

Tanker Shipping Market Overview & Outlook

Rebound in oil demand could lift market in latter half of 2024



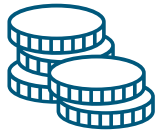
Supply/demand



Based on a strong second half demand, **the supply/balance is forecast to strengthen in 2024 but weaken slightly in 2025** as newbuilding deliveries increase.

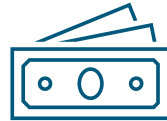


Driven by increasing sailing distances **product tanker demand is also expected to grow faster than supply in 2024 but slower in 2025** as ships return to normal routings.



A tightening supply/demand balance should result in **increases in rates and prices in both market in 2024 but could weaken in 2025**, especially in the product tanker sector.

Demand



The IMF estimates that **the global economy will grow 3.2% in 2024 and 3.3% in 2025**. Growth is slowing in key countries such as the US, China and India.



The IEA estimates that **crude supply will grow 0.3 mbpd in 2024 and 1.5 mbpd in 2025**. Mainly US, Brazil and Guyana will increase supply.



The IEA expects an oil demand increase of 1.0 mbpd in both 2024 and 2025. Demand continues to grow mainly in Asia while demand in OECD countries has stagnated.



We have assumed that Red Sea rerouting may last throughout 2024. Longer sailing distances are therefore estimated to drive 100% of 2024 demand increases.

Supply



The **crude tanker fleet is estimated to grow 0.5% in 2024 and 1.2% in 2025** as the order book remains small.



Product tanker fleet growth is expected to be 1.6% in 2024 but increase to 4.8% in 2025 as deliveries of ships contracted in 2023 begin.



predicted weakening of product tanker fundamentals are expected to lower sailing speed in 2025. In 2024, sailing speed will not impact supply growth.