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1. Sustainability

- Anglo American announces that its newly launched LNG dual-fuelled large Capesize vessel, the Ubuntu Harmony, has loaded its first cargo of iron ore from its Kumba operations in South Africa. The vessel is the first of ten LNG dual-fuelled new-build ships that Anglo American will introduce to its chartered fleet during the course of 2023 and 2024, delivering an estimated 35% reduction in CO2 emissions compared to ships fuelled by conventional marine oil fuel. The use of LNG will also lead to a significant reduction of nitrogen oxides and particulate matter from vessel exhausts, while new technology also eliminates the release of unburnt methane. The Ubuntu fleet is a key component of Anglo American’s ambition to achieve carbon-neutrality for its controlled ocean freight by 2040 – with an interim target to reduce emissions from these activities by 30% by 2030 – all part of Anglo American’s wider ambition to halve Scope 3 emissions by 2040. Peter Whitcutt, CEO of Anglo American’s Marketing business, said: “We are proud to see the Ubuntu Harmony begin its voyage transporting future-enabling products from our mines to our customers around the world. This milestone cements our vision to be a leader in low carbon shipping, a natural extension of our commitment to achieve carbon neutrality across our operations by 2040.”
- Oil company Cepsa said on Wednesday is to develop a green hydrogen plant in Huelva in southern Spain with the renewable business of gas grid operator Enagas and green energy company Alter Enersun. The project is part of Cepsa’s plans to invest 3 billion euros (\$3.3 billion) in green hydrogen developments in Huelva and Algeciras, in one of the largest green hydrogen projects in Europe. Green hydrogen, or hydrogen produced from renewable energy, is seen as a solution to decarbonising heavy transport including commercial shipping and airlines. Spain has signalled its ambition to become a major player, with its plentiful solar and wind power and proximity to sea providing renewable energy options. The Huelva green hydrogen plant, with electrolysis capacity of 200 MW, will be connected to a solar power plant and located in an area Cepsa calls the southern Andalusian Green Hydrogen Valley. The plant will be operational in 2026 and its production will supply Cepsa’s own industrial consumption and will enable the manufacture of advanced biofuels, Cepsa said.
- Norsepower Oy Ltd., the leading global provider of auxiliary wind propulsion systems, today signed a contract with Socatra, the leading French ship owner and operator, for the retrofit installation of two Norsepower Rotor Sails on the Medium Range (MR) tanker Alcyone. The 50,000 dwt, 2022 built, French flag tanker - chartered by TotalEnergies – will be retrofitted with two 35 m x 5 m Norsepower Rotor Sails. The units will be delivered in December 2023 from Norsepower’s new production hub in China, with installation scheduled for Q4 2023 or Q1 2024. Recent calculations indicate that the average fuel and carbon emission reductions will be 8% for the ship as it transits between South Korea and French Polynesia, with the potential for further savings using voyage optimisation reaching up to 2,000 tons of CO2 per annum. Taking a holistic approach to decarbonisation and combining clean technology solutions enables key progress towards emissions reduction goals, minimising fuel costs, enabling carbon regulatory compliance, and improving IMO Carbon Intensity Indicator (CII) ratings.
- According to Reuters, the U.S. Department of Energy (DOE) on Thursday announced over \$100 million in funding to expand U.S. biofuels production, as the Biden administration works to cut greenhouse gas emissions from transportation and meet climate goals, the department told Reuters. The department plans to award \$118 million to 17 projects designed to accelerate the production of biofuels, which can be made from biomass including agricultural waste, soybean oil and animal fats. The funds add to the more than \$500 million the DOE has put into bioenergy and biorefinery research and development over the past two years, the department said.

2. Shipping Markets Analysis

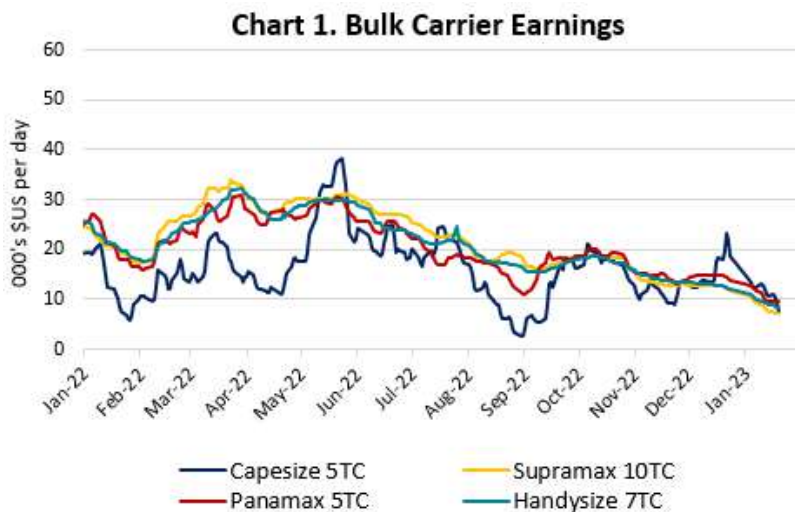
2.1 Dry Bulk

The SnP market was quiet this week amid the ongoing Chinese Lunar Year. We have seen a healthy enquiry for second-hand vessels however we understand that there is still a gap between asking and bidding price with some owners choose to withdraw their vessels from the market. Vessel's values are currently steady with a softer feeling surrounding the market. Inventory of modern vessels for sale remains limited especially for the larger segments. On the Capesize Sector, a 180k dwt 2005 Japanese Built with BWTS fitted and Surveys due in April has been sold for \$15.08million with which is slightly below a similar vessel that was sold late last year. On the Post-Panamaxes, a 2011 built Chinese vessel is rumoured to have changed hands at around \$16.5million. We understand that the deal might be concluded in December last year. A 2003 Japanese Supramax is rumoured to have been committed at around \$9.3million, in line with a Japanese affiliated 1 year-younger that was sold 2 months ago. Finally, a Chinese handysize built in 2012 which called for offers last week is rumoured to have seen \$11.5million.

The Capesize market is currently at below 5,000 per day with the average of the 5 timecharter routes (5TC) is at its lowest since the end of August 2022. The paper market is following the same direction as the physical market with February and March FFAs trading at mid-5,000 \$/per day and 8,500 \$/per respectively.

The Pakistan Ship Breakers Association (PSBA) said on 18 January that the shipbreaking industry is on the verge of closure as local banks are reluctant to open letters of credit to import vessels for breaking up (recycling) and as a result, producing raw material for the steel industry. This is expected to lead to an acute shortage of construction steel bars in the country. Therefore, there could be a drastic escalation in construction steel prices and it is anticipated that consumption of cement and other building materials will also plummet. Work is expected to stop on low-rise buildings, low-cost housing, flood rehabilitation activities.

Last week China announced its GDP growth for 2022 which came at 3.0%, after 8.4% in 2021, well below the targeted 5.5%. It was the second weakest growth since 1976, only undercut by Covid- hit 2020 when the Chinese economy expanded by only 2.2%.



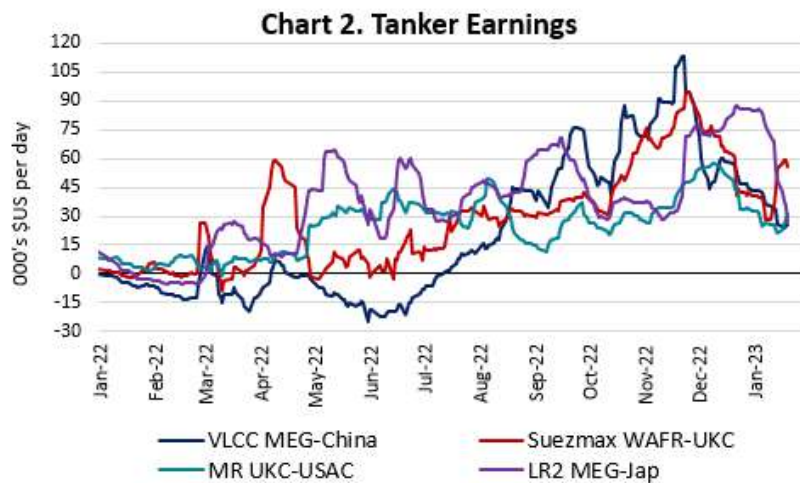
2.2 Tankers

The SnP market was relatively active this week with a good number of both Crude and product tanker fixtures reported. The appetite for Crude tankers remains robust with around 10 VLCCs, 2 Suezmax and 8 Aframaxes reported sold so far this year.

A Copenhagen-Based product tanker owner announced that it has agreed to buy seven second-hand LR1 vessels. The Company said on Thursday that it reached a deal to purchase three vessels after acquiring four vessels earlier this month. The ships were built between 2011 and 2013. The price for the seven vessels is \$233million, the company said, adding that it will finance the deals through sale and leaseback agreements with a Chinese financial institution. All vessels are expected to be delivered no later than April 30 2023, increasing the fleet to 85 vessels on a fully delivered basis.

According to Vortexa, since January 2022 Europe has imported around 1mbd of clean products from Russia, most of which is diesel. Europe has increased its imports volumes from Russia ahead of the ban on Russian oil product imports in February. Increased imports from the East and Americas will likely be required as Russian supply dries up. In the short term, increased stock building may help manage the gap. Europe has done a better job than expected in hoarding diesel ahead of the embargo, whilst a milder winter and softer gas prices have reduced gas to oil switching somewhat. Now with strong margins across the barrel, European plants should be incentivized to maximize runs, which could also be contributing to narrow East-West spreads. Provisional data shows European refinery runs hit a post Covid high in December, further boosting regional supplies. Yet runs are expected to fall back during Q1 as maintenance takes hold, which is expected to tighten regional product supply just as Russian barrels are removed from the European market, whilst total European refining throughput is expected to ease marginally year on year. Looking ahead, mileage of Russian CPP is likely to increase, with potential increased flows of Russian diesel to destinations such as Brazil and Southern Africa. However, given the profitability of discounted Russian diesel heading into Europe, EU retailers are still likely to accept Russian diesel that clears customs before 5 Feb (Argus). This means that Russian CPP mileage may not increase until a few weeks after the ban.

Critically ill COVID-19 cases in China are down 72% from a peak early this month while daily deaths among COVID-19 patients in hospitals have dropped 79% from their peak, the Center for Disease Control and Prevention said on Wednesday.



2.3 Containers

This week, the SnP activity was quite due to the festive period in Asia with no interesting transaction to report.

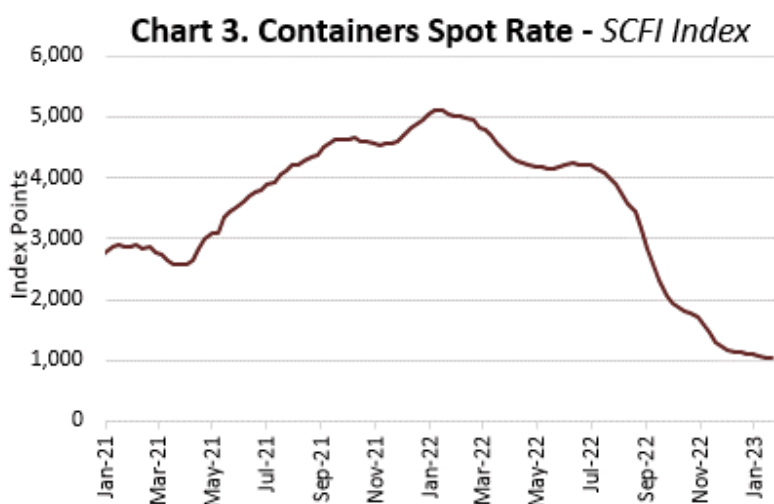
On the chartering front, the week prior Chinese New Year, was busy with the several fixtures reported, especially on Feeders. A 2010 Post Panamax secured rate at \$30k/day for 12 months and two Panamaxes fixed between \$20k - \$21k/day for period range between 2 and 8 months. Seven Feeders (around 1,050 – 1,800 TEUs) reported fixed in various periods from one to nine months, in the region of low/mid \$10's k/day, while two small feeders secured rates at \$10.5k/day for periods 2 to 4 months and 5 to 7 months respectively.

In general, based on the latest fixtures, the rates for Panamaxes continue to weakened while the rates for feeders, seem to be stabilized.

According to several reports, the inactive capacity now is around 5% of the total container fleet (about 260 ships, circa 1,3m TEUs). The 55% of inactive fleet is related to vessels which are currently in Drydock and the rest 45% are idle and waiting to find employment.

In 2023, recyclers expect the volume of recycling candidates to dramatically increase due to the influx of newbuilding deliveries. The annual recycling volume of ships is expected to surge up to estimated levels of 350k TEUs, which is close to the 2012 records. So far this year, the records show that thirteen sales have been concluded.

On the newbuilding sector, a major liner operator reported that has booked ten LNG dual – fuelled Neo Panamax (around 11,400 TEUs) in Chinese shipyard which are scheduled for delivery between 2025 - 2026.



2.4 Key shipping Freight Indices

* Bulkers		% w-o-w	Tankers		% w-o-w	Containers		% w-o-w
BDI	677	-15.48	VLCC MEG-China	21,900	-15.1%	SCFI*	1,029.75	-0.16%
Capesize 5TC	4,551	-38.53	Suezmax Wafr-UKC	54,000	-2.7%			
Kamsarmax 5TC	9,409	-2.41	MR UKC-USAC	15,300	-50.2%			
Supramax 10TC	7,097	-1.40	LR2 MEG-Jap	21,300	-19.0%			
Handysize 7TC	7,776	-3.89				* Indices since 20th Jan'23 (CNY)		

3. Second-Hand Market

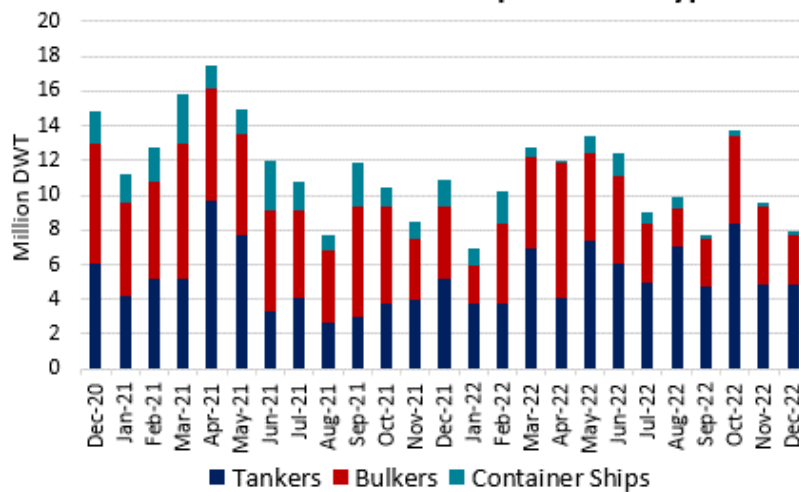
3.1 Weekly Ship Sales by Vessel Type

Vessel Type	Sub-Sector	Name	Size	Built	Yard	Price	Buyers	Surveys	Comments	
Tanker	ULCC	Oceania	441k Dwt	2003	Daewoo	\$50m	N/A	N/A		
Tanker	VLCC	Arcadia V	298k >>	2000	Kawasaki	\$40m		SS 09/25 DD 01/24		
Tanker	LR2	Leo	112k >>	2010	New Times	\$43m	Middle Eastern	SS 09/25 DD 12/23	BWTS fitted	
Tanker	LR1	Jo Pinari	75k >>	2012	STX	\$140m en bloc	Danish	SS/DD due	BWTS fitted	
Tanker	LR1	Jo Provel	75k >>	2013	STX			SS/DD 03/23	BWTS fitted	
Tanker	LR1	Jo Redwood	73k >>	2013	New Times			SS/DD 09/23		
Tanker	LR1	Jo Rowan	73k >>	2013	New Times			SS 08/23 DD 06/25		
Tanker	LR1	Alpine Plymouth	74k >>	2011	Hyundai Mipo			\$32.5m	SS 08/25 DD 09/23	BWTS fitted
Tanker	LR1	Alpine Pacifica						\$32.5m	SS 08/25 DD 09/23	BWTS fitted
Tanker	LR1	Alpine Pearl				\$32.5m	SS 11/25 DD 03/24	BWTS fitted		
Dry Bulk	Ultramax	IVS Hirono	60k >>	2015	Onomichi	\$24.6m	Hong Kong based	SS 08/25 DD 07/23		
Dry Bulk	Handysize	Mireille Selmer	33k >>	2010	Samjin	\$10.5m	N/A	SS 05/25 DD 08/23	BWTS fitted	
Dry Bulk	Handysize	Kotor	32k >>	2014	Yanase	N/A	Turkish	SS 11/24		

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	124	99	75	60	101	74	51	38
	Suezmax	84	67	52	40	70	51	35	23
	Aframax	73	60	49	37	56	41	29	19
	Panamax	57	45	34	24	45	33	22	14
	MR	47	40	32	22	40	30	20	13
DRY BULK	Capesize	52	42	27	18	53	39	25	16
	Panamax/Kamsarmax	36	29	22	14	34	26	18	12
	Supramax/Ultramax	35	27	18	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				15				

Chart 4. Sales Volumes per Vessel Type



4. Newbuilding & Ship Recycling Markets

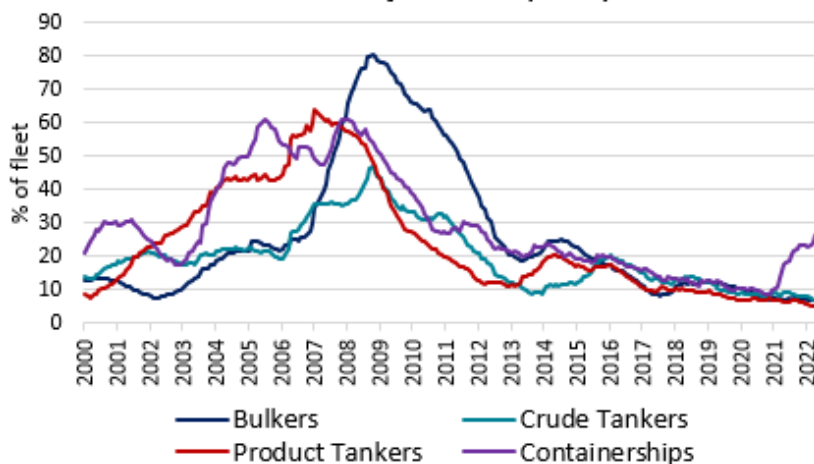
4.1 Recent Newbuilding Orders

Ship No	Type	Sub-Sector	Size	Delivery	Yard	Unit Price	Owners	Comments
2+2	Dry Bulk	Kamsarmax	80k Dwt	2025	Yangzijinag	ard \$32m	Canadian	
10	Container	Neo Panamax	11, 400 TEUs	2025-26	Zgoushan Changhong	ard \$120m	Swiss	LNG dual-fuelled
2	Gas	LNG	174k cbm	2026	Hyundai Samho	ard \$253m	N/A	
2	Gas	LPG	88k >>	2025-26	HHI	ard \$96.6m	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	60	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	87	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



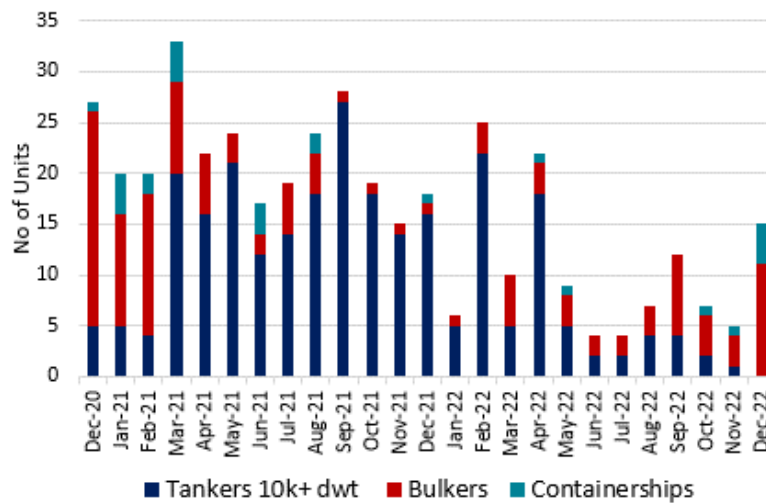
4.3 Recent Ship Recycling Activity

Type	Sub-Sector	Name	Dwt	Built	Ldt	Yard	Buyer	Price (\$/ldt)	Comment
Dry Bulk	Capesize	Pitsa D	170k	2002	22,908 mt	Korean	N/A	N/A	
Container	Feeder	Wan Hai 161	1,088 TEUs	1996	5,194 mt	Japanese	Indian	510	"As is", Green Recycling
Container	Feeder	Wan Hai 162	1,088 >>	1996	5,235 mt				
Container	Feeder	Wan Hai 163	1,088 >>	1998	5,226 mt				
Container	Feeder	Wan Hai 165	1,088 >>	1998	5,215 mt				
Container	Feeder	Wan Hai 215	1,368 >>	1994	6,999 mt				
Container	Feeder	Wan Hai 216	1,368 >>	1994	6,963 mt				
Container	Feeder	Wan Hai 221	1,368 >>	1994	6,998 mt				
Container	Feeder	Wan Hai 222	1,368 >>	1994	7,371 mt				
Container	Feeder	Wan Hai 223	1,368 >>	1994	7,001 mt				
Container	Feeder	Wan Hai 225	1,368 >>	1994	7,008 mt				
Container	Feeder	SSL Kochi	1,725 >>	1998	8,361 mt				

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

Chart 6. Ship Recycling per Vessel Type



5. Macro Indicators

Indicator		% w-o-w
ICE Brent	88.65 \$/b	2.3%
WTI	82.06 \$/b	1.5%
Spore VLSFO	701 \$/t	5.1%
GBP/USD	1.24	0.0%
USD/YEN	129.94	0.8%
EUR/USD	1.09	0.9%
USD/YUAN	6.78	0.0%
Gold	1,925.4	-0.3%



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