

Weekly Market Report

Week 29 | Tuesday 23rd July 2024

Market Insight

By Fotis Kanatas, Research Analyst

Last week saw the release of Chinese import and export data for the first half of the year. According to the National Bureau of Statistics, there was notable expansion in key commodities such as coal, iron ore and LNG, all of which saw significant increases compared to the same period last year. However, crude oil imports fell by 11% year-on-year in June, raising concerns about the health of the Chinese economy and the broader oil market. This decline in crude oil imports from the world's largest importer points to potential weaknesses that could have far-reaching implications.

In terms of seaborne trade, the volume of crude oil traded in the first half of 2024 has decreased by 5.80% compared to the same period last year. Chinese importers have also diversified their import mix. In particular, Saudi Arabia and Russia have seen a decline in volumes destined for China, with a -5.04% and -10.61% reduction, respectively. Conversely, there has been a notable increase in imports from Brazil (13.05%), Iran (60.4%), and Iraq (7.26%).

This shift is also evident in the freight market. The TD3C route has remained at WS 50 for the past month, representing the lowest point of the year and a significant decline from the highs seen in January, when rates surpassed WS 70 and WS 90 in February. A similar trend can be observed in the case of the TD22 route, US Gulf to China, where rates are currently around \$7.3 million on a lump-sum basis, representing a de-

cline from the high of more than \$10 million seen again in January and February. This illustrates the significant impact of China's economic influence, not only on the global economy but also on the VLCC market.

Although China's crude oil imports have reduced, the government has significantly increased its oil stockpiles. China added 1.48 million barrels per day (bpd) to its strategic and commercial reserves in June alone, with an average of 900,000 bpd going into storage in the first half of 2024. This rise in stocks is mostly due to a dip in refinery operations, which processed 14.19 million bpd in June, a 3.7% decrease from the previous year.

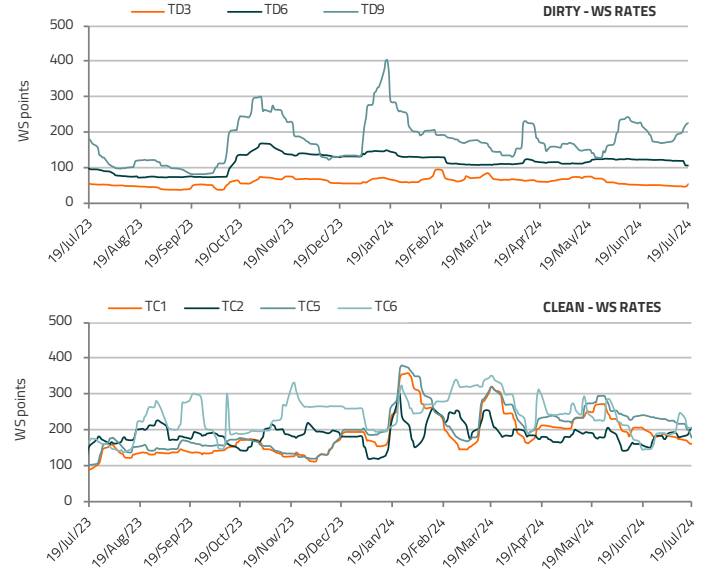
The trend of increasing reserves with decreasing refinery production suggests poor domestic demand and calls into question OPEC and the International Energy Agency's (IEA) optimistic estimates of considerable rise in China's crude oil consumption by 2024. The persistent disparity between crude oil supply and refinery processing reveals continuous weakness in the refining industry, putting doubt on the predicted significant rebound in the second half of the year.

In conclusion, China's stockpiling and reduced refinery activity means there is doubt about a recovery in oil demand. The next few months will be crucial in determining if China's consumption will increase, which would impact global oil markets and the freight market.

Indicative Period Charters

12+6 mos	HAFNIA ANE	2015	49,999 dwt
DEL EAST JUL/24	\$34,000/day		Weco Tankers
12 mos	FPMC 32	2019	49,660 dwt
DEL EAST JUL/24	\$33,500/day		ST Shipping

Vessel	Routes	19/07/24		12/07/24		\$/day ±%	2023		2022	
		WS points	\$/day	WS points	\$/day		\$/day	\$/day		
VLCC	265k MEG-SPORE	54	31,789	47	24,640	29.0%	39,466	20,330		
	260k WAF-CHINA	53	29,351	46	22,507	30.4%	38,773	19,980		
Suezmax	130k MED-MED	105	47,924	110	52,170	-8.1%	62,964	51,634		
	130k WAF-UKC	95	34,128	99	36,649	-6.9%	25,082	11,031		
Aframax	140k BSEA-MED	105	35,792	118	45,868	-22.0%	62,964	51,634		
	80k MEG-EAST	169	38,801	171	39,678	-2.2%	44,757	27,224		
Clean	80k MED-MED	130	29,068	151	39,500	-26.4%	49,909	46,679		
	70k CARIBS-USG	225	58,632	193	45,966	27.6%	46,364	43,030		
Dirty	75k MEG-JAPAN	160	35,076	173	39,464	-11.1%	32,625	35,326		
	55k MEG-JAPAN	177	26,520	216	36,153	-26.6%	27,593	32,504		
Dirty	37k UKC-USAC	205	24,818	179	19,529	27.1%	21,183	22,919		
	30k MED-MED	206	27,260	247	38,274	-28.8%	32,775	45,941		
Dirty	55k UKC-USG	145	16,862	145	16,628	1.4%	27,274	19,982		
	55k MED-USG	145	16,995	145	16,846	0.9%	27,060	21,231		
Dirty	50k ARA-UKC	191	22,800	171	17,036	33.8%	46,194	40,364		



TC Rates

	\$/day	19/07/24	12/07/24	±%	Diff	2023	2022
VLCC	300k 1yr TC	52,000	52,000	0.0%	0	48,601	34,683
	300k 3yr TC	49,000	49,000	0.0%	0	42,291	33,719
Suezmax	150k 1yr TC	45,750	45,750	0.0%	0	46,154	26,933
	150k 3yr TC	40,000	40,000	0.0%	0	35,469	23,758
Aframax	110k 1yr TC	49,500	49,500	0.0%	0	47,226	26,135
	110k 3yr TC	42,000	42,000	0.0%	0	37,455	22,878
Panamax	75k 1yr TC	41,750	41,750	0.0%	0	37,769	25,163
	75k 3yr TC	36,000	36,000	0.0%	0	29,748	20,806
MR	52k 1yr TC	34,000	34,000	0.0%	0	30,452	21,313
	52k 3yr TC	28,250	28,250	0.0%	0	25,152	16,426
Handy	36k 1yr TC	28,000	28,000	0.0%	0	25,760	18,601
	36k 3yr TC	19,500	19,500	0.0%	0	18,200	14,585

Indicative Market Values (\$ Million) - Tankers

Vessel	5yrs old	Jul-24		±%	2023	2022	2021
		avg	avg				
VLCC	300KT DH	114.0	114.0	0.0%	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	53.0	52.8	0.5%	49.2	38.6	31.2
MR	52KT DH	46.8	45.8	2.4%	41.4	34.8	27.6

Chartering

This week the tanker market saw stability in the dirty sector, while clean tankers fell. Specifically, the BDTI closed at 1,056, down a marginal 0.09%, while the BCTI closed at 822, down 2.38%.

In the VLCC segment, rates finally moved higher, driven by strength in the Middle East Gulf and West African markets. Rates on the TD3C route (MEG/China) settled at WS 52.56, up 14.21% on the week, and the TD15 rose by 4.64% to WS 55.28. It appears that rates are finally finding a floor after increased activity for August loading. On the TD22 (USG/China), rates softened slightly to \$7.24m lump, down 0.67% week-on-week. The VLCC TCE stood at \$31,223/day on Friday, an increase of 12%.

For Suezmaxes, rates continued their downward trend amid an oversupply of vessels in various markets. The hardest hit was TD6 (BSea/Med), which closed at WS 104.85 on Friday, down 11.11%. TD20 (WAF/UKC) and TD23 (MEG/Med) experienced more limited declines, closing at WS 94.75 (down 3.75%) and WS 88.06 (down 2.27%) respectively. The Su-

ezmax TCE stood at \$34,960/day, down 14.26% for the week.

Aframax rates were mixed. In the US Gulf and Caribbean markets, rates firmed as activity resumed following Hurricane Beryl. TD9 (Caribbean/USG) rose to WS 225.00, up 13.75%, and TD26 (Mexico/USG) stood at WS 235.94, up 11.69%. In contrast, the Mediterranean and North Sea markets struggled with limited enquiries and a softer Aframax market, with TD7 (NSea/Cont) at WS 120.42, down 5.24%, and TD19 (CrossMed) at WS 130, down 10.24%. The Aframax TCE was relatively flat at \$39,291/day, down 1.73%.

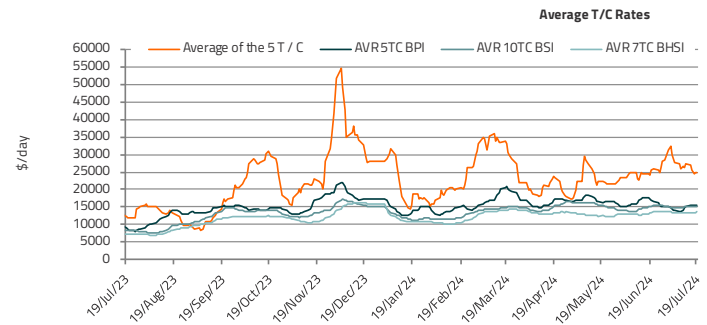
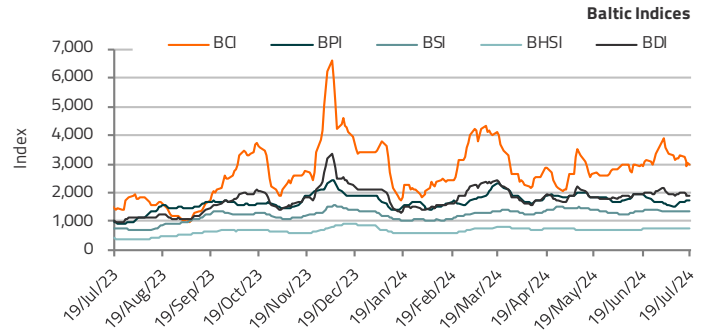
In the clean market, LR2 rates in the MEG market fell, with TC1 (MEG/Japan) at WS 160 on Friday, down 5.88%, and TC20 (MEG/UKC) at \$5.12m flat, or 8.17% lower. Conversely, TC15 jumped 7.86% to \$4.23 m lumpsum. LR1 rates in the Arabian Gulf also fell, with TC5 and TC8 down 17.61% to WS 176.88 and 8.92% to WS 72.42 respectively. However, TC16 (ARA/WAF) closed on Friday at WS 146.11, up 6%.

Baltic Indices

	19/07/24		12/07/24		Point Diff	\$ / day ±%	2023 Index	2022 Index
	Index	\$/day	Index	\$/day				
BDI	1,902		1,997		-95		1,395	1,931
BCI	2,973	\$24,652	3,296	\$27,338	-323	-9.8%	2,007	1,955
BPI	1,714	\$15,427	1,678	\$15,106	36	2.1%	1,442	2,298
BSI	1,374	\$15,117	1,364	\$15,004	10	0.8%	1,031	2,006
BHSI	752	\$13,543	741	\$13,339	11	1.5%	586	1,181

Indicative Period Charters

6/8mos	RG RHA	2020	81,577 dwt
dely Zhoushan 18/20 Jul redel worldwide	\$17,500/day		WBC
5/7 mos	SSI EXCELLENT	2016	81,119 dwt
dely Lanshan 18/20 Jul redel worldwide	\$15,750/day		Klavness



TC Rates

	\$/day	19/07/24	12/07/24	±%	Diff	2023	2022
Capesize	180K 1yr TC	29,000	31,000	-6.5%	-2,000	17,957	21,394
	180K 3yr TC	24,500	25,000	-2.0%	-500	16,697	18,894
Panamax	76K 1yr TC	16,000	15,750	1.6%	250	13,563	20,207
	76K 3yr TC	13,250	13,250	0.0%	0	11,827	14,885
Supramax	58K 1yr TC	16,250	16,250	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	12,750	12,500	2.0%	250	10,644	17,827
	32K 3yr TC	10,000	10,000	0.0%	0	9,510	12,322

Indicative Market Values (\$ Million) - Bulk Carriers

Vessel	Age	Jul-24 avg	Jun-24 avg	±%	2023	2022	2021
Capesize Eco	180k	63.5	63.5	0.0%	48.8	48.3	43.1
Kamsarmax	82K	38.5	38.5	0.0%	32.0	34.1	29.8
Ultramax	63k	36.0	36.0	0.0%	29.5	31.5	26.4
Handysize	37K	28.5	28.5	0.0%	25.1	27.2	21.4

Chartering

Last week presented a mixed performance in the dry bulk sector. In the Capesize segment, the Atlantic market demonstrated strength, driven by robust iron ore and bauxite flows from South America and West Africa, respectively. In contrast, activity in the Pacific market was subdued. The Panamax segment experienced a mid-week positive shift in rates, primarily fueled by grain exports from East Coast South America, which absorbed a significant portion of the available tonnage. The geared sizes market gained support from a healthy US Gulf USG region, with new deals being concluded at higher rates compared to the previous week. Similarly, the Pacific market saw increased activity, enabling owners to secure favorable rates.

Cape 5TC averaged \$ 26,688/day, down -11.02% w-o-w. The transatlantic earnings increased by \$ 1,000/day while transpacific ones declined by \$1,600/day, bringing transatlantic earnings premium over transpacific to \$6,259/day.

Panamax 5TC averaged \$ 14,330/day, down -0.75% w-o-w. The transatlantic earnings increased by \$ 1,970/day while transpacific earnings rose by \$583/day. As a result, the transpacific earnings premium to the transatlantic narrowed down to \$448/day.

Supramax 10TC averaged \$ 14,868/day up +0.37% w-o-w, while the Handysize 7TC averaged \$ 13,288/day, down -1.63% w-o-w.

Tankers

Size	Name	Dwt	Built	Yard	M/E	SS due	Hull	Price	Buyers	Comments
LR2	PACIFIC JEWELS	115,177	2016	DAEHAN, S. Korea	MAN-B&W	May-26	DH	high \$ 60's each	Vietnamese	Scrubber fitted, Eco
LR2	PACIFIC TREASURES	115,063	2016	DAEHAN, S. Korea	MAN-B&W	Mar-26	DH			
MR2	NAVE EQUATOR	49,999	2009	SPP, S. Korea	MAN-B&W	Sep-24	DH	region \$ 26.0m	undisclosed	

Bulk Carriers

Size	Name	Dwt	Built	Yard	M/E	SS due	Gear	Price	Buyers
CAPE	CAPE MATHILDE	178,831	2010	MITSUI, Japan	MAN-B&W	Nov-25		excess \$ 30.0m	Chinese
UMAX	TAI SHINE	61,473	2012	SHIN KASADO, Japan	MAN-B&W	Oct-27	4 X 30,5t CRANES	low mid \$ 22.0m	Chinese
SUPRA	ROYAL SAMURAI	58,091	2010	TSUNEISHI CEBU, Philippines	MAN-B&W	Nov-25	4 X 30t CRANES	\$ 17.75m	undisclosed
SUPRA	H JUNO	57,353	2011	STX DALIAN, China	MAN-B&W	Nov-25	4 X 30t CRANES	\$ 14.0m	Vietnamese
SUPRA	CEBIHAN	57,318	2009	STX, S. Korea	MAN-B&W	Apr-27	4 X 30t CRANES	\$ 15.25m	Vietnamese
HANDY	CORELEADER OL	37,118	2012	SAIKI, Japan	Mitsubishi	Oct-25	4 X 30t CRANES	low \$ 17.0m	Turkish

A robust week for newbuilding orders saw a total of 19 firm vessels being commissioned. Tankers continued to dominate the scene with significant orders from Greek owners. Monte Nero led with an order for four 50,000 dwt tankers from Huanghai Shipbuilding, China, scheduled for delivery between 2026 and 2027. The owner also secured three 63,500 dwt bulkers from Nantong Xiangyu, China, for \$34 million each, to be delivered in 2025, featuring NOx Tier III and EEDI Phase III compliance. Sticking to Greeks, Athenian Sea Carriers exercised options for two 18,500 dwt tankers from Wuchang SB Group, China, set for delivery from 2025 to 2027. These vessels will feature NOx-Tier III, EEDI

Phase 3 compliance, and dual-fuel LNG & methanol capabilities. In the bulker segment, Greek interests remained strong. Drydel Shipping ordered one 66,000 dwt bulker from Tsuneishi Cebu, Philippines, for delivery in 2028. The vessel will be scrubber-fitted and comply with EEDI Phase III regulations. The container ship market saw significant activity from Japanese shipping company ONE (Ocean Network Express), which ordered five 13,000 teu methanol dual-fuel vessels from Jiangnan, China, for delivery between 2027 and 2028. Additionally, ONE exercised options for five more 13,000 teu methanol dual-fuel vessels from Yangzijiang, China, with the same delivery timeline.

Indicative Newbuilding Prices (\$ Million)

	Vessel		19-Jul-24	12-Jul-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	34.5	34.5	0.0%	34.5	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	129.5	130.0	-0.4%	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		263.0	263.5	-0.2%	263.0	263.0	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		61.0	61.0	0.0%	61.0	58.0	61.0	40.0	56	51	45

Newbuilding Orders

Units	Type	Size		Yard	Delivery	Buyer	Price	Comments
4	Tanker	50,000	dwt	Huanghai Shipbuilding, China	2026-2027	Greek (Monte Nero)	undisclosed	
2	Tanker	18,500	dwt	Wuchang SB Group, China	2025-2027	Greek (Athenian Sea Carriers)	undisclosed	options exercised, NOx-Tier III, EEDI phase 3, LNG & methanol ready
1	Bulker	66,000	dwt	Tsuneishi Cebu, Philippines	2028	Greek (Drydel Shipping)	undisclosed	EEDI Phase III, Scrubber fitted
3	Bulker	63,500	dwt	Nantong Xiangyu, China	2025	Greek (Monte Nero)	\$ 34.0m	NOx Tier III, EEDI Phase III
5	Container	13,000	teu	Jiangnan, China	2027-2028	Japanese (ONE)	undisclosed	Methanol dual fuel
5 options	Container	13,000	teu	Yangzijiang, China	2027-2028	Japanese (ONE)	undisclosed	Methanol dual fuel
4	VLGC	88,000	cbm	Yamici, China	2028-2029	S. Korean (Nissen Kaiun)	\$ 110.0m	7yr TC to BGN

The demolition market remained subdued this past week, impacted by strong freight rates that continue to limit the availability of vessels for recycling. In India, the steel market continued to decline, with local steel plate and scrap prices dropping further. The ongoing monsoon season exacerbated these declines, leading ship recyclers to reduce their offers due to weak demand. The market is now awaiting the upcoming national budget announcement, which is hoped to bring some positive news, but current conditions show a lack of demand recovery. Bangladesh faced mixed conditions, with minor improvements in local steel prices offset by reductions in scrap prices. The country also dealt with significant disruptions due to ongoing riots protesting government job reservations, which negatively impacted market activities. The unrest, coupled with difficulties in obtaining Letters of Credit, kept recycler interest low and market conditions challenging. Pakistan's market remained largely unchanged, with the local steel market stable but

inactive. The introduction of new taxes on imports and the monsoon season slowed down construction activities, further affecting demand. However, the recent IMF loan agreement provided some economic stability, though it has yet to translate into increased market activity. Turkey's market maintained stability but faced low activity levels. The local steel market remained steady, but demand for scrap was weak. Inflation showed signs of stabilizing, but the local currency's continued weakness against the US dollar added to the challenges. The supply of ships for recycling was critically low, reflecting broader regional trends. Overall, the outlook for the demolition market remains cautious. The supply of fresh tonnages is expected to remain limited in the short term. Stakeholders are closely monitoring upcoming economic policies and budget announcements, particularly in India, which could introduce changes positively affecting market conditions.

Indicative Demolition Prices (\$/ldt)

	Markets	19/07/24	12/07/24	±%	YTD		2023	2022	2021
					High	Low			
Tanker	Bangladesh	520	520	0.0%	530	490	550	601	542
	India	520	520	0.0%	540	490	540	593	519
	Pakistan	510	510	0.0%	525	510	525	596	536
	Turkey	370	370	0.0%	350	340	325	314	207
	Bangladesh	510	510	0.0%	520	475	535	590	532
Dry Bulk	India	500	500	0.0%	520	480	522	583	508
	Pakistan	490	490	0.0%	510	490	515	587	526
	Turkey	360	360	0.0%	350	330	315	304	276

Currencies

Markets	19-Jul-24	12-Jul-24	±%	YTD High
USD/BDT	117.51	117.48	0.0%	117.51
USD/INR	83.36	83.56	-0.2%	83.58
USD/PKR	277.80	278.25	-0.2%	282.38
USD/TRY	32.80	33.02	-0.7%	33.02

Demolition Sales (\$ /ldt)

Name	Size	Ldt	Built	Yard	Type	\$/ldt	Breakers	Comments
MSC IRIS	21,370	10,655	1982	WARNOWWERFT, Germany	CONTAINER	\$ 526.0m	Indian	Green recycling
EMPIRE PERSIA	612	1,805	1972	CLELANDS, UK	OFFSHORE/Support	undisclosed	undisclosed	As is Denmark

Market Data

	19-Jul-24	18-Jul-24	17-Jul-24	16-Jul-24	15-Jul-24	W-O-W Change %	
Stock Exchange Data	10year US Bond	4.239	4.188	4.146	4.167	4.229	1.2%
	S&P 500	5,505.00	5,544.59	5,588.27	5,667.20	5,631.22	-2.0%
	Nasdaq	19,522.62	19,705.09	19,799.14	20,398.62	20,386.88	-4.0%
	Dow Jones	40,287.53	40,665.02	41,198.08	40,954.48	40,211.72	0.7%
	FTSE 100	8,155.72	8,204.89	8,187.46	8,164.90	8,182.96	-1.2%
	FTSE All-Share UK	4,473.44	4,501.39	4,489.24	4,482.44	4,490.19	-1.1%
	CAC40	7,534.52	7,586.55	7,570.81	7,580.03	7,632.71	-2.5%
	Xetra Dax	18,171.93	18,354.76	18,437.30	18,518.03	18,590.89	-3.1%
	Nikkei	40,063.79	40,126.35	41,097.69	41,275.08	mrkt closed	-2.7%
	Hang Seng	17,417.68	17,778.41	17,739.41	17,727.98	18,015.94	-4.8%
	DJ US Maritime	403.55	401.45	407.30	425.38	406.34	1.5%
Currencies	€ / \$	1.09	1.09	1.09	1.09	1.09	-0.3%
	£ / \$	1.29	1.29	1.30	1.30	1.30	-0.6%
	\$ / ¥	157.49	157.37	156.16	158.34	158.01	-0.3%
	\$ / NoK	10.92	10.81	10.72	10.79	10.81	1.8%
	Yuan / \$	7.27	7.26	7.26	7.27	7.26	0.3%
	Won / \$	1,388.79	1,384.48	1,378.51	1,382.77	1,384.17	1.1%
	\$ INDEX	104.40	104.17	103.75	104.27	104.19	0.3%

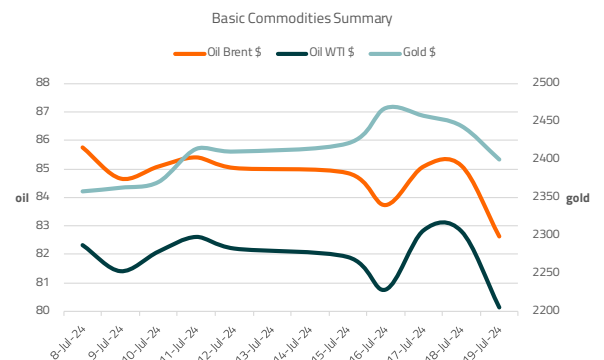
Bunker Prices

		19-Jul-24	12-Jul-24	Change %
MGO	Rotterdam	709.0	740.0	-4.2%
	Houston	598.0	600.0	-0.3%
	Singapore	708.0	740.0	-4.3%
380cst	Rotterdam	501.0	528.0	-5.1%
	Houston	476.0	510.0	-6.7%
	Singapore	508.0	530.0	-4.2%
VLSFO	Rotterdam	568.0	571.0	-0.5%
	Houston	598.0	600.0	-0.3%
	Singapore	613.0	626.0	-2.1%
OIL	Brent	82.6	85.0	-2.8%
	WTI	80.1	82.2	-2.5%

Maritime Stock Data

Company	Stock Exchange	Curr	19-Jul-24	12-Jul-24	W-O-W Change %
CAPITAL PRODUCT PARTNERS LP	NASDAQ	USD	16.55	16.43	0.7%
COSTAMARE INC	NYSE	USD	14.36	15.18	-5.4%
DANAOS CORPORATION	NYSE	USD	84.97	87.25	-2.6%
DIANA SHIPPING	NYSE	USD	2.81	2.81	0.0%
EUROSEAS LTD.	NASDAQ	USD	38.00	39.15	-2.9%
GLOBUS MARITIME LIMITED	NASDAQ	USD	1.75	1.75	0.0%
SAFE BULKERS INC	NYSE	USD	5.47	5.62	-2.7%
SEANERGY MARITIME HOLDINGS	NASDAQ	USD	9.08	9.84	-7.7%
STAR BULK CARRIERS CORP	NASDAQ	USD	23.81	24.13	-1.3%
STEALTHGAS INC	NASDAQ	USD	6.55	6.71	-2.4%
TSAKOS ENERGY NAVIGATION	NYSE	USD	26.48	26.72	-0.9%

Basic Commodities Weekly Summary



Macro-economic headlines

- In the eurozone area, the June CPI increased by 2.5% m-o-m. The ECB main refinancing operations rate remained at 4.25% in July.
- In UK, the June CPI increased by 2.0% y-o-y and by 0.1% m-o-m.
- In US, the June industrial production increased by 0.6% m-o-m and by 1.58% y-o-y.
- In China, the Loan Prime Rate 5Y decreased by 0.10% to 3.85% in July.

