

Weekly Market Report

Week 34 | Tuesday 29th August 2023

Market Insight

By Fotis Kanatas, Research Analyst

In recent weeks, Chinese economic data has suggested that the world's second largest economy may be slowing this year and into 2024. Q3 GDP growth was 6.3% (vs. 7.3% expected), imports and exports fell in value by -7.98% and -13.9% respectively, while youth unemployment rose by 21.3%. All the data points to a slowdown in China, while the housing crisis is looming, the full impact of which is still unclear. If it materialises, trade in construction raw materials could be hampered, threatening iron ore volumes, China's largest dry bulk import.

The second largest import by volume, coal, plays a significant role in China's energy mix, accounting for 55%, and its use is likely to increase as more coal-fired power plants are built. Specifically, there are currently 243 gigawatts of coal-fired power plants under construction, while the output of such plants is expected to increase by between 23% and 33% compared to last year if all projects are completed. To put this into perspective, thermal power generation in China stood at 600b kilowatt-hours (kWh) in July, 2023, compared to 556billion kWh in the same period last year.

Looking at China's total dry bulk trade, coal accounted for 16% of dry bulk imports last year, while coal imports so far this year have risen to 21% of

the total, suggesting strong interest in the fossil fuel. In addition, year to date imports for 2023 show that China has already imported 94% of the coal it imported last year, with four more months remaining, and the increased implied demand points to further shipments.

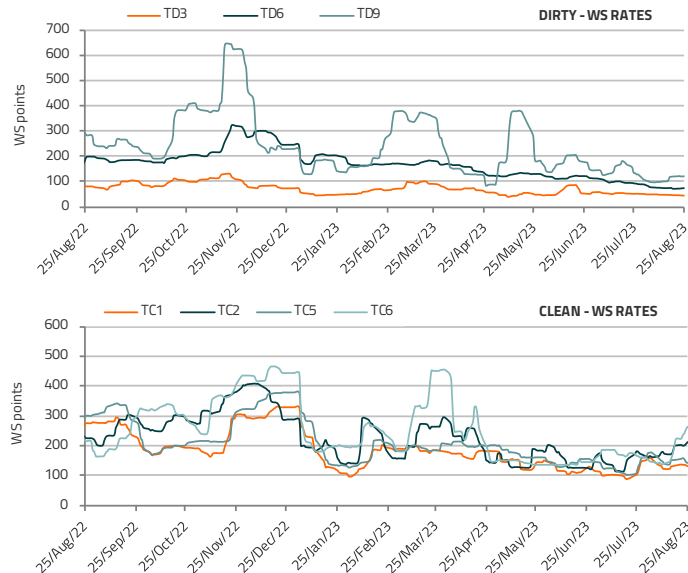
Indonesia dominates China's coal trade, accounting for 52% of imports. Of the other exporters, Australia accounts for 15%, following the lifting of the unofficial ban in Australia, while Russia accounts for 22%. The vast majority of coal trade between China and Indonesia is facilitated by Panamax and Supramax vessels, whose rates have shown stability in a declining market and are expected to rise further as Chinese coal demand increases.

In conclusion, although the dry bulk market is currently looking for a clear direction, with the China slowing in terms of growth, certain markets appear to be holding up at the moment. The coal market in Asia, and China in particular, is set to grow in terms of imports, as the commodity is essential to meet the growing demand for energy, supporting the freight market for medium sized vessels serving this specific trade.

Indicative Period Charters

12 mos	UNIQUE HARMONY	2012	50,471 dwt
DEL WEST AUG/23	\$26,500/day		Shell
14 mos	CLEAROCEAN MAVERICK	2021	49,999 dwt
DEL WEST AUG/23	\$27,000/day		Montfront

Vessel	Routes	25/08/23		18/08/23		\$/day ±%	2022 \$/day	2021 \$/day
		WS points	\$/day	WS points	\$/day			
VLCC	265k MEG-SPORE	45	20,233	47	21,288	-5.0%	20,330	2,246
	280k MEG-USG	26	-6,605	26	-7,530	12.3%	-9,550	-15,306
	260k WAF-CHINA	52	27,771	51	26,112	6.4%	19,980	3,125
Suezmax	130k MED-MED	75	24,570	67	16,743	46.7%	51,634	8,021
	130k WAF-UKC	75	19,315	69	14,449	33.7%	25,082	11,031
	140k BSEA-MED	74	9,835	71	6,974	41.0%	51,634	8,021
Aframax	80k MEG-EAST	111	14,713	133	23,221	-36.6%	27,224	1,501
	80k MED-MED	106	16,786	106	16,200	3.6%	46,679	6,622
	70k CARIBS-USG	120	18,265	119	17,543	4.1%	43,030	5,130
Clean	75k MEG-JAPAN	130	25,999	133	26,413	-1.6%	35,326	6,368
	55k MEG-JAPAN	141	21,044	152	23,637	-11.0%	32,504	6,539
	37k UKC-USAC	212	25,535	200	23,006	11.0%	22,919	4,496
Dirty	30k MED-MED	263	45,121	222	33,325	35.4%	45,941	8,124
	55k UKC-USG	140	19,584	125	19,468	0.6%	19,982	2,822
	55k MED-USG	140	20,000	140	19,643	1.8%	21,231	4,818
	50k CARIBS-USG	147	16,519	152	17,886	-7.6%	40,364	8,548



TC Rates

	\$/day	25/08/23	18/08/23	±%	Diff	2022	2021
VLCC	300k 1yr TC	49,500	48,000	3.1%	1500	34,683	25,684
	300k 3yr TC	45,000	45,000	0.0%	0	33,719	28,672
Suezmax	150k 1yr TC	41,500	43,500	-4.6%	-2000	26,933	17,226
	150k 3yr TC	35,500	35,500	0.0%	0	23,758	22,700
Aframax	110k 1yr TC	42,000	42,000	0.0%	0	26,135	15,854
	110k 3yr TC	37,500	37,500	0.0%	0	22,878	19,714
Panamax	75k 1yr TC	32,500	32,500	0.0%	0	25,163	14,184
	75k 3yr TC	28,000	28,000	0.0%	0	20,806	15,950
MR	52k 1yr TC	28,000	28,000	0.0%	0	21,313	12,608
	52k 3yr TC	24,500	24,500	0.0%	0	16,426	13,804
Handy	36k 1yr TC	24,000	24,000	0.0%	0	18,601	11,292
	36k 3yr TC	18,000	18,000	0.0%	0	14,585	13,054

Indicative Market Values (\$ Million) - Tankers

Vessel	5yrs old	Aug-23 avg	Jul-23 avg	±%	2022	2021	2020
VLCC	300KT DH	99.0	99.0	0.0%	80.2	69.7	71.5
Suezmax	150KT DH	72.5	72.5	0.0%	55.1	46.7	49.9
Aframax	110KT DH	63.4	63.0	0.6%	50.5	38.7	38.8
LR1	75KT DH	49.0	49.0	0.0%	38.6	31.2	30.7
MR	52KT DH	40.0	40.3	-0.6%	34.8	27.6	27.5

Chartering

In the VLCC segment, rates for major routes to Asia, namely TD3C and TD15 moved in opposite directions, with TD3C quoted lower and TD15 registering a marginal increase. More specifically, TD3C lost 1.54 points w-o-w to sit at WS 44.04 and sustained a position below the threshold of WS 50 for a fourth consecutive week amidst limited tonnage availability. Owners in this market are grappling with an additional obstacle in the form of persistent cutbacks in crude exports. As a consequence, numerous vessel owners are redirecting their ships towards the Atlantic. On the other hand, TD15 was assessed 0.6 points higher w-o-w, amidst subdued activity and the influx of a considerable number of ballasters from the East which does not present a promising outlook for the upcoming week. Meanwhile, the rate for US Gulf to China route saw an increase of \$105,555 w-o-w. In the meantime, sentiment was bullish among Suezmax Owners. The prevailing positive outlook in the Atlantic region has led Owners in the Med to anticipate additional profits in the coming week. In contrast, rates in the MEG softened due to limited cargo enquiry and on Friday, TD23 was assessed 2.94 points lower w-o-w. In the Black Sea, rates remained rangebound with TD6 gaining 2.75 points w-o-w. The

week commenced with a robust level of activity for Aframax in the Med; nevertheless, rates remained relatively stable indicating a steady state within the market. The rate for Ceyhan/Lavera gained 0.17 points w-o-w. In the USG, the market appears relatively stable, underpinned by an adequate volume of enquiries that are keeping rates rangebound. TD25 gained 4.38 points while this favorable state is projected to extend into the upcoming week. In the North Sea, the list of available ships continued to decrease due to a notable number of ballast movements out of the area and towards the TA and the Med markets. In the meantime, the usual participants in the North Sea market had a limited presence of vessels, contributing to a positive market sentiment. TD7 managed to climb 10.71 points. Owners remain bullish for the upcoming week as the cargo enquiry outweighs available tonnage.

VLCC T/C earnings averaged \$ 4,974/day, down - \$186/day w-o-w, and closed off the week at the \$4,935/day mark.

Suezmax T/C earnings averaged \$ 12,995/day, up + \$3,863/day w-o-w. On the Aframax front, T/C earnings averaged \$ 16,533/day, up + \$16/day w-o-w.

Baltic Indices

	25/08/23		18/08/23		Point Diff	\$/day ±%	2022	2021
	Index	\$/day	Index	\$/day			Index	Index
BDI	1,080		1,237		-157		1,931	2,921
BCI	1,174	\$9,735	1,598	\$13,255	-424	-26.6%	1,955	3,974
BPI	1,449	\$13,041	1,542	\$13,876	-93	-6.0%	2,298	2,972
BSI	908	\$9,993	879	\$9,674	29	3.3%	2,006	2,424
BHSI	507	\$9,122	469	\$8,449	38	8.0%	1,181	1,424

TC Rates

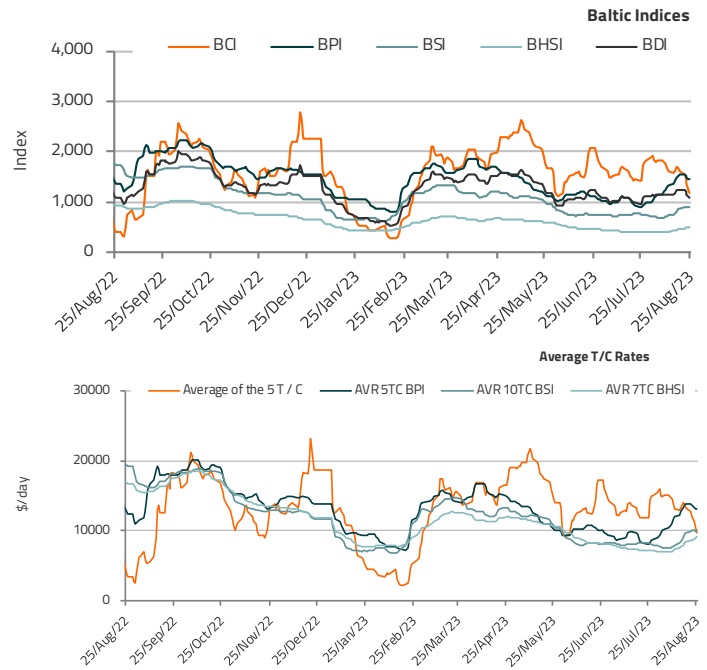
	\$/day	25/08/23	18/08/23	±%	Diff	2022	2021
Capesize	180K 1yr TC	14,250	14,250	0.0%	0	21,394	26,392
	180K 3yr TC	15,000	15,000	0.0%	0	18,894	20,915
Panamax	76K 1yr TC	12,500	12,750	-2.0%	-250	20,207	21,849
	76K 3yr TC	11,250	11,250	0.0%	0	14,885	15,061
Supramax	58K 1yr TC	11,750	11,750	0.0%	0	20,053	21,288
	58K 3yr TC	11,500	11,500	0.0%	0	15,005	14,552
Handysize	32K 1yr TC	9,250	9,000	2.8%	250	17,827	18,354
	32K 3yr TC	9,250	9,250	0.0%	0	12,322	11,825

Chartering

A nuanced situation was observed in the dry bulk market, where the Capesize segment experienced significant pressure. Conversely, there were improvements noted in the geared sizes sector, particularly with the Handysize, which saw a notable 9% week-on-week increase in its earnings. Within the Capesize sector, there was a considerable 26.6% reduction in earnings due to an excess of available tonnage in the Pacific region. The Atlantic basin faced a similar setback, as inquiries from South Brazil were insufficient to counterbalance the adverse effects stemming from a weakened North Atlantic region. This was compounded by a surplus of ballast voyages, further dampening overall market sentiment. Turning attention to the Panamax segment, consistent levels of activity were observed in both the East Coast South America and United States Gulf regions. However, demand from the North Atlantic region experienced a decline in the past week. Similarly, the Pacific region saw a decrease in rates. Overall, the geared sizes sector demonstrated a higher

Indicative Period Charters

10-12 mos	TOMINI ENTITY	2020	63,500 dwt
dely Durban redel worldwide	\$14,000/day		Bunge
9 to 11 mos	SPAR PY XIS	2015	63,800 dwt
dely Qinhuangdao 1/3 Sep redel worldwide	\$13,500/day		Drylog



Indicative Market Values (\$ Million) - Bulk Carriers

Vessel	5 yrs old	Aug-23 avg	Jul-23 avg	±%	2022	2021	2020
Capesize Eco	180k	47.0	48.0	-2.1%	48.3	43.1	36.1
Kamsarmax	82K	31.1	31.5	-1.2%	34.1	29.8	23.2
Ultramax	63k	27.6	29.5	-6.4%	31.5	26.4	19.4
Handysize	37K	24.0	24.6	-2.5%	27.2	21.4	16.1

level of activity in the Atlantic basin, with all regions displaying robust demand for tonnage.

Cape 5TC averaged \$ 11,272/day, down -16.41% w-o-w. The transatlantic earnings decreased by \$ 4,937/day with transpacific ones declining by \$2,254/day, bringing transatlantic earnings premium over transpacific to \$1,240/day.

Panamax 5TC averaged \$ 13,385/day, up +1.49% w-o-w. The transatlantic earnings decreased by \$1,090/day while transpacific earnings fell by \$1,132/day. As a result, the transatlantic earnings premium to the transpacific widened to \$5,002/day.

Supramax 10TC averaged \$ 9,973/day, up +11.46% w-o-w, while the Handysize 7TC averaged \$ 8,853/day, up +10.49% w-o-w.

Tankers

Size	Name	Dwt	Built	Yard	M/E	SS due	Hull	Price	Buyers	Comments
VLCC	LANDBRIDGE HORIZON	308,121	2019	DALIAN, China	MAN-B&W	Aug-24	DH	\$ 102.0m each	HK based (CS&C Shipping)	bss 9 years & 7yearsr BB back respectively at rgn Usd 29,500 p/d with purchase option
VLCC	LANDBRIDGE GLORY	307,852	2019	DALIAN, China	MAN-B&W	Apr-24	DH			
SUEZ	LILA ORLANDO	158,706	2005	DAEWOO, S. Korea	B&W	Jun-25	DH	undisclosed	Chinese	BWTS fitted
MR1	ACAMAR	37,583	2011	HYUNDAI MIPO, S. Korea	MAN-B&W	Mar-26	DH	\$ 23.5m	undisclosed	

Bulk Carriers

Size	Name	Dwt	Built	Yard	M/E	SS due	Gear	Price	Buyers	Comments
CAPE	SANTA LUCIA	176,760	2006	NAMURA, Japan	MAN-B&W	Aug-26		region \$ 16.0m	European	BWTS fitted
SUPRA	SEA AQUARIUS	53,468	2006	IMABARI, Japan	MAN-B&W	May-26	4 X 30,5t CRANES	high \$ 9's	Chinese	BWTS fitted
HANDY	NORD SAVANNAH	37,067	2013	SAIKI, Japan	MAN-B&W	May-28	4 X 30,5t CRANES	region \$ 16.5m	undisclosed	OHBS, BWTS fitted
HANDY	STEADY SARAH	38,468	2011	MINAMI-NIPPON, Japan	MAN-B&W	May-26	4 X 30t CRANES	\$ 15.0m	UK based	OHBS
HANDY	VIL ATLANTIC	37,852	2010	JIANGSU EASTERN, China	Wartsila	Feb-25	4 X 30t CRANES	undisclosed	undisclosed	BWTS fitted
HANDY	TASMAN SPIRIT	35,256	2010	NANTONG CHANGQINGSHA, China	MAN-B&W	Jan-25	4 X 30,5t CRANES	region \$ 9.5m	undisclosed	BWTS fitted

Containers

Size	Name	Teu	Built	Yard	M/E	SS due	Gear	Price	Buyers	Comments
PMAX	TS KELANG	4,363	2007	HYUNDAI MIPO, S. Korea	MAN-B&W	Nov-27		\$ 20.8m	Chinese	

The newbuilding market continues to be strong so far in 2023, with firm orders for bulkers and only one order for tankers. Specifically, 14 bulkers, 2 tankers and 2 gas carriers were ordered last week. Hong Kong-based owner Cido Shipping ordered four 82kdwt Kamsarmaxes from New Dayang and another four from Jiangsu Hantong, with both quartets due for delivery in 2026. The later order cost the owner \$35.0m per vessel. The company also ordered smaller tonnage, placing

an order for four 64kdwt vessels again with Jiangsu Hantong, costing \$33.0m each and due for delivery in 2026. The only tanker order was placed by JPMorgan for two 50k dwt tankers from GSI at a cost of \$50m each. The vessels, due for delivery in 2026, will be methanol dual fuel and will be operated on TC with TotalEnergies. Finally, Norwegian Solvang placed an order with Hyundai HI for two 88k dwt scrubber-equipped gas carriers, costing \$107.4m each and due in 2026.

Indicative Newbuilding Prices (\$ Million)

	Vessel		25-Aug-23	18-Aug-23	±%	YTD		5-year		Average		
						High	Low	High	Low	2022	2021	2020
Bulkers	Newcastlemax	205k	67.0	67.0	0.0%	67.0	64.0	69.0	49.5	66	59	51
	Capesize	180k	64.0	64.0	0.0%	64.0	61.0	64.5	48.5	63	56	49
	Kamsarmax	82k	35.0	35.0	0.0%	35.0	34.0	37.5	27.5	36	33	28
	Ultramax	63k	33.0	33.0	0.0%	33.0	31.5	35.5	25.5	34	30	26
	Handysize	38k	30.0	30.0	0.0%	30.0	29.0	31.0	23.5	30	27	24
Tankers	VLCC	300k	125.0	125.0	0.0%	125.0	120.0	125.0	84.5	118	98	88
	Suezmax	160k	85.0	84.0	1.2%	85.0	76.0	85.0	55.0	79	66	58
	Aframax	115k	70.0	70.0	0.0%	69.0	64.0	69.0	46.0	62	53	48
	MR	50k	47.0	47.0	0.0%	47.0	44.0	47.0	34.0	43	38	35
Gas	LNG 174k cbm		265.0	264.0	0.4%	265.0	248.0	265.0	180.0	232	195	187
	LGC LPG 80k cbm		92.0	92.0	0.0%	92.0	90.0	92.0	70.0	86	76	73
	MGC LPG 55k cbm		87.0	86.5	0.6%	87.0	77.5	87.0	43.0	74	67	63
	SGC LPG 25k cbm		56.5	56.0	0.9%	56.0	53.0	55.5	40.0	51	45	42

Newbuilding Orders

Units	Type	Size		Yard	Delivery	Buyer	Price	Comments
2	Tanker	50,000	dwt	GSI, China	2026	US based (JP Morgan)	\$ 50.0m	methanol carriers, dual fuelled, against TC with TotalEnergies
4	Bulker	82,000	dwt	Jiangsu Hantong, China	2026	Hong Kong based (Cido Shipping)	\$ 35.0m	
4	Bulker	64,000		Jiangsu Hantong, China	2026	Hong Kong based (Cido Shipping)	\$ 33.0m	
4	Bulker	82,000	dwt	New Dayang, China	2026	Hong Kong based (Cido Shipping)	undisclosed	
2	Bulker	64,000	dwt	Imabari, Japan	2026	Greek (Globus Maritime)	\$37.75m	
2	VLGC	88,000	cbm	Hyundai HI, South Korea	2026	Norwegian (Solvang)	\$ 107.4m	options declared, scrubber fitted

The market appears to be gaining momentum as more tonnage is sold for scrapping after the end of the monsoon season in the sub-Asian region. The freight market is also supporting the trend, with bulk and container rates softening last week, while tanker rates remained stable. In India, the steel market is showing signs of improvement, with good sentiment also supported by the upcoming construction season starting in September. The country's fundamentals also appear supportive, with growth of 7.8% in Q2. In Bangladesh, recyclers have seen increased activity in recent months, making it more difficult to open

letters of credit, and buyers are now only able to obtain financing for smaller tonnages. The gloomy picture is compounded by weak steel demand in the country. In Pakistan, a few small tonnage deals have been concluded in recent weeks, which has boosted the market, but the devaluation of the local currency and continuing L/C restrictions are keeping the market subdued. In Turkey, offered prices remain unchanged, largely due to low activity. Financial problems continue as the Central Bank raised interest rates by 7.5% to 25%.

Indicative Demolition Prices (\$/ldt)

Markets	25/08/23	18/08/23	±%	YTD		2022	2021	2020	
				High	Low				
Tanker	Bangladesh	520	520	0.0%	615	515	601	542	348
	India	500	500	0.0%	570	555	593	519	348
	Pakistan	500	520	-3.8%	540	535	596	536	352
	Turkey	310	310	0.0%	340	330	314	284	207
Dry Bulk	Bangladesh	500	500	0.0%	600	505	590	532	336
	India	480	480	0.0%	540	520	583	508	335
	Pakistan	490	510	-3.9%	520	500	587	526	338
	Turkey	300	300	0.0%	285	275	304	276	198

Currencies

Markets	25/08/23	18/08/23	±%	YTD High
USD/BDT	109.19	109.43	-0.2%	110.07
USD/INR	82.64	83.14	-0.6%	83.47
USD/PKR	301.20	296.25	1.7%	303.10
USD/TRY	26.55	27.11	-2.1%	27.28

Demolition Sales (\$/ldt)

Name	Size	Ldt	Built	Yard	Type	\$/ldt	Breakers
YONG NING	48,139	12,700	1996	GDANSKA STOCZNIA, Poland	BC	\$ 500/Ldt	Pakistani
LADY OF LUCK	30,730	11,454	1998	CSBC, Taiwan	CONTAINER	\$ 545/Ldt	undisclosed
JITRA BHUM	21,800	7,049	1997	MITSUBISHI, Japan	CONTAINER	\$ 515/Ldt	undisclosed
KAMA BHUM	21,800	7,049	1997	MITSUBISHI, Japan	CONTAINER	\$ 515/Ldt	undisclosed
FRIO OLYMPIC	9,734	4,698	1988	SHIN KURUSHIMA ONISHI	REEFER	\$ 510/Ldt	Indian
ZEFYROS REEFER	8,946	4,731	1990	SASEBO, Japan	REEFER	\$ 510/Ldt	Indian
SEIN STAR	4,173	2,197	1984	KITANIHON, Japan	REEFER	undisclosed	Indian

Market Data

	25-Aug-23	24-Aug-23	23-Aug-23	22-Aug-23	21-Aug-23	W-O-W Change %
Stock Exchange Data						
10year US Bond	4.239	4.235	4.198	4.328	4.342	-0.3%
S&P 500	4,405.71	4,376.31	4,436.01	4,387.55	4,399.77	0.8%
Nasdaq	13,590.65	13,463.97	13,721.03	13,505.87	13,497.59	2.3%
Dow Jones	34,346.90	34,099.42	34,472.98	34,288.83	34,463.69	-0.4%
FTSE 100	7,338.58	7,333.63	7,320.53	7,270.76	7,257.82	1.0%
FTSE All-Share UK	3,998.05	3,997.66	3,992.96	3,963.58	3,953.40	0.9%
CAC40	7,229.60	7,214.46	7,246.62	7,240.88	7,198.06	0.9%
Xetra Dax	15,631.82	15,621.49	15,728.41	15,705.62	15,603.28	0.2%
Nikkei	31,624.28	32,287.21	32,010.26	31,856.71	31,565.64	0.2%
Hang Seng	22,044.65	18,212.17	17,845.92	17,791.01	17,623.29	0.0%
DJ US Maritime	264.97	264.97	261.55	259.09	263.75	0.9%
Currencies						
€ / \$	1.08	1.08	1.09	1.08	1.09	-0.9%
£ / \$	1.26	1.26	1.27	1.27	1.28	-1.2%
\$ / ¥	146.44	146.02	144.68	145.76	146.24	0.7%
\$ / NoK	0.0934	0.0932	0.0944	0.0941	0.0942	-0.5%
Yuan / \$	7.29	7.28	7.18	7.29	7.21	0.1%
Won / \$	1,324.61	1,326.78	1,327.14	1,340.61	1,340.74	-1.2%
\$ INDEX	103.98	103.98	103.56	103.30	103.30	0.4%

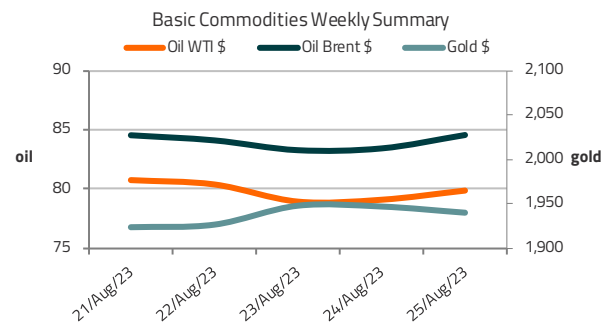
Bunker Prices

		25-Aug-23	18-Aug-23	Change %
MGO	Rotterdam	1,066.0	1,060.5	0.5%
	Houston	1,116.5	1,178.5	-5.3%
	Singapore	1,068.5	1,076.5	-0.7%
380cst	Rotterdam	409.0	397.0	3.0%
	Houston	432.5	462.0	-6.4%
	Singapore	420.5	400.5	5.0%
VLSFO	Rotterdam	652.0	663.0	-1.7%
	Houston	682.5	674.5	1.2%
	Singapore	700.0	720.5	-2.8%

Maritime Stock Data

Company	Stock Exchange	Curr.	25-Aug-23	18-Aug-23	W-O-W Change %
CAPITAL PRODUCT PARTNERS LP	NASDAQ	USD	14.71	14.70	0.1%
COSTAMARE INC	NYSE	USD	10.15	10.74	-5.5%
DANAOS CORPORATION	NYSE	USD	66.34	69.43	-4.5%
DIANA SHIPPING	NYSE	USD	3.60	3.75	-4.0%
EAGLE BULK SHIPPING	NASDAQ	USD	41.01	45.51	-9.9%
EUROSEAS LTD.	NASDAQ	USD	26.20	24.88	5.3%
GLOBUS MARITIME LIMITED	NASDAQ	USD	0.91	0.90	1.1%
NAVIOS MARITIME HOLDINGS	NYSE	USD	1.63	1.64	-0.6%
SAFE BULKERS INC	NYSE	USD	3.08	3.21	-4.0%
SEANERGY MARITIME HOLDINGS	NASDAQ	USD	5.15	5.40	-4.6%
STAR BULK CARRIERS CORP	NASDAQ	USD	16.91	18.36	-7.9%
STEALTHGAS INC	NASDAQ	USD	4.78	5.10	-6.3%
TSAKOS ENERGY NAVIGATION	NYSE	USD	20.54	21.56	-4.7%

Basic Commodities Weekly Summary



Macro-economic headlines

- US: The S&P Global US Manufacturing PMI, fell to 47 in August vs 49 in the previous month, while the S&P Global US Services PMI for August fell to 51, lower than July at 52.3. Existing Home Sales in July fell to 4.07m compared to 4.16m the previous month.
- China: The People's Bank of China lowered the loan prime rate (LPR) to 3.45% from 3.55%.

- Japan: The composite PMI rose to 52.6 in August, gaining 0.4 since last month, while the Tokyo PMI stood at 2.8% y-o-y in August.

