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## 1. Sustainability

- A partnership between GoodFuels (a biofuel provider); Spar Shipping and Fleet Management limited (shipmanagement company) completed a 10 day trial of 100% sustainable biofuel on board the Supramax vessel MV Spar Lynx. The vessel reportedly reduced her sulphur oxide (SOx) emissions by 85% during the trial compared to conventional fossil based marine fuels.
- The US Department of Energy has awarded a contract to ABS to research the barriers to the introduction of advanced nuclear propulsion on commercial vessels. The cost of the project will be USD 800,000 and will address the challenges to the adoption of new reactor technologies in commercial shipping.
- Jiangnan Shipbuilding hosted a steel cutting ceremony for the first 7,600 CEU LNG dual-Fuel pure car and truck carrier built for SAIC Anji Logistics, a subsidiary of chinese automobile manufacturer SAIC Motors. The ship will have WinGD's ICER technology for higher fuel efficiency and cut the vessels' methane slip.
- 61% of the newbuild orders (by tonnage) so far this year are for vessel capable of running on alternative fuels. More than 260 vessels capable of running on alternative fuels were ordered year to date, with the majority of them for LNG dual fuelled ships. Methanol, ethane and battery hybrid propulsion orders accounted for less than 3% of the total orders in 2022. About 4700 vessels are currently fitted with scrubbers which amounts to about 24% of the global trading fleet.
- BHP and Pan Pacific Copper are planning to install a Norsepower rotor sail system on the combination carrier MV Koryu. The operator of the vessel is Nippon Marine and the vessel usually trades metals from BHP's mines in Chile to PPC's smelters in Japan. "As fuel prices increase and a carbon levies are initiated, investing in technologies which have proven emissions reductions and fuel savings is essential for long term commercial success" Jukka Kuuskoski, SCO of Norsepower said in a statement.

## 2. Shipping Markets Analysis

### 2.1 Dry Bulk

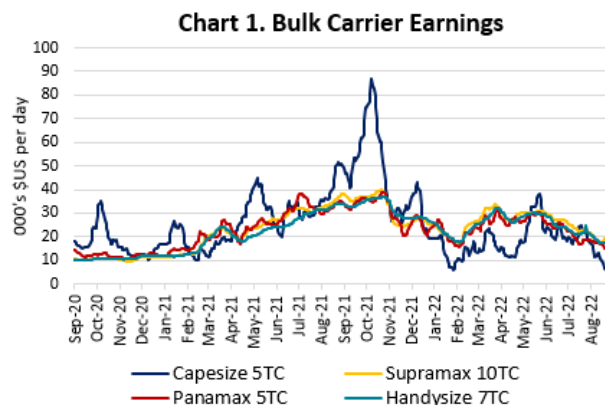
The Baltic Dry Index fell slightly this week to 1,002 (-1.4% w-o-w). This past Wednesday the index fell below the 1,000 mark for the first time since 15th of June 2020. Panamax FFAs bounced back above 11,000 USD per day for 2023 after trading below 11,000 USD per day at the start of the week.

Port Congestion levels have continued to ease off this week, as they are currently closer to the pre Covid (2016-2019) average levels.

Global steel production declined again in July. Chinese output decreased over 6% year on year to around 81 million tonnes despite Beijing's infrastructure stimulus packages. The chinese property sector continues its decline as weak consumer sentiment and high levels of leverage have hampered chinese raw material imports.

Turkey's steel production declined significantly as mills in the country have been affected by the high energy prices. Imports of scrap to the country also declined around 27% year on year to 1.5 million tonnes in July. European output declined as well amid weakening demand for steel from the construction and manufacturing sectors.

SnP activity continues to be subdued with values evidently softening, limited buying interest and an influx of new sales candidates entering the market. The price correction on the larger sizes is becoming increasingly apparent, while on the smaller sizes this is also starting to take effect. Market sources suggest that a 28,000 dwt handysize is committed at around USD 14 million, which is significantly lower compared to a similar vessel sold last month. Moreover, a Japanese ultramax 2015 built has seen limited interest and the offers they have received are more than 5 million below a similar vessel sold in July.



### 2.2 Tankers

Average VLCC TCE earnings have quadrupled since August. A modern scrubber fitted VLCC was fixed from Brazil to China at WS 73, giving an actual TCE of almost 80,000 per day for around 70 days, (the vessel was coming from Rotterdam hence less days). A non scrubber VLCC fixed from AG to China at WS 74.50 which gives her a TCE of around USD 37,000 per day. On the Suezmaxes the benchmark route West Africa to Europe is currently paying around USD 37,000 per day. Aframaxes on cross Med business are currently getting USD 41,000 per day.

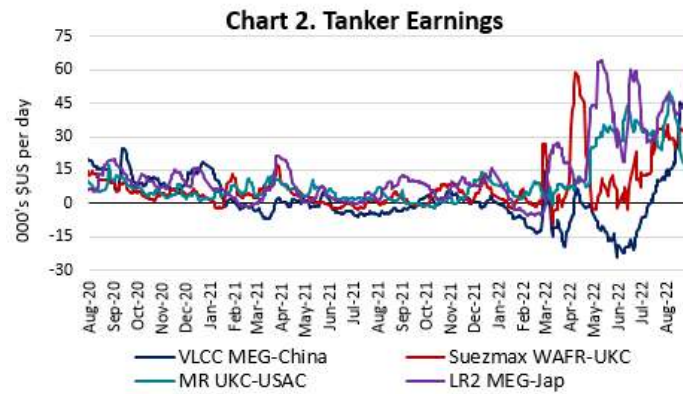
On the Clean products, LR2 and LR1 on AG/Japan are currently getting around USD 60,000 and USD 48,000 per day respectively. MR earnings were softer this week and rates on the UK Cont/USAC closed the week at USD 15,000 per day, down USD 2,000 from last week and 40% down compared to the August average earnings.

After more than 1 year without a VLCC newbuild order, MOL placed an order for two LNG dual fuel VLCCs at Dalian COSCO with delivery between 2025-2026.

The tanker market outlook looks positive with demand improving as the impact of Covid-19 is easing back. Moreover tone-mile demand is increasing on the back of the switch in trading patterns due to the Ukraine conflict and is expected to stay robust next year as the EU's ban on Russian oil is coming into effect. On the products side, demand is expected to increase further in 2022 as some gas-to-oil switching will take place due to the high cost of gas. Also, strong refinery margins and

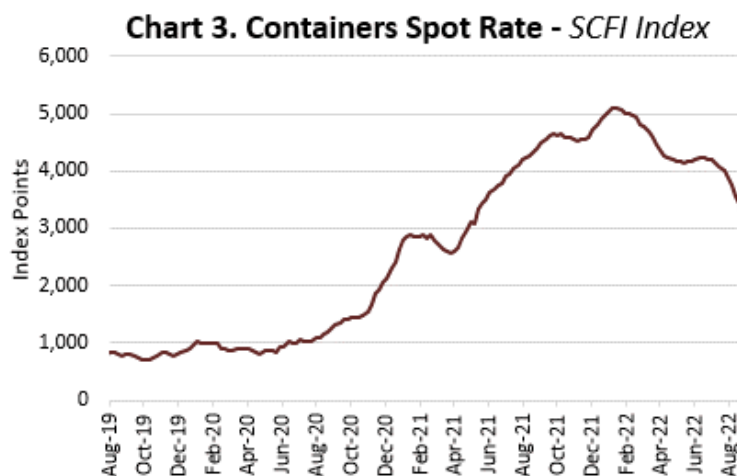
longer haul voyages are supporting the market significantly. Oil price volatility and low inventory levels are also providing arbitrage opportunities. Total tanker orderbook is currently at 5% of the current fleet. Tanker contracting has been limited so far in 2022 with only 40 tankers of around 3.2 million dwt order (8 of which for crude tankers) against a 10 year average of 26.1 million dwt per year. MR tanker supply is expected to contract in 2023 at around 2%.

Tanker SnP market is fairly active with values remaining firm. We estimate values on 15 years old LR1s and MRs have increased about USD 10 million and USD 7 million respectively since the start of the year. Aframax values have increased considerably with a 10 year old currently at almost same levels of a new build Aframax in 2019!



## 2.3 Containers

The container market continues its downward trend, nevertheless earnings are still at very profitable levels. Traditionally the market sees a peak season before Chinese Golden week, however the current trends do not support this. A 1500 type feeder fixed for 3 to 4 months at USD 38,000 per day, and a 1000 type one fixed for 12 months at USD 31,500 per day.



## 2.4 Key shipping Freight Indices

Bulkers		% w-o-w	Tankers		% w-o-w	Containers		% w-o-w
BDI	1,002	-1.47	VLCC MEG-China	37,800	-3.8%	SCFI	3,562.67	-20.07%
Capesize 5TC	3,887	39.17	Suezmax Wafr-UKC	37,000	-1.5%			
Kamsarmax 5TC	11,069	-4.21	MR UKC-USAC	15,000	-14.3%			
Supramax 10TC	17,147	-7.83	LR2 MEG-Jap	61,700	5.1%			
Handysize 7TC	15,846	-4.24						

## 3. Second-Hand Market

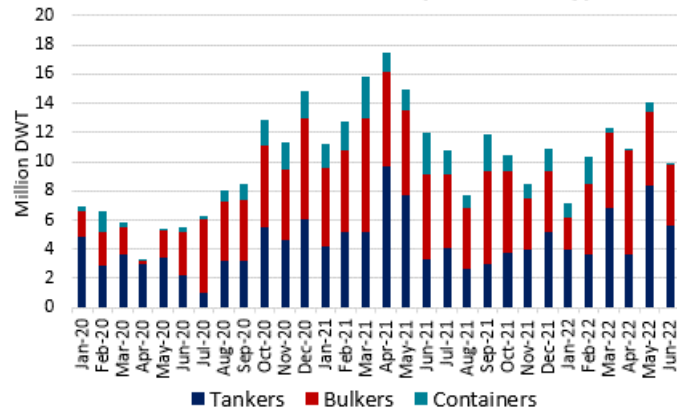
### 3.1 Weekly Ship Sales by Vessel Type

Vessel Type	Sub-Sector	Name	Size	Built	Yard	Price	Buyers	Surveys	Comments
Tanker	VLCC	DHT Edelweiss	301k Dwt	2008	Daewoo	\$38m	N/A	SS/DD 01/23	
Tanker	VLCC	C Guardian	301k >>	2019	Daewoo	\$98m	South Korean	SS 10/24 DD 10/22	Scrubber/BWTS fitted - eco ME, bss DD due Oct'22
Tanker	VLCC	Tsurusaki	300k >>	2002	IHI	\$33m	Greeks	SS/DD 09/22	SS/DD extended to Dec'22
Tanker	VLCC	G Dream	299k >>	2022	Hyundai Samho	\$108m	Koreans	N/A	Scrubber fitted
Tanker	Suezmax	Zeynep	158k >>	2020	HHI	En bloc \$ 222,5m	Norwegians	SS 08/25 DD 08/23	BWTS/Scrubber fitted, Six-year TC attached
Tanker	Suezmax	Ayse C						SS 08/25 DD 08/23	
Tanker	Suezmax	Istanbul	SS 03/25 DD 05/23						
Tanker	Suezmax	Atina	SS 01/25 DD 04/23						
Tanker	Suezmax	Aksta	159k >>	2003	Hyundai Samho	\$18.5m	N/A	SS/DD 04/23	
Tanker	Aframax	Imperia	114k >>	2006	Samsung	\$31.5m	Middle Eastern	SS/DD passed	BWTS fitted, Ice Class 1A
Tanker	Aframax	Zhen I	105k >>	2002	Daewoo	mid-high \$17m	N/A	SS/DD 09/22	BWTS due 09/22
Tanker	Aframax	Argo	105k >>	2009	HHI	\$34.5m	N/A	SS 04/24 DD 06/25	BWTS fitted
Tanker	MR	Gotland Carolina	53k >>	2006	Guangzhou	\$18.5m	Norwegians	SS 12/26 DD 03/25	Ice Class 1A
Tanker	MR	FSL Singapore	47k >>	2006	Hyundai Mipo	\$18m	Greeks	SS 02/26 DD 05/24	BWTS fitted, Ice Class 1A
Tanker	MR	Agnes Victory	47k >>	2004	Uljanik	mid-high \$16m	N/A	SS/DD 02/24	
Tanker	MR	Gulf Mishref	46k >>	2010	SLS	N/A	Chinese Financial Leasing	SS 07/25 DD 05/24	Zinc Silicate
Tanker	MR	Gulf Huwaylat	45k >>	2008	Hyundai Mipo			SS 05/23 DD 08/23	
Tanker	MR	Gulf Deffi	45k >>	2009	Hyundai Mipo			SS 01/24	
Tanker	MR	Gulf Fanatir	45k >>	2008	Hyundai Mipo			SS/DD 05/23	
Tanker	MR	Gulf Jalmuda	45k >>	2009	Hyundai Mipo			SS/DD 03/24	
Tanker	Chemical	Gennaro Ievoli	27k >>	2002	Fratelli Orlando	\$13.5m	N/A	SS 03/27 DD 03/25	BWTS fitted, StSt
Dry Bulk	Handysize	Pretty Team	35k >>	2013	Nantong	N/A	N/A	SS/DD 07/23	
Dry Bulk	Handysize	Africa Pride	28k >>	1991	Kanasashi	N/A	N/A	SS 05/24	
Dry Bulk	Handy	Kinatsi	18k >>	2007	Yamanishi	\$10.3m	Syrian	SS 01/27 DD 12/24	BWTS fitted
Gas	LPG	2 x Resale	40k cbm	2H 2023	Korean yard TBN	\$117m enbloc	Greek	N/A	
Container	Panamax	Vermont Trader	4,992 TEUs	2004	Hanjin	\$37m	Thailand	SS 09/24 DD 10/22	
Container	Panamax	Northern Prelude	4,616 >>	2009	Daewoo	\$65m	Swiss	SS 11/24 DD 10/22	basis DD due Oct'22
Container	Panamax	Rio Charleston	4,300 >>	2008	Hyundai Samho	N/A	Swiss	SS/DD 01/23	Scrubber fitted
Container	Panamax	Rio Cadiz	4,300 >>	2008	Hyundai Samho			SS/DD 01/23	
Container	Panamax	Pinara	1,740 >>	2004	Wenchong	low \$20m	Turkish	SS 10/24 DD 11/22	Ice Class II
Container	Feeder	Marine Taraba	1,708 >>	2008	Imabari	\$28m	N/A	SS 08/26 DD 09/24	BWTS fitted
Container	Feeder	Asiatic Reunion	1,049 >>	2008	Dae Sun	\$18.5m	Far Eastern	SS/DD 08/23	

### 3.2 Second-Hand Asset Values & Sales Volumes per Vessel Type

Vessel Type	Current Prices				5-Year Avg Prices (2017-2021)				
	Resale	5 yrs	10 yrs	15 yrs	Resale	5 yrs	10 yrs	15 yrs	
TANKERS	VLCC	108	85	58	41	91	67	44	29
	Suezmax	78	58	42	31	61	45	30	18
	Aframax	68	52	38	29	48	34	22	13
	Panamax	54	41	27	22	41	29	18	10
	MR	45	38	26.5	18.5	36	26	17	10
DRY BULK	Capesize	58	47	30.5	20	49	38	23	14
	Panamax/Kamsarmax	38	31	24	16	30	23	14	9
	Supramax/Ultramax	36	30	21	16.5	27	21	13	8
	Handysize	30	25	18	14	22	16	10	5
CONTAINERS	Size	Current Prices			5-Year Avg Prices (2017-2021)				
	8,800-teu / 10 yrs	140			38				
	6,600-teu / 10yrs	135			30				
	4,500-teu / 10 yrs	72			17				
	2,600-teu / 10 yrs	51			14				
	1,700-teu / 10 yrs	35			10				

**Chart 4. Sales Volumes per Vessel Type**



## 4. Newbuilding & Ship Recycling Markets

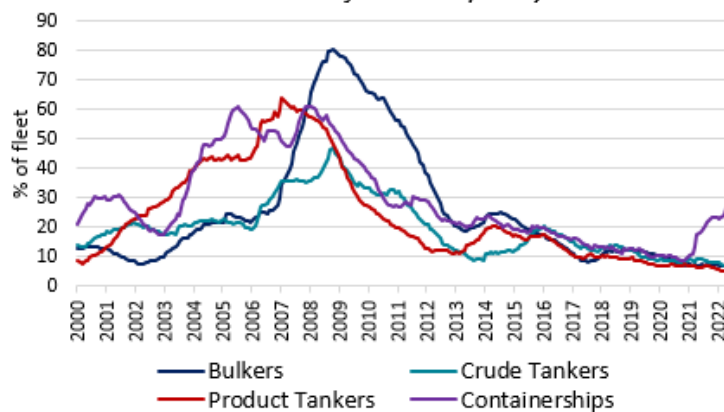
### 4.1 Recent Newbuilding Orders

Ship No	Type	Sub-Sector	Size	Delivery	Yard	Unit Price	Owners	Comments
4	Dry Bulk	Newcastlemax	210k Dwt	2025-26	CSSC Qingdao Beihai	N/A	Japanese	LNG dual-fuel, EEDI Phase 3, Tier III
2	Dry Bulk	Ultramax	64k >>	2H	New Dayang	ard \$34m	Taiwanese	EEDI Phase 3, Tier III
4	Dry Bulk	Handysize	40k >>	2023-24	Shin Kurushima	xs \$32m	Taiwanese	EEDI Phase 3, Tier III
2	Dry Bulk	Handysize			Onomichi			
2+2	Dry Bulk	Handysize	40k >>	2025	Jiangmen Nanyang	ard \$29m	Japanese	EEDI Phase 3, Tier III
2	Tanker	VLCC	309k >>	2025-26	DACKS	N/A	Japanese	LNG dual-fuel, EEDI Phase 3, Tier III
2+2	Container	Feeder	1,100 TEUs	2024	CSSC Wuchang	ard \$24m	Greek	
1	Gas	LNG	174k cbm	2H 2026	Daewoo	ard \$240m	Japanese	

### 4.2 Newbuilding Asset Values & Orderbook Levels

Vessel Type		Current Prices		Year End, \$m		
		Last Week	This Week	2019	2020	2021
TANKERS	VLCC	120	117	91	84	111
	Suezmax	79	79	61	55	75
	Aframax	61	65	48	45	59
	Panamax	51	52	44	42	50
	MR	42	42	35	33	40
DRY BULK	Capesize	62	62	49	46	60
	Kamsarmax	36	36	27	25	34
	Ultramax	34	34	25	23	32
	Handysize	30	30	23	22	29
CONTAINERS	10,000-teu	128	128	88	87	128
	6,600-teu	83	83	71	71	83
	5,000-teu	71	71	52	52	70
	2,600-teu	40	40	31	29	39
	1,700-teu	27	27	25	22	27

Chart 5. Shipping Orderbooks  
as % of Fleet Capacity

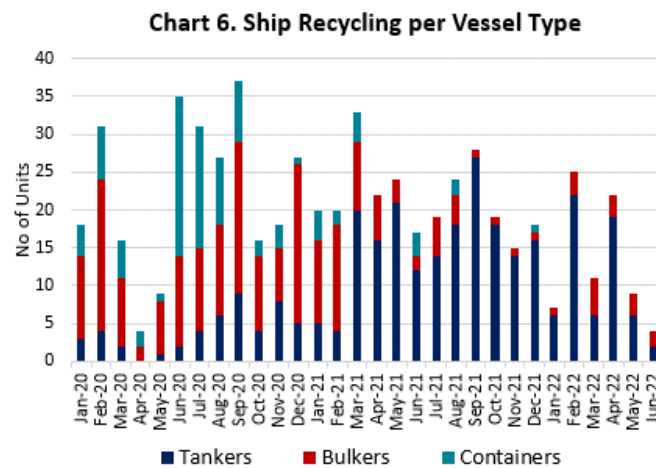


### 4.3 Recent Ship Recycling Activity

Table 5. Weekly Ship Recycling Activity									
Type	Sub-Sector	Name	Built	Dwt	Ldt	Yard	Buyer	Price (\$/ldt)	Comment
Dry Bulk	Kamsarmax	Ever Judger	2014	82k Dwt	13,500	Chinese	N/A	N/A	"as is" Indonesia
Tanker	VLCC	Uranus	2002	299k >>	39,825 mt	Japanese	India	610	
Tanker	Panamax	Aztec	2003	68k >>	13,025 mt	Japanese	N/A	610	

### 4.4 Scrap Values & Ship Demolition Volumes

Table 6. Scrap Values								
Location	Tankers				Dry Bulk			
	Year End, \$m			Current	Year End, \$m			Current
	2019	2020	2021		2019	2020	2021	
India	361	402	562	580	365	403	562	570
Bangladesh	385	410	600	590	380	415	580	575
Pakistan	355	415	588	590	355	415	585	580



## 5. Macro Indicators

Indicator		% w-o-w
ICE Brent	94.40 \$/b	-0.8%
WTI	88.56 \$/b	-0.9%
Spore VLSFO	794 \$/t	7.9%
GBP/USD	1.16	-4.1%
USD/YEN	140.32	3.8%
EURO/USD	1	-2.0%
USD/YUAN	6.91	1.8%
Gold	1,706	-3.6%



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7, Granikou Str, Marousi 15125 - Attica, Greece  
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