WeberSeas (Hellas) S.A.

Weekly Market Intelligence

Market Week 52 - 2022

Table of Contents

1. Sustainability

- TOKYO-Mitsui O.S.K. Lines, Ltd. announced that it concluded a commitment line agreement through a transition-linked loan with Sumitomo Mitsui Banking Corporation. This is Japan's first global commitment line agreement using a transition-linked loan. This loan is a financial instrument designed to assist companies that are taking action on climate change and are committed to reducing greenhouse gas (GHG) emissions in accordance with a long-term strategy to achieve a decarbonized society. This is the third such loan that MOL has procured, following previous financing arrangements for the LNG bunkering vessel Gas Vitality and the bulk carrier Shofu Maru equipped with the Wind Challenger, which converts wind power into propulsive force. It marks the first time MOL used this approach to procure funds not tied to a specific vessel.MOL has established a transition finance framework that sets sustainability performance targets for the goals set forth in "the MOL Group Environmental Vision 2.1," The eligibility of the loan has been assessed in a third-party evaluation by "DNV Business Assurance Japan" to ensure that it complies with all standards: (1) the Climate Transition Finance Handbook published by the International Capital Markets Association (ICMA), (2) the Basic Guidelines on Climate Transition Finance published by the Financial Services Agency, Ministry of Economy, Trade and Industry, and Ministry of the Environment, (3) the Sustainability Linked Loan Principles published by the Loan Market Association International (LMA) and others, and (4) the Sustainability Linked Loan Guidelines published by Japan's Ministry of the Environment. The MOL Group has set a goal of achieving net zero emissions by 2050. Through this loan, the group will carry forward its environmental strategy from the aspect of financing and contribute to the realization of a low-carbon/decarbonized society through concerted group-wide efforts.

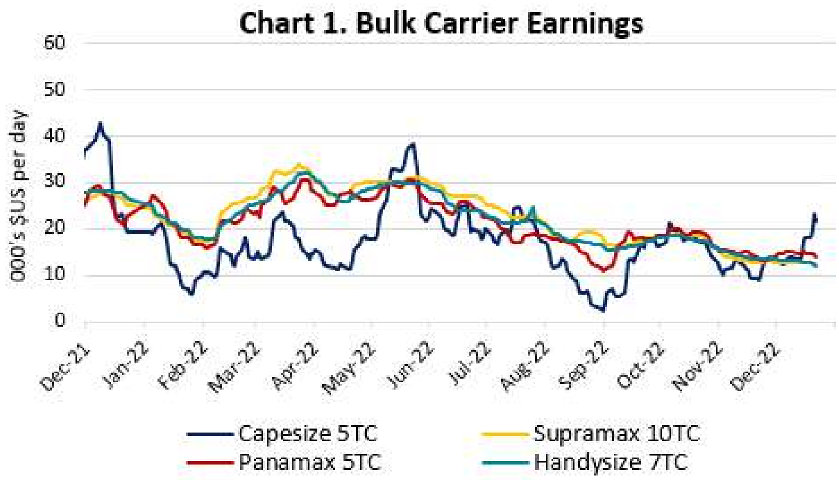
2. Shipping Markets Analysis

2.1 Dry Bulk

Limited activity reported this week on the SnP front. The sentiment continues to be soft as weak buying appetite in combination with the season holidays around the world does not provide any support for the sentiment to change. A 2004 Japanese Built Panamax is rumoured to have been committed at around $10.3 million which is almost 3 million below a similar vessel sold back in October.

China will ease its Covid restrictions further. The country announced on Monday that It will remove quarantine requirements for inbound travellers from January 8, a major step towards relaxing stringent curbs on its borders. China's civil aviation authority said it would fully restore pre-pandemic flight procedures by the summer-autumn of 2023.

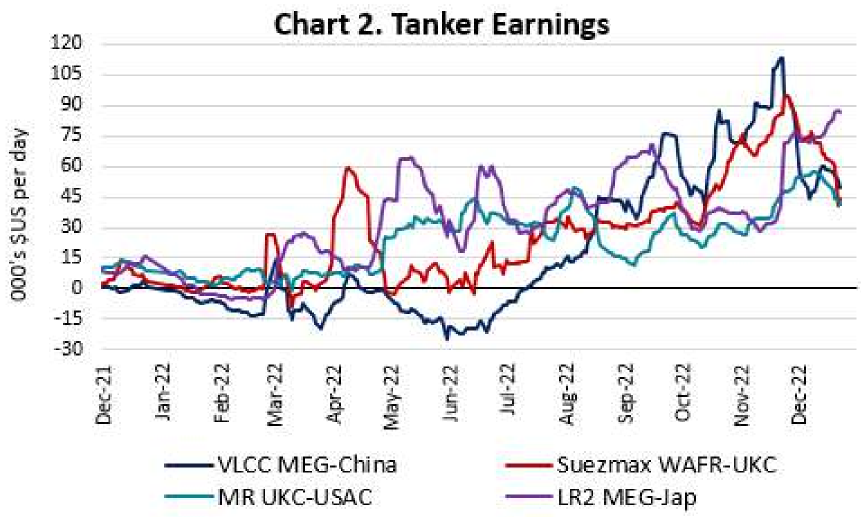
According to Reuters, The Bank of Japan shocked markets last Thursday with a surprise tweak to its bond yield control that allows long-term interest rates to rise more, a move aimed at easing some of the costs of prolonged monetary stimulus. In a move explained as seeking to breathe life back into a dormant bond market, the BOJ decided to allow the 10-year bond yield to move 50 basis points either side of its 0% target, wider than the previous 25 basis point band. But the central bank kept its yield target unchanged and said it will sharply increase bond buying, a sign the move was a fine-tuning of existing ultra-loose monetary policy rather than a withdrawal of stimulus. Japanese Banks and Owners have been relatively active on the sale and leaseback this year as a weak Yen against the dollar made the Japanese owners more competitive on the refinancing terms. As per Tradewinds, A recent 30-year low in the value of the Japanese yen has helped Japanese owners offer competitive terms for refinancing vessels through sale-and lease-back deals. Long-term US dollar bareboat charter arrangements boost the yen income of Japanese owners when the local currency is weak. Japanese regional banks have also seen the yen value of their shipping loan book increase while the US dollar has been strong which had encouraged further investment. Against this background, Japanese owners have seen a strong uptake for their refinancing deals outside of Japan and have had considerable success in recent months in expanding their client base among European blue-chip players. However, the Bank of Japan's yield curve decision has signalled a departure from an ultra-low interest rate strategy is in the making.



2.2 Tankers

Activity remains limited with only a few fresh deals reported this week. Market sources suggest that a 2004 Japanese built Suezmax has been committed at $33.5 million which is firmer compared to a one-year younger and bigger vessel which was sold for $33million last month. A 2008 Japanese built VLCC which called for offers early in the week is rumoured to have seen strong buying interest and offers in the $50's million.

According to Press, President Vladimir Putin on Tuesday delivered Russia's long-awaited response to a Western price cap, signing a decree that bans the supply of crude oil and oil products from February 1st for five months to nations that abide by the cap. The Group of G7, the European Union and Australia agreed this month to a $60-per-barrel price cap on Russian seaborne crude oil effective from December 5th over Moscow's "special military operation" in Ukraine.



2.3 Containers

This week the SCFI reached a two- and half-year low closing at 1,107, down 80% YoY.

The majority of the container vessels currently on long-term charters are expected to be redelivered next year which could cause extra pressure on freight rates.

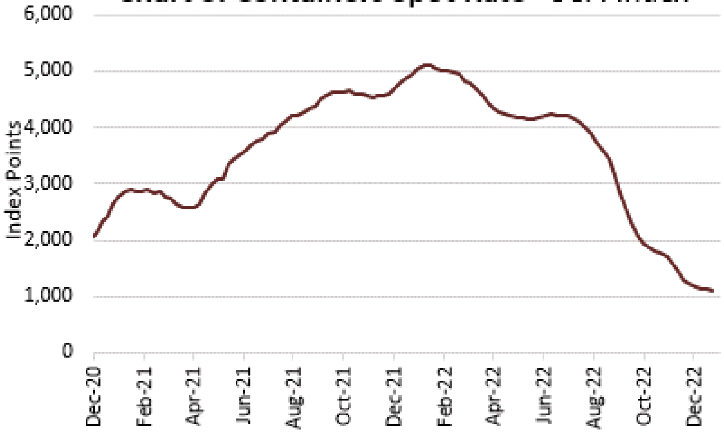
The Far East export index, an indicator of the global trade, fell to the lowest levels since May 2022, continuing its fifth month of consecutive declines, while the import index is slightly improving the last two months.

Congestion levels are increasing in Chinese major ports and it is estimated that 850k TEUs are sitting in the region, which is the highest since September 2022. The percentage of the total capacity of the fleet currently at ports is at around 37%. In view of the Chinese New Year holidays, congestion is expected to be elevated.

On the SnP front in 2022, approximately 170 container vessels (or 6.5m dwt) changed hands. Despite the negative sentiment in the market, the activity still remains healthy. It is estimated that about 40 unit were sold to Swiss Buyers with Germans being the top sellers disposing almost 30 vessels followed by the Greeks.

Limited activity reported in the recycling market this year with only 20 vessels went to the yards. In 2023, it is expected that owners of vintage-less efficient tonnage may opt to send their vessels for recycling if market conditions do not improve which will potentially reduce some tonnage supply.

Chart 3. Containers Spot Rate - *SCFI Index*



2.4 Key shipping Freight Indices

Table 1. Key Shipping Freight Indices								
* Bulkers		% w-o-w	Tankers		% w-o-w	Containers		% w-o-w
BDI	1,515	-8.18	VLCC MEG-China	44,300	-11.2%	SCFI	1,107.55	0.04%
Capesize 5TC	18,749	-13.90	Suezmax Wafr-UKC	41,900	-5.6%			
Kamsarmax 5TC	13,813	-1.83	MR UKC-USAC	33,700	-19.0%			
Supramax 10TC	11,685	-1.91	LR2 MEG-Jap	85,800	-0.8%			
Handysize 7TC	11,941	-1.11						

** Baltic Dry Index - since 23rd December 2022*

3. Second-Hand Market

3.1 Weekly Ship Sales by Vessel Type

Table 1. Weekly Ship Sales by Vessel Type

Vessel Type	Sub-Sector	Name	Size	Built	Yard	Price	Buyers	Surveys	Comments
Tanker	Suezmax	Crescent Moon	150k Dwt	2004	Universal	$33.5m	N/A	SS/DD 10/24	BWTS/Scrubber fitted
Tanker	MR	GWN 3	50k >>	2021	Samsung	xs $50m	Japanese	SS 01/26 DD 01/24	BWTS/Scrubber fitted, Eco ME
Dry Bulk	Capesize	Amity	180k >>	2009	Dalian	rgn $19.2m	N/A	SS/DD 07/24	BWTS fitted
Dry Bulk	Panamax	Achilles II	75k >>	2004	Sanoyas	$10.3m	N/A	SS/DD 01/24	BWTS fitted
Container	Container	Northern General	4,294 TEUs	2008	Hyundai Mipo	N/A	Swiss	SS 01/23	

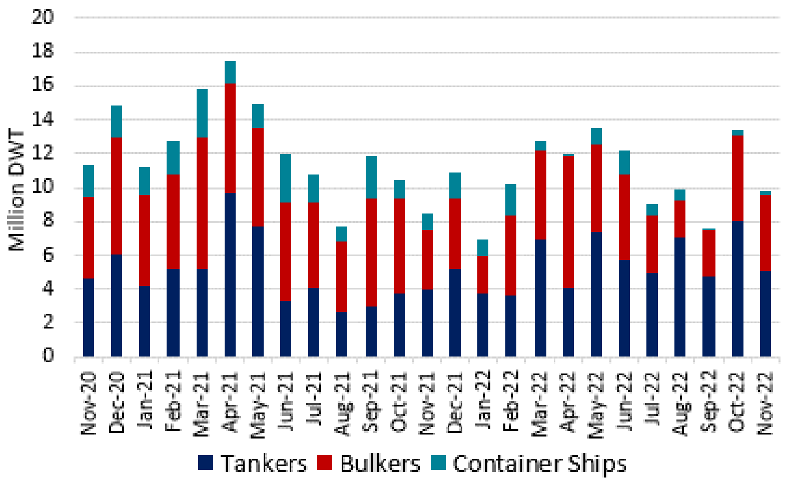
3.2 Second-Hand Asset Values & Sales Volumes per Vessel Type

Table 2. Secondhand Asset Values

	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	120	90	69	57	91	67	44	29
	Suezmax	80	62	46	39	61	45	30	18
	Aframax	73	58	43	38.5	48	34	22	13
	Panamax	57.5	45	34	22	41	29	18	10
	MR	47.5	40	30	21	36	26	17	10
DRY BULK	Capesize	52	42	27	18	49	38	23	14
	Panamax/Kamsarmax	36	30	22	14	30	23	14	9
	Supramax/Ultramax	35	27	18.5	14	27	21	13	8
	Handysize	27	23	15	10	22	16	10	5

	Size	Current Prices	5-Year Avg Prices (2017-2021)
CONTAINERS	8,800-teu / 10 yrs	64	38
	6,600-teu / 10yrs	45	30
	4,500-teu / 10 yrs	31	17
	2,600-teu / 10 yrs	20	14
	1,700-teu / 10 yrs	14.5	10

Chart 4. Sales Volumes per Vessel Type



4. Newbuilding & Ship Recycling Markets

4.1 Recent Newbuilding Orders

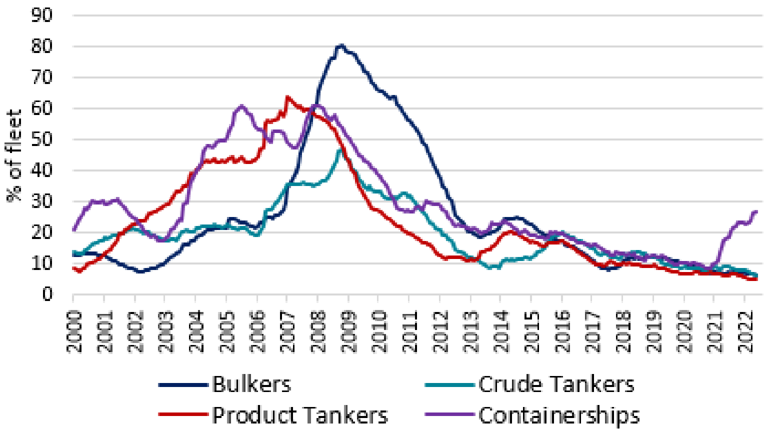
Table 3. Weekly Newbuilding Orders								
Ship No	Type	Sub-Sector	Size	Delivery	Yard	Unit Price	Owners	Comments
1	Dry Bulk	Handysize	40k Dwt	2025	Hakodate	ard $32.3m	Japanese	
1	Dry Bulk	Handysize	40k >>	2025	Hakodate	ard $32.3m	Japanese	
4	Dry Bulk	Handysize	37k >>	2023	Onomichi	N/A	Turkish	
2+2	Tanker	MR	50k >>	2024	Hyundai Mipo	ard $46m	Korean	

4.2 Newbuilding Asset Values & Orderbook Levels

Table 4. Newbuilding Asset Values						
Vessel Type		Current Prices		Year End, $m		
		Last Week	This Week	2019	2020	2021
TANKERS	VLCC	120	120	91	84	111
	Suezmax	79	79	61	55	75
	Aframax	61	61	48	45	59
	Panamax	51	51	44	42	50
	MR	42	43	35	33	40
DRY BULK	Capesize	62	61	49	46	60
	Kamsarmax	36	34	27	25	34
	Ultramax	34	32	25	23	32
	Handysize	30	28	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



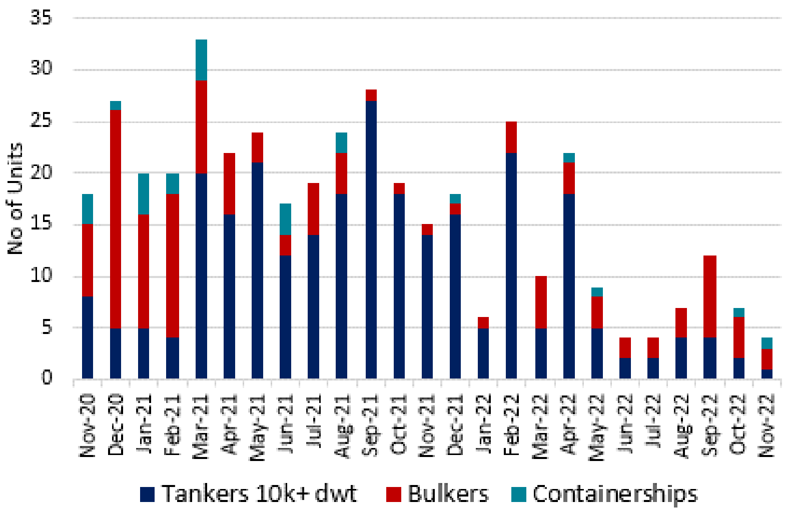
4.3 Recent Ship Recycling Activity

Table 5. Weekly Ship Recycling Activity									
Type	**Sub-Sector**	**Name**	**Dwt**	**Built**	**Ldt**	**Yard**	**Buyer**	**Price ($/ldt)**	**Comment**
Dry Bulk	Capesize	Cape Osprey	172k	1999	20,612	Japanese	Indian	530	HKC recycling
Dry Bulk	Panamax	Jin Hang Zheng Lian	69k	1990	9,535	Japanese	Pakistani	535	
Dry Bulk	Handymax	Chang Fa Hai	48k	1989	10,166	Yugoslavian	Bangladeshi	500	
Dry Bulk	Handymax	Jamila	46k	1995	7,765	Japanese	Pakistani	511	
Dry Bulk	Handymax	Hong De	45k	1996	7,534	Japanese	Indian	500	
Dry Bulk	Handymax	De Xing Hai	43k	1990	8,015	Japanese	N/A	384	via auction
Dry Bulk	Handysize	Ocean Star	27k	1990	6,407	Japanese	N/A	460	
Container	Post Panamax	Akinada Bridge	5,610 TEUs	2001	23,915	Korean	Pakistani	596	

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	**530**	365	403	562	**520**
Bangladesh	385	410	610	**520**	380	415	580	**510**
Pakistan	355	415	588	**540**	355	415	585	**530**

Chart 6. Ship Recycling per Vessel Type



5. Macro Indicators

Indicator		% w-o-w
ICE Brent	81.66 $/b	1.0%
WTI	78.32 $/b	3.6%
Spore VLSFO	614.5 $/t	1.9%
GBP/USD	1.21	-0.8%
USD/YEN	132.48	-3.4%
EUR/USD	1.06	0.0%
USD/YUAN	6.98	0.1%
Gold	1,797.6	1.2%

WEBERSEAS

(HELLAS) S.A.

SALE & PURCHASE OF SHIPS, NEW BUILDINGS, RECYCLING, MARINE PROJECTS & FINANCE

7, Granikou Str, Marousi 15125 - Attica, Greece

T:+30 210 453 9000 | E: *sales@weberseas.com*

*The information contained in this report has been obtained from various market sources.*WEBERSEAS (HELLAS) S.A. *believes such information to be factual and reliable without making guarantees regarding its accuracy or completeness. WSH will not be held responsible for any action or failure to take action upon reliance on information contained in this report.*