

## Weekly Market Report

Week 29 | Tuesday 25th July 2023

### Market Insight

By Chara Georgousi, Research Analyst

The recent commitment from Russia and Saudi Arabia to production cuts, coupled with Saudi Aramco's consecutive increase in OSPs to Asian customers, has prompted Asian buyers to seek alternative sources of crude oil.

Notably, in June alone, China's imports of U.S. crude soared to 3.05 million mt, representing a remarkable 354% y-o-y increase and reaching the highest volume recorded since December 2020, as per data from the General Administration of Customs China (GACC). Similarly, the narrow Brent/Dubai EFS spread, which made Brent-linked crude highly attractive in the Asian market, paired with low freight rates, has facilitated increased shipments of crude oil from Brazil to China.

Looking ahead to Q3, the market's concern lies in Chinese refiners' future actions, influenced by crude prices. Should OPEC+ succeed in bolstering prices through output restrictions, it is anticipated that Chinese refiners might curtail some of their crude imports, opting instead to draw from existing inventories to fulfill any potential surge in domestic demand. Conversely, if prices maintain stability around the \$75 per barrel mark, it is probable that China will sustain its crude oil imports at relatively robust levels.

Early indications are pivoting towards heightened purchasing interest, particularly for more competitively priced crude grades from the Ameri-

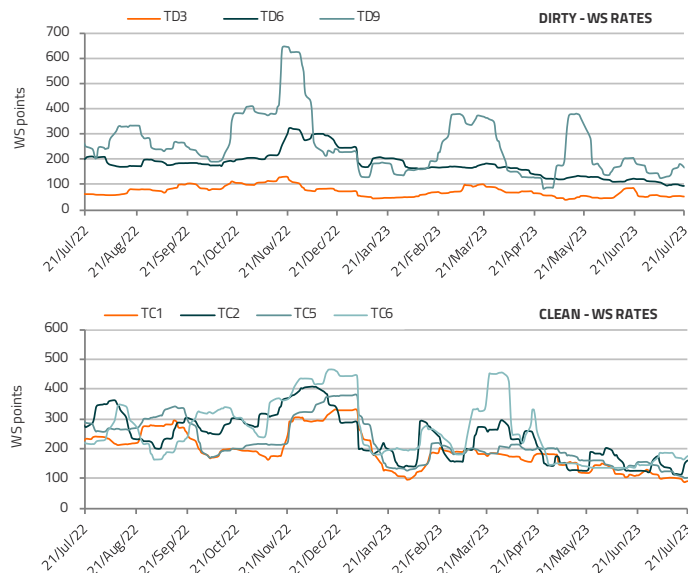
cas, specifically the U.S., and Brazil. In anticipation of this demand, Chinese refiners have already secured near-record volumes of U.S. crude for shipment in August, opting to replace Middle Eastern oil due to the allure of competitive pricing and abundant supplies. The projected volume of August crude shipments from the U.S., mainly comprising WTI Midland grades, is estimated to be between 1.5 and 1.9 million bpd, slightly less than the record 2.2 million bpd loaded in April. Likewise, the country has already procured nearly 1 million bpd of Brazilian crude for delivery in August and September. The increase in supplies from Brazil coincides with the end of a temporary tax on the country's oil exports and is anticipated to exceed the average imports during the first five months of the year, wherein China received 729,125 bpd of Brazilian crude, according to Chinese customs data.

The preference for U.S. and Brazilian crude could be particularly beneficial seaborne-wise. More specifically, a VLCC voyage from the U.S. Gulf or Brazil to China typically takes 40-50 days, while a similar journey from the Middle East Gulf to China lasts about 20 days, so large tankers could be particularly favored. As a result, VLCC tonne-mile growth is expected to rise in the coming weeks after observing relatively low volumes of U.S. crude shipments to China via VLCCs in May and June, which marked the lowest figures since early last year.

## Indicative Period Charters

12-18 mos	PS ATENE	2018	49,999 dwt
DEL EAST JUL/23(D/C)	\$26,000/day		Vitol
3 mos	SEA LION	2020	300,000 dwt
	\$45,000/day		Trafigura

Vessel	Routes	21/07/23		14/07/23		\$ /day ±%	2022 \$ /day	2021 \$ /day
		WS points	\$ /day	WS points	\$ /day			
VLCC	265k MEG-SPORE	53	34,602	55	36,130	-4.2%	20,330	2,246
	280k MEG-USG	32	6,891	34	7,874	-12.5%	-9,550	-15,306
	260k WAF-CHINA	53	33,285	52	31,653	5.2%	19,980	3,125
Suezmax	130k MED-MED	90	40,527	95	45,895	-11.7%	51,634	8,021
	130k WAF-UKC	83	27,374	103	40,043	-31.6%	25,082	11,031
	140k BSEA-MED	94	29,136	100	33,440	-12.9%	51,634	8,021
Aframax	80k MEG-EAST	159	36,991	165	39,376	-6.1%	27,224	1,501
	80k MED-MED	120	26,252	124	27,826	-5.7%	46,679	6,622
	70k CARIBS-USG	166	40,510	160	37,461	8.1%	43,030	5,130
Clean	75k MEG-JAPAN	90	12,494	100	15,748	-20.7%	35,326	6,368
	55k MEG-JAPAN	102	11,403	111	13,651	-16.5%	32,504	6,539
	37k UKC-USAC	160	16,391	115	6,446	154.3%	22,919	4,496
Dirty	30k MED-MED	175	20,707	169	19,053	8.7%	45,941	8,124
	55k UKC-USG	125	17,005	125	17,144	-0.8%	19,982	2,822
	55k MED-USG	125	16,892	125	17,064	-1.0%	21,231	4,818
50k CARIBS-USG	186	30,735	201	35,085	-12.4%	40,364	8,548	



## TC Rates

	\$ /day	21/07/23	14/07/23	±%	Diff	2022	2021
VLCC	300k 1yr TC	44,000	44,500	-1.1%	-500	34,683	25,684
	300k 3yr TC	41,500	41,500	0.0%	0	33,719	28,672
Suezmax	150k 1yr TC	46,000	46,000	0.0%	0	26,933	17,226
	150k 3yr TC	35,500	35,500	0.0%	0	23,758	22,700
Aframax	110k 1yr TC	46,500	46,500	0.0%	0	26,135	15,854
	110k 3yr TC	37,500	37,500	0.0%	0	22,878	19,714
Panamax	75k 1yr TC	35,000	37,000	-5.4%	-2000	25,163	14,184
	75k 3yr TC	28,000	29,500	-5.1%	-1500	20,806	15,950
MR	52k 1yr TC	27,000	28,000	-3.6%	-1000	21,313	12,608
	52k 3yr TC	24,500	25,000	-2.0%	-500	16,426	13,804
Handy	36k 1yr TC	24,000	24,000	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	Jul-23 avg	Jun-23 avg	±%	2022	2021	2020
VLCC	300KT DH	99.0	99.0	0.0%	80.2	69.7	71.5
Suezmax	150KT DH	72.0	72.0	0.0%	55.1	46.7	49.9
Aframax	110KT DH	63.0	63.0	0.0%	50.5	38.7	38.8
LR1	75KT DH	49.0	49.6	-1.2%	38.6	31.2	30.7
MR	52KT DH	40.3	41.3	-2.3%	34.8	27.6	27.5

## Chartering

Sentiment in the crude freight market remained flat last week amid subdued crude tanker demand. In the VLCC segment, rates for major routes to Asia, namely TD3C and TD15, remained rangebound amidst a drop in the utilization of VLCCs towards Asia. More specifically, TD3C lost 1.42 points w-o-w to sit at WS 52, as early August stems are nearly fully covered, while TD15 was assessed 0.5 points higher w-o-w at WS 52.95, amid limited enquiry, particularly for longer voyages towards East. Meanwhile, the rate for a 270,000mt US Gulf to China (TD22) route surged to \$7,783,333, \$322,222 higher w-o-w (\$31,504 per day round trip TCE).

In the meantime, Suezmax freight rates remained on a downward trajectory across most markets. In WAF, Suezmaxes experienced a challenging week, with rates steadily declining. More specifically, TD20 lost 19.64 points w-o-w to sit at WS 83.41 on Friday amidst limited enquiry especially towards the end of the week. In the meantime, TD6 was seen 5.8

points lower on the week, to WS 94.1, while TD23 remained rangebound and the rate for 140,000mt Basrah/Lavera was assessed 1.22 points higher on the week (\$11,506 per day round trip TCE).

On the Aframax front, TD25 lost 19.06 points to sit at WS 160.94 on Friday. On the other hand, rates in the North Sea continued to firm, and on Friday the rate for the 80,000mt Hound Point/ Wilhelmshaven was assessed at WS 135 (a round-trip TCE of \$38,295 per day), 1.79 points higher w-o-w.

VLCC T/C earnings averaged \$ 20,081/day, down - \$1,014/day w-o-w, and closed off the week at the \$18,979/day mark. Suezmax T/C earnings averaged \$ 32,788/day, down - \$8,487/day w-o-w.

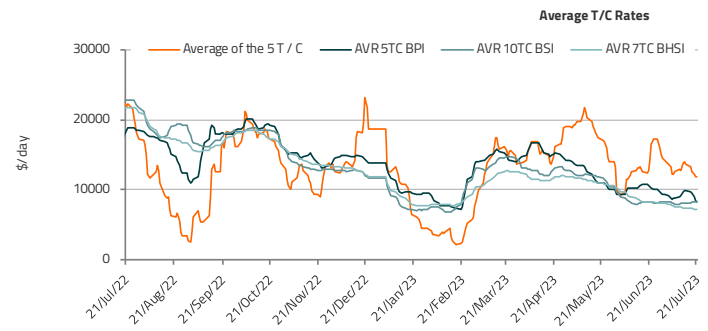
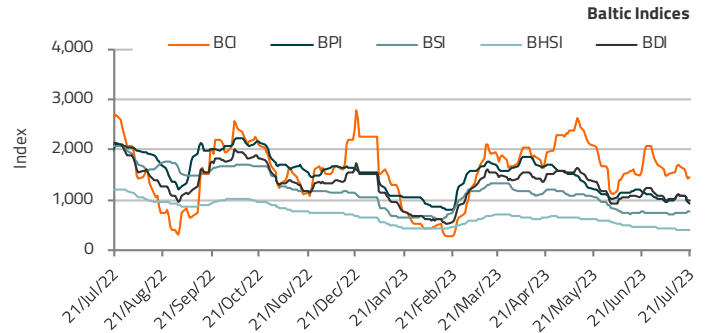
On the Aframax front, T/C earnings averaged \$ 33,901/day, up + \$711/day w-o-w.

### Baltic Indices

	21/07/23		14/07/23		Point Diff	\$/day ±%	2022 Index	2021 Index
	Index	\$/day	Index	\$/day				
BDI	978		1,090		-112		1,931	2,921
BCI	1,442	\$11,958	1,655	\$13,722	-213	-12.9%	1,955	3,974
BPI	924	\$8,320	1,095	\$9,853	-171	-15.6%	2,298	2,972
BSI	758	\$8,333	743	\$8,178	15	1.9%	2,006	2,424
BHSI	400	\$7,202	409	\$7,369	-9	-2.3%	1,181	1,424

### Indicative Period Charters

no period fixtures to report
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### TC Rates

	\$/day	21/07/23	14/07/23	±%	Diff	2022	2021
		Capesize	180K 1yr TC	15,000	15,250	-1.6%	-250
	180K 3yr TC	14,750	15,250	-3.3%	-500	18,894	20,915
Panamax	76K 1yr TC	10,750	11,000	-2.3%	-250	20,207	21,849
	76K 3yr TC	10,250	10,500	-2.4%	-250	14,885	15,061
Supramax	58K 1yr TC	11,000	11,000	0.0%	0	20,053	21,288
	58K 3yr TC	11,000	11,000	0.0%	0	15,005	14,552
Handysize	32K 1yr TC	8,000	8,000	0.0%	0	17,827	18,354
	32K 3yr TC	9,000	9,000	0.0%	0	12,322	11,825

### Indicative Market Values (\$ Million) - Bulk Carriers

Vessel	5 yrs old	Jul-23 avg	Jun-23 avg	±%	2022	2021	2020
Capesize Eco	180k	48.0	50.6	-5.1%	48.3	43.1	36.1
Kamsarmax	82K	31.5	32.2	-2.2%	34.1	29.8	23.2
Ultramax	63k	29.5	30.2	-2.3%	31.5	26.4	19.4
Handysize	37K	24.7	25.3	-2.5%	27.2	21.4	16.1

### Chartering

It was another challenging week for dry bulk owners as their earnings remained closely aligned with OPEX levels. The Capesize market in both basins experienced limited activity, with a surplus of available tonnage. Panamax owners also witnessed a decline in rates week on week, particularly in the Atlantic, due to the lack of mineral and grain shipments in the area. On a more positive note, the Supramax/Ultramax segment displayed a relatively stable performance, with rates holding steady, supported by Indonesian coal shipments and increased USG tonnage demand. However, the demand for Handysize vessels continued to be weak, resulting in average time charter earnings just exceeding the \$7,000/day mark. Overall, the cancellation of the Black Sea grain deal and the absence of any positive disruptions in the commodities market have contributed to the current negative momentum with the supply-demand dynamics remaining in charterers favour.

Cape 5TC averaged \$ 12,397/day, down -7.91% w-o-w. The transatlantic earnings decreased by \$ 2,182/day with transpacific ones declining by \$354/day, bringing transpacific earnings premium over transatlantic to \$185/day.

Panamax 5TC averaged \$ 8,997/day, down -5.77% w-o-w. The transatlantic earnings decreased by \$2,205/day while transpacific earnings fell by \$971/day. As a result, the transatlantic earnings premium to the transpacific narrowed down to \$214/day.

Supramax 10TC averaged \$ 8,266/day, up +2.28% w-o-w, while the Handysize 7TC averaged \$ 7,267/day, down -2.67% w-o-w.

### Tankers

Size	Name	Dwt	Built	Yard	M/E	SS due	Hull	Price	Buyers	Comments
VLCC	ASTRO CHLOE	318,440	2009	HYUNDAI, S. Korea	MAN-B&W	Jan-24	DH	\$ 62.0m	Chinese (Kunlun Shipping)	BWTS, scrubber fitted
LR2	WELLINGTON	108,940	2009	SWS, China	MAN-B&W	May-24	DH	\$ 39.5m	Far Easterns	BWTS fitted
J19	CELSIUS MONACO	19,999	2005	SHIN KURUSHIMA, Japan	Mitsubishi	Nov-25	DH	high \$13.0m	undisclosed	BWTS fitted
SMALL	EMIN REIS	6,623	2010	UMO GEMI, Turkey	Hyundai Himsen	Jun-25	DH	\$ 10.0m	undisclosed	BWTS fitted

### Bulk Carriers

Size	Name	Dwt	Built	Yard	M/E	SS due	Gear	Price	Buyers	Comments
CAPE	HL PASSION	179,656	2015	DALIAN, C hina	MAN-B&W	Nov-25		\$ 36.5m	Greek	BWTS fitted, Eco
CAPE	AQUAKATIE	174,142	2007	SWS, C hina	MAN-B&W	Feb-25		\$ 15.9m	Greek (NGM)	BWTS fitted
KMAX	RESTINGA	82,551	2006	TSUNEISHI, Japan	MAN-B&W	Sep-26		mid high \$ 13.0m	Greek (BulkSeas)	BWTS fitted
PMAX	SUNNY ETERNITY	77,211	2014	OSHIMA, Japan	MAN-B&W	Jun-24		mid high \$ 19.0m	undisclosed	BWTS fitted
SUPRA	RHINE CONFIDANTE	57,016	2010	NINGBO BEILUN, C hina	MAN-B&W	Apr-25	4 X 35t CRANES	\$ 10.9m	undisclosed	BWTS fitted
SUPRA	RHL MARTA	53,808	2007	C HENGXI, C hina	MAN-B&W	Oct-27	4 X 36t CRANES	mid \$ 10.0m	undisclosed	BWTS fitted
HANDY	PAN DAISY	32,978	2009	Taizhou Maple Leaf Shbldg	MAN-B&W	Mar-24	4 X 30,5t CRANES	high \$ 9.0m each	undisclosed	
HANDY	PAN EDELWEISS	32,949	2009	Taizhou Maple Leaf Shbldg	MAN-B&W	Oct-24	4 X 30,5t CRANES			BWTS fitted
HANDY	SHENG LE A	28,399	1997	HAKODATE, Japan	B&W	Sep-27	4 X 30,5t CRANES	\$ 4.5m	Chinese	

Tanker newbuildings were in high demand last week, with 4 orders for a total of 9 vessels, while bulkers only had two vessels on order. Japanese owner MOL ordered two firm 309,000 dwt tankers from Cosco Dalian in China for \$130m each, with delivery expected between 2025 and 2026. Bangladeshi owner MJL Bangladesh ordered an LR2 vessel from DH Shipbuilding in South Korea. The vessel cost around \$74m and

is expected to be on the water in 2026. In the bulk carrier sector, China's Agricore Shipping ordered two fixed 82,000 dwt Kamsarmaxes from Chengxi in China at a cost of \$35m each, with delivery expected in 2026. Finally, Capital Group ordered two 22,000 dwt LCO2 carriers. Costing \$70.8m each, the duo will be dual-fuelled with ammonia and can also carry LPG.

### Indicative Newbuilding Prices (\$ Million)

	Vessel		21-Jul-23	14-Jul-23	±%	YTD		5-year		Average		
						High	Low	High	Low	2022	2021	2020
Bulkers	Newcastlemax	205k	66.0	66.0	0.0%	66.0	64.0	69.0	49.5	66	59	51
	Capesize	180k	63.0	63.0	0.0%	63.0	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	66	59	51
	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	125.0	125.0	0.0%	125.0	120.0	125.0	84.5	118	98	88
	Suezmax	160k	84.0	84.0	0.0%	84.0	76.0	84.0	55.0	79	66	58
	Aframax	115k	69.0	69.0	0.0%	69.0	64.0	69.0	46.0	62	53	48
	MR	50k	46.0	46.0	0.0%	46.0	44.0	46.0	34.0	43	38	35
Gas	LNG 174k cbm		261.0	261.0	0.0%	261.0	248.0	261.0	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		86.0	85.5	0.6%	86.0	77.5	85.5	43.0	74	67	63
	SGC LPG 25k cbm		56.0	55.5	0.9%	56.0	53.0	55.5	40.0	51	45	42

### Newbuilding Orders

Units	Type	Size		Yard	Delivery	Buyer	Price	Comments
2	Tanker	309,000 dwt		COSCO Dalian, China	2025-2026	Japanese (MOL)	\$ 130.0m	
1	Tanker	115,000 dwt		DH Shipbuilding, South Korea	2026	Bangladeshi (MJL Bangladesh)	\$ 74.0m	LR2
2	Tanker	50,000 dwt		GSI, China	2026	US based (JP Morgan)	\$ 50.0m	methanol carriers, dual fuelled
4	Tanker	6,600 dwt		Wuhu, China	2025-2026	Norwegian (RFOcean)	\$ 20.0m	methanol fuelled, STSt
2	Bulker	82,000 dwt		Chengxi, China	2026	Chinese (Agricore Shipping)	\$ 35.0m	IMO NOx Tier III
1	LPG	86,700 cbm		Kawasaki, Japan	2026	Japanese (Nippon Yusen)	undisclosed	LPG, Ammonia Ready
2	LCO2	22,000 cbm		KSOE, S.Korea	undisclosed	Greek (Capital)	\$ 70.8m	ammonia fuelled, LCO2 carrier, can carry LPG

Owners are still keeping their tonnage away from scrapping. In India, the local demolition market was slow to move last week as steel prices remained flat. Views on the local construction sector in the coming months are mixed, with some expecting a revival after the monsoon season and others expecting a slowdown in activity which will dampen steel demand. In terms of fundamentals, the Asian Development Bank expects the country to grow by 6.4% this fiscal year and 6.7% next year. In Pakistan, sentiment in the local scrap market is improving as the IMF's cash injection (3 billion) is providing some movement in the market. The country has been absent from the market in recent months and the reissuance of letters of credit may change that. Fundamentally,

cash reserves have risen to 9-month highs, but new L/Cs are in the region of 3-4 bn and require huge margins (50-70%). Bangladesh is in a position where opening L/Cs remains difficult and there are a few vessels awaiting approval before beaching while credit is available for smaller vessels. Fundamentally, the country faces a steadily depreciating currency, with the USD/BDT up 5.4% since the beginning of the year. In Turkey, the local breaking market is following a downward trend, with fewer and fewer vessels being sold to Turkey for scrapping, and the fundamentals also support this picture, with the local currency hovering around USD 27 per TRY, while at the same time the central bank has raised interest rates from 15% to 17.5%.

### Indicative Demolition Prices (\$/ldt)

	Markets	21/07/23	14/07/23	±%	YTD		2022	2021	2020
					High	Low			
Tanker	Bangladesh	560	570	-1.8%	615	515	601	542	348
	India	510	530	-3.8%	570	555	593	519	348
	Pakistan	500	500	0.0%	540	535	596	536	352
	Turkey	310	330	-6.1%	340	330	314	284	207
Dry Bulk	Bangladesh	540	550	-1.8%	600	505	590	532	336
	India	490	510	-3.9%	540	520	583	508	335
	Pakistan	485	485	0.0%	520	500	587	526	338
	Turkey	300	320	-6.3%	285	275	304	276	198

### Currencies

Markets	21/07/23	14/07/23	±%	YTD High
USD/BDT	108.57	108.71	-0.1%	109.40
USD/INR	81.98	82.05	-0.1%	82.88
USD/PKR	285.12	277.00	2.9%	289.88
USD/TRY	26.97	26.19	3.0%	27.17

### Demolition Sales (\$/ldt)

Name	Size	Ldt	Built	Yard	Type	\$/ldt	Breakers	Comments
ZHENG JIE	73,409	10,783	1997	Samsung Heavy Inds - Geoje	BC	\$ 495/Ldt each	Bangladeshi	as is China
ZHENG HAO	73,049	10,784	1997	Samsung Heavy Inds - Geoje	BC			
YANG FAN	64,976	9,687	1997	KOYO MIHARA	BC	\$ 540/Ldt	Bangladeshi	as is Batam, including bunkers
Green Explorer	5,129	2,556	1991	Diepen Scheepswerven Bv	REEFER	undisclosed	Indian	

### Market Data

	21-Jul-23	20-Jul-23	19-Jul-23	18-Jul-23	17-Jul-23	W-O-W Change %
<b>Stock Exchange Data</b>						
10year US Bond	3.837	3.854	3.742	3.789	3.797	0.5%
S&P 500	4,536.34	4,534.87	4,565.72	4,554.98	3,990.97	0.7%
Nasdaq	14,032.81	14,063.31	14,358.02	14,353.64	14,244.95	-0.6%
Dow Jones	35,227.69	35,225.18	35,061.21	34,951.93	34,585.35	2.1%
FTSE 100	7,663.73	7,646.05	7,588.20	7,453.69	7,406.42	3.1%
FTSE All-Share UK	4,182.58	4,177.94	4,151.54	4,066.80	4,038.23	3.1%
CAC40	7,432.77	7,384.91	7,326.94	7,319.18	7,291.66	0.8%
Xetra Dax	16,177.22	16,204.22	16,108.93	16,125.49	16,068.65	0.7%
Nikkei	32,304.25	32,304.25	32,490.52	32,896.03	32,493.89	-0.6%
Hang Seng	22,044.65	19,075.26	18,928.02	18,952.31	19,015.72	0.0%
DJ US Maritime	251.97	251.97	250.59	248.72	247.37	1.9%
<b>Currencies</b>						
€ / \$	1.11	1.11	1.12	1.12	1.12	-1.0%
£ / \$	1.29	1.29	1.29	1.30	1.31	-1.8%
\$ / ¥	141.78	139.87	139.61	139.03	138.73	2.2%
\$ / NoK	0.0992	0.0993	0.0996	0.0995	0.0993	-0.3%
Yuan / \$	7.19	7.18	7.23	7.18	7.17	0.7%
Won / \$	1,286.65	1,278.73	1,266.09	1,265.29	1,265.80	1.4%
\$ INDEX	101.07	100.88	100.28	99.94	99.84	1.2%

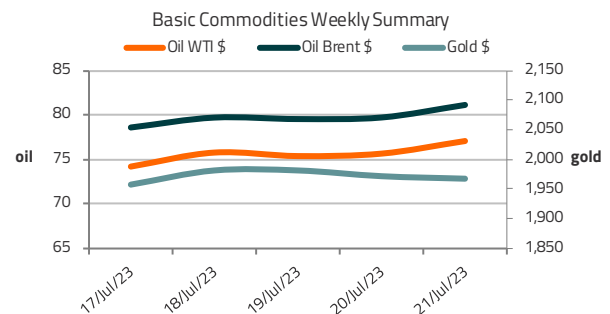
### Bunker Prices

		21-Jul-23	14-Jul-23	Change %
<b>MGO</b>	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%
<b>380cst</b>	Rotterdam	409.0	397.0	3.0%
	Houston	432.5	462.0	-6.4%
	Singapore	420.5	400.5	5.0%
<b>VLSFO</b>	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.	21-Jul-23	14-Jul-23	W-O-W Change %
CAPITAL PRODUCT PARTNERS LP	NASDAQ	USD	15.13	15.33	-1.3%
COSTAMARE INC	NYSE	USD	9.56	9.81	-2.5%
DANAOS CORPORATION	NYSE	USD	65.83	66.66	-1.2%
DIANA SHIPPING	NYSE	USD	3.69	3.77	-2.1%
EAGLE BULK SHIPPING	NASDAQ	USD	43.51	44.32	-1.8%
EUROSEAS LTD.	NASDAQ	USD	20.95	20.90	0.2%
GLOBUS MARITIME LIMITED	NASDAQ	USD	0.89	0.87	2.3%
NAVIOS MARITIME HOLDINGS	NYSE	USD	1.73	1.65	4.8%
SAFE BULKERS INC	NYSE	USD	3.24	3.29	-1.5%
SEANERGY MARITIME HOLDINGS	NASDAQ	USD	0.99	0.99	0.0%
STAR BULK CARRIERS CORP	NASDAQ	USD	17.06	17.79	-4.1%
STEALTHGAS INC	NASDAQ	USD	4.26	4.59	-7.2%
TSAKOS ENERGY NAVIGATION	NYSE	USD	17.62	17.51	0.6%

### Basic Commodities Weekly Summary



### Macro-economic headlines

- US: Retail sales for June rose marginally by 0.2% vs. May, while jobless claims for the week came in at 228K. The Fed is expected to raise interest rates by 0.25% this week.

- UK: UK inflation fell, with the CPI for June at 7.9%, significantly lower than the previous month's 8.7%, showing signs of easing inflation.

