



HELLENIC REPUBLIC
National and Kapodistrian
University of Athens



Ports
Management &
Shipping
Department
NKUA



Q1 2024

SHIPPING

MARKET ANALYSIS

Ports Management & Shipping Department
National and Kapodistrian University of Athens

Introduction

On behalf of the National Kapodistrian University of Athens, Port Management and Shipping Department, we present the **Shipping Market Analysis Report for Q1, 2024**.

This collaborative effort reflects the Department's commitment to academic excellence and practical skill development.

Our mission encompasses high-quality scientific education, integrated educational processes, and innovative theoretical and applied research, all tailored to meet the needs of companies in ports and shipping-related sectors.

Through this initiative, students gain valuable insights into the dynamic shipping market, contributing to advanced knowledge in the maritime sector.

Thanks to all contributors, we trust this report will benefit stakeholders across the shipping industry.

Yours Sincerely,

Dr. Michael Tsatsaronis

Assistant Professor

Dpt. of Ports Management and Shipping

National and Kapodistrian University of Athens

Prepared by:

Supervisor:

Assistant Professor Dr. Michael Tsatsaronis

Editor:

Dimopoulos Argyris

Dry Bulk Analysis

Katsavos George
Zifkou Kalliopi

Tankers Analysis

Markopoulioti Panagiota
Touloumi Konstantina

LNG/LPG & Containers Analysis

Stratikopoulos Dimitris

Editorial Coordinator

Ckorila Martha

Authors elaboration based on data from
Clarksons' Shipping.



TABLE OF CONTENTS

TANKER MARKET	4
FREIGHT MARKET	4
NEWBUILDING - SALES & PURCHASE	4
DEMOLITIONS	5
DRY BULK MARKET	7
MAJOR NEWS	7
FREIGHT MARKET	7
NEWBUILDING - SALES & PURCHASE	8
DEMOLITIONS	9
CONTAINER MARKET	10
FREIGHT MARKET	10
NEWBUILDING - SALES & PURCHASE	10
DEMOLITIONS	11
LNG/LPG MARKET	12
FREIGHT MARKET	12
NEWBUILDING - SALES & PURCHASE	12
DEMOLITIONS	13



Ports
Management &
Shipping
Department
NKUA

TANKER MARKET

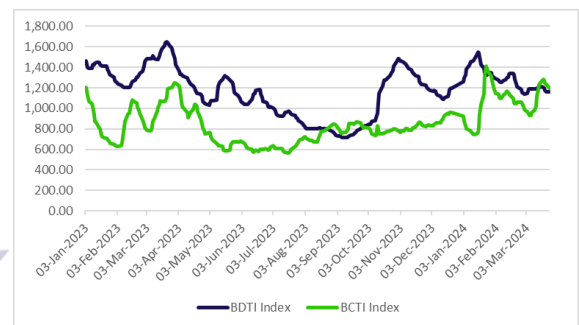
FREIGHT MARKET

In January, the global crude tanker map and flows are likely to undergo another restructuring due to the ongoing Red Sea crisis and recent international sanctions against Russia. Attacks on vessels in the Red Sea have prompted prominent shipping companies to temporarily halt transits through the region, while sanctions have increased due diligence requirements for companies. Despite challenges, the chemical tanker market has experienced growth in 2023, driven by demand for sustainable materials. The seaborne chemical trade has shown recovery and significant improvement, indicating positive industry momentum expected to continue into 2024. However, disruptions in the Red Sea crisis have led to upheavals in supplies, cargoes, and ships. OPEC projects an increase in global oil demand, driven by the strengthening Chinese economy, while non-OPEC liquids production is expected to grow more moderately. The ongoing Red Sea crisis has benefited the product tanker market, with diesel and fuel supplies to the EU sourced from other regions. Despite disruptions, the world remains sufficiently supplied with refined products. However, freight costs, delivery times, and product prices have been dramatically impacted. The Red Sea crisis coincides with the start of the global refining maintenance season, further complicating supply chains. Lower domestic output from the US and Europe underscores the importance of supplies from the East of Suez for Europe's energy security in the near term.

In February 2024, the maritime industry witnessed notable trends across various sectors, reflecting a complex interplay of geopolitical events, market dynamics, and industry-specific factors. The tanker market exhibited strong freight rates, especially in the product sector, marking a departure from previous downward trends. This surge was largely attributed to the ongoing crisis in the Middle East and rising bunker prices. Additionally, impending US sanctions on Venezuela's oil industry raised concerns about potential disruptions to oil supply, adding further complexity to market dynamics. Stolt-Nielsen's acquisition of a significant stake in Odfjell SE hinted at potential consolidation within the petrochemical tanker market, reflecting strategic moves amidst

evolving market conditions. The Red Sea crisis impacted tanker freight rates, with rerouting strategies affecting transportation costs. Mixed movements in clean rates and global spot fixtures in January 2024 highlighted the volatility and uncertainty prevailing in the market.

Security concerns in the Red Sea region prompted a re-evaluation of oil transportation strategies, particularly affecting Europe, which faced risks due to reduced imports and declining refining capacity. To mitigate these risks, Europe increased imports of refined products from alternative sources, albeit at higher costs due to rerouting around the Cape of Good Hope. These developments underscored the interconnectedness of global oil markets and maritime transportation, with disruptions in one region reverberating across the industry.



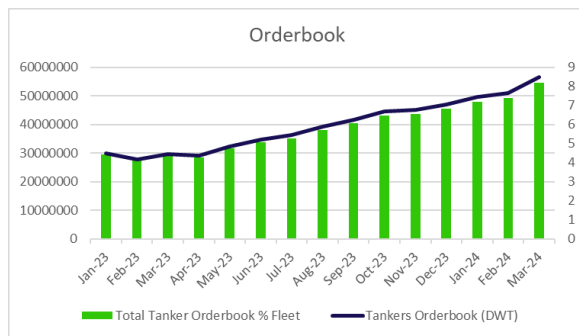
Graph 1: Baltic Dirty Tanker and Clean Tanker Index

The maritime industry in March 2024 witnessed dynamic activity across different sectors, with the tanker market experiencing notable ordering and trading activities. BIMCO's analysis foresaw increased demand for crude and product tankers, with modest fleet growth driven by rising orders. Geopolitical tensions, like the Red Sea crisis, reshaped transportation routes, affecting voyage durations and supply dynamics. Positive freight market prospects were anticipated, despite challenges, with rising costs for crude tankers and declining rates for product tankers.

NEWBUILDING - SALES & PURCHASE

In January, newbuilding orders surged despite the holiday season, indicating robust various vessel types, including VLOCs, Aframaxes, and tankers, demonstrating confidence in methanol as a fuel for a lower carbon future. Union Maritime has also secured deals for LR2 vessels and stainless-steel chemical tankers. Newbuilding activity remains active in the

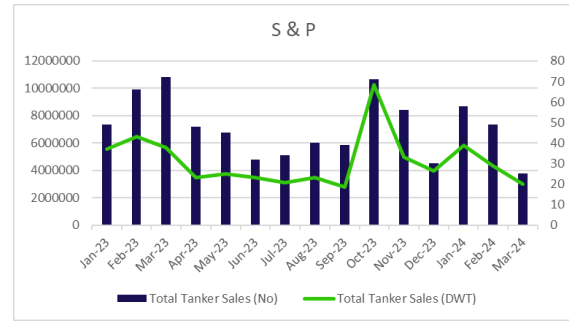
shipbuilding market. Allied Shipbroking reports a healthy list of orders, totalling approximately 50 firm orders, including the declaration of previously held options. COSCO and Union Maritime have been particularly active, with COSCO contracting various vessel types, including VLOCs, Aframaxes, and tankers, demonstrating confidence in methanol as a fuel for a lower carbon future. Union Maritime has also secured deals for LR2 vessels and stainless-steel chemical tankers. Newbuilding activity remains strong across key shipping sectors, with high-value deals such as Maran's order for shuttle tankers and Seatankers' progress in securing scrubber-fitted VLCCs. If ongoing negotiations materialize, the total orders for 2024 could reach 14 vessels, indicating continued interest and investment in newbuildings.



Graph 2: Orderbook for Tankers

In February, the newbuilding market experienced a slowdown compared to the robust activity seen in the sale and purchase (S&P) market during this period. Despite this, there were significant developments, including notable orders across various sectors, particularly in the tanker segment. Of particular interest was Euronav's investment in a scrubber-fitted, ammonia-ready vessel, signalling a forward-looking approach amidst evolving regulatory and environmental considerations.

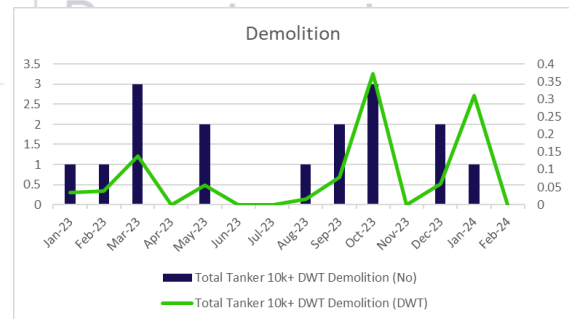
In March, tanker ordering surged, especially for VLCCs, led by Greek companies investing in environmentally friendly vessels with scrubbers and LNG capabilities. Robust sale and purchase (S&P) activity, particularly in Capesize and Newcastlemax segments, highlighted Greek buyers' prominence. Despite subdued tanker S&P, Greek firms remained active in newbuilding contracts and S&P transactions, indicating market dynamism.



Graph 3: Sales & Purchase market

DEMOLITIONS

In January, the ship recycling market was currently experiencing weakness due to a lack of vintage tonnage available for sale. Best Oasis, a prominent cash buyer of ships, noted in their latest weekly analysis that India's ship recycling activity was declining, with little interest and low demand evident. Bangladesh had maintained its level of activity but had only secured a limited number of deals. Pakistan and Turkey had also seen declines in activity, reflecting a general stagnation in the industry. Overall, there had been no favourable developments observed in the ship recycling market this month.



Graph 4: Demolition market

In February, ship recycling in India, Bangladesh, Pakistan, and Turkiye faced varying degrees of stagnation and challenges. Alang, India, experiences low demand for scrap vessels. Bangladesh had seen declining market conditions due to cautiousness and banking sector issues. Pakistan's market remained unchanged with uncertainties surrounding recent elections. The Turkish market remained stable, but imports had decreased slightly. BIMCO submitted a paper addressing potential conflicts between the Hong Kong Convention and the Basel Convention, aiming for regulatory harmony. Clarkson Platou Hellas noted a lack of

Q1 2024

activity in India, while Bangladesh and Pakistan showed efforts to acquire tonnage despite financial restrictions. Allied reports stable prices in Bangladesh with increasing competition from compliant recycling yards. India's market remained lacklustre with weakening prices, while Pakistan experienced uncertainty post-elections. Restricted tonnage availability was anticipated given the bullish trends in dry bulk and tanker freight markets. These points highlighted the current challenges, market dynamics, and regulatory concerns relevant to the tanker industry amidst ship recycling activities.

In March, the ship recycling market faced challenges, marked by stagnation and cautious trading in key regions such as India, Bangladesh,

SHIPPING MARKET ANALYSIS

Pakistan, and Turkey. Owners hesitated to scrap vessels due to improving freight rates and rising second-hand values, limiting vessel sales, particularly older units.



Ports
Management &
Shipping
Department
NKUA

DRY BULK MARKET

MAJOR NEWS

Since Russia’s full-scale invasion of Ukraine in 2022, Romania is and will remain the biggest alternative grain export route for Ukrainians, via the port of Constanta. Ukraine is one of the biggest grain exporters in the world, exporting more than 14 million tons in 2023. There is a lot of concern about the fleet’s age in combination with geopolitical news and sea routes. Old-aged ships pass through Bab-el-Mandeb, while younger-in-age ships choose the Cape of Good Hope route. This is happening due to high insurance costs for the younger vessels. According to BIMCO’s Q1 2024 Dry Bulk Shipping Market Overview and Outlook, supply and demand will remain imbalanced until 2025. More specifically:

Table 1

Categories	Supply	Demand
Carbon Trade	-	1.5%
Fleet	4.6%	-
Travel distance	-	0.5%
Demolitions	15.5 mln dwt**	-
Dry cargos	-	4%

*Increased, Decreased.

**bulk carrier demolitions will be increased, compared to 2021–2023.

After four months of terrorist attacks against ships in the Red Sea, the weekly traffic through the Suez Canal fell to 55%, which is equivalent to 300 vessels. On the contrary, traffic has increased by 98% at the Cape of Good Hope route. Bulk Carriers’ traffic through the Suez Canal has fallen below 2022 levels, as only six Ultramaxs crossed the canal in the first week of February. Russia’s coal exports decreased by 14% in February because of the EU’s sanctions. However, the Russian government has decided to increase coal exports to China.

As a result of the latest emission rules, older bulkers have slowed down their sailing speeds. The present average speed of bulk carriers is at the low point of 10.86 knots. Another attack by Houthis took place near South Yemen. As a result, three crew members went missing and four others suffered serious burns. Capesizes are in high demand, as a result of high levels of coal demand. Despite IMO’s decarbonization programs, coal remains a key component and more companies are expanding production and investing in new coal mines. China remains the top destination for Capesize vessels. According

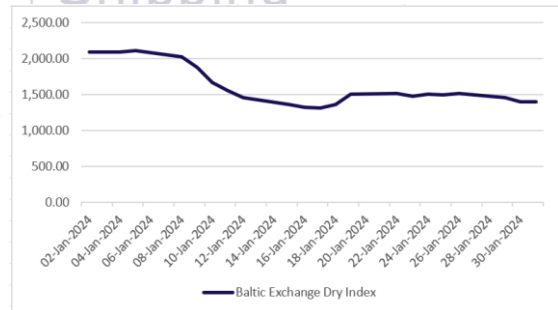
to VesselsValue, six out of ten routes end up at Chinese ports. The table below presents more than 207 million tons of cargo and 674.75 billion miles per ton:

Table 2

From	To	Miles per Ton	Tons of Cargo
Brazil	China	253.38	58,589,392
Australia	China	213.08	89,207,641
Guinea	China	80.01	18,867,440
Australia	Japan	25.08	10,055,355
Peru	China	23.38	5,005,929
South Africa	China	20.96	5,993,222
Australia	South Korea	19.6	8,439,483
Canada	China	15.17	2,822,718
Brazil	Malaysia	12.77	3,601,354
Indonesia	India	11.32	4,572,754
		674.75	207,155,288

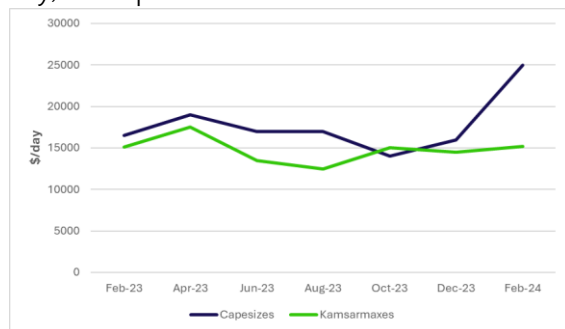
FREIGHT MARKET

The Bulk Carrier freight market experienced a decline as the BDI (Baltic Dry Index) recorded losses of 33% (Graphic 1), compared to the last weeks of 2023 -> dropping to 18%. This condition is predicted to intensify because of the Chinese New Year. The following graphic shows the process of BDI’s performance during January, noting its lowest point on January 17th -> 1308 units.

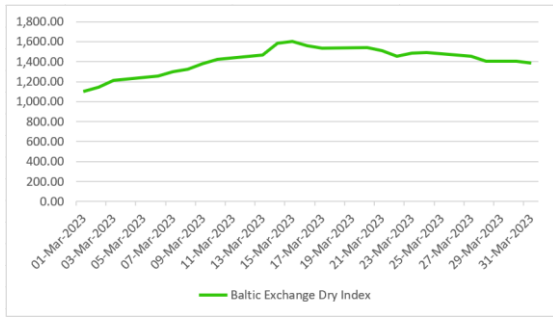


Graph 5: Baltic Dry Index (Jan 2024)

It ended very positively for Capesize and Kamsarmax Carriers-1yr Time Charter. According to Graph 2, from February 2023 to February 2024, the amount of \$/day (dollars per day) for Capesizes has almost doubled!

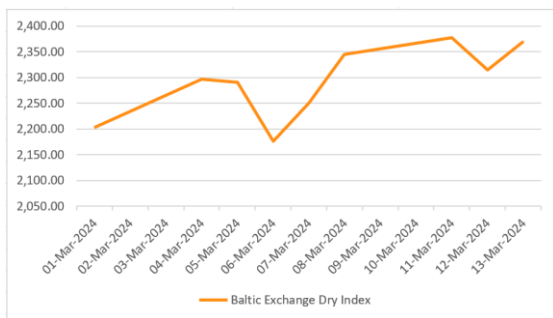


Graph 6: Bulk Carrier 1 yr TC



Graph 7: Baltic Dry Index (Mar 2023)

Last year, during March, the Baltic Dry Index fell to a low level due to a slowdown in global economic growth. On March 1st, we can point out the lowest point of BDI -> 1,111 units.



Graph 8: Baltic Dry Index (Mar 2024)

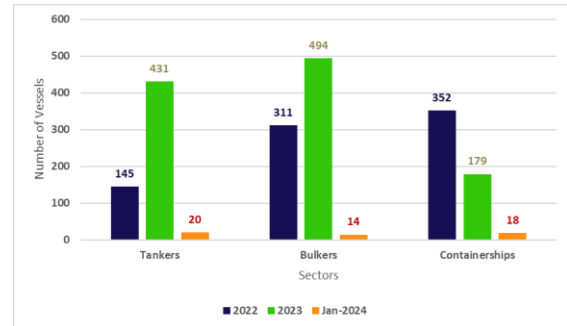
During March '24, BDI was at constant elevated levels.

NEWBUILDING - SALES & PURCHASE

At the beginning of 2024, second-hand Bulk Carriers established a clear lead over Tankers. According to a recent report by Allied Shipbroking Inc., in the first week of '24, 20 Bulk Carriers changed hands (Handysize, Supramax, Panamax and Post Panamax Carriers) against only 8 Tankers.

In February, the Sales & Purchase market for Bulk Carriers continued to rise and as a result, 100 vessels changed hands. This is double the number compared to the same period last year.

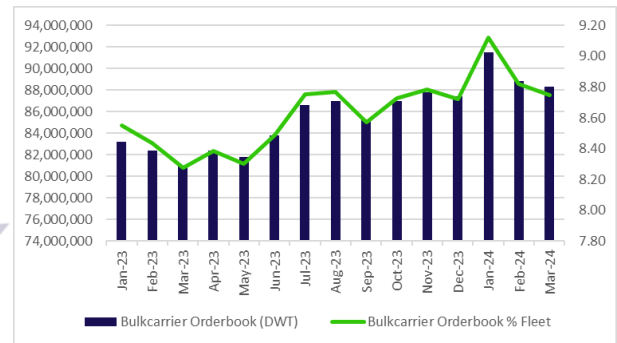
Greek shipowners focused on the Dry Bulk's Sales & Purchase market and managed to buy 33% of Capesizes and 28% of Supramaxes. It needs to be mentioned that during March sales of Dry Bulk vessels increased by 267% (annual levels)!



Graph 9: Newbuilding Sales

Despite the Bulk Carriers' 1st and 2nd place in 2023 and 2022 respectively, the newbuilding market did not start as expected in the first weeks of 2024!

In contrast with the S&P market, shipowners placed the fewest orders for Bulk Carriers since 2002. Follow the diagram below to understand the low-order levels:



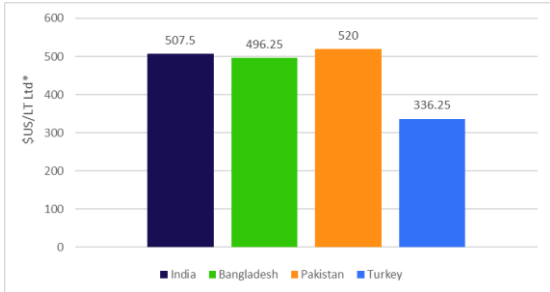
Graph 10: Baltic Dry Index (Mar 2023)

Note: in just 3 years the number decreased by 57,4%.

Berge Bulk Maritime Pte Ltd. ordered 2 Newcastlemaxes (210,000 dwt each), which consume ammonia fuel. Berge Bulk is a leading shipping company in the Dry Bulk sector, which plans to organize a green fleet with zero carbon dioxide emissions.

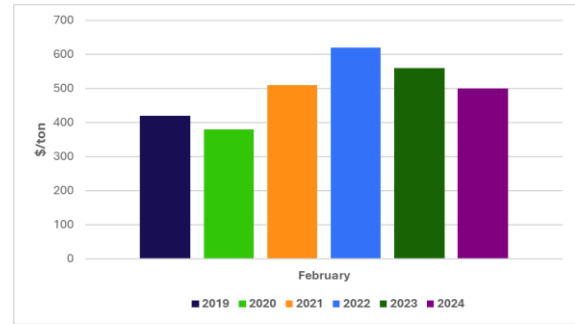
DEMOLITIONS

In January, only four bulk carriers' demolitions took place (one in India, one in Bangladesh, two in other ship recycling facilities).



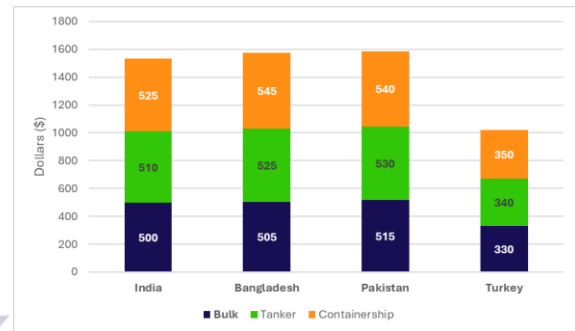
Graph 11: Demolitions Average Prices of 4 Weeks (Jan 2024)

According to Athenian Shipbrokers, 11 bulk carrier vessels were scrapped (9 in Bangladesh, 2 in other ship recycling facilities).



Graph 12: Bulkers' Demolition Prices in India

According to Athenian Shipbrokers, demolition prices of bulk carriers were the lowest among tankers and containerships. Follow the diagram below to see the difference between the average prices of the largest ship recycling facilities:



Graph 13: Average Bulk Carrier Demolition Prices



Shipping Department
NKUA

CONTAINER MARKET

FREIGHT MARKET

China's export container shipping price index increased by 36.2 percent month over month in January 2024, according to data from the Shanghai Shipping Exchange. The average China Containerized Freight Index (CCFI) was 1,191.91 last month, with the largest month-over-month increase of 74.3 percent recorded for the Europe service, followed by the Mediterranean and Persian Gulf/Red Sea services, which increased by 72.1 percent and 40.4 percent, respectively, from the previous month. The CCFI is based on data from 22 international carriers and tracks spot and contractual freight rates from Chinese container ports on 12 shipping routes throughout the world.

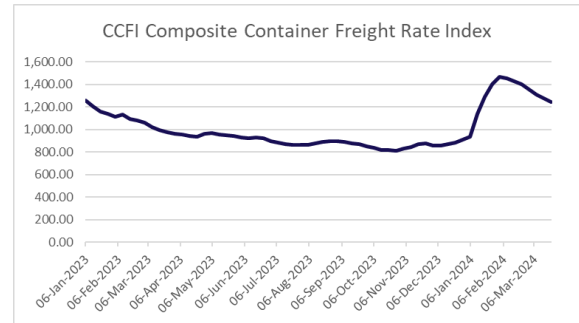
Logistics firms observe an increasing demand for air transport of commodities. Following the Houthi attacks in the Red Sea, container freight costs from China's port to Europe have surged by 160% since January 1st.

Hapag-Lloyd chose to further reschedule their freights and switch to a safer method of transporting their goods from the Cape of Good Hope and the Suez Canal in response to a local attack by Houthi fighters from Yemen in the Red Sea area. Travel costs will increase along with the length of time it takes to get there from the west. This postponement will happen through January 9th.

Because of the pirate attacks in the area, Maersk also halts freight within the Red Sea. Additionally, Maersk rescheduled their departure from the Cape of Good Hope until they received an update on the situation there. The French shipping group CMA CGM estimates that the average freight from Asia to Europe will double in size on January 15th, reaching 6,000 US dollars instead of the previous 3,000, due to the high rate of attacks in the Red Sea region. As the situation tightens, CMA CGM also thinks that the price will continue to rise at an enormous rate.

According to a multinational supply chain based in the United States of America, 389 ships carrying more than 5.4 million TEUs, or 22% of the world's total tonnage, have chosen to cease sending vessels into the Red Sea or to increase the average travel time by up to 25%.

Generally, attacks on ships in the Red Sea region have resulted in a 300% increase in container rates. Since there is still a shortage of more than 5,500 TEUs, charter rates are rising quickly for these sizes.



Graph 14: CCFI

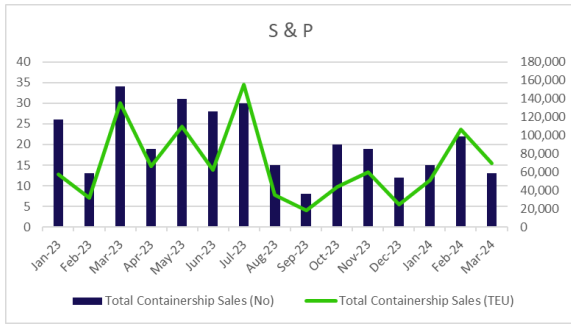
NEWBUILDING - SALES & PURCHASE

Due to generally softening markets, buyers' "wait-and-see" attitude, and limited liquidity, secondhand containership prices continued to decline in Q4; by the end of December, the Containership Secondhand Price Index had dropped by 8% quarterly to 52 points. Due to disruptions in the Red Sea and improving timecharter rates, there was a resurgence of interest in the containership sale and purchase market in January; however, prices and volumes have remained stable month over month thus far.



Graph 15: Orderbook

The boxship industry is experiencing a rapid expansion of its fleet, with an additional 8% growth predicted for 2024 (2023: 8%). Deliveries reached a record 2.2 million TEU for the entire year after reaching 0.6 million TEU in Q4. It is anticipated that deliveries will keep increasing quickly, setting a new record in 2024 (2.7 million TEU).



Graph 16: Sales & Purchase market

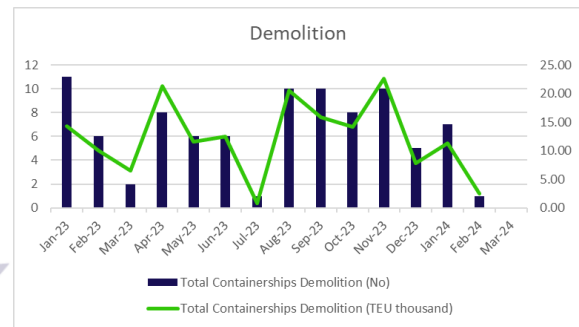
With 1.6 million TEU ordered—a 46% increase over the 2015–20 annual average—containership contracts were strong in 2023 by reason of the Green Transition and fleet renewal initiatives. Nevertheless, Q4 was the weakest quarter on record for contracting, with only four vessels totalling 3,900 TEU confirmed contracted. Though, several orders were confirmed in January. As of start-24, the boxship orderbook has 6.9 million TEU, which is 11% less than the record set on August 23 but still more than the nominal TEU peak from 2008. Through the fourth quarter, newbuild prices stayed high. Our Containership Newbuild Price Index ended the quarter at 105 points, up 38%, after slightly increasing (with prices rising in the larger sizes but remaining stable in the feeder sector).

Euroseas Ltd. announced a newbuilding fuel-efficient 2,800 TEU feeder containership currently under construction. The new charter

will commence within February 2024, upon delivery of the vessel from the shipyard.

DEMOLITIONS

The amount of recycling rose marginally in Q4, with 22 units of 43,000 TEU sold for scrap, up 15% on a quarterly basis. This brings the total for the year to 82 vessels of 156,000 TEU, or roughly 10 times the extremely limited 2022 figure but 50% less than the pre-Covid 2015–19 average. Recycling is anticipated to increase in 2024 because of strong supply growth and the effects of environmental regulations; however, a portion of this increase in demand is anticipated to be caused by higher charter rates and increased demand for units during the disruption of the Red Sea.



Graph 17: Demolition market

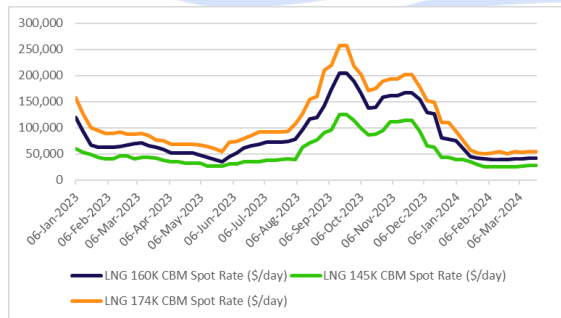
Department
NKUA

LNG/LPG MARKET

FREIGHT MARKET

Given that supply dynamics are anticipated to have an effect, the LNG shipping market may be entering a period of lower freight rates. However, there might be more to the signalling effect of America's faltering dedication as a dependable LNG supplier. In 2023, the United States emerged as the leading supplier of gaseous fuel, with Europe by far being the largest importer. The major players are unlikely to alter the current situation, but decreased export options combined with a sharp rise in the number of available vessels may cause freight rates to drop in the upcoming years.

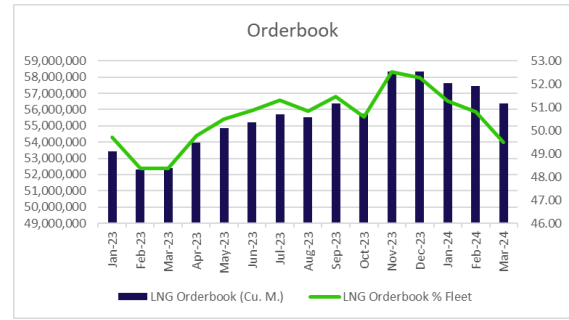
The main factor driving these gains is that freight rates are still high enough to offset the costs of rerouting ships out of the troubled Red Sea, where attacks on commercial vessels continue. It is not expected that the shipping industry will experience major structural changes despite these difficulties. However, it is anticipated that the medium- to long-term upward pressure on freight rates will persist due to growing operational costs, higher port fees, and the financial obligations associated with adhering to stricter environmental regulations.



Graph 18: LNG Spot Rates

NEWBUILDING - SALES & PURCHASE

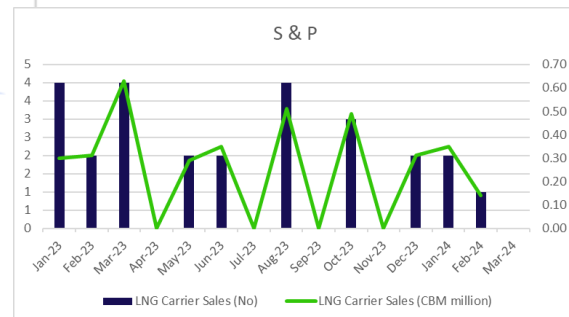
The "Greeks" have placed an order for 52 LNG carriers totalling \$13.6 billion. The number of ships and value in the Greek order book correspond to 13.5% and 14.3%, respectively, of the tonnage under construction.



Graph 19: Orderbook

US funds have targeted the shipping industry and the markets for liquefied natural gas. US funds are interested in buying an entire fleet of LNG carriers. Greek shipowners dominate this market; according to data from the Hellenic Shipowners' Union, they own 22,65% of the fleet of LNG transporters.

The fleet of LNG carriers increased by 4.7% in terms of capacity during 2023 to 751 units with a capacity of 112.5 million cbm as of the beginning of 2024. This comes after 41, 5.7 million cubic foot units were delivered in 2023. Ten 1.1 million cubic foot vessels were removed from the fleet, consisting of three conversions and seven demolition sales.



Graph 20: Sale & Purchase market

Due to very firm contracting in recent years, a record 89 vessels with a capacity of 13.2 million cbm are scheduled for delivery this year. With only two units, contracting activity in the small LNG carrier sector is still minimal.

Following the delivery of eight units totalling 1.3 million cbm, the LNG carrier fleet increased to 760 units at the beginning of March, or 113.9 million cbm, representing a 1.2% capacity increase since the beginning of the year.

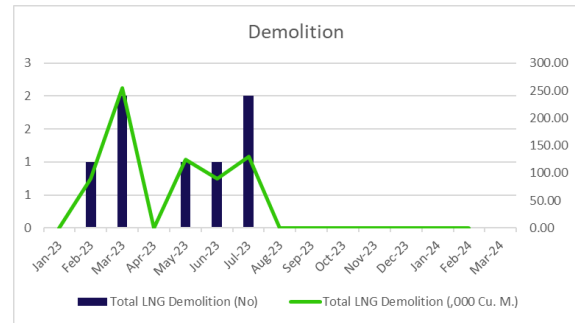
Although it has been primarily driven by Qatar requirements thus far this year, LNG carrier

contracting activity is still proceeding at a steady pace. Eight more units were purportedly ordered for Qatar in late March, following orders for 15 units in February. This brings the total number of units ordered by Qatar under the ongoing fleet expansion and renewal program to 106. Based on available information, it appears that another 15–20 units, including some Q-Max vessels, may be ordered this year, ending the program.

DEMOLITIONS

No ships have reportedly been sold for scrap as of July 23, indicating that LNG carrier demolition is still occurring at a low volume. Steam turbine

demolition and conversion sales could rise if this year's softer markets hold, especially when units return from long-term charters.



Graph 21: Demolition market



Ports
Management &
Shipping
Department
NKUA



HELLENIC REPUBLIC
National and Kapodistrian
University of Athens



Ports
Management &
Shipping
Department
NKUA

