

Weekly Market Report

Week 42 | Tuesday 24th October 2023

Market Insight

By Fotis Kanatas, Research Analyst

As we approach the end of October, we are beginning to see the seasonality in the soybean and corn trade. Over the past three years, we have seen that the two largest grain exporters, Brazil and the US, have different export windows. More specifically, Brazil's strongest period is in the spring, while US exports have their strongest period in the last quarter of the year.

In terms of the largest trading partners for these exporting nations, China dominates the trade, importing the largest cargoes of soybeans and maize. The Asian powerhouse uses soybeans mainly for animal feed, with annual consumption ranging between 13 and 15 million tonnes. So far this year, China has already imported 96% of last year's soybean and corn cargoes, showing strong momentum as imports so far in October (7,255 kt) are already ahead of the same month in 2021 (6,409 kt) and 2022 (5,101 kt). Average Q4 soybean and corn imports in 2021 and 2022 are 21,973 kt. Therefore, if the trend continues, around 15,000kt will need to be imported in the next two months..

As mentioned above, Q4 is the strongest period for the US and this quarter should be no exception. In addition, this year's harvest is likely to produce a bumper corn crop, which will boost exports. In addition, the grain

surplus is likely to increase stocks and lower prices, making both commodities more affordable and boosting the dry bulk trade..

The majority of China's grain imports are on Supramax and Panamax vessels, so if this trade pattern materialises, we could expect a rise in agribulk freight rates.

Focusing on the specific trade between the US and China, despite the strong US soybean trade, corn imports have been taking a steady beating since 2021 and are currently at their lowest level since 2021, with only 70.014 kt sent to China in September and 92.57 kt in October so far.

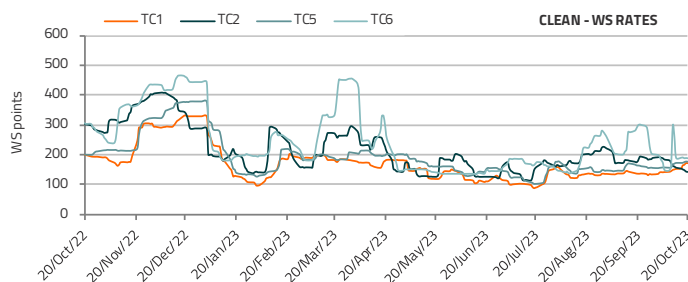
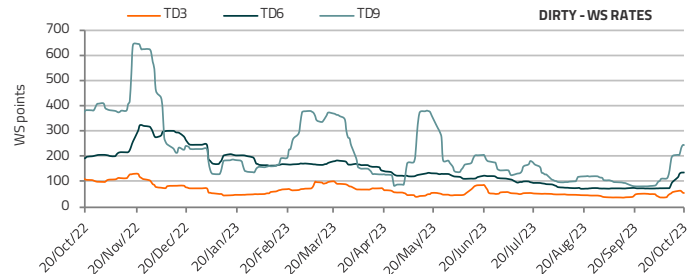
With corn having lost almost 28% of its value since the start of the year and trading at \$486/bushel, close to 3-year lows, there is an opportunity for increased exports, with importers incentivised to take advantage of the discount.

Looking at the big picture, US grain exports are about to pick up speed and this will increase demand for vessels in the northern part of America. Whether it is China or other grain importers absorbing the record corn crop, demand for midsize vessels is likely to increase in Q4.

Indicative Period Charters

36 mos	CL MARGUERITE DURAS	2023	49,357 dwt
DEL WEST DEC/23	\$26,000/day		BP
9-14 mos	ALKEA	2009	36,207 dwt
DEL WEST NOV/23	\$29,000/day		Mercuria

Vessel	Routes	20/10/23		13/10/23		\$/day ±%	2022 \$/day	2021 \$/day
		WS points	\$/day	WS points	\$/day			
VLCC	265k MEG-SPORE	55	30,621	59	37,833	-19.1%	20,330	2,246
	280k MEG-USG	31	-1,752	32	55	-3285.5%	-9,550	-15,306
	260k WAF-CHINA	57	32,228	61	38,353	-16.0%	19,980	3,125
Suezmax	130k MED-MED	125	71,673	95	43,623	64.3%	51,634	8,021
	130k WAF-UKC	119	47,044	116	46,597	1.0%	25,082	11,031
	140k BSEA-MED	135	59,633	99	31,294	90.6%	51,634	8,021
Aframax	80k MEG-EAST	183	41,781	170	37,196	12.3%	27,224	1,501
	80k MED-MED	214	74,834	176	55,162	35.7%	46,679	6,622
	70k CARIBS-USG	244	70,276	202	53,232	32.0%	43,030	5,130
Clean	75k MEG-JAPAN	171	39,617	151	32,994	20.1%	35,326	6,368
	55k MEG-JAPAN	176	29,174	172	28,696	1.7%	32,504	6,539
	37k UKC-USAC	141	10,013	156	13,617	-26.5%	22,919	4,496
Dirty	30k MED-MED	187	23,327	189	24,213	-3.7%	45,941	8,124
	55k UKC-USG	115	10,787	115	11,555	-6.6%	19,982	2,822
	55k MED-USG	115	10,920	115	11,381	-4.1%	21,231	4,818
	50k CARIBS-USG	198	31,341	199	32,144	-2.5%	40,364	8,548



TC Rates

	\$/day	20/10/23	13/10/23	±%	Diff	2022	2021
VLCC	300k 1yr TC	45,000	44,500	1.1%	500	34,683	25,684
	300k 3yr TC	41,250	41,500	-0.6%	-250	33,719	28,672
Suezmax	150k 1yr TC	43,250	42,500	1.8%	750	26,933	17,226
	150k 3yr TC	35,500	35,500	0.0%	0	23,758	22,700
Aframax	110k 1yr TC	42,500	41,500	2.4%	1000	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		Sep-23	±%	2022	2021	2020
		avg	avg					
VLCC	300KT DH	99.0	99.0	99.0	0.0%	80.2	69.7	71.5
Suezmax	150KT DH	75.0	75.0	75.0	0.0%	55.1	46.7	49.9
Aframax	110KT DH	68.3	64.1	64.1	6.6%	50.5	38.7	38.8
LR1	75KT DH	50.7	49.2	49.2	3.0%	38.6	31.2	30.7
MR	52KT DH	42.0	40.2	40.2	4.5%	34.8	27.6	27.5

Chartering

Key oil benchmarks took a dip last Friday following the release of two American captives by the militant group Hamas in Gaza. This fueled optimism that tensions between Israel and Palestine might ease, alleviating concerns over potential disruptions in Middle Eastern oil flows. Over the week, front-month contracts witnessed an upward movement of more than 1%, marking the second consecutive weekly increase. In the United States, the primary storage facility in Cushing, Oklahoma saw its oil reserves hit their lowest point since 2014. Currently, storage tanks at this key hub for New York's oil future contracts are only 24% full, a significant drop from the 53% recorded in June. Typically, this period witnesses an increase in stockpiles as refineries scale back operations for maintenance, but current levels are dwindling due to robust international demand. Export levels soared to 5.3 million bpd, coming close to historical highs. This surge is primarily driven by European and Asian buyers who are accumulating oil supplies. Their concerns are stoked by potential supply chain disruptions owing to conflicts in both Ukraine and the Israel-Gaza region.

The crude freight market has seen notable fluctuations in recent weeks, characterized by a general uptick since the third week of October, at-

tributed to geopolitical tensions, although there have been subsequent declines. In the VLCC market, TD3C and TD15 remained fairly stable, propelled by anticipations of increased demand during the year-end festive season. However, it should be noted that the current rates are still not on par with the peak levels recorded at the end of 2022, a period when the market was optimistic about China easing its stringent zero-Covid policies. Additionally, the rate for a 270,000 mt US Gulf to China increased by \$261k w-o-w. The Suezmax market remained buoyant, particularly in TD20, where rates reached WS 118.64 on Friday. In the Middle East, the rate for routes to the Med increased by 7.66 points over the week. Meanwhile, Aframax rates have seen an unprecedented surge, especially in the cross-med route. In the NSea, the Cross-UK Continent route rose 43.92 points.

VLCC T/C earnings averaged \$17,771/day, down - \$4,829/day w-o-w, and closed off the week at the -\$12,709/day mark.

Suezmax T/C earnings averaged \$49,599/day, up + \$14,393/day w-o-w. On the Aframax front, T/C earnings averaged \$51,269/day, up + \$16,572/day w-o-w.

Baltic Indices

	20/10/23		13/10/23		Point Diff	\$ /day ±%	2022 Index	2021 Index
	Index	\$/day	Index	\$/day				
BDI	2,046		1,945		101		1,931	2,921
BCI	3,556	\$29,493	3,327	\$27,591	229	6.9%	1,955	3,974
BPI	1,638	\$14,738	1,567	\$14,104	71	4.5%	2,298	2,972
BSI	1,287	\$14,153	1,268	\$13,950	19	1.5%	2,006	2,424
BHSI	686	\$12,352	687	\$12,361	-1	-0.1%	1,181	1,424

TC Rates

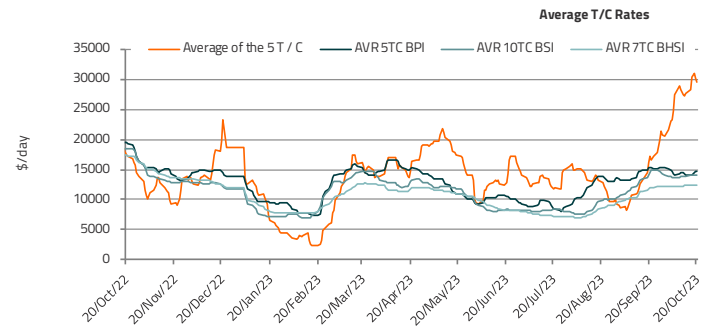
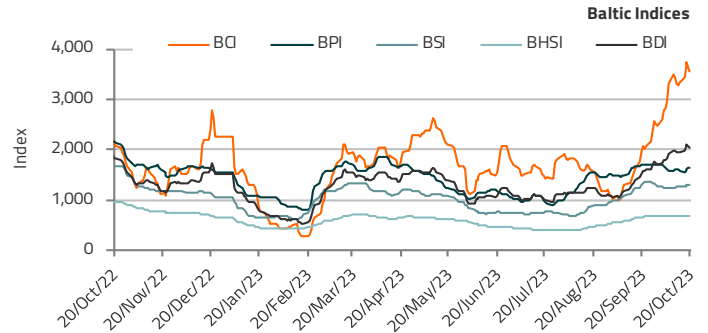
	\$/day	20/10/23	13/10/23	±%	Diff	2022	2021
Capesize	180K 1yr TC	17,750	17,500	1.4%	250	21,394	26,392
	180K 3yr TC	16,000	16,250	-1.5%	-250	18,894	20,915
Panamax	76K 1yr TC	12,750	12,750	0.0%	0	20,207	21,849
	76K 3yr TC	11,250	11,250	0.0%	0	14,885	15,061
Supramax	58K 1yr TC	12,500	12,500	0.0%	0	20,053	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

Chartering

The BDI index exceeded the 2,000-point threshold last week, primarily due to the C5TC, which reached its highest level of \$31,089 per day since the end of May 2022 on Wednesday. As the week progressed, the performance of Capesize vessels experienced a decline, falling below the \$30,000 per day mark, indicating that the C5TC has reached its peak for the year 2023. On the other hand, P5TC concluded positively, supported by strong demand for minerals and grains in the Atlantic. In the Pacific region, activity was weaker, with only Indonesian coal shipments managing to compensate for the quieter NoPaC and East Australian markets. Concerning geared vessel sizes, Supramax owners found some support in the USG market, while South Atlantic demand kept Handysize owners occupied, although activity in other regions softened in the past few days. Cape 5TC averaged \$ 29,881/day, up +7.13% w-o-w. The transatlantic

Indicative Period Charters

4 to 6 mos	SHINSUNG CLEVER	2014	37,084 dwt
dely Conakry promptredel worldwide	\$13,500/day		cnr
12 mos	MEDI EGADI	2018	81,834 dwt
CJK 23/24 Oct redel worldwide	\$15,500/day		Berge Bulk



Indicative Market Values (\$ Million) - Bulk Carriers

Vessel 5 yrs old	Oct-23 avg	Sep-23 avg	±%	2022	2021	2020
Capesize Eco 180k	47.7	47.0	1.4%	48.3	43.1	36.1
Kamsarmax 82K	32.0	31.8	0.6%	34.1	29.8	23.2
Ultramax 63k	29.0	28.2	2.8%	31.5	26.4	19.4
Handysize 37K	25.2	24.3	3.6%	27.2	21.4	16.1

earnings increased by \$ 2,032/day with transpacific ones rose by \$1,082/day, bringing transatlantic earnings premium over transpacific to \$16,324/day.

Panamax 5TC averaged \$ 14,417/day, up +0.48% w-o-w. The transatlantic earnings increased by \$2,750/day while transpacific earnings decreased by \$619/day. As a result, the transatlantic earnings premium to the transpacific widened to \$4,519/day.

Supramax 10TC averaged \$ 14,090/day, up +2.02% w-o-w, while the Handysize 7TC averaged \$ 12,405/day, up +1.15% w-o-w.

Tankers

Size	Name	Dwt	Built	Yard	M/E	SS due	Hull	Price	Buyers	Comments
VLCC	TIMIMUS	318,518	2002	HYUNDAI HEAVY INDS - U, S. Korea	MAN-B&W	Apr-27	DH	\$ 32.0m	undisclosed	BWTS fitted
MR2	JAMES COOK	49,995	2013	STX, S. Korea	MAN-B&W	Apr-28	DH	\$ 34.5m	Indian	BWTS fitted
MR2	NORD STEADY	49,994	2013	STX, S. Korea	MAN-B&W	Jun-28	DH	\$ 34.5m	Greek	BWTS fitted
MR2	ALLIED PACIFIC	46,151	2010	HYUNDAI MIPO DOCKYARD, S. Korea	MAN-B&W	May-25	DH	\$ 28.5m	USA Based	BWTS fitted
MR2	GH AUSTEN	49,998	2009	GUANGZHOU, China	MAN-B&W	May-24	DH	\$ 23.0m	undisclosed	BWTS fitted
SMALL	BUNGA LILY	19,991	2011	FUKUOKA, Japan	MAN-B&W	Apr-26	DH	\$ 21.5m	undisclosed	BWTS fitted

Bulk Carriers

Size	Name	Dwt	Built	Yard	M/E	SS due	Gear	Price	Buyers	Comments
KMAX	ASL NEPTUNE	82,372	2009	OSHIMA, Japan	MAN-B&W	Apr-24		\$ 16.2m	Greek	BWTS fitted
KMAX	STL MIRACLE	82,338	2008	OSHIMA, Japan	MAN-B&W	Sep-28		\$ 15.3m	Greek	BWTS fitted
PMAX	LADY MARITE	76,529	2009	SHIN KASADO, Japan	MAN-B&W	Nov-24		\$ 15.75m	undisclosed	BWTS fitted
UMAX	ATLANTIC ISLAND	61,311	2014	IWAGI ZOSEN, Japan	MAN-B&W	Jul-24	4 X 30,7t CRANES	\$ 24.0m	Greek	BWTS fitted
SUPRA	ROTTERDAM PEARL	58,020	2010	YANGZHOU DAYANG, China	MAN-B&W	Jan-25	4 X 35t CRANES	\$ 13.65m	undisclosed	BWTS fitted
HANDY	SUN RUBY	32,754	2004	KANDA, Japan	Mitsubishi	Mar-24	4 X 30,5t CRANES	\$ 8.1m	undisclosed	BWTS fitted
SMALL	BOCS AFRICA	7,701	2004	ZALIV, Ukraine	MaK	Sep-24	2 X 60t CRANES	\$ 6.0m	undisclosed	

Containers

Size	Name	Teu	Built	Yard	M/E	SS due	Gear	Price	Buyers	Comments
SUB PMAX	WAN HAI 301	2,496	2001	NAIKAI ZOSEN, Japan	B&W	Sep-26	N	\$7,5m each	Chinese	BWTS fitted
SUB PMAX	WAN HAI 302	2,496	2002	NAIKAI ZOSEN, Japan	B&W	Mar-27	N			BWTS fitted

The newbuilding market continues to be subdued with only a few orders this week. A total of 4 orders have been placed, representing 6 firm and 4 optional vessels. In the tanker sector, Belgian powerhouse Euronav placed an order for a 319,000 dwt tanker with Qingdao Behai in China. The vessel will be delivered in 2026. On the smaller tonnage side, UK-based James Fisher ordered two firm and two optional 6,000 dwt tankers from CMJL Yangzhou. The vessels will be dual-fuelled with LNG and will comply with IMO Type 2 standards for the handling of

chemicals, costing \$28m each. In the bulk carrier sector, Turkish owner Densay Shipping ordered an Ultramax from SUMEC Dayang in China. The price is \$32.5m and delivery is scheduled for 2026. Finally, in the offshore sector, Diana Shipping formed a joint venture called Windward Offshore, consisting of Blue Star Group, SeaReenergy Offshore Holding and SeraVerse, with the intention of ordering and operating OSVs. The JV has ordered two firm and two optional OSVs from Vard Holding in Norway. Delivery is scheduled for 2025.

Indicative Newbuilding Prices (\$ Million)

	Vessel		20-Oct-23	13-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		90.5	90.0	0.6%	90.5	77.5	90.5	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
1	Tanker	319,000 dwt	Qingdao Beihai, China	2026	Belgian (Euronav)	undisclosed	
2+2	Tanker	6,000 dwt	CMJL Yangzhou, China	2025	UK-Based (James Fisher)	\$ 28.0m	LNG dual fuel, IMO type 2 chemical-handling standards
1	Bulker	63,000 dwt	SUMEC Dayang, China	2026	Turkish (Densay Shipping)	\$ 32.5m	
2+2	CSOV		Vard Holdings, Norway	2025	Greek (Diana Shipping)	undisclosed	

After a slight increase in scrapping activity in August and September compared to last year, October this year has been slower compared to 2022, reflecting all the problems facing the main scrapping destinations. Specifically, steel prices in India are falling and this is affecting scrappers' appetite for tonnage. In addition, we are entering a slower period where the Diwali and New Year celebrations are likely to push prices down. The outlook for the market is positive as steel demand is expected to increase next year, which could push prices up. Bangladesh is trying to find its feet in a market where prices are low and there is no interest in selling ships for scrap. The country is in the midst of many changes, with elections due in January 2024, while an agreement has been reached with the IMF. The fund will provide the country with

\$681m in December, just part of the \$4.7bn it has pledged to the country. In Pakistan, the country's crackdown on illegal foreign exchange has led to increased volatility, resulting in a strengthening of the local currency against the USD. As a result, local buyers are still waiting for normalisation before purchasing new tonnage. In addition, the L/C issue is still ongoing. In Turkey, the market continues to trade well below its sub-Asian peers. The Turkish lira has breached the 28 mark against the dollar and is hitting new highs every week. The local steel market appears to be somewhat better, with HRC exports in August up 60% on a monthly basis and 8% on an annual basis. The country's main focus is on tackling inflation, with a target of 4.7% by 2028.

Indicative Demolition Prices (\$/ldt)

	Markets	20/10/23	13/10/23	±%	YTD		2022	2021	2020
					High	Low			
Tanker	Bangladesh	515	515	0.0%	615	515	601	542	348
	India	535	540	-0.9%	570	555	593	519	348
	Pakistan	515	520	-1.0%	540	535	596	536	352
	Turkey	310	320	-3.1%	340	330	314	284	207
Dry Bulk	Bangladesh	500	500	0.0%	600	505	590	532	336
	India	515	520	-1.0%	540	520	583	508	335
	Pakistan	505	510	-1.0%	520	500	587	526	338
	Turkey	300	310	-3.2%	285	275	304	276	198

Currencies

Markets	20/10/23	13/10/23	±%	YTD High
USD/BDT	110.24	110.25	-0.01%	111.08
USD/INR	83.15	83.26	-0.13%	83.47
USD/PKR	277.77	277.20	0.21%	307.89
USD/TRY	27.98	27.80	0.67%	28.23

Demolition Sales (\$ /ldt)

Name	Size	Ldt	Built	Yard	Type	\$/ldt	Breakers	Comments
JAHAN	45,665	7,516	1995	TSUNEISHI, Japan	BC	undisclosed	Bangladeshi	
Nanta Bhum	15,152	5,104	1990	HANJIN HI, S. Korea	CONTAINER	undisclosed	Indian	

Market Data

	20-Oct-23	19-Oct-23	18-Oct-23	17-Oct-23	16-Oct-23	W-O-W Change %
Stock Exchange Data						
10year US Bond	4.914	4.990	4.911	4.836	4.700	6.5%
S&P 500	4,224.16	4,278.00	4,314.60	4,373.20	4,373.63	-2.4%
Nasdaq	12,983.81	13,186.18	13,314.30	13,533.75	13,567.98	-3.2%
Dow Jones	33,127.28	33,414.17	33,665.08	33,997.65	33,984.54	-1.6%
FTSE 100	7,402.14	7,499.53	7,588.00	7,675.21	7,630.63	-2.6%
FTSE All-Share UK	3,990.56	4,041.45	4,088.24	4,137.26	4,111.24	-2.6%
CAC40	6,816.22	6,921.37	6,965.99	7,029.70	7,022.19	-2.7%
Xetra Dax	14,798.47	15,045.23	15,094.91	15,251.69	15,237.99	-2.9%
Nikkei	31,259.36	31,430.62	32,042.25	32,040.29	31,659.03	-1.3%
Hang Seng	17,172.13	17,295.89	17,732.52	17,773.34	17,640.36	-2.7%
DJ US Maritime	267.76	270.68	271.63	273.07	269.17	-0.2%
Currencies						
€ / \$	1.06	1.06	1.05	1.06	1.06	0.9%
£ / \$	1.22	1.21	1.21	1.22	1.22	0.2%
\$ / ¥	149.86	149.83	149.77	149.76	149.58	0.2%
\$ / NoK	0.0903	0.0909	0.0904	0.0913	0.0915	-1.3%
Yuan / \$	7.32	7.31	7.31	7.31	7.31	0.2%
Won / \$	1,350.33	1,358.04	1,355.34	1,353.40	1,348.16	-0.2%
\$ INDEX	106.16	106.25	106.57	106.25	106.24	-0.3%

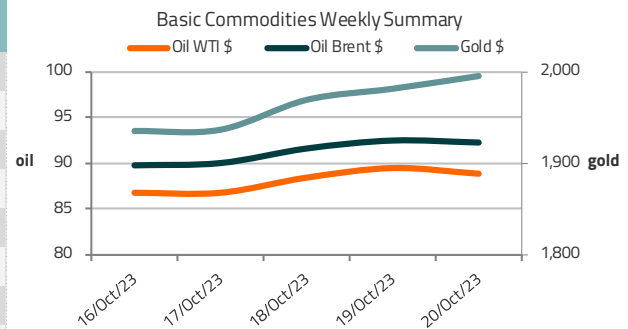
Bunker Prices

	20-Oct-23	13-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.	20-Oct-23	13-Oct-23	W-O-W Change %
CAPITAL PRODUCT PARTNERS LP	NASDAQ	USD	13.90	14.34	-3.1%
COSTAMARE INC	NYSE	USD	9.09	9.61	-5.4%
DANAOS CORPORATION	NYSE	USD	65.75	66.21	-0.7%
DIANA SHIPPING	NYSE	USD	3.35	3.39	-1.2%
EAGLE BULK SHIPPING	NASDAQ	USD	42.19	42.76	-1.3%
EUROSEAS LTD.	NASDAQ	USD	25.60	26.52	-3.5%
GLOBUS MARITIME LIMITED	NASDAQ	USD	1.75	2.24	-21.9%
NAVIOS MARITIME HOLDINGS	NYSE	USD	1.89	1.87	1.1%
SAFE BULKERS INC	NYSE	USD	3.30	3.31	-0.3%
SEANERGY MARITIME HOLDINGS	NASDAQ	USD	5.48	6.21	-11.8%
STAR BULK CARRIERS CORP	NASDAQ	USD	19.33	19.71	-1.9%
STEALTHGAS INC	NASDAQ	USD	5.18	5.18	0.0%
TSAKOS ENERGY NAVIGATION	NYSE	USD	20.97	21.93	-4.4%

Basic Commodities Weekly Summary



Macro-economic headlines

- US: Retail sales rose by 0.7% on a monthly basis in September, which was better than expected. On the industrial production front, the metric rose by 0.3% m/m in September, while it was 0.8% higher on an annual basis. Building permits rose 4.4% month-on-month, indicating a strong housing market.
- EU: The German WPI and PPI fell by 0.2% on the month.
- UK: Annual inflation rose by 6.7% in September. Wage growth fell by 0.1% in August compared with July. Finally, retail sales fell by 0.9% mom in September.

