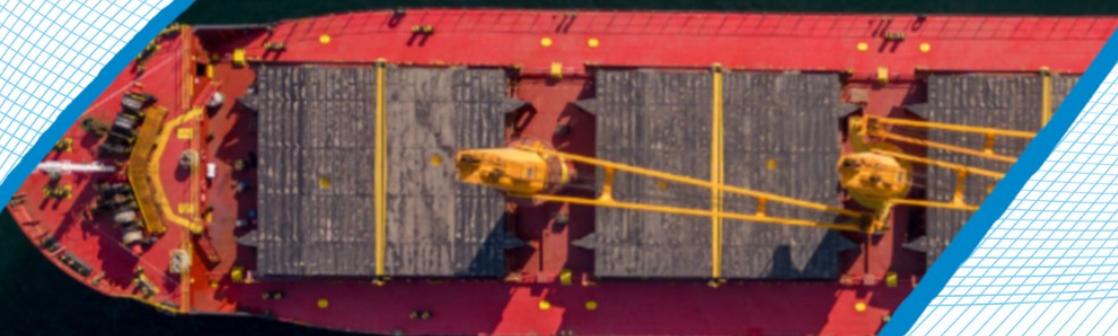


# Outlook --- 2026



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# About SSY

145

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Years of broking experience

1880

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Established in

650

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Broking experts

28

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Global offices

24

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Hours of service

14

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Broking divisions

1

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Mindset



# We believe that Experience Matters...

Our 145 years of experience as a trusted broking partner, the experience of our broking and research experts and most importantly, the experience that our clients receive from us.

Proudly independent, we have grown to become the largest privately owned broking house in the world. Consistently chartering our own course, we have shaped the broking industry that we know today.

# The Big Picture

After six long years of continuous disruption, starting with COVID in January 2020, shipping analysts can be forgiven for longing back to the good ol' days when only supply and demand fundamentals and perhaps a sprinkling of market sentiment actually mattered.

The past year has laid bare that shipping is now, explicitly, a bargaining chip in a geopolitical game of tit-for-tat. Not only in terms of tariffs and counter-tariffs, as we saw in the previous US-China trade war, but also regarding “special port fees” and attempts at forcing the fleet of your counterpart to operate elsewhere. While there is now a one-year truce in the trade conflict, tariffs on US commodities into China remain elevated and, thus, still reduce trade volumes between the two countries. However, for commodities where there are alternative sources of supply and demand, such as grains, coal and to an extent crude oil, such artificial trade barriers have merely redirected flows (e.g. South American soybeans replacing US origin) with limited impact on global shipping demand.

What about the potential for a normalisation of Red Sea/Suez transits? The challenge – in commodity shipping at least - is that there aren't many incentives to change the status quo. The economic inconvenience of the alternative Cape of Good Hope routing is not large enough for shippers to push strongly for a change, and owners and operators, as well as their insurers, certainly prefer the safer and longer option. Moreover, the Houthi campaign should be interpreted in a bigger geopolitical context where providing selective access to your allies' fleets is both cheap to achieve and easy to maintain. Also, such power over one of the world's major maritime chokepoints is nearly impossible to wrestle away without incurring excessive military or political costs.

Hence, while there will be occasional positivity and talk of resumption also in 2026, we lean to the side of “no change”.



**Dr Roar Adland**

**Senior Director & Global Head of Research**

The end of Russian hostilities in Ukraine seemingly falls in a similar category at this moment, with neither party (and their allies) able or willing to give in to the demands of the other. Even if there is a cease fire under fair terms that all parties agree to, the road towards a complete rolling back of sanctions on Russia, certainly in Europe which is what matters for trade efficiency and shipping markets, would be long and politically fraught. What we can hope for is a much-needed amnesty on the scrapping of “dark fleet” tankers which would simultaneously reduce environmental risk and improve the market balance.

Despite the recent geopolitical shocks to the world economy, commodity demand has arguably held up very well. Going into 2026 we remain positive to commodity demand, with Europe and the USA potentially seeing an improvement in economic growth and industrial production as interest rates come down. While the Chinese property sector is unlikely to recover any time soon, the resulting headwinds on overall economic growth are now by definition much weaker while advanced manufacturing and exports are firing on all cylinders.

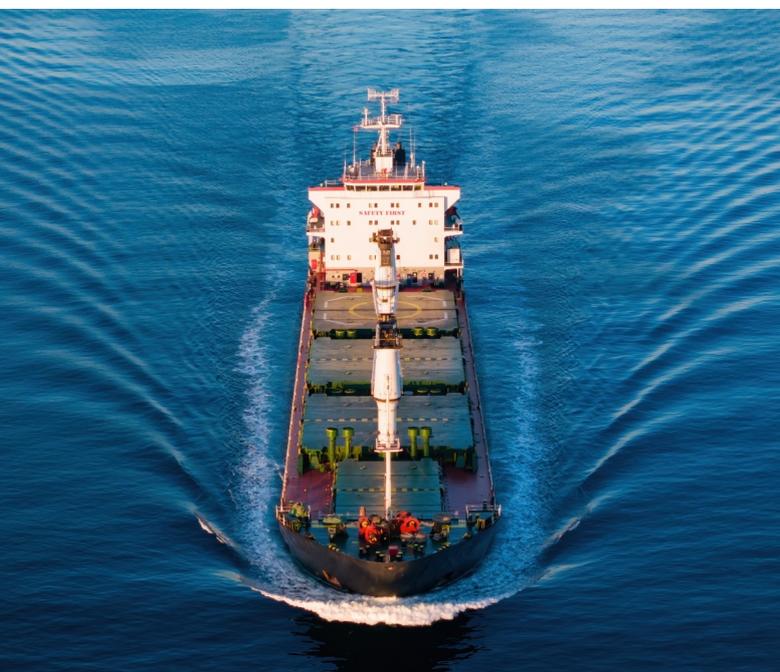
The only concern which is self-inflicted is the observation that supply growth is picking up strongly across all shipping sectors. Some shipping sectors – notably chemical tankers, product tanker and LNG – are increasingly structurally vulnerable on the basis of a simple fundamental balance. Until now, shipping has been saved by continued disruption but at some point we will have hit peak chaos.

Finally, as always, sentiment will eat careful fundamental research for breakfast any day.

# Dry Cargo

To start with the relatively easy part, fleet growth is expected to pick up slightly in 2026 to around 3.2% in deadweight (DWT) terms, up from around 2.8% in 2025. However, as has been the case for the past couple of years, fleet growth remains very unevenly distributed across segments, with Capesize growth remaining low at around 2.2% according to SSY estimates, Panamax and Handysizes above average at 3.4% and Supra/Ultramax once again leading the pack at around 4.7%. We anticipate that recycling activity will remain low given market optimism and the ability of older units to find employment.

Capesize (and indirectly Panamax) demand growth will be even more reliant on developments in Guinea, with the pace of bauxite and Simandou iron ore ramp-up largely deciding the fate of the market. Indeed, based on our current estimates, Guinean cargo growth is responsible for an outsized 3.3%-points of the 3.0% tonnemile growth expected in 2026. In other words, at least based on our current numbers, changes across all the other trades sum up to a slightly negative growth (-0.3%), mainly driven by a further shift of coal away from Capesize and into Panamaxes (-1.8%-points). Panamax demand is, thus, also reliant on the Atlantic Capesize market continuing to outperform to benefit from this “trickle down” effect.



**Dr Roar Adland**  
Senior Director & Global Head of Research

The Supramax segment should continue to be the main beneficiary of a strong ECSA grain export market also in 2026, while continued strength in minor bulks trades, supported by Chinese steel exports and global fertilizer volumes, should also perform well. Overall, we expect demand growth for the geared segments to marginally outpace the predicted supply growth, predominantly for the smaller sizes.

The dry market has adapted well to the recent geopolitical upheaval and should be relatively sheltered from any potential normalization both in the Red Sea/Suez Canal and with regards to a potential end to the Russia-Ukraine conflict. In the former case, a reduction in distances should be at least partly offset by an increase in inter-basin volumes, while in the latter case any gain in trading efficiency if sanctions (self-imposed or otherwise) are rolled back would be partly compensated by increasing Black Sea trade, both inbound and outbound.

Overall, the fundamental balance should improve, particularly for Capesizes and Handysizes, with a relatively stronger first half of the year than in 2025.

# Tankers

The tanker market faces many uncertainties again heading into 2026 that could alter trade flows given the current geopolitical climate. Chiefly, whether there will be a resolution in the Russian-Ukraine war and any subsequent easing in energy-related sanctions or indeed, if there is no agreement, that sanctions are tightened further. The swathe of US and European sanctions on Russian and Iranian oil that accelerated in the second half of 2025 pushed earnings for many crude tanker segments to multi-year highs with Indian and Chinese refiners switching to non-sanctioned oil, propelling non-sanctioned vessel demand while VLCC discharge delays in China grew following the sanctioning of a port there. Now US-Venezuela tensions are escalating with a possible blockade of sanctioned tonnage in and out of the country. Thus crude tanker rate firmness should continue in early 2026 until the market readjusts to the recent trade moves but a higher rate floor will be set. Outside of geopolitical factors, a building crude oil surplus and a developing contango in the oil futures market would support crude tankers with more oil on the water, capacity for on land stock builds and the potential for floating storage if there is no restraint on oil production (albeit it would fall to OPEC+ to possibly ease back on output levels in the face of growing oil production from the Americas). Crude tanker supply, though, is set to expand in 2026 with VLCC deliveries poised to hit a 4-year high alongside another jump in Suezmax arrivals that will boost carrying capacity.



**Claire Grierson**  
Senior Director & Head of Tanker Research

The clean tanker market is facing greater downside pressure despite recent support from sanction-led trade shifts and Ukrainian attacks on Russian refineries. The clean orderbook for 2026 delivery is the largest that SSY has on records dating back to 2000, driven by LR2s and MRs. While some LR2s may deliver into the crude segment given comparative strength in earnings there, the increase in crude tanker arrivals will mean competition for clean cargoes East of Suez that will also weigh on rates. There is a risk that trade through the southern Red Sea and via the Suez Canal may increase with the Houthis pausing attacks and some owners have tentatively tested the route in 2025. This would reduce tonne miles on trade via the Cape of Good Hope that has been a key support factor for the LR3s in recent years, although most owners are expected to remain cautious.





**Kyla Schliebs**  
Director & Head of LNG Research



When looking towards the future and what *will* happen, we try to evaluate the status of the two pillars in which the LNG shipping market is built on. Namely, these pillars are the 'fundamentals' and the 'sentiment.' Fundamentally speaking, 2026 looks like it could be an epic disaster movie, a sort of dystopian horror whereby all the freight rates look, at least on paper, as if they will be zombified. Notable fundamental data points include the fact that there are 84 newbuildings set to deliver, which a huge amount of new tonnage to hit the waves, against only 36 mtpa of new LNG volume expected to come online. Over 110 mtpa of LNG export capacity is anticipated to come online across 2027 and 2028, indicating a bright future, but fundamentally we could be in for a rocky ride to get there.

Sentiment, however, is harder to predict as we have to look backwards in order to have a view on the future. Until early-October, 2025 had been a complete write-off in terms of the LNG shipping market – spot rates had been mostly trading sideways all year (aside from a small Middle Eastern conflict blip in June), averaging \$28k/day between January and October.

But, the LNG shipping market did explode in November and the first part of December 2025, surpassing the \$100k/day threshold, which has set an interesting scene for the 2026 market to follow. Why is this? Because the sentiment has completely changed. The whole market believed that we would have a quiet winter, but thanks to excess US and West African production, as well as some demand bottlenecks, we now have an interesting return to the paradigm of old – i.e. a proper winter market. This should result in a stronger term market for 2026 as Charterers will seek to position themselves better for winter 26/27.

Throughout most of 2025, sentiment and fundamentals tracked each other until decoupling unexpectedly by the end of the year. It is likely that the sentiment will drop during 1H 2026; however, Charterers (and Owners) have long memories, and we are confident that those with healthy foresight will start to move on the fundamentally strong outlook for 2027/28 sooner rather than later.





It has been an eventful year for the LPG market, demonstrating how deeply freight rates, arbitrage and regional supply balances are tied to geopolitics. Politicians not usually invested in shipping have taken an interest in maritime issues, and freedom of navigation has increasingly become a diplomatic bargaining chip.

A critical question for 2026 is whether the US-China trade truce will hold. The disruption from tariffs and port fees had been detrimental for the VLGC market, weighing on US-China flows. While the current 10% tariff is less disruptive than previous levels, our medium-term view is one of pause rather than peace and that the situation remains fragile.

Despite multiple expansion projects for LPG supply set for next year, the demand side is a pivotal topic going into 2026. Chinese imports have been near-flat so far in 2025, the weakest growth since 2018, as tariffs and muted downstream demand left PDH units underutilised. 2026 offers a more positive backdrop, however, as new PDH capacity, lower trending propane prices and stable geopolitics could see a revival of import appetite next year. Despite near-saturation in residential LPG and rising piped gas penetration, Indian imports have seen significant growth for almost three years.



### **Hamid Agassi** Dry Bulk & LPG Analyst, Research

The restoration of PMUY subsidies through March 2026, coupled with infrastructure expansion and PDH projects reinforces India's role as a key growth driver into next year.

With geopolitical noise fading, the outlook for the LPG market can finally shift from uncertainty to opportunity. Demand fundamentals look healthy, and supply capacity is set to expand significantly in both the US and the Arabian Gulf. Emerging ammonia trade, though slow to materialise, promises substantial volumes in the coming years.

Yet optimism comes with caveats. Over 30 new VLGC/VLAC deliveries in 2026 will expand the fleet by nearly 8%, pressuring the freight market unless demand growth accelerates. Almost 90 vessels are scheduled for a special survey in 2026, reducing supply in the market, but the effect from this will likely be similar to that of 2025. Much of the optimism on the demand side hinges on ammonia projects, which have faced repeated delays. We expect seaborne LPG demand growth to be just under 7% in 2026, with ammonia adding up to 2% if projects proceed as planned. While fundamentals look stable, delays to expansion projects, geopolitics and the resumption of Suez Canal traffic remains a major risk factor for freight rates next year.



**Plamen Aleksandrov**  
Head of Research, Chemicals

## Chemicals

The chemical tanker market enters 2026 in a structurally fragile but operationally complex environment. The prevailing condition is not cyclical recovery but a market sustained by inefficiency, rerouting and trade distortion. With global trade growth slowing to just 0.5% and chemical production expansion downgraded to approximately 2.0%, underlying cargo demand offers limited natural support for freight rates.

### Freight Market Outlook

Freight performance in 2026 is expected to remain volatile and structurally vulnerable. Utilisation is increasingly dependent on extended voyage distances arising from Red Sea disruption, which continues to add 30–70% more sailing days on key Asia–Europe and Middle East–Europe corridors. This artificial tonne-mile inflation has thus far cushioned rates but masks fundamentally weak volume momentum.

Any de-escalation in the Red Sea would trigger a sharp correction in effective demand, with potential tonne-mile contraction of 15–25% on affected lanes, exposing the market to rapid freight deflation. Conversely, sustained disruption would continue to support utilisation, albeit inefficiency-driven and highly exposed to geopolitical shocks.

A factor supporting the tonne-mile demand and fleet utilization is Europe's growing dependence on imports from the US, the Middle East and Asia. However, finding backhaul cargoes will remain a challenge.

Spot freight rates in 2026 are therefore likely to oscillate within a broad range, characterised by intermittent strength driven by route distortion and episodic tightness, rather than sustained upward momentum rooted in demand expansion.

### Fleet Supply Dynamics and Utilisation Risk

The chemical fleet stands at approximately 3,270 vessels (53 million dwt), with 46% of the total orderbook scheduled for delivery in 2026, creating acute supply-side pressure. While the average fleet age exceeds 14.5 years and around 9% of vessels are older than 25 years, scrapping activity remains uncertain. Assuming retirement of only the oldest 5% of vessels aged 25 years and above, net fleet growth in 2026 would still be around 0.2%. Should scrapping levels disappoint amid weaker freight markets, capacity oversupply would re-emerge rapidly, undermining rates across both spot and time-charter segments.





## Cargo Segment Impact on Freight

- **Petrochemicals** remain the core tonne-mile generator but lack volume momentum. Trade is increasingly arbitrage-driven, reinforcing volatility rather than stable freight support.
- **Inorganics** provide baseline employment but offer limited upside, functioning as rate stabilisers rather than growth drivers.
- **Specialty chemicals** contribute premium earnings and complexity, supporting utilisation of high-spec tonnage but insufficient in scale to materially lift overall market balance.
- **Biofuels** and edible oils remain the only credible structural growth anchor, generating long-haul flows and higher utilisation of coated IMO II tonnage — though heavily exposed to policy shifts and climate variability.

2026 should be viewed not as a recovery year but as a phase of strategic navigation. The market remains operationally tight only because it is inefficient, not because it is healthy. Freight earnings will depend on disruption persistence, disciplined supply management and selective exposure to structurally resilient trades.

In this environment, strategic positioning, disciplined fleet management and operational agility will outweigh scale in determining financial performance.



## Experience Matters.

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Our 650 experts cover a range of major markets including Dry Cargo, Tankers, Derivatives, LNG, LPG, Sale and Purchase, Offshore, Rigs, Nuclear Energy, Chemicals, Towage, Ship Recycling and Corporate Finance.

SSY has a global reach with offices in Aberdeen, Athens, Bergen, Copenhagen, Dubai, Geneva, Genoa, Hamburg, Hong Kong, Houston, Kristiansand, London, Madrid, Mumbai, New York, Osaka, Oslo, Rio de Janeiro, Rotterdam, Seoul, Shanghai, Singapore, Stamford-USA, Sydney, Tokyo, Vancouver, Varna and Zug.

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