

Weekly Market Report

Week 38 | Tuesday 24th September 2024

Market Insight

By Fotis Kanatas, Research Analyst

India's crude oil import landscape has been undergoing notable shifts, particularly with the recent 18% decline in Russian oil imports during August 2024. Following a period of increased reliance on Russian crude, driven by attractive discounts amid Western sanctions, India's refineries have reduced their intake of Russian oil due to operational constraints, including maintenance shutdowns. Nevertheless, Russia remains India's primary supplier, demonstrating the importance of discounted oil in India's overall energy strategy. However, India faces competition from China, which imports Russian crude through both sea routes and pipelines, giving it greater flexibility in securing supplies. The decline in Russian imports has highlighted India's ongoing diversification efforts, with Middle Eastern countries, particularly Iraq and Saudi Arabia, playing a pivotal role in offsetting these fluctuations.

The decline in India's Russian oil imports in August 2024 was primarily due to maintenance at key Indian refineries. Chennai Petroleum, which operates a 210,000-barrel-per-day refinery in southern India, had to temporarily cease operations at several units for scheduled maintenance. Similarly, Bharat Petroleum Corporation's Bina refinery in central India also reduced its crude processing due to ongoing maintenance at some of its units. These disruptions in refining capacity lowered the demand for Russian crude, underscoring the sensitivity of India's oil import levels to domestic operational constraints.

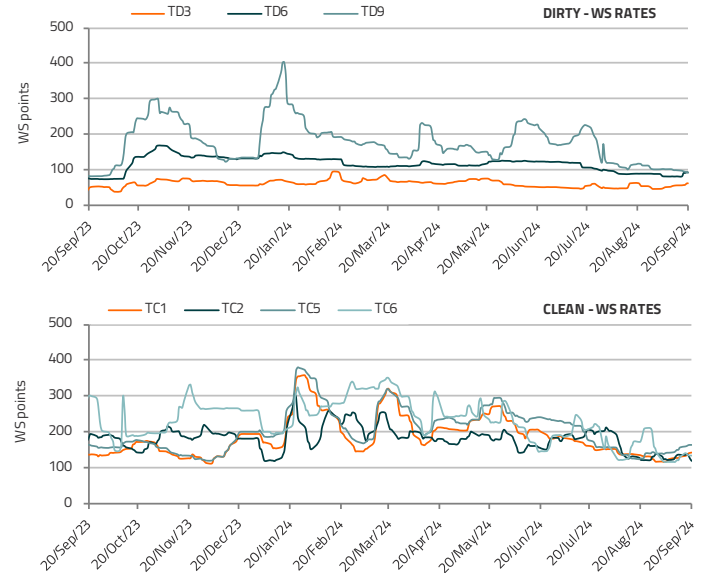
Looking at the data, August was the second softer month regarding crude oil imports in 2024 (18,5 mt), behind only February, when India imported 18,4 mt. During 2023 and 2024 so far, India's imports are varying in a relatively tight range of 16.4 mt to 21.1 mt and the top 2 suppliers, Russia and Middle East, are exchanging seats as India's top suppliers. In 2024 for example, Middle East market share was decreasing steadily from January and a high of 53% to a low of just 39% in June. Conversely, Russia's market share was at just 29% in January and rose steadily to 43% in June, where the decrease begun. At the same time, China reclaimed its position as Russia's top oil customer in August, after India briefly overtook them as the top customer in July. China is importing Russian crude both via tankers and pipelines, whereas India is reliant on seaborne trade only.

In the coming months, India's crude oil import strategy will likely continue adapting to both operational constraints and geopolitical pressures. While discounted Russian oil will remain a key part of its energy mix, growing competition with China and the need for more flexible supply chains will drive India to further diversify its sources. This could result in higher imports from the Middle East, reducing tonne-miles. Alternatively, if India chooses to source more oil from the Atlantic basin, where production is rising, it could increase global tonnage demand for longer-haul voyages.

Indicative Period Charters

6.5/10.5 mos	GOLDEN SUN(N/B)	2024	50,000 dwt
DEL CHINA SEP-OCT/24	\$30,000/day		Stena Bulk

Vessel	Routes	20/09/24		13/09/24		\$/day ±%	2023 \$/day	2022 \$/day
		WS points	\$/day	WS points	\$/day			
VLCC	265k MEG-SPORE	61	41,333	56	34,737	19.0%	39,466	20,330
	260k WAF-CHINA	63	41,734	58	37,051	12.6%	38,773	19,980
Suezmax	130k MED-MED	80	34,942	80	28,253	23.7%	62,964	51,634
	130k WAF-UKC	79	26,803	78	26,612	0.7%	25,082	11,031
Aframax	140k BSEA-MED	91	27,254	80	18,824	44.8%	62,964	51,634
	80k MEG-EAST	145	31,130	145	31,085	0.1%	44,757	27,224
Clean	80k MED-MED	116	23,237	120	25,322	-8.2%	49,909	46,679
	70k CARIBS-USG	90	8,953	97	11,597	-22.8%	46,364	43,030
Dirty	75k MEG-JAPAN	141	29,560	129	25,403	16.4%	32,625	35,326
	55k MEG-JAPAN	163	23,794	156	21,949	8.4%	27,593	32,504
	37k UKC-USAC	118	8,940	135	12,452	-28.2%	21,183	22,919
	30k MED-MED	133	8,072	129	7,176	12.5%	32,775	45,941
	55k UKC-USG	115	10,702	115	10,918	-2.0%	27,274	19,982
	55k MED-USG	115	10,659	115	10,956	-2.7%	27,060	21,231
	50k ARA-UKC	161	14,994	170	17,462	-14.1%	46,194	40,364



TC Rates

	\$/day	20/09/24	13/09/24	±%	Diff	2023	2022
VLCC	300k 1yr TC	49,250	49,250	0.0%	0	48,601	34,683
	300k 3yr TC	47,500	47,500	0.0%	0	42,291	33,719
Suezmax	150k 1yr TC	44,500	44,500	0.0%	0	46,154	26,933
	150k 3yr TC	38,000	38,000	0.0%	0	35,469	23,758
Aframax	110k 1yr TC	41,250	41,500	-0.6%	-250	47,226	26,135
	110k 3yr TC	40,000	40,000	0.0%	0	37,455	22,878
Panamax	75k 1yr TC	37,500	37,500	0.0%	0	37,769	25,163
	75k 3yr TC	34,000	34,000	0.0%	0	29,748	20,806
MR	52k 1yr TC	29,500	29,500	0.0%	0	30,452	21,313
	52k 3yr TC	27,250	27,250	0.0%	0	25,152	16,426
Handy	36k 1yr TC	27,000	27,500	-1.8%	-500	25,760	18,601
	36k 3yr TC	23,250	23,250	0.0%	0	18,200	14,585

Indicative Market Values (\$ Million) - Tankers

Vessel	5yrs old	Sep-24		±%	2023	2022	2021
		avg	avg				
VLCC	300KT DH	115.0	114.4	0.5%	99.5	80.2	69.7
Suezmax	150KT DH	82.0	82.0	0.0%	71.5	55.1	46.7
Aframax	110KT DH	72.0	72.0	0.0%	64.4	50.5	38.7
LR1	75KT DH	57.0	55.8	2.2%	49.2	38.6	31.2
MR	52KT DH	49.7	48.6	2.2%	41.4	34.8	27.6

Chartering

The tanker Market had another positive week with the larger sizes showing continuing strength and especially for Eastbound voyages. On the VLCC, the Arabian Gulf continues to see increased fixing activity followed by the US and as a result rates are staying elevated. TD3C (MEG/China) settled at WS 60.25 or (+10.5%) on the week. West Africa also increased on the back of thinning tonnage with TD15 (WAF/China) trading on Friday at WS 62.50 (+7.2%). Similarly, decreasing available tonnage kept USG rates stable. The VLCC TCE settled on Friday at \$ 38,633/day or +1.075% higher on the week. On the Suezmaxes, the market again was being supported by the Black Sea as there are delays in the Turkish Straits, keeping the Med market elevated. TD6 (BSea/Med) settled at WS 91.05 (+14%). As far as West Africa is concerned, we saw healthy cargoes and tonnage list keeping rates relatively stable, with TD20 (Waf/UKC) at WS 79.06 or +0.93% on the week. The Arabian Gulf also kept rates elevated with a balanced market and firm fixing, resulting TD23 (MEG/Med) at WS 95.33 (+0.88%). The Suezmax TCE settled at \$27,029/day or 19%

higher on the week. The Aframax market has yet to follow its bigger counterparts as rates are continuing to slide. Despite the fact that the US Gulf has increased fixing activity, the excessive tonnage is keeping rates muted. For example, TD25 (USG/ARA) slumped to WS 101 or -13.5% on the week. On the Med, rates are again down with excess tonnage and Libya closed hitting the market. TD19 (CrossMed) settled on Friday at WS 115.89 or -3.11%. Again, the Arabian Gulf gave the only push on Aframax as there was healthy cargo flow and TD8 (Kuwait/SG) stayed flat at WS 145. The Aframax TCE was at \$21,247 or -7.19% on the week. On Clean Tankers, we have seen strong activity again in the Arabian Gulf with the MEG/Japan trips surging on the week. More specifically, LR2s in TC1 (MEG/Japan) settled at WS 141.14 or 9% higher on the week. Similarly, LR1s in TC5 (MEG/Japan) rose at WS 162.5 (+4.4% WoW). As far as MRs are concerned, the Atlantic Basket softened to \$21,896/day (-6.3% WoW) while the Pacific one settled at \$16,322/day or (-4.4% WoW) despite the fact that there was strong fixing from the US Gulf.

Baltic Indices

	20/09/24		13/09/24		Point Diff	\$ / day ±%	2023 Index	2022 Index
	Index	\$/day	Index	\$/day				
BDI	1,977		1,890		87		1,395	1,931
BCI	3,235	\$26,826	3,089	\$25,620	146	4.7%	2,007	1,955
BPI	1,538	\$13,842	1,428	\$12,849	110	7.7%	1,442	2,298
BSI	1,289	\$14,256	1,264	\$13,943	25	2.2%	1,031	2,006
BHSI	707	\$12,730	707	\$12,731	0	0.0%	586	1,181

TC Rates

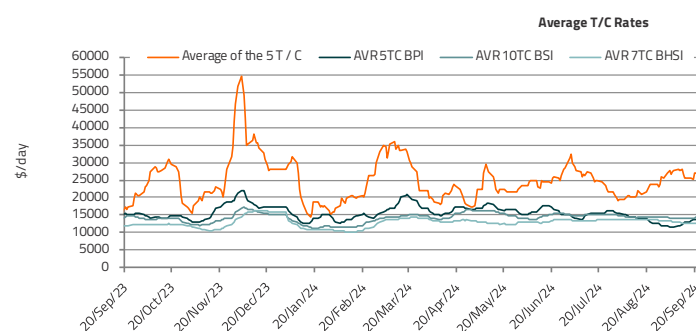
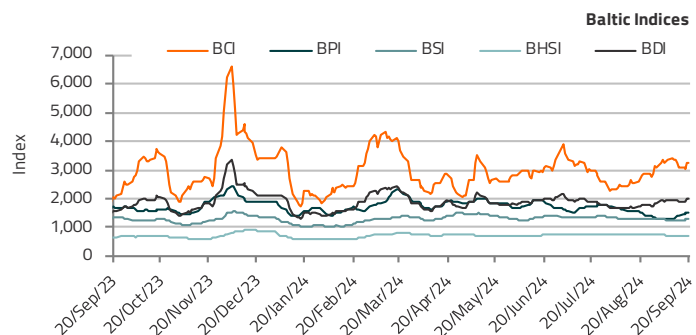
	\$/day	20/09/24	13/09/24	±%	Diff	2023	2022
Capesize	180K 1yr TC	27,500	28,500	-3.5%	-1,000	17,957	21,394
	180K 3yr TC	22,000	23,000	-4.3%	-1,000	16,697	18,894
Panamax	76K 1yr TC	14,500	14,000	3.6%	500	13,563	20,207
	76K 3yr TC	12,000	11,750	2.1%	250	11,827	14,885
Supramax	58K 1yr TC	15,250	15,250	0.0%	0	13,457	20,053
	58K 3yr TC	13,000	13,000	0.0%	0	11,981	15,005
Handysize	32K 1yr TC	12,000	12,000	0.0%	0	10,644	17,827
	32K 3yr TC	10,000	10,000	0.0%	0	9,510	12,322

Chartering

The Baltic Dry Index performance turned positive last week, rising by 87 points. The Capesize sector experienced increased demand across all key regions, with the Pacific region once again leading, driven by strong Australian coal and iron ore shipments to China. In the Atlantic, iron ore shipments from Brazil and bauxite shipments from Guinea remained robust, contributing to a week-on-week increase in rates. Consistent with seasonal trends, the Panamax and geared vessel sectors are benefiting from increased grain exports from the US Gulf and North Pacific. In the Pacific, market activity remained balanced, with a gradual increase in tonnage demand for Indonesian coal cargoes.

Indicative Period Charters

8/10 mos	SANTA GRACIELA	2013	82,149 dwt
dely North China 25/26 Sep redel worldwide	\$14,500/day		CNR
2/4 mos	PORT MACAU	2008	58,730 dwt
dely Hong Kong prompt redel Singapore-Japan	\$15,500/day		Drydel



Indicative Market Values (\$ Million) - Bulk Carriers

	Vessel 5 yrs old	Sep-24 avg	Aug-24 avg	±%	2023	2022	2021
Capesize Eco	180k	64.0	63.9	0.2%	48.8	48.3	43.1
Kamsarmax	82K	37.7	38.7	-2.7%	32.0	34.1	29.8
Ultramax	63k	36.0	36.0	0.0%	29.5	31.5	26.4
Handysize	37K	28.2	28.5	-1.2%	25.1	27.2	21.4

Cape 5TC averaged \$ 26,039/day, down -4.47% w-o-w. The transatlantic earnings increased by \$ 1,000/day while transpacific ones rose by \$2,183/day, bringing transpacific earnings premium over transatlantic to \$10,549/day.

Panamax 5TC averaged \$ 13,455/day, up +9.84% w-o-w. The transatlantic earnings increased by \$ 2,365/day while transpacific earnings declined by \$150/day. As a result, the transpacific earnings premium to the transatlantic narrowed down to \$1,988/day.

Supramax 10TC averaged \$ 14,058/day up +1.14% w-o-w, while the Handysize 7TC averaged \$ 12,719/day, down -0.73% w-o-w.

Tankers

Size	Name	Dwt	Built	Yard	M/E	SS due	Hull	Price	Buyers	Comments
VLCC	ADVANTAGE VIRTUE	296,481	2009	BOHAI, China	MAN-B&W	Feb-29	DH	\$ 51.0m	Chinese	
J19	SONGA PEACE	19,992	2009	USUKI, Japan	MAN-B&W	Nov-24	DH	\$ 23.8m	Korean (Heung-A)	StSt
J19	HORIN TRADER	19,855	2015	USUKI, Japan	MAN-B&W	May-25	DH	high \$ 31.0m	Korean (Woojin)	StSt

Bulk Carriers

Size	Name	Dwt	Built	Yard	M/E	SS due	Gear	Price	Buyers	Comments
NEWCASTLEMAX	MINERAL CLOUDBREAK	205,097	2012	HHIC, Philippines	MAN-B&W	Jul-27		region \$ 39.0m	Chinese	
CAPE	CHINA PEACE	174,413	2005	SWS, China	MAN-B&W	Jun-25		\$ 20.0m	Chinese	
KMAX	MARTHA	81,811	2014	TSUNEISHI, Japan	MAN-B&W	Sep-29		excess \$ 26.0m	Greek	
KMAX	AM HAMBURG	81,792	2013	NEW TIMES, China	MAN-B&W	Jan-28		\$ 18.0m each	Chinese (EGPN)	
KMAX	AM QUEBEC	81,792	2013	NEW TIMES, China	MAN-B&W	Feb-28				
SUPRA	ZORINA	57,000	2011	ZHEJIANG ZHENGHE, China	MAN-B&W	Dec-26	4 X 30t CRANES	\$ 13.8m	undisclosed	
SUPRA	VISAYAS	56,136	2010	MITSUI, Japan	MAN-B&W	Jan-25	4 X 30t CRANES	high \$ 16.0m	Chinese	
HANDY	AFRICAN EAGLE	27,102	2003	NEW TIMES, China	B&W	Apr-27	4 X 30t CRANES	\$ 6.0m	Far Eastern	

Last week, newbuilding market activity was predominantly driven by Chinese interests in both the dry bulk and tanker sectors. In the tanker sector, it was reported that Hengli Group placed an order for four VLCC units at Hengli Hi Dalian Shipyard, each priced at \$120.0 million. Additionally, Chinese owner SC Shipping exercised an option to construct ten 25,900 dwt vessels, with half to be built at Wuchang SB Group and the remainder at CMJL Yangzhou shipyard, each costing \$44.3 million. Meanwhile, South Korean owner HMM secured an agreement for two firm and two optional 50,000 dwt vessels at Hyundai Mipo, with

each unit priced at \$52.0 million. In the Bulk Carrier sector, Shandong Shipping ordered two 325,000 dwt methanol-fueled units at Qingdao Beihai at a price of \$130.0 million each. Lastly, Hong Kong-based owner TS Lines placed an order for two 4,300 TEU container ships at CSSC Huangpu shipyard in China, at a cost of \$60.0 million each. No new contracts were reported in the gas carrier segment last week.

Indicative Newbuilding Prices (\$ Million)

	Vessel		20-Sep-24	13-Sep-24	±%	YTD		5-year		Average		
						High	Low	High	Low	2023	2022	2021
Bulkers	Newcastlemax	205k	80.0	80.0	0.0%	80.0	70.0	80.0	49.5	66	66	59
	Capesize	180k	76.5	76.5	0.0%	76.5	67.5	76.5	48.5	63	63	56
	Kamsarmax	82k	37.5	37.5	0.0%	37.5	35.5	37.5	27.5	35	36	33
	Ultramax	63k	35.0	35.0	0.0%	35.0	33.0	35.5	25.5	33	34	30
	Handysize	38k	30.5	30.5	0.0%	30.5	30.0	31.0	23.5	30	30	27
Tankers	VLCC	300k	129.0	129.0	0.0%	129.5	128.0	130.5	84.5	124	118	98
	Suezmax	160k	90.0	90.0	0.0%	90.0	85.0	90.0	55.0	82	79	66
	Aframax	115k	77.5	77.5	0.0%	77.5	73.0	77.5	46.0	69	62	53
	MR	50k	51.5	51.5	0.0%	51.5	48.0	51.5	34.0	46	43	38
Gas	LNG 174k cbm		261.5	261.5	0.0%	263.0	261.5	265.0	180.0	259	232	195
	MGC LPG 55k cbm		94.0	94.0	0.0%	94.0	91.5	94.0	62.0	85	74	67
	SGC LPG 25k cbm		62.0	62.0	0.0%	62.0	58.0	62.0	40.0	56	51	45

Newbuilding Orders

Units	Type	Size		Yard	Delivery	Buyer	Price	Comments
4	Tanker	306,000	dwt	Hengli Hi Dalian, China	2026-2027	Chinese (Hengli Group)	\$ 120.0m	
2+2	Tanker	50,000	dwt	Hyundai Mipo, S. Korea	2027	S.Korea (HMM)	\$ 52.0m	
5	Tanker	25,900	dwt	Wuchang SB Group, China	2026-2028	Chinese (SC Shipping)	\$ 44.3m	options exercised, IMO Tier III, EEDI Phase 3
5	Tanker	25,900	dwt	CMJL Yangzhou, China	2026-2028	Chinese (SC Shipping)	\$ 44.3m	options exercised, IMO Tier III, EEDI Phase 3
2	Bulker	325,000	dwt	Qingdao Beihai, China	2027-2028	Chinese (Shandong Shipping)	\$ 130.0m	methanol dual fuel, charter with Vale
4	Bulker	7,500	dwt	Garden Reach, India	2027-2028	German (Carsten Rehder)	\$ 13.5m	
2	Container	4,300	teu	CSSC Huangpu, China	2027	HK based (TS Lines)	\$ 60.0m	

Another subdued week in the recycling market as relatively high freight rates and continued interest in older tonnage keep vessels out of the scrap yard. In India, the subdued market continues with local recyclers still reluctant to make any moves and as a result recycling prices continue to fall. Weak steel demand is the main reason for this, with construction activity remaining sluggish even after the monsoon season, when many players were expecting a recovery. Tariffs of 30% on imported Chinese steel have pushed up local steel, while the local currency is also on an upward trend. There is still optimism that steel demand will pick up and if this happens, it could support the scrap market. In Pakistan, the industry has also been hit by cheap Chinese steel imports, with local recyclers unable to compete and steel demand remaining low. Although local steel prices have remained relatively stable, the lack of demand has resulted in lower recycling prices. On a brighter note, the country is expecting some construction projects to start, providing some hope to the market.

In Bangladesh, recycling prices declined and steel prices remained under pressure, resulting in recyclers staying away from the market. Similar to India, post-monsoon construction activity is expected to revive the sector. In addition, regulation is adding to recyclers' headaches as the deadline for compliance with the Ship Recycling Facility Plan (SRFP) is less than a month away and the issuance of No Objection Certificates (NOCs) is becoming more stringent. In terms of fundamentals, foreign exchange reserves have fallen by 20 billion, adding to the country's woes. In Turkey the market is stagnant as no ships are being sold for scrap. The local steel market is affected by slightly higher demand as local steel prices remain subdued, leaving recycling prices stable. The country's battle with inflation continues and although it is on a declining path, the central bank has left the interest rate unchanged at 50%. The slightly improved economic picture in Turkey has not yet translated into a buoyant recycling industry.

Indicative Demolition Prices (\$/ldt)

	Markets	20/09/24	13/09/24	±%	YTD			2023	2022	2021
					High	Low				
Tanker	Bangladesh	485	485	0.0%	530	490	550	601	542	
	India	490	490	0.0%	540	490	540	593	519	
	Pakistan	475	475	0.0%	525	490	525	596	536	
	Turkey	320	320	0.0%	350	320	325	314	207	
Dry Bulk	Bangladesh	475	475	0.0%	520	475	535	590	532	
	India	470	470	0.0%	520	480	522	583	508	
	Pakistan	455	455	0.0%	510	470	515	587	526	
	Turkey	310	310	0.0%	350	310	315	304	276	

Currencies

Markets	20-Sep-24	13-Sep-24	±%	YTD High
USD/BDT	116.44	117.45	-0.9%	117.51
USD/INR	83.80	83.74	0.1%	83.80
USD/PKR	275.99	278.21	-0.8%	282.38
USD/TRY	33.10	32.95	0.5%	33.12

Demolition Sales (\$ /ldt)

Name	Size	Ldt	Built	Yard	Type	\$/ldt	Breakers	Comments
MSC GABRIELLA	31,290	8,911	1985	HDW AG - Kiel - GEU, Germany	CONTAINER	\$ 499.0m	Indian	320 Ts ROB on arrival
MSC AGATA II	22,450	7,364	1994	SZCZECINSKA, Poland	CONTAINER	\$ 505.0m	Indian	200 Ts ROB on arrival
OMAR TRADER	6,358	1,800	1980	ATLANTICO SANTADER, Spain	GENERAL CARGO	\$ 310.0m	Turkish	

Market Data

	20-Sep-24	19-Sep-24	18-Sep-24	17-Sep-24	16-Sep-24	W-O-W Change %	
Stock Exchange Data	10year US Bond	3.728	3.740	3.687	3.642	3.621	2.2%
	S&P 500	5,702.55	5,713.64	5,618.26	5,634.58	5,633.09	1.4%
	Nasdaq	19,791.49	19,839.83	19,344.49	19,432.40	19,423.06	1.4%
	Dow Jones	42,063.36	42,025.19	41,503.10	41,606.18	41,622.08	1.6%
	FTSE 100	8,229.99	8,328.72	8,253.68	8,309.86	8,278.44	-0.5%
	FTSE All-Share UK	4,501.08	4,556.59	4,511.60	4,541.00	4,525.95	-0.5%
	CAC40	7,500.26	7,615.41	7,444.90	7,487.42	7,449.44	0.5%
	Xetra Dax	18,720.01	19,002.38	18,711.49	18,726.08	18,633.11	0.1%
	Nikkei	37,723.91	37,155.33	36,380.17	36,203.22	mrkt closed	3.1%
	Hang Seng	18,258.57	18,013.16	17,660.02	17,660.02	17,422.12	5.1%
DJ US Maritime	408.67	416.95	403.95	403.36	394.95	4.6%	
Currencies	€ / \$	1.12	1.12	1.11	1.11	1.11	0.8%
	£ / \$	1.33	1.33	1.32	1.32	1.32	1.5%
	\$ / ¥	143.91	142.62	142.27	142.40	140.60	2.2%
	\$ / NoK	10.46	10.48	10.59	10.59	10.59	-1.6%
	Yuan / \$	7.05	7.07	7.08	7.09	7.09	-0.6%
	Won / \$	1,331.64	1,326.86	1,319.09	1,318.60	1,320.45	0.3%
	\$ INDEX	100.72	100.61	100.60	100.89	100.76	-0.4%

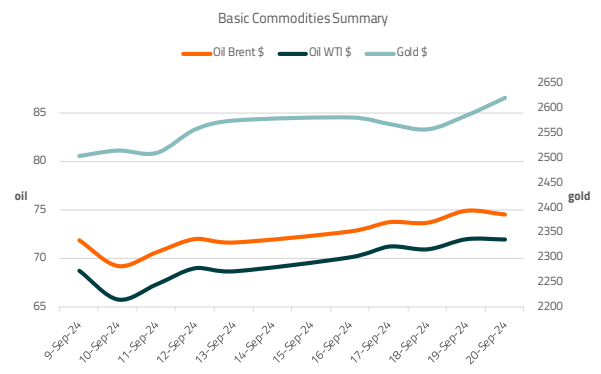
Bunker Prices

		20-Sep-24	13-Sep-24	Change %
MGO	Rotterdam	622.0	605.0	2.8%
	Houston	644.0	626.0	2.9%
	Singapore	625.0	612.0	2.1%
380cst	Rotterdam	436.0	400.0	9.0%
	Houston	423.0	412.0	2.7%
	Singapore	477.0	447.0	6.7%
VLSFO	Rotterdam	519.0	503.0	3.2%
	Houston	508.0	503.0	1.0%
	Singapore	595.0	572.0	4.0%
OIL	Brent	74.5	71.6	4.0%
	WTI	71.9	68.7	4.8%

Maritime Stock Data

Company	Stock Exchange	Curr	20-Sep-24	13-Sep-24	W-O-W Change %
CAPITAL PRODUCT PARTNERS LP	NASDAQ	USD	17.48	17.36	0.7%
COSTAMARE INC	NYSE	USD	14.43	13.60	6.1%
DANAOS CORPORATION	NYSE	USD	80.74	78.84	2.4%
DIANA SHIPPING	NYSE	USD	2.38	2.35	1.3%
EUROSEAS LTD.	NASDAQ	USD	46.65	43.29	7.8%
GLOBUS MARITIME LIMITED	NASDAQ	USD	2.18	1.74	25.3%
SAFE BULKERS INC	NYSE	USD	4.84	4.75	1.9%
SEANERGY MARITIME HOLDINGS	NASDAQ	USD	11.34	10.27	10.4%
STAR BULK CARRIERS CORP	NASDAQ	USD	21.59	20.80	3.8%
STEALTHGAS INC	NASDAQ	USD	6.87	6.85	0.4%
TSAKOS ENERGY NAVIGATION	NYSE	USD	25.04	25.27	-0.9%

Basic Commodities Weekly Summary



Macro-economic headlines

- In US, the Fed Interest Rate declined by 0.5 points to 5.0%
- In China, the Loan Prime Rate 5Y for September remained unchanged to 3.85%
- In UK, the S&P Global/CIPS UK Manufacturing PMI in September decline to 51.5 points down from 52.5 in August
- In the EU, the CPI for August rose by 2.2% y-o-y. The HCOB Eurozone Manufacturing PMI for September declined to 44.8 from 45.8 in August while the Composite PMI decline to 48.9 in September down from the 51.0 in August

