

Weekly Market Report

Week 39 | Tuesday 03rd October 2023

Market Insight

By Fotis Kanatas, Research Analyst

Over the past month we have seen a resurgence in oil tanker freight rates as the Baltic Dirty Tanker Index (BDTI) has risen from lows of 713 in early September to recent highs of 839, suggesting that dirty tankers are back in demand. Historically, tanker rates rise in the first and fourth quarters of the year as demand for oil increases ahead of winter in the northern hemisphere.

The IEA forecast also supports this narrative. In its latest report, the Paris-based international organisation expects a tight market. Demand is forecast to grow by 1.5mbpd in the second half of the year, while supply will only increase by 1.24mbpd. Supply has been consistently below demand by around 1mbpd throughout the year, mainly due to voluntary cuts by Saudi Arabia of 1mbpd until the end of the year, voluntary cuts by other OPEC members of 1.66mbpd until the end of 2024, and restrictions of 300kbpd from Russia. These cuts led to a rally in oil prices to almost \$100, putting even more pressure on importers at the start of the heating season. Adding to the already tight market, US stockpiles have been steadily declining to a low of 349 million barrels, the lowest in 40 years. This creates a potential demand-driver that can further stricken the market.

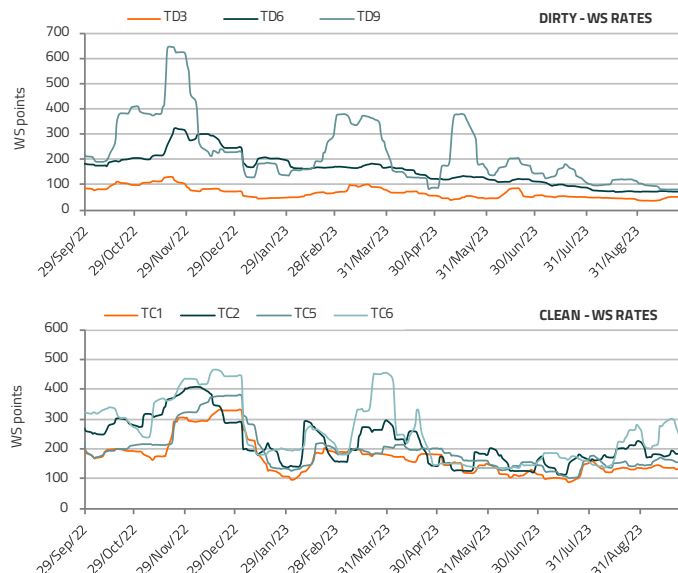
At the moment the market is in a situation where most participants are betting that China will import more oil as its economy appears to be emerging from recession, with oil imports from the top two exporters, Saudi Arabia and Russia, remaining strong since July at 39.5m barrels and 32.5m barrels in September. The two account for more than 20% of China's imports and any disruption to the system could alter current trade routes. China is mainly using its oil reserves to boost refined products, as we have already seen diesel exports soar since the start of 2023.

One possibility is that Saudi Arabian crude will head to the US to replenish historically low inventories, which in turn may divert VLCCs to the US, increasing tonne-miles. Oil towards Europe will be carried by smaller vessels, but this will still limit the barrels available for other destinations.

It is clear that competition for crude oil between China and the United States will soon become a reality, if it has not already begun, for different reasons. This competition for crude oil in different destinations can push freight rates even higher in a tight oil market. It will be interesting to watch the OPEC+ production strategy from now on, as prices are at a critical level and the market is in deficit.

Indicative Period Charters

12 mos	GRAND ACE11	2008	46,195 dwt
DEL EAST SEP/23	\$25,000/day		PANocean
12 mos	NAVIG8 PROSPERITY	2019	109,997 dwt
DEL EAST OCT/23	\$40,000/day		Vitol



TC Rates

		\$/day	29/09/23	22/09/23	±%	Diff	2022	2021
VLCC	300k 1yr TC		49,500	48,500	2.1%	1000	34,683	25,684
	300k 3yr TC		43,250	43,250	0.0%	0	33,719	28,672
Suezmax	150k 1yr TC		41,500	41,500	0.0%	0	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		37,000	37,500	-1.3%	-500	22,878	19,714
Panamax	75k 1yr TC		32,750	32,750	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		28,500	27,500	3.6%	1000	21,313	12,608
	52k 3yr TC		24,500	24,500	0.0%	0	16,426	13,804
Handy	36k 1yr TC		25,500	24,500	4.1%	1000	18,601	11,292
	36k 3yr TC		18,000	18,000	0.0%	0	14,585	13,054

Chartering

The effects of OPEC+ production cuts are becoming evident in consumer markets, with a substantial m-o-m decrease in September arrivals. While imports have remained consistent until now, refiners are beginning to feel the impact. Unless there is a significant drop in demand, the crude market is expected to remain tight if Saudi Arabia adheres to its production targets. On the other hand, any increase in Saudi crude exports is likely to be cautious and may not substantially alter market dynamics. The consequences of supply reductions announced by Saudi Arabia and Russia are anticipated to continue shaping oil prices throughout the year. However, the prospect of oil reaching the \$100/bbl mark may be short-lived amidst the current supply constraints and the fragile state of the overall economic environment.

In the final week of September, sentiment in the crude freight market was rather mixed. The BDTI on Friday, September 29th, closed at 827, an increase of 37 points w-o-w. In the VLCC segment, despite recent signs of recovery following a challenging summer, the growth of freight rates remains uncertain. The focus shifts to October, with declining supply figures expected to drive market recovery. Rates for major routes to Asia, namely

TD3C and TD15, remained rangebound. More specifically, TD3C lost 1.02 points w-o-w to sit at WS 49.67, while TD15 was assessed 1.25 points lower w-o-w at WS 51.65. As China enters Golden Week, we may observe a further decline in the coming week. Meanwhile, the rate for a 270,000mt US Gulf to China (TD22) route fell to \$7,944,444, \$505,556 lower w-o-w (\$25,675 per day round trip TCE). In the meantime, Suezmax rates experienced a week of mixed dynamics, maintaining a generally stable trend. More specifically, TD20 gained 0.45 points w-o-w to sit at WS 67.5 on Friday, marking a 10% m-o-m decline. In the meantime, TD6 has remained rangebound for a third consecutive week. In the Aframax market, the week displayed a blend of developments. In the USG to ARA route rates appear to have bottomed out and TD25 was seen 5.31 points higher on the week, at WS 95.31.

VLCC T/C earnings averaged \$7,107/day, down + \$1,796/day w-o-w, and closed off the week at the -\$5,453/day mark.

Suezmax T/C earnings averaged \$9,819/day, up + \$92/day w-o-w. On the Aframax front, T/C earnings averaged \$12,835/day, up + \$990/day w-o-w.

Baltic Indices

	29/09/23		22/09/23		Point Diff	\$ / day ±%	2022	2021
	Index	\$ / day	Index	\$ / day			Index	Index
BDI	1,701		1,593		108		1,931	2,921
BCI	2,474	\$20,520	2,083	\$17,274	391	18.8%	1,955	3,974
BPI	1,701	\$15,305	1,685	\$15,164	16	0.9%	2,298	2,972
BSI	1,276	\$14,041	1,355	\$14,906	-79	-5.8%	2,006	2,424
BHSI	679	\$12,218	670	\$12,068	9	1.2%	1,181	1,424

TC Rates

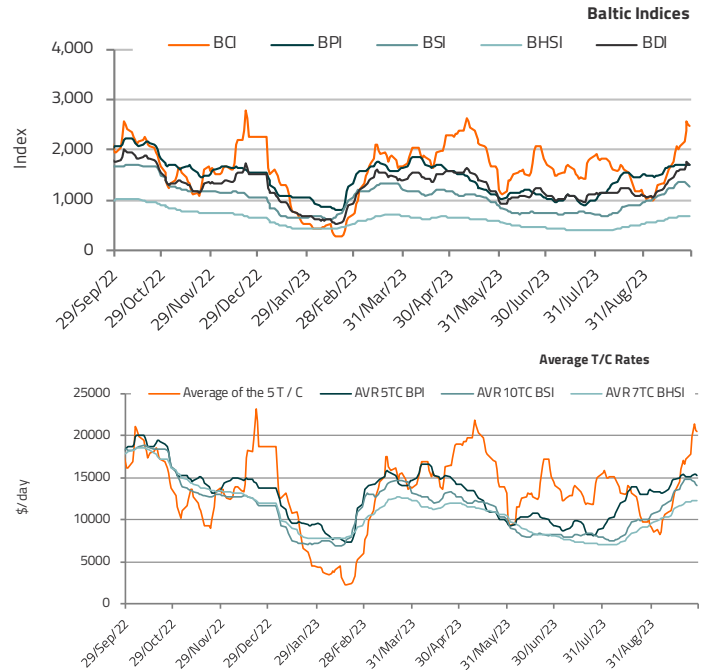
	\$ / day	29/09/23	22/09/23	±%	Diff	2022	2021
Capesize	180K 1yr TC	18,000	16,500	9.1%	1,500	21,394	26,392
	180K 3yr TC	16,500	16,000	3.1%	500	18,894	20,915
Panamax	76K 1yr TC	13,250	13,500	-1.9%	-250	20,207	21,849
	76K 3yr TC	11,500	11,500	0.0%	0	14,885	15,061
Supramax	58K 1yr TC	12,500	13,500	-7.4%	-1,000	20,053	21,288
	58K 3yr TC	11,500	11,500	0.0%	0	15,005	14,552
Handysize	32K 1yr TC	10,250	10,250	0.0%	0	17,827	18,354
	32K 3yr TC	9,250	9,250	0.0%	0	12,322	11,825

Chartering

The dry bulk market continued to exhibit positive momentum lat week. Notably, the Capesize sector remained strong, surpassing the \$20,000 per day threshold. At the beginning of the week, gains were observed in both the Australian coal and Brazilian iron ore coal routes, which supported freight rates. However, towards the end of the week, there was a slight negative correction in rates, although the overall trend remained positive. Market sentiment for Panamax vessel owners was mixed. In the Pacific market, there was a decrease in tonnage inquiries, mainly due to stem dates scheduled after the holidays, and charterers were not in a hurry to fix contracts. In contrast, the Atlantic market saw a favorable situation for owners, as a combination of increased cargo supply and a shortage of available vessels allowed them to maintain a stronger position in the region. Activity in the Supramax sector slowed down, driven by weaker demand for tonnage in the Atlantic region. Additionally, owners were keen to secure contracts for their vessels before the commence-

Indicative Period Charters

8 to 10 mos	MAIA	2009	82,193 dwt
dely Incheon prompt redel worldwide	\$13,500/day		ST Shipping
100 days to abt 5 mos	PRINCESS MARGO	2015	63,342 dwt
dely Chittagong prompt redel worldwide	\$17,000/day		Oldendorff



Indicative Market Values (\$ Million) - Bulk Carriers

Vessel 5 yrs old	Sep-23 avg	Aug-23 avg	±%	2022	2021	2020
Capesize Eco 180k	47.0	47.0	0.0%	48.3	43.1	36.1
Kamsarmax 82K	31.8	31.1	2.2%	34.1	29.8	23.2
Ultramax 63k	28.2	27.6	2.1%	31.5	26.4	19.4
Handysize 37K	24.3	24.0	1.3%	27.2	21.4	16.1

ment of the golden week in the Pacific, resulting in a slight decrease in rates. Handysize vessel owners experienced a slowdown in activity across both basins, with limited market movement.

Cape 5TC averaged \$ 20,044/day, up +22.71% w-o-w. The transatlantic earnings increased by \$ 6,038/day with transpacific ones rising by \$2,077/day, bringing transatlantic earnings premium over transpacific to \$3,588/day.

Panamax 5TC averaged \$ 15,300/day, up +0.63% w-o-w. The transatlantic earnings increased by \$1,995/day while transpacific earnings declined by \$1,260/day. As a result, the transatlantic earnings premium to the transpacific widened to \$4,881/day.

Supramax 10TC averaged \$ 14,482/day, up +0.41% w-o-w, while the Handysize 7TC averaged \$ 12,235/day, up +3.06% w-o-w.

Tankers

Size	Name	Dwt	Built	Yard	M/E	SS due	Hull	Price	Buyers	Comments
AFRA	CRUDEMED	115,643	2018	DAEHAN, S. Korea	MAN-B&W	Jul-28	DH	\$ 140.0m	South Korean	BWTS fitted, Fixed 3 yrs to Unipac at USD 40,000/day
AFRA	CRUDESUN	115,643	2018	DAEHAN, S. Korea	MAN-B&W	Jul-28	DH			
MR2	TRF BERGEN	49,126	2015	HYUNDAI VINASHIN, Vietnam	MAN-B&W	May-25	DH	rgn \$37	Undisclosed	BWTS, Scrubber fitted
MR2	SANDPIPER PACIFIC	51,833	2013	SUNG Dong, S. Korea	MAN-B&W	Jun-23	DH	\$ 34.0m	Undisclosed	BWTS fitted
MR1	SHANDONG ZIHE	40,059	2004	SHINA, S. Korea	MAN-B&W	Mar-24	DH	\$ 14.5m	Undisclosed	BWTS fitted, sold via auction basis delivery UK/Med in December

Bulk Carriers

Size	Name	Dwt	Built	Yard	M/E	SS due	Gear	Price	Buyers	Comments
CAPE	AM GIJON	178,462	2011	mitsui chiba, Japan	MAN-B&W	Nov-25		\$ 26.0m	Greek	BWTS fitted
PMAX	ORION III	76,602	2005	Imabari Shbldg - Marugame	B&W	Jan-25		\$ 10.1m	Far Eastern	BWTS fitted, carry cargo with DENSITY 2.11(T/M3), poor condition
SUPRA	XING HONG DA 8	58,018	2012	YANGZHOU DAYANG, China	MAN-B&W	Jan-27	4 X 35t CRANES	\$ 12.9m	Chinese	
SUPRA	VINAYAK	58,089	2009	TSUNEISHI ZHOUSHAN, China	MAN-B&W	Sep-24	4 X 30t CRANES	\$ 14.8m	undisclosed	BWTS fitted
HANDY	FENGNING	39,836	2015	CHENGXI, China	Wartsila	Jan-25	4 X 36t CRANES	\$ 58.5m	JP Morgan	BWTS fitted, Log fitted, Wartsila, eco
HANDY	FUNING	39784	2015	CHENGXI, China	Wartsila	Oct-25	4 X 36t CRANES			
HANDY	FOOCHOW	39,758	2015	CHENGXI, China	Wartsila	Aug-25	4 X 36t CRANES			
HANDY	21 LUCKY	29,756	2001	SHIKOKU, Japan	B&W	Jul-26	4 X 30t CRANES	\$ 5.5m	undisclosed	BWTS fitted
Small	SAGITTA	13,464	2008	Jiangsu Yangzi-Mitsui, China	MAN-B&W	Feb-28	2 X 35t CRANES	\$ 8.0m	undisclosed	BWTS fitted

Containers

Size	Name	Teu	Built	Yard	M/E	SS due	Gear	Price	Buyers	Comments
POST PMAX	JOSEPH SCHULTE	9,403	2013	SHANGHAI JAINGNAN CHANGXIN, China	MAN-B&W	Nov-23		\$ 55.0m	Swiss Based (MSC Shipping)	

Gas/LPG/LNG

Type	Name	Dwt		Yard	M/E	SS due	Cbm	Price	Buyers	Comments
LPG	FRITZI N	58,448	2009	HYUNDAI, S. Korea	MAN-B&W	Mar-24	80,676	\$ 63.0m	undisclosed	BWTS, Scrubber fitted

New orders continued to be strong last week, with a variety of vessels ordered. In the mainstream categories, orders were placed for 12 bulkers, 10 of which are destined for China's domestic coastal trade, 2 suezmaxes and 8 containerships. In particular, Greek owner Diana Shipping ordered two Kamsarmaxes from Tsuneishi Zhousan for delivery in 2027 and 2028. The duo will run on methanol and cost \$46m. The order is at the LOI stage. In the tanker sector, Greek owner Atlas Marine ordered 2 Suezmaxes from DH Shipbuilding in South Korea. The vessels

were option orders and are expected to be delivered in 2025 and 2026 at a cost of \$85m each. The same owner also exercised an option for a 7,000 teu PCTC from Yantai Raffles for \$80m. Finally, French giant CMA-CGM ordered 8 more 9,200 teu methanol-fuelled boxships from SWS at a cost of \$126m.

Indicative Newbuilding Prices (\$ Million)

Vessel			29-Sep-23	22-Sep-23	±%	YTD		5-year		Average		
						High	Low	High	Low	2022	2021	2020
Bulkers	Newcastlemax	205k	67.5	67.5	0.0%	67.5	64.0	69.0	49.5	66	59	51
	Capesize	180k	64.5	64.5	0.0%	64.5	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	127.0	127.0	0.0%	127.0	120.0	127.0	84.5	118	98	88
	Suezmax	160k	85.0	85.0	0.0%	85.0	76.0	85.0	55.0	79	66	58
	Aframax	115k	71.0	71.0	0.0%	71.0	64.0	71.0	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	265.0	0.0%	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		89.0	88.5	0.6%	89.0	77.5	89.0	43.0	74	67	63
	SGC LPG 25k cbm		58.0	58.0	0.0%	58.0	53.0	58.0	40.0	51	45	42

Newbuilding Orders

Units	Type	Size		Yard	Delivery	Buyer	Price	Comments
2	Tanker	157,000	dwt	DH Shipbuilding, South Korea	2025-2026	Greek (Atlas Maritime)	\$ 85.0m	options declared
2	Bulker	81,200	dwt	Tsuneishi Zhoushan, China	2027-2028	Greek (Diana Shipping)	\$ 46.0m	methanol dual-fuelled, LOI Stage
10	Bulker	59,990	dwt	Taizhou Haibin, China	2025	Chinese (Zhejiang Jinpu)	undisclosed	domestic coastal trade
8	Container	9,200	teu	SWS, China	2026-2027	French (CMA CGM)	\$ 126.0m	methanol-fueled
8	General Cargo	7,000	dwt	Huanghai, China	2026-2027	Norwegian (Skarv Shipping)	undisclosed	
1	PCTC	7,000	ceu	Yantai CIMC Raffles, China	2026	Greek (Atlas Maritime)	\$ 80.0m	options declared

The market seems to be taking a break, with few deals concluded and the healthiest scrapping destination heading into Diwali. Firm or stable freight rates across all segments are not helping breakers either. There is still no activity in Pakistan as rates offered by local buyers are well below market standards. At present, the local market is busy with tonnage acquired in the past, while rising steel prices may boost the earnings of local breakers in the future. The main reason for the subdued activity is the declining steel market, which makes buyers reluctant to acquire more tonnage. India continues to outperform the other available scrapping destinations in terms of both pricing and fundamental stability. Sentiment in the country is that steel demand will grow by more than 10% on the back of upcoming infrastructure projects, a trend that will continue next year. On the fundamental front, JP Morgan announced that Indian bonds will be included in its Government Bond

Index-Emerging Markets. This positive development brings US dollars into the local economy, pushing the local currency back above 83 against the dollar. The upcoming Diwali period could keep local crushers on the sidelines during the traditionally slower season, providing opportunities for the region's competitive markets. Pakistani recyclers remain in a dire situation, with quoted prices still the lowest in the region. The falling steel market is discouraging scrap buyers from purchasing local scrap. In addition, the continuing shortage of letters of credit is deterring even willing buyers. In Turkey, the lira is rising rapidly towards 28 to the dollar, making it extremely difficult for breakers to acquire new vessels. Steel mills will also face problems as both industrial and commercial users face a 20% increase in the price of electricity.

Indicative Demolition Prices (\$/ldt)

	Markets	29/09/23	22/09/23	±%	YTD		2022	2021	2020
					High	Low			
Tanker	Bangladesh	510	510	0.0%	615	515	601	542	348
	India	550	550	0.0%	570	555	593	519	348
	Pakistan	520	520	0.0%	540	535	596	536	352
	Turkey	320	320	0.0%	340	330	314	284	207
Dry Bulk	Bangladesh	490	490	0.0%	600	505	590	532	336
	India	530	530	0.0%	540	520	583	508	335
	Pakistan	510	510	0.0%	520	500	587	526	338
	Turkey	310	310	0.0%	285	275	304	276	198

Currencies

Markets	29/09/23	22/09/23	±%	YTD High
USD/BDT	110.37	109.73	0.59%	110.70
USD/INR	83.03	82.97	0.07%	83.47
USD/PKR	288.30	286.25	0.72%	307.89
USD/TRY	27.41	27.17	0.87%	27.41

Demolition Sales (\$ /ldt)

Name	Size	Ldt	Built	Yard	Type	\$/ldt	Breakers	Comments
YA TAI 1	71,259	10,279	1995	NAMURA, Japan	BC	\$ 475/Ldt	Indian	
HASEEN	46,750	7,635	1998	SANOYAS, Japan	BC	undisclosed	Indian	
FORTUNE TRADER	24,444	7,192	1994	IMABARI, Japan	CONTAINER	\$ 612/Ldt	Indian	incl. 100T bunkers
GSS YANGON	18,166	6,121	1993	IMABARI, Japan	CONTAINER	\$ 530/Ldt	undisclosed	as is Singapore
MSC MARIA	8,780	3,952	1993	BRAND H. KG, Germany	GENERAL CARGO	\$ 547/Ldt	Indian	HKC recycling

Market Data

	29-Sep-23	28-Sep-23	27-Sep-23	26-Sep-23	25-Sep-23	W-O-W Change %
Stock Exchange Data						
10year US Bond	4.573	4.597	4.626	4.558	4.542	2.1%
S&P 500	4,288.05	4,299.70	4,274.51	4,273.53	4,337.44	-0.7%
Nasdaq	13,219.32	13,201.28	13,092.85	13,063.61	13,271.32	0.1%
Dow Jones	33,507.50	33,666.34	33,550.27	33,618.88	34,006.88	-1.3%
FTSE 100	7,608.08	7,601.85	7,593.22	7,625.72	7,623.99	-1.0%
FTSE All-Share UK	4,127.24	4,118.34	4,118.27	4,136.92	4,139.09	-1.1%
CAC40	7,135.06	7,116.24	7,071.79	7,074.02	7,123.88	-0.7%
Xetra Dax	15,386.58	15,323.50	15,217.45	15,255.87	15,405.49	-0.1%
Nikkei	31,857.62	31,872.52	32,371.90	32,315.05	32,678.62	-2.5%
Hang Seng	17,809.66	17,373.03	17,611.87	17,466.90	17,729.29	0.5%
DJ US Maritime	275.90	275.90	273.63	273.63	276.00	0.4%
Currencies						
€ / \$	1.06	1.06	1.05	1.06	1.06	-0.8%
£ / \$	1.22	1.22	1.21	1.21	1.22	-0.3%
\$ / ¥	149.38	149.35	149.50	149.05	148.81	0.7%
\$ / NoK	0.0925	0.0932	0.0929	0.0924	0.0925	-0.2%
Yuan / \$	7.30	7.30	7.31	7.31	7.31	0.0%
Won / \$	1,352.93	1,348.85	1,353.82	1,354.31	1,339.45	1.3%
\$ INDEX	106.22	106.22	106.67	106.23	106.00	0.8%

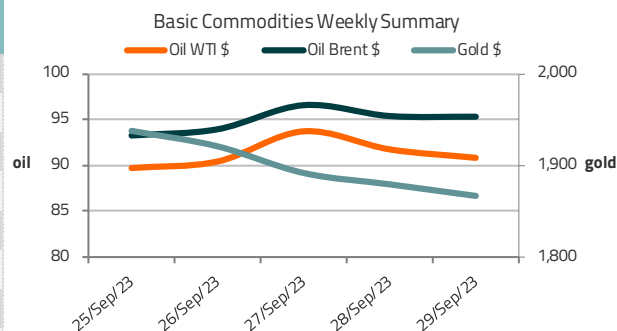
Bunker Prices

		29-Sep-23	22-Sep-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.	29-Sep-23	22-Sep-23	W-O-W Change %
CAPITAL PRODUCT PARTNERS LP	NASDAQ	USD	14.01	13.99	0.1%
COSTAMARE INC	NYSE	USD	9.62	9.32	3.2%
DANAOS CORPORATION	NYSE	USD	66.22	66.28	-0.1%
DIANA SHIPPING	NYSE	USD	3.47	3.47	0.0%
EAGLE BULK SHIPPING	NASDAQ	USD	42.03	39.92	5.3%
EUROSEAS LTD.	NASDAQ	USD	26.66	25.72	3.7%
GLOBUS MARITIME LIMITED	NASDAQ	USD	1.84	1.49	23.5%
NAVIOS MARITIME HOLDINGS	NYSE	USD	2.00	1.91	4.7%
SAFE BULKERS INC	NYSE	USD	3.24	3.25	-0.3%
SEANERGY MARITIME HOLDINGS	NASDAQ	USD	5.52	5.39	2.4%
STAR BULK CARRIERS CORP	NASDAQ	USD	19.28	18.48	4.3%
STEALTHGAS INC	NASDAQ	USD	5.04	5.39	-6.5%
TSAKOS ENERGY NAVIGATION	NYSE	USD	20.78	19.71	5.4%

Basic Commodities Weekly Summary



Macro-economic headlines

- US: GDP rose by 2.1% in Q2, showing a steady increase. The US core PCE price index (excluding food and energy) rose by 3.9% on an annual basis in August, pointing to a slight decline in inflation. New home sales came in at 675k in September, down from 700k the previous month.
- EU: In the eurozone, core CPI rose 0.3% on the month and 4.5% on the year, showing a robust disinflationary trend.

- China: The manufacturing PMI came in at 50.2 in September, above the 50-point mark and not in expansionary territory, while the non-manufacturing PMI came in at 51.7 in September, up slightly from the previous month.



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