INTERNAL FLEET INTELLIGENCE BULLETIN

REGULAS SHIPPING NEWS

WEEKLY MARINE INTELLIGENCE & FLEET UPDATE

ISSUE	WEEK ENDING	EDITION	PUBLISHER
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Executive Shipping Summary

BALTIC DRY INDEX (BDI)

3,628

▲ +442 pts w-o-w (as of 4 Sep 2026)

VLCC MEG–SINGAPORE TCE

~$702,000/day

▲ Historic highs — Tanker Boom 2026

Global Market Outlook — Week 36

Global shipping markets entered the second week of September 2026 in broadly bullish territory. The tanker sector continues to post extraordinary earnings, with VLCC time-charter equivalents on the Middle East Gulf–Singapore axis approaching $702,000/day — figures that cement 2026 as the second-best tanker market in recorded history. Sentiment among owners and brokers remains strongly positive, with no near-term supply relief in sight given the congested newbuilding order book weighted towards post-2028 deliveries.

The dry bulk market is displaying renewed vigour after a sluggish August. The Baltic Dry Index recovered sharply to 3,628 points by 4 September, driven by strong Capesize demand from Australian and Brazilian iron ore miners and brisk Panamax fixing activity on trans-Pacific and ECSA routes. Sustained coal demand out of Indonesia and strong grain exports from North America are providing additional support to the mid-size segments.

Bunker prices surged in the week ending 2 September, with Singapore VLSFO rising $59/mt week-on-week to $836/mt. The spike is attributed to tighter crude supply following OPEC+ production discipline and logistics disruptions at major bunkering hubs. This adds meaningful voyage cost pressure across all vessel segments, particularly for non-scrubber-fitted tonnage competing on longer Cape of Good Hope diversions from the Red Sea.

Geopolitically, the Houthi threat in the Red Sea remains unresolved, forcing the majority of East–West cargo onto the longer Cape route, adding up to 14 days and significantly higher fuel costs per voyage. War risk premiums remain elevated, and P&I clubs are maintaining enhanced advisory notices for transits south of 15°N latitude in the Red Sea.

> **Market Outlook:** The combination of sustained tanker earnings at historic highs, a recovering dry bulk index, elevated bunker costs, and persistent Red Sea disruption creates a complex operational environment. Fleet managers should focus on voyage optimisation, bunker procurement timing, and ensuring all PSC compliance is in order ahead of the Paris/Tokyo MOU joint CIC on cargo securing (September–November 2026).

Bunker Market Update

Global Bunker Price Snapshot — Week ending 09 September 2026

PORT	VLSFO (USD/MT)	LSMGO (USD/MT)	W-O-W CHANGE
Singapore	836	1,242	**▲ +59 / +68**
Fujairah	849	1,455	**▲ +45 / +55**
Colombo	854	1,268	**▲ +42 / +50**
Mumbai (JNPT)	861	1,290	**— Flat / +20**
Chennai	858	1,285	**— Flat / +18**

Note: Indian port figures based on last confirmed data (as of 5 Sep 2026); Singapore and Fujairah figures confirmed 2 Sep 2026.

Market Commentary

Bunker prices surged across all major ports during the week under review, driven by a sharp uptick in crude oil prices following OPEC+ confirmation of maintained production cuts through Q4 2026. Brent crude briefly touched $98/bbl before settling around $95/bbl by week-end — a level not seen since early 2025. The spread between VLSFO and LSMGO (the scrubber spread) has widened to approximately $406–$606/mt depending on port, making the economics of scrubber retrofits more compelling for owners operating on long-haul routes.

Fujairah continues to command a premium over Singapore for both grades, reflecting tighter supply logistics in the Middle East Gulf as demand from northbound tanker loadings remains robust. Indian subcontinent ports (Mumbai, Chennai) remain at moderate premiums over Singapore, with limited spot availability reported at JNPT for MGO grades.

Looking ahead, bunker traders are closely watching the outcome of the next OPEC+ monitoring committee meeting scheduled for late September. Any signal of production increases would likely bring VLSFO back towards the $780–800/mt range. However, the current demand trajectory from the tanker market, combined with Cape route diversions consuming significantly more fuel per voyage, is expected to keep prices elevated through Q4 2026.

> **Bunker Procurement Tip:** With the scrubber spread exceeding $400/mt at most hubs, vessels without scrubbers operating on long-haul voyages should evaluate stem timing carefully. Consider forward contracts at Singapore for Q4 requirements if crude oil prices ease. Monitor Fujairah vs. Singapore differentials for optimal stem port selection on MEG-loaded fixtures.

Tanker Market Rates

Crude & Product Tanker Rate Summary — Week 36, 2026

VESSEL TYPE	ROUTE	WS RATE	TCE (USD/DAY)	W-O-W TREND
VLCC	MEG–Singapore (TD2)	WS 320	~$702,000	**▲ Very Strong**
VLCC	W. Africa–China (TD15)	WS 215	~$219,000	**▲ +20% w-o-w**
VLCC	USG–China (TD22)	WS 200	~$208,000	**▲ +22% w-o-w**
Suezmax	MEG–Med (TD23)	WS 280	~$335,000	**▲ Firm**
Suezmax	B. Sea–Med (TD6)	WS 185	~$188,000	**— Stable**
Aframax	Cross-Med (TD19)	WS 260	~$95,000	**▲ Supported**
LR2	MEG–Japan (TC1)	WS 240	~$78,000	**▲ Firming**
MR	MEG–East Africa (TC17)	WS 310	~$38,000	**— Flat**

AG / China Basin

East-of-Suez routes continue to dominate earnings. VLCC MEG–Singapore TCE of approximately $702,000/day represents a 900%+ year-on-year improvement. Charterers are struggling to cover prompt stems with Chinese independent refineries maintaining near-maximum crude intake. MEG Suezmax rates have also firmed on strong naphtha and fuel oil export demand.

Atlantic Basin

Atlantic earnings remain significantly lower than East-of-Suez but have firmed week-on-week. VLCC TD15 and TD22 both posted gains exceeding 20% on the week as US export momentum continued. Black Sea Suezmax (TD6) rates are holding steady at ~$188,000/day amid continued Russian crude export flows through the Turkish Straits.

Market Context: Lloyd's List has confirmed that 2026 is now the second-best tanker year in recorded history. VLCC asset values at 5 years old are up 30% year-on-year; at 20 years old, up 90%. The S&P market remains buoyant with 365 tanker transactions recorded in H1 2026 — a 53% increase versus the same period in 2025. Sinokor/MSC have acquired an estimated 60–70 VLCCs since late 2025, creating a significant structural shift in fleet ownership.

Dry Bulk Market

Dry Bulk Earnings Summary — Week ending 04 September 2026

SEGMENT	DAILY EARNINGS (USD/DAY)	SUB-INDEX / BDI	W-O-W CHANGE
Capesize (180,000 DWT)	~$28,500–$32,000	BCI Active	**▲ Strong — C5 at high-$18s/mt**
Panamax (82,000 DWT)	~$21,000–$23,000	BPI Firm	**▲ Positive across both basins**
Kamsarmax (82,500 DWT)	~$22,000–$24,000	BPI Supported	**▲ Grain/coal demand driven**
Handymax/Supramax (58,000 DWT)	~$16,000–$18,500	BSI Moderate	**— Sideways to slightly up**

Baltic Dry Index (BDI) as of 4 September 2026: 3,628 points — up from 3,186 on 31 August 2026, a weekly gain of 442 points (+13.9%).

Iron Ore & Coal Demand

The Capesize recovery has been driven primarily by a surge in iron ore fixing activity from major miners. C5 (Western Australia–China) rose from the mid-$15s at the start of the week to the high-$18s/mt by Thursday, reflecting prompt tonnage tightening as owners maintained resistance. Brazilian miners have also emerged with ECSA–China stems, providing round-voyage momentum. Chinese steel mills continue to stock-build ahead of Q4, supporting demand forecasts through October.

Grain & Minor Bulks

Panamax and Kamsarmax fixtures highlighted North American grain activity with an 83,000-dwt vessel fixing a USEC–Poland trip at $23,000/day and an 81,000-dwt on a transatlantic round voyage at $21,250/day. Indonesian coal exports and Australian thermal coal demand continued to bolster Pacific Panamax sentiment. A 77,000-dwt fixed delivery Haldia for an ECSA fronthaul at $22,500/day.

Supramax/Handymax Watch: The smaller bulker segments have underperformed relative to Capesize and Panamax. Minor bulk trades remain muted with softer fertiliser demand and slowing intra-Asian container feeder competition. Owners in this segment should manage ballast legs carefully and prioritise shorter-duration time charters where possible.

Outlook: The BDI is expected to remain supported above 3,400 through September on the back of continued Capesize iron ore demand and autumn grain shipments. Watch for any slowdown in Chinese steel output as a downside risk signal for Q4.

Sale & Purchase Whispers

Notable S&P Transactions — Week ending 09 September 2026

VESSEL NAME	TYPE	DWT	BUILT	PRICE (USD M)	BUYER REGION
Suez Ice Supreme (reported)	Suezmax Crude	146,500	2007	$56.0M	UAE (undisclosed)
Undisclosed VLCC	VLCC Crude	300,000+	2010–12	~$112M est.	Asia / Sinokor-linked
MR Newbuilding (TOP Ships)	MR Product Tanker	~50,000	NB 2026/27	$6.5M (deposit)	Undisclosed
Two MR Newbuildings (Scorpio)	MR Product Tanker	~50,000 ea.	NB Q1 2030	$46.33M ea.	Scorpio Tankers (scrubber-fitted)
Undisclosed Handymax BC	Handymax Bulk Carrier	58,000	2014	~$28M est.	SE Asia

Market Dynamics

The S&P market has been exceptionally active in 2026 with 365 tanker transactions recorded between January and July 2026 — a 53% year-on-year increase versus 239 in the same period of 2025. VLCC activity has been the standout story, with 83 VLCC transactions representing 23% of total tanker sales. The strategic buying programme by Sinokor in partnership with MSC has effectively absorbed 60–70 VLCCs from the market in under 12 months, contributing to the structural tightening in available tonnage.

Demolition Market

Demolition activity remains subdued. With VLCC and Suezmax earnings at historic highs, owners have little incentive to sell aged tonnage for scrap. Steel plate prices in Bangladesh and India remain steady at approximately $480–500/LDT. Any vessel under 18 years old in a functioning mechanical state is being traded — not scrapped. Only vessels with terminal engine casualties or uneconomic repair costs are finding their way to the breakers.

Asset Value Trend: Five-year-old VLCCs are up 30% year-on-year; 10-year-olds up 42%; 15-year-olds up 61%; 20-year-olds up 90%. Suezmax values mirror the trend: +37% / +43% / +64% / +78% at 5/10/15/20 years respectively. This is a generational asset appreciation cycle — fleet managers should note that second-hand values will correct sharply when the freight cycle turns.

⚠ Safety Alerts & Incidents

Incident 01 — Main Engine Turbocharger Failure Leading to Blackout (General Cargo, Indian Ocean)

Type: Machinery Failure / Loss of Propulsion

A 12,000 DWT general cargo vessel operating in the Indian Ocean experienced a catastrophic turbocharger failure on the main engine in heavy weather conditions. The failure led to complete loss of propulsion, followed minutes later by a blackout as the auxiliary engines were unable to sustain load. The vessel drifted for approximately four hours before emergency power was restored and a tug engaged. No injuries were reported; however, the vessel sustained significant machinery damage and cargo shifting in the holds.

Root Cause: Investigation revealed that the turbocharger lube oil filter had not been renewed at the last scheduled interval. Accelerated fouling caused lube oil starvation to the turbocharger bearings. The vessel's Planned Maintenance System (PMS) showed the task as "completed" but physical inspection revealed the filter element had not actually been replaced — a critical near-miss in record-keeping discipline.

Lessons Learned:

- PMS completion entries must be verified by the Chief Engineer with physical evidence (used parts, measurements logged).
- Turbocharger lube oil differential pressure should be checked at each watch and logged.
- Blackout drills should be conducted regularly so all personnel understand emergency power restoration procedures without reference to manuals.

> **Critical Lesson:** A PMS entry that says "done" without physical evidence is a compliance fiction. Turbocharger maintenance is safety-critical — never defer filter renewals based on budget pressure.

Incident 02 — Navigation Alert: Health Outbreak aboard Passenger Vessel (Legionnaires' Disease)

Type: Public Health / Shipboard Hygiene

Norwegian cruise vessel *Norwegian Prima* reported three confirmed cases of Legionnaires' disease among passengers on 3 September 2026. The vessel diverted to the nearest port while the US CDC initiated a full investigation into the ship's HVAC and potable water systems. The incident serves as a reminder — even for cargo vessel operators — that shipboard water systems (cooling towers, HVAC, domestic hot water) require rigorous Legionella control protocols.

Preventive Actions for Fleet:

- Ensure domestic hot water systems maintain temperature above 60°C at calorifiers and above 50°C at all outlets.
- Conduct quarterly flushing of infrequently used taps, showers, and hose connections.
- Review HVAC drip trays and cooling coils for microbial fouling at each drydock.

- Maintain Legionella risk assessment records as part of the SMS documentation.

PSC / Class / Flag Update

Top PSC Deficiency Categories — Q2 2026 (ABS Fleet Data)

DEFICIENCY CATEGORY	% OF TOTAL (Q2 2026)	TREND VS Q1
ISM Code / SMS Implementation	24%	**▲ Increasing**
Fire Safety — Equipment & Systems	19%	**▲ Focus Area 2026**
Life-Saving Appliances (LSA)	15%	**— Consistent**
Certificates (Expired/Missing)	13%	**▼ Slightly improved**
Cargo Operations & Securing	11%	**▲ CIC Focus Sep–Nov 2026**

Paris MOU & Tokyo MOU Highlights

Between January and March 2026, a total of 601 vessel detentions were recorded across the Paris MOU, Tokyo MOU, and USCG regimes. Detention activity in Q2 2026 was concentrated overwhelmingly in the Tokyo MOU with approximately 84% of detentions occurring within Asia-Pacific ports, with China accounting for the largest share. Bulk carriers, container vessels, and general cargo ships accounted for 83% of total detentions. The Paris and Tokyo MOUs are conducting a joint Concentrated Inspection Campaign (CIC) on **cargo securing and stowage** from September through November 2026 — all vessels calling at Paris or Tokyo MOU ports during this period should ensure cargo securing documentation (CSS Code checklists, stowage plans, securing device certificates) is fully in order.

Class Society Circular

DNV has issued updated guidance on main engine exhaust valve condition monitoring requirements, effective from 1 October 2026. Chief Engineers are advised to review exhaust valve overhaul intervals and ensure endoscopic inspection records are current. Bureau Veritas has similarly issued a circular reminding operators of the enhanced survey requirements for vessels approaching 25 years of age under Special Survey provisions.

Flag State Advisory: Several flag states including Palau, Comoros, and Tanzania have received formal IMO notifications regarding elevated detention rates. Owners operating vessels under these flags should conduct internal pre-arrival inspections before calling at Paris or Tokyo MOU ports to mitigate detention risk.

IMO / MARPOL / SOLAS Update

CII / EEXI — 2026 Year-End Review Approaching

The IMO Marine Environment Protection Committee (MEPC) has completed its mandated review of the Carbon Intensity Indicator (CII) and Energy Efficiency Existing Ship Index (EEXI) requirements, as required by January 2026. The review has confirmed that annual CII reduction targets of approximately 2% per year will continue through 2026. Beyond 2026, the post-review framework will be established at the next MEPC session, with reduction factors for 2027–2030 expected to be set at a more aggressive trajectory as part of the IMO's 2023 Revised Strategy on Greenhouse Gas (GHG) Reduction.

For vessel operators: ships rated CII D or E for the 2025 reporting year must submit an enhanced SEEMP Part III to the flag state before 1 January 2027. Any vessel that received a CII E rating for two consecutive years faces mandatory corrective action under flag state oversight. Fleet Superintendents must ensure that SEEMP Part III documents for the 2025 annual report (based on data collected through 31 December 2025) have been submitted.

EU ETS — Maritime Inclusion Phase 2

The EU Emissions Trading System now covers 100% of emissions for voyages within the EU and 50% of emissions on voyages departing or arriving at EU ports for vessels above 5,000 GT. Fleet managers must ensure that verified MRV (Monitoring, Reporting and Verification) data for the first half of 2026 is ready for submission. The EU ETS carbon price has been trading around €65–70/tonne CO_2 in recent weeks, adding meaningful voyage cost on EU-calling vessels.

New ECAs & NOx Technical Code Update

Two new Emission Control Areas entered force in 2026: the Canadian Arctic ECA and the Norwegian Sea ECA. Vessels operating in these areas must comply with MARPOL Annex VI Tier III NOx requirements if the engine was installed on or after 1 January 2021. Additionally, the NOx Technical Code has been updated for engine retrofits and enhanced SEEMP fuel data collection requirements are now in effect.

> **Upcoming Compliance Deadline:** Vessels with CII D/E ratings for 2025 must file enhanced SEEMP Part III with the flag state before 1 January 2027. Operators who have not begun this process should commence immediately. Non-submission could affect port entry permissions in EU jurisdictions from Q1 2027.

Newbuilding & Shipyard News

Selected Newbuilding Contracts — Week 36, 2026 (31 Aug – 6 Sep 2026)

VESSEL TYPE	UNITS	DWT/SIZE	SHIPYARD	SHIPOWNER	VALUE	DELIVERY
LNG Carrier (naming)	2 (of 4)	174,000 m^3	Hudong-Zhonghua	PETRONAS Malaysia	Undisclosed	Named 2 Sep 2026
MR Product Tanker	2 (+ options)	~50,000 DWT	Dalian Shipbuilding	Scorpio Tankers	$46.33M ea.	Q1 2030
Stainless Steel Chemical	6	~3,500 DWT	Chinese Yard	Nanjing Shenghang	Undisclosed	2027–2028
VLCC (multiple)	~6–8 (est.)	300,000+ DWT	Korean Yards (HHI/DSME)	Various (MEG-linked)	~$130M ea. est.	2029–2030
Ammonia-ready MR Tanker	4	~50,000 DWT	Hyundai Mipo	European owner	~$52M ea. est.	2028–2029

Order Book & Market Commentary

The global shipbuilding order book hit a 17-year high in 2026, with 199 orders recorded in Week 36 alone across seven segments, totalling 5.72 million DWT. Chinese shipyards captured approximately 70% of first-quarter contracting, with Korean yards taking 20% — the latter concentrated in high-value LNG and dual-fuel tanker orders. The order book-to-fleet ratio stands at 22% for crude tankers and 40% for LNG carriers — a level that signals future supply pressure from 2028 onward.

LNG carrier contracting has seen a near-60-ship haul in H1 2026, with PETRONAS, QatarEnergy, and several European energy majors placing long-term tonnage orders. Ammonia-ready and methanol-dual-fuel MR tankers are attracting increasing interest from European and Southeast Asian owners looking to future-proof their fleets ahead of FuelEU Maritime requirements from 2025 onward.

Korean yards are essentially fully booked through 2028, with delivery slots for VLCCs and LNG carriers at Hyundai, Samsung, and Daewoo extending to 2030. Newbuilding prices for a VLCC now stand at approximately $125–135M — 25% above the 2023 trough.

> **Outlook:** While the current freight market supports investment in new tonnage, owners ordering today face three-to-four-year delivery waits. The strategic question is whether 2029–2030 market conditions will justify today's newbuilding prices. Alternative fuel technology choices (LNG, methanol, ammonia) at contract stage are critical given evolving CII requirements.

Marine Engineering & Technology

Main Engine Advisory — MAN B&W Turbocharger Bearing Wear Detection

MAN Energy Solutions has issued a Technical Service Letter (TSL) advising owners of ME-C and MC-series engines on enhanced monitoring of turbocharger bearing condition. Following a series of bearing failures attributed to inadequate lube oil flow during high-load transient operations, MAN recommends: (1) installing calibrated differential pressure sensors across the TC lube oil filter circuit with alarm set-points tightened to 0.8 bar, and (2) recording TC rpm at each engineer's watch as part of the engine room logbook — a deviation of more than 200 rpm from design speed at the same MCR load is a precursor to bearing wear. Owners should confirm whether their existing PMS captures this parameter.

Dual-Fuel LNG Technology Update

LNG as a marine fuel continues to see strong uptake, with the order book-to-fleet ratio for LNG carriers at 40%. WinGD and MAN ES have both reported strong inquiry backlogs for dual-fuel engine conversions on existing MR and Aframax tankers. The average fuel saving on LNG dual-fuel versus HFO is being quoted at 20–25% on a CO_2 basis, with a cost premium for LNG bunkers over VLSFO of approximately $150–200/MT at major hubs, making the economics attractive at current freight rates and CII pressure.

AI & Predictive Maintenance

Shipmanagement companies adopting AI-powered condition monitoring systems are reporting 15–20% reductions in unplanned maintenance events. Key platforms integrating engine telemetry, vibration analysis, and thermal imaging data from remote sensors are now commercially available from vendors including ABB Ability Marine Advisory, Kongsberg Maritime, and Wärtsilä Voyage. Several Japanese and European shipping groups have reported measurable CII improvements of 3–5% through voyage optimisation algorithms that dynamically adjust speed, trim, and fuel selection based on real-time weather routing data.

> **Technical Tip — Chief Engineers & Technical Superintendents:** With bunker costs at $836/mt (VLSFO Singapore), every percentage point of fuel efficiency improvement represents significant savings. Review engine load diagrams — operating outside the SFOC optimal band (typically 75–85% MCR on older slow-speed diesels) by even 5% can translate to 3–4% excess fuel consumption. Ensure trim optimisation is actively practised on all ballast voyages; a 1-metre trim-by-stern correction can yield 1–2% daily fuel savings.

War Risk / Piracy / Geopolitical

Red Sea — Houthi Threat Assessment (as of 09 September 2026)

The Houthi campaign in the Red Sea has entered a new phase following the declaration of an embargo on Saudi-linked shipping in July 2026 and the announcement on 30 September (forthcoming) that the May truce will be ended. Current MARAD Advisory 2026-006 remains active, advising all commercial vessels against transit through the Red Sea, Bab el-Mandeb Strait, Gulf of Aden, and the Arabian Sea within the designated high-risk zone. S&P Global Market Intelligence assesses that Houthi attacks "maintain severe risks for all vessels in transit regardless of flag or ownership."

Up to 15% of global trade passes through the Suez Canal annually, and the ongoing diversion of the majority of East–West traffic around the Cape of Good Hope is adding 10–14 days per voyage and significantly higher fuel costs per round voyage — estimated at an additional $2.5–4.5M in bunker costs per Cape diversion depending on vessel type and speed.

Somali Piracy Resurgence

The US-Iran conflict (ongoing through mid-2026) has drawn naval enforcement resources away from counter-piracy operations in the western Indian Ocean. CNBC reported on 20 August 2026 that Somali piracy has resurged, with armed groups — reportedly receiving logistical support from Houthi-aligned networks — conducting skiff-based approaches on vessels in the southern Red Sea and northern Somali Basin. All vessels transiting this region should be on heightened BMP6 alert, with citadels tested, razor wire deployed, and bridge team briefed on evasive manoeuvre procedures.

War Risk Premium

War risk insurance premiums for Red Sea transit remain at elevated levels — 0.5–1.0% of hull value per transit, depending on underwriter and vessel type. P&I coverage for crew claims in the designated war risk zone requires specific endorsement; operators must confirm coverage is in force before any transit.

> **Navigation Advisory:** REGULAS SHIPPING RECOMMENDATION — All vessels on East–West routes should continue Cape of Good Hope routing until further notice. Do NOT transit the Red Sea or Gulf of Aden without specific written approval from the Fleet Director and confirmed war risk insurance cover. Masters must report any suspicious approach within 500m to UKMTO immediately.

Safe Routing Recommendations:

- Use Cape of Good Hope routing for all East–West voyages until Suez risk is formally downgraded.
- Register all voyages in high-risk areas with UKMTO (United Kingdom Maritime Trade Operations) at +971 50 552 3215.
- Maintain 24-hour bridge watch when south of 12°S approaching Cape Agulhas.
- Implement BMP6 protocols: razor wire, water hoses, citadel drilled, engine on standby.
- Update war risk/crew risk P&I endorsements before any Indian Ocean passage.

Case Study — Learning Section

Case Study: Cargo Shift Leading to Dangerous List — Product Tanker, Bay of Biscay

Incident Overview

A 37,000 DWT product tanker operating in the Bay of Biscay developed a dangerous list of 14° to port within three hours of departing a North European port in Force 9 sea conditions. The vessel's cargo consisted of three grades of petroleum products in partially filled wing tanks. The Master ordered an emergency reduction in speed to 6 knots and initiated counter-ballasting operations. The list was arrested at 17° before being corrected over a period of six hours. No cargo was lost overboard and no personnel were injured, but the incident was reported to the flag state as a near-miss with loss-of-vessel potential.

Root Cause Analysis

Investigation by the flag state revealed multiple contributing failures. First, the vessel departed with three wing tanks filled to 68–72% — a known free surface effect risk combination on this vessel class. The stability computer had been manually overridden during departure planning because the Cargo Officer believed the system was "too conservative." Second, the weather routing advice provided a 36-hour window without specifying the onset of Force 9 conditions in the Bay of Biscay that materialised 8 hours after departure. Third, the rolling period of 14 seconds observed during the initial list development was not recognised by the watch officer as an indicator of reduced metacentric height (GM).

Human Factors

The Cargo Officer who overrode the stability computer had 15 years of experience on similar vessels and considered the system's constraints overly cautious based on personal experience. This classic "experience overrides system" failure mode is a leading cause of stability-related incidents. The bridge team, focused on departure procedures, did not independently verify the stability calculation or challenge the Cargo Officer's decision.

Corrective Actions Implemented

The vessel's SMS was amended to require that any override of the stability computer must be authorised in writing by the Master and reported to the Company before departure. Stability computer outputs must be attached to the Departure Checklist as a non-removable document. All Cargo Officers on the vessel were required to complete an approved STCW-compliant stability refresher course at the next port.

> **Key Lesson for Masters, Chief Officers & Marine Superintendents:** Free surface effect in partially filled tanks is not intuitive — even experienced officers underestimate its cumulative impact in heavy weather. The stability computer is a mandated safety tool, not a suggestion. Never allow "experience" to substitute for a verified, instrument-generated stability calculation before departure. In bad weather areas (Bay of Biscay, Arabian Sea monsoon season, North Pacific), GM margins must be conservative, not minimal.

This case has been shared with Masters across the Regulas fleet. Cargo planning meetings must include a specific agenda item confirming stability compliance before any departure in ports where passage will cross known heavy weather zones.

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REGULAS SHIPPING NEWS

WEEKLY MARINE INTELLIGENCE — ISSUE 06 — 09 SEPTEMBER 2026

THIS WEEK'S KEY TAKEAWAYS

- **Tanker Boom Continues:** 2026 is the second-best tanker year in history. VLCC MEG–Singapore TCE at ~$702,000/day. Asset values up 30–90% year-on-year depending on vessel age.
- **BDI Recovery Strong:** Baltic Dry Index at 3,628 (4 Sep) — a 442-point weekly gain. Capesize C5 at high-$18s/mt; Panamax averaging $21,000–23,000/day. Iron ore and grain demand robust.
- **Bunker Price Alert:** Singapore VLSFO at $836/mt (+$59 w-o-w). With Cape route diversions consuming more fuel, cost optimisation is critical. Scrubber spread exceeds $400/mt.
- **PSC CIC — Act Now:** Paris & Tokyo MOUs running joint CIC on cargo securing Sep–Nov 2026. All vessels calling these ports must have CSS Code compliance fully documented and drill records current.
- **Red Sea — Avoid:** Houthi threat remains active with MARAD Advisory 2026-006 in force. Use Cape of Good Hope routing. Somali piracy resurgence demands BMP6 vigilance across the Indian Ocean.
- **CII Deadline Approaching:** Vessels rated D/E for 2025 must file enhanced SEEMP Part III with flag state before 1 January 2027. Begin this process immediately if not already underway.

⚓ ***Safety First. Always.*** *— "A ship in harbour is safe, but that is not what ships are for. Sail smart, sail safe, and bring the crew home." — DRS*

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