MARKET REPORT

Week 26 2025- 7th July

COMMENTS

President Donald Trump declared he has signed letters to 12 nations outlining new tariff rates on their exports to the U.S., with official notifications scheduled to be sent on Monday. While speaking on Air Force One, Trump refrained from naming the countries involved but mentioned that the tariffs would differ in amounts and would be presented as "take it or leave it" proposals. Up to now, the only deals made have been with the UK and Vietnam. Britain maintained the standard 10% rate and obtained exemptions for vital sectors, while Vietnam experienced a tariff reduction to 20% from an earlier suggested 46%, with increased access to the U.S. market.

The first half of 2025 presents a tough environment for dry bulk shipping with stagnating demand and oversupply pressures, while the oil tanker market shows signs of recovery but remains volatile due to external geopolitical and oil market factors. Stakeholders should monitor trade policies, commodity demand shifts, and geopolitical developments closely as these will heavily influence market dynamics in both sectors. On the other hand, for the first half of 2025, the container shipping market is navigating a complex and challenging environment marked by geopolitical tensions, capacity shifts, and evolving trade patterns.

Comparative Table: Dry Bulk, container and Oil Tanker with forcast Market H1 2025

Aspect	Dry Bulk Shipping Market (H1 2025)	Container Shipping Market (H1 2025)	Oil Tanker Shipping Market (H1 2025)
Demand Outlook	Stagnant or near zero growth; US tariff increases and China's slower GDP (~4%) weigh on demand; iron ore shipments stagnant; coal and grains impacted by trade tensions and tariff shifts	Strong early 2025 volume growth (~5% YoY) driven by tariff front-loading and diverted trade routes; moderation expected in H2; South America emerging as alternative hub	Moderate growth (~1% YoY) expected; supported by shifting crude flows, geopolitical tensions, and sustained oil demand
Fleet Growth	Moderate expansion (~2.8-3%); newbuilding deliveries down sharply (75% decline from 2024) due to rising costs, tariffs, and geopolitical risks; focus on eco-friendly vessels and fleet modernization	Slowing capacity growth (~6% in 2025 vs 10.5% in 2024); new alliances reshaping service patterns; investments in larger, more efficient ships ongoing	Limited fleet growth; low orderbook supports tighter supply-demand balance; recycling pressured by sanctions and regulatory costs

Aspect	Dry Bulk Shipping Market (H1 2025)	Container Shipping Market (H1 2025)	Oil Tanker Shipping Market (H1 2025)
Freight Rate Trends	Overall softening with segment divergence: Capesize rates stronger on iron ore demand; Panamax and smaller segments weaker due to oversupply and tariff disruptions; Baltic Dry Index fell 21% in April 2025	Elevated freight rates due to Red Sea route diversions; Asia-Europe via Cape ~$4,000-$5,000/FEU; rates expected to moderate later in year as capacity growth slows	Improving rates with VLCCs around $50,000-$60,000/day; market volatile but recovering from 2024 lows
Key Market Drivers	US-China trade tensions, China's property crisis, infrastructure projects (Simandou), route diversions (Red Sea), commodity demand shifts	Geopolitical tensions (Red Sea), US tariffs, capacity management, new alliances, shifting trade patterns to South America	Geopolitical risks (sanctions, conflicts), oil production changes, shadow fleet dynamics, regulatory compliance costs
Market Challenges	Oversupply in smaller vessel segments, tariff-induced trade disruptions, weak coal/grain demand, slower Chinese growth, inability to fully return to Red Sea routes	Route disruptions prolonging higher costs; balancing capacity growth with demand moderation; geopolitical uncertainty	Volatility from sanctions and oil market uncertainties; chokepoint security concerns; shadow fleet impact
Forecast Summary	Cautious outlook with potential further softening; Capesize vessels expected to outperform; freight rates and asset values likely to soften in 2025 due to weaker supply/demand balance	Stable but challenging; strong early demand softening in H2; capacity growth slowing; sustained geopolitical risks; moderate freight rate easing expected	Recovery phase with improving fundamentals; freight rates recovering but volatility remains; tanker market better positioned than dry bulk for near-term stability

DRY BULK The Baltic Dry Index fell to 1,436, its lowest point since the beginning of June. The Capesize index, which tracks the largest dry bulk ships, experienced a severe drop of 16.4% in one week, falling to 1,855—its lowest level in over a month. A significant disconnect has emerged: shipping rates are falling, while the price of iron ore is rallying.

Capesize: The global shipping market showed a distinct split this week. The Pacific region experienced a strong upturn, driven by high demand for iron ore and coal, which increased cargo volumes and pushed freight rates higher. Pacific saw rates improved to US$12,000's at closing. In sharp contrast, the Atlantic market remained weak due to an oversupply of available ships, which suppressed rates and gave cargo owners more negotiating power.

Panamax/Kamsarmax: The shipping market in the Atlantic region performed well this week. A surge in demand for ships, especially for routes involving South America, allowed ship owners to charge higher prices. The positive feeling in the market helped push these rates even higher. As a specific example, the daily hire rate for a ship on a round trip from Brazil reached about $13,500.

Supramax/Ultramax: Pacific – India ended the week with a slight uptick in rates, proving to be the basin's most active route. Pacific showed more resilience despite sideways movement in North Asia, with steady coal cargo flows from SE Asia providing underlying support.

Handy size: The Handysize segment strengthened this week, recording rate gains in both the Atlantic and Pacific basins. Pacific rates saw a notable increase, with intra-regional routes closing at US$9,150 per day. While the Atlantic market also firmed, a holiday in the US on Friday caused Trans-Atlantic routes to settle at stable levels, pausing the upward trend.

Baltic Exchange Dry Bulk Indices

INDICES	CURRENT	LAST WEEK	LAST YEAR	W-O-W CHANGE	Y-O-Y CHANGE
BDI	1,436	1,521	1,966	-5.59%	-26.96%
BCI	1,855	2,220	3,339	-16.44%	-44.44%
BPI	1,520	1,490	1,546	+2.01%	-1.68%
BSI	1,081	1,009	1,335	+7.14%	-19.03%
BHSI	633	636	742	-0.47%	-14.69%

Dry Bulk – S&P Report

VESSEL NAME	TYPE	DWT	YEAR	BUILT	PRICE (MILLION) USD	COMMENTS / BUYERS
ASIAN BLOSSOM	CAPE	181,494	2010	JAPAN	28.3	GREEK BUYERS
PACIFIC EAST	CAPE	176,357	2012	CHINA	27.5	GREEK BUYERS
GOLDEN ZHOUSHAN	CAPE	175,834	2011	CHINA	22.0	UNDISCLOSED
AZALEA WAVE	POST PMAX	95,584	2013	JAPAN	17.5	UNDISCLOSED
SDTR DORA	KMAX	81,780	2019	CHINA	24.0	EUROPEAN BUYERS
CHOLA VIRTUE	PMAX	76,610	2003	JAPAN	6.0	UNDISCLOSED
SAGAR SHAKTI	SMAX	58,097	2012	CHINA	13.0	UNDISCLOSED
PYTHIAS	SMAX	58,018	2010	CHINA	11.2	CHINESE BUYERS
JUNIPER	SMAX	57,185	2011	CHINA	12.5	UNDISCLOSED
OCEAN PRINCESS	SMAX	52,382	2002	JAPAN	7.38	UNDISCLOSED

TANKERS:

the oil market is currently caught in a classic tug-of-war: the fear of a supply shock from the Middle East is pulling prices up, while the fear of a demand slump from a global economic slowdown is pulling them down. The modest 2.5% gain, rather than a double-digit spike, perfectly encapsulates this delicate and uncertain balance. Investors will now be watching for two things: the nature of Iran's response and the next round of global manufacturing and service sector data.

VLCC: VLCC freight rates experienced a sharp 34% decline this week. This crash was driven by a combination of easing geopolitical risk in the Middle East and a seasonal slowdown in demand, which has shifted negotiating power from shipowners to charterers. Rates are now trending back towards the lower levels seen before the recent spike in tensions. 270,000mt MEG/China, lost six points this week to WS47. In the Atlantic, similar sentiments were reflected with 260,000mt WAFR/China slipping to WS49.

Suezmax: The global market for shipping crude oil is experiencing a split personality. Prices (freight rates) are dropping sharply in West Africa, mimicking a recent crash in the Middle East. However, for some routes out of the Middle East, prices are actually starting to rise. Looking ahead, the typical summer slowdown is expected to put downward pressure on prices everywhere. In the MEG, some pushbacks were seen with 140,000mt to Med climbing to WS97.

Aframax: The shipping market for tankers was strong in Asia, which helped keep prices stable there, while in the Americas, prices dropped because of a holiday slowdown. Across the pond, 70,000mt EC Mexico/USG fell some 5 points this week to WS142 with the Independence Day holidays in the Americas

Clean:

LR: the LR2 Weakened, with rates for the TC1 route (MEG to Japan) falling to WS120. This was driven by cancelled fixtures as geopolitical tensions eased, allowing charterers to pressure the market downward.

MR: the MR market Showed mixed results. The Far East market was stable due to steady demand. However, in the Middle East Gulf (MEG), rates fell, with the TC17 route to East Africa dropping about 30 points to WS190.

Tankers values

TYPE	DWT	NB CONTRACT	NB PROMPT DELIVERY	5 YEARS	10 YEARS	15 YEARS
VLCC	310,000	126	147	112 (E)	83(E)	51
SUEZMAX	160,000	87	94	77 (E)	62 (E)	40
AFRAMAX	115,000	75	77	64 (E)	50 (E)	35
LR1	73,000	60	62	51 (E)	42 (E)	25
MR	51,000	49	50	41 (E)	30 (E)	21

Tankers S&P Report

VESSEL NAME	TYPE	DWT	YEAR	BUILT	PRICE (MILLION) USD	COMMENTS / BUYERS
MONTREAL SPIRIT / LIMERICK SPIRIT	SUEZ AFRA	149,997 105,583	2006 2007	JAPAN S. KOREA	50.0 EN BLOC	GREEK BUYERS

PTI HUANG HE	MR	49,999	2016	S. KOREA	32.0	GREEK BUYERS
CL FUGOU / CL HUAIYANG	MR	49,709 49,688	2017	S. KOREA	65.0 EN BLOC	UNDISCLOSED
PACIFIC QUARTZ	MR	47,941	2011	JAPAN	18.5	UNDISCLOSED
GRAND ACE 7	MR	46,140	2007	S. KOREA	15.0	UAE BASED BUYERS

CONTAINERS

Spot rates on the Transpacific route (Asia to North America) saw a major decline this week. The Shanghai Containerized Freight Index (SCFI) for the US West Coast route dropped 19% in a single week, landing at $2,089 per 40-foot container (FEU). The drop is due to a fundamental imbalance: low demand for goods from shippers combined with too many available ships (vessel oversupply. This price collapse erases the temporary rate increases that occurred after a recent pause in US-China tariffs, indicating that the tariff news was not enough to overcome the weak market fundamentals.

Container Values

CONTAINERS (BY TEU)	GEARED / GEARLESS	NB CONTRACT	NB PROMPT DELIVERY	5 YEARS	10 YEARS	15 YEARS
900 ~ 1,200	Geared	24	26	20	16	10
1,600 ~ 1,850	Gearless	31	35	29 (E)	23 (E)	18
2,700 ~ 2,900	Gearless	44	46	39	35	26
5,100 ~ 5,300	Gearless	59	82	66	-	41

S&P Containers Report

VESSEL NAME	TYPE	TEU	YEAR	BUILT	PRICE (MILLION) USD	COMMENTS / BUYERS
VEGA COLIGNY	FEEDER	1,868	2023	CHINA	31.0	FOLK MARITIME
XH DOLPHIN	FEEDER	1,740	2013	CHINA	23.2	UNDISCLOSED
HANSA HORNEBURG	FEEDER	1,732	2007	CHINA	19.5	GLOBAL FEEDER SHIPPING