

Weekly Market Report

Week 43 | Tuesday 31st October 2023

Market Insight

By Chara Georgousi and Fotis Kanatas

In a week characterized by a 1.8% drop in Brent crude prices and a slight 0.1% uptick in WTI, conflicting viewpoints on the trajectory of global oil demand have come to the forefront. The International Energy Agency (IEA) has offered a starkly different analysis compared to OPEC in its latest World Energy Outlook. According to the IEA, the demand for oil, natural gas, and coal is set to peak within this decade under existing governmental policies. This marks a groundbreaking shift in projections, considering that it's the first time such an outlook has been articulated. On the other hand, OPEC insists that the global thirst for oil will not only persist but intensify past 2030, necessitating substantial investments in the sector to the tune of trillions of dollars.

These opposing perspectives emerge in a backdrop of ongoing challenges within the oil industry, including geopolitical crises that have a depressive effect on both oil prices and production. More specifically, escalating tensions between Israel and Palestine have stoked concerns about a ripple effect disrupting global oil supply. The situation carries the risk of involving Iran and its allies in the region, broadening the scope and scale of the conflict. Adding another layer of complexity are military interventions by the United States in the Middle East, coupled with recent army drills conducted by Iran. These developments signal that an expanded conflict

could significantly impact oil markets in ways that are difficult to predict.

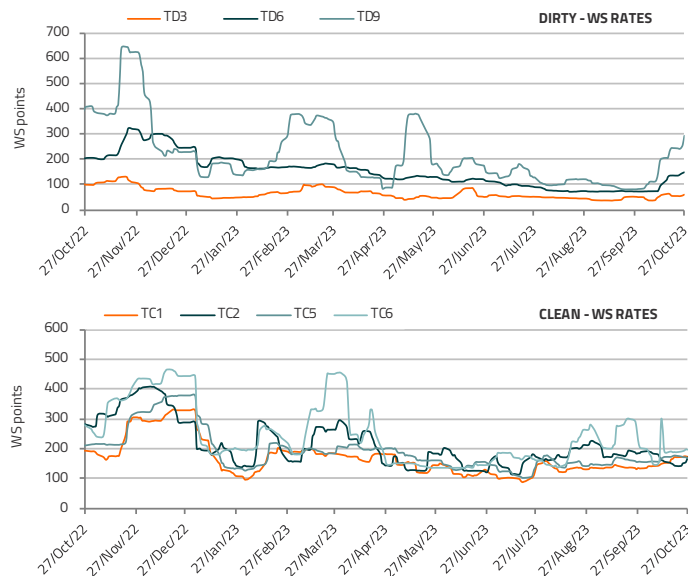
Taking a closer look at the Mediterranean, we can see that since the start of hostilities in the Middle East on 7 October, freight rates for both dirty and clean tankers have soared. In particular, the TD6 TCE, which follows Suezmaxes from the Black Sea to the Mediterranean, has risen by 631% to \$77,999/day on 30 October, while the TD19 Cross Mediterranean (Ceyhan to Lavera) for LR1s has risen by 336%, with spot rates of \$81,530/day. The surge in dirty tanker activity in the region is a combination of a seasonal increase in demand for crude oil, firm refining margins, which are expected to increase with the onset of winter, and the wartime premium. Owners are currently enjoying high rates and the coming months look strong for them as more vessels are expected to carry Venezuelan oil after the temporary lifting of the ban, leaving a shortage of vessels in the region.

On the clean trade, the TC15, which tracks LR1s loading in the Mediterranean and heading to the Far East, was up a modest 27%, while the Cross Med TC6 was up 109% to \$8,369/day and \$25,959/day respectively. Adding further fuel to the rally, European refined product inventories are once again on the decline, approaching 5 year lows, meaning that stockpiling efforts are likely to push freight rates higher.

Indicative Period Charters

6 mos	HAFNIA ZAMBESI	2010	76,578 dwt
DELEAST NOV/23	RNR		ADMIC
12 mos	JAG AABHA	2008	74,841 dwt
DELEAST OCT/23	\$33,000/day		Clearlake

Vessel	Routes	27/10/23		20/10/23		\$/day ±%	2022 \$/day	2021 \$/day
		WS points	\$/day	WS points	\$/day			
VLCC	265k MEG-SPORE	60	38,798	55	30,621	26.7%	20,330	2,246
	280k MEG-USG	34	3,410	31	-1,752	294.6%	-9,550	-15,306
	260k WAF-CHINA	64	41,881	57	32,228	30.0%	19,980	3,125
Suezmax	130k MED-MED	140	86,455	125	71,673	20.6%	51,634	8,021
	130k WAF-UKC	153	71,508	119	47,044	52.0%	25,082	11,031
Aframax	140k BSEA-MED	148	71,193	135	59,633	19.4%	51,634	8,021
	80k MEG-EAST	188	44,901	183	41,781	7.5%	27,224	1,501
Clean	80k MED-MED	220	78,939	214	74,834	5.5%	46,679	6,622
	70k CARIBS-USG	293	92,096	244	70,276	31.0%	43,030	5,130
	75k MEG-JAPAN	172	40,993	171	39,617	3.5%	35,326	6,368
Dirty	55k MEG-JAPAN	168	27,512	176	29,174	-5.7%	32,504	6,539
	37k UKC-USAC	170	16,806	141	10,013	67.8%	22,919	4,496
	30k MED-MED	196	26,183	187	23,327	12.2%	45,941	8,124
	55k UKC-USG	150	22,734	115	10,787	110.8%	19,982	2,822
	55k MED-USG	150	22,650	115	10,920	107.4%	21,231	4,818
50k CARIBS-USG	222	39,185	198	31,341	25.0%	40,364	8,548	



TC Rates

	\$/day	27/10/23	20/10/23	±%	Diff	2022	2021
VLCC	300k 1yr TC	49,000	45,000	8.9%	4000	34,683	25,684
	300k 3yr TC	43,500	41,250	5.5%	2250	33,719	28,672
Suezmax	150k 1yr TC	43,250	43,250	0.0%	0	26,933	17,226
	150k 3yr TC	35,750	35,500	0.7%	250	23,758	22,700
Aframax	110k 1yr TC	42,750	42,500	0.6%	250	26,135	15,854
	110k 3yr TC	37,000	37,000	0.0%	0	22,878	19,714
Panamax	75k 1yr TC	34,000	34,000	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	28,500	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	26,000	26,000	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	Oct-23		±%	2022	2021	2020
		avg	avg				
VLCC	300KT DH	99.0	99.0	0.0%	80.2	69.7	71.5
Suezmax	150KT DH	75.8	75.8	0.0%	55.1	46.7	49.9
Aframax	110KT DH	68.9	64.1	7.4%	50.5	38.7	38.8
LR1	75KT DH	50.8	49.2	3.2%	38.6	31.2	30.7
MR	52KT DH	42.3	40.2	5.1%	34.8	27.6	27.5

Chartering

The crude freight market continues to experience positive momentum. The BDTI on Friday, October 27th, closed at 1414, marking an increase of 128 points w-o-w. The BDTI's robust growth in recent weeks signifies a bullish market for crude oil tankers, possibly influenced by a combination of factors such as rising oil prices, increased demand, or reduced fleet availability. This trend could also have implications for freight rates and may provide a bullish outlook for stakeholders within the crude oil shipping industry. In the VLCC market, key routes to Asia, namely TD3C and TD15 saw an uptick of 5.5 points and 6.15 points over the week. Meanwhile, the rate for a 270,000mt US Gulf to China increased by \$261,111 w-o-w to reach \$10,027,778, translating to a round trip TCE of \$45,520/day. For the Suezmax tankers, positive momentum continued, particularly in WAF, where TD20 surged by 34.77 points w-o-w to WS153.41, corre-

sponding to a daily TCE of \$71,508. TD6 also rose by 12.75 points to WS148, reflecting a daily TCE of \$71,193. However, in the Middle East, there was a 1.72-point drop w-o-w for the 140,000mt route to the MED. Aframax rates also experienced upward momentum. In the NSea, TD7 soared by 41.43 points over the week to WS214.64. In the MED, TD19 slightly increased by 5.81 points w-o-w to WS220.14, equating to a daily TCE of \$78,939.

VLCC T/C earnings averaged \$14,407/day, up + \$7,027/day w-o-w, and closed off the week at the -\$19,736/day mark.

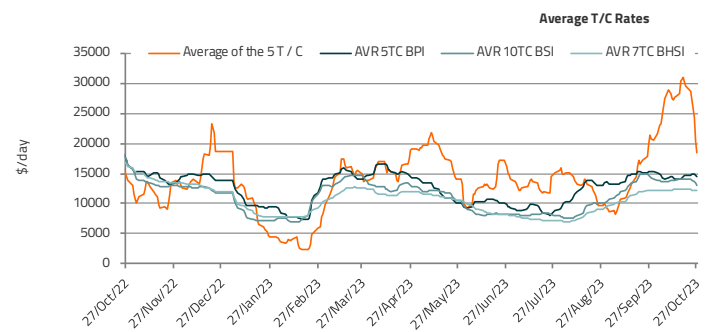
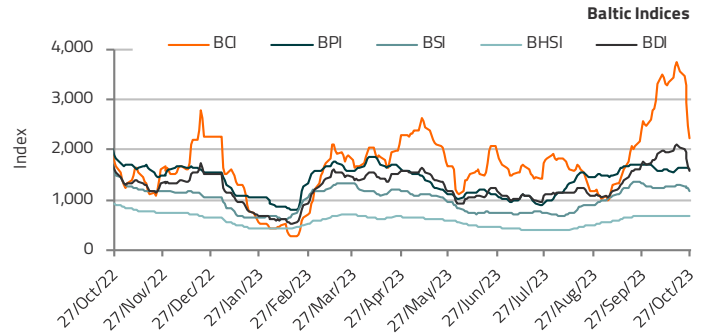
Suezmax T/C earnings averaged \$61,689/day, up + \$18,012/day w-o-w. On the Aframax front, T/C earnings averaged \$66,013/day, up + \$13,092/day w-o-w.

Baltic Indices

	27/10/23		20/10/23		Point Diff	\$/day ±%	2022 Index	2021 Index
	Index	\$/day	Index	\$/day				
BDI	1,563		2,046		-483		1,931	2,921
BCI	2,226	\$18,461	3,556	\$29,493	-1330	-37.4%	1,955	3,974
BPI	1,605	\$14,448	1,638	\$14,738	-33	-2.0%	2,298	2,972
BSI	1,184	\$13,024	1,287	\$14,153	-103	-8.0%	2,006	2,424
BHSI	671	\$12,080	686	\$12,352	-15	-2.2%	1,181	1,424

Indicative Period Charters

3 to 5 mos	SUNNY HONG	2013	33,847 dwt
dely Fujairah 5/10 Nov redel worldwide	\$11,000/day		cnr
11 to 13 mos	ADMIRAL JIMMU	2020	82,042 dwt
dely Haldia 22/23 Oct redel worldwide	\$14,500/day		Asyad Shipping



TC Rates

	\$/day	27/10/23	20/10/23	±%	Diff	2022	2021
Capesize	180K 1yr TC	15,750	17,750	-11.3%	-2,000	21,394	26,392
	180K 3yr TC	15,500	16,000	-3.1%	-500	18,894	20,915
Panamax	76K 1yr TC	12,500	12,750	-2.0%	-250	20,207	21,849
	76K 3yr TC	11,000	11,250	-2.2%	-250	14,885	15,061
Supramax	58K 1yr TC	13,500	12,500	8.0%	1,000	20,053	21,288
	58K 3yr TC	11,250	11,250	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

Indicative Market Values (\$ Million) - Bulk Carriers

Vessel 5 yrs old	Oct-23 avg	Sep-23 avg	±%	2022	2021	2020
Capesize Eco 180k	47.8	47.0	1.6%	48.3	43.1	36.1
Kamsarmax 82K	32.0	31.8	0.6%	34.1	29.8	23.2
Ultramax 63k	29.1	28.2	3.3%	31.5	26.4	19.4
Handysize 37K	25.3	24.3	3.9%	27.2	21.4	16.1

Chartering

Trade activity has been restrained, leading to a reduction of the BDI by 483 points within a single week. The Capesize sector, which achieved its apex since May 2022 in the prior week, has subsequently observed its index decline by 37.4% week-on-week, settling at \$18,461/day. Given the expanding tonnage list, we anticipate a continuation of this downward trend for the current week. In relation to the Panamax sector, activities in ECSA in the Atlantic and certain Indonesian shipments directed towards China were insufficient to counterbalance the generally subdued activity. Within the domain of geared sizes, demand from the USG has diminished in recent days. Concurrently, the limited tonnage requirements from ECSA have exerted downward pressure on rates. The Pacific region also displayed muted activity, with an accumulating list suggesting a tempered sentiment in the forthcoming days.

Cape 5TC averaged \$ 23,853/day, down -20.17% w-o-w. The transatlantic earnings decreased by \$ 13,500/day with transpacific ones fell by \$10,032/day, bringing transatlantic earnings premium over transpacific to \$12,856/day.

Panamax 5TC averaged \$ 14,703/day, up +1.98% w-o-w. The transatlantic earnings decreased by \$1,505/day while transpacific earnings declined by \$81/day. As a result, the transatlantic earnings premium to the transpacific narrowed down to \$3,095/day.

Supramax 10TC averaged \$ 13,645/day, down -3.15% w-o-w, while the Handysize 7TC averaged \$ 12,187/day, down -1.75% w-o-w.

Tankers

Size	Name	Dwt	Built	Yard	M/E	SS due	Hull	Price	Buyers	Comments
MR2	MR EUPHRATES	50,319	2008	GSI, China	MAN-B&W	Dec-23	DH	\$ 20.8m	Greek	
MR1	LEON ZEUS	40,416	2008	CONSTANTA, Romania	MAN-B&W	Oct-28	DH	region \$ 21.5m	European	BWTS fitted
SMALL	CHEM LYRA	17,055	2009	NINGBO XINLE, China	MAN-B&W	Mar-24	DH	\$ 14.6m	Chinese	basis 5 years BBHP, Marineline

Bulk Carriers

Size	Name	Dwt	Built	Yard	M/E	SS due	Gear	Price	Buyers	Comments
CAPE	OCEAN CORONA	180,220	2009	KOYO MIHARA, Japan	MAN-B&W	Apr-27		\$ 20.8m	Chinese	BWTS fitted
CAPE	SATORI	177,456	2007	MITSUI, Japan	MAN-B&W	Jan-26		\$ 18.5m	Turkish	BWTS fitted
CAPE	CAPE FLAMINGO	180,201	2005	KOYO MIHARA, Japan	B&W	Sep-25		\$ 15.4m	Chinese	BWTS fitted
KMAX	BRENDA	81,005	2014	JMU, Japan	MAN-B&W	Aug-24		\$ 24.7m	Indian (GESCO)	BWTS, Scrubber fitted, Eco
UMAX	MARLIN V	61,444	2013	IWAGI ZOSEN, Japan	MAN-B&W	Oct-28	4 X 30t CRANES	\$ 21.3m	Greek	BWTS fitted
SUPRA	OCEAN GRACE	56,029	2005	MITSUI, Japan	MAN-B&W	Apr-25	4 X 30t CRANES	\$ 11.0m	undisclosed	BWTS fitted
HANDY	DARYA JAMUNA	36,845	2012	HYUNDAI MIPO, S. Korea	MAN-B&W	May-27	4 X 35t CRANES	region \$ 16.0m	undisclosed	BWTS fitted
HANDY	VALOR SW	29,818	2008	SHIKOKU, Japan	MAN-B&W	Oct-27	4 X 30,5t CRANES	\$ 8.45m	Lebanese	BWTS fitted

Containers

Size	Name	Teu	Built	Yard	M/E	SS due	Gear	Price	Buyers	Comments
FEEDER	PADIAN 2	1,060	2006	HAKATA, Japan	MAN-B&W	Feb-26		region \$ 6.0m	HK based	

Gas

Type	Name	Dwt	Built	Yard	M/E	SS due	Cbm	Price	Buyers	Comments
LPG	CLIPPER VICTORY	54,048	2009	HYUNDAI, S. Korea	MAN-B&W	Jan-24	73,537	\$ 65.75m	undisclosed	scrubber fitted

Minimal activity in the market this week with only two orders for a total of 4 vessels. JP Morgan continued its order in GSI with a further two MR tankers. The bank ordered the vessels through its subsidiary Oceo-nix Services, while it also ordered two similar vessels in June and two

more in August. The vessels will be dual-fuelled with methanol, will be delivered in 2026 and will cost \$50m each. Danish owner Celsius Ship- ping ordered two 174k cbm LNG carriers from CMHI Jiangsu in China. The duo will be delivered in 2027.

Indicative Newbuilding Prices (\$ Million)

	Vessel		27-Oct-23	20-Oct-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		91.0	90.5	0.6%	91.0	77.5	91.0	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	50,000 dwt	GSI, China	2026	US based (JP Morgan)	\$ 50.0m	methanol dual fuelled
2	LNG	174,000 cbm	CMHI Jiangsu, China	2027	Danish (Celsius Shipping)	undisclosed	

The previous week was another weak one with minimal sales. In India, the steel market is soft with prices falling significantly. One reason for this is that cheaper Chinese steel is entering the market, pushing prices down and making it impossible for local steel producers to compete. As a result, although recyclers are interested in acquiring new tonnage, there is not much activity in the market. In Bangladesh, the troubled country continues to experience weak demand. The main problem is the limited issuance of letters of credit and although steel can be sold in the country, there is no activity from recyclers. In terms of fundamentals, last week we saw the withdrawal of \$60m from foreign reserves, which now stand at \$20.9bn. Similarly in Pakistan, activity is

subdued as the main problem of opening the LC continues. In addition, fuel consumers are about to see a sharp increase in prices as the government will raise prices by more than 150% in an effort to support gas companies. On the fundamentals front, IMF members will be in the country in the coming days to assess the situation in the country, as the release of a further \$710 million out of a total loan of \$3 billion has been decided. In Turkey, the local steel market seems to be slow, with low demand and consequently lower imported and local prices. In terms of fundamentals, interest rates rose for the fifth consecutive time and stood at 35%.

Indicative Demolition Prices (\$/ldt)

	Markets	27/10/23	20/10/23	±%	YTD		2022	2021	2020
					High	Low			
Tanker	Bangladesh	515	515	0.0%	615	515	601	542	348
	India	530	535	-0.9%	570	555	593	519	348
	Pakistan	515	515	0.0%	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	510	515	-1.0%	540	520	583	508	335
	Pakistan	505	505	0.0%	520	500	587	526	338
	Turkey	300	300	0.0%	285	275	304	276	198

Currencies

Markets	27/10/23	20/10/23	±%	YTD High
USD/BDT	110.35	110.24	0.10%	111.08
USD/INR	83.27	83.15	0.14%	83.47
USD/PKR	279.70	277.77	0.69%	307.89
USD/TRY	28.17	27.98	0.66%	28.34

Demolition Sales (\$ /ldt)

Name	Size	Ldt	Built	Yard	Type	\$/ldt	Breakers	Comments
ONE DESTINY	45,483	7,698	1995	TSUNEISHI, Japan	BC	\$ 535/Ldt	Indian	
LUCKY DRAGON	22,198	8,170	1996	GDANSKA STOCZNIA, Poland	CONTAINER	\$ 512/Ldt	undisclosed	as is Singapore

Market Data

	27-Oct-23	26-Oct-23	25-Oct-23	24-Oct-23	23-Oct-23	W-O-W Change %
Stock Exchange Data						
10year US Bond	4.845	4.849	4.961	4.819	4.848	-1.4%
S&P 500	4,117.37	4,137.23	4,186.77	4,247.68	4,217.04	-2.5%
Nasdaq	12,643.01	12,595.61	12,821.22	13,139.88	13,018.33	-2.6%
Dow Jones	32,417.59	32,784.30	33,035.93	33,141.38	32,936.41	-2.1%
FTSE 100	7,291.28	7,354.57	7,414.34	7,389.70	7,374.83	-1.5%
FTSE All-Share UK	3,933.17	3,959.51	3,990.54	3,983.20	3,978.44	-1.4%
CAC40	6,795.38	6,888.96	6,915.07	6,893.65	6,850.47	-0.3%
Xetra Dax	14,687.41	14,731.05	14,892.18	14,879.94	14,800.72	-0.8%
Nikkei	30,991.69	30,601.78	31,269.92	31,062.35	30,999.55	0.0%
Hang Seng	17,398.73	17,398.73	17,044.61	17,085.33	16,991.53	2.4%
DJ US Maritime	253.97	253.97	260.67	264.28	264.24	-5.2%
Currencies						
€ / \$	1.06	1.06	1.06	1.06	1.07	-0.2%
£ / \$	1.21	1.21	1.21	1.22	1.22	-0.2%
\$ / ¥	149.65	150.37	150.09	149.86	149.78	-0.1%
\$ / NoK	0.0896	0.0894	0.0892	0.0896	0.0903	-0.9%
Yuan / \$	7.32	7.32	7.32	7.31	7.32	0.0%
Won / \$	1,356.22	1,351.34	1,353.07	1,344.13	1,343.83	0.4%
\$ INDEX	106.56	106.60	106.53	106.27	105.54	0.4%

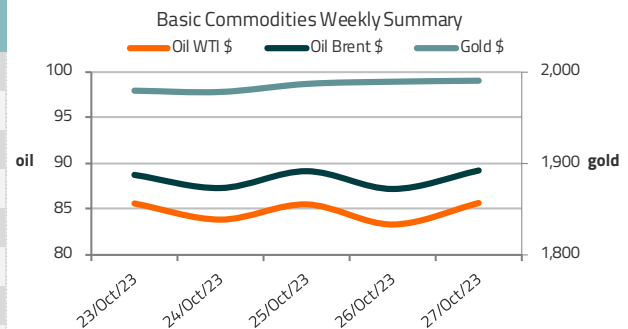
Bunker Prices

	27-Oct-23	20-Oct-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.	27-Oct-23	20-Oct-23	W-O-W Change %
CAPITAL PRODUCT PARTNERS LP	NASDAQ	USD	13.66	13.90	-1.7%
COSTAMARE INC	NYSE	USD	9.10	9.09	0.1%
DANAOS CORPORATION	NYSE	USD	65.79	65.75	0.1%
DIANA SHIPPING	NYSE	USD	3.30	3.35	-1.5%
EAGLE BULK SHIPPING	NASDAQ	USD	40.90	42.19	-3.1%
EUROSEAS LTD.	NASDAQ	USD	25.40	25.60	-0.8%
GLOBUS MARITIME LIMITED	NASDAQ	USD	1.71	1.75	-2.3%
NAVIOS MARITIME HOLDINGS	NYSE	USD	2.21	1.89	16.9%
SAFE BULKERS INC	NYSE	USD	3.18	3.30	-3.6%
SEANERGY MARITIME HOLDINGS	NASDAQ	USD	5.22	5.48	-4.7%
STAR BULK CARRIERS CORP	NASDAQ	USD	18.48	19.33	-4.4%
STEALTHGAS INC	NASDAQ	USD	5.74	5.18	10.8%
TSAKOS ENERGY NAVIGATION	NYSE	USD	22.60	20.97	7.8%

Basic Commodities Weekly Summary



Macro-economic headlines

- US: GDP grew by 4.9% on an annual basis. The S&P composite PMI rose to 51 in October, up from 50.2 in September. Core PCE inflation was 3.7% on an annual basis
- China: The Ministry of Finance issued RMB 1tn of government bonds, which are expected to support local governments.
- EU: The central bank kept interest rates unchanged at 4.50%.
- UK: The S&P Global/CIPS UK Manufacturing PMI rose to 45.2 in October from 44.3 the previous month.



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