

Tanker Market Perspectives

January 2024

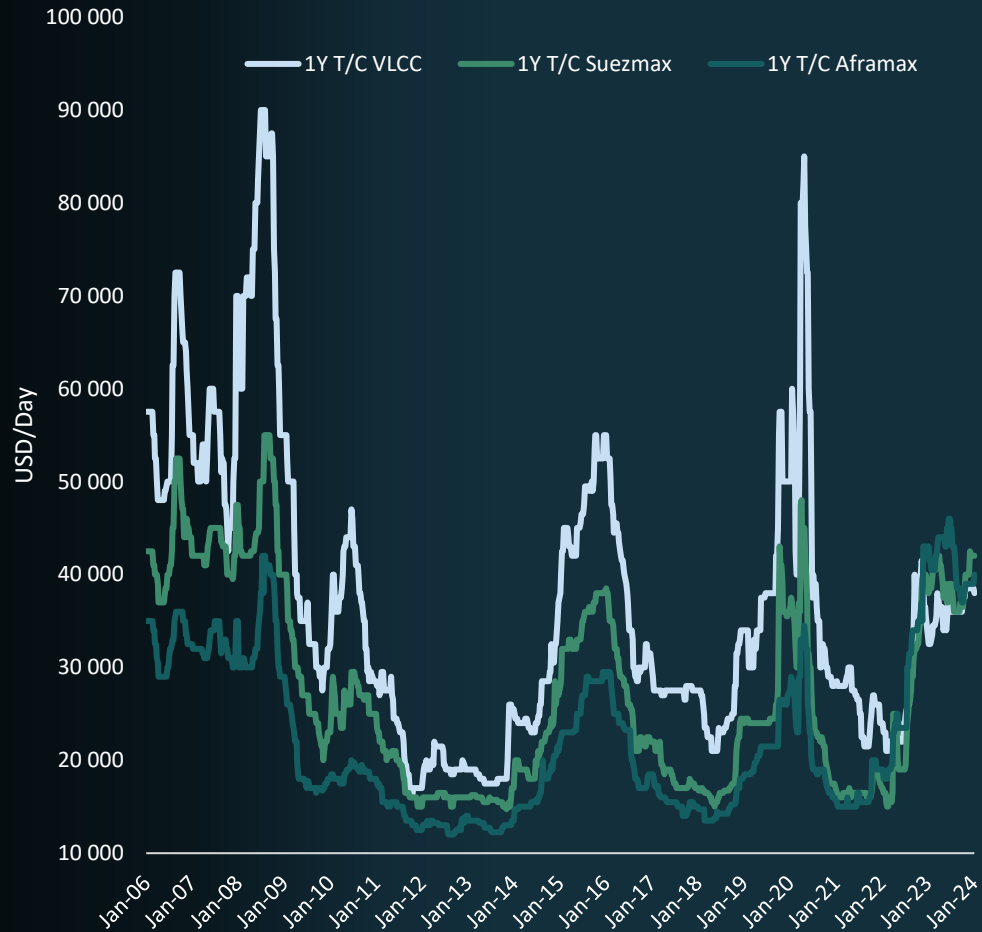
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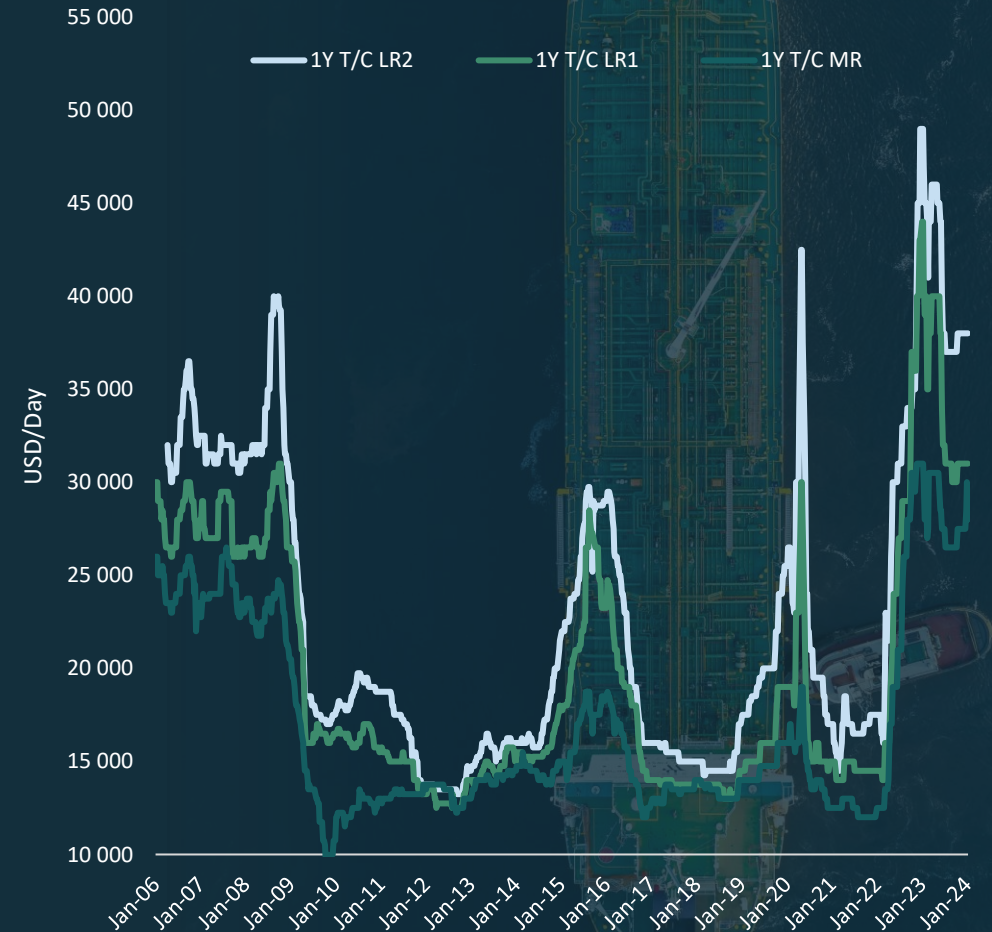
Tanker rates

TC rates hold near all-time-highs → Optimism remains

Crude Tanker 1-year TC rates



Product Tanker 1-year TC rates



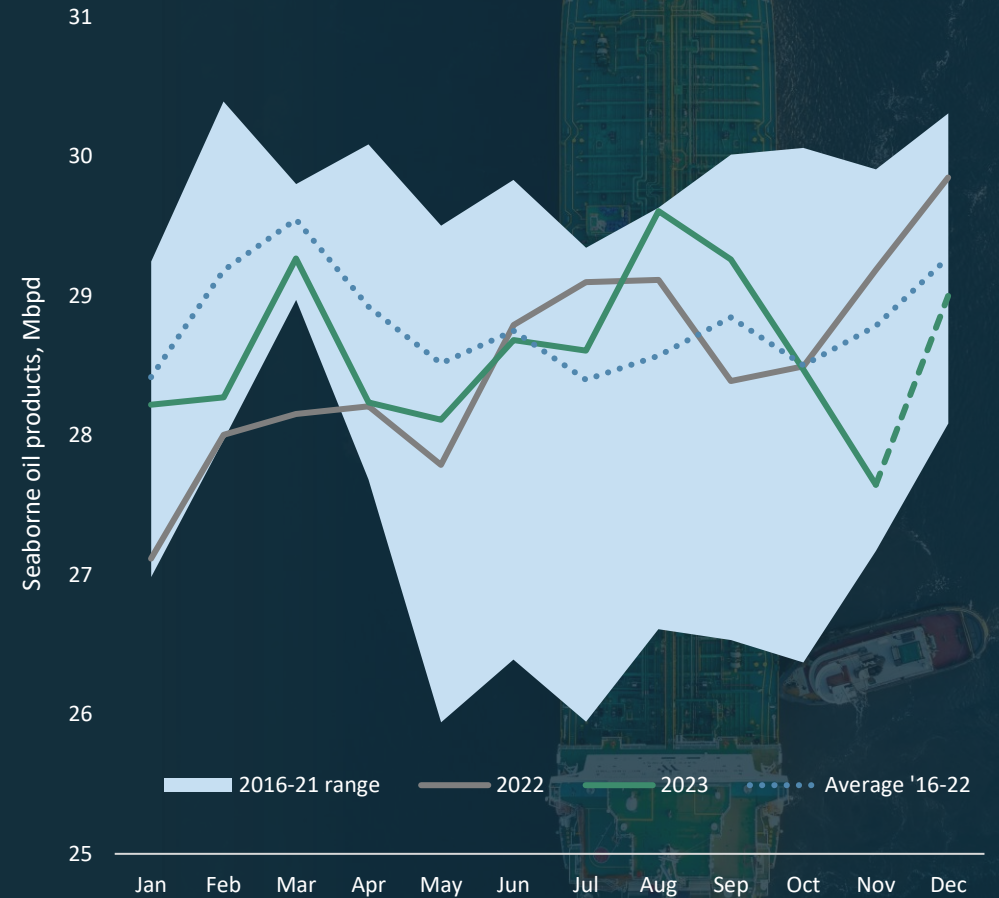
Total tanker flows

Crude volumes sidetrack on OPEC+ cuts. Products volumes unseasonably low recently

Seaborne crude oil volumes



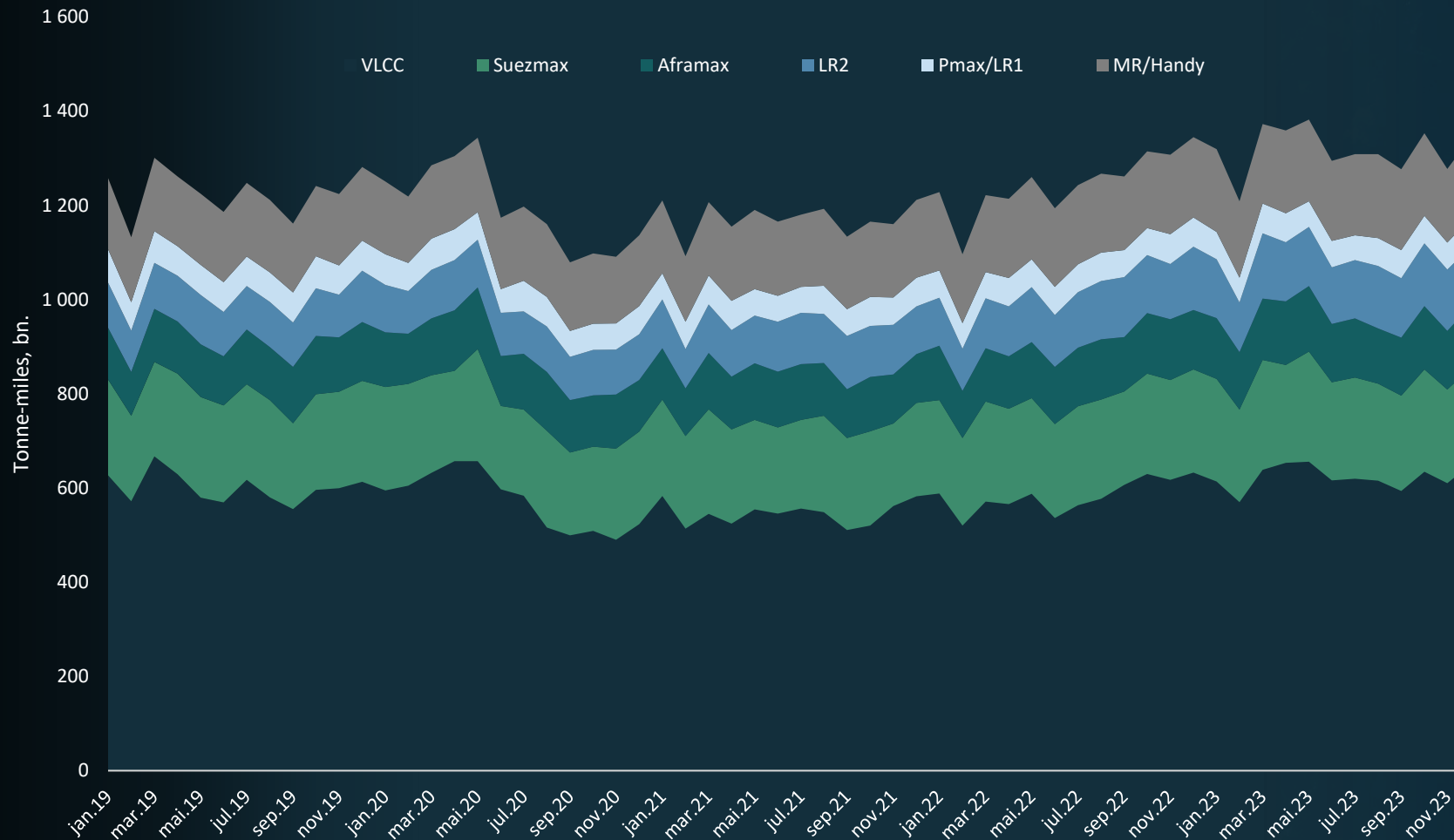
Seaborne product volumes



Tanker demand

Tonne-mile demand at historically elevated levels, but growth has stalled

Tanker tonne-miles by segment

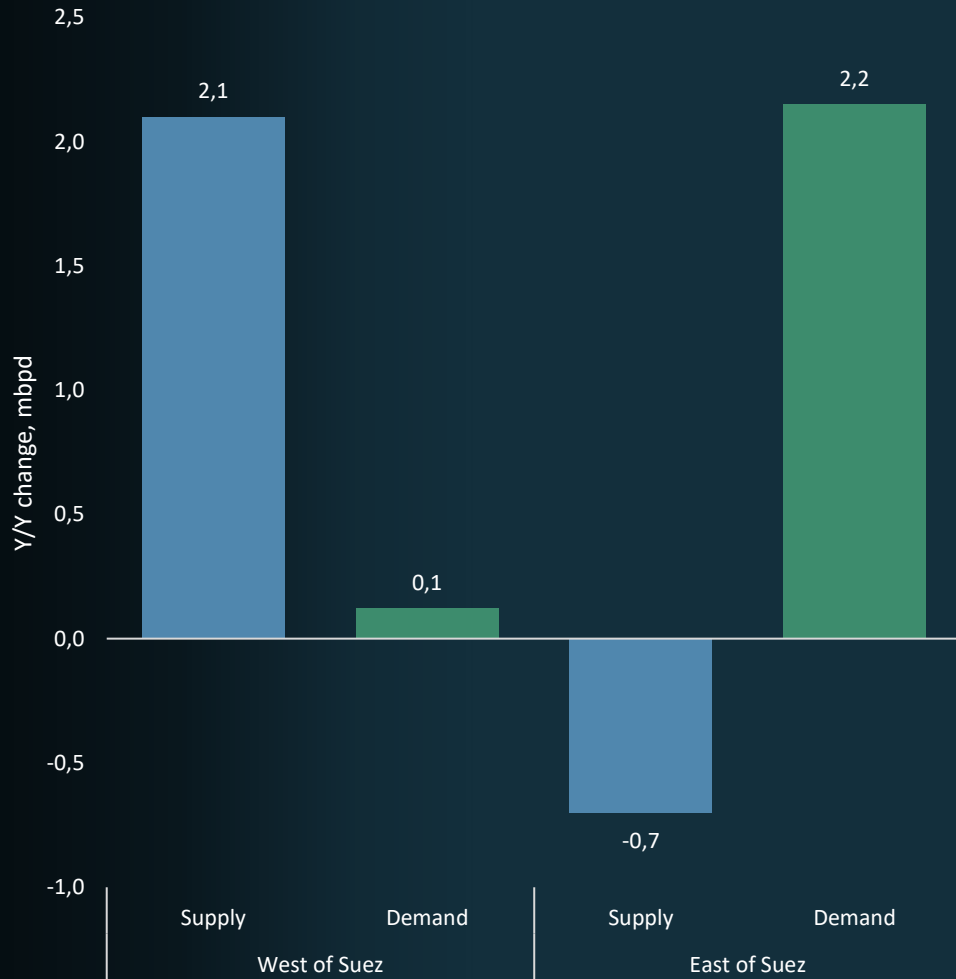


	23 vs. 22	23 vs. 19
VLCC	6.8%	3.7%
Suezmax	3.1%	4.4%
Aframax	7.3%	13.5%
LR2	10.0%	30.1%
Pmax/LR1	-1.6%	-9.9%
MR/Handy	3.6%	13.5%
Sum	5.7%	7.3%

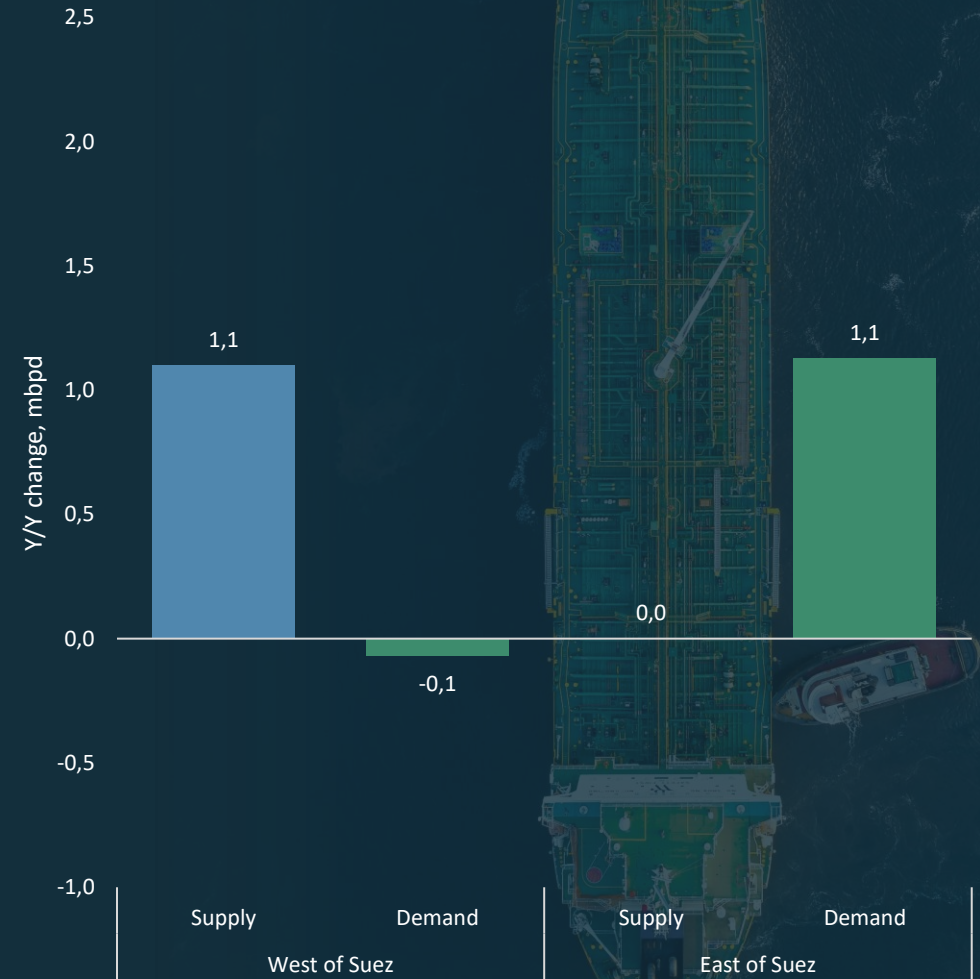
Oil market (im)balance

Favourable geographical set-up for tanker demand continues in 2024

2023 oil supply & demand changes



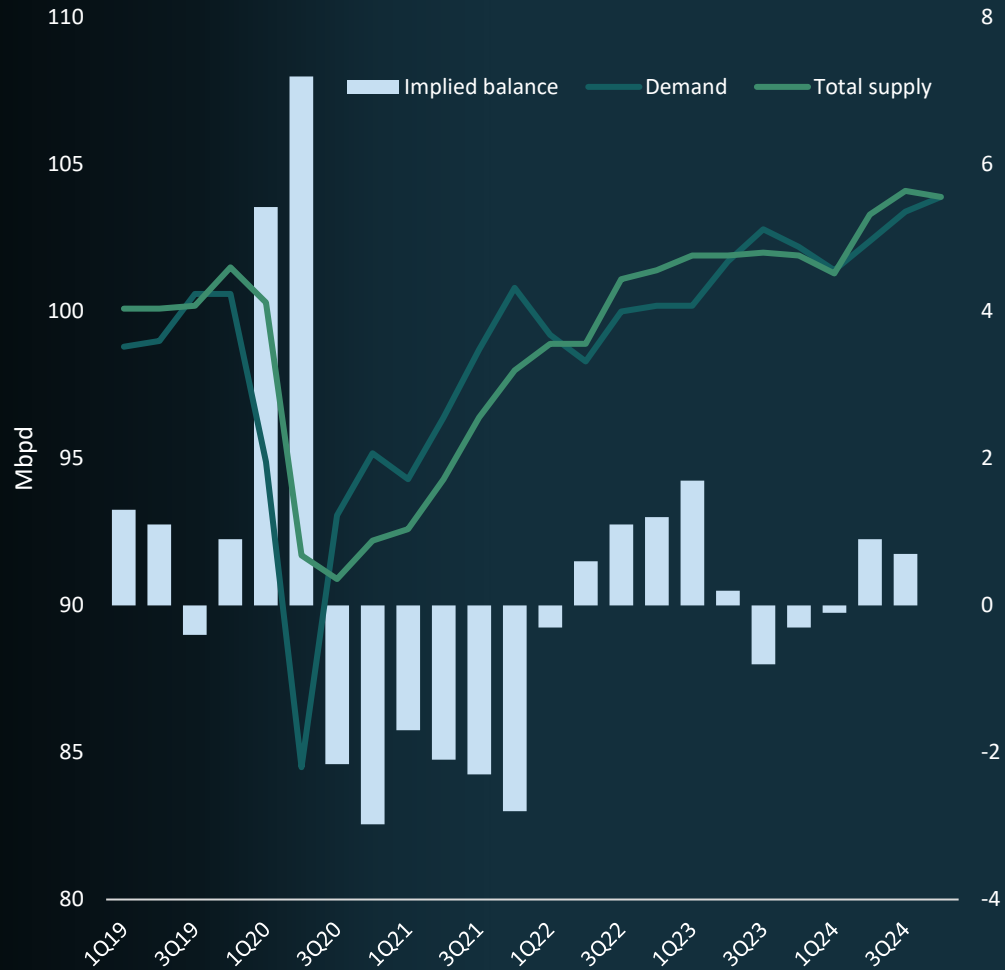
2024 oil supply & demand changes



Oil market balance

Oversupplied in 1H'24 despite OPEC+ cuts? Global inventories at balanced levels

IEA balances suggest some oversupply still in 2024



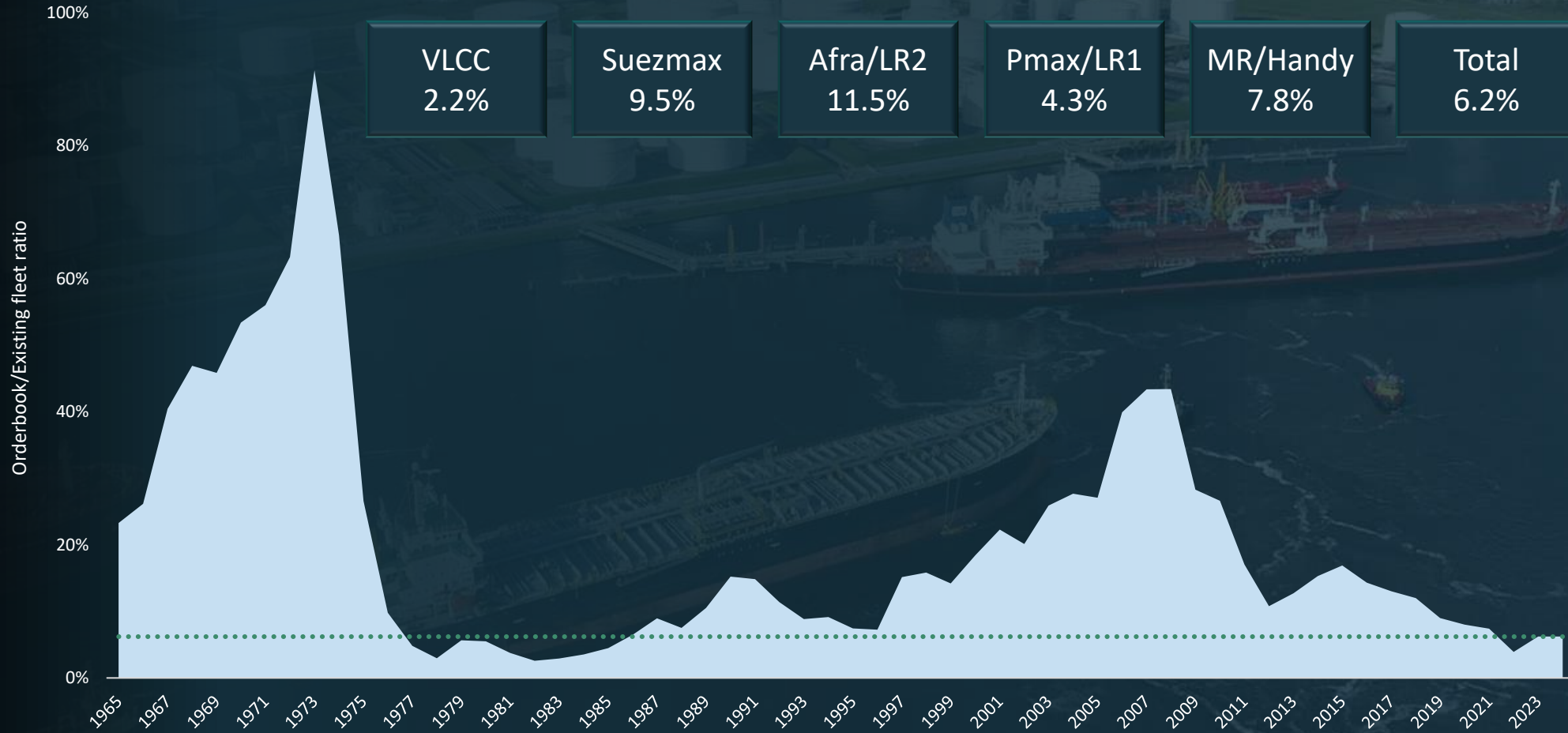
OECD industry stocks – glass half full or half empty?



Tanker supply

Orderbook to fleet still historically low

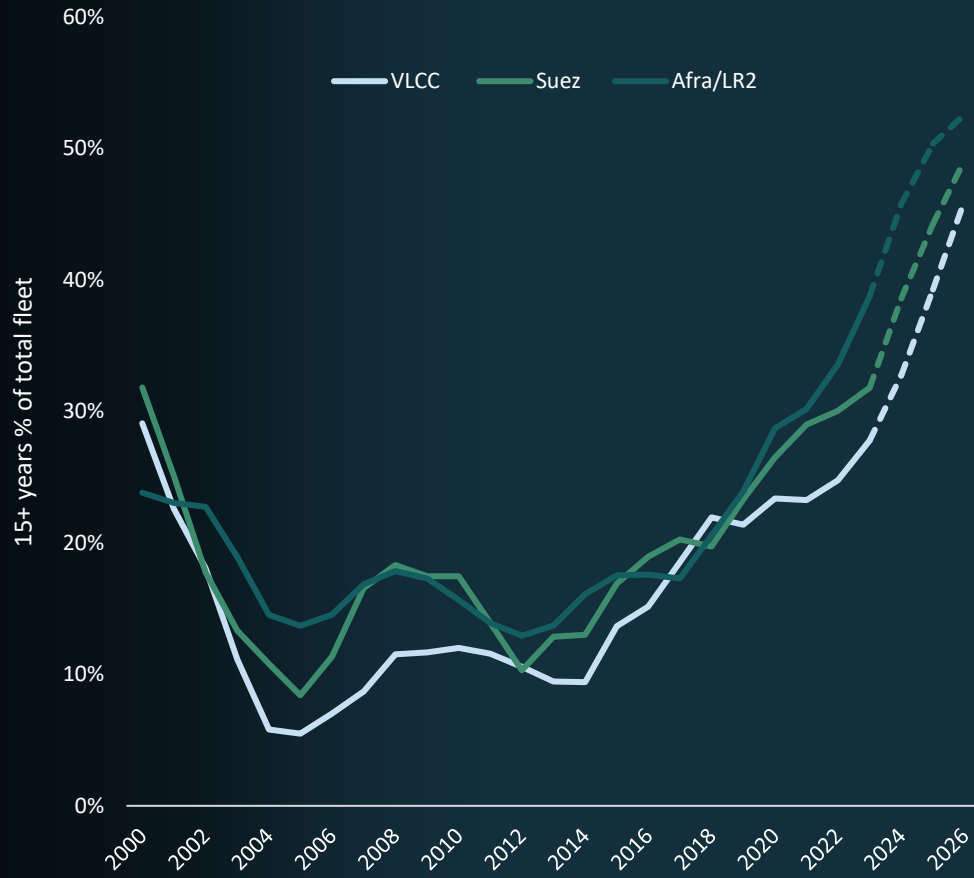
Historic tanker orderbook to fleet ratio %



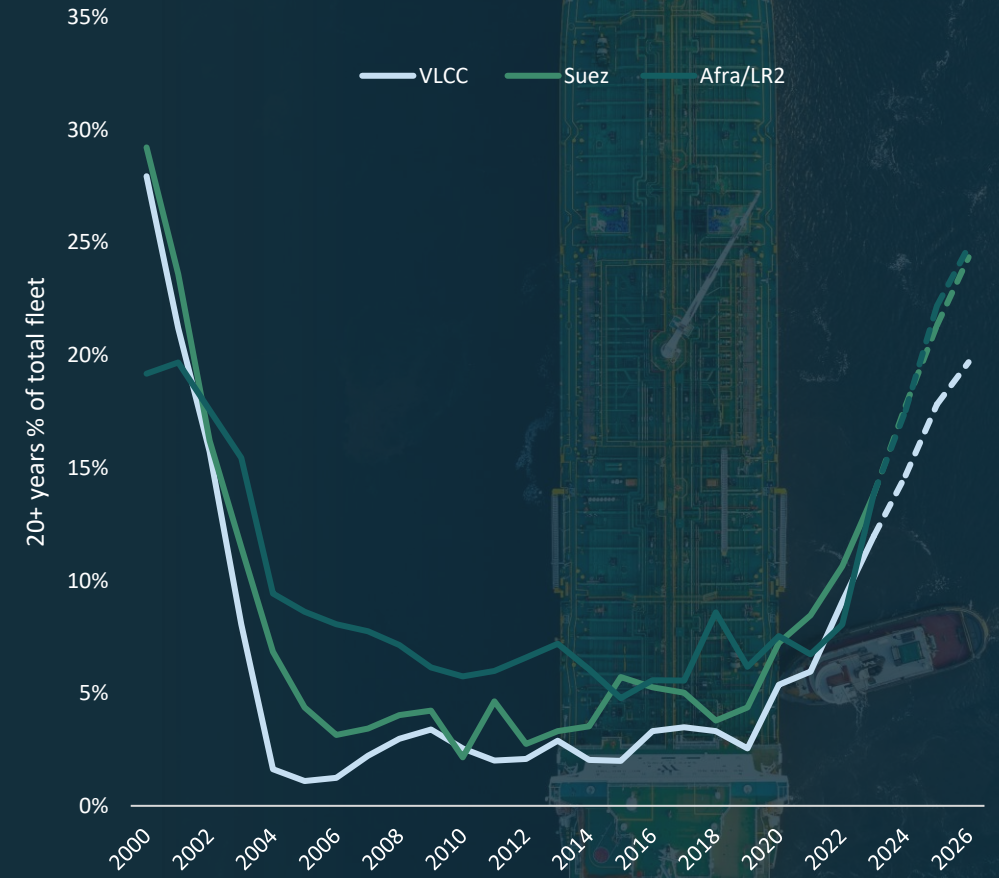
Tanker supply

Significant ageing of the fleet – slimmer picking for charterers...

15+ years old share of total fleet



20+ years old share of total fleet



Three scenarios for 2024, firm 2025-2026 outlook

Forecast summary





- **2024 scenarios**
 - **Base case:** Soft landing. Strong seaborne oil volumes, slow fleet growth. Lower rates in first vs. second half.
 - **Bull case:** No-landing and swifter OPEC+ reversal.
 - Alternative bull scenarios are Saudi Arabia ‘market share war’ and extensive Red Sea evasion.
 - **Bear case:** Hard landing and potentially further OPEC+ cuts. Still, minimal fleet growth means less downside rate risk than normal.

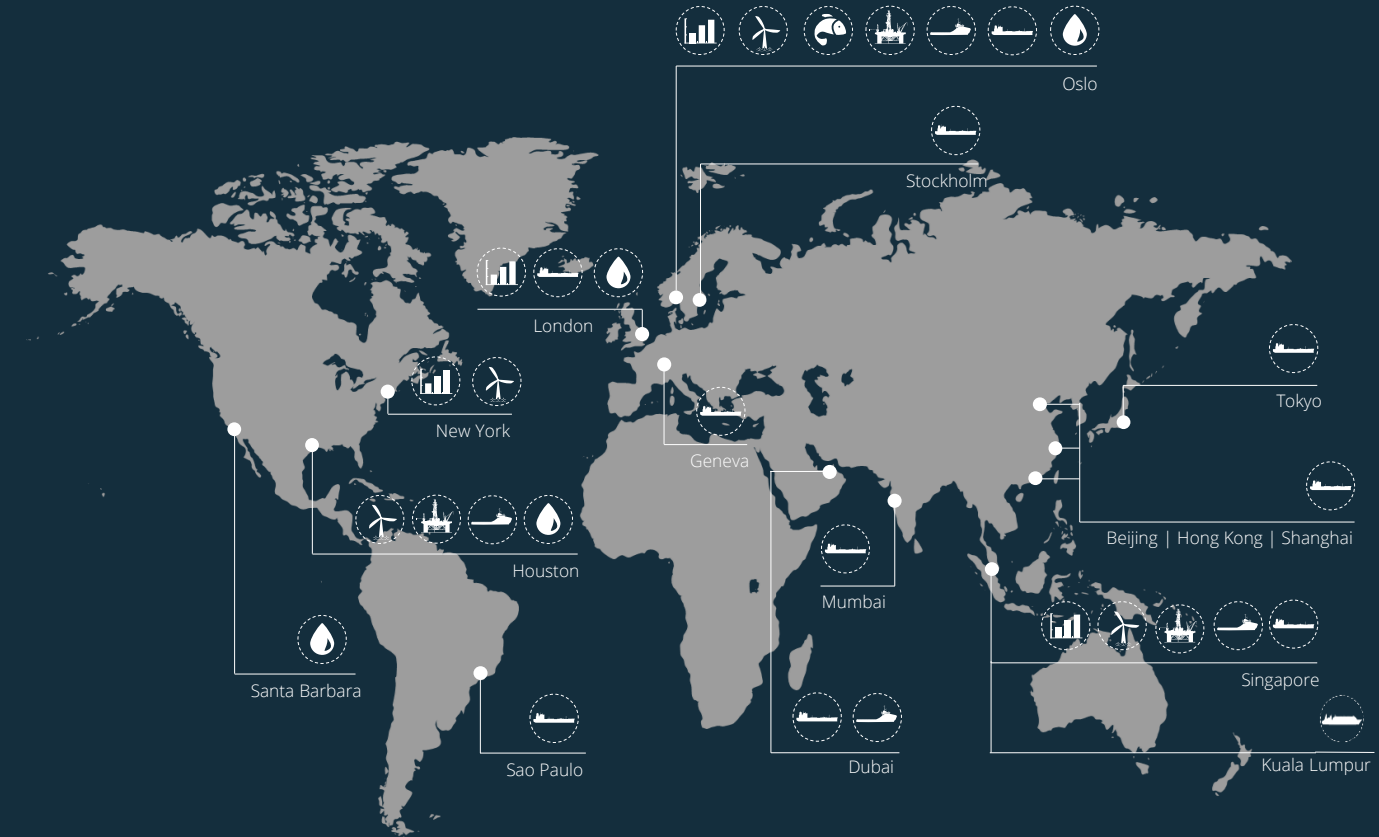
- **More unison positive case for 2025 and 2026.**
 - Continued oil demand growth and wider OPEC+ unwind on top of Atlantic crude oil surplus. Some upside to fleet growth in 2026.
 - Gradual normalisation of earnings between segments. Higher fleet growth for smaller segments, trade dislocation to settle in new patterns, and West-East crude oil trade to favour bigger vessels.

Forecast	VLCC	Suez	Afra	LR2	LR1	MR
2024 Bear case	30,000	25,000	22,500	23,000	18,000	16,000
2024 Base case	45,000	37,500	32,500	33,500	27,500	22,500
2024 Bull case	55,000	45,000	37,500	38,500	32,500	27,500
2025	60,000	45,000	37,500	38,500	32,500	27,500
2026	60,000	40,500	30,500	31,500	26,500	21,000

Astrup Fearnley

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