



Table of Contents

- 1. Sustainability 1
- 2. Shipping Markets Analysis 2
- 3. Second-Hand Market..... 5
- 4. Newbuilding & Ship Recycling Markets 6
- 5. Macro Indicators..... 7

1. Sustainability

- Cargill partnered up with Mitsui and Tsuneishi for an order of two methanol-powered kamsarmaxes. These will be the world’s first kamsarmax bulk carriers powered with methanol, with delivery scheduled for the end of 2025 or the first quarter of 2026. Jan Dieleman, president of Cargill Ocean Transportation, claimed that further orders are to be expected once the market response is assessed. “We just felt it was prudent to start with two, but we still have the ambition to make this a bigger programme as we go”, Dieleman added. Cargill has been active in testing biofuels to power its vessels since the beginning of 2022. This specific order was signed in December. In addition, the company has been exploring the option of implementing sails on its fleet, which is expected to cut emissions by 30 per cent. Throughout 2022, in fact, 25 vessels had wind-powered innovations implemented. By the end of 2023, the expectation is to reach 49 bulk carriers that are partly powered by wind. When it comes to Cargill, the company plans to test two 120-foot-high rigid wind sails made of steel and composite glass on the 751-foot-long carrier that it charters. According to Dieleman, if this experiment proves successful, 10 more vessels will be retrofitted with the same technology.
- According to Reuters, India has set green hydrogen consumption targets for some industries, so as to generate demand for cleaner fuel in its quest to reach net zero by 2070, the government said on Friday, as it unveiled its policy for green energy. One of the world's

biggest emitters of greenhouse gases, India approved a plan of incentives worth more than \$2 billion last week to develop a green hydrogen production capacity of 5 million tonnes a year by 2030. Asia's third-largest economy wants to use green hydrogen to replace grey hydrogen, produced using gas, as it moves to decarbonise sectors such as oil and fertilisers. Green hydrogen is a zero-carbon fuel made by electrolysis, using renewable power from wind and solar to split water into hydrogen and oxygen. India's top refiner Indian Oil Corp top power utility NTPC Ltd and conglomerates including Reliance and Adani group have announced plans to build green hydrogen projects. To gradually build a hydrogen-powered shipping lines, India has set a goal for its largest fleet operator, the state-run Shipping Corp of India, to retrofit at least two ships to run on green hydrogen-based fuels by 2027. All the state-run oil and gas companies that charter 40 vessels for fuel transport will also have to hire at least one ship powered by green hydrogen each year from 2027 to 2030. "Green ammonia bunkers and refuelling facilities will be set up at least at one port by 2025," the government said in its policy document. "Such facilities will be established at all major ports by 2035." India aims to end imports of ammonia-based fertiliser by 2034 to 2035, replacing them with locally produced green ammonia-based soil nutrients. The government will also invite bids to set up two domestic green hydrogen-based urea and diammonium phosphate plants. The policy also requires new steel plants to be capable of operating on green hydrogen.

2. Shipping Markets Analysis

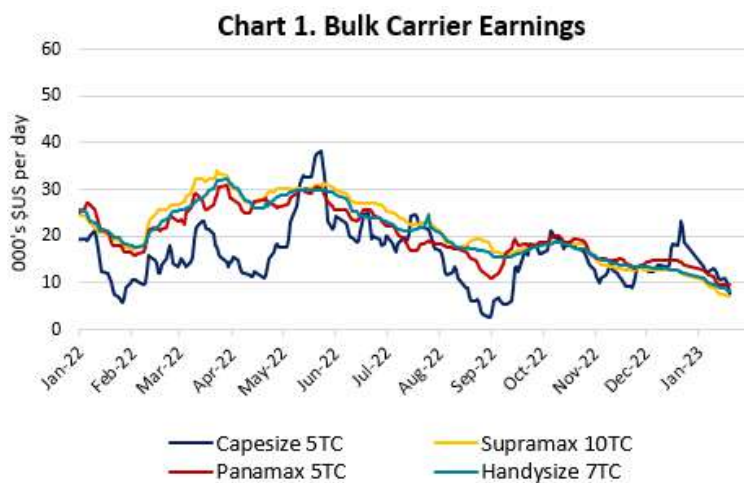
2.1 Dry Bulk

Pacific Basin announced this week that has purchased 6 second-hand vessels, 4 Ultramaxs, 1 Supramax and 1 Handysize. All the vessels are Japanese Built expect one Supramax built in Cebu. Overall, activity remains limited and the sentiment soft. With the Chinese Lunar Year approaching we expect the SnP market to remain quiet for the next couple of weeks.

The New Building market closed the last days of 2022 on a busy note with a good number of vessels reported contracted. The orders were mainly placed in Chinese shipyards. In 2022, a total of 330 Dry Bulk vessels were contracted versus 655 orders in 2021, 350 orders in 2020, 390 orders in 2019 and 460 orders in 2018. On the recycling, in 2022 around 50 vessels were sent to the recyclers, 56 vessels in 2021, 140 vessels in 2020, 81 vessels in 2019 and 55 vessels in 2018.

Traffic in China's largest cities is increasing after the government announced some easing in its Covid policy. However, the country continues to experience industrial and property market weakness. For the time being, Chinese demand remains subdued and the majority of market players are waiting for the economy to fully reopen which is expected to boost demand for raw materials. There are concerns that there is surplus of homes in the country compared to the demand. During the last 17 months residential buildings sales have been decreasing considerably on a YoY basis. China is planning to ease restrictions on borrowing for property developers to support the troubled sector by dialling back the "three red lines" policy, Bloomberg News reported on Friday. The "three red lines" policy was unveiled in August 2020 to tackle property developers' unbridled borrowing by restricting the amount of new borrowing they can raise each year. Beijing may allow some property firms to add more leverage by easing borrowing caps, and push back the grace period for meeting debt targets set by the policy. Regulators could also extend the deadline by at least six months, which was originally June 30, the report said citing people familiar with the matter. Under the new proposal, China will ease restrictions on debt growth for developers depending on how many red lines they meet, easing borrowing caps to companies that meet all three thresholds, the report added. To support the sector, policymakers have announced a spate of measures in recent months including making it easier for developers to raise fresh funds, loan repayment extensions and more help for homebuyers. But analysts expect the recovery to be a long and bumpy one. The "three red lines" metric put caps on debt-to-cash, debt-to-assets and debt-to-equity ratios and asked property developers to provide more details about their debts.

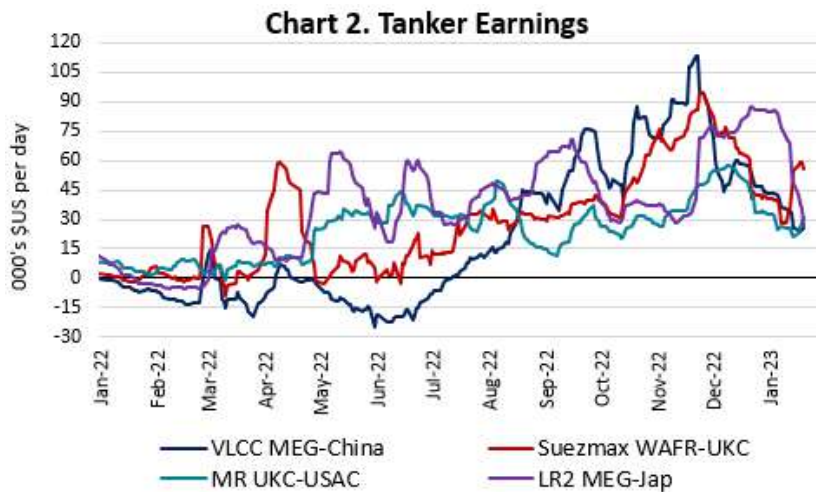
India's government is preparing to impose a remarkable set of vessel age restrictions on all ships handling Indian cargo, according to The Economic Times. The restrictions would prevent Indian owners from buying and registering any ship over 20 years of age and would require deregistration once the ship becomes 25-year-old. Similar restrictions would be applied to foreign-flag tonnage when engaged in handling "EXIM/coastal cargo" at Indian ports or providing maritime services in the Indian EEZ. In addition, any foreign ship competing for Indian cargo would have to be less than 20 years old. The new rules appear to be aimed at an unwanted practice in Indian government-subsidized shipping, according to the Economic Times. Indian-flagged vessels are eligible for a subsidy of 5-15 percent on top of their charter rates when they move cargoes for India's state-owned enterprises. Charterers have reportedly fevered cheaper, older tonnage to compete for these subsidies, leading to a reduction in average vessel quality.



2.2 Tankers

On the SnP market, limited fresh activity reported this week with the majority of the sales being for MR tankers. Tanker values remain at exceptionally high levels. There is an optimism surrounding the market especially for product tanker ahead of the European Ban on Russian oil products exports.

According to an article from Tradewinds, Tanker pool operator Tankers International said big tankers lifted 41 more spot cargoes per month on average last year compared to the same period last year. This is a staggering 19% increase, massively outstripping the 10-year average of 4% growth per year before the pandemic hit. The improvement translated into a rise of 7% in employment days for VLCCs, in line with the 10-year average, excluding the two years impacted by Covid. "Although the VLCC market was slower to recover than the suezmax and aframax markets and remained lacklustre through most of the first half, it has since returned with full force," Tankers International said. "While we may not see the same uptick in absolute fixture numbers this year, tonne-miles are set to continue on an upward trend with more oil moving long-haul. Given that development, we will see demand growth in the VLCC segment remain robust," the pool player argued. Significant growth was driven by the Middle East Gulf market, with an extra 35 monthly liftings across the year. The second largest trade route in the VLCC market is West to East, comprising all the load regions in the Atlantic basin, excluding West Africa. Fixture data showed a monthly average of 38 liftings on this route, a slight decline from the previous year. This relatively low average is down to very muted activity in the second quarter, when there were just 32 liftings per month. The driving force behind this was mainly at the receiving end, as China experienced a period of significantly reduced crude purchases. But the country began to emerge from Covid restrictions over the summer months, and in combination with new product export quotas, the market saw renewed crude demand from Chinese refiners. "This was the real catalyst for the buoyant VLCC market we have today. Not only did Chinese crude demand return, but China was sourcing much of the incremental barrels from the Atlantic basin," the pool player said. The company recorded 46 liftings on the West to East trade lane each month in September, October and November. Another game-changer in 2022 was the resurgence of inter-Atlantic trading on VLCCs. Europe has been pulling crude oil from new suppliers in the US, Brazil and West Africa, and on some of these routes, it became more economical to employ tankers from the largest segment.



2.3 Containers

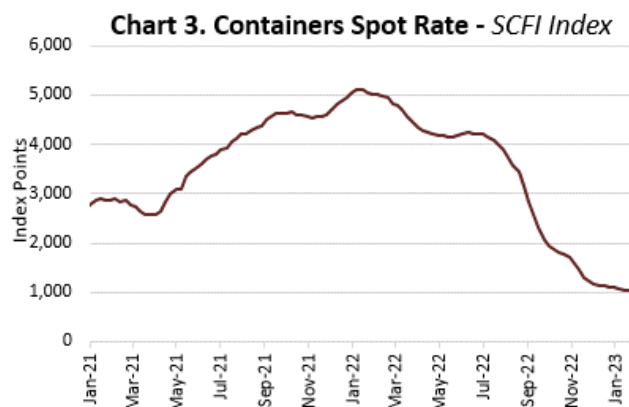
The SCFI slightly dropped 0,16% w-o-w to 1,029 points and spot rates have touched levels similar to September 2020.

Macroeconomic pressure and cost of living crisis still hold the consumer activity in low levels. Liner companies are expected in the first seven weeks of the year to reduce their scheduled voyages from Asia to Europe by 25%. In view of the Chinese New Year, this percentage is expected to be increased further.

This week, we have seen more activity in the chartering front. Indicatively, a Post Panamax (5,600 TEUs), built in 2002 was fixed at \$26k/day for a period of 12 to 14 months, while a Panamax (2,800 TEUs), built in 2008 was fixed at \$20k/day for a period of 6 months. Additionally, a modern Feeder (1,800 TEUs) was fixed at \$15.5k/day for a period of 10 to 12 months and some older Feeders were fixed for 3 to 6 months at circa \$12-14k/day.

The activity on the SnP market remained steady with some small Feeders up to Feedermaxes reported sold. The values continued to correct with new benchmarks. The correction in values for older vessels is even more drastic. As an example, for compassion purposes, a 2002 Feedermax (2,478 TEUs) reported sold around \$7.7m this week, whereas a similar vessel back in February 2022 was sold for \$32m.

In view of current market conditions, more vessels are expected to go to the recyclers, including a considerable amount of ships coming from major operator.



2.4 Key shipping Freight Indices

* Bulkers		% w-o-w	Tankers			% w-o-w	Containers		% w-o-w
BDI	801	-17.93	VLCC MEG-China	25,800	-23.2%	SCFI	1,029.75	-0.16%	
Capesize 5TC	7,404	-33.82	Suezmax Wafr-UKC	55,500	28.8%				
Kamsarmax 5TC	9,641	-1.19	MR UKC-USAC	30,700	32.9%				
Supramax 10TC	7,198	-8.53	LR2 MEG-Jap	26,300	-51.8%				
Handysize 7TC	8,091	-11.60							

3. Second-Hand Market

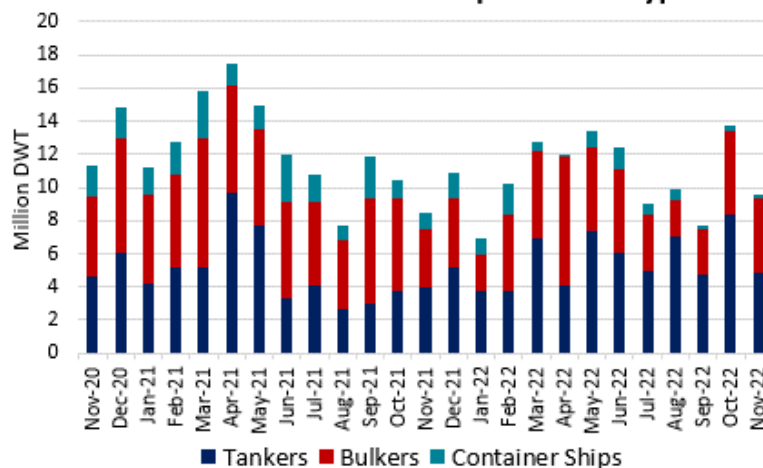
3.1 Weekly Ship Sales by Vessel Type

Vessel Type	Sub-Sector	Name	Size	Built	Yard	Price	Buyers	Surveys	Comments
Tanker	LR1	Lumen N	63k Dwt	2008	STX	\$23m	Middle Eastern	SS/DD 08/23	BWTS fitted, Ice Class
Tanker	LR1	Aurora N		2021		\$23m		SS/DD 05/23	
Tanker	MR	GWN 3	50k >>	2021	Samsung	rgn \$47m	European	SS 01/26 DD 01/24	BWTS/Scrubber fitted, Eco ME
Tanker	MR	Challenge Passage	48k >>	2005	Iwagi	\$17.5m	N/A	SS 04/25 DD 07/23	BWTS fitted, Prompt delivery WC Mexico
Tanker	MR	Baltic Sky I	37k >>	2001	Hyundai Mipo	\$10.5m	Turkish	SS 10/26 DD 10/24	BWTS fitted, Ice Class, CAP 1
Tanker	MR	Olympic Vision	34k >>	2006	Dalian	\$15.45m	Greek	SS 09/26 DD 10/24	BWTS fitted
Dry Bulk	Post Panamax	Dyna Globe	99k >>	2006	Imabari	\$15.1m	Far Eastern	SS 06/26 DD 06/24	BWTS fitted
Dry Bulk	Post Panamax	AM Liberia	98k >>	2013	Tsuneishi Zhoushan	\$20.5m	Greek	SS/DD 01/23	BWTS fitted, basis SS/DD passed
Dry Bulk	Ultramax	Petit Cham	63k >>	2013	Chengxi	\$20.5m	N/A	SS/DD 06/23	BWTS fitted, eco ME
Dry Bulk	Ultramax	Ultra Integrity	61k >>	2016	Tadotsu	\$24.3m	Hong Kong based	SS 02/26 DD 01/24	Delivery within Feb - Jul '23
Dry Bulk	Ultramax	Ultra Saskatoon	61k >>	2012	Shin Kasado	\$20.95m		SS 01/27 DD 02/25	
Dry Bulk	Ultramax	Ultra Dwarka	61k >>	2012	Shin Kasado	\$20.7m		SS 05/27 DD 05/25	
Dry Bulk	Ultramax	Ultra Gujarat	61k >>	2012	Oshima	\$20.6m		SS 03/27 DD 06/25	
Dry Bulk	Supramax	Ultra Lanigan	58k >>	2012	Tsuneishi Cebu	\$17.5m		SS/DD 08/23	
Dry Bulk	Handysize	Ultra Fitz Roy	37k >>	2016	Imabari	\$20.6m		SS 01/26 DD 10/23	
Container	Feedermax	G. Ace	2,553 TEUs	2007	Naikai	\$13.7m	Chinese	SS 04/27 DD 04/25	Ice Class
Container	Feedermax	Hammonia Berolina	2,546 >>	2007	Jiangsu	rgn mid \$20's	N/A	SS 03/27 DD 05/25	TC attached, Ice Class
Container	Feedermax	Buxcontact	2,478 >>	2002	Aker	\$7.7m	N/A	N/A	Ice Class
Container	Feedermax	Amalia C	2,452 >>	1998	Thyssen	rgn \$6m	Chinese	SS/DD 03/23	Ice Class
Container	Feeder	X-Press Brahmputra	1,162 >>	1998	Stocznia	N/A	N/A	SS/DD 06/23	
Container	Small Feeder	Acacia Ming	704 >>	2010	Yangfan	\$10m	N/A	SS 08/27 DD 06/25	Ice Class
Container	Small Feeder	Acacia Wa	704 >>	2006	Yangfan	\$9m	Turkish	SS 09/23	BWTS fitted, Ice Class

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

Vessel Type		Current Prices				5-Year Avg Prices (2018-2022)			
		Resale	5 yrs	10 yrs	15 yrs	Resale	5 yrs	10 yrs	15 yrs
TANKERS	VLCC	120	99	75	69	101	74	51	38
	Suezmax	84	67	52	40	70	51	35	23
	Aframax	73	60	48	39	56	41	29	19
	Panamax	57.5	45	34	23	45	33	22	14
	MR	47.5	40	32	22	40	30	20	13
DRY BULK	Capesize	52	42	27	18	53	39	25	16
	Panamax/Kamsarmax	36	30	22	14	34	26	18	12
	Supramax/Ultramax	35	27	18.5	14	31	24	15	11
	Handysize	27	23	15	10	25	19	12	7
CONTAINERS	Size	Current Prices				5-Year Avg Prices (2018-2022)			
	8,800-teu / 10 yrs	64				58			
	6,600-teu / 10yrs	45				48			
	4,500-teu / 10 yrs	29				27			
	2,600-teu / 10 yrs	20				20			
	1,700-teu / 10 yrs	14.5				15			

Chart 4. Sales Volumes per Vessel Type



4. Newbuilding & Ship Recycling Markets

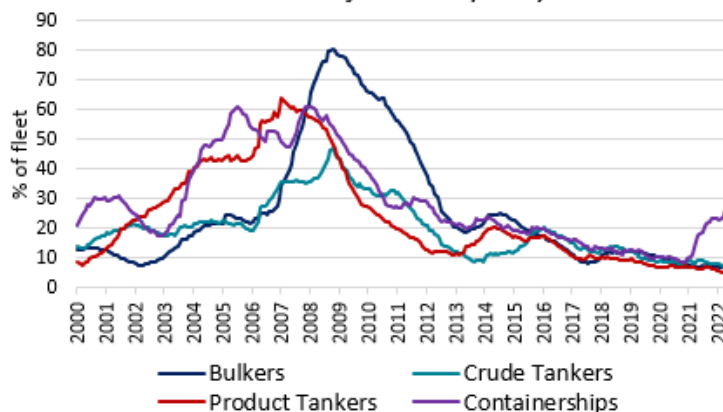
4.1 Recent Newbuilding Orders

Ship No	Type	Sub-Sector	Size	Delivery	Yard	Unit Price	Owners	Comments
2	Dry Bulk	Kamsarmax	82k Dwt	2024-25	CHI Yangzhou	ard \$33.8m	Chinese	Scrubber fitted
2	Dry Bulk	Kamsarmax	82k >>	2025-26	Tsuneishi	N/A	Japanese	Methanol dual fuel
4 + 2	Dry Bulk	Panamax	73.8k >>	2025	Jiangsu Haitong	ard \$32m	Chinese	EEDI Phase III
4	Dry Bulk	Ultramax	63k >>	2025	CHI Zhoushan	ard \$31m	Turkish	
2	Dry Bulk	Handysize	40.5k >>	2025	Nantong Xiangyu	N/A	Japanese	
1 + 1	Tanker	Suezmax	158k >>	2025	Daehan	ard \$77m	Greek	
3	Tanker	Aframax	115k >>	2025	CHI Yangzhou	ard \$60m	Greek	Scrubber fitted
3	Gas	LNG	200k cbm	1H 2026	HHI	ard\$260m	Greek	

4.2 Newbuilding Asset Values & Orderbook Levels

Vessel Type		Current Prices		Year End, \$m		
		Last Week	This Week	2020	2021	2022
TANKERS	VLCC	120	120	86	112	120
	Suezmax	80	80	56	76	80
	Aframax	62	62	47	59	62
	Panamax	54	54	43	51	54
	MR	44	44	34	41	44
DRY BULK	Capesize	61	61	27	61	61
	Kamsarmax	34	34	26	35	34
	Ultramax	31	31	24	33	31
	Handysize	29	29	23	30	29
CONTAINERS	10,000-teu	128	128	88	129	128
	6,600-teu	86	86	72	84	86
	5,000-teu	73	73	54	71	73
	2,600-teu	41	41	30	39	41
	1,700-teu	29	29	23	28	29

Chart 5. Shipping Orderbooks
as % of Fleet Capacity

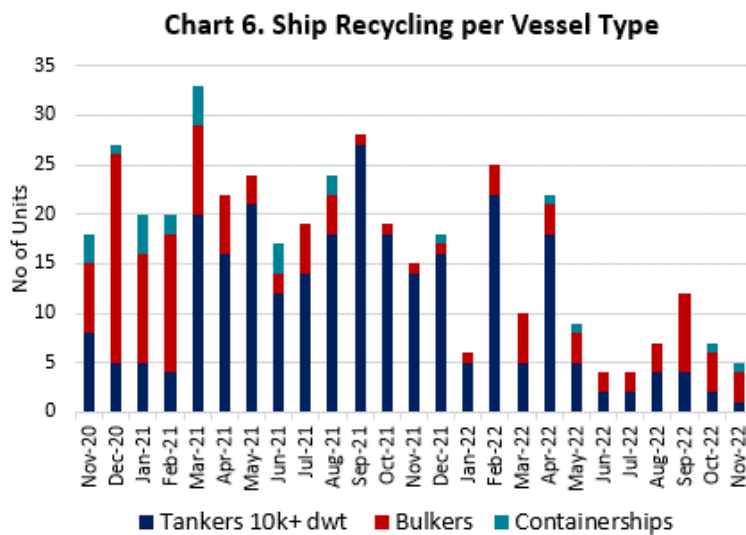


4.3 Recent Ship Recycling Activity

Type	Sub-Sector	Name	Dwt	Built	Ldt	Yard	Buyer	Price (\$/ldt)	Comment
Container	Feeder	Vladivostok	1,748 TEUs	1998	7,420 mt	Polish	Indian	N/A	
Container	Feeder	Maersk Aberdeen	1,092 >>	1999	5,914 mt	Chinese	N/A	N/A	"As is" in Jebel Ali

4.4 Scrap Values & Ship Demolition Volumes

Location	Tankers				Dry Bulk			
	Year End, \$m			Current	Year End, \$m			Current
	2020	2021	2022		2020	2021	2022	
India	405	565	530	530	405	560	525	520
Bangladesh	415	600	505	520	415	590	510	510
Pakistan	415	590	520	540	415	585	520	530



5. Macro Indicators

Indicator		% w-o-w
ICE Brent	86.65 \$/b	2.8%
WTI	80.83 \$/b	2.9%
Spore VLSFO	667 \$/t	9.5%
GBP/USD	1.24	1.6%
USD/YEN	128.88	0.3%
EUR/USD	1.08	0.0%
USD/YUAN	6.78	1.0%
Gold	1,931.4	1.4%



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