

Weekly Market Report Week 37 | Tuesday 17th September 2024

Market Insight

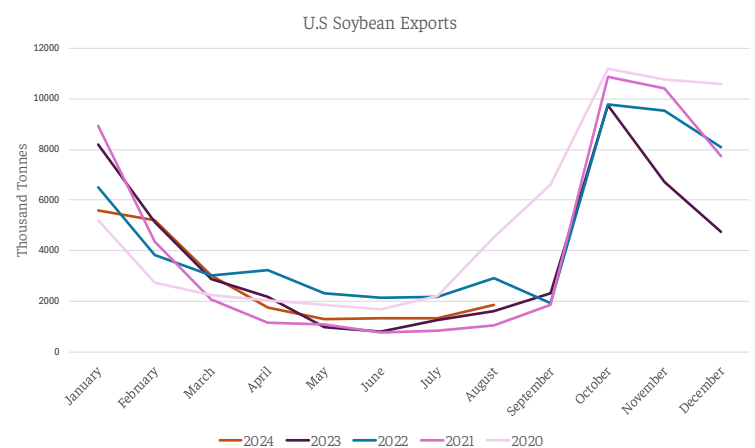
By Yiannis Parganas, Head of Research Department

According to the latest USDA report, released on September 12th, the United States is forecasted to achieve a record soybean production of 124.90 million tonnes in the 2024/2025 marketing year, which began in September 2024. This production is expected to be followed by soybean exports totaling 50.35 million tonnes, reflecting an increase of 4.08 million tonnes compared to the 2023/2024 marketing year. However, this projected export volume remains below the levels recorded during both the 2022/2023 and 2021/2022 marketing years. It is important to note that these estimates could fluctuate, particularly due to the influence of China, the largest importer of U.S. soybeans. Indeed, the Chinese factor could play a critical role in the upcoming months on the U.S. soybean exports due to the heavy reliance on the Chinese market.

Upon closer examination, the lower soybean prices spurred a surge in Chinese imports from Brazil resulting in a significant stockpile. Despite a recent decline over the past two weeks, soybean inventories at Chinese crushing plants remain elevated at 7.58 million tonnes, reflecting a 35.6% increase compared to the same period last year. However, price may not be the sole contributing factor. The increased stock levels could reflect the uncertainty surrounding the upcoming U.S. presidential elections and the potential for stricter tariffs against China. Any retaliatory measures from China could severely impact the soybean market, as it remains particularly vulnerable to additional tariffs on grain trade - similar to what occurred in 2018 following President Trump's tariffs on aluminum and steel imports from China. In the short term, this uncertainty may lead to increased Chinese demand for U.S. soybeans, with an emphasis on further stockpiling. Considering that the last quarter is traditionally the strongest period for U.S. exports, with export volumes to China typically rising in October and November, just before Inauguration Day, it is possible that Chinese soybean imports will remain elevated de-

spite the current healthy stockpiles. China's food security policy may drive increased demand amid the uncertainty surrounding potential new tariffs following the upcoming election, a trend that could support the utilization of both Kamsarmax and Ultramax vessels. The traditional period of heightened U.S. soybean exports, along with the potential for strong Chinese demand, may align with an increase in daily transits through the Panama Canal and a gradual uptick in bulk carrier traffic along this route, especially in the latter half of 2024. While this development could mitigate the impact of rising soybean exports on the freight market, its overall effect is expected to remain limited.

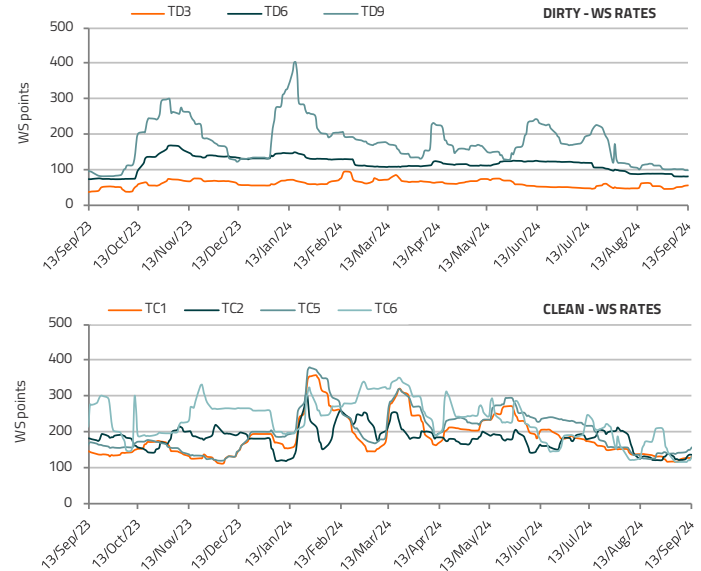
In the long term, the introduction of potential tariffs from China could diminish the competitiveness of U.S. soybeans. Since 2013, Brazil, with its vast land resources, has steadily increased its productivity, catching up with U.S. yield levels. Additionally, significant investments in transportation infrastructure have enabled Brazilian exporters to access the Atlantic Ocean more efficiently. Historically, U.S. soybean producers faced higher production costs but benefitted from lower transportation costs compared to their Brazilian counterparts in key provinces like Mato Grosso and Goias. If this balance shifts, especially with the imposition of potential tariffs, Brazilian producers stand to gain a considerable advantage.



Indicative Period Charters

6/8mos	GREENSKY	2014	50,879 dwt
	\$29,000/day		Mercuria
24 mos	STI JARDINS	2018	49,990 dwt
	\$29,550/day		Petrobras

Vessel	Routes	13/09/24		06/09/24		\$/day ±%	2023 \$/day	2022 \$/day
		WS points	\$/day	WS points	\$/day			
VLCC	265k MEG-SPORE	56	34,737	51	28,289	22.8%	39,466	20,330
	260k WAF-CHINA	58	37,051	54	31,024	19.4%	38,773	19,980
Suezmax	130k MED-MED	80	23,121	77	24,900	-7.1%	62,964	51,634
	130k WAF-UKC	78	26,612	79	26,486	0.5%	25,082	11,031
	140k BSEA-MED	80	18,824	80	17,962	4.8%	62,964	51,634
Aframax	80k MEG-EAST	145	31,085	145	29,833	4.2%	44,757	27,224
	80k MED-MED	120	25,322	101	15,145	67.2%	49,909	46,679
	70k CARIBS-USG	97	11,597	100	12,020	-3.5%	46,364	43,030
Clean	75k MEG-JAPAN	129	25,403	122	21,998	15.5%	32,625	35,326
	55k MEG-JAPAN	156	21,949	141	17,388	26.2%	27,593	32,504
Dirty	37k UKC-USAC	135	12,452	120	9,238	34.8%	21,183	22,919
	30k MED-MED	129	7,176	115	3,261	120.1%	32,775	45,941
	55k UKC-USG	115	10,918	120	11,546	-5.4%	27,274	19,982
	55k MED-USG	115	10,956	120	11,414	-4.0%	27,060	21,231
50k ARA-UKC	170	17,462	156	13,548	28.9%	46,194	40,364	



TC Rates

	\$/day	13/09/24	06/09/24	±%	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	41,500	41,500	0.0%	0	47,226	26,135
	110k 3yr TC	40,000	40,000	0.0%	0	37,455	22,878
Panamax	75k 1yr TC	37,500	38,000	-1.3%	-500	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	27,500	27,500	0.0%	0	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	50.0	48.6	2.9%	41.4	34.8	27.6

Chartering

The tanker market seems to be finding a footing in the second week of September, with both indexes rising. The BDTI closed the week at 883 (+1,5% w-o-w) and BCTI at 632 (+8%).

The VLCC market is the one setting the tone, with increased activity mainly in the Arabian Gulf. Notably, TD3C (MEG/China) jumped by 10% to WS 54.50, while the TD15 (WAF/China) settled at WS 58.28 (+9% wow). The US Gulf also saw increased activity, but this was limited by the bad weather caused by Hurricane Francine. The VLCC TCE settled on Friday at \$34,882/day, or 17.80% higher.

On the Suezmax front, although increasing fixing was visible in mainly in the Arabian Gulf and West Africa, the availability of open vessels, kept rates muted, while the US Gulf fixing activity was slower. TD6 (BSea/Med) was steady at WS 79.9 (+0.2% wow) while the TD20 (WAF/UKC) fell slightly to WS 78.3 (-1.4%). The Suezmax TCE stood on Friday at \$22,718/day, a mere 2.2% higher on the week. On Aframax, there was increased activity in the Med region despite the fact that Libyan production is still off. Bal-

lasters out of the region supported rates and this resulted in TD19 (CrossMed) jumping to WS 119.6 (18.7% wow), while other regions were either stable or falling. TD25 (USG/ARA) closed the week at WS 117.2 (-5.38%) and TD7 (NSea/Cont) stood at WS 114.17 pr -2% lower on the week. The Aframax TCE settled on Friday at \$22,892/day or 7% higher wow.

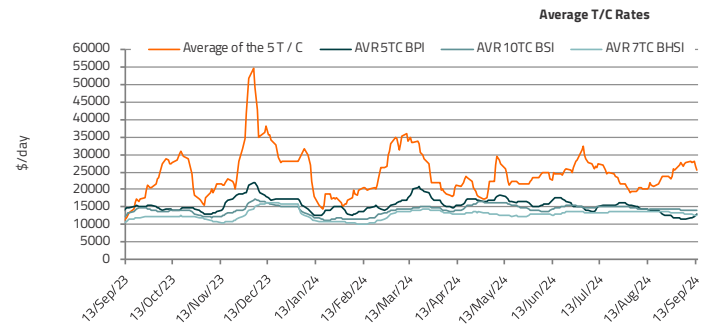
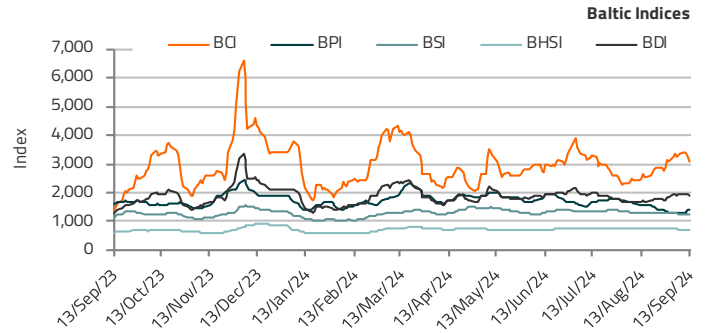
On the clean market, there was increased fixing for LR2s and LR1s which resulted in both TC1 (75k) (MEG/Japan) and TC5 (55k) for the same route to settle at WS 129.44 (+6%) and WS 155.63 (10.7%) respectively. On MRs, we saw mixed trends for depending on the regions, with divergent moves in the Atlantic and the Pacific. The Atlantic triangulation settled on Friday at \$23,370/day (-3.23% wow), being dragged down by TC14 (USG/Cont) whose rates fell by -11.4% to WS 131 after the disruptions due to Hurricane Francine. On the Pacific, the Pacific Basket TCE closed the week at \$17,072, +10% higher than last week, owing to TC12 (WCI/Japan) who settled at WS 148.25 or +12.15%.

Baltic Indices

	13/09/24		06/09/24		Point Diff	\$ / day ±%	2023 Index	2022 Index
	Index	\$/day	Index	\$/day				
BDI	1,890		1,941		-51		1,395	1,931
BCI	3,089	\$25,620	3,356	\$27,832	-267	-7.9%	2,007	1,955
BPI	1,428	\$12,849	1,294	\$11,645	134	10.3%	1,442	2,298
BSI	1,264	\$13,943	1,260	\$13,895	4	0.3%	1,031	2,006
BHSI	707	\$12,731	724	\$13,039	-17	-2.4%	586	1,181

Indicative Period Charters

12 mos dely Beihai 12/16 Sep redel worldwide	XING FU HAI index linked at 119% to BPI	2022	85,038 dwt Tongli
5/7 mos 15/17 Sep redel worldwide	MEDUSA \$15,500/day	2010	82,194 dwt Kline



TC Rates

	\$/day	13/09/24	06/09/24	±%	Diff	2023	2022
Capesize	180K 1yr TC	28,500	28,500	0.0%	0	17,957	21,394
	180K 3yr TC	23,000	23,500	-2.1%	-500	16,697	18,894
Panamax	76K 1yr TC	14,000	14,000	0.0%	0	13,563	20,207
	76K 3yr TC	11,750	11,750	0.0%	0	11,827	14,885
Supramax	58K 1yr TC	15,250	16,000	-4.7%	-750	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

Indicative Market Values (\$ Million) - Bulk Carriers

Vessel	Age	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	38.0	38.7	-1.8%	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, the Baltic Dry Index experienced a week-on-week decline as the positive momentum in the Capesize sector shifted to negative, and the recovery in the Panamax sector was insufficient to bolster overall sentiment in the dry bulk market. A reduction in iron ore shipments from both Brazil and Australia weighed on C5TC rates, despite some support from coal demand and continued bauxite trade. The Panamax sector, however, achieved a positive close for the week. The demand for cheaper Panamax vessels, driven by mineral requirements, combined with seasonal increases in grain activity from the US Gulf USG and North Pacific regions, resulted in a 10.3% week-on-week rise in P5TC rates. The geared vessel sizes also benefited from increased activity in the USG market and stable trade activity in the Mediterranean. In contrast, South America faced pressure due to limited new requirements. Rates in the Pacific region remained steady.

Cape 5TC averaged \$ 27,260/day, down -0.16% w-o-w. The transatlantic earnings decreased by \$ 4,285/day while transpacific ones declined by \$2,196/day, bringing transpacific earnings premium over transatlantic to \$9,366/day.

Panamax 5TC averaged \$ 12,249/day, up +4.79% w-o-w. The transatlantic earnings increased by \$ 2,010/day while transpacific earnings rose by \$1,068/day. As a result, the transpacific earnings premium to the transatlantic narrowed down to \$4,503/day.

Supramax 10TC averaged \$ 13,899/day down -1.13% w-o-w, while the Handysize 7TC averaged \$ 12,813/day, down -2.79% w-o-w.

Tankers

Size	Name	Dwt	Built	Yard	M/E	SS due	Hull	Price	Buyers	Comments
SUEZ	JAG LALIT	158,344	2005	HYUNDAI, S. Korea	MAN-B&W	Jul-28	DH	\$ 33.0m	undisclosed	Ice 1B

Bulk Carriers

Size	Name	Dwt	Built	Yard	M/E	SS due	Gear	Price	Buyers	Comments
MINI CAPE	KITaura	119,277	2012	SANOYAS, Japan	MAN-B&W	Mar-27		\$ 25.0m	Greek	Scrubber fitted
PMax	DIAS	74,716	2001	HUDONG-ZHONGHUA, China	MAN-B&W	Jul-26		\$ 6.7m	Chinese	
UMAX	QUEEN SAPPHIRE	61,388	2011	IWAGI ZOSEN, Japan	MAN-B&W	Dec-26	4 X 30,7t CRANES	region \$ 21.0m	Chinese	
SUPRA	SAGARJEET	58,079	2009	TSUNEISHI, Japan	MAN-B&W	May-29	4 X 30t CRANES	mid \$ 16.0m	Indonesian	
HANDY	SASSY SOFIA	32,759	2005	KANDA, Japan	Mitsubishi	May-25	4 X 30,5t CRANES	\$ 9.0m	Lebanese	

This week saw a total of 22 vessels ordered across multiple sectors, with notable investments in tankers, LNG carriers, and specialized support vessels. German Tanker Shipping exercised options for 2 46k dwt tankers from Xiamen, China, priced at \$60.0 million each. These vessels, expected for delivery in 2026, will comply with IMO Tier 1 and 2 regulations. Chinese owner CSET placed an order for 2 175k cbm LNG carriers from Dalian Shipbuilding, for \$254.0 million each. The vessels will be delivered in 2028 and are chartered to ENN LNG. Additionally, a joint venture between Chevron and Mitsui OSK Lines ordered a 175k

cbm LNG carrier from Hanwha Ocean, set for delivery in 2026. This vessel will feature a wind-assisted propulsion system, showcasing the industry's move toward greener technologies. There was also particular interest in the Offshore sector with Greek owners also placing significant orders in the MPSV sector. Capital Offshore ordered 2 MPSV of 4.7k dwt from Fujian Mawei set for 2026 delivery, while an undisclosed Greek ordered 10 similar MPSVs from Pax Ocean in China for again for 2026 delivery.

Indicative Newbuilding Prices (\$ Million)

	Vessel		13-Sep-24	6-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	262.0	-0.2%	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
2	Tanker	46,000	dwt	Xiamen, China	2026	German (German Tanker Shipping)	\$ 60.0m	IMO 1 and 2, options exercised
2	LNG	175,000	cbm	Dalian Shipbuilding, China	2028	Chinese (CSET)	\$ 254.0m	TC to ENN LNG
1	LNG	175,000	cbm	Hanwha Ocean, S.Korea	2026	JV (Chevron with Mitsui OSK)	undisclosed	wind assisted propulsion system
4	Container	18,000	teu	New Times, China	2027-2028	Singaporean (Eastern Pacific)	undisclosed	TC to CMA-CGM, LNG dual-fuelled, options exercised
1	Field Support Vessel	110	m	Crist Shipyard, Poland	2027	Canadian (Cenovus Energy)	undisclosed	ice class, built for Maersk Supply
10	MPSV	5,000	dwt	Pax Ocean Zhousan, China	2026	Greek	undisclosed	
8	MPSV	4,700	dwt	Fujian Mawei, China	2026	Greek (Capital Offshore)	undisclosed	diesel electric

The ship demolition market has faced significant challenges this week, with weak demand and falling prices for both steel and scrap continuing in key destinations. In India, the market remains sluggish with steel prices falling sharply due to low demand and the continued influx of cheaper Chinese steel. Indian recyclers are reluctant to make new purchases as ship plate prices continue to fall. Government regulations are likely to increase the amount of scrap available in the future, with carmakers required to recycle 8% of steel from cars by 2026 and 18% by 2036. In addition, the long-awaited increase in construction activity has yet to materialize, putting further pressure on scrap demand. Bangladesh is facing similar difficulties, with the market under pressure from political turmoil, economic challenges and the ongoing monsoon season. Stricter compliance measures, such as approved IHM on board, are causing delays in recycling operations, while prices remain stagnant. Monsoons have disrupted logistics, exacerbating the shortage of available tonnage and hampering recyclers' operations. The country is

seeking a \$5 billion loan from the IMF, as well as better terms on existing loans from Russia and India. In Pakistan, the market continues to show no signs of improvement. Local recyclers are struggling with falling steel prices, exacerbated by an influx of cheaper Chinese steel imports. Although the recent interest rate cut by the central bank offers a glimmer of hope, its impact on the ship recycling industry has yet to be felt. Recyclers remain cautious, especially for larger vessels. The Turkish market remains largely unchanged, with little activity in either local recycling or imports. Prices have remained flat, but there is growing concern about the impact of increasing Chinese steel imports. Recyclers expect further price falls as demand remains weak. Overall, the ship recycling market remains under significant downward pressure, with little sign of immediate recovery in any of the major destinations.

Indicative Demolition Prices (\$/ldt)

Markets	13/09/24	06/09/24	±%	YTD		2023	2022	2021	
				High	Low				
Tanker	Bangladesh	485	500	-3.0%	530	490	550	601	542
	India	490	500	-2.0%	540	490	540	593	519
	Pakistan	475	490	-3.1%	525	490	525	596	536
	Turkey	320	320	0.0%	350	320	325	314	207
Dry Bulk	Bangladesh	475	490	-3.1%	520	475	535	590	532
	India	470	480	-2.1%	520	480	522	583	508
	Pakistan	455	470	-3.2%	510	470	515	587	526
	Turkey	310	310	0.0%	350	310	315	304	276

Currencies

Markets	13-Sep-24	6-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
CORAL ENERGY	72,629	28,525	1979	GENERAL DYNAMICS QC, USA	GAS TANKER	\$ 555.0m	undisclosed	as is Labuan
AQUILA	35,841	8,481	1999	DAEDONG, S. Korea	TANKER	\$ 520.0m	Indian	

Market Data

	13-Sep-24	12-Sep-24	11-Sep-24	10-Sep-24	9-Sep-24	W-O-W Change %	
Stock Exchange Data	10year US Bond	3.649	3.680	3.653	3.644	3.699	-1.6%
	S&P 500	5,626.02	5,595.76	5,554.13	5,495.52	5,471.05	4.0%
	Nasdaq	19,514.59	19,423.07	19,237.30	18,829.14	18,660.78	5.9%
	Dow Jones	41,393.78	41,096.77	40,861.71	40,736.96	40,829.59	2.6%
	FTSE 100	8,273.09	8,240.97	8,193.94	8,205.98	8,270.84	1.1%
	FTSE All-Share UK	4,522.48	4,501.27	4,474.25	4,483.76	4,513.72	1.2%
	CAC40	7,465.25	7,435.07	7,396.83	7,407.55	7,425.26	1.5%
	Xetra Dax	18,699.40	18,518.39	18,330.27	18,265.92	18,443.56	2.2%
	Nikkei	36,581.76	36,833.27	35,619.77	36,159.16	36,215.75	0.5%
	Hang Seng	17,369.09	17,240.39	17,108.71	17,234.09	17,196.96	-0.4%
DJ US Maritime	390.72	382.02	376.28	375.13	376.01	3.9%	
Currencies	€ / \$	1.11	1.11	1.10	1.10	1.10	-0.1%
	£ / \$	1.31	1.31	1.30	1.31	1.31	0.0%
	\$ / ¥	140.82	141.79	142.35	142.43	143.17	-1.0%
	\$ / NoK	10.63	10.71	10.85	10.84	10.83	-0.6%
	Yuan / \$	7.09	7.12	7.12	7.12	7.11	0.1%
	Won / \$	1,328.21	1,335.56	1,338.99	1,343.21	1,341.66	-0.7%
	\$ INDEX	101.11	101.37	101.68	101.63	101.55	-0.1%

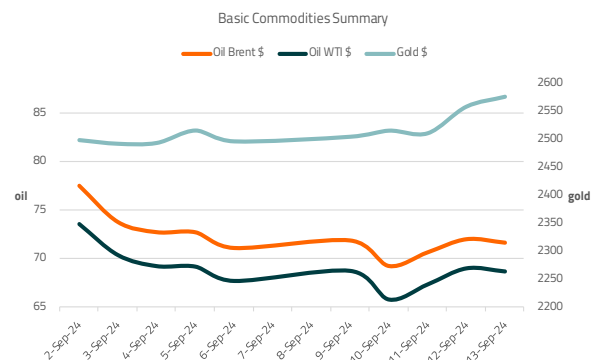
Bunker Prices

		13-Sep-24	6-Sep-24	Change %
MGO	Rotterdam	605.0	624.0	-3.0%
	Houston	626.0	642.0	-2.5%
	Singapore	612.0	630.0	-2.9%
380cst	Rotterdam	400.0	418.0	-4.3%
	Houston	412.0	408.0	1.0%
	Singapore	447.0	429.0	4.2%
VLSFO	Rotterdam	503.0	517.0	-2.7%
	Houston	503.0	502.0	0.2%
	Singapore	572.0	614.0	-6.8%
OIL	Brent	71.6	71.1	0.8%
	WTI	68.7	67.7	1.4%

Maritime Stock Data

Company	Stock Exchange	Curr	13-Sep-24	06-Sep-24	W-O-W Change %
CAPITAL PRODUCT PARTNERS LP	NASDAQ	USD	17.36	17.28	0.5%
COSTAMARE INC	NYSE	USD	13.60	13.15	3.4%
DANAOS CORPORATION	NYSE	USD	78.84	77.07	2.3%
DIANA SHIPPING	NYSE	USD	2.35	2.31	1.7%
EUROSEAS LTD.	NASDAQ	USD	43.29	42.80	1.1%
GLOBUS MARITIME LIMITED	NASDAQ	USD	1.74	1.42	22.7%
SAFE BULKERS INC	NYSE	USD	4.75	4.60	3.3%
SEANERGY MARITIME HOLDINGS	NASDAQ	USD	10.27	10.28	-0.1%
STAR BULK CARRIERS CORP	NASDAQ	USD	20.80	19.87	4.7%
STEALTHGAS INC	NASDAQ	USD	6.85	6.12	11.8%
TSAKOS ENERGY NAVIGATION	NYSE	USD	25.27	23.19	9.0%

Basic Commodities Weekly Summary



Macro-economic headlines

- In US, the CPI for August increased by 0.2% monthly and the annual reading was 2.5%
- In China, CPI increased by 0.4% in August on a monthly basis, while it increased by 0.6% on the year. The Trade Balance totaled \$91.02bn, while exports surged by 8.7% in August annually. Additionally, Industrial production for August rose by 4.5% while the unemployment rate was at 5.3%, slightly higher than the previous month (5.2%)
- In Japan, GDP increased by 0.7% for Q2 on a quarterly basis and 2.9% on an annual basis, while Industrial production for July increased by 3.1%
- In the EU, the Central Bank cut the interest rate to by 25bps to 3.5%. EU's industrial production fell by 0.3% in July. In Germany, the CPI fell slightly by -0.1% in August on a monthly basis, while it was up on the year by +1.9%

