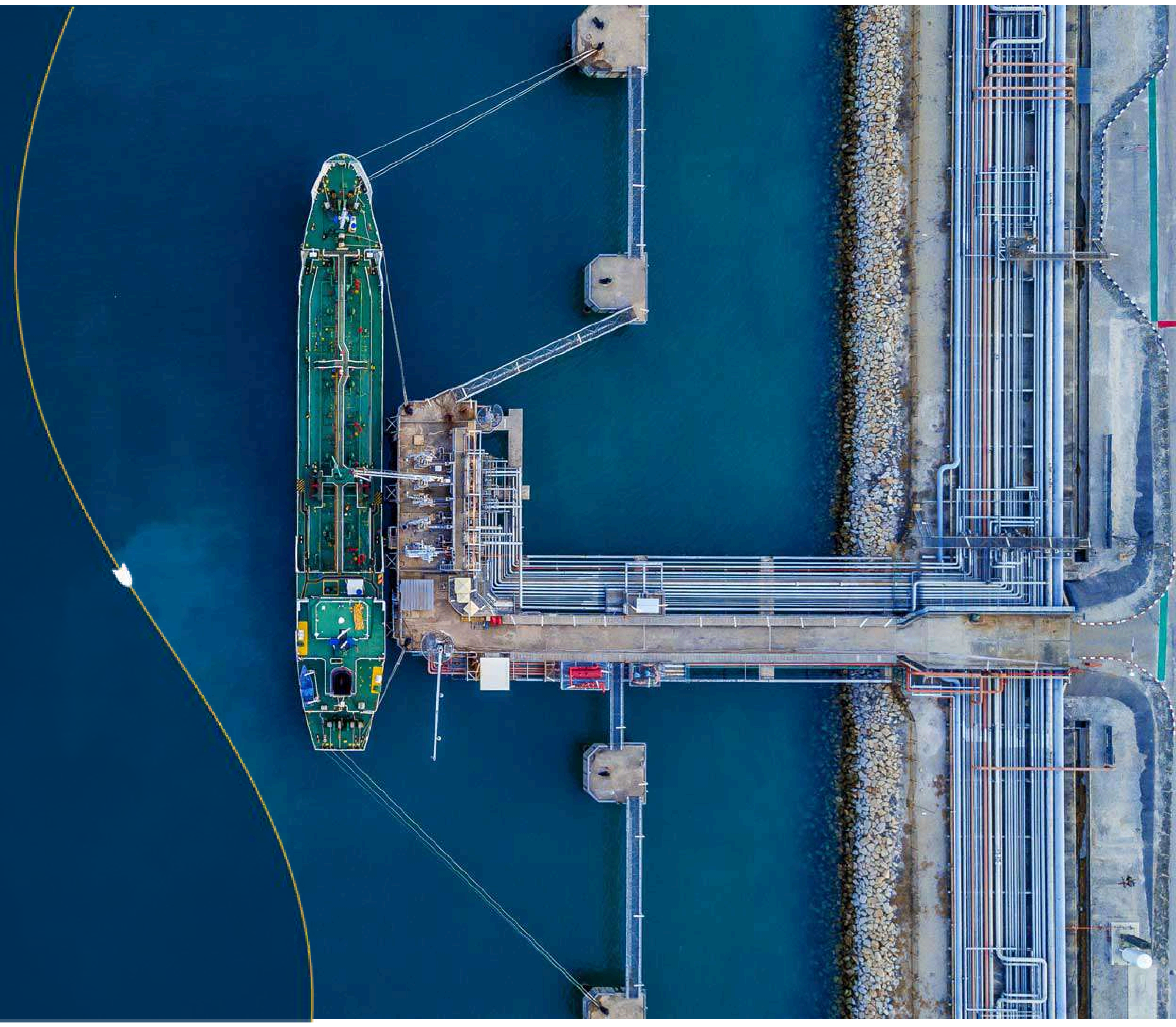




Monthly Tanker Report

October 2024 | Issue 33



BRS Tanker Monthly Report

October 2024 | Issue 33



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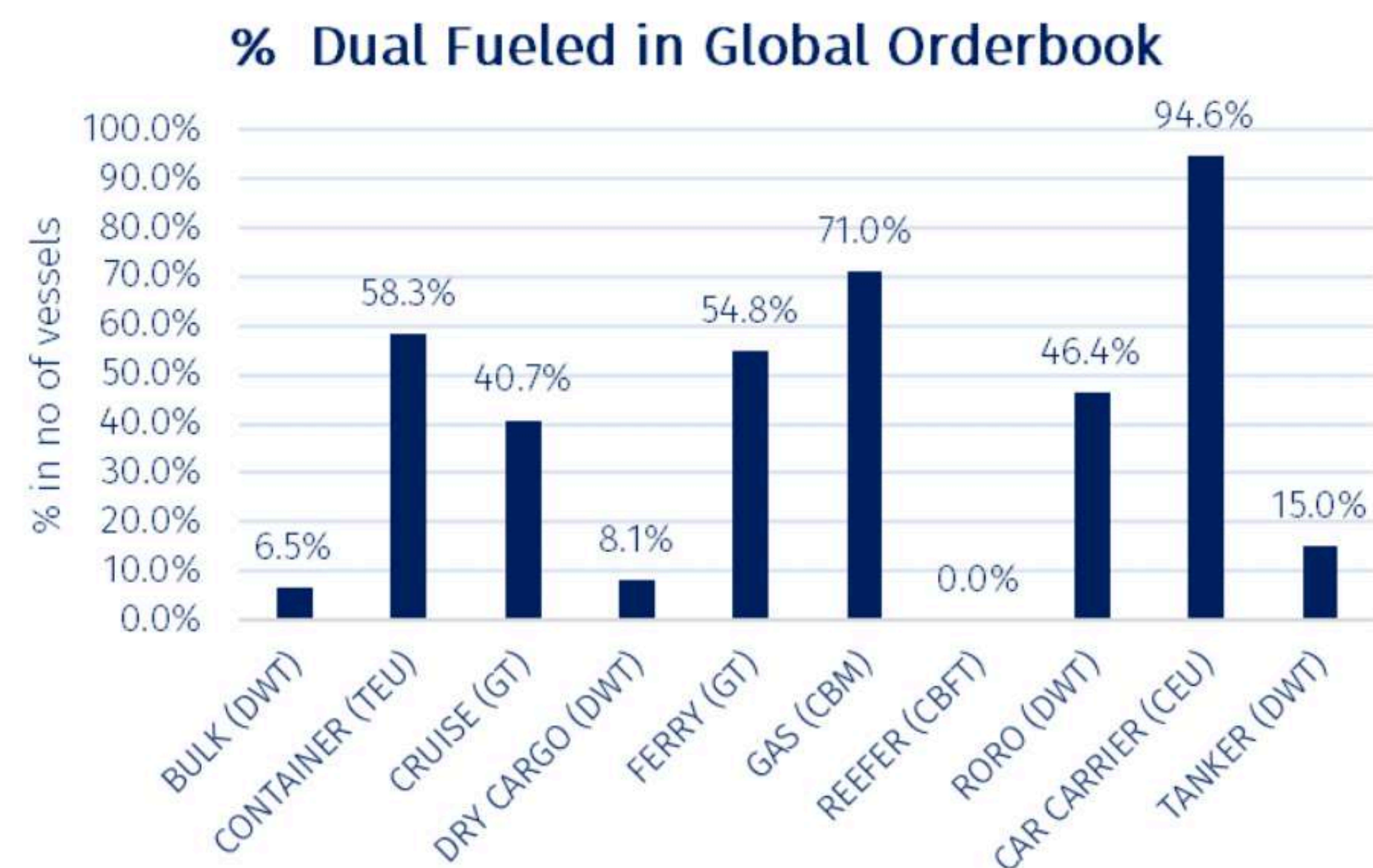
Contents

Market Commentary	1	Crude Tanker		Time Charter Rates	15
		Fleet Age Profile	5	Sale and Purchase Activity	16
Fleet Overview	3	Vessel Deliveries	6	Tanker Prices - NB and 2H	17
Demolitions	4	Orderbook	7		
		Spot Rates	8	Bunker & Oil Market Commentary	
		FFA	9	Bunker Prices Commentary	18
		Product Tanker		Oil Price Commentary	19
		Fleet Age Profile	10	Oil Market Commentary	20
		Vessel Deliveries	11	Selected Oil Market Fundamentals	22
		Orderbook	12		
		Spot Rates	13		
		FFA	14		

Market Commentary (1/2)

Rise in tanker contracting – broad considerations on alternative fuels uptake

Tanker contracting has accelerated this year, with fresh orders year to date (Jan-Sept 2024) up +73.2% y-o-y in Dwt terms for vessels above 34k Dwt. At the same time, dual fueled orders have increased +32% y-o-y, seeing their share in new orders declining compared to last year, as conventionally fueled eco engine orders take center stage (68% of fresh contracting). Despite the drop in the share of dual fuel in new contracts, the LNG dual fueled option has been dominant and has seen its share in new dual fueled orders rising compared to last year. Full commercial maturity considerations of the cleaner forms of LNG, methanol, ammonia that will be necessary for the transition to net zero, the GHG emissions intensity of their currently mature fossil form until they transition to sustainably produced volumes, as well as the relevant dual fueled engine technology maturity that will serve them is keeping investment options skewed primarily towards LNG, with methanol following.

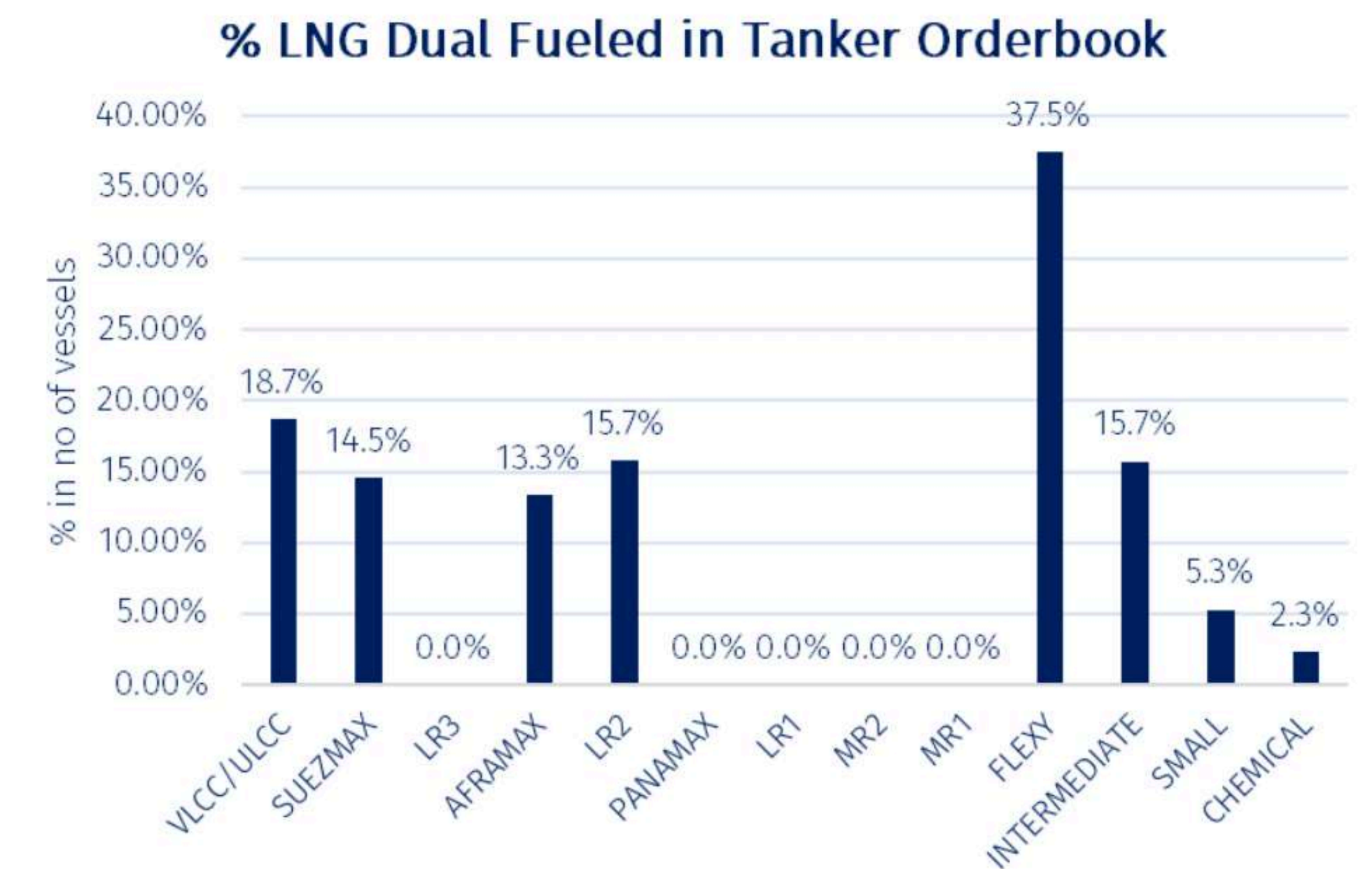


Bulkers and tankers continue to lag behind other segments in dual fueled technologies uptake. The uptake of dual fueled technologies (excluding dual fueled ready) continues to be uneven amongst the major three shipping sectors. Containers, which are the largest fuel consumers

amongst the three major shipping segments lead the way with around 58% of the orderbook being dual fueled in number of vessels (71% in Dwt terms) with owners having leaned towards LNG (36% of the orderbook in number of vessels) and methanol (22% of the orderbook in number of vessels). Tankers follow with dual fueled orders accounting for 15% of today's orderbook in number of vessels (16.2% in Dwt terms) across sizes, with 7.5% being LNG dual fueled and 4% methanol dual fueled (70% of the methanol dual fueled orders in number of vessels are linked to MR2 and chemical tankers). Bulk carriers, which are projected to be the main driver of maritime transport activity growth by 2050 (as per various consultancies quantifying decarbonization scenarios- see *BRS Weekly Tanker Newsletter dated 13 March 2023*), lag behind with only 6.5% of the orderbook being dual fueled in number of vessels (10.1% in Dwt terms) and have the lowest dual fueled penetration in the existing fleet with just 1.2% of the fleet being dual fueled. In addition to the dry bulk sector being potentially more fuel agnostic due to the nature of the trade model it serves, it only accounts for 28% of fuel consumption amongst the three segments (not taking into consideration dry cargo vessels substitution) but for the highest share in Dwt-miles, according to data processed from the IMO's 4th GHG study. This may imply a relative higher efficiency per Dwt mile travelled compared to the other two sectors. The combination of the above has placed a higher burden on containers for fleet renewal, which, in addition to higher decarbonization requirements are being favored in the transition by the standard trade routes that incentivize long term investments in the fuel supply chain and the long-term contracting of bunkering volumes. When global shipyards capacity and technology advancements allow for it, tankers are likely to follow next in dual fueled penetration in tandem with maximizing energy efficiency improvements, as fleet renewal will be necessary also considering the older age profile compared to both bulkers and containers (average fleet age including small and chemical tankers currently stands at 14.4 years, compared to that of bulkers standing at 12.5 years and containers at 13.4).

Tanker orderbook at multi-year highs- relative dislocation between crude and products- eco uptake dominant. Year to date 2024 has seen the tanker orderbook inflating to 14.1% of the tanker fleet for tankers above 34kDwt, compared to 6.3% of the fleet in Dwt terms during the same period last year.

This is the highest level since 2016, when the orderbook had approached 15% as a share of the fleet and it is being primarily driven by product tankers, whose orderbook currently stands at the highest level since 2013 above 21%. About 60% of the orderbook is with an eco-electronic engine, according to BRS data. While fresh contracting has accelerated, the share of new dual fueled orders in total has declined to 11% vs 13% last year. What is more, the dual fueled trend has increasingly being skewed towards LNG.



LNG dual fueled orders the dominant option in 2024. LNG continues to dominate the orderbook across segments, except for RoRos, where the share of methanol dual fueled vessels is higher compared to LNG (i.e. 17.9% methanol dual fueled vs 10.7% LNG dual fueled). While last year during Jan-Sep 2023, LNG dual fueled orders in tankers still had the lead at 53% of the dual fueled tanker orders, methanol had also gained traction consisting of 38% of the new dual fueled tanker orders. YTD Jan-Sep 2024, 45 firm dual fueled orders have taken place for tankers above 34kDwt, of which 87% have been LNG dual fueled and 9% methanol dual fueled, while ammonia dual fueled orders were reported for the first time (4% of the dual fueled orderbook) linked to two crude Aframax tankers. The dominance in LNG dual fueled

BRS Tanker Monthly Report

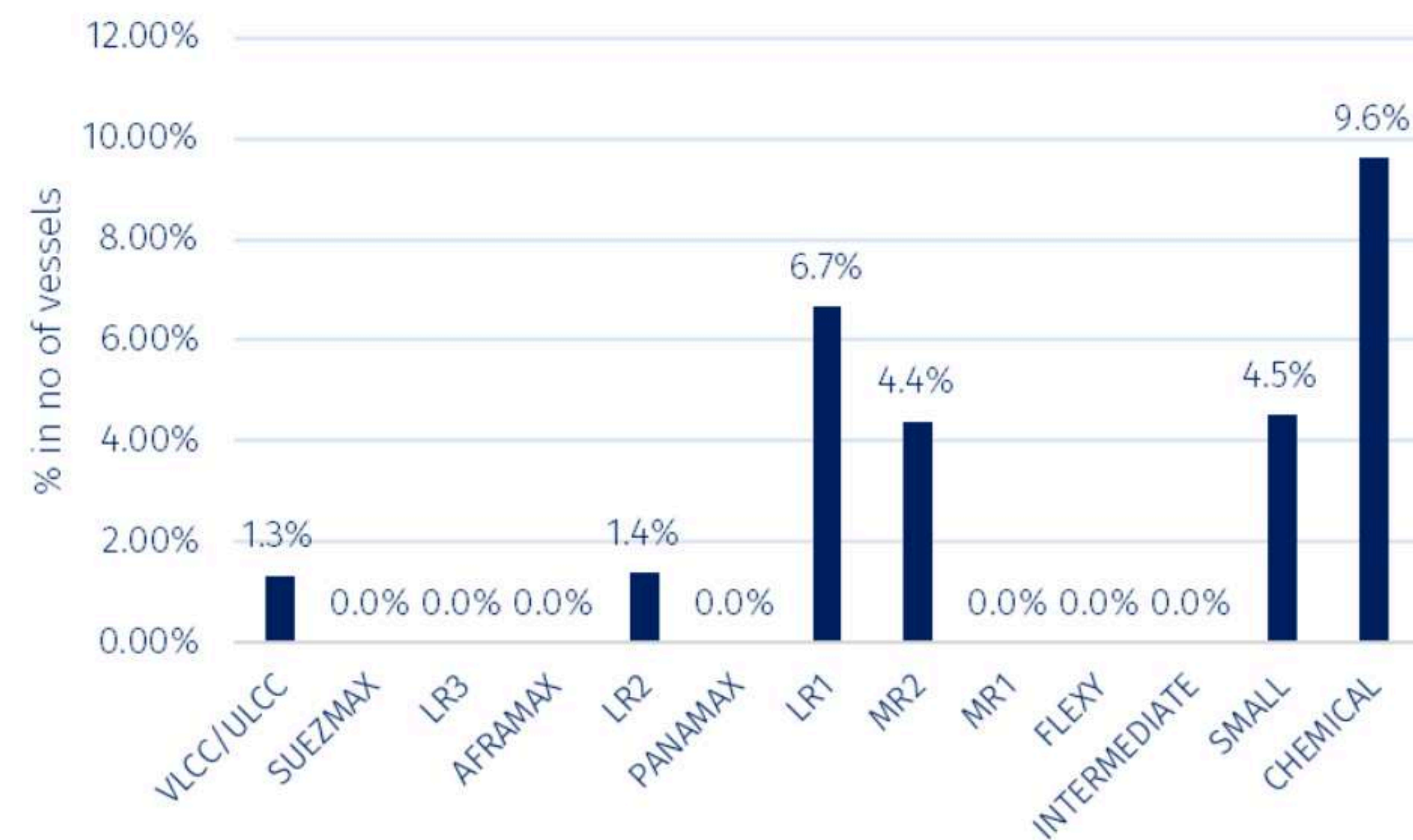
October 2024 | Issue 33



Market Commentary (2/2)

orders may largely be attributed to the full commercial maturity of both the dual fueled engine technology and the fuel supply itself, as well as the potential for earlier maturity of cleaner forms of the fuel (e.g. bio-LNG) compared to RFNBOs both at the fuel production stage and the fuel distribution and bunkering stage by 2030.

% Methanol Dual Fueled in Tanker Orderbook



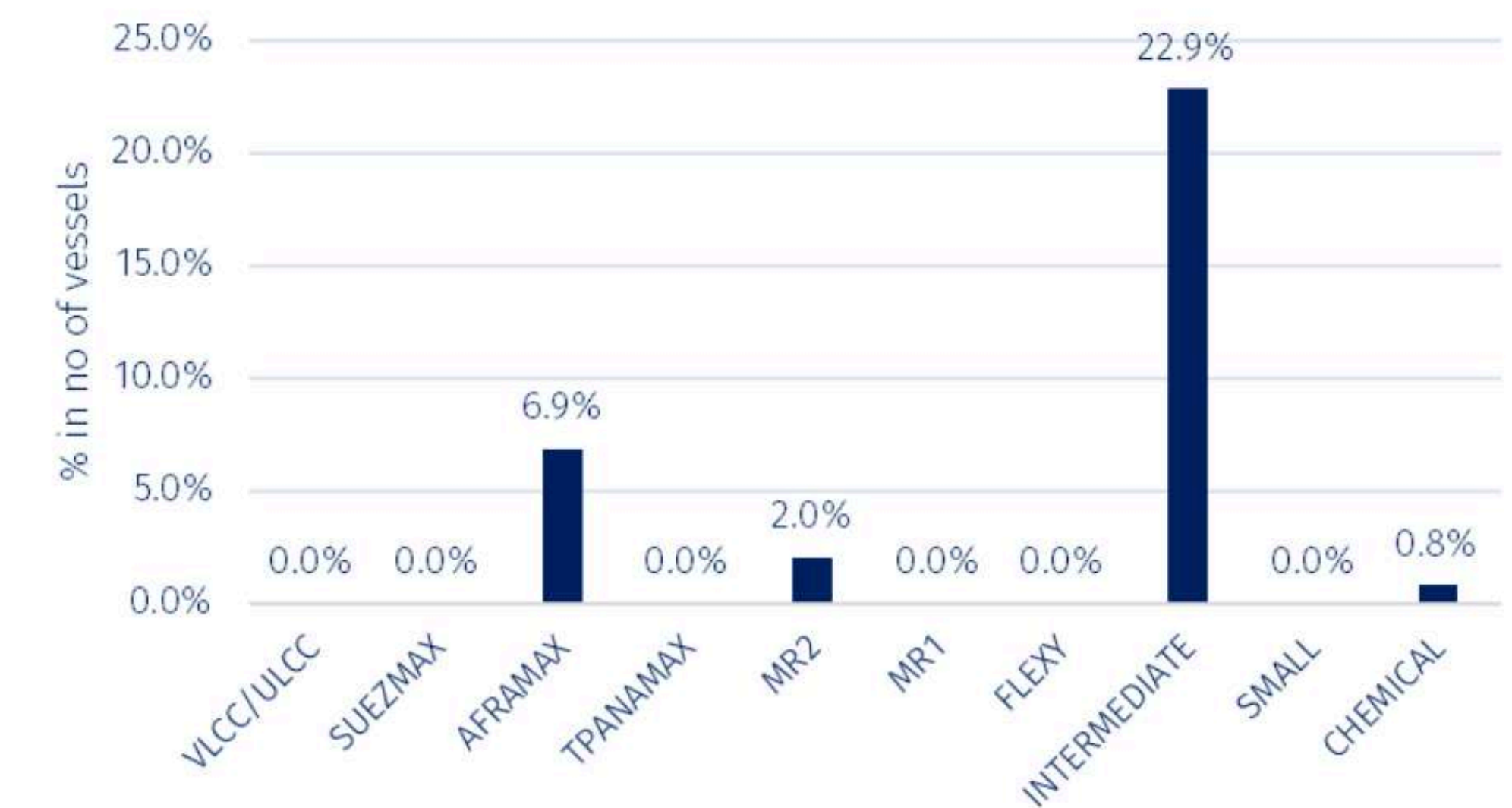
Tankers have more room for energy efficiency improvements, but uptake of alternative fuels will have to accelerate. With c. 37% of the tanker fleet in Dwt terms being eco, there is more room for the sector to structurally improve energy efficiency (i.e. via the increase in eco engines in the fleet), in tandem with other options for reducing emissions by 2030. However, energy efficiency is not enough for compliance with a GHG emissions intensity standard, which will require the penetration of low and zero carbon fuels. The FuelEU maritime regulation has set GHG emission intensity reduction targets that conventionally fueled vessels using VLSFO and HSFO with scrubbers cannot comply with unless biofuel blends are used or the pooling option with vessels generating emissions intensity surpluses (e.g. dual fueled vessels) is deployed in the short to medium term. The strengthening of the GHG intensity reduction targets post 2035 implies the use of zero

carbon fuels needs to increasingly penetrate the fleet. The regulation already provisions for RFNBOs (Renewable Fuels of non-biological origin) usage mandates post 2030 (2% use of RFNBOs from 2034 if in 2031 the sector's use is less than 1%). RFNBOs may come in the form of e-fuels (produced from hydrogen by electrolysis primarily using renewable electricity such as e-ammonia) or with carbon using direct CO2 capture or biogenic sources (e.g. e-methanol, e-methane, e-diesel). On the other hand, blue fuels are based on hydrogen made from fossil + Carbon Capture and Storage (e.g. blue ammonia, blue methanol) and may also contribute to GHG emission savings on the path to net zero but less than e-fuels depending on the CCS efficiency rate. The consumption of e-fuels is feasible via dual fueled technologies, although e-diesel may be consumed just as biodiesel in a drop-in fuel form that can be compatible with conventional engines with small modifications. A global GHG intensity standard that will potentially draw similarities with the FuelEU maritime regulation in terms of the GHG intensity reduction ambition down to 2050 will intensify RFNBOs requirements in the energy mix. For now, the IMO's Marine Environment Protection Committee (MEPC 82) that convened in October has drafted a legal text that will be the basis for further discussion on the implementation of a goal based GHG intensity standard (phasing in the mandatory use of fuels with lower GHG intensity), along with a global GHG emissions pricing mechanism in support of the net zero target by or close to 2050. These measures are expected to be adopted in 2025 and apply from 2027 onwards.

Different emission factors depending on the fuel pathway and lifecycle methodology used- Global GHG intensity standard required. The FuelEU maritime regulation addresses the well to wake GHG emissions intensity reduction and this means that for dual fueled methanol to contribute positively to GHG intensity reduction, methanol has to be consumed in either bio-methanol form or blue (natural gas +CCS) or green methanol (e-fuel produced from renewable electricity). While methanol continues to make a attractive investment case enhanced by regulatory certainty regarding its applicability as a marine fuel, its transition to cleaner forms and particularly e-methanol at scale volumes that will contribute to GHG intensity reduction targets and net zero GHG emissions may come later compared to other e-fuels. LNG in its current form with certain LNG dual

fueled technologies as provisioned in the default emissions factors section of Annex II of the FuelEU maritime regulation may already offer compliance with the GHG emissions intensity targets set by the regulation in the medium term and be able to generate emissions intensity surpluses in the initial years of implementation. Preliminary estimations point that approximately 3% of the 2023 MRV fleet profile is falling under this category. By contrast, fossil methanol (produced by natural gas) has a higher GHG emission factor than VLSFO (due to the high Well to Tank emissions component) and in its current mature fossil form it does not offer compliance with FuelEU maritime, although it may serve the purpose of saving tank to wake emissions for the EU ETS. Meanwhile, the Study on the readiness and availability of low and zero carbon technology and marine fuels for the IMO seems to suggest that e-methanol's full maturity across the supply chain will come later compared to other e-fuels (i.e. post 2035), except for e-LNG whose full maturity down to 2050 is unclear, as biomethane is likely to dominate supplies instead. However, this projected technical and commercial maturity horizon may change with the leveling up of the IMO GHG emissions reduction ambition to net zero by or close to 2050 and more so if a GHG emissions intensity standard is adopted that will draw similarities from the FuelEU maritime regulation.

% Wind Assisted Propulsion in Tanker Orderbook



BRS Tanker Monthly Report

October 2024 | Issue 33



* all 2024 data are YTD

Global Fleet Overview

Crude Tankers

Currently Active Fleet	Number of Ships	Total DWT
VLCC	909	280M
SUEZMAX	679	106M
AFRAMAX	687	76M
PANAMAX	68	5M

Addition - # Ships	2022	2023	2024
VLCC	42	22	1
SUEZMAX	44	8	4
AFRAMAX	21	15	8

Deletions - # Ships	2022	2023	2024
VLCC	7	-	-
SUEZMAX	8	1	1
AFRAMAX	11	5	1
PANAMAX	3	-	-

New Orders - # Ships	2022	2023	2024
VLCC	3	18	54
SUEZMAX	8	57	50
AFRAMAX	5	18	16

Product Tankers

Currently Active Fleet	Number of Ships	Total DWT
LR2	458	51M
LR1	383	28M
MR2	1815	89M
MR1	498	19M

Addition - # Ships	2022	2023	2024
LR2	17	22	15
MR2	67	38	26
MR1	3		

Deletions - # Ships	2022	2023	2024
LR2	5	-	-
LR1	1	2	-
MR2	19	8	-
MR1	7	1	1

New Orders - # Ships	2022	2023	2024
LR2	28	92	103
LR1		32	28
MR2	50	124	132
MR1		6	20

BRS Tanker Monthly Report

October 2024 | Issue 33



Fleet - Exits

Demolition - September 2024 - Crude

Name	IMO	DWT	Built	Parent Owner	Operator	Country	Demo Date
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Summary

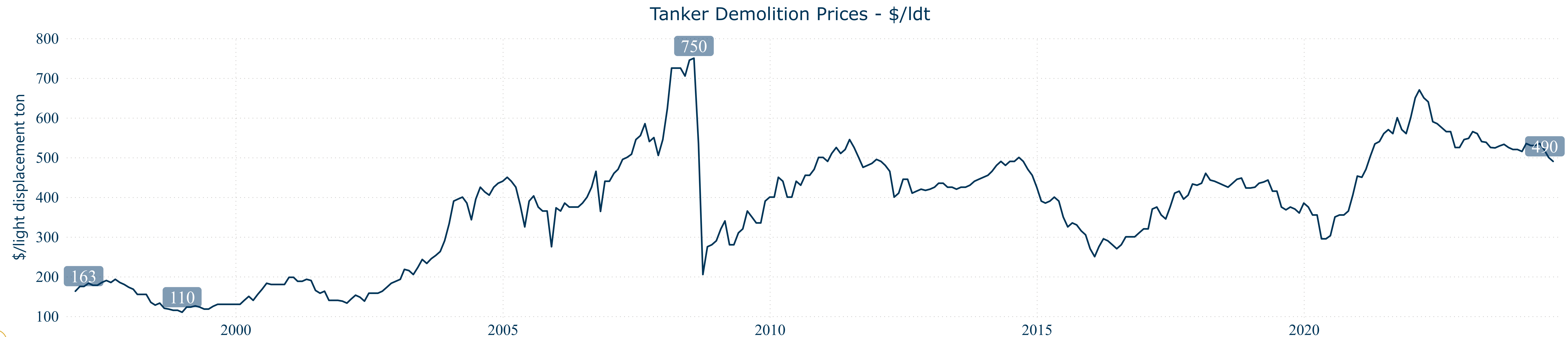
Segment	# Demo	Average Age
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Product

Name	IMO	DWT	Built	Parent Owner	Operator	Country	Demo Date
Aquila	9192765	35841	1999	Roswell Navigation	Roswell Tankers	INDIA	2024-09

Summary

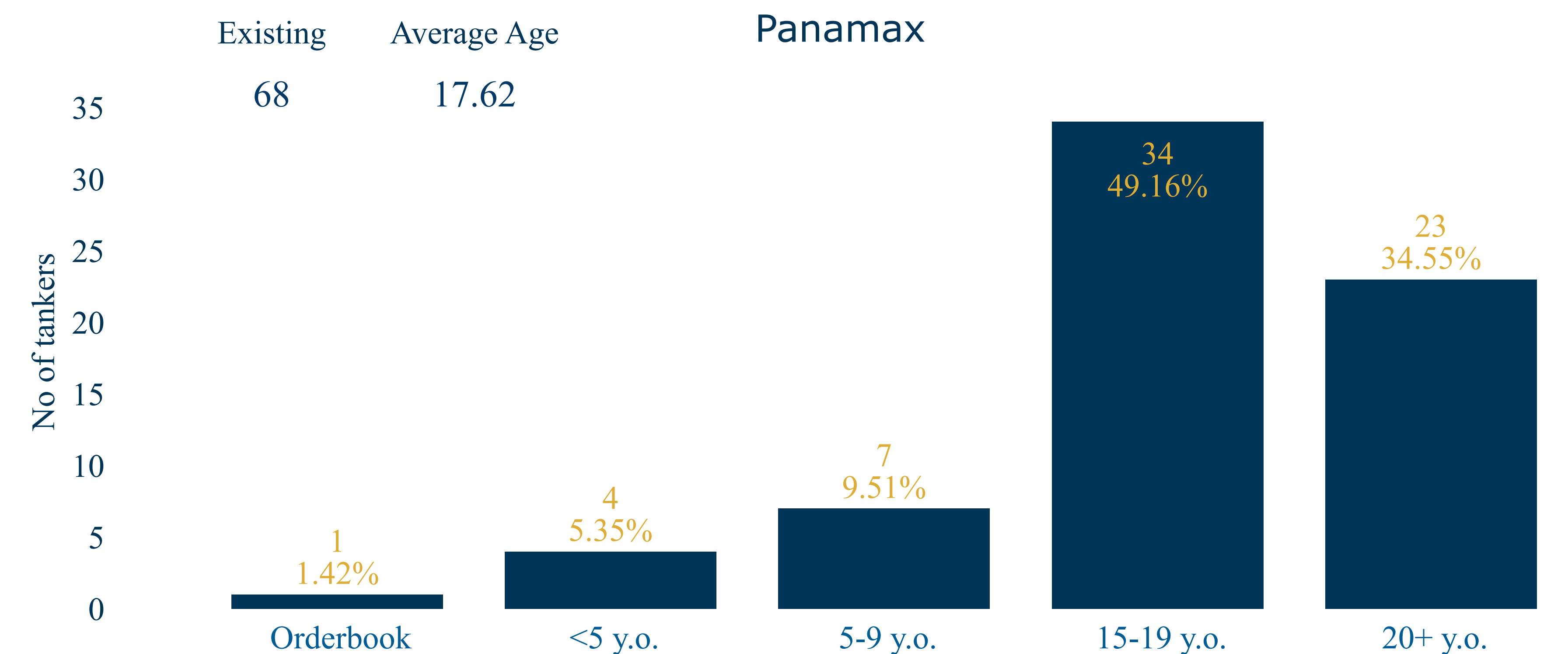
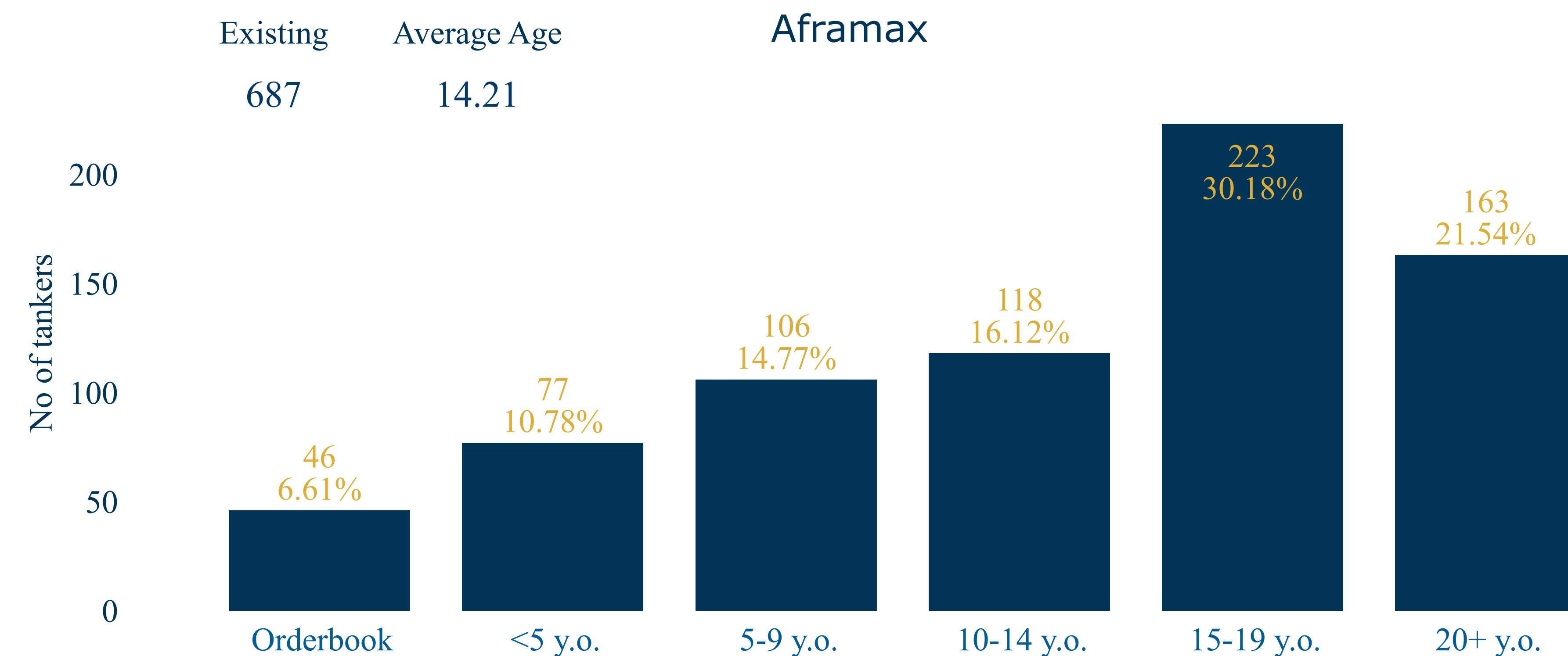
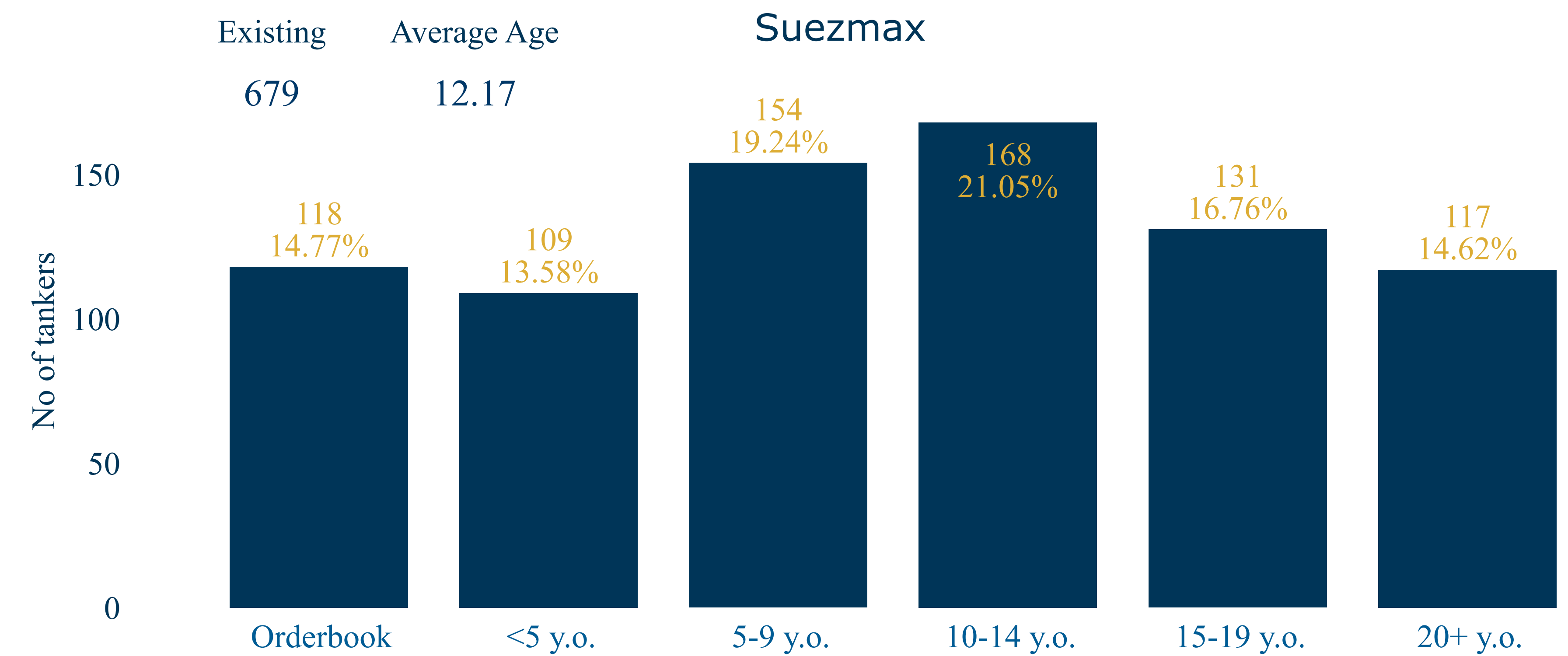
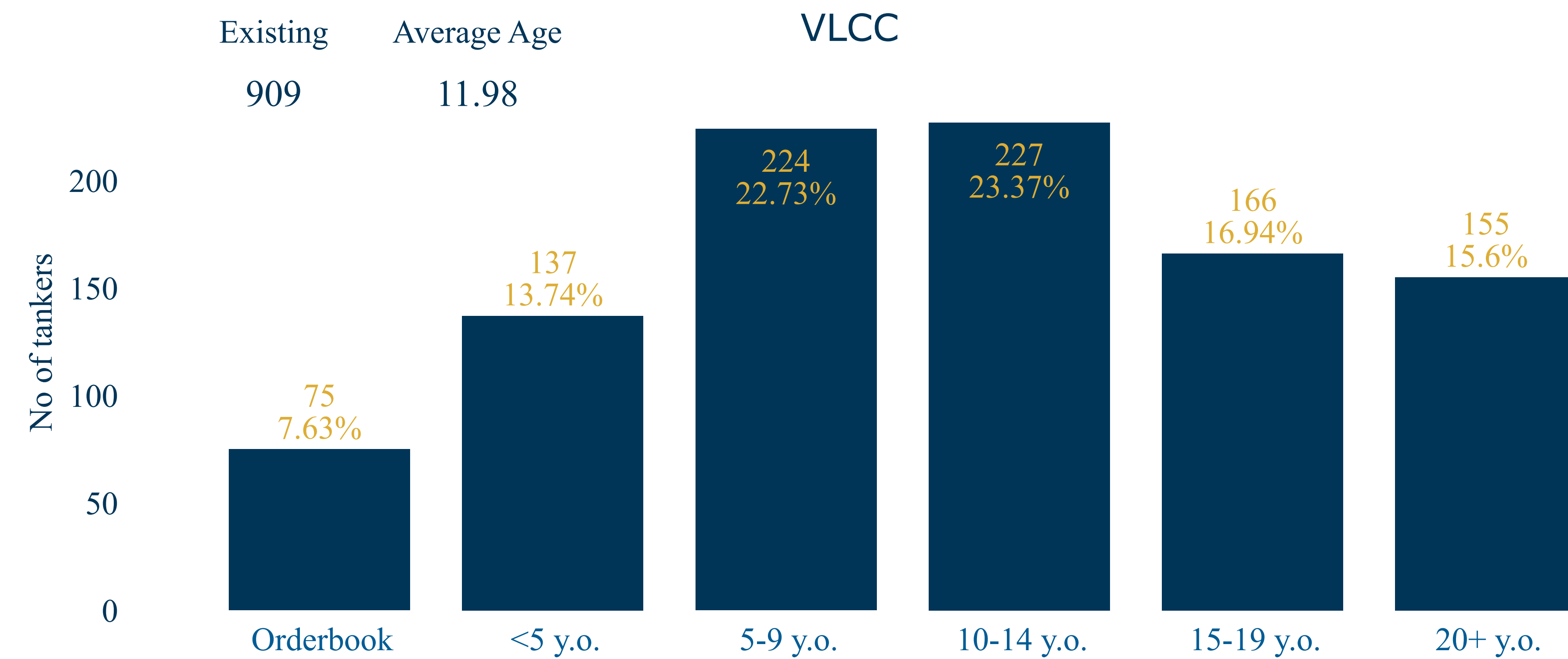
Segment	# Demo	Average Age
MR1	1	25.00





Crude Tankers - Fleet Age Breakdown

* Data labels state the number ships of that age range and its proportion of total DWT tonnage



BRS Tanker Monthly Report

October 2024 | Issue 33



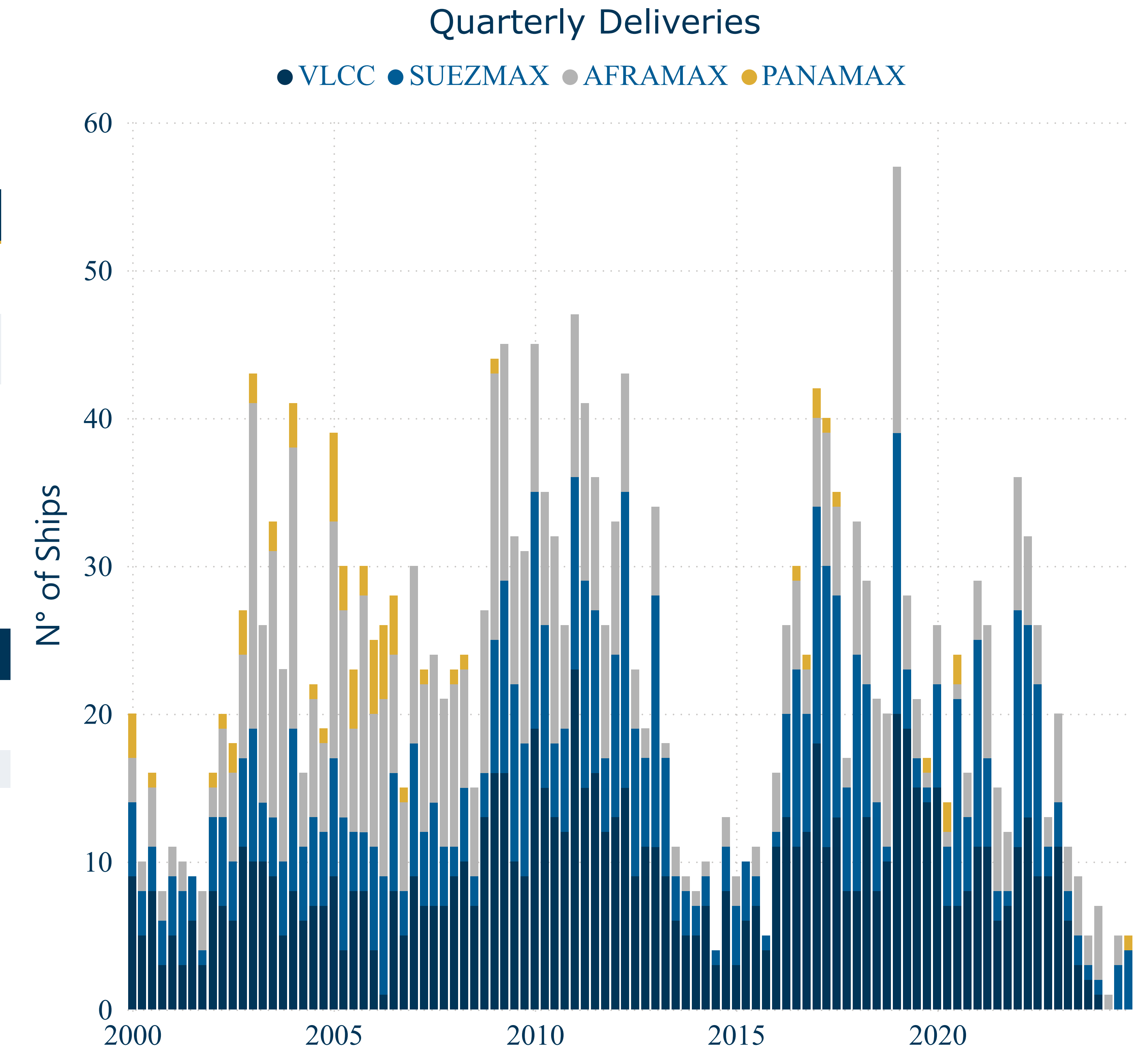
Crude Tankers - Deliveries

Deliveries in September 2024

Name	DWT	Registered Owner	Parent Owner	Operator	Shipyard	Ordered on	Price
Erotokritos	109993	Herodotus Shipping Sa	Inglessis Group	Alberta Sm	Sumitomo Yokosuka	2022-06	
New Amity	114805	New Amity Shipping & Trading Inc	Cmes	China Merchants Energy Shipping	Dalian Csic No. 1	2022-11	

Expected Deliveries in October 2024

Name	DWT	Registered Owner	Parent Owner	Operator	Shipyard	Ordered on	Price
Hedda Knutsen	152000	Knutsen Canadian Chartering As	Seglem Holding & Mitsubishi Group	Petrobras	Cshi Zhoushan	2020-06	\$100M
Valentin Pikul	69000	Rosnefteflot Jsc	Rosneft	Rosnefteflot	Zvezda	2019-04	



Year Deliveries- # ships	2024		2025		2026		2027	
	# Deliveries	DWT	# Deliveries	DWT	# Deliveries	DWT	# Deliveries	DWT
VLCC	1	0.3M	6	1.8M	32	9.9M	33	10.2M
SUEZMAX	8	1.1M	31	4.9M	46	7.2M	35	5.5M
AFRAMAX	8	0.9M	17	1.9M	15	1.8M	10	1.2M
PANAMAX	1	0.1M						

6 2024 deliveries includes vessels that have already been delivered the market

BRS Tanker Monthly Report

October 2024 | Issue 33



Crude Tankers - Orderbooks

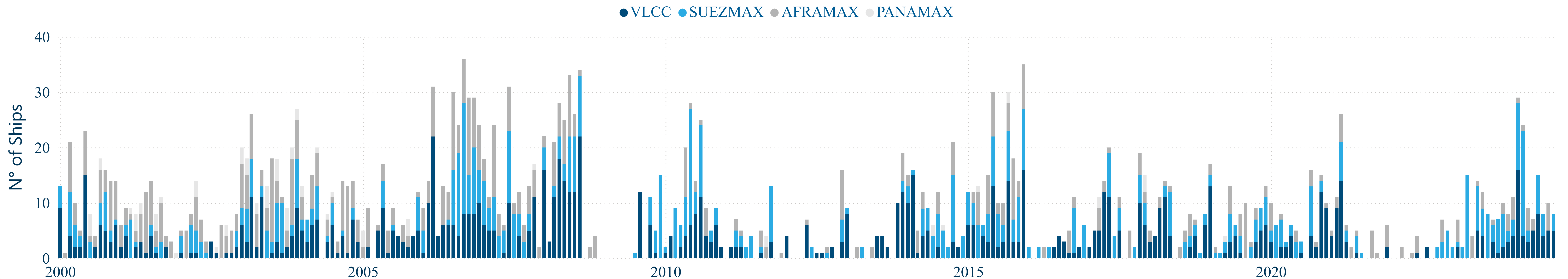
Recent Orders in September 2024

Name	DWT	Registered Owner	Parent Owner	Operator	Shipyard	Ordered on	Price	IMO
(Tbn)	306474	Hengli Petrochemical (Dalian) Co Ltd	Hengli Group	Hengli Petrochemical	Hengli Sb	2024-09	\$115M	1087524
(Tbn)	306474	Hengli Petrochemical (Dalian) Co Ltd	Hengli Group	Hengli Petrochemical	Hengli Sb	2024-09	\$115M	1087536
(Tbn)	158600	Sunbeam Marine Co Sa	Lemos Cm	Nereus Shipping Sa	Jmu Tsu	2024-09		13106
(Tbn)	158600	Sunbeam Marine Co Sa	Lemos Cm	Nereus Shipping Sa	Jmu Tsu	2024-09		13107
(Tbn)	158600	Sunbeam Marine Co Sa	Lemos Cm	Nereus Shipping Sa	Jmu Tsu	2024-09		13108
(Tbn)	306474	Undisclosed	Lendoudis Ec	Evalend Shipping	Hengli Sb	2024-09	\$115M	1087500
(Tbn)	306474	Undisclosed	Lendoudis Ec	Evalend Shipping	Hengli Sb	2024-09	\$115M	1087512
(Tbn)	320000	Undisclosed	Trafigura	Trafigura	Jiangsu New Hantong Shi	2024-09		13133

Recent Orders By Segment

Year Segment	July	2024 August	September
VLCC	4	5	5
SUEZMAX	4		3
AFRAMAX		5	
Total	8	10	8

Monthly Ordering Activity



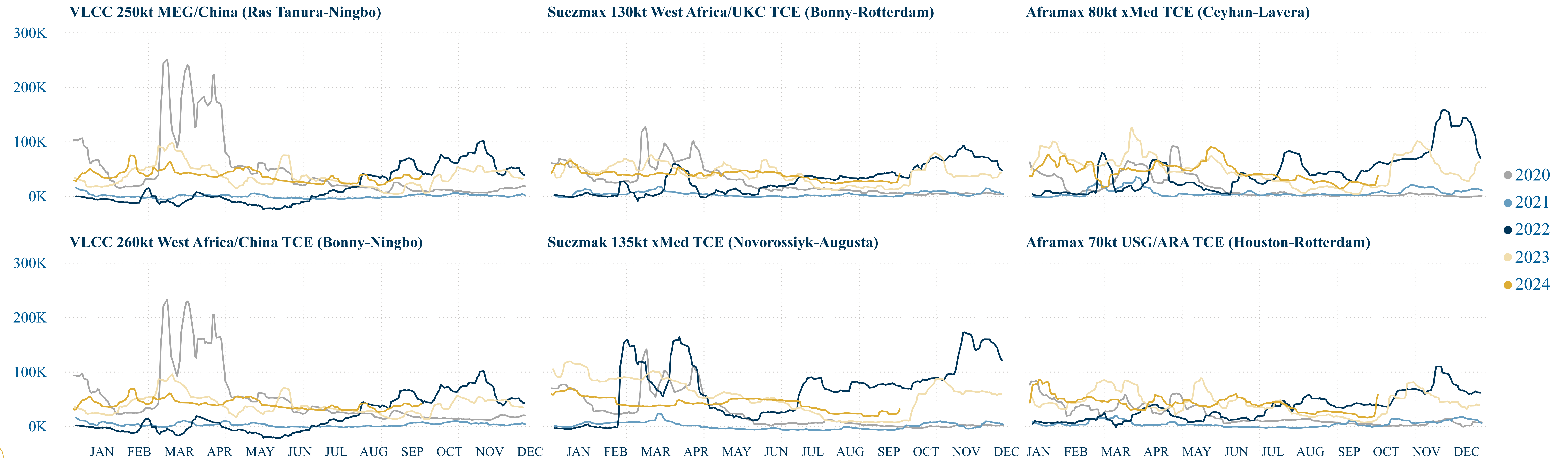
BRS Tanker Monthly Report

October 2024 | Issue 33



Crude Tankers - Spot Markets

Date TCE Identifier	2024 August				2024 September			
	Monthly Average	YTD Average	m-o-m Variation %	Pre Year Monthly Avg	Monthly Average	YTD Average	m-o-m Variation %	Pre Year Monthly Avg
VLCC 260kt WAF/China	32837	41014	2.05%	27277	35448	40399	7.95%	19354
VLCC 270kt MEG/China	27525	37550	3.73%	18649	31135	36841	13.12%	11656
Suezmax 130kt WAF/UKC	25017	40182	-27.44%	14407	26397	38658	5.52%	14975
Suezmax 135kt Cross Med	24539	43650	-39.62%	10316	21855	41241	-10.94%	7536
Aframax 70kt USG/ARA	25154	44002	-35.78%	18972	20288	41479	-19.34%	10564
Aframax 80kt Cross Med	27939	47266	-19.81%	12979	20973	44360	-24.93%	10948



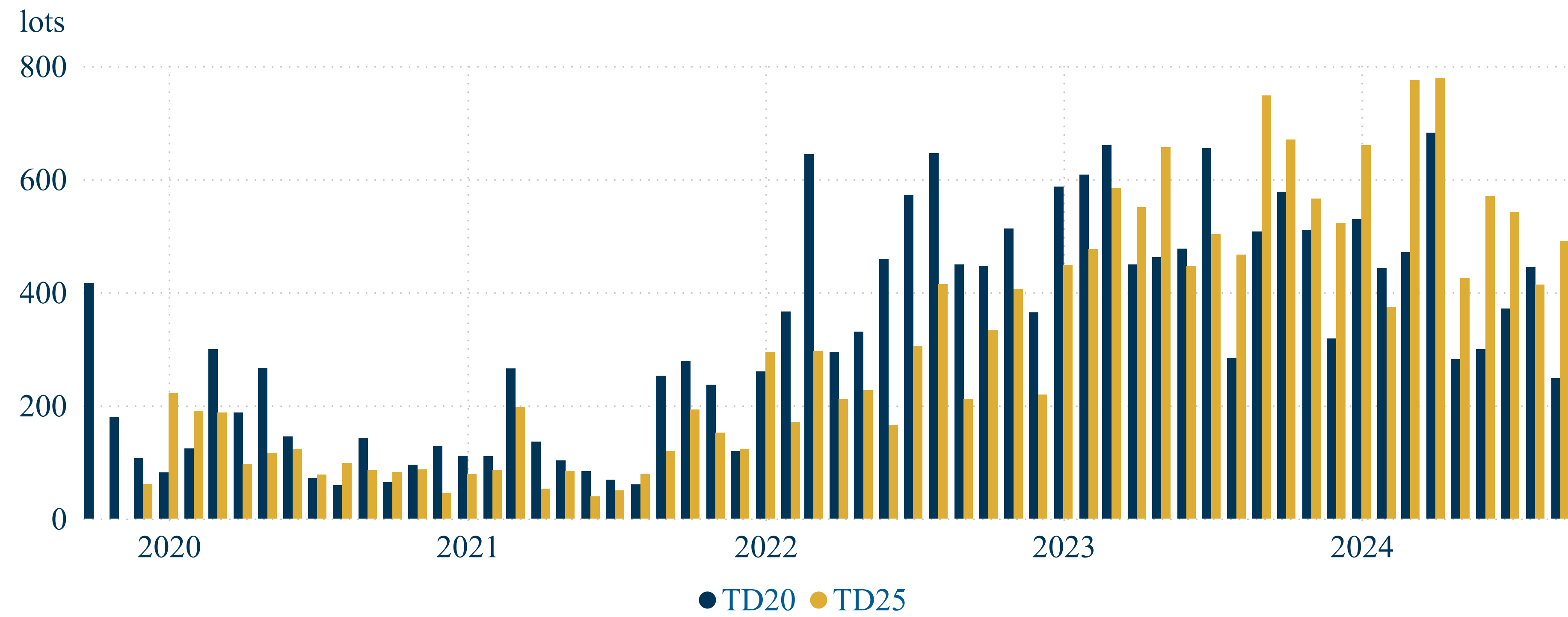
BRS Tanker Monthly Report

October 2024 | Issue 33

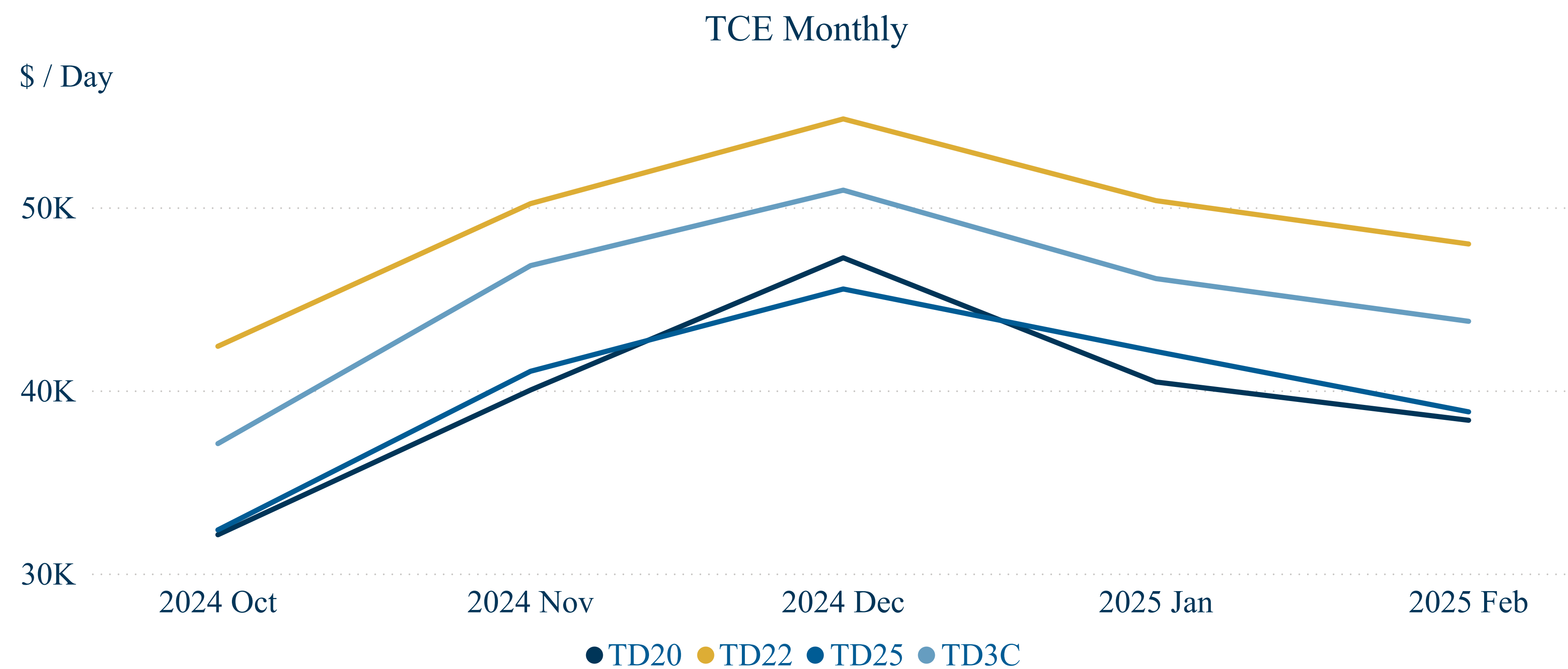
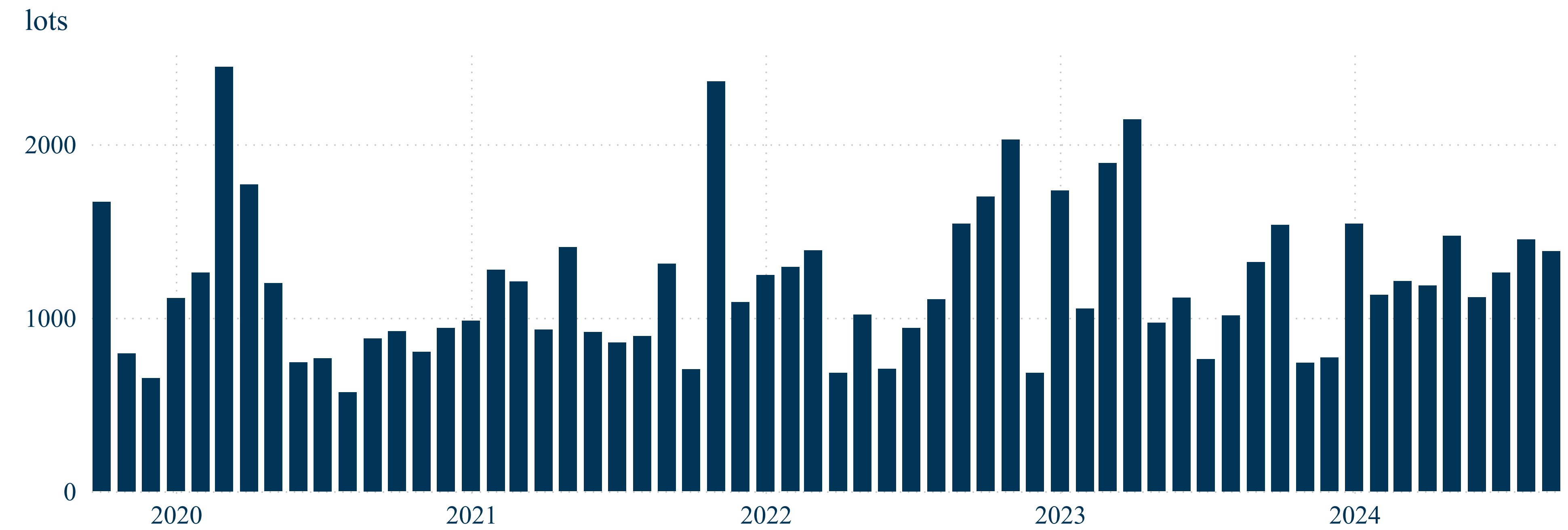


Crude Tankers - FFA and TCE Earnings

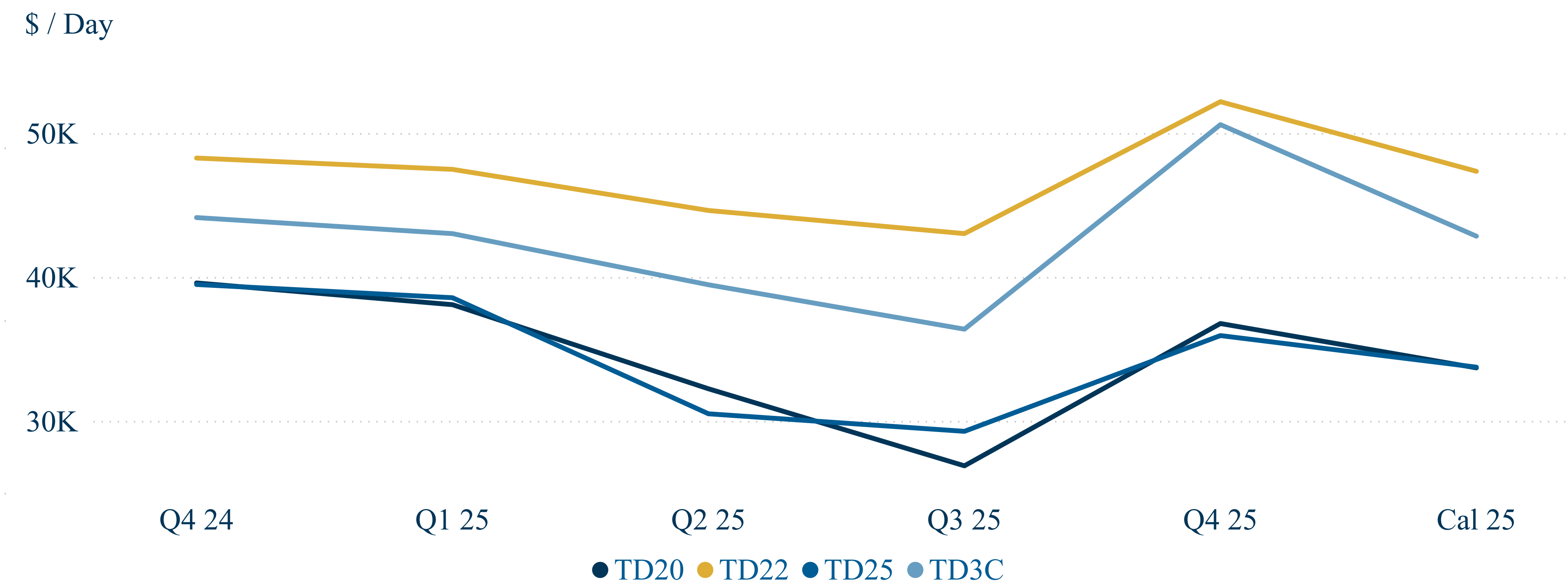
FFA Volume Monthly Average



FFA Volume Monthly Average



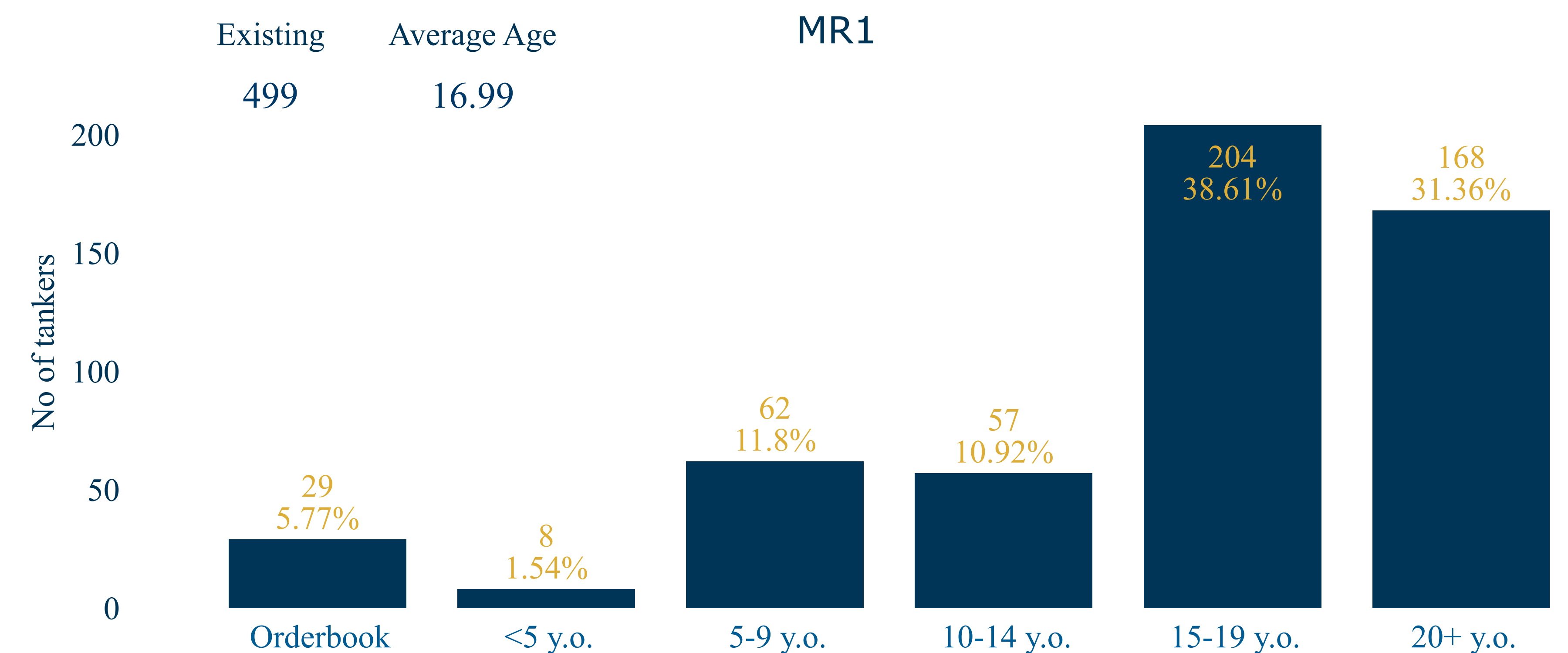
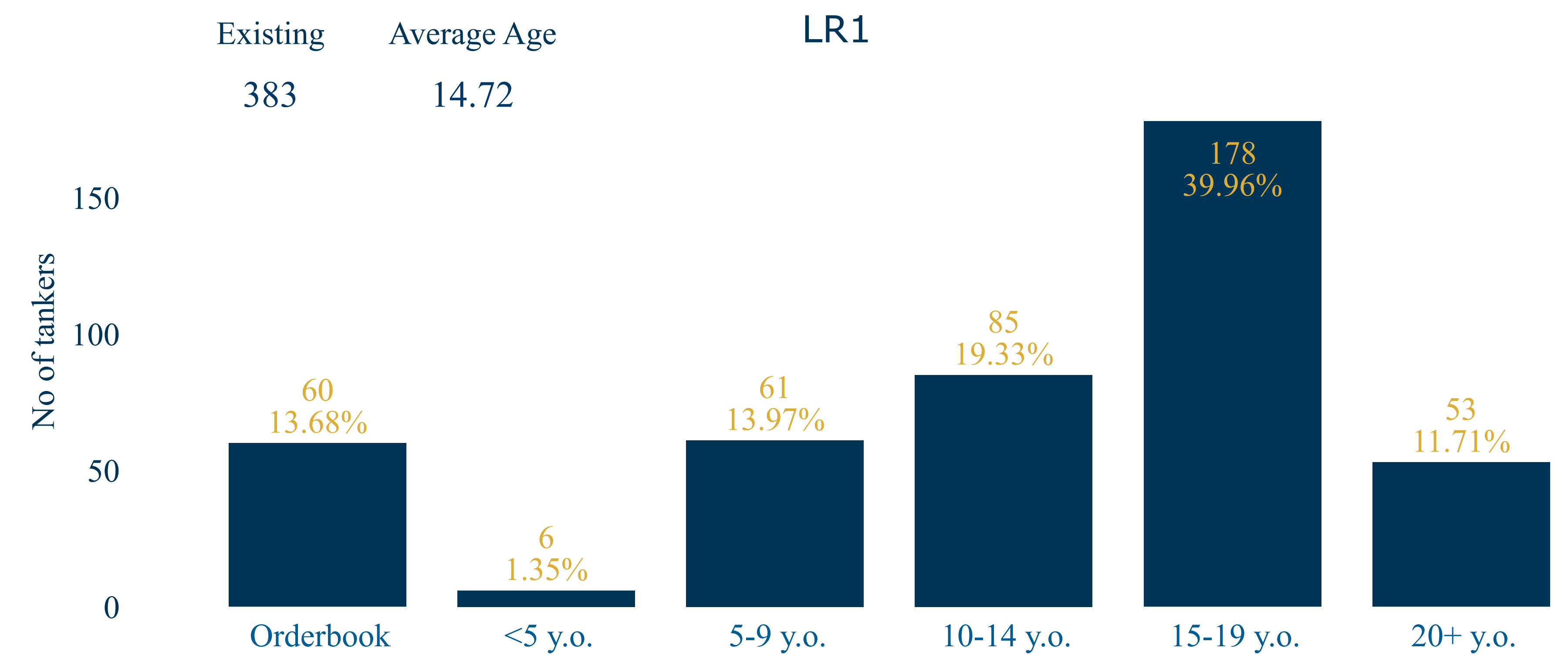
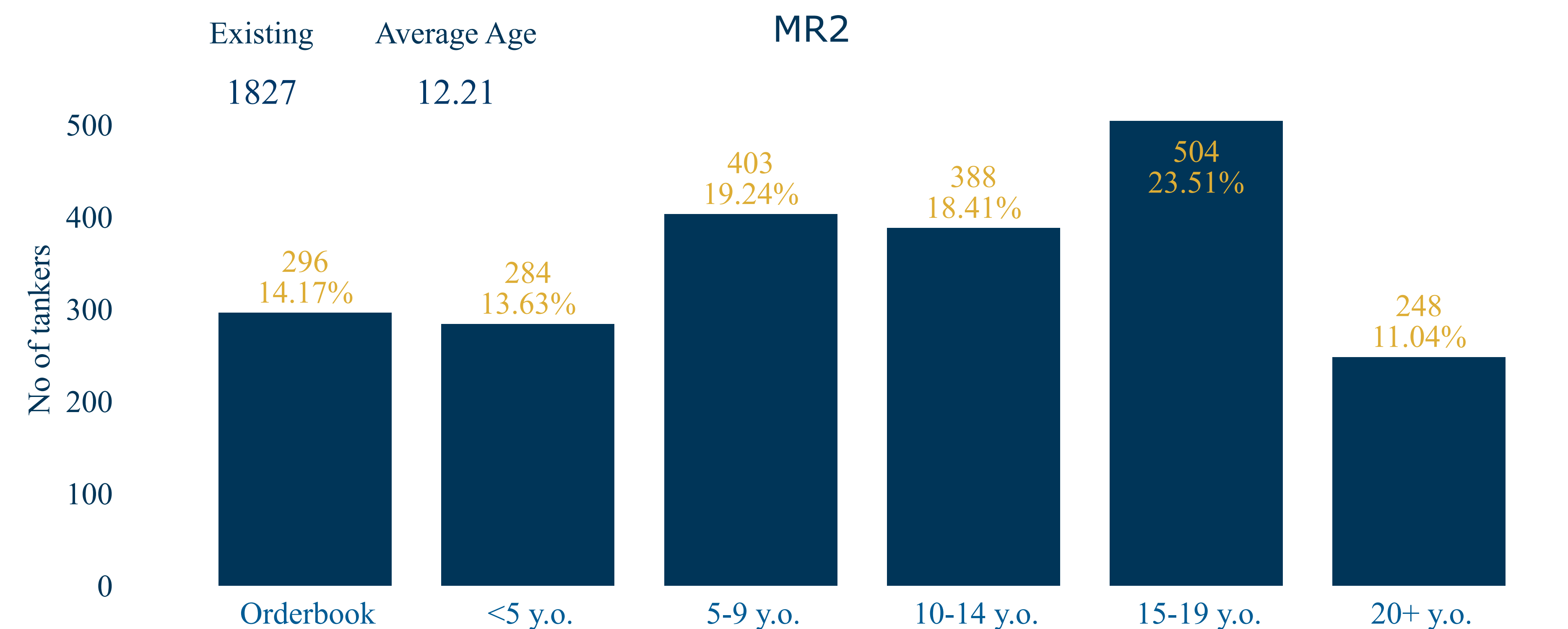
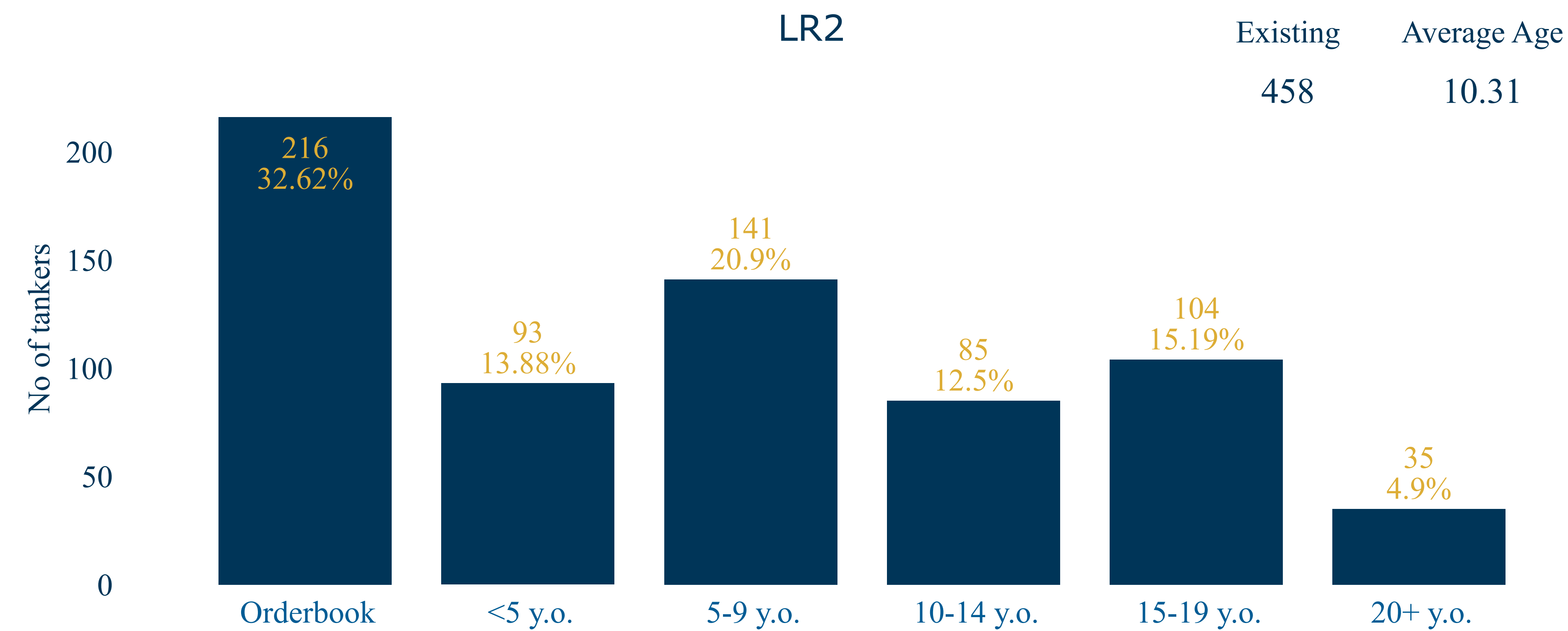
TCE Quarterly





Product Tankers - Fleet Age Breakdown

* Number above (/in) each column states the number ships of that age range and its proportion of total DWT tonnage



BRS Tanker Monthly Report

October 2024 | Issue 33



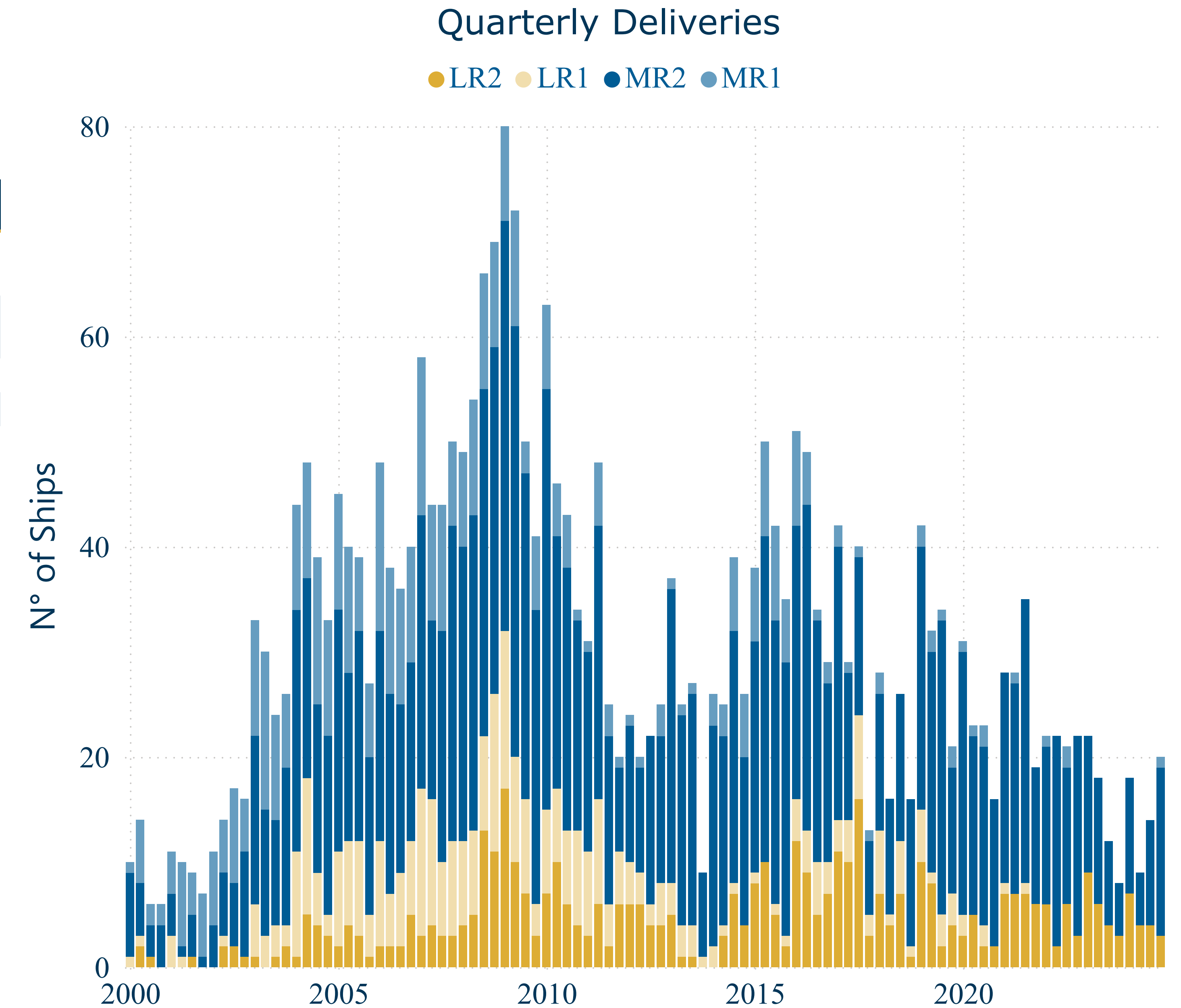
Product Tankers - Deliveries

Deliveries in September 2024

Name	DWT	Registered Owner	Parent Owner	Operator	Shipyard	Ordered on	Price
Lagom	49999	CI Lishui Ltd	China Development Bank	Hengyi Petrochemical	Guangzhou Sy	2021-05	
Metro Bosphorus	114934	Themisto Shipping Co	Angelopoulos Group	Metrostar	Hyundai Vietnam Sb	2022-07	
Navig8 Estelle	49200	Bonito Marine Sa	Mitsubishi Group	Navig8	New Times Sb	2022-03	
Navig8 Excellence	49160	Pythagoras Corp 18 Inc	Navig8	Navig8	New Times Sb	2022-06	
Navig8 Express	49153	Pythagoras Corp 17 Inc	Navig8	Navig8	New Times Sb	2022-06	

Expected Deliveries in October 2024

Name	DWT	Registered Owner	Parent Owner	Operator	Shipyard	Ordered on	Price
An Yun	49765	Undisclosed	Taiwan Government	Cpc Corp	Csbc Kaohsiung	2022-07	\$44M
Atlantic Rainbow	50000	Brilliant Aria Corp	Cido Shipping Hk	Cido Shipping Hk	Hyundai Mipo	2022-07	
Cape Andiamo	49990	Ombrone Shipping Inc	Lendoudis Ec	Evalend Shipping	Jiangsu Newyangzi	2023-02	
Nave Photon	114980	Xiang H143 International Ship Lease Co Ltd	Bank Of Communications	Chevron Shipping	K Shipbuilding	2022-05	\$58.5M
Onega Gulf	45000	Viterlef Management Ltd	Undisclosed	Uncommitted	Trogir	2005-10	\$41M
Precious Adelaide	49765	Lepta Shipping Co Ltd	Mitsui Group & Nissen Kaiun	Nissen Kaiun	Hyundai Vietnam Sb	2022-07	\$42.5M
Santhia	114900	Santhia Transportation Corp	Lykiardopulo	Neda Maritime Agency	Dh Sb	2022-07	\$65M



Year	2024		2025		2026		2027		
	Deliveries- # ships	# Deliveries	DWT	# Deliveries	DWT	# Deliveries	DWT	# Deliveries	DWT
LR2		18	2.0M	58	6.6M	76	8.7M	51	5.8M
LR1				11	0.8M	25	1.8M	18	1.3M
MR2		42	2.1M	91	4.6M	123	6.1M	60	3.0M
MR1		1	0.0M	5	0.2M	13	0.5M	10	0.4M

11 2024 deliveries includes vessels that have already been delivered the market

BRS Tanker Monthly Report

October 2024 | Issue 33



Product Tankers - Orderbooks

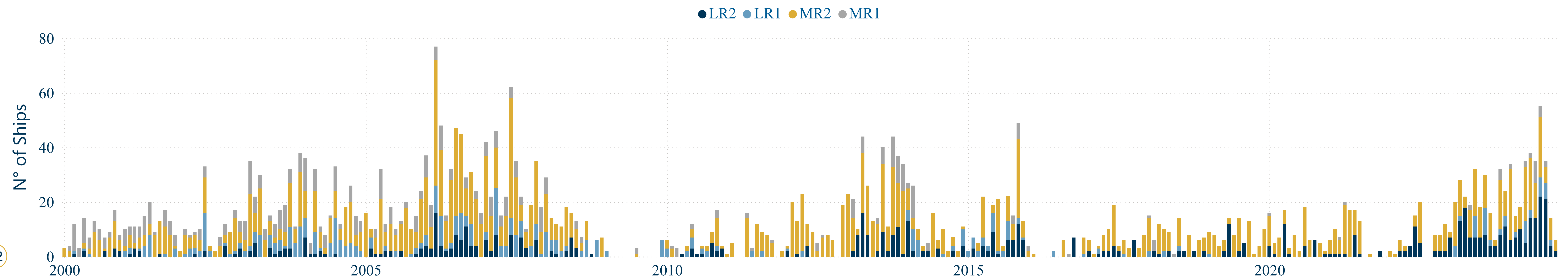
Recent Orders in September 2024

Name	DWT	Registered Owner	Parent Owner	Operator	Shipyard	Ordered on	Price	IMO
(Tbn)	113600	Undisclosed	Solai Holdings	Union Maritime Ltd-Gbr	Xiamen	2024-09		1088748
(Tbn)	113600	Undisclosed	Solai Holdings	Union Maritime Ltd-Gbr	Xiamen	2024-09		1088750
(Tbn)	113500	Undisclosed	Wah Kwong	Wah Kwong	Hengli Sb	2024-09	\$73.5M	1084455
(Tbn)	113500	Undisclosed	Wah Kwong	Wah Kwong	Hengli Sb	2024-09	\$73.5M	1084467
(Tbn)	49765	Undisclosed	Wuhan Innovation Jianghai Shipping	Wuhan Innovation Jianghai Shipping	Huanghai Sb	2024-09		13220
(Tbn)	49765	Undisclosed	Wuhan Innovation Jianghai Shipping	Wuhan Innovation Jianghai Shipping	Huanghai Sb	2024-09		13221
(Tbn)	49765	Undisclosed	Wuhan Innovation Jianghai Shipping	Wuhan Innovation Jianghai Shipping	Huanghai Sb	2024-09		13222
(Tbn)	49765	Undisclosed	Wuhan Innovation Jianghai Shipping	Wuhan Innovation Jianghai Shipping	Huanghai Sb	2024-09		13223
(Tbn)	49765	Undisclosed	Wuhan Innovation Jianghai Shipping	Wuhan Innovation Jianghai Shipping	Huanghai Sb	2024-09		13224
(Tbn)	49765	Undisclosed	Wuhan Innovation Jianghai Shipping	Wuhan Innovation Jianghai Shipping	Huanghai Sb	2024-09		13225

Recent Orders By Segment

Year Segment	2024		
	July	August	September
LR2	22	19	4
LR1	7	6	2
MR2	22	6	8
MR1	4	2	
Total	55	33	14

Monthly Ordering Activity



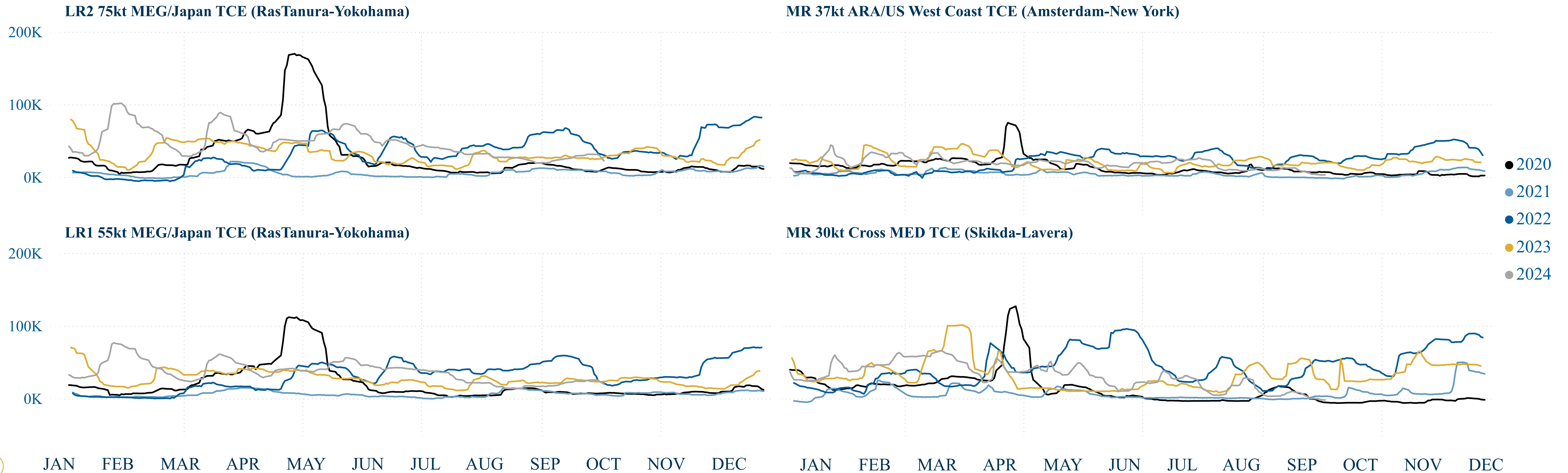
BRS Tanker Monthly Report

October 2024 | Issue 33



Product Tankers - Spot Market

Date BCTI Identifier	2024 August				2024 September			
	Monthly Average	YTD Average	m-o-m Variation %	Pre Year Monthly Avg	Monthly Average	YTD Average	m-o-m Variation %	Pre Year Monthly Avg
LR1 55kt MEG/Japan	16723.86	24,183.64	-0.46	38,535.38	21559.24	24,028.00	0.29	36,659.07
LR2 75kt MEG/Japan	26608.62	27,610.68	-0.29	49,701.83	26302.05	26,766.00	-0.01	47,115.54
MR 30kt Cross MED	13790.95	24,470.91	-0.49	34,973.65	4421.38	39,338.14	-0.68	31,596.82
MR 37kt ARA/US	13327.43	20,026.32	-0.40	20,288.23	9330.38	18,696.95	-0.30	19,077.10



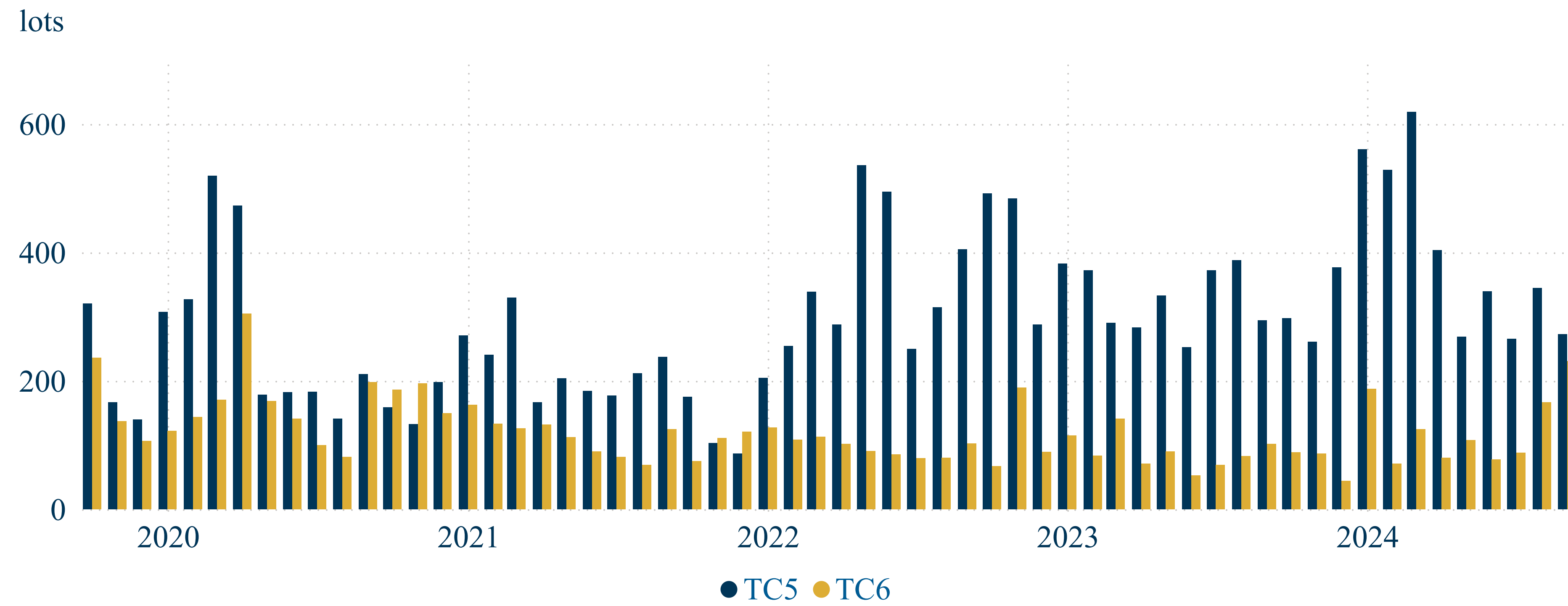
BRS Tanker Monthly Report

October 2024 | Issue 33

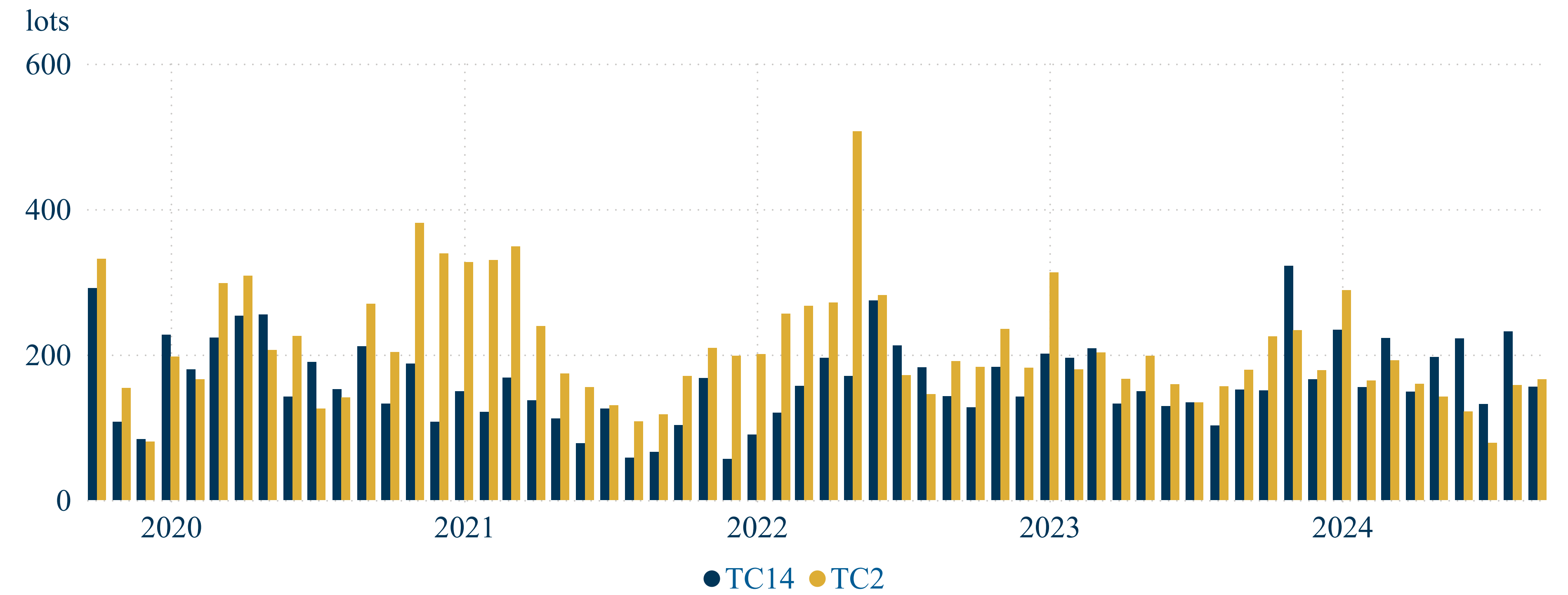


Product Tankers - FFA and TCE Earnings

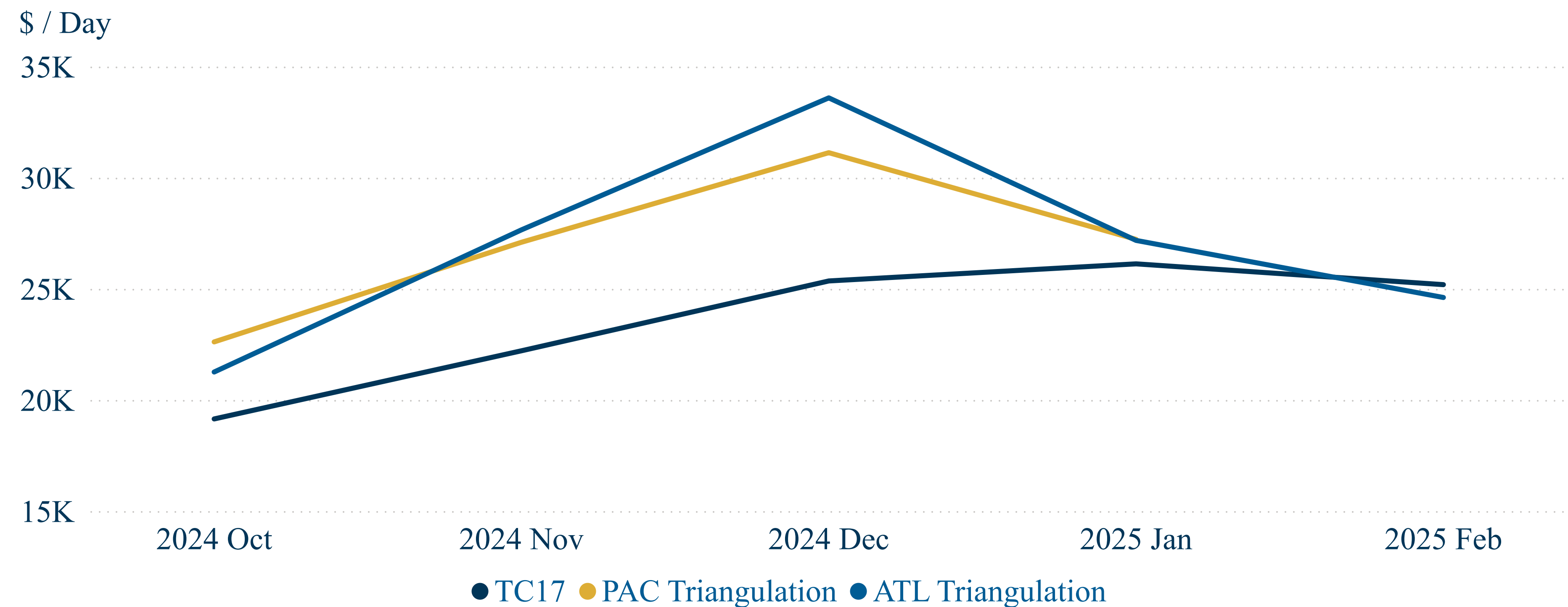
FFA Volume Monthly Average



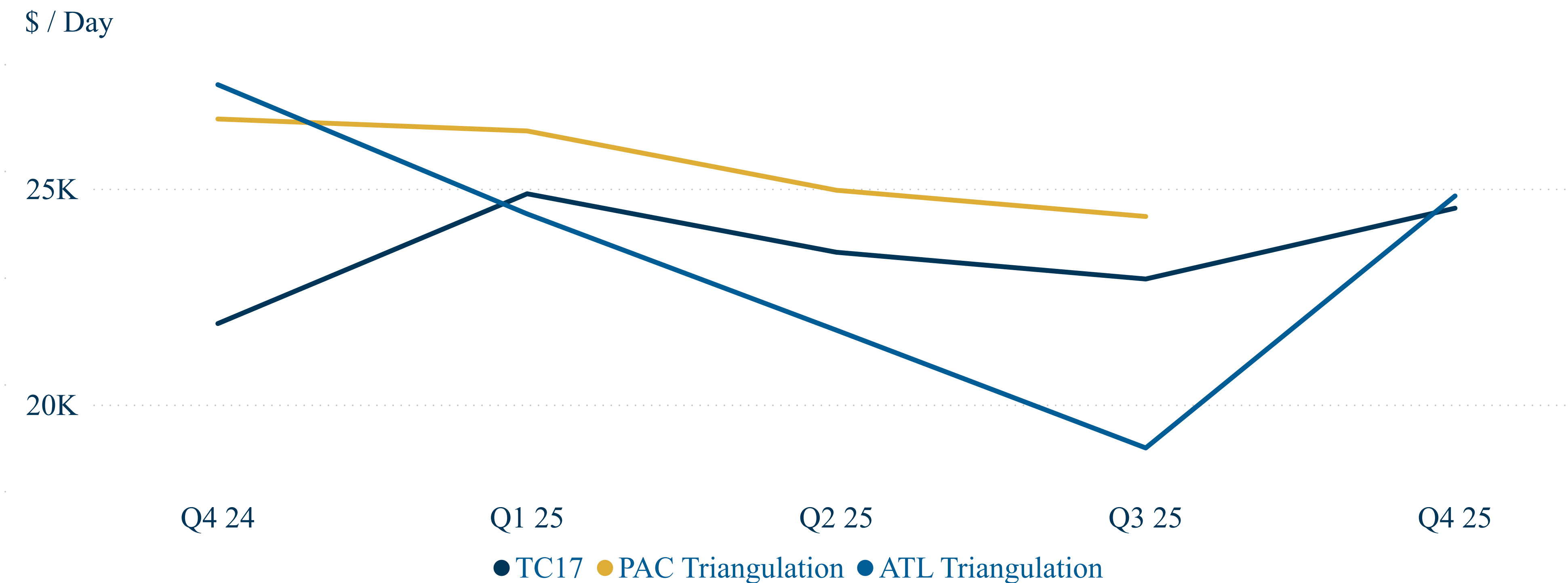
FFA Volume Monthly Average



TCE Monthly



TCE Quarterly



BRS Tanker Monthly Report

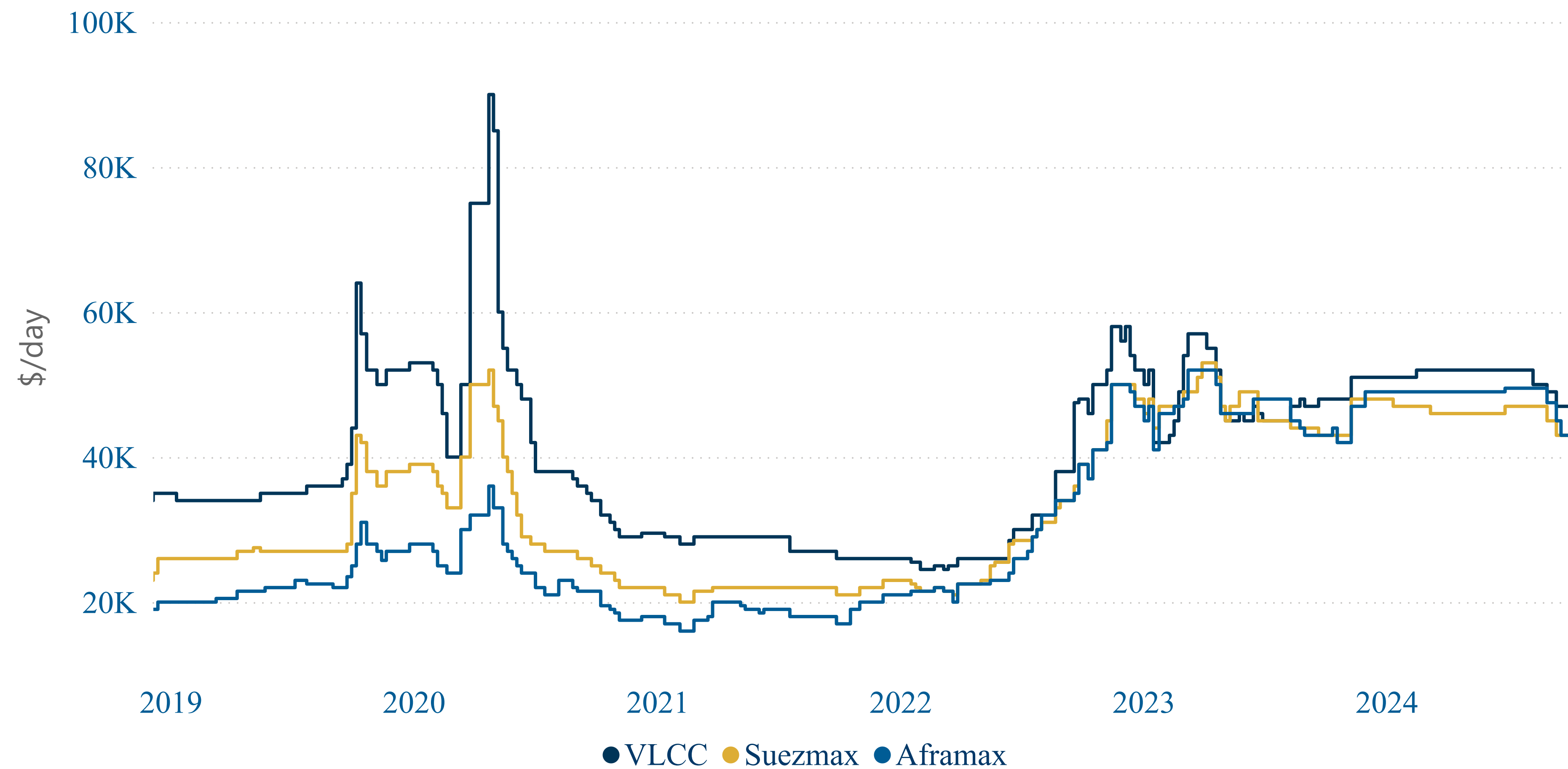
October 2024 | Issue 33



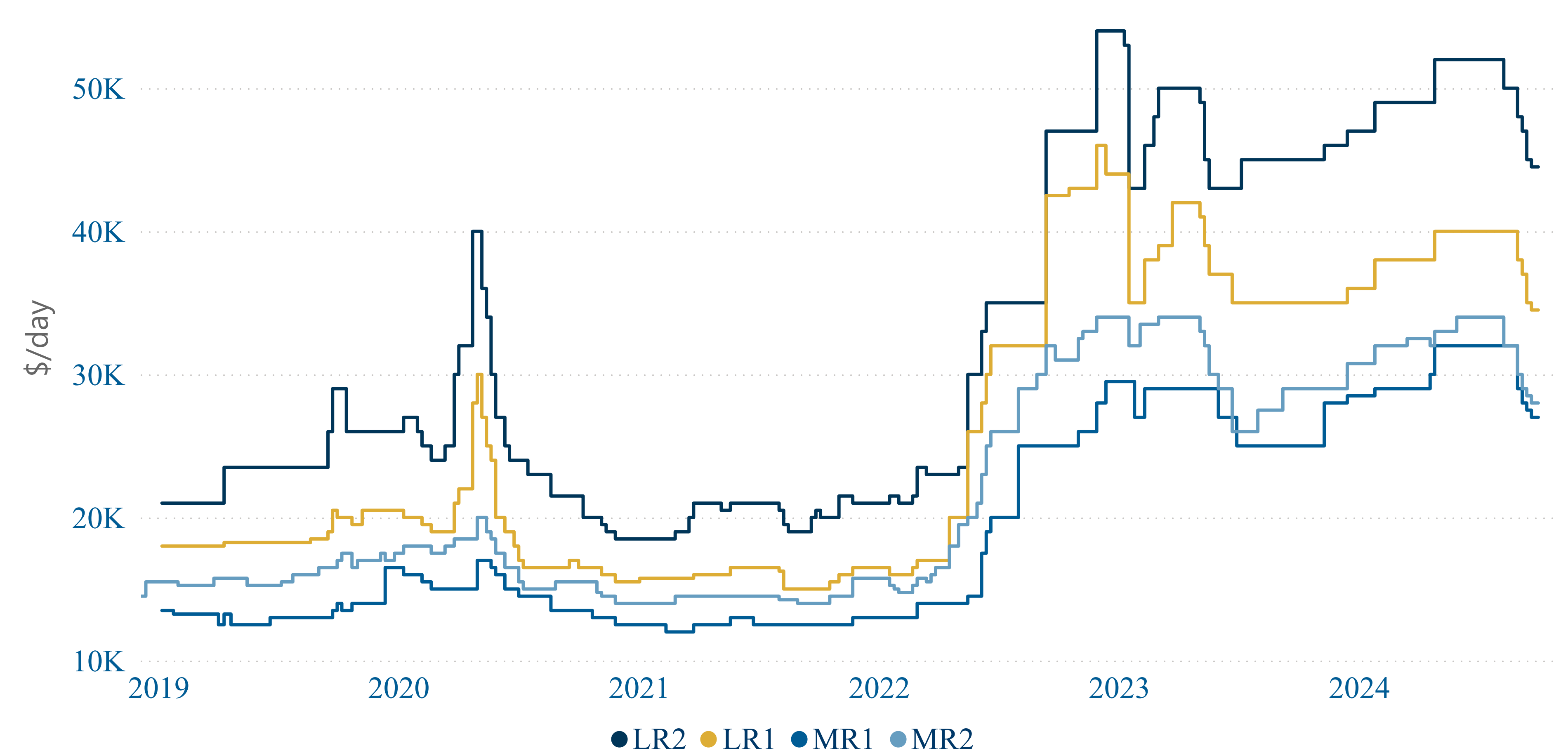
Time Charter Rates

Year Month Segment	2024							
	August				September			
	Average Eco	One Year Ago	m-o-m %	y-o-y %	Average Eco	One Year Ago	m-o-m %	y-o-y %
VLCC	\$50,500	\$46,750	-2.88%	8.02%	\$47,800	\$47,250	-5.35%	1.16%
Suezmax	\$47,000	\$44,250	0.00%	6.21%	\$43,800	\$43,750	-6.81%	0.11%
Aframax	\$49,500	\$45,500	0.00%	8.79%	\$45,200	\$43,000	-8.69%	5.12%
LR2	\$50,500	\$45,000	-2.88%	12.22%	\$45,800	\$45,000	-9.31%	1.78%
LR1	\$40,000	\$35,000	0.00%	14.29%	\$35,800	\$35,000	-10.50%	2.29%
MR1 Product	\$32,000	\$25,000	0.00%	28.00%	\$27,700	\$25,000	-13.44%	10.80%
MR2 Product	\$32,500	\$27,500	-4.41%	18.18%	\$28,700	\$28,625	-11.69%	0.26%

1 Year TCE - Crude Tankers



1 Year TCE - Product Tankers



BRS Tanker Monthly Report

October 2024 | Issue 33

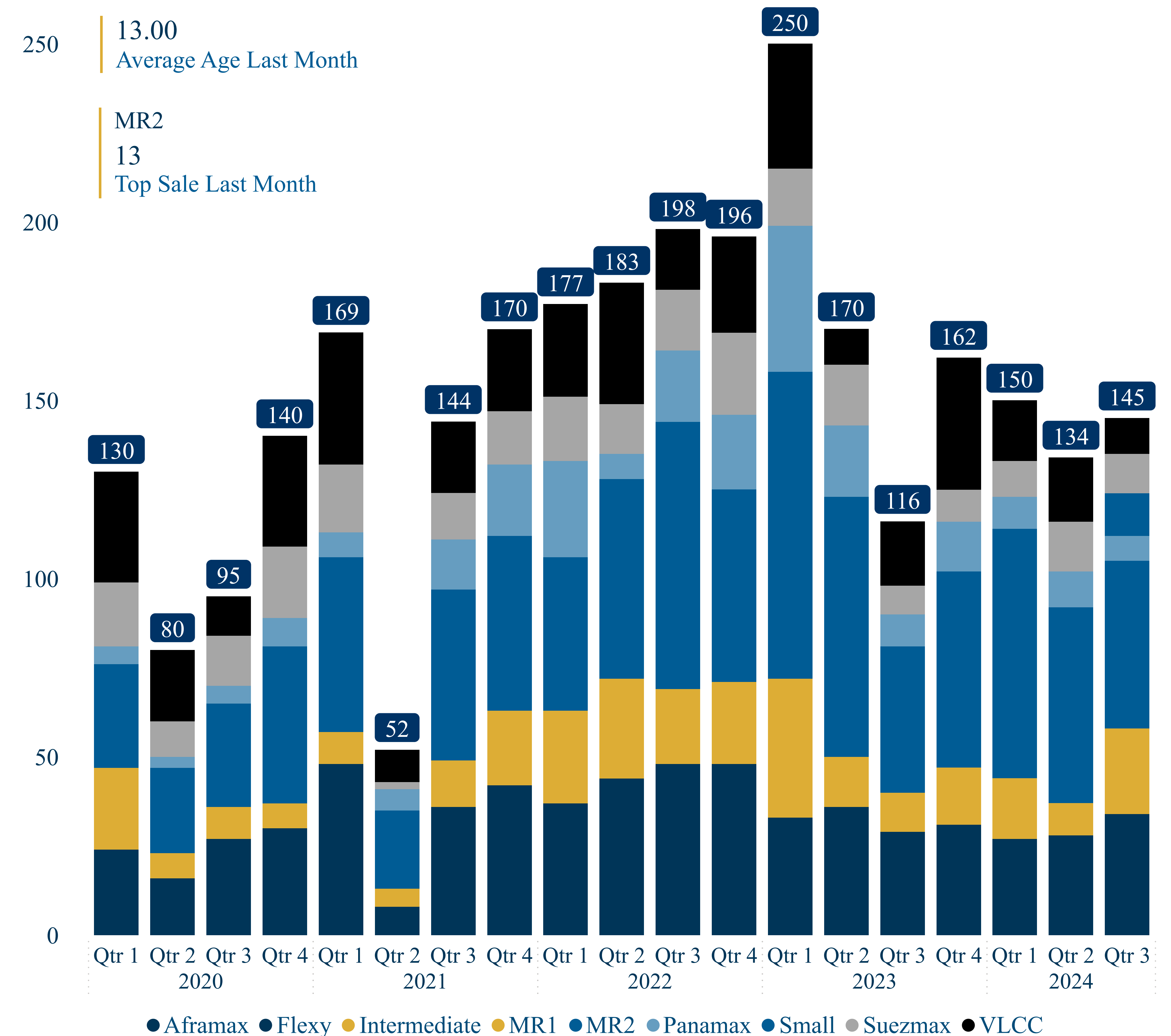


Sale & Purchase Activity

September 2024 Total SNP 33 (56 Previous Month)

NAME	BLT	DWT	BENEFICIAL OWNER	Price(\$m)
MADESTA	2005	319180	NETOSTAR LTD	40
CAPTAIN X KYRIAKOU	2013	319063	ATHENIAN SEA CARRIERS	80
YEGUA	2000	306283	FLOURICH MARINE	
nb-HENGLI SB T300K-1	2026	306000	HENGLI PETROCHEMICAL	127
nb-HENGLI SB T300K-2	2026	306000	HENGLI PETROCHEMICAL	127
SAKE	2005	300390	DYNACOM	40
ADVANTAGE VIRTUE	2008	296481	ADVANTAGE TANKERS	51
JAG LALIT	2005	158344	GREAT EASTERN SHIPPING	
STATIA	2006	150205	EURONAV NV	
SAPPHIRA	2008	149876	EURONAV NV	
MESTA	2022	113552	UNION MARITIME LTD-GBR	
STI LILY	2019	109994	SCORPIO TANKERS	74
ALKINOOS	2019	109898	CAPITAL MARITIME & TRADING	73
PLANET PEARL	2005	105699	NAN FUNG SHIPPING	29
LAMBADA	2006	104866	SPRING MARINE MANAGEMENT	32
SRINI	2008	74996	FRACTAL MARINE	
INF LIGHT	2006	72768	MAGICIAN CAPITAL LTD	17
GW FORTUNE	2020	55634	KERRISON INTERNATIONAL SHIPPING	
WHITE PEACH	2007	53187	PRO-TANKER	
ALITHINI II	2008	51246	ASTRA SM	
TUNA	2007	50344	BEKS SHIPPING CO	
TENACITY	2014	50143	SEA PIONEER SHIPPING CORP	40
SILVER CAROLYN	2014	49680	SINOKOR	
nb-NEW TIMES SB 0405048	2024	49200	NAVIG8	
NAVIG8 EXCELLENCE	2024	49160	NAVIG8	
NAVIG8 EXPRESS	2024	49153	NAVIG8	

Quarterly Tanker S&P Transactions



BRS Tanker Monthly Report

October 2024 | Issue 33

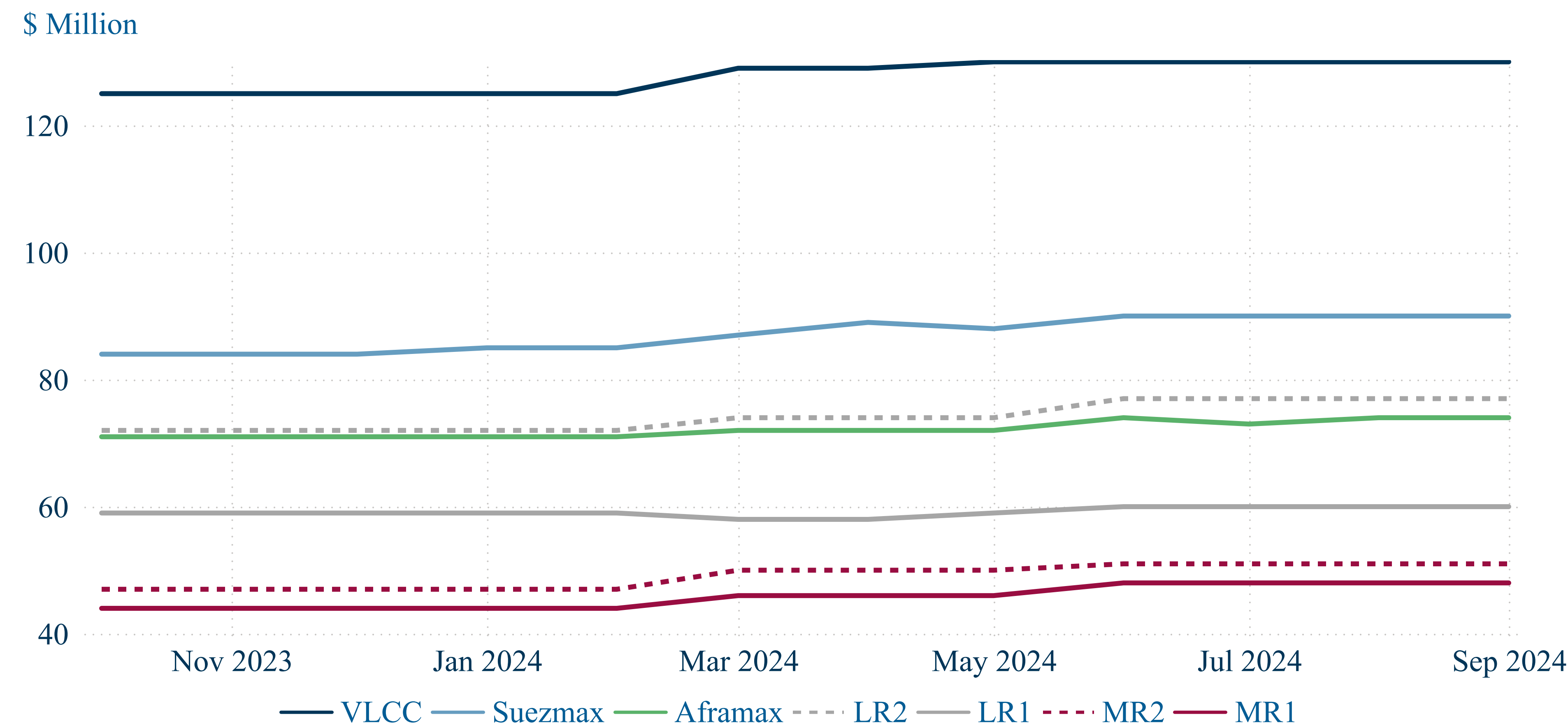


Newbuilding and Secondhand Prices

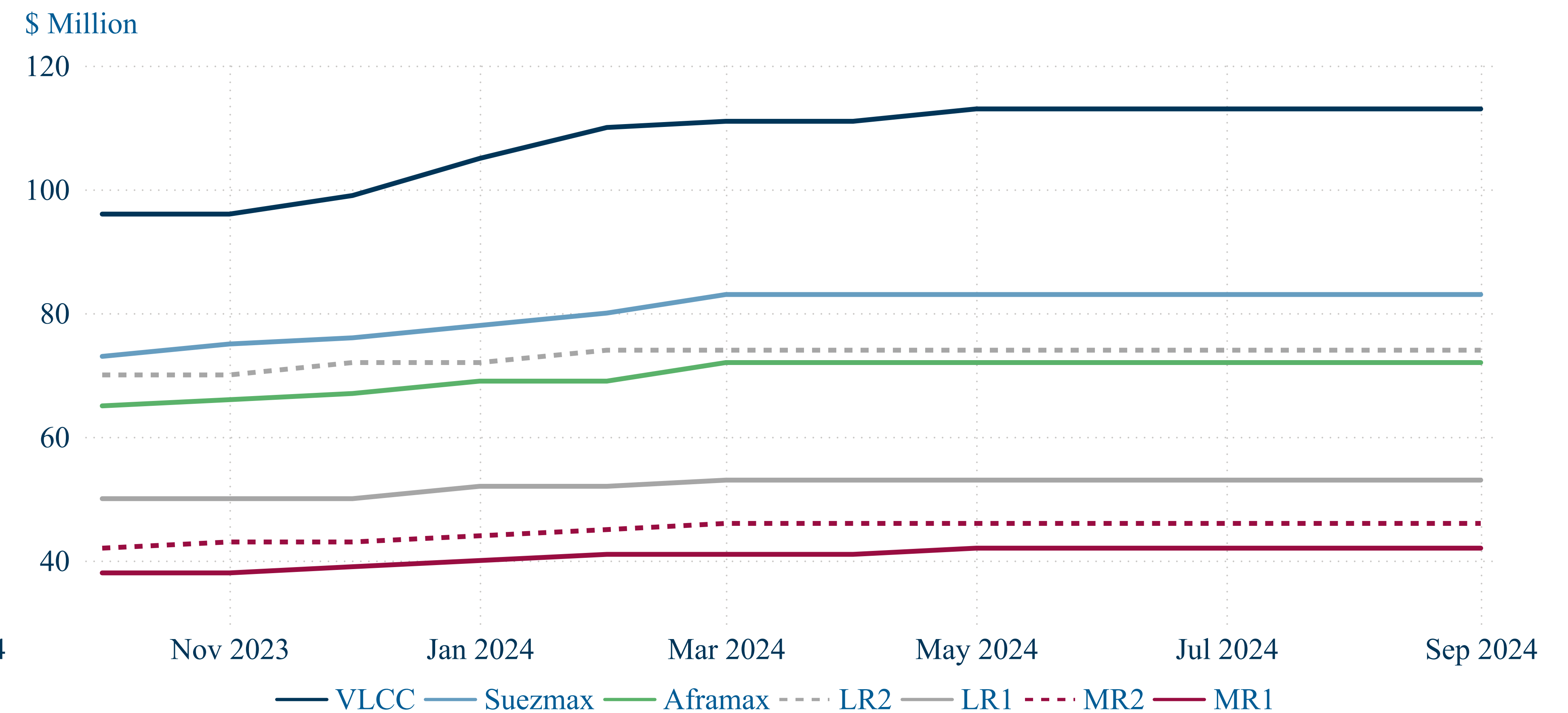
September-24

SaleType ShipType	10y.o.			5y.o.			NB		
	Price	m-o-m	Return Index basis 1Y-TC	Price	m-o-m	Return Index basis 1Y-TC	Price	m-o-m	Return Index basis 1Y-TC
VLCC	83	0	16.27%	113	0	11.95%	130	0	10.39%
Suezmax	68	0	17.98%	83	0	14.73%	90	0	13.59%
Aframax	58	0	21.71%	72	0	17.49%	74	0	17.02%
LR2	60	0	21.90%	74	0	17.76%	77	0	17.06%
LR1	43	0	22.49%	53	0	18.25%	60	0	16.12%
MR2	38	0	19.69%	46	0	16.27%	51	0	14.67%
MR1	34	0	21.47%	42	0	17.38%	48	0	15.21%

Tanker Newbuilding Prices

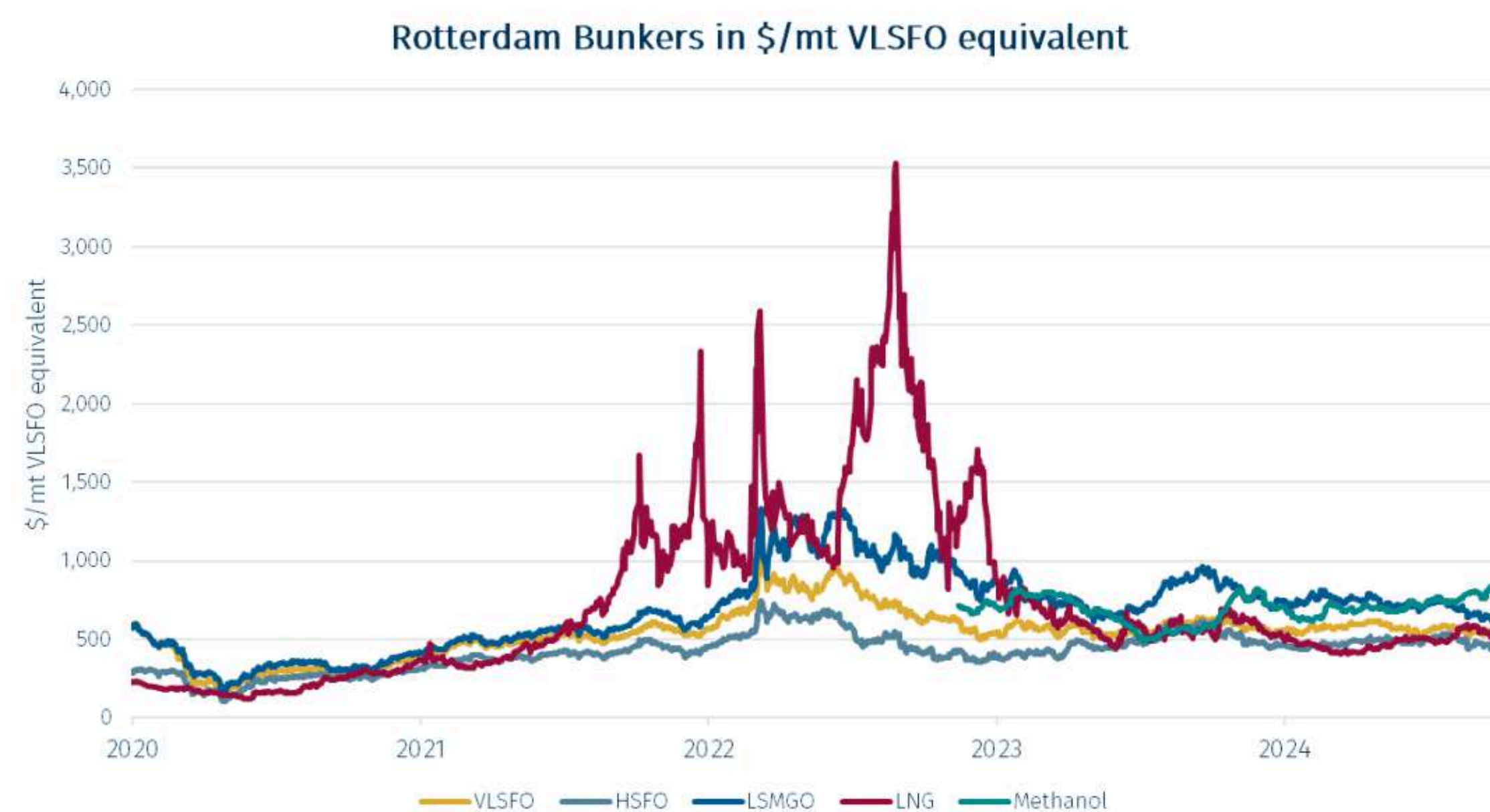


5-Year-Old Tanker Prices

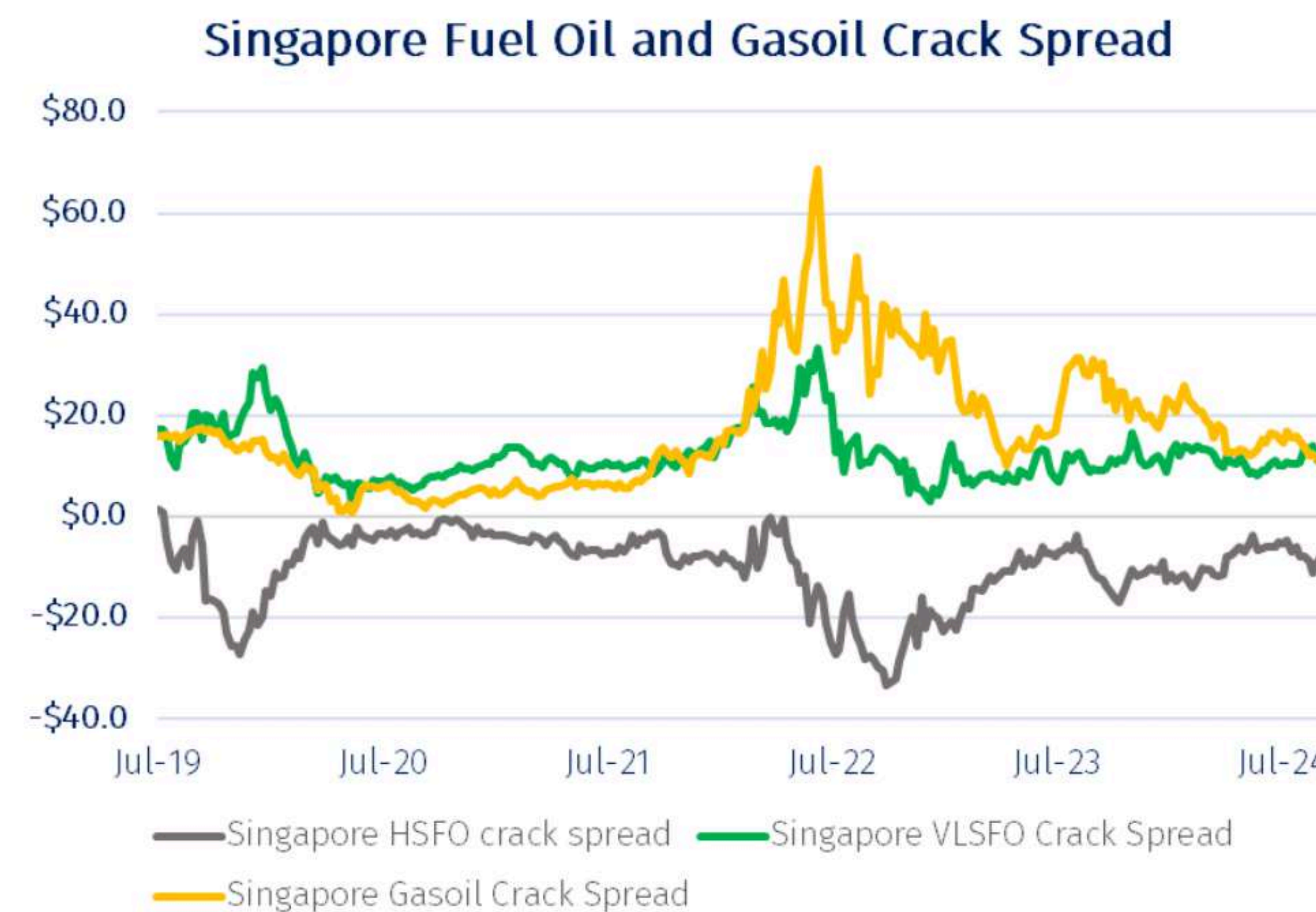


Bunker Prices

Bunker prices have not tracked the rise in oil prices evenly over the past month, amid supply dislocations across the biggest bunkering hubs. VLSFO supply replenishment into Asia is weighing down on pricing following the past month's outperformance of VLSFO crack spreads over gasoil crack spreads in Singapore, which has incentivized increased VLSFO supply response into the area. Indeed, VLSFO inflows into Asia during October are estimated to reach the highest level since April, while HSFO supplies are tighter amid slower supply replenishment and increased demand from scrubber vessels. As a result, VLSFO price strength in Singapore has been relatively muted up +1.7% m-o-m, while HSFO prices have surged +14.5% m-o-m. Rotterdam's HSFO supply tightness has been more pronounced with HSFO prices in Rotterdam up by almost 30% m-o-m and VLSFO prices up +8.4%. HSFO tightness has been exacerbated in North West Europe amid elevated outflows

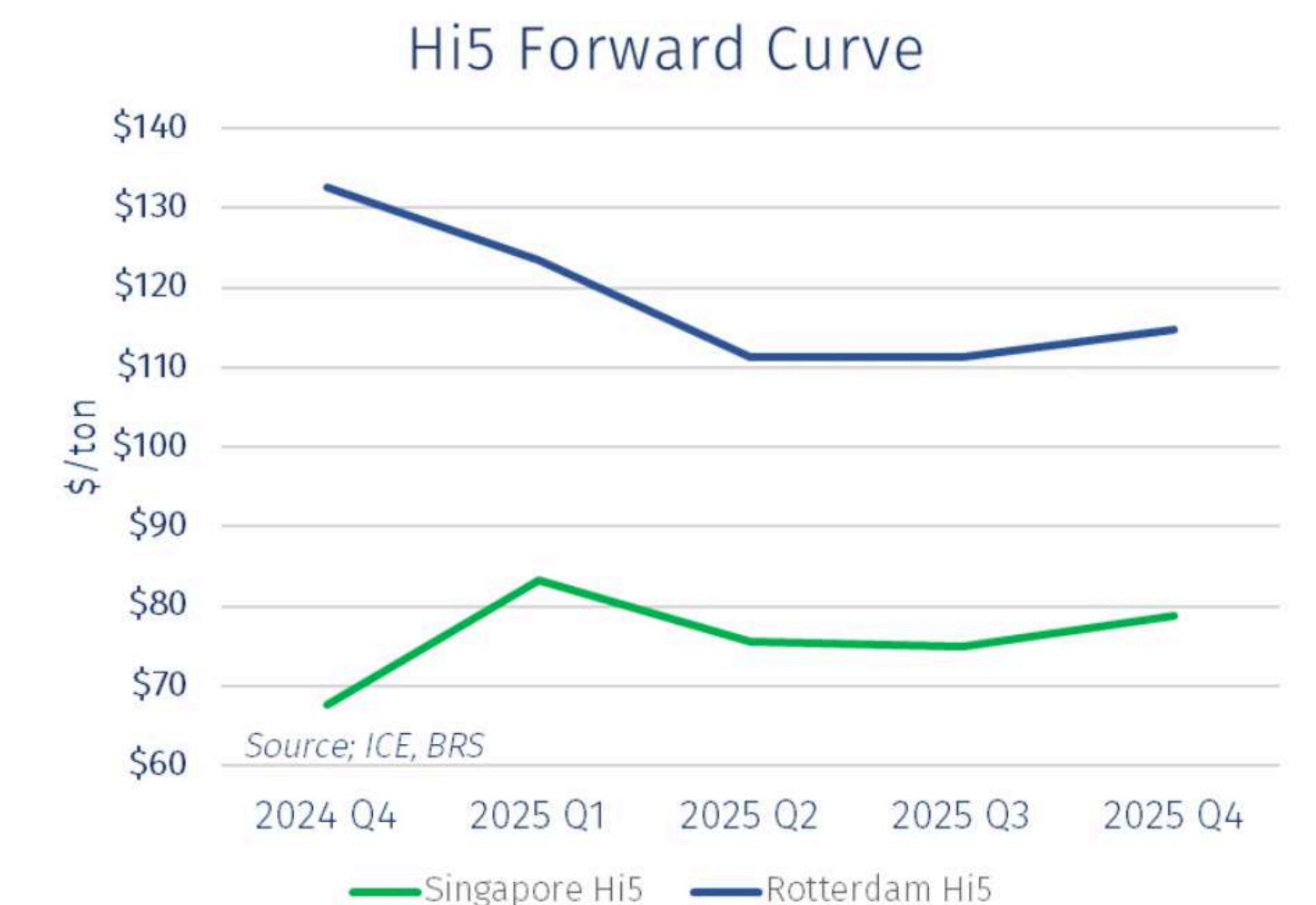


from the region, with exports to all destinations rising to the highest level since February leaving the grade in relatively tighter supply for bunkering compared to VLSFO, while HSFO barges and delivery costs are estimated to have inflated sharply, driving a severe narrow down of the VLSFO-HSFO bunker price differential below \$30/ton (-\$100/ton m-o-m). This compares to \$110/ton in Singapore which is also down by more than \$80/ton over the past month. The Hi5 curve continues to



trade a premium to spot for Rotterdam, with the curve in a +\$50/ton contango down to the end of the year, while the Singapore Hi5 curve trades higher at \$130/ton, albeit for the rest of the year. Part of the tightness in the spread is priced in to the present by the potential for further tightness in the crude heavy sour supplies in the short term should Middle East crude oil

supply is disrupted, however, if this does not materialize and OPEC releases supplies as currently pledged or if the oil supply response from OPEC turns out higher than expected in a effort to counterbalance potential oil supply disruption from Iran, then the VLSFO-HSFO spread could turn sharply higher by the end of the year, with the widening more pronounced during December. Meanwhile, LNG prices have increased over the month, with those in Asia rising at a faster pace compared to Rotterdam. Both Rotterdam and Singapore bunker prices are currently at a premium compared to VLSFO on a energy content basis. This comes at a contrast to the same period last year when LNG bunker prices had turned into a discount to VLSFO and HSFO prices in Rotterdam.



BRS Tanker Monthly Report

October 2024 | Issue 33



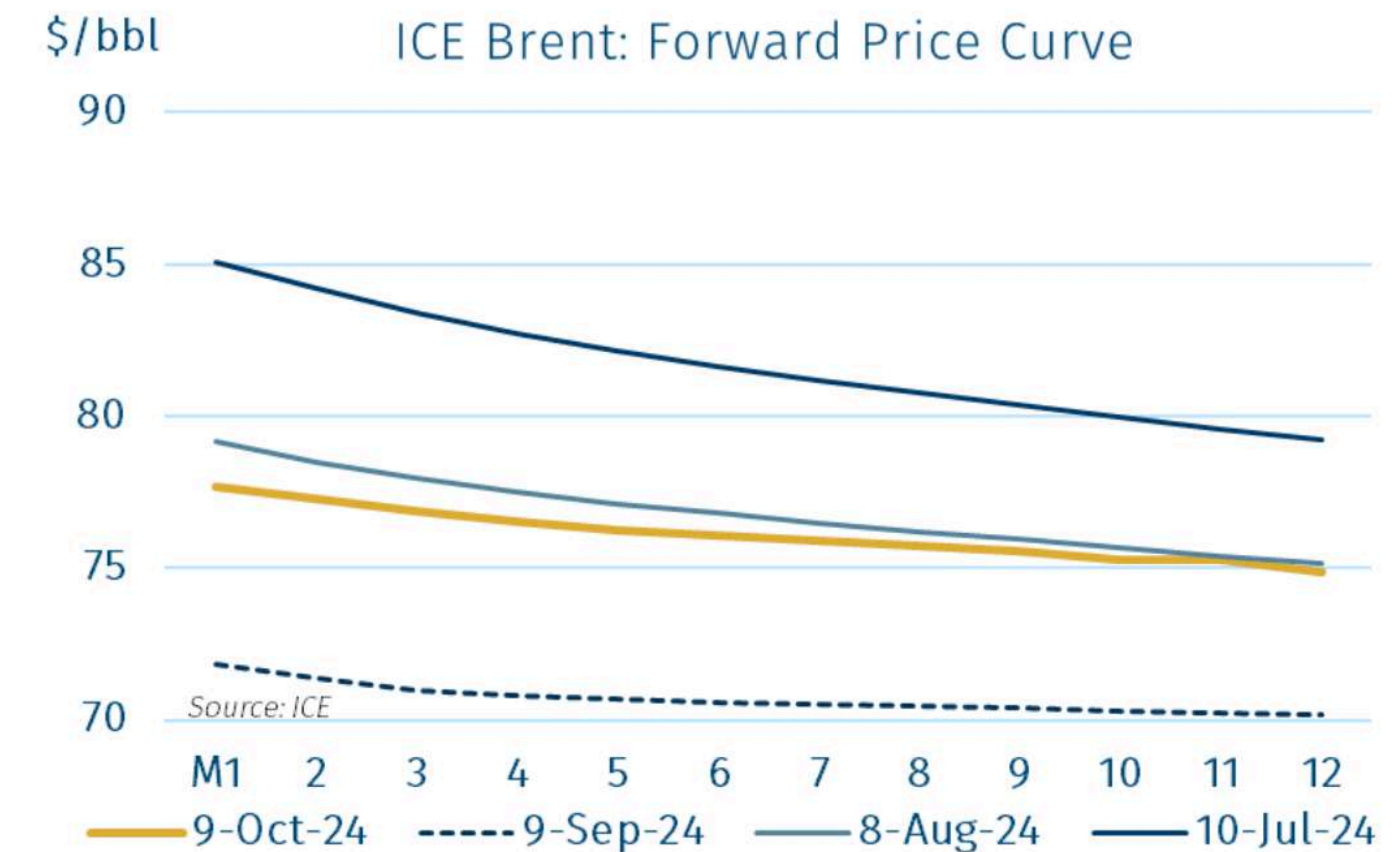
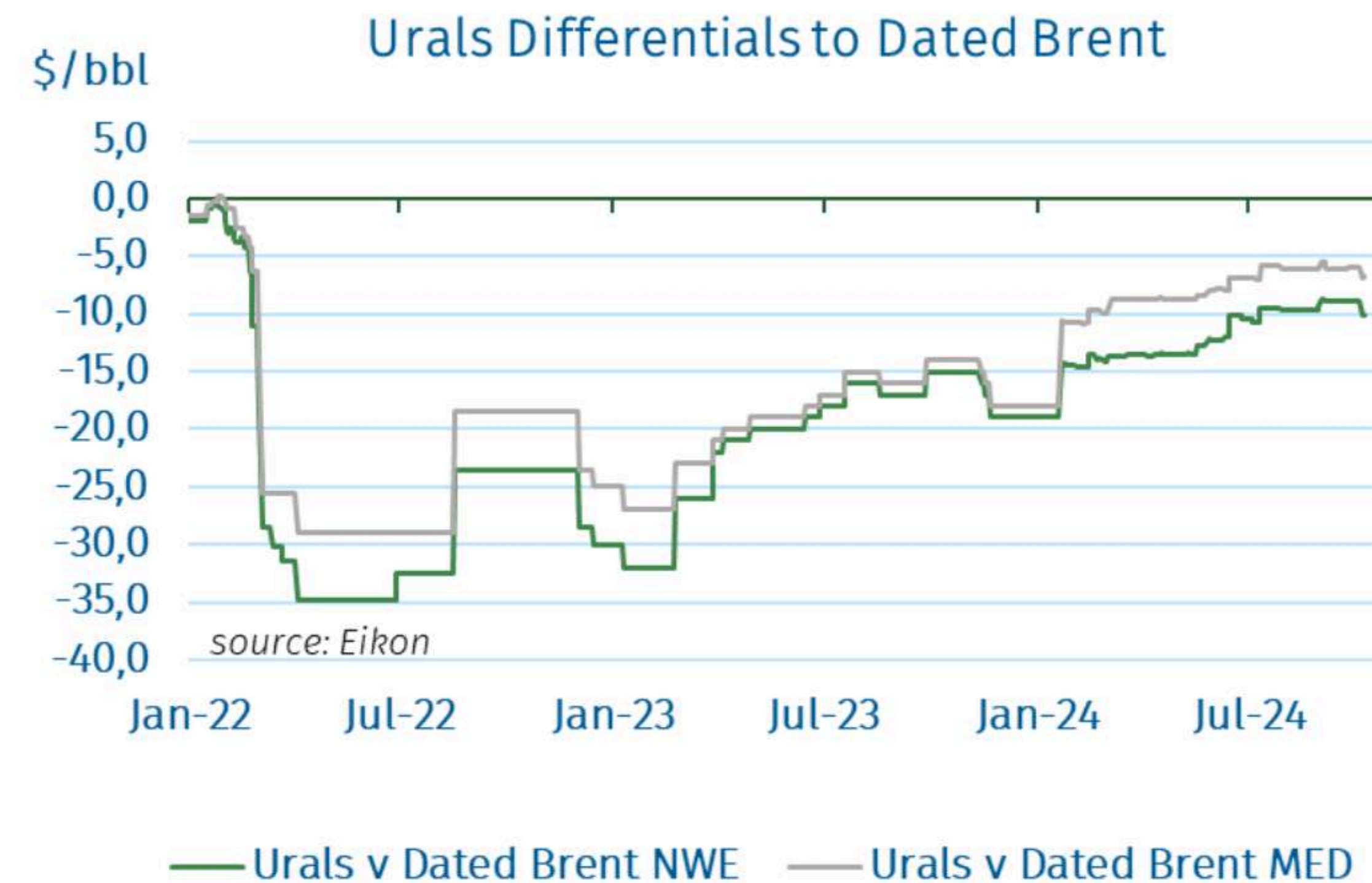
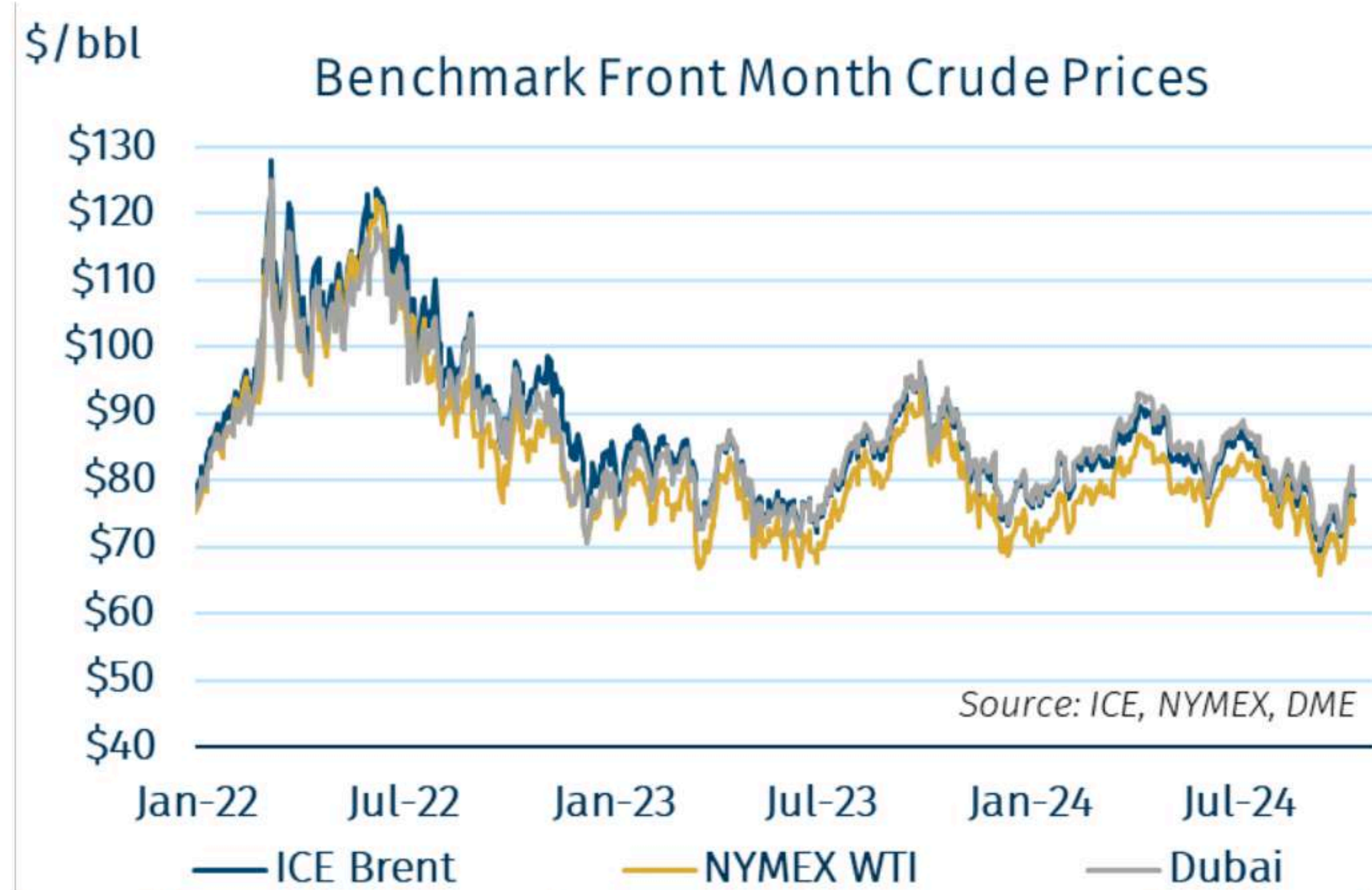
Oil Prices

Oil Prices

Oil prices rallied over the past month, with Brent rising above \$80/bbl in early October for the first time since August, before retreating at the time of writing at \$77.7/bbl. Brent implied volatility rose sharply in the first week of October with the geopolitical escalation in the Middle East driving a repricing of the risk premium upwards again in fear of oil supply disruptions. The risk premium has recently eased as the market

of the curve with the WTI M1/M2 and M1/M5 spread narrowing, as US commercial crude inventories have built over the month, amid seasonal and hurricane related declines in US refinery utilization rate. Increased refinery capacity offline in Russia is expected to continue to release more crude oil volumes to the

the Middle East fail to materialize. EIA's latest short term energy outlook revised US crude oil production downwards by 30kb/day for 2024 at 13.22 mb/day and slightly downwards for 2025 at 13.54 mb/d, still expecting annual increases in production. Latest oil demand growth forecasts amongst the major three agencies IEA, EIA and OPEC continue to diverge, projecting oil demand growth at 950kb/d, 940kb/d and 1.75mb/d respectively for 2024.



is weighing oil demand growth concerns stemming from China with the NDRC not announcing new supportive fiscal measures as the markets were anticipating, while refinery margins are recovering sluggishly from Q3 lows. Brent saw the largest price gains on the front end of the curve (+8.1% m-o-m) shifting the oil price curve up compared to September with a slight widening in backwardation, while WTI has seen largest increase at the mid

export market in October and further add to supply pressures from Libya ramping up production and exports following the slump during September. Recent press reports indicate that Libya oil output has increased above 1mb/d for the first time since August following the lift of the force majeure on October 3 on all oil fields. Meanwhile, OPEC+ is expected to start unwinding additional voluntary cuts by the end of the year with December planned to see a 180kb/d increase in production as per the latest oil production policy. This may widen the Brent-Dubai oil price spread further in case oil supply disruptions in

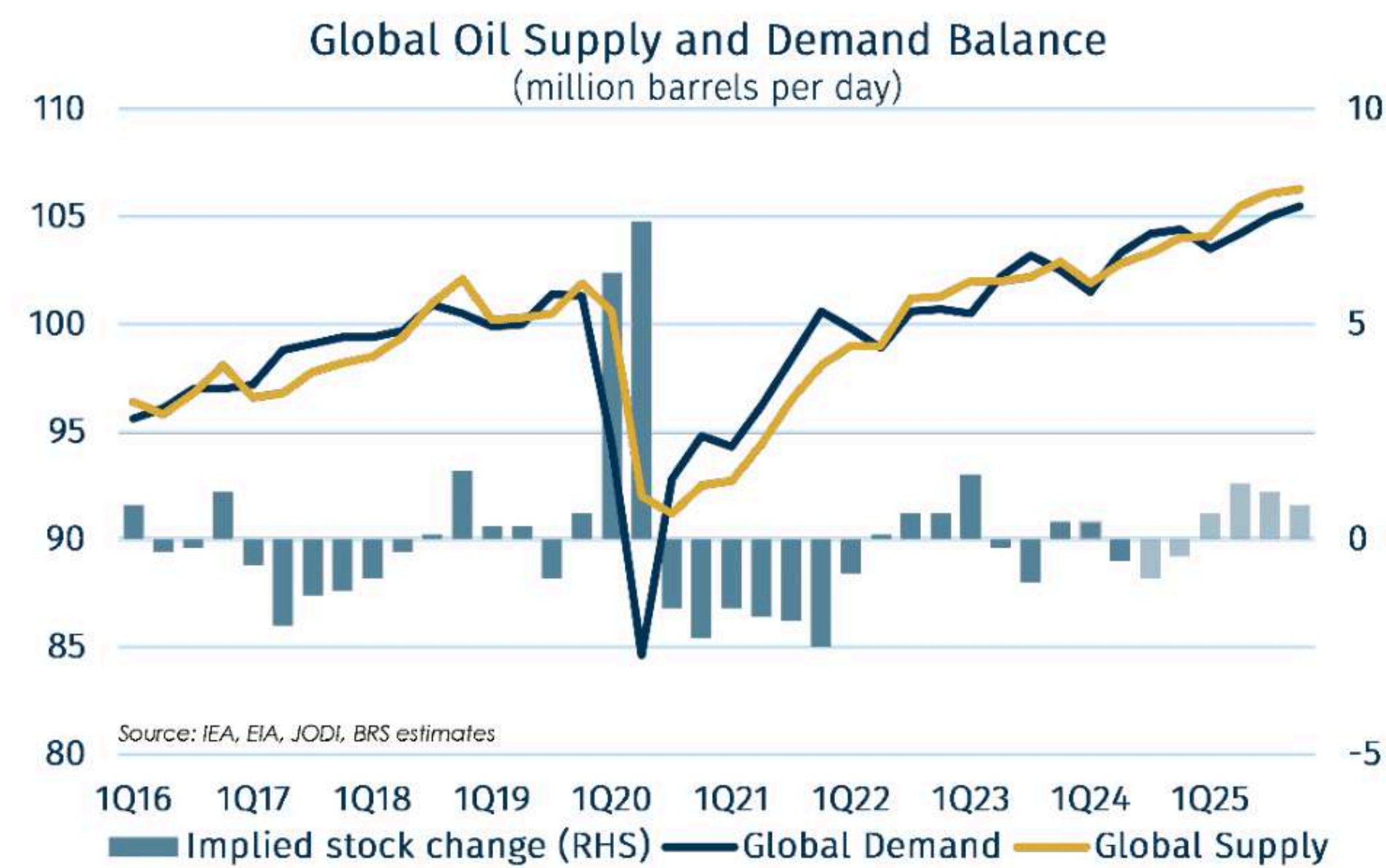
BRS Tanker Monthly Report

October 2024 | Issue 33



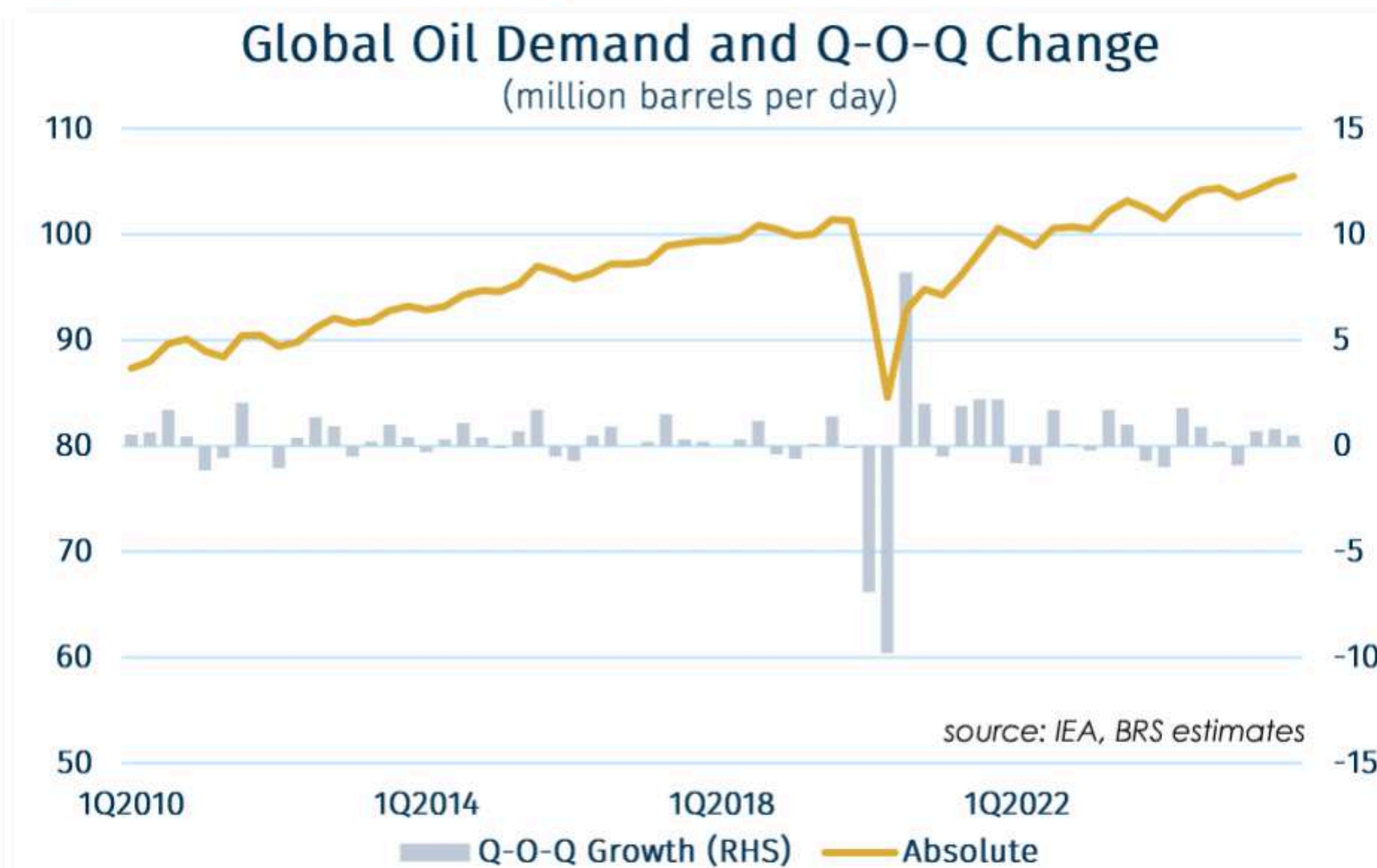
Oil Market Commentary (1/2)

Stable demand forecast. Following last month's slight 0.1 mb/d downward revision, this month, our forecast of global oil demand growth in 2024 remains unchanged at 1.3 mb/d as the travails of the global economy, and in particular China, continue to be a drag for oil demand. Indeed, annual global oil demand growth this year will be the third slowest over the past ten years (with one of these years being Covid-hit 2020). Similarly, our projection of oil demand growth in 2025 remains unchanged at 1.2 mb/d which reflects expectations that global economic growth will decelerate further.



Group effort. Although, on a country-by-country basis, China is projected to remain the main contributor to global oil demand growth as its petrochemical sector continues to expand, next year its proportion of global growth (42%) is decreasing significantly compared with previous years. Indeed, next year is projected to be more of a 'group effort' with Other Asia (0.4 mb/d, 33%) also contributing to growth as India and Southeast

Asian economies continue to emerge. On a product-by-product basis, growth is concentrated at the top of the barrel with LPG and Naphtha forecast growth by a combined 0.7 mb/d accounts for close to 60% of global growth. This reflects rising global petrochemical demand, although this will be heavily concentrated in several regions: China, the Middle East and the USG. Another significant contribution comes from Kerosene which is projected to rise by 0.2 mb/d. The majority of this growth should come from the Eastern Hemisphere as air travel demand in emerging economies should continue to grow strongly in line with rising disposable income.



No oil supply disruption. Despite geopolitical tensions in and around the Middle East rising to fever pitch over the past few weeks, there continues to be no physical oil supply disruption. This is reflected by relatively muted oil price rises since the beginning of the month despite the tit for tat attacks by Israel

and Iran. However, a further escalation cannot be ruled out with Israeli officials openly discussing strikes on Iranian oil infrastructure. Indeed, there have always been tenuous links between rising Iranian oil export revenues and rises in Iran's funding of 'terrorist' groups such as Hamas, Hezbollah and recently Yemen's Houthi's. Iran currently produces around 3.4 mb/d of crude oil which is around 300 kb/d higher year-on-year. As discussed further in *BRS Tanker Newsletter* dated 7 October, we understand that Iranian oil export terminals, production sites, pipelines and refineries are considered legitimate targets by Israel. If such sites were to be hit this could compromise Iran's crude exports which currently oscillate around 1.7 mb/d (almost of which is imported by China on grey fleet VLCCs). In turn, this could spur other OPEC+ members to hike their production and exports to China which would boost mainstream VLCCs. However, there is a caveat. Senior Iranian officials have implied that oil infrastructure in other Middle Eastern states could be targeted. If this was to be the case not only would it likely curb the ability of these countries to export their crude, but it could propel crude prices towards a demand-damaging triple digits. Indeed, Iran is already heavily suspected of helping Yemen's Houthis to launch their 2019 attack on Saudi Arabia's Abqaiq-Khuras oil processing facilities.

Libya's temporary strife. Away from the Middle East, September was a relatively volatile month for oil supply. Notably, in early September, it was marked by the escalation of a dispute between Libya's rival governments over the country's central bank leadership. This saw the eastern government order the

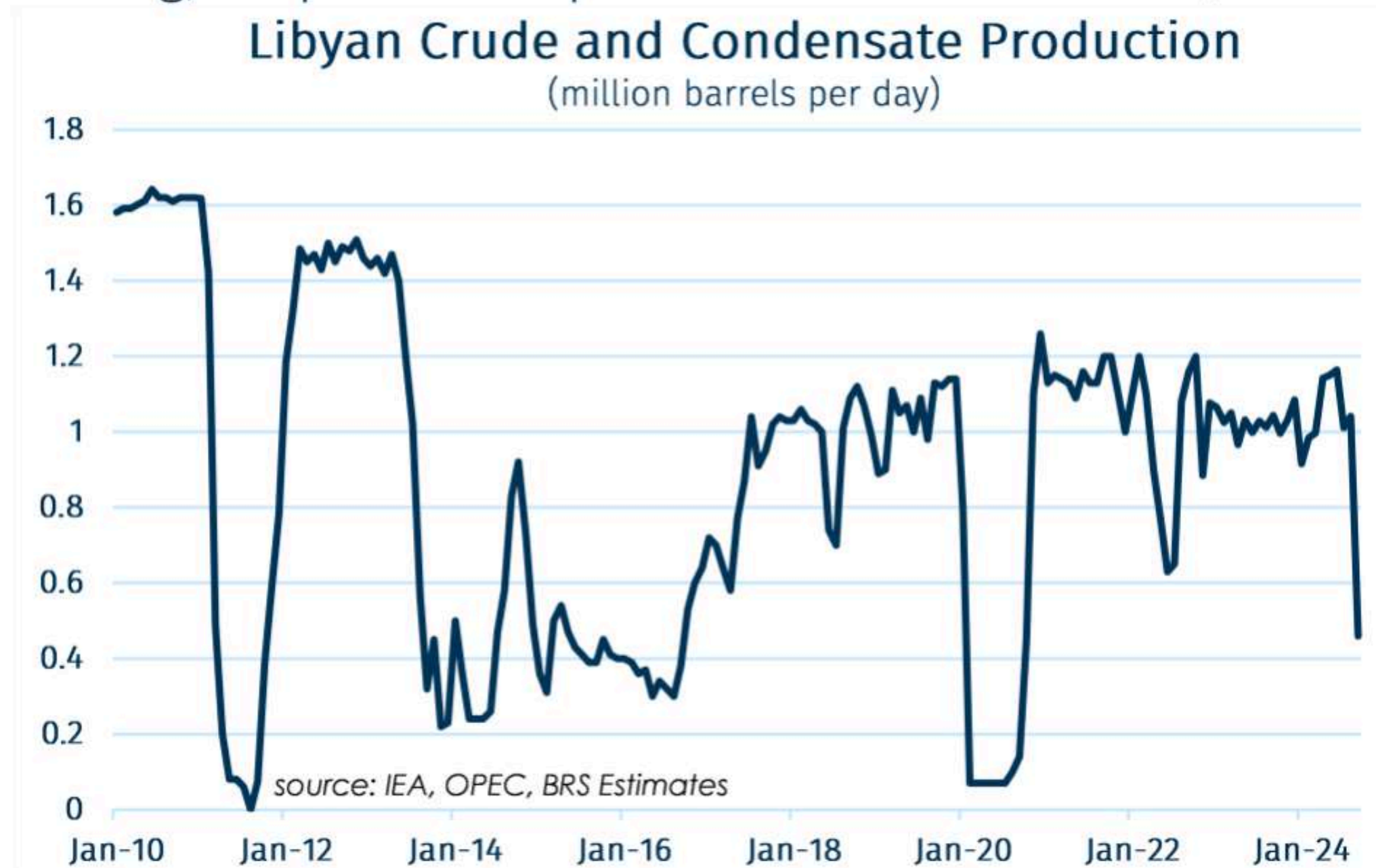
BRS Tanker Monthly Report

October 2024 | Issue 33



Oil Market Commentary (2/2)

shutdown of oil and gas fields and export terminal on its territory with Libyan production slumping accordingly from around 1.2 mb/d to under 500 kb/d. In turn, this decimated the demand for Aframax and Suezmaxes to lift from the country. However, by early October, a deal had been struck and the eastern government lifted *force majeure* and by the time of writing, output and exports returned to 1.13 mb/d.

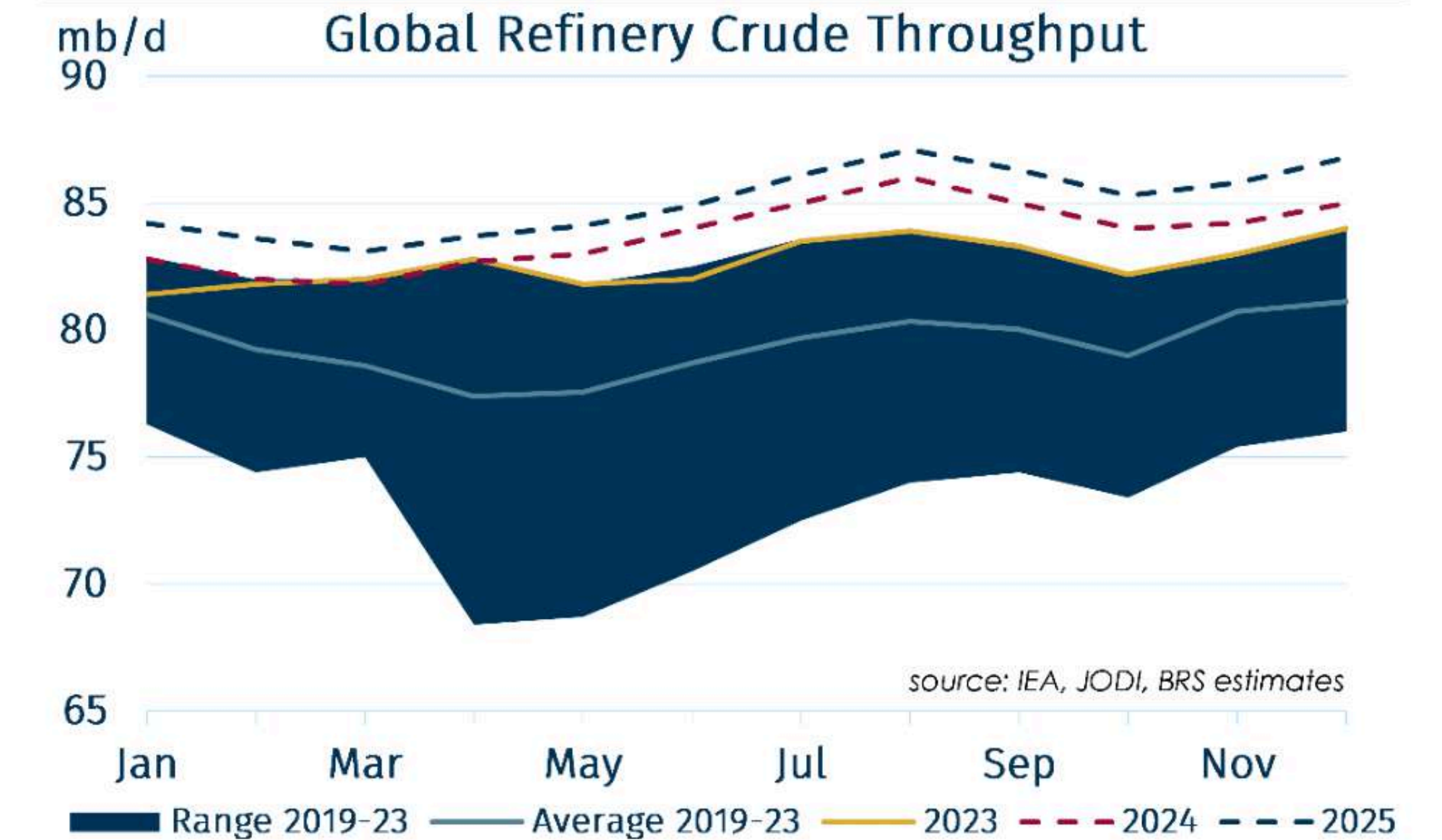


US: from strength to strength. Despite a relatively active US Gulf hurricane season, offshore and onshore upstream and midstream oil infrastructure has largely remained undamaged by the several strong hurricanes which have barrelled across the region. Indeed, this has helped to support US oil production over the past few months. However, this has not fed into strong US crude exports as these have been weighed down by relatively strong domestic crude demand. As we move into US refinery turnaround season when over 800 kb/d of capacity could be taken offline, and assuming that a late-season hurricane does

not strike the region, US seaborne crude exports have the potential to move higher over the coming weeks from the approximate 3.5-4 mb/d around which they have oscillated in late summer. Indeed, this anticipated uptick is likely behind the recent flurry of fixing activity in the US Gulf which has propelled Aframax and Suezmax rates sharply higher. All told, we project that US crude supply will grow by 400 kb/d both this year and next. Considering the lack of US refinery capacity expansion (one 260 kb/d-capacity plant is slated to shut in the US Gulf next year), all incremental barrels should be exported, which implies that US seaborne crude exports should approach 5 mb/d on a more regular basis. All told, and assuming that OPEC+ return some of their supply cuts to the market, global oil supply is projected to rise by an above average 2.4 mb/d. This is far stronger than the 0.7 mb/d estimated for 2024, which reflects OPEC+ stubbornly keeping their taps shut so far this year.

Tough refining environment. The global refining environment remains tough and recent higher crude prices in the wake of heightened geopolitical tensions have hit margins further. Indeed, data suggest that margins for simple refiners in Northwest Europe, the Mediterranean and Singapore have recently slipped into the red. Product markets appear well supplied the world over and this is testament to the smooth functioning of clean tanker markets which have permitted supply chains to deal with the increase in voyage distances and times since the vast majority of tankers started avoiding the Suez Canal following the start of Houthi attacks on shipping at the end of last year. Indeed, despite the projected quarterly

increase in oil demand projected for 4Q24, ample prompt supplies are proving to be a millstone on global crude runs which are forecast to fall by 900 kb/d quarter-on-quarter. Furthermore, if simple margins continue to trend at such low levels, economic run cuts in mature markets cannot be discounted which would cut global crude demand further still. In turn, this would hit both crude and product tanker demand which could lead to 4Q24 not delivering the boost to tanker freight rates that many owners have been crying out for. Nonetheless, 2025 appears more inspiring with runs projected to rise by 1.3 mb/d on an annual average basis. Furthermore, if, as anticipated, crude and product markets flip into persistent contango at some point over the next 15 months, this could help relieve some of the pressure on refiners and drive the demand to replenish currently depleted inventories. This would drive a strong uptick in the demand for both crude and product tankers.

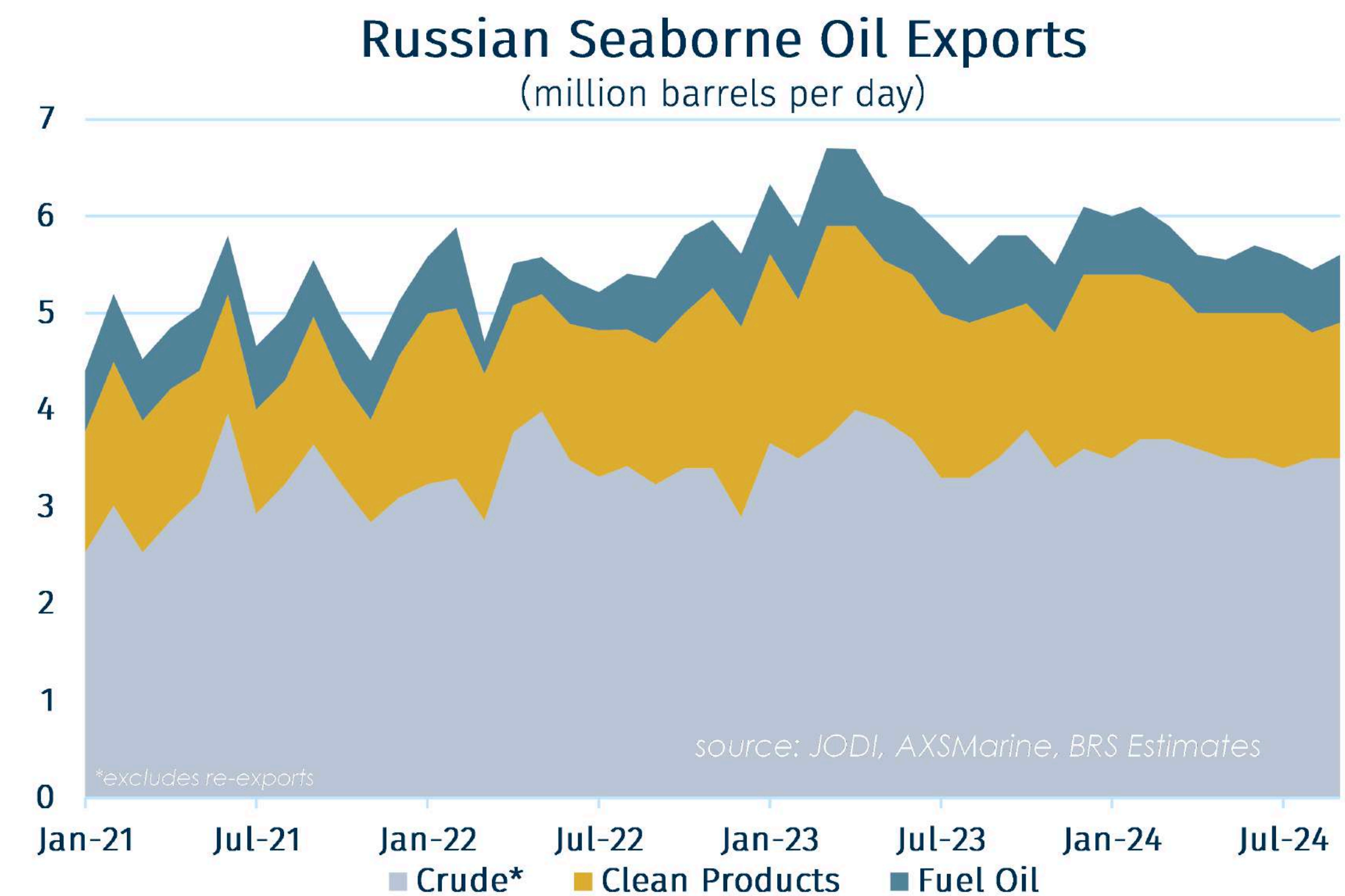
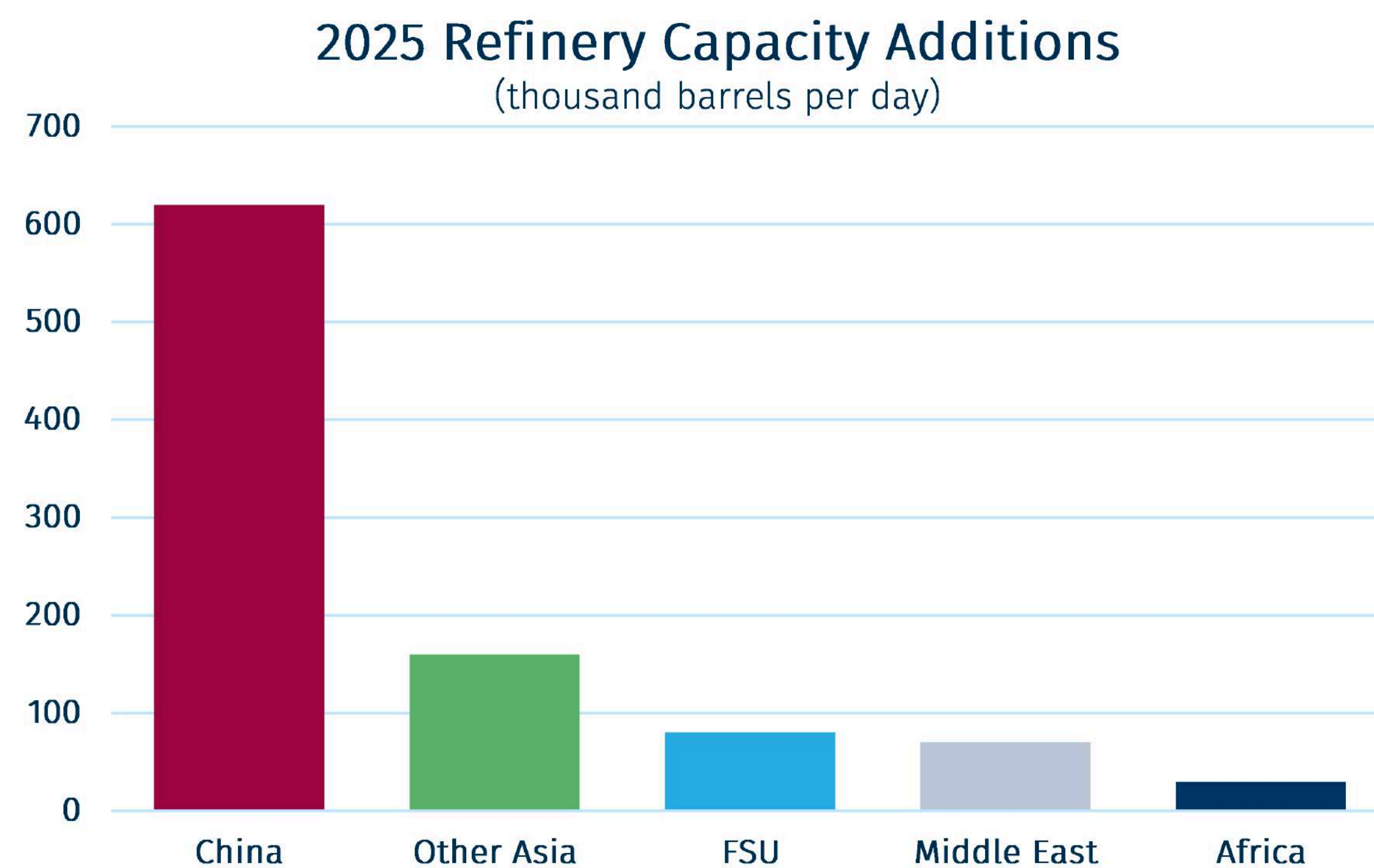
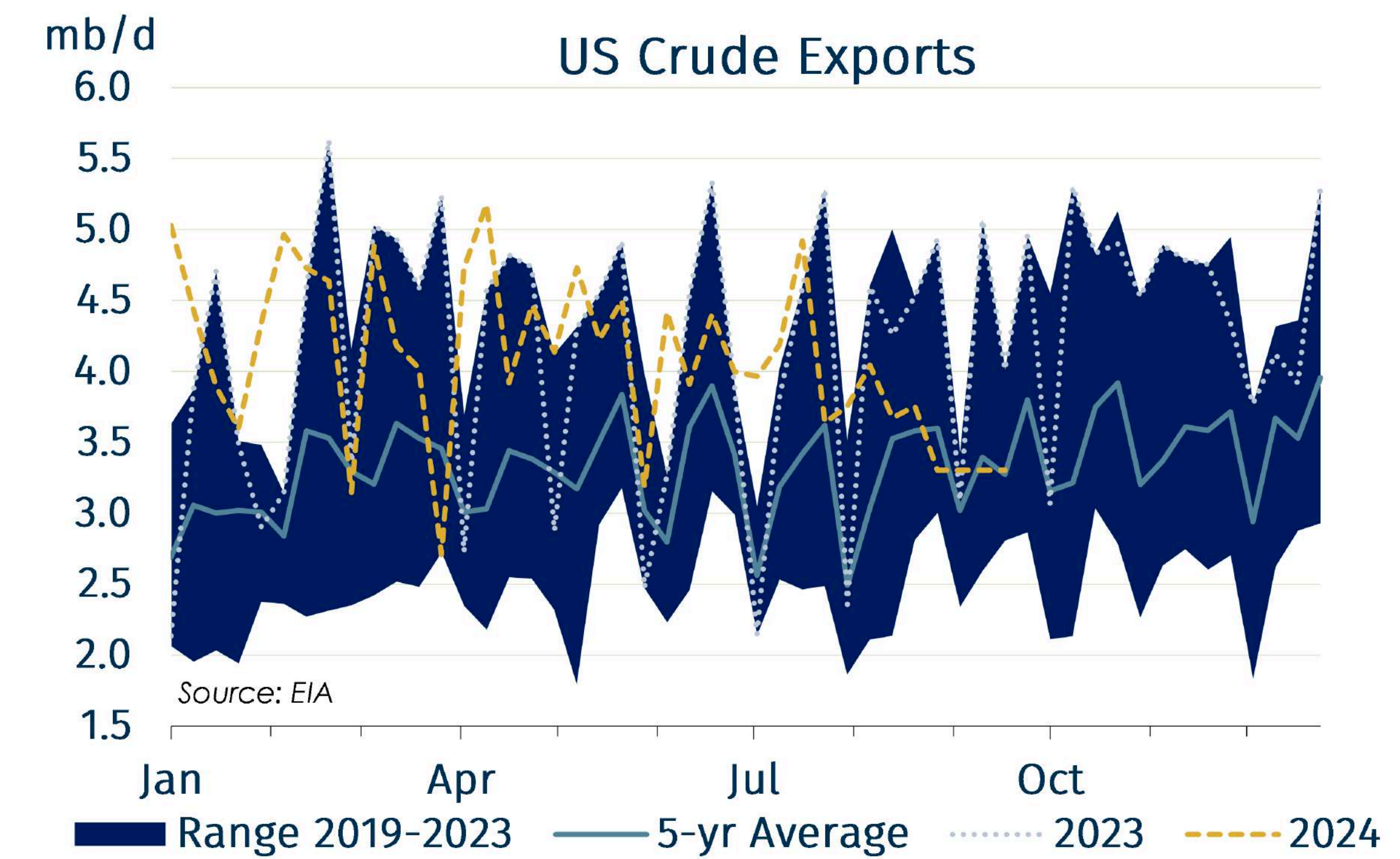
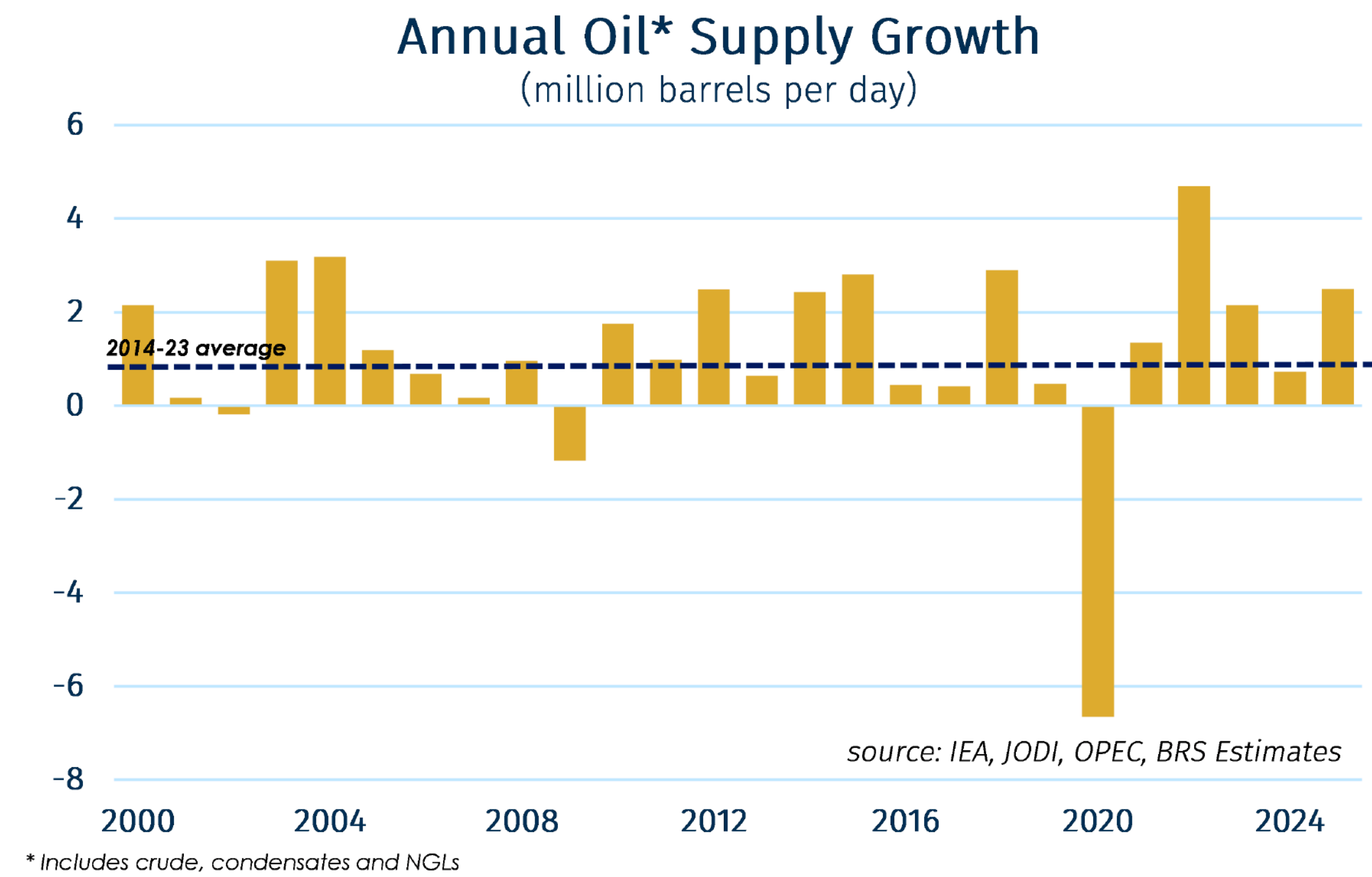


BRS Tanker Monthly Report

October 2024 | Issue 33



Selected Oil Market Fundamentals



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For more information please visit: www.brsshipbrokers.com