WEEKLY MARKET REPORT

WEEK 20 · MAY 17TH, 2026

MARKET OVERVIEW

The week saw a diplomatic breakthrough as U.S. President Donald Trump and Chinese President Xi Jinping reached a consensus in Beijing on the urgent necessity of reopening the Strait of Hormuz. Despite this political alignment and reports of a few Chinese-linked vessels successfully transiting the waterway, the operational environment remains volatile; recent security incidents include the seizure of a ship off Fujairah and the sinking of an Indian cargo vessel near Oman. These disruptions have driven the Drewry World Container Index up 12% this week, as major liners continue to bypass the region in favour of longer, more expensive routes through India, Sri Lanka, and the Panama Canal.

Tensions around the Strait of Hormuz remained the central focus for energy and shipping markets this week, as Iran signalled that normal transit would resume only after the conflict with the US and Israel is resolved. Despite comments from President Masoud Pezeshkian that navigation could return to normal once insecurity eases, Tehran continues to insist on maintaining monitoring and control mechanisms in the waterway, leaving owners cautious and vessel movements subdued.

President Donald Trump returned from meetings with Chinese President Xi Jinping without a concrete breakthrough, although both sides publicly agreed that the strait should be reopened. China also called for shipping to resume as soon as possible, while discussions reportedly touched on whether the US might ease sanctions on Chinese companies purchasing Iranian crude.

The disruption has had a major impact on crude markets, with Brent prices rising sharply since the start of the conflict as traders price in the risk of prolonged supply constraints. Physical crude markets have also tightened, reinforcing concerns across the oil and freight sectors.

While Pakistan continues to mediate between Washington and Tehran, negotiations remain stalled. For shipowners, the near-term outlook remains highly uncertain, with sporadic vessel movements failing to restore confidence in safe passage through the Gulf.

Second oil pipeline to Fujairah, bypassing the Strait by 2027

To mitigate long-term reliance on the embattled chokepoint, the United Arab Emirates has officially fast-tracked a second oil pipeline to Fujairah, aiming to double its export capacity, bypassing the Strait by 2027.

As the second quarter progresses, shipowners are navigating a fractured supply chain defined by rising "surcharge layering" and a significant increase in tonne-mile demand, even as a looming wave of new vessel deliveries threatens to disrupt the delicate balance of global capacity.

DRY BULK | BDI: 3,151 ▲+5.81% (w-o-w)

The dry bulk market maintains notable resilience this Friday, even as the Baltic Dry Index saw a daily decrease, closing at 3,151 points. This is largely supported by global iron ore volumes running approximately 4% higher than last year, a trend that continues to bolster the Capesize segment despite a relatively quiet coal trade. However, there are significant logistical hurdles due to intensifying tensions in the Gulf, where nearly 1,000 billion ton-miles of trade are at risk of disruption.

With roughly 210 bulk carriers currently immobilised in the region, the total halt of iron ore pellet and a massive reduction in nitrogen fertiliser supplies are beginning to impact agricultural sectors in India and Africa. While the redirection of European trades around the Cape of Good Hope is supporting rates, many remain cautious about a potential demand-driven slowdown in Asia later this year. Despite this, the market has so far avoided extreme volatility, remaining significantly higher than the levels recorded before conflicts escalated in late February.

Segment Highlights

Capesize: Capesize remains firm with T/A earnings surging to US$56,000/day, though other major routes have retreated slightly from recent peaks. While West Australia rates showed late-week strength, an increasing count of empty vessels and a cautious futures market suggest a shift downwards. Current demand is bolstered by resilient Chinese steel sales and pre-rainy season bauxite flows, yet high iron ore inventories keep long-term sentiment guarded.

Panamax / Kamsarmax: Panamax market continues to climb as a surge in North American corn exports, and the peak South American soybean season push F/H earnings to US$29,000. While a backlog of 180 vessels exists in Brazil, robust demand for China-bound grains is offsetting the oversupply, keeping T/A rates firm at US$19,000's.

Supramax / Ultramax: Supramax market remains generally firm, supported by stable Indonesian coal volumes that have pushed regional R/V rates up to US$16,550's. In the Atlantic, increased grain demand from the USG toward the Far East has lifted fronthaul earnings to US$23,500, though overall gains are being capped by a surplus of vessels near Europe.

Handysize: Handysize market remains stable, with the Inter-Pacific route leading gains at US$15,535 as steady cargo demand in Asia keeps tonnage well-balanced. Overall sentiment is cautiously optimistic, with earnings across the CIS and Pacific R/V sectors climbing to US$14,700's and $15,000's respectively despite a stable but quiet USG.

Baltic Dry Indices

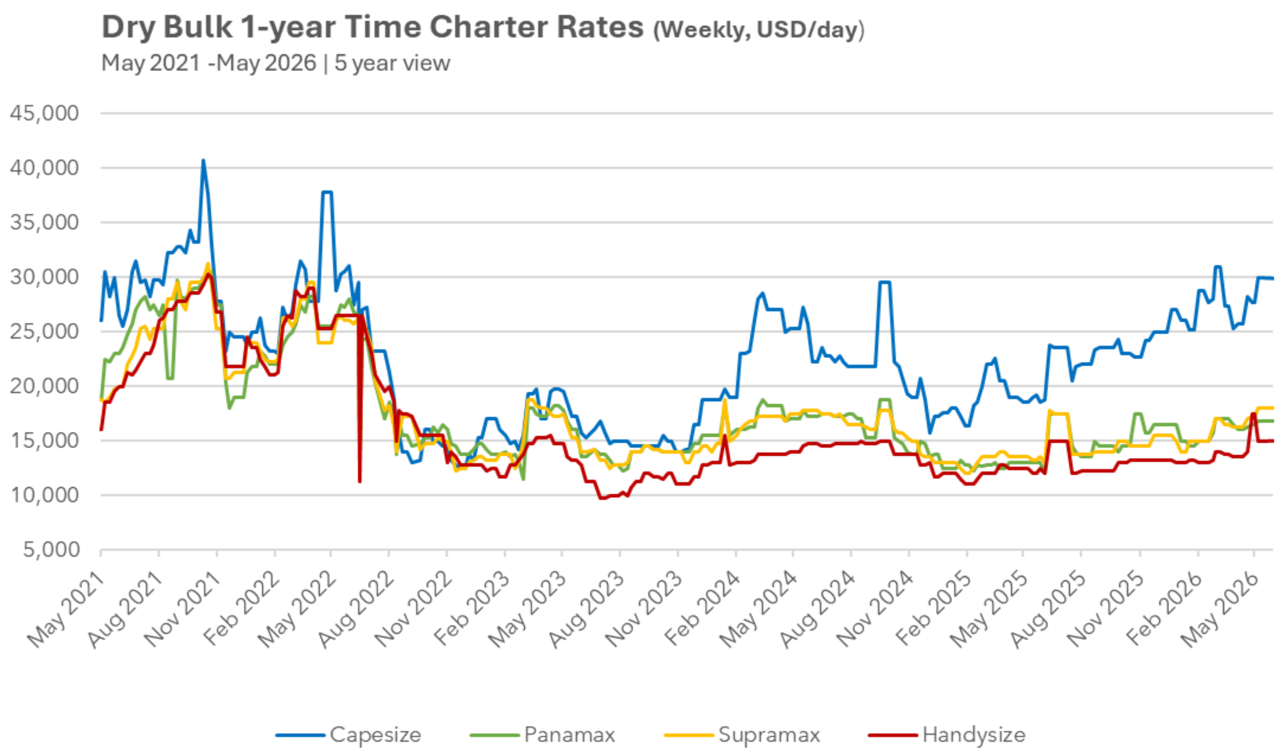
BDI	BCI	BPI	BSI	BHSI
3,151	5,173	2,521	1,565	850
WoW: +5.81%	WoW: +4.40%	WoW: +12.90%	WoW: +2.83%	WoW: +2.04%
YoY: +127.02%	YoY: +156.34%	YoY: +95.43%	YoY: +60.02%	YoY: +53.43%

Vessel Values (USD Million)

TYPE	DWT	NB CONTRACT	NB PROMPT	5 YRS	10 YRS	15 YRS
CAPESIZE	180,000	$75M	$81M	$68M	$53M (E)	$33M
KAMSARMAX	82,000	$37M	$43M	$36M	$30M (E)	$23M
ULTRAMAX	64,000	$35M	$42M	$35M (E)	$28M	$18M
HANDY	38,000	$30M	$36M	$28M	$21M	$17M

Sale & Purchase — Reported Fixtures

VESSEL	TYPE	DWT	YEAR / BUILT	PRICE (USD M)	BUYER
PIGASSOS	CAPE	176,364	2011 / CHINA	31.5	CHINESE BUYERS
YANGTZE 902	KMAX	93,225	2012 / CHINA	13.0	UNDISCLOSED
MANDY MORN	KMAX	82,612	2008 / CHINA	14.0	UNDISCLOSED
AVALON	KMAX	81,565	2011 / S. KOREA	18.0	UNDISCLOSED
DOMINATOR	SMAX	63,652	2021 / JAPAN	38.0	ASTROBULK LTD
MAJESTY	SMAX	52,421	2002 / JAPAN	7.0	UNDISCLOSED
SUMAQ QUEEN	SMAX	51,052	2017 / JAPAN	25.0	GREEK BUYERS
GANT FLAIR	HMAX	28,339	2010 / JAPAN	9.9	UNDISCLOSED



SEGMENT (AVG)	2022	2023	2024	2025	2026 YTD
CAPESIZE	$22,188	$16,304	$22,715	$21,646	$32,000
PANAMAX	$20,488	$14,734	$16,357	$14,383	$17,000
SUPRAMAX	$20,380	$14,578	$16,294	$14,255	$17,500
HANDY	$20,611	$12,324	$13,887	$12,667	$15,500

TANKERS | BDTI: 2,375 ▼-9.66% (w-o-w)

WTI crude surged 7.45% this week to US$97.91, driven by the ongoing Strait of Hormuz closure that continues to block 20% of global seaborne supply. Despite OPEC+ output hikes, logistical bottlenecks persist as most shippers reroute around Africa, increasing costs and tightening immediate availability.

A potential shift in transit dynamics emerged as Iran began granting safe passage to Chinese vessels. Following diplomatic talks, approximately 30 Chinese ships were authorised to use a northern corridor, including a VLCC carrying 2 million barrels of Iraqi crude. While most vessels face US$2 million transit tolls, Chinese state-owned tankers currently appear exempt, helping Beijing protect its 1.4-billion-barrel stockpile.

Segment Highlights

VLCC: VLCC market remains caught in a strong, flat trend as high owner resistance and robust Atlantic momentum from Brazil and the USG help offset the lack of volume in the Middle East. 270,000mt MEG/China falls slightly WS447. Similar was noted in the Atlantic, with WAFR/China closing at WS138.

Suezmax: Suezmax maintain a strong sideways trend as tightening supply in West Africa and the Mediterranean balances out an influx of ballasters from the East. Nigeria/UKC ended the week at WS195. While weakening Aframax sentiment in the USG may limit some larger-volume cargoes, declining U.S. inventories are providing enough support for owners to resist further concessions.

Aframax: Aframax rates in the Mediterranean are falling sharply as a contraction in chartering activity and an oversupply of prompt tonnage leave owners searching for a market floor. 80,000mt Ceyhan/Lavera fell 50 points to WS186.

LR1 / LR2: The Middle East LR market saw downward pressure as shippers maintain a "wait-and-see" stance amidst persistent instability. With the extended blockade causing a prolonged gap in activity, freight rates have fallen significantly as contracts remain stagnant. TC1 ended the week at WS550 while TC5 closed at WS600’s.

MR: MR in the Far East saw a decline in freight rates this week as a slowdown in new cargo demand leaves the region oversupplied with tonnage. In the Middle East, TC17 trips to East Africa fell slightly, closing at WS726.

Baltic Tanker Indices

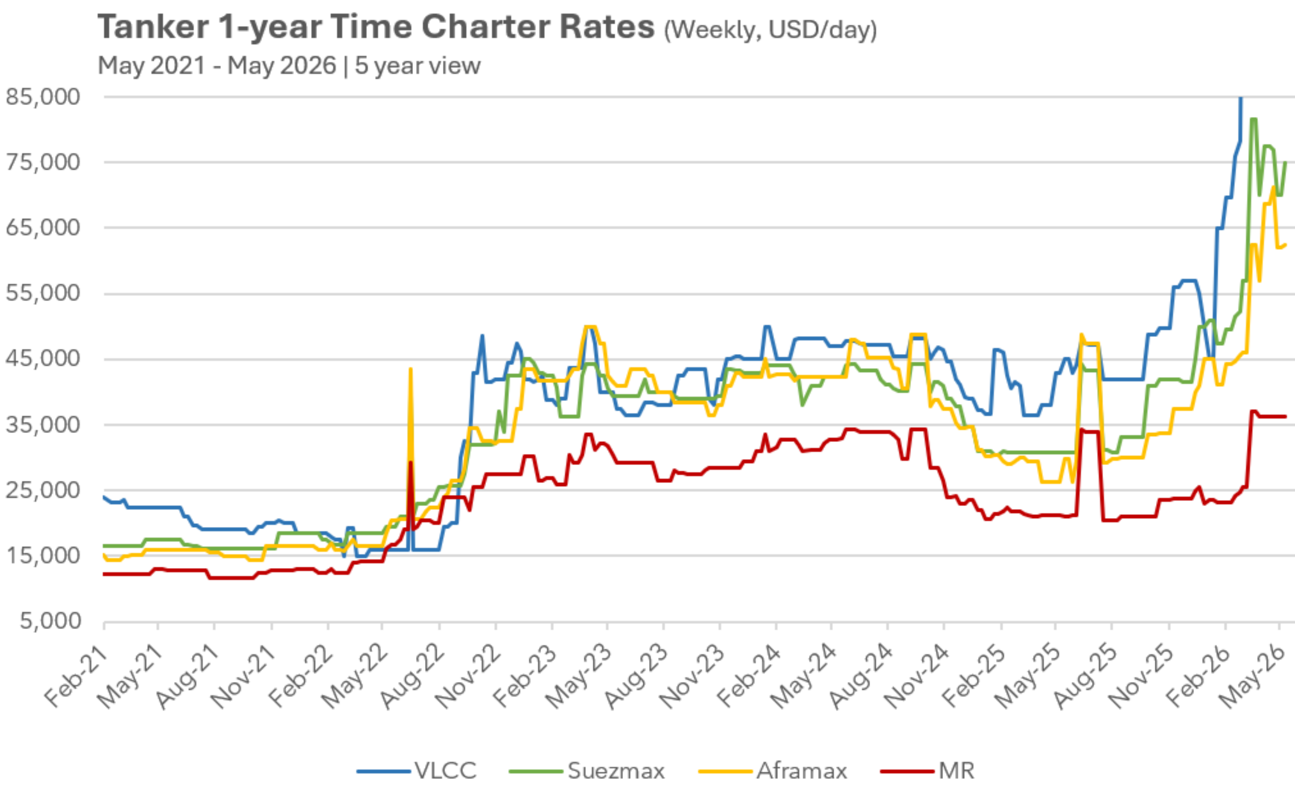
BDTI	BCTI
2,375	1,726
WoW: -9.66%	WoW: -7.10%
YoY: +140.38%	YoY: +180.65%

Vessel Values (USD Million)

TYPE	DWT	NB CONTRACT	NB PROMPT	5 YRS	10 YRS	15 YRS
VLCC	310,000	$130M	$175M	$135M (E)	$109M (E)	$60M
SUEZMAX	160,000	$88M	$108M	$88M (E)	$76M (E)	$52M
AFRAMAX	115,000	$77M	$88M	$73M (E)	$63M (E)	$47M
LR1	73,000	$65M	$70M	$60M (E)	$52M (E)	$30M
MR	51,000	$50M	$57M	$46M (E)	$37M (E)	$28M

Sale & Purchase — Reported Fixtures

VESSEL	TYPE	DWT	YEAR / BUILT	PRICE (USD M)	BUYER
C. INNOVATOR / C. PROGRESS	VLCC	313,990	2012 / CHINA 2012 / S. KOREA	60.5 EACH	UNDISCLOSED
STELLA	SUEZ	164,714	2011 / S. KOREA	67.0	UNDISCLOSED
HORIZON SYROS / HORIZON ANDROS	MR	50,000	2027 / CHINA	51.0 EACH	TORM A/S
CHEMSTAR RIVER	PROD/CHEM	22,407	2017 / JAPAN	33.0 (STST)	UNDISCLOSED



SEGMENT (AVG)	2022	2023	2024	2025	2026 YTD
VLCC	$25,217	$41,539	$45,961	$45,069	$123,500
SUEZMAX	$25,642	$40,632	$41,181	$35,686	$76,000
AFRAMAX	$24,406	$41,848	$41,942	$33,049	$65,500
MR	$20,094	$28,799	$30,750	$23,005	$35,000

CONTAINERS

SCFI index rose to 2,141, ending a month-long correction through aggressive surcharges and capacity cuts rather than demand growth. Significant fee hikes, including a US$2,000 peak season surcharge from CMA CGM and increased fuel fees from MSC, provided price support across North American and European routes. While U.S. West Coast capacity is set to rise 6% in May, European recovery remains sluggish due to weak bookings.

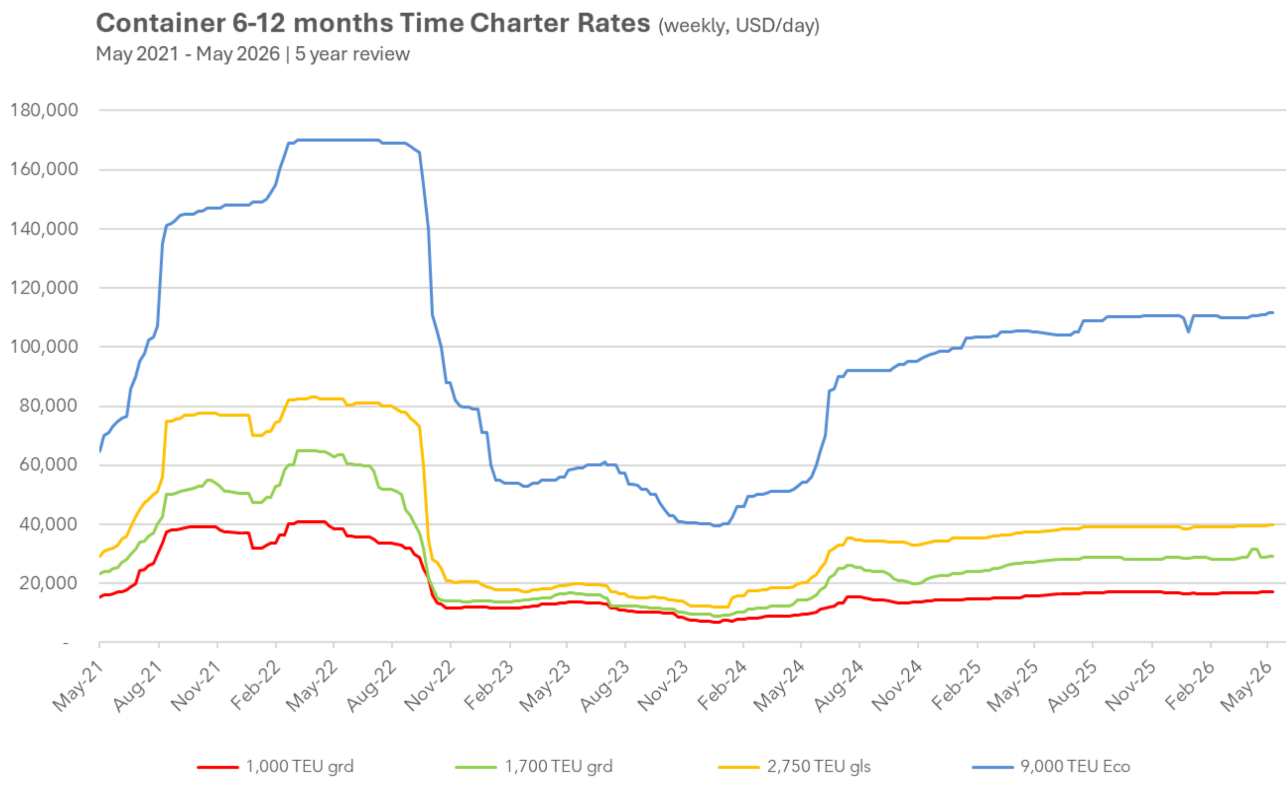
Meanwhile, Middle East instability deepened as Iran proposed a formal toll and authorisation system for the Strait of Hormuz, potentially making high-cost, low-efficiency operations a permanent industry fixture.

Sale & Purchase — Reported Fixtures

VESSEL	TYPE	TEU	YEAR / BUILT	PRICE (USD M)	BUYER
AS SICILA	FEEDER	1,794	2008 / CHINA	18.5	CHINESE BUYERS
OLIVIA	FEEDER	1,740	2013 / CHINA	25.0	MIDDLE EASTERN BUYERS

Vessel Values (USD Million)

SIZE (TEU)	TYPE	NB CONTRACT	NB PROMPT	5 YRS	10 YRS	15 YRS
900 – 1,200	Geared	$25M	$29M	$23M	$18M	$12M
1,600 – 1,850	Gearless	$32M	$38M	$30M (E)	$25M (E)	$18M
2,700 – 2,900	Gearless	$44M	$46M	$40M	$35M	$26M
5,100 – 5,300	Gearless	$55M	$79M	$64M	—	$39M



SEGMENT (AVG)	2022	2023	2024	2025	2026 YTD
1000 TEU	$29,580	$10,962	$11,894	$16,157	$16,753
1,700 TEU	$44,586	$13,073	$18,588	$27,336	$28,868
2,750 TEU	$63,495	$16,448	$27,471	$37,901	$39,289
9,000 TEU	$145,529	$51,702	$75,775	$107,026	$110,474

SHIP RECYCLING

Current Market Snapshot (USD / LDT)

DESTINATION	TANKERS	BULKERS	GEN. CARGO	CONTAINERS	OUTLOOK
ALANG, INDIA	$420–430	$410–420	$400–410	$450–460	STABLE /
CHATTOGRAM, BANGLADESH	$470–480	$460–470	$430–440	$500–510	STABLE /
GADDANI, PAKISTAN	$430–440	$420–430	$410–420	$440–450	STABLE /
ALIAGA, TURKEY*	$300–310	$290–300	$270–280	$310–320	STABLE /

** Turkey prices for non-EU ships. EU vessels approx. US$20–30/ton less.*

All prices are USD per light displacement tonnage (long ton), net prices offered by recycling yards. Premiums apply based on spares quality, non-ferrous content, bunkers, cargo history, and maintenance. Basis simple Japanese/Korean-built tonnages.

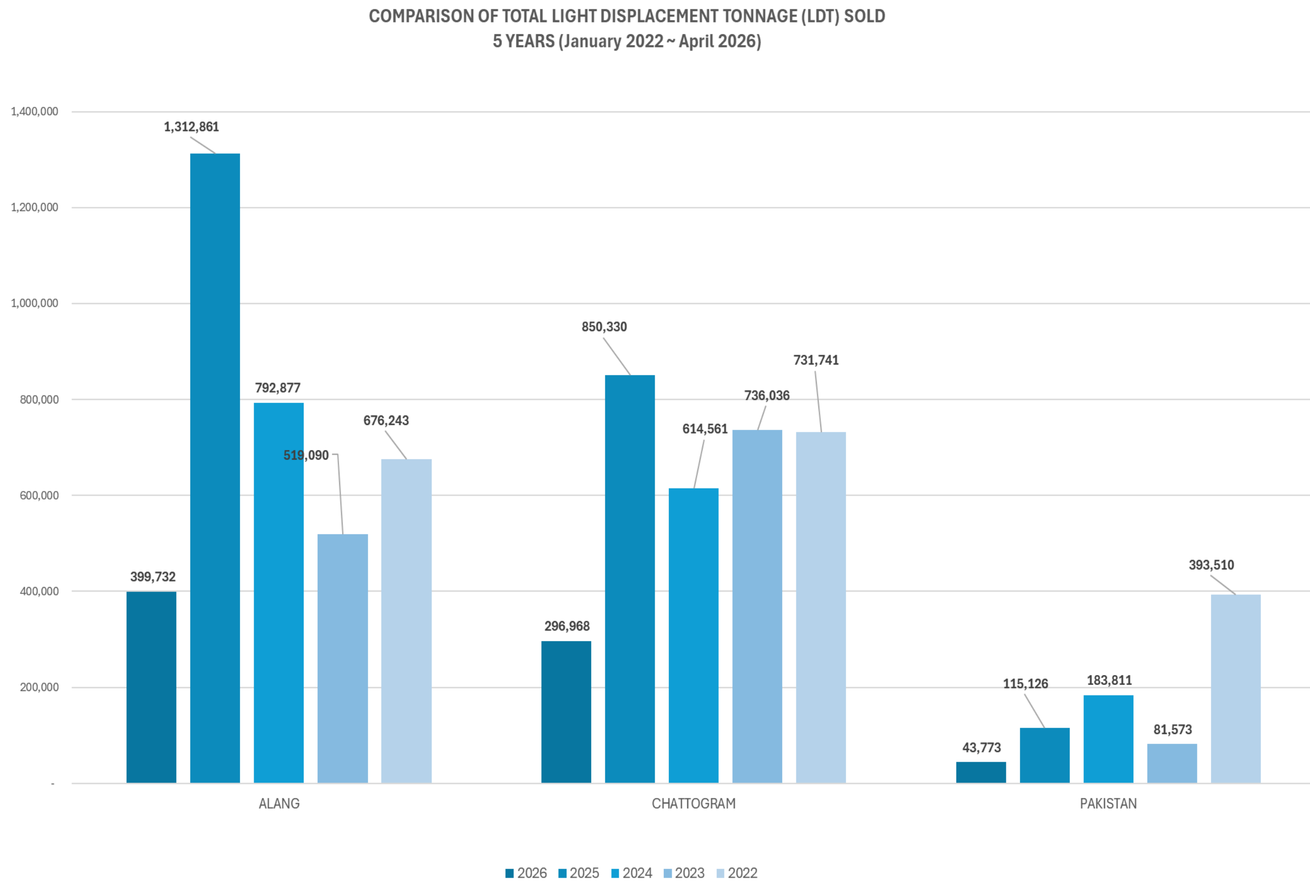
- *All prices are USD per light displacement tonnage in the long ton.*
- *The prices reported are net prices offered by the recycling yards.*
- *Prices quoted are basis simple Japanese / Korean-built tonnages trading units. Premiums are paid on top of the above-quoted prices based on quality & quality of Spares, Non-Fe., bunkers, cargo history, and maintenance.*

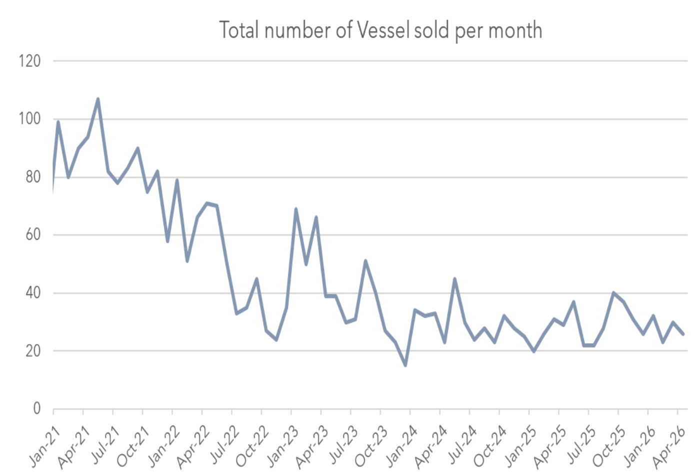
5-Year Historical Average Prices (Week 20)

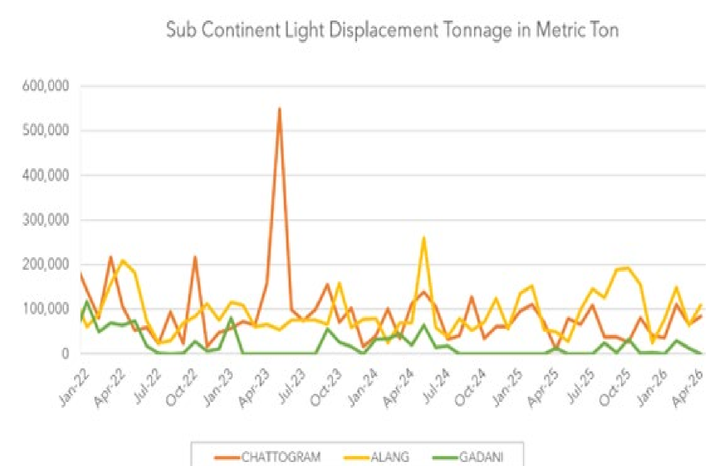
DESTINATION	2021	2022	2023	2024	2025
ALANG, INDIA	480	630	520	540	460
CHATTOGRAM, BANGLADESH	530	640	550	530	460
GADDANI, PAKISTAN	530	650	0	520	460
ALIAGA, TURKEY	250	330	320	350	280

Reported Sales

VESSEL NAME	TYPE	LDT	YEAR / BUILT	PRICE (US/LDT)	COMMENTS
HANJIN 3007	RORO	3,665	1998 / S. KOREA	415	AS IS KOREA
VALARIS MS-1	SEMI-SUB	28,761	2011 / SINGAPORE	UNDISCLOSED	AS IS LABUAN, MALAYSIA


COMPARISON OF TOTAL LIGHT DISPLACEMENT TONNAGE (LDT) SOLD
5 YEARS (January 2022 ~ April 2026)
1,400,000
1,200,000
1,000,000
800,000
600,000
400,000
200,000
-
399,732
1,312,861
792,877
519,090
676,243
296,968
850,330
614,561
736,036
731,741
43,773
115,126
183,811
81,573
393,510
ALANG
CHATTOGRAM
PAKISTAN
2026 2025 2024 2023 2022


Total number of Vessel sold per month
120
100
80
60
40
20
0
Jan-21 Apr-21 Jul-21 Oct-21 Jan-22 Apr-22 Jul-22 Oct-22 Jan-23 Apr-23 Jul-23 Oct-23 Jan-24 Apr-24 Jul-24 Oct-24 Jan-25 Apr-25 Jul-25 Oct-25 Jan-26 Apr-26


Sub Continent Light Displacement Tonnage in Metric Ton
600,000
500,000
400,000
300,000
200,000
100,000
0
Jan-22 Apr-22 Jul-22 Oct-22 Jan-23 Apr-23 Jul-23 Oct-23 Jan-24 Apr-24 Jul-24 Oct-24 Jan-25 Apr-25 Jul-25 Oct-25 Jan-26 Apr-26
CHATTOGRAM ALANG GADANI

Market Insights

Alang, India: Alang softened significantly this week as the Indian Rupee fell to a new historic low of 95.71 against the U.S. Dollar following diplomatic stalls in the Middle East. This 0.74% currency depreciation has intensified pressure on local buyers, driving up transactional costs and forcing a much more cautious approach to buying.

While stable domestic steel demand provides a layer of optimism, the broader buying appetite remains constrained by slower construction activity and an overall weaker demand for scrap metal. Recyclers are expected to remain highly selective in the near term, focusing their limited buying interest primarily on specialised assets rather than standard merchant tonnage.

Alang Anchorage & Beaching — May2026

VESSEL	TYPE	LDT	ARRIVAL	BEACHING
-	-	-	-	-

Chattogram, Bangladesh: Chattogram maintained a steady footing, supported by a highly permissive financial environment where the Letter of Credit pipeline remained clear for a fifth consecutive week. While underlying buyer appetite and pricing remain firm amid a limited global supply of vessels, actual sales activity slowed significantly due to disruptions from ongoing heavy rainfall. Several local yards are currently well-supplied with inventory, prompting breakers to adopt a more cautious approach toward acquiring fresh tonnage at present levels until weather conditions improve.

Chattogram Anchorage & Beaching — May 2026

VESSEL	TYPE	LDT	ARRIVAL	BEACHING
ENERGIA C	BULKER	19,899	14.05.2026	AWAITING
GODSPEED 6666	WOODCHIP	10,348	14.05.2026	AWAITING
GION MARU NO.8	CEMENT	484	11.05.2026	AWAITING
FRONTIER	RORO	4,240	11.05.2026	AWAITING
JIAN JIE	TANKER	1,807	06.05.2026	AWAITING
JIANG	BULKER	21,238	21.04.2026	01.05.2026
FESTIVAL	BULKER	6,993	26.04.2026	04.05.2026
SPRUCE	CONTAINER	2,216	27.04.2026	04.05.2026
BGP PIONEER	SURVEY VESSEL	3,085	01.05.2026	06.05.2026
ACE 1	BULKER	5,757	02.05.2026	07.05.2026

Gaddani, Pakistan: Gadani saw a quiet week as disruptions at local rolling mills placed a temporary burden on buyer confidence and slowed general trading activity. Despite these internal operational hurdles, the market's underlying sentiment remains resilient, supported heavily by an ongoing scarcity of imported scrap, HMS, and shredded steel from the Middle East. Moving forward, Pakistani recyclers are expected to maintain a steady but watchful posture until domestic industrial operations stabilise and a more consistent flow of tonnage becomes available.

Gaddani Anchorage & Beaching — May 2026

VESSEL	TYPE	LDT	ARRIVAL	BEACHING
XIONG HAI	1,659	TANKER	05.05.2026	07.05.2026

Aliaga, Turkey: Local activity for new tonnage was restricted by a depreciating Turkish Lira, dampening overall buying appetite. Turkish yards remain structurally uncompetitive for standard merchant ships, leaving the region's focus almost entirely on the EU-regulated tonnage.

TIDE DATES 2026 | **Chattogram**: 16–19 May | 31 May-3 June
Alang: 14–22 May | 28 May-5 June

SUB-CONTNENT & TURKEY SCRAP MARKETS

India: Imported containerised shredded scrap prices remained steady at US$385/t CFR despite a total lack of fresh deals, as the Rupee nearing 96 against the dollar, severely eroded import competitiveness. Buyers have pushed workable levels down to US$375–US$380/t for shredded and US$350–US$355/t for HMS, effectively ignoring European offers currently hovering between US$370/t and US$395/t.

Pakistan: The market experienced a slow day-to-day session as importers maintained a cautious posture, with containerised shredded offers heard at US$420–US$425/t CFR Port Qasim against bids of US$415/t. Local scrap prices currently hold between PKR 152,000–156,000/t (US$546–US$560/t), providing a more stable reference point for domestic mills amidst the weak seaborne sentiment.

Bangladesh: Import activity in Chattogram remained sluggish, with UK-origin shredded offers reported at US$415/t CFR and premium Hong Kong-origin PNS quoted up to US$425/t. Despite the quiet import market, domestic rebar prices remain relatively robust, trading around BDT 92,000–93,000/t (US$750–US$758/t), which continues to underpin the regional price floor.

Turkey: Deep-sea prices settled near US$413/t CFR as Turkish mills intensified their resistance to higher offers in the face of squeezed margins and sluggish rebar demand. Buyers are increasingly pivoting toward domestic billet purchases to secure financing advantages, while Baltic-origin HMS 80:20 offers have emerged at a more competitive US$405/t CFR to West Marmara.

COMMODITIES, BUNKERS & RATES

Commodities Focus

Geopolitical disruptions in the Middle East have driven **aluminium** prices up 3.8% to US$3,315 per ton. **Coal** prices reached a peak above US$119 per ton as energy security needs outweigh green transitions, while China anticipates its first production contraction since 2016. **Iron ore** futures climbed above CNY 815 per ton following a seven-week decline in steel inventories, though **steel rebar** has recently retreated toward CNY 3,200.

Copper's eight-day rally came to a halt as elevated prices began to weigh on Chinese buying appetite. Fabricators reported softer orders for copper rod, widely used in electrical wiring, as SHFE prices moved above CNY106,000/t, prompting buyers to delay purchases. On warrant SHFE inventories also rose 10% over three days to 91.1kt, reversing part of the sharp drawdown seen over the past two months. Still, Chinese demand has remained relatively resilient this year, supported by clean energy consumption despite weakness in property and construction. Supply risks also remain supportive, with March output falling sharply at Chile's Codelco and Escondida mines.

Iron Ore

COMMODITY (USD/MT)	GRADE	THIS WEEK	LAST WEEK	LAST YEAR	WoW	YoY
Iron Ore Lumps, CNF Rizhao	Fe 64/63% (S. Africa)	$122	$101	$122	+20.7%	0%
Iron Ore Fines, CNF Qingdao	Fe 62.5% (Brazil)	$112	$101	$112	+10.8%	0%

Industrial Metal Rates

INDEX	UNITS	PRICE	CHANGE	% CHANGE	CONTRACT
Copper (Comex)	USD / lb.	629.50	-31.65	-4.79%	JUL 2026
3Mo Copper (LME)	USD / MT	13,555.00	-383.50	-2.75%	N/A
3Mo Aluminium (LME)	USD / MT	3,563.00	-94.50	-2.58%	N/A
3Mo Zinc (LME)	USD / MT	3,534.50	-50.50	-1.41%	N/A
3Mo Tin (LME)	USD / MT	52,347.00	-2,309	-4.22%	N/A

Crude Oil & Natural Gas

INDEX	UNITS	PRICE	CHANGE	% CHANGE	CONTRACT
WTI Crude Oil (Nymex)	USD / bbl.	105.42	+4.25	+4.20%	JUN 2026
Brent Crude (ICE)	USD / bbl.	109.26	+3.54	+3.35%	JUL 2026
Crude Oil (Tokyo)	JPY / kl	101,240.00	+300.00	+0.30%	MAY 2026
Natural Gas (Nymex)	USD / MMBtu	2.96	+0.07	+2.28%	JUN 2026

** All rates at C.O.B. London time, May 2nd, 2026*

Exchange Rates

CURRENCY PAIR	MAY 15	MAY 8	WoW %
USD / CNY (China)	6.80	6.80	0.00%
USD / BDT (Bangladesh)	122.77	122.69	-0.07%
USD / INR (India)	95.98	94.43	-1.64%
USD / PKR (Pakistan)	278.59	278.67	+0.03%
USD / TRY (Turkey)	45.52	45.35	-0.37%

Bunker Prices (USD / ton)

PORT	VLSFO (0.5%)	HSFO (3.5%)	MGO (0.1%)
SINGAPORE	$798	$712	$1,314
HONG KONG	$826	$747	$1,366
FUJAIRAH	$878	$706	$1,571
ROTTERDAM	$771	$680	$1,328
HOUSTON	$915	$697	$1,261

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