

Weekly Market Report

Week 37 | Tuesday 19th September 2023

Market Insight

By George Vitsos, Offshore Broker

<https://www.intermodal.gr/marine-services/>

The OSV market has turned from an all-time low to great earnings in the past 2 years, as investments in the North Sea's Oil and Gas industry are expected to reach an all-time high.

Several key projects are getting authorized in Norway and the UK, with the biggest amongst them being Rosebank, the Cambo oil field, and Clair Phase III (Clair South), the approval of which could set a new all-time high record for offshore investments in 2024. In Norway, the temporary tax regime has emboldened several investments on the Norwegian Continental Shelf, which are set to surpass the total investments made in 2013, with a record-breaking amount of \$21bn. In the UK, offshore and gas investments are not on the same level as in the NCS, as it is estimated that in 2023, investments will be around 75% lower compared to the all-time high of \$18Bn achieved in 2013. But this is set to change. In 2024, there can be up to 14 new Oil and Gas field projects that, if given the green light, will mark this year as the one with the highest number of projects ever accredited in the UK North Sea.

However, there is a slight problem. There are not enough ships.

The size of the current fleet is not adequate to serve and support the offshore investments, as the extremely low rates of the past have led to

increased scrapping and lay-up levels. On top of that, the current new-building activity on the offshore segment has hit rock bottom, going from 33% of the fleet in 2014 to a present 3%, due to the increased N/B prices, lack of financing, shortage in slot availability and considerable construction time.

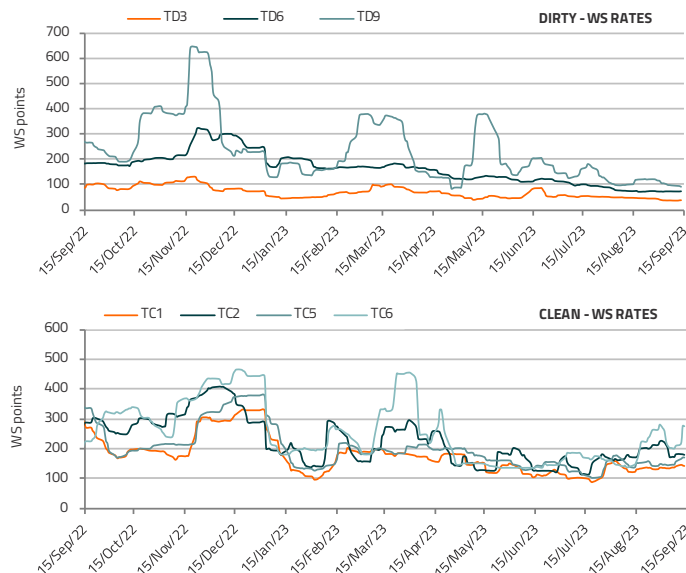
Not so long ago, the sole available OSV in the Norwegian sea was fixed to perform a spot job at approx. \$30,000/day, leaving the region once again sold-out. Moreover, 6 x large-sized PSVs are set to depart and work internationally, adding to the 10 x PSVs that already left the region during the past months, leaving the area with fewer than 170 vessels.

In spite of the fact that the OSV industry has recovered from an arduous decade, there are still great challenges ahead, especially for the shipowners, who are now called to cover the increasing demand for offshore tonnage as the investments in the Oil and Gas industry are soaring.

Indicative Period Charters

24 mos	HAIMA	2009	104,991 dwt
	\$30,000/day		Reliance
24 mos	RAYSUT	2009	99,995 dwt
	\$30,000/day		Reliance

Vessel	Routes	15/09/23		08/09/23		\$/day ±%	2022 \$/day	2021 \$/day
		WS points	\$/day	WS points	\$/day			
VLCC	265k MEG-SPORE	38	7,910	38	8,257	-4.2%	20,330	2,246
	280k MEG-USG	23	-14,541	23	-13,468	-8.0%	-9,550	-15,306
	260k WAF-CHINA	44	14,089	43	14,536	-3.1%	19,980	3,125
Suezmax	130k MED-MED	70	17,896	67	16,321	9.7%	51,634	8,021
	130k WAF-UKC	77	18,035	72	16,147	11.7%	25,082	11,031
	140k BSEA-MED	73	6,949	72	7,950	-12.6%	51,634	8,021
Aframax	80k MEG-EAST	113	13,165	104	10,339	27.3%	27,224	1,501
	80k MED-MED	85	3,249	90	7,049	-53.9%	46,679	6,622
	70k CARIBS-USG	91	3,350	97	7,403	-54.7%	43,030	5,130
Clean	75k MEG-JAPAN	141	28,240	136	27,257	3.6%	35,326	6,368
	55k MEG-JAPAN	169	27,523	146	21,507	28.0%	32,504	6,539
	37k UKC-USAC	179	16,687	172	16,320	2.2%	22,919	4,496
Dirty	30k MED-MED	274	47,633	200	26,786	77.8%	45,941	8,124
	55k UKC-USG	140	18,105	140	18,737	-3.4%	19,982	2,822
	55k MED-USG	140	18,492	140	18,993	-2.6%	21,231	4,818
	50k CARIBS-USG	133	10,558	137	12,944	-18.4%	40,364	8,548



TC Rates

	\$/day	15/09/23	08/09/23	±%	Diff	2022	2021
VLCC	300k 1yr TC	48,500	49,000	-1.0%	-500	34,683	25,684
	300k 3yr TC	43,250	44,500	-2.8%	-1250	33,719	28,672
Suezmax	150k 1yr TC	41,500	41,500	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	42,000	42,000	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	32,750	32,500	0.8%	250	25,163	14,184
	75k 3yr TC	28,000	28,000	0.0%	0	20,806	15,950
MR	52k 1yr TC	27,500	27,500	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	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	Sep-23		Aug-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	73.0	73.0	73.0	0.0%	55.1	46.7	49.9
Aframax	110KT DH	63.5	63.4	63.4	0.2%	50.5	38.7	38.8
LR1	75KT DH	49.0	49.0	49.0	0.0%	38.6	31.2	30.7
MR	52KT DH	40.0	40.0	40.0	0.0%	34.8	27.6	27.5

Chartering

In the crude oil freight market, the second week of September has brought stability in crude freight rates. The BDI on Friday, September 15th, closed at 740, an increase of 27 points w-o-w. VLCC rates held steady during last week, maintaining their stability in the MEG to China route, just above WS37, marking a YTD low. In the Atlantic, VLCCs had a busy week, characterized by a notable rise in Brazil exports. This surge in exports is enabling owners to regain control, resulting in an upward movement in rates. VLCC utilization has been trending lower since May, reaching a nearly 3-year low, amidst the voluntary cuts implemented by Saudi Arabia. Consequently, this has led to a global VLCC supply glut, exerting downward pressure on rates, particularly affecting key routes to China. Suezmax rates also showed minimal change, reflecting steady but limited demand across regions and off-market bookings. Owner sentiment improved slightly as more WAF cargoes emerged for early October

dates. On the Aframax front, the Med market experienced softness, holding at just below the WS85 mark. Charterers are shifting their focus to October dates due to a shrinking tonnage list, while owners are optimistic about facing less competition, especially given the strong markets in the East. This stability in vessel rates comes amidst ongoing market monitoring and reflects the broader sentiment in the crude oil freight industry.

VLCC T/C earnings averaged -\$5,106/day, down - \$916/day w-o-w, and closed off the week at the -\$5,225/day mark.

Suezmax T/C earnings averaged \$11,497/day, up + \$443/day w-o-w.

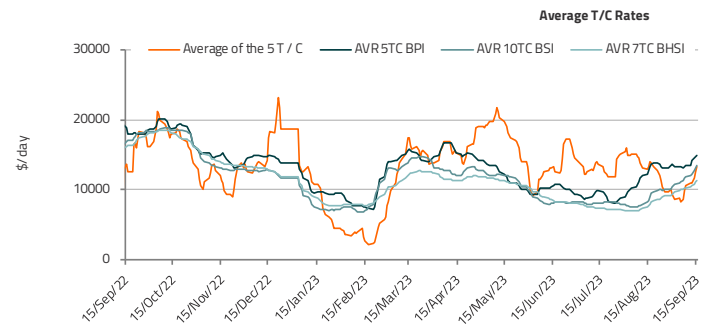
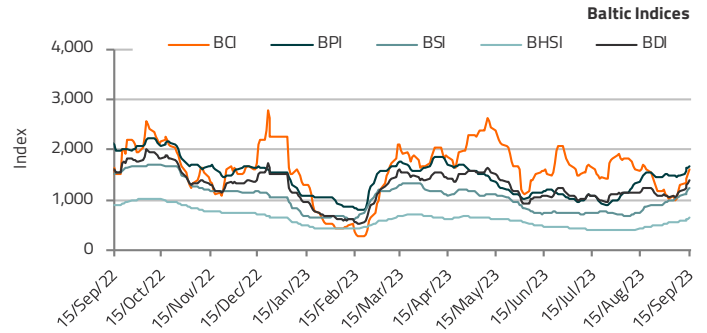
On the Aframax front, T/C earnings averaged \$8,342/day, up + \$1,303/day w-o-w.

Baltic Indices

	15/09/23		08/09/23		Point Diff	\$ /day ±%	2022 Index	2021 Index
	Index	\$/day	Index	\$/day				
BDI	1,381		1,186		195		1,931	2,921
BCI	1,602	\$13,284	1,289	\$10,693	313	24.2%	1,955	3,974
BPI	1,656	\$14,906	1,489	\$13,405	167	11.2%	2,298	2,972
BSI	1,221	\$13,426	1,079	\$11,870	142	13.1%	2,006	2,424
BHSI	634	\$11,420	572	\$10,295	62	10.9%	1,181	1,424

Indicative Period Charters

3 to 5 mos	DL PANSY	2013	207,999 dwt
dely Los Angeles 28 Sep redel worldwide	\$12,000/day + \$400,000 bb		Trafigura
6 to 8 mos	BETTYS DREAM	2008	82,641 dwt
dely Piraeus 15/20 Sep redel worldwide	\$16,000/day		Paralos



TC Rates

	\$/day	15/09/23	08/09/23	±%	Diff	2022	2021
Capesize	180K 1yr TC	15,750	14,750	6.8%	1,000	21,394	26,392
	180K 3yr TC	16,250	15,250	6.6%	1,000	18,894	20,915
Panamax	76K 1yr TC	13,500	13,000	3.8%	500	20,207	21,849
	76K 3yr TC	11,500	11,500	0.0%	0	14,885	15,061
Supramax	58K 1yr TC	12,750	12,750	0.0%	0	20,053	21,288
	58K 3yr TC	11,500	11,500	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	Sep-23 avg	Aug-23 avg	±%	2022	2021	2020
Capesize Eco 180k	47.0	47.0	0.0%	48.3	43.1	36.1
Kamsarmax 82K	31.7	31.1	1.7%	34.1	29.8	23.2
Ultramax 63k	28.0	27.6	1.4%	31.5	26.4	19.4
Handysize 37K	24.0	24.0	0.0%	27.2	21.4	16.1

Chartering

It appears that the dry bulk market has moved past the era when average earnings remained below operational expenditure (OPEX) levels. Currently, there is a consistent uptrend in earnings across all vessel sizes, primarily due to robust grain and mineral trade activity, which has provided essential support for the third quarter, resulting in a positive outcome. Notably, the Capesize segment has continued its strong performance for another week, with the C5TC index rising by 24.2% week-on-week. This increase is largely attributable to increased trade in both iron ore and bauxite, bolstering market sentiment. The Panamax sector has also demonstrated improved figures, driven by heightened activity in the US Gulf (USG) and East Coast South America (ECSA) regions, particularly in the Atlantic, as well as North Pacific (NoPac) grain trade. These factors have allowed shipowners to push the average index close to the \$15,000 per day mark. Furthermore, there has been a positive momentum observed in geared vessel sizes across both regions. In the Mediter-

anean (Med) and Continent regions, limited tonnage has been available in contrast to a healthy influx of cargoes. Additionally, rates have been supported by Indonesian coal shipments in the Pacific region.

Cape 5TC averaged \$ 11,914/day, up +28.7% w-o-w. The transatlantic earnings increased by \$ 2,888/day with transpacific ones rising by \$2,391/day, bringing transpacific earnings premium over transatlantic to \$2,556/day.

Panamax 5TC averaged \$ 14,408/day, up +8.36% w-o-w. The transatlantic earnings increased by \$1,405/day while transpacific earnings rose by \$1,556/day. As a result, the transatlantic earnings premium to the transpacific narrowed down to \$412/day.

Supramax 10TC averaged \$ 12,739/day, up +11.92% w-o-w, while the Handysize 7TC averaged \$ 10,876/day, up +7.57% w-o-w.

Tankers

Size	Name	Dwt	Built	Yard	M/E	SS due	Hull	Price	Buyers	Comments
AFRA	CENTENNIAL SAPPORO	110,448	2008	MITSUI CHIBA, Japan	MAN-B&W	Dec-23	DH	\$ 35.5m	Turkish	

Bulk Carriers

Size	Name	Dwt	Built	Yard	M/E	SS due	Gear	Price	Buyers	Comments
CAPE	GRACIOUS ETERNITY	180,199	2009	IMABARI, Japan	MAN-B&W	Jan-24		\$ 21.8m	Chinese	BWTS fitted
POST PMAX	DOUBLE PRIDE	95,707	2012	KOYO MIHARA, Japan	MAN-B&W	Aug-27		\$ 21.9m	Indian	
KMAX	GENEVA STAR	81,846	2015	SANOYAS, Japan	MAN-B&W	Feb-27		\$ 26.9m	Chinese	eco
PMAX	DA YING	75,318	2003	UNIVERSAL, Japan	B&W	Feb-28		\$ 7.4m	Chinese	BWTS fitted
SUPRA	JIN FENG	52,686	2004	OSHIMA, Japan	MAN-B&W	Dec-24	4 X 30t CRANES	\$ 7.8m	Turkish	BWTS fitted
HANDY	GLOBAL EFFORT	37,072	2014	ONOMICHI, Japan	Mitsubishi	Oct-24	4 X 30t CRANES	\$ 16.7m	Greek	BWTS fitted

The newbuilding market continues to show healthy volumes overall and a wide variety of vessel types. In particular, tankers saw the most orders last week with 5 firm orders. UK-based Union Maritime ordered two Aframaxes from SWS, China, for delivery in 2026. The scrubber-equipped vessels are priced at \$66.0m each. In the smaller sizes, the Greek owner Meadway Shipping ordered a 42,300 dwt vessel at Oshima, Japan, for delivery during 2026. The only bulker order was an option exercised by Belgium's CMB for two 210,000 dwt vessels from

Qingdao Behai. The price for the pair is not known, while the vessels will be ammonia-fuelled. In the LPG carrier sector, Lepta Shipping added four 40,000 cbm vessels to its order book with Jiangsu Yangzijiang, China. The quartet will be LPG dual-fuelled and all four will be chartered to Exmar. Each ship is priced at \$67.0m and is expected to be delivered between 2026 and 2027. Finally, Greek owner Erasmus Shipinvest placed an order for a small gas carrier of 7,500 cbm at Kyokuyo, Japan.

Indicative Newbuilding Prices (\$ Million)

	Vessel		15-Sep-23	8-Sep-23	±%	YTD		5-year		Average		
						High	Low	High	Low	2022	2021	2020
Bulkers	Newcastlemax	205k	67.5	67.0	0.7%	67.5	64.0	69.0	49.5	66	59	51
	Capesize	180k	64.5	64.0	0.8%	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		88.0	87.5	0.6%	88.0	77.5	88.0	43.0	74	67	63
	SGC LPG 25k cbm		57.5	57.0	0.9%	57.5	53.0	57.5	40.0	51	45	42

Newbuilding Orders

Units	Type	Size		Yard	Delivery	Buyer	Price	Comments
2	Tanker	115,000	dwt	SWS, China	2026	UK based (Union Maritime)	\$ 66.0m	scrubber-fitted
1	Tanker	42,300	dwt	Oshima, Japan	2026	Greek (Meadway Shipping & Trading)	undisclosed	
2	Tanker	17,999	dwt	Jinling, China	Q2-Q3 2026	FureBear (Furetank Rederi & Algoma Central)	undisclosed	Ice 1A, LNG dual-fuel
2	Bulkers	210,000	dwt	Qingdao Beihai, China	2025	Belgian (CMB SA)	undisclosed	ammonia-fuelled, options exercised
4	LPG	40,000	cbm	Jiangsu Yangzijiang, China	2026-2027	Japanese (Lepta Shipping)	\$ 67.0m	LPG dual fuelled, against charters with Exmar
1	Gas Carrier	7,500	cbm	Kyokuyo, Japan	2025	Greek (Erasmus Shipinvest)	undisclosed	
2	RoRo	7,000	ceu	Nihon, Japan	2026	Japanese (Mitsui OSK Lines)	undisclosed	LNG dual-fuel
2	Container	1,800	teu	Huanghai Shipbuilding, China	2025	Belgian (Seatrade)	undisclosed	high reefer capacity, options exercised

Despite the increased activity in the demolition market, only two of the four main recycling destinations are active. India appears to be the preferred destination for owners as it offers the best scrap prices. Following last week's G20 summit, the future looks optimistic for the country, while several construction projects have been announced. The euphoria in the construction sector is pushing up steel prices and scrappers are more confident to offer higher prices. The country's fundamentals are also bullish, with the local currency, the Indian rupee, gradually appreciating against the US dollar. The other active destination, Pakistan, is gaining ground on Bangladesh as it becomes easier to issue letters of credit, making it a preferred destination. In terms of local fundamentals, the currency is strengthening as the government takes action

against illegal currency exchange and steel smuggling into the country. As a result, buyers are reluctant at the moment despite the fact that offering prices remain above the \$500/ldt mark. Bangladesh faces a situation where the steel market is illiquid and demand is low. In addition, the local currency is hovering just below a record 110 against the US dollar, so crushers cannot offer prices above \$500/ldt and are missing out on tonnage. In Turkey, the fundamentals do not look so good. The country's HRC exports have fallen by 40% and 53% in volume and value respectively since the beginning of the year, while the Turkish lira is trading at around 27 against the US dollar. This subdued steel market is effectively keeping Turkey out of the market, with no ability to capture the available tonnage.

Indicative Demolition Prices (\$/ldt)

	Markets	15/09/23	08/09/23	±%	YTD		2022	2021	2020
					High	Low			
Tanker	Bangladesh	510	510	0.0%	615	515	601	542	348
	India	540	520	3.8%	570	555	593	519	348
	Pakistan	520	525	-1.0%	540	535	596	536	352
	Turkey	320	320	0.0%	340	330	314	284	207
Dry Bulk	Bangladesh	490	490	0.0%	600	505	590	532	336
	India	520	500	4.0%	540	520	583	508	335
	Pakistan	510	515	-1.0%	520	500	587	526	338
	Turkey	310	310	0.0%	285	275	304	276	198

Currencies

Markets	15/09/23	08/09/23	±%	YTD High
USD/BDT	109.75	109.73	0.0%	110.70
USD/INR	83.07	83.00	0.1%	83.47
USD/PKR	296.40	306.69	-3.4%	307.89
USD/TRY	26.99	26.84	0.6%	27.28

Demolition Sales (\$ /ldt)

Name	Size	Ldt	Built	Yard	Type	\$/ldt	Breakers	Comments
MARITIME RIYAL	45,363	12,246	1998	DALIAN, China	TANKER	undisclosed	Indian	HKC recycling
WHITE PURL	11,832	5,368	1972	Moss Rosenberg, Norway	GAS TANKER	undisclosed	Indian	

Market Data

	15-Sep-23	14-Sep-23	13-Sep-23	12-Sep-23	11-Sep-23	W-O-W Change %
Stock Exchange Data						
10year US Bond	4.322	4.288	4.249	4.264	4.288	1.5%
S&P 500	4,450.32	4,505.10	4,467.44	4,461.90	4,487.46	-0.2%
Nasdaq	13,708.34	13,926.05	13,813.59	13,773.62	13,917.89	-0.4%
Dow Jones	34,618.24	34,907.11	34,575.53	34,645.99	34,663.72	0.1%
FTSE 100	7,711.38	7,673.08	7,525.99	7,527.53	7,496.87	3.1%
FTSE All-Share UK	4,190.41	4,175.91	4,097.89	4,097.97	4,083.23	2.9%
CAC40	7,378.82	7,308.67	7,222.57	7,252.88	7,278.27	1.9%
Xetra Dax	15,893.53	15,805.29	15,654.03	15,715.53	15,800.99	0.6%
Nikkei	33,533.09	33,168.10	32,706.52	32,776.37	32,467.76	3.3%
Hang Seng	18,182.00	18,047.92	18,009.22	18,025.89	18,096.45	0.5%
DJ US Maritime	278.98	282.92	281.61	279.41	278.46	0.9%
Currencies						
€ / \$	1.07	1.06	1.07	1.08	1.07	-0.4%
£ / \$	1.24	1.24	1.25	1.25	1.25	-0.6%
\$ / ¥	147.78	147.48	147.35	147.16	146.68	0.0%
\$ / NoK	0.0935	0.0930	0.0933	0.0936	0.0939	-0.2%
Yuan / \$	7.27	7.28	7.27	7.29	7.29	-0.9%
Won / \$	1,329.41	1,328.06	1,330.77	1,326.45	1,322.84	-0.5%
\$ INDEX	105.32	105.40	104.77	104.71	104.57	0.2%

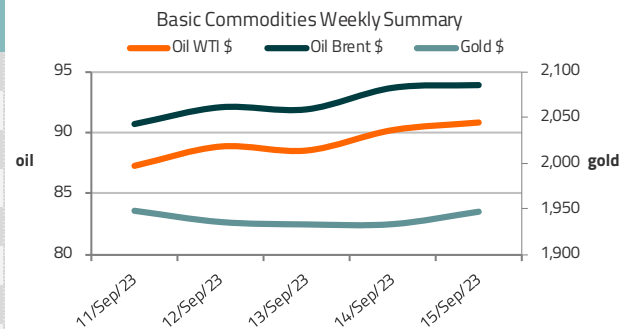
Bunker Prices

	15-Sep-23	8-Sep-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.	15-Sep-23	08-Sep-23	W-O-W Change %
CAPITAL PRODUCT PARTNERS LP	NASDAQ	USD	14.35	14.53	-1.2%
COSTAMARE INC	NYSE	USD	9.57	9.75	-1.8%
DANAOS CORPORATION	NYSE	USD	64.05	65.18	-1.7%
DIANA SHIPPING	NYSE	USD	3.58	3.56	0.6%
EAGLE BULK SHIPPING	NASDAQ	USD	41.64	43.60	-4.5%
EUROSEAS LTD.	NASDAQ	USD	25.50	26.91	-5.2%
GLOBUS MARITIME LIMITED	NASDAQ	USD	0.96	0.90	6.7%
NAVIOS MARITIME HOLDINGS	NYSE	USD	1.93	1.59	21.4%
SAFE BULKERS INC	NYSE	USD	3.15	3.07	2.6%
SEANERGY MARITIME HOLDINGS	NASDAQ	USD	5.38	5.17	4.1%
STAR BULK CARRIERS CORP	NASDAQ	USD	18.04	17.64	2.3%
STEALTHGAS INC	NASDAQ	USD	4.99	4.91	1.6%
TSAKOS ENERGY NAVIGATION	NYSE	USD	19.10	19.91	-4.1%

Basic Commodities Weekly Summary



Macro-economic headlines

- US: Core CPI for August rose by 0.3% since the previous month, while PPI also rose by 0.7% on a monthly basis in August.
- UK: In the UK, plenty of data was out last week. Most notably, GDP fell by -0.5% in July on a monthly basis, while Trade Balance for the same month was at -14.06B.
- China: The Industrial Production for August rose by 4.5% on an annual basis while Unemployment Rate stayed mostly flat at 5.2% for the same month.

