# Aframax

## Monthly Fundamentals

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### Spot Market Overview

- Spot TCEs corrected downwards
- Current TCE levels are around US$ 49,000 / day for Eco units

### Fleet Overview

- 90 vessels scheduled to be delivered during 2026 (including coated tonnage)
- 68 Aframax/LR2 vessels ordered so far this year – all coated

### Period Market Overview

- Timecharter levels remain elevated, but have corrected downwards
- 1 year TC for an eco vessel sits at US$ 48,000 / day

### Oil Fundamentals Overview

- Global oil demand to contract by 1.1mb/d across 2026
- Crude oil prices dropped significantly following MOU between the USA and Iran

### S&P Market Overview

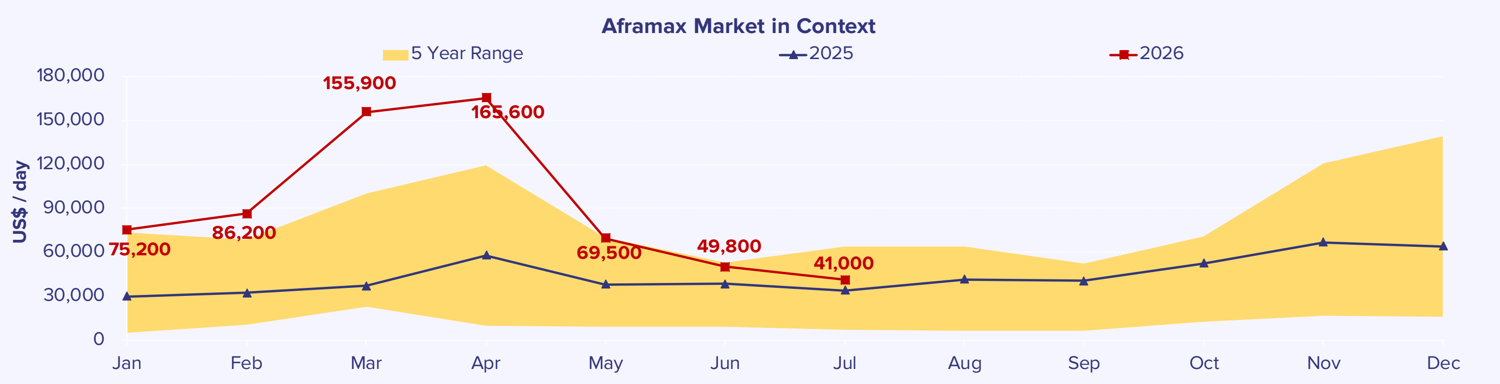
- Strong increases in pricing and demand for prompt tonnage

July 2026

# Spot Market Overview

## IG Assessments

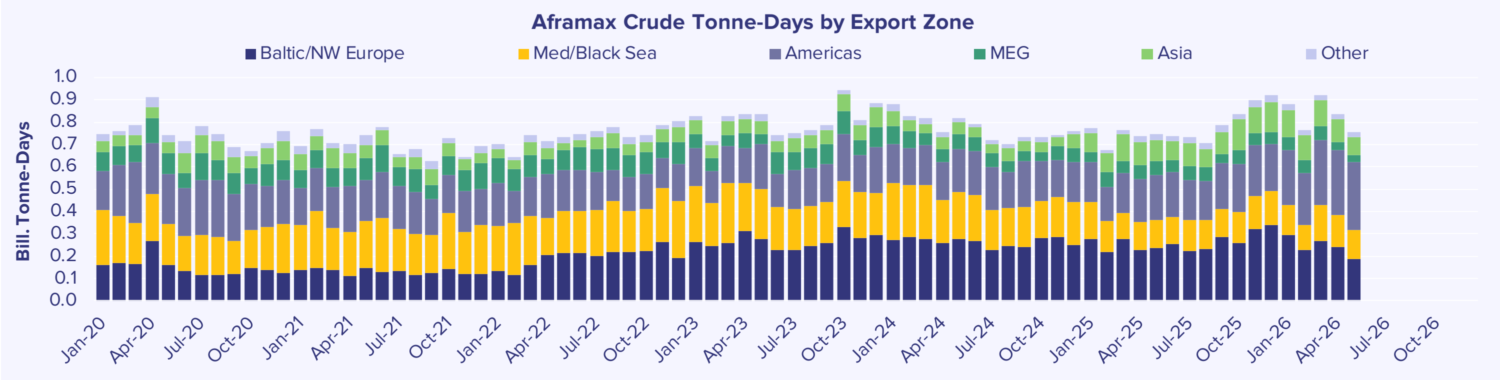
| 10 Jul 2026 | Cross Med 80kt | | USG / Med 70kt | | Indo / Japan 80kt | | Global Basket - TCEs | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | WS | TCE | WS | TCE | WS | TCE | Non Eco | Non Eco Scrubber | Eco | Eco Scrubber |
| **Current** | **205.0** | **58,123** | **190.0** | **45,893** | **160.0** | **35,937** | **44,082** | **46,376** | **49,029** | **49,790** |
| **May-26** | 207.6 | 53,495 | 272.4 | 71,609 | 200.0 | 46,687 | 63,428 | 64,930 | 69,505 | 69,338 |
| **Jun-26** | 189.8 | 50,153 | 202.4 | 49,181 | 165.5 | 36,432 | 44,636 | 45,727 | 49,797 | 49,538 |
| **Jul-26** | **169.6** | **40,834** | **171.4** | **39,939** | **160.0** | **36,233** | **36,227** | **38,176** | **40,953** | **41,488** |
| **2024** | 157.1 | 43,221 | 172.1 | 41,662 | 154.4 | 38,825 | 39,783 | 41,695 | 43,024 | 44,491 |
| **2025** | 153.1 | 45,185 | 163.3 | 41,320 | 143.4 | 38,388 | 40,899 | 42,076 | 44,133 | 44,957 |
| **2026 ytd** | **274.9** | **96,018** | **320.0** | **93,846** | **219.7** | **57,185** | **92,739** | **94,345** | **97,747** | **97,943** |




The average earnings have corrected quite significantly since the peaks in April this year, when the TCE average for the month reached US$ 165,600 / day. Since that point the average monthly earnings were on a downward curve with averages for June sitting at US$ 49,800 / day. Although the rates and sentiment corrected, for the majority of the current year the average earnings were sitting above the top part of the 5 year range.

The current month average earnings are sitting at US$ 41,000 / day, which represents a further downward correction compared to the month prior. The earnings are hovering just above the 5 year seasonal averages. With uncertainties around the potential deal between the US and Iran still ongoing, the sentiment is expected to remain on a softer side.

## Volumes



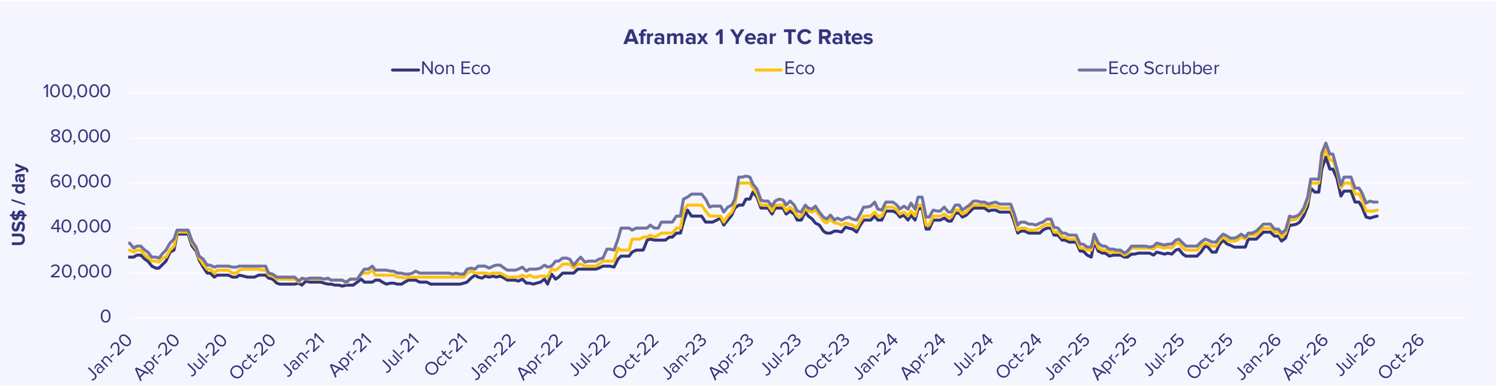

MEG represents only a small part of the Aframax segment cargo liftings and utilisation, and the loss of the volumes due to the Iranian conflict did not have significant adverse influence on the total utilisation. Although utilisation levels as measured in tonne days have been on a downward curve since the peak in March, both April and May utilisation numbers remained healthy.

Apart from losing those MEG loading volumes, Baltic and NW Europe loading volumes softened during April and May, which pulled the overall utilisation numbers down. Some compensation from the lost volumes was coming from Americas regions, which provided some replacement barrels for the volumes lost due to the Strait of Hormuz closure. It is worth noting that the traffic through Hormuz picked up slightly during the later part of June. However, at the time of writing some renewed attacks on commercial ships in the region and US attacks on Iran are not giving much confidence about the quick conflict resolutions.

# Period Market Overview

## IG Assessments

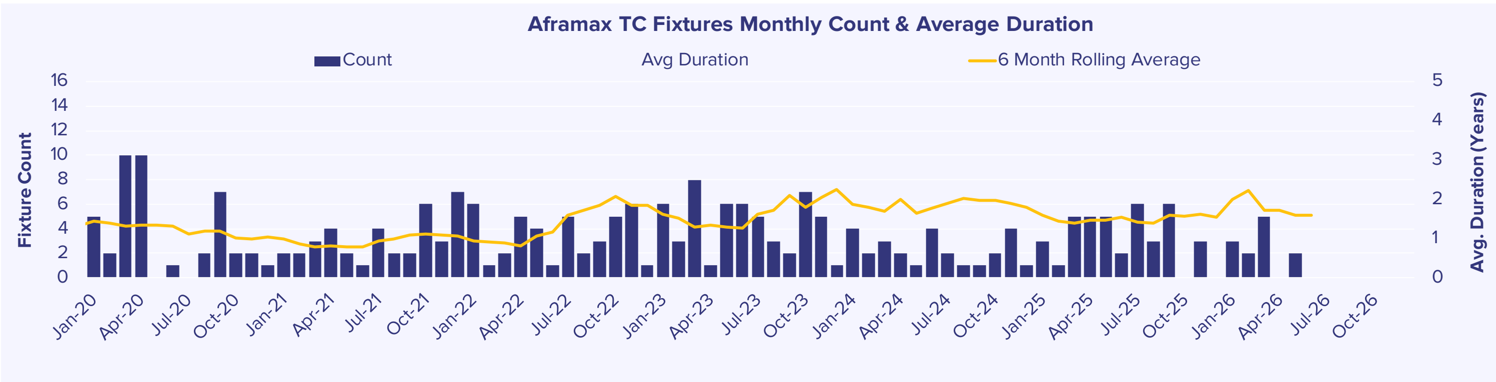
| 10 Jul 2026 | 1 Year TC | | | 3 Year TC | | | 5 Year TC | | |
|---|---|---|---|---|---|---|---|---|---|
| | Non Eco | Eco | Eco Scrubber | Non Eco | Eco | Eco Scrubber | Non Eco | Eco | Eco Scrubber |
| **Current** | **45,000** | **48,000** | **51,250** | **32,000** | **35,000** | **38,250** | **27,000** | **30,000** | **33,250** |
| **May-26** | 55,063 | 58,750 | 61,250 | 32,813 | 36,500 | 39,000 | 28,313 | 32,000 | 34,500 |
| **Jun-26** | 47,313 | 50,625 | 53,813 | 32,063 | 35,375 | 38,563 | 27,938 | 31,250 | 34,438 |
| **Jul-26** | **44,750** | **47,750** | **51,375** | **32,000** | **35,000** | **38,625** | **27,250** | **30,250** | **33,875** |
| **2024** | 42,115 | 43,644 | 45,904 | 38,125 | 39,750 | 42,010 | 31,596 | 33,231 | 35,510 |
| **2025** | 30,346 | 32,572 | 34,010 | 27,779 | 30,130 | 31,567 | 26,043 | 28,404 | 29,841 |
| **2026 ytd** | **50,759** | **53,839** | **55,982** | **33,973** | **37,054** | **39,196** | **29,152** | **32,232** | **34,375** |




Following closely on the fortunes of the spot market, the period market peaked around the April time, and since then the monthly average rates were on a downward curve. Monthly averages for one year TC Eco rates softened in June to US$ 50,625 / day from US$ 58,750 / day a month prior. Early July rates softened further with 1 year TC rates for an Eco vessel sitting at US$ 47,500 / day at the time of writing. Longer term period rates followed the similar trend as observed of 1 year TC rates, naturally with smaller amplitude of change.

Despite the softening the average period market rates remain elevated by historical standards. However, a marginal upward movement was recorded during July.

## Timecharter Statistics



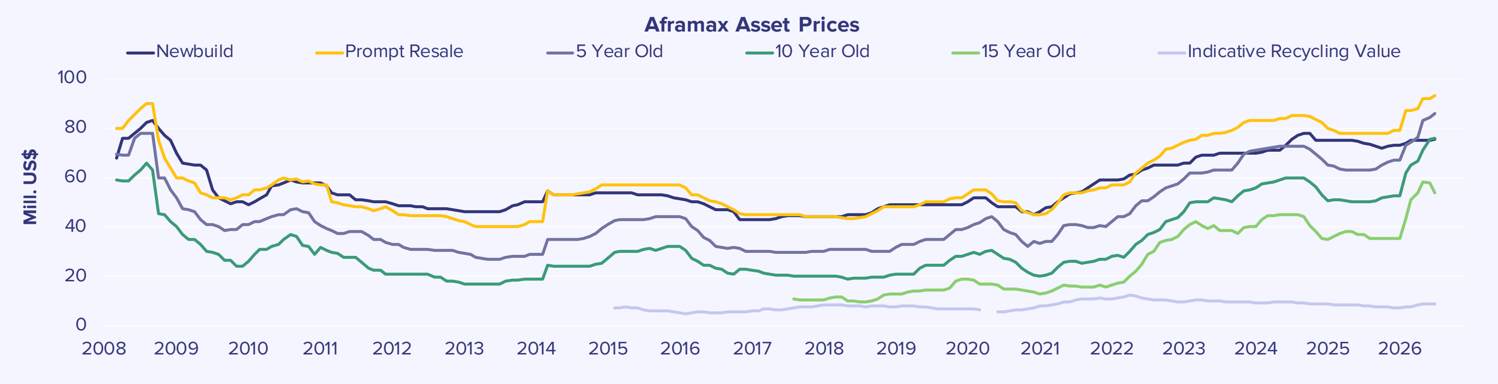

The period charter market activity remains inconsistent from month to month, although some activity is recorded. March still remains the most active month with 5 deals reported. However, after 2 deals were reported in May, the activity in June reverted back to zero. As no deals were reported in April as well, for the last three months only 2 deals were reportedly done in the segment.

The subdued spot market earnings, which are sitting well below the bigger sisters in the Suezmax and VLCC segments, and gap between bid/offer levels on the period tanker are expected to keep negative influence on the period activity in the segment in near term.

# Sale & Purchase Market Overview

## IG Assessments

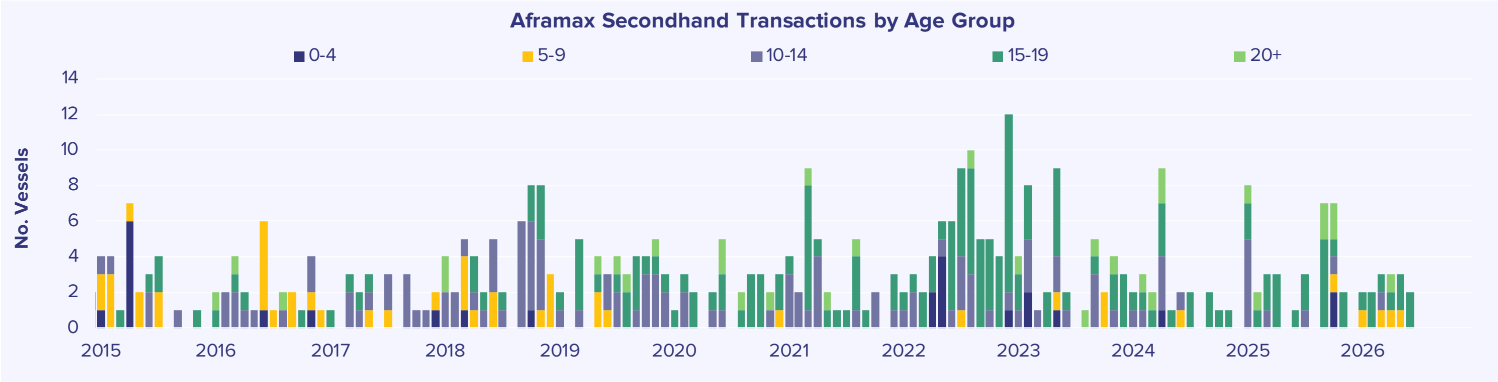
| 10 Jul 2026 | Newbuild | Prompt Resale | 5 Year Old | 10 Year Old | 15 Year Old | Indicative Recycling Value |
|---|---|---|---|---|---|---|
| **Current** | **76.0** | **94.0** | **86.0** | **76.0** | **51.0** | **9.1** |
| **May-26** | 75.0 | 92.0 | 83.0 | 71.3 | 58.1 | 8.9 |
| **Jun-26** | 75.0 | 92.0 | 84.5 | 75.5 | 57.8 | 9.0 |
| **Jul-26** | **75.5** | **93.0** | **86.0** | **76.0** | **54.0** | **9.1** |
| **2024** | 73.8 | 83.8 | 71.5 | 58.1 | 42.6 | 9.6 |
| **2025** | 73.9 | 78.3 | 64.1 | 50.8 | 36.3 | 8.3 |
| **2026 ytd** | **74.5** | **87.9** | **77.0** | **66.5** | **50.2** | **8.4** |




The trend of strengthening the second hand asset prices in the sector continued for one more month. The 5 year old vessel prices inched from US$ 83m in May to US$ 84.5m in June. 10 year and 15 year old asset prices moved in small increments to reach US$ 75.5m and US$ 57.8m. The prices strengthened further during early July. Despite the softening period market in the recent months, the demand for the vessels available for immediate trading remains high. This can be reflected in the fact that the 5 year old prices are US$ 10.5m above the newbuilding prices, while 10 year old unit values now sit US$ 0.5m above the newbuild prices.

Newbuild and prompt resale values remained unchanged over the last couple of months. However, a marginal upward movement was recorded during July.

## Count of Sales by Age Grouping




The activity in the Aframax second hand market remains steady, with no spectacular numbers recorded so far this year. The average monthly number of vessels that reportedly exchanged hands over the last 6 months was between 2-3. In June only 2 units reportedly exchanged hands.

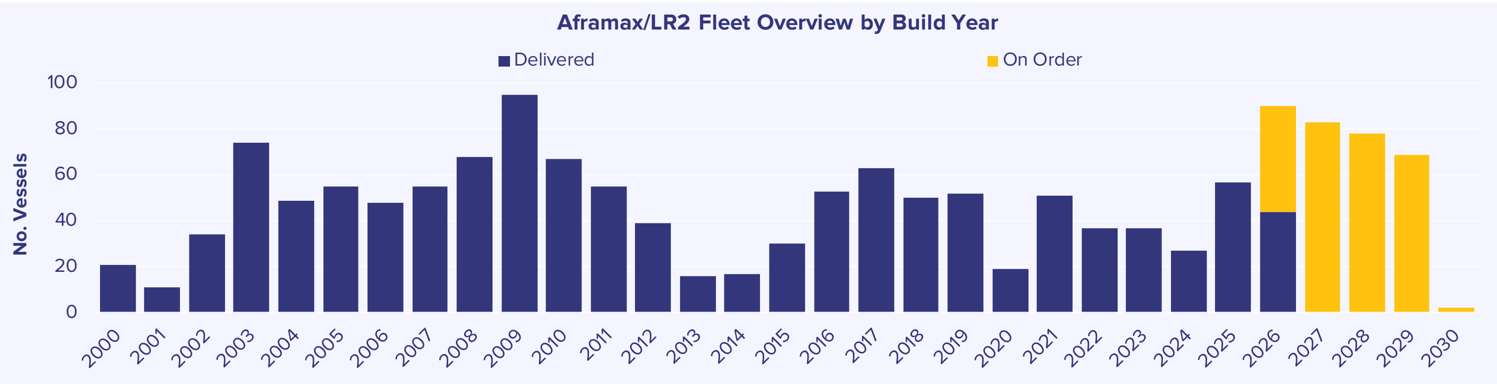
So far this year, older units are still mainly in demand, with 10 out of 15 reported deals being for vessels of 15+ years of age.

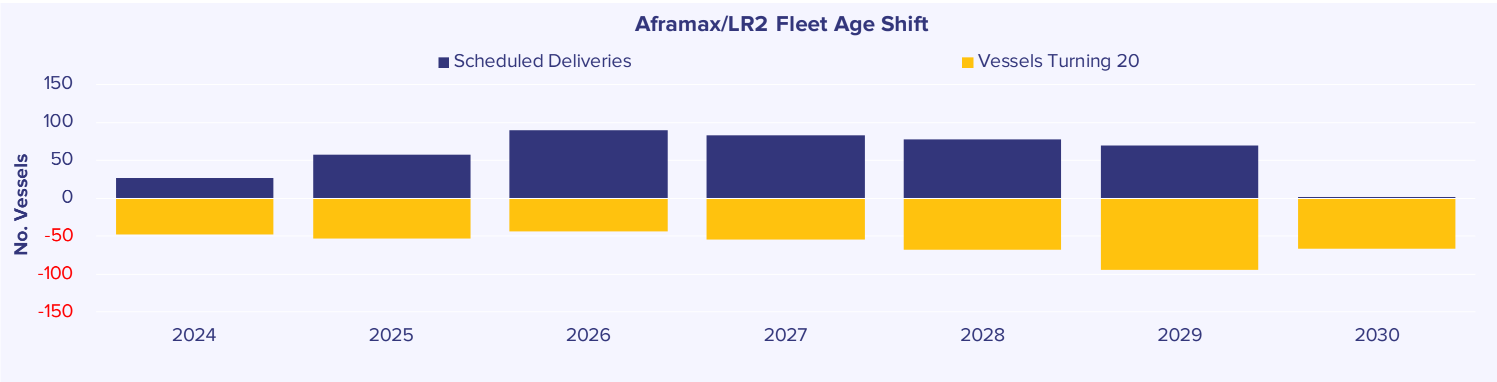
# Fleet Overview

## Fleet Summary

| Jun-26 | Total Fleet | Deliveries (ytd) | Orderbook Schedule | | | | | | | Recycling | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | 2026 | 2027 | 2028 | 2029 | 2030 | Total Orderbook | Orderbook as % of Fleet | Recycled | Sold for Recycling |
| **VLCC+** | **904** | **19** | **23** | **69** | **127** | **114** | **9** | **342** | **38%** | **2** | **0** |
| **Suezmax/LR3** | **656** | **24** | **26** | **53** | **84** | **65** | **9** | **237** | **36%** | **2** | **0** |
| Of Which: | | | | | | | | | | | |
| Crude | 632 | 24 | 26 | 53 | 84 | 65 | 9 | 237 | 38% | 2 | 0 |
| Products | 24 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0% | 0 | 0 |
| **Aframax/LR2** | **1,216** | **44** | **46** | **83** | **78** | **69** | **2** | **278** | **23%** | **2** | **0** |
| Of Which: | | | | | | | | | | | |
| Crude | 663 | 5 | 7 | 10 | 12 | 5 | 0 | 34 | 5% | 1 | 0 |
| Products | 553 | 39 | 39 | 73 | 66 | 64 | 2 | 244 | 44% | 1 | 0 |
| **Panamax/LR1** | **456** | **14** | **12** | **24** | **23** | **4** | **0** | **63** | **14%** | **2** | **1** |
| Of Which: | | | | | | | | | | | |
| Crude | 56 | 2 | 0 | 2 | 4 | 0 | 0 | 6 | 11% | 0 | 1 |
| Products | 400 | 12 | 12 | 22 | 19 | 4 | 0 | 57 | 14% | 2 | 0 |
| **MR** | **1,720** | **57** | **76** | **102** | **108** | **34** | **9** | **329** | **19%** | **4** | **2** |
| Of Which: | | | | | | | | | | | |
| Crude | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0% | 0 | 0 |
| Products | 1,720 | 57 | 76 | 102 | 108 | 34 | 9 | 329 | 19% | 4 | 2 |

## Trading Fleet Overview



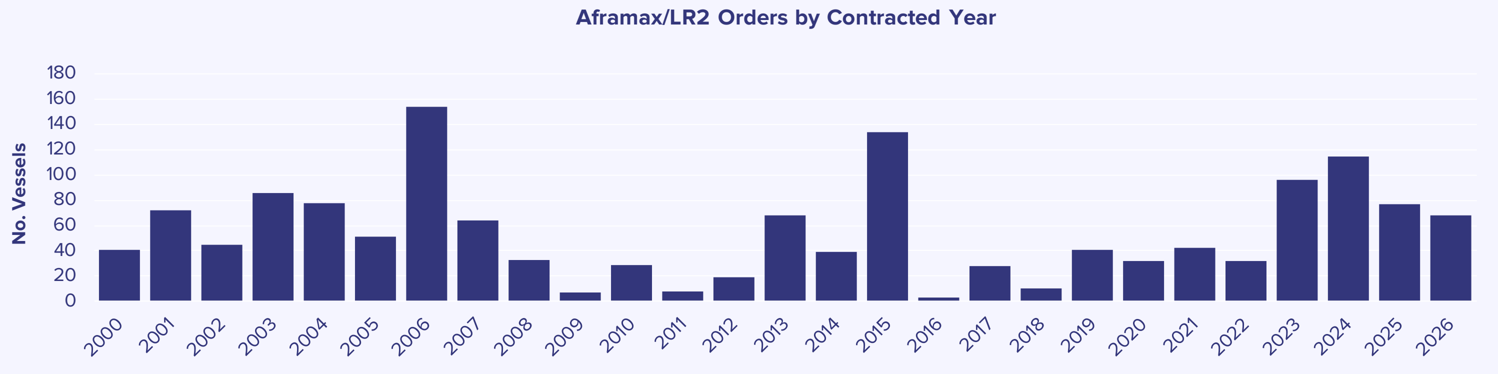

44 vessels in the Aframax/LR2 market have been delivered so far in 2026, although the majority of these are within for the coated tanker market, with only 5 uncoated Aframaxes being delivered in thus far.

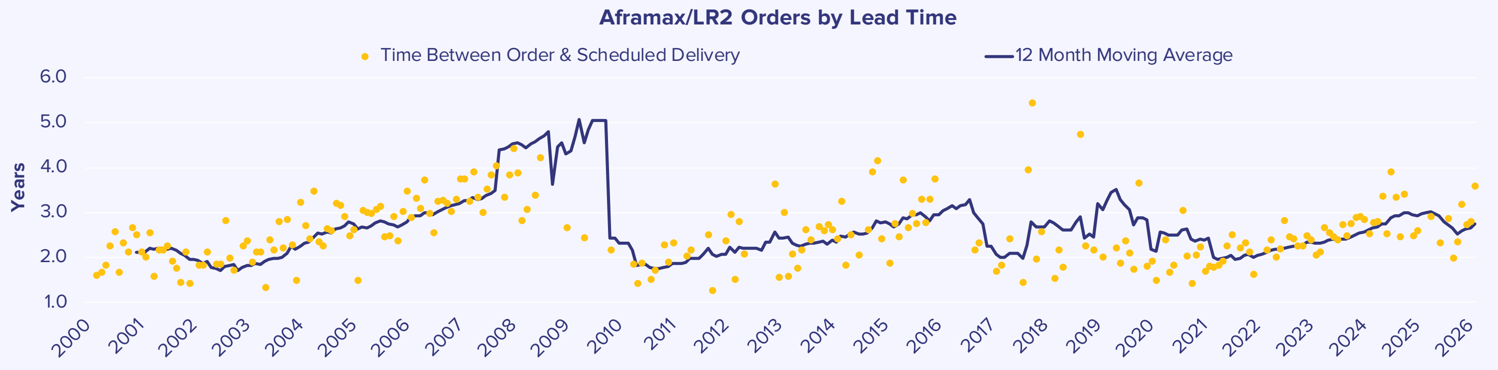
The 2023-25 period saw elevated levels of contracting within the Aframax/LR2 segment, which continues to shape the healthy orderbook over the next few years. As it stands, there are currently a further 46 vessels in these segments to be delivered over the rest of 2026. However, only 7 of these vessels are uncoated tankers. Data indicates that a further 83 and 78 vessels are due to be delivered in the Aframax/LR2 market in 2027 and 2028 respectively, although only 14% of these are uncoated.

The orderbook to active fleet ratio for the Aframax/LR2 segment has increased slightly since our last report to 24%. However, for uncoated tankers, this ratio remains at 5%, demonstrating the preference for coated tonnage and the trading flexibility it provides. However, the strength of the orderbook over the 2026-28 period will by counterbalanced by the 218 vessels in this segment turning 20 years of age from 2027 to 2029. Notably, data indicates that around 65% of these vessels are uncoated Aframaxes.

# Fleet Overview

## Newbuilding Summary

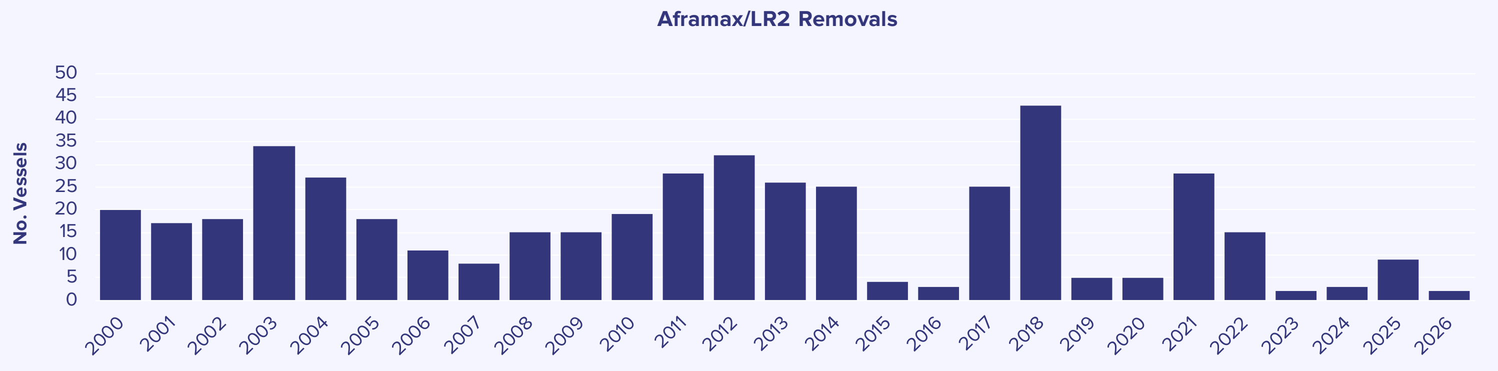



In 2025, 77 vessels in the Aframax/LR2 segment were ordered, with around 13% of these being uncoated tankers. 2026 has already seen 68 vessels contracted, 17 more since our last report although none of these are uncoated.

The growing orderbook for the Aframax/LR2 segment has increased the lead time for the market, pushing lead times to just over 3 years according to current data.

## Recycling Summary



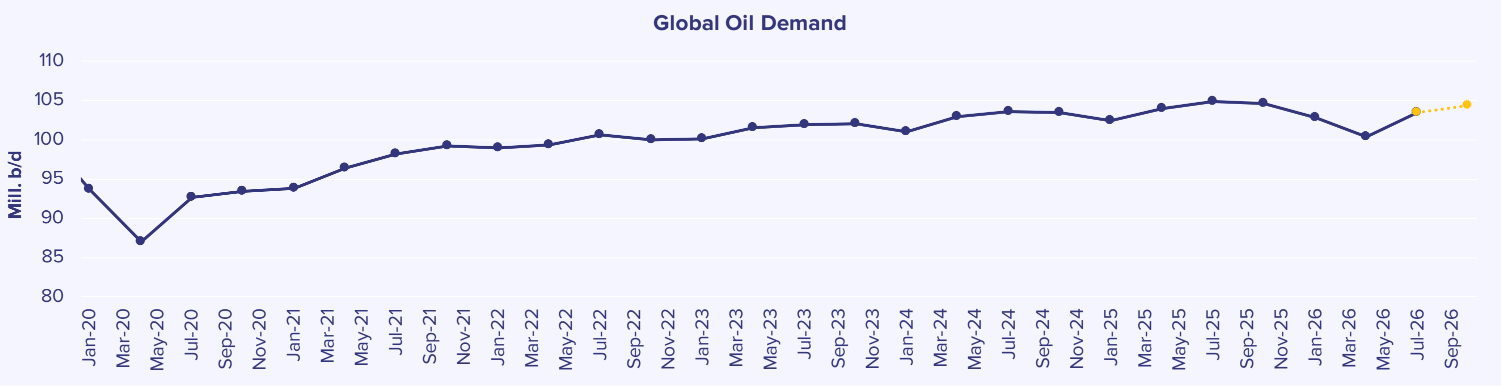

The uncoated Aframax market has seen the highest figure of removals amongst all dirty tanker segments over the 2023-25 period, with 60% of removals over this timeframe coming from the Aframax segment.

However, so far this year only 1 uncoated Aframax has been sent for scrapping, with no change since our last report.

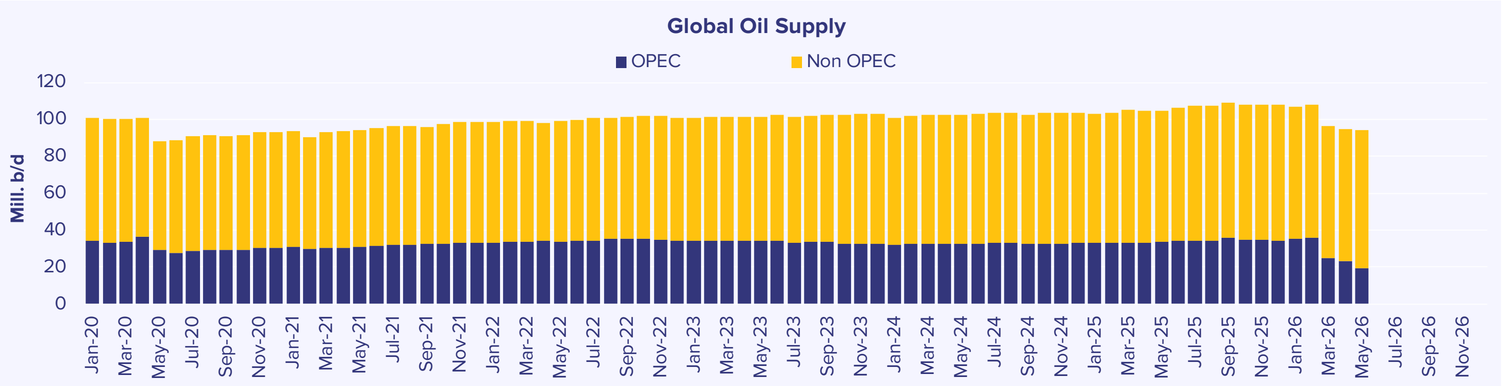
Due to the aging profile of the Aframax fleet, with 142 vessels turning 20 years of age, combined with the growing preference for coated tonnage, the demolition activity for Aframaxes is anticipated to pick up over the coming years.

# Tanker Demand Fundamentals

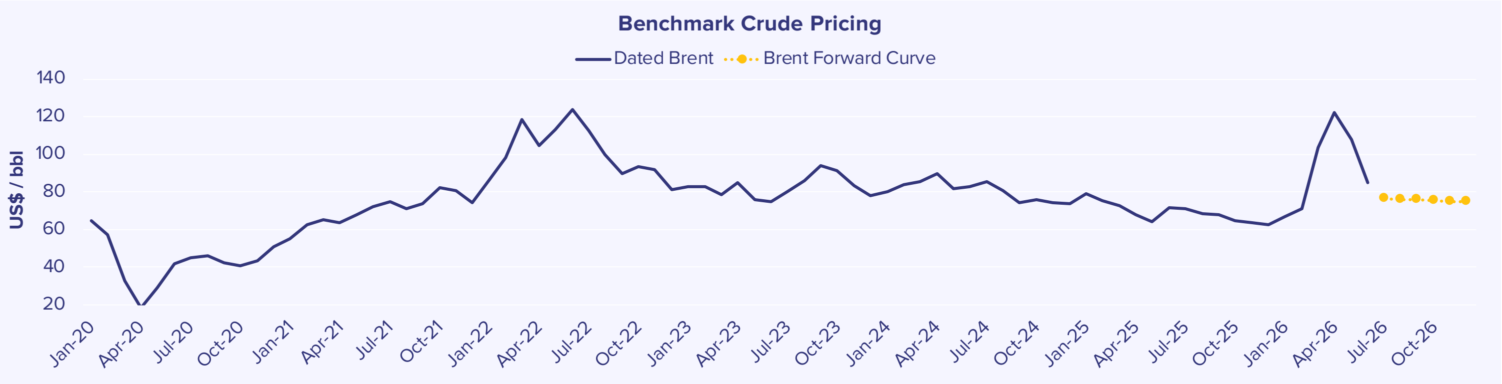
## Global Oil Demand




## Global Oil Supply




## Crude Pricing




There was some meaningful progress made last month with regards to talks about potential normalisation of the passage through the Strait of Hormuz. An MOU between the US and Iran was published by various media outlets in the second half of June, which is expected to outline the basis for the further negotiation. However, many major points remained undefined, and the situation further deteriorated very soon after that, with the attacks on the commercial ships reported in the region in recent days, and the US renewing the attacks on Iran as a consequence. Last month was also eventful from the perspective of the OFAC effectively authorising transactions related to Iranian oil and petroleum products, in line with point 10 of the MOU, for the period between 22nd of June to 21st of August this year. However, this has been revoked recently with the situation in the region deteriorating.

As a consequence of the MOU, the crude oil prices corrected downwards significantly. Recent attacks put an upward pressure on prices with Brent price closing to US$ 80/b mark. The traffic through the Straits started picking up, however still is remaining below the pre war levels. With the recent tensions it remains to be seen how many owners are willing to enter the area.

In their most recent report and taking into account the MOU and under presumption that the deal holds, the IEA outlook on both supply and demand improved. The second quarter demand is expected to drop by 5 mb/d year on year, and around 1.1 mb/d for 2026 as a whole. In 2026 the demand is projected to drop to 103.3 mb/d from 104.4 mb/d last year. Oil supply is expected to fall by 3.6 mb/d on average in 2026 to 102.4 mb/d. If the peace lasts and the recovery indeed happens, on top of normalisation of trade, we may see some recovery of already depleted stocks, which can have a positive influence on the overall tanker demand.

*Source: IEA, Bloomberg*

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