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## 1. Sustainability

- According to Clarksons, during 2022, 61% of tonnage ordered (35% by number) was alternative fuelled (World Fleet Register). More than half of tonnage ordered (397 units, 36.7m GT) was LNG dual fuel, 7.0% methanol (43 orders, 5.0m GT), 1.1% LPG (17 orders, 0.8m GT) and 1.2% included battery hybrid. 10.8% of orders were ammonia "ready" (90 units, 7.7m GT), 4.0% were methanol "ready" (39 units), 1.4% were LNG "ready" (31 units), while 2 orders were hydrogen "ready".
- ClassNK has issued an approval in Principle (AiP) for a large ammonia fuelled 210,000 DWT bulk carrier jointly developed by Mitsui O.S.K. Lines, Ltd. (MOL) and MITSUI & CO., LTD (MITSUI). Ammonia is expected to be used as a ship fuel for decarbonisation since it does not emit CO2 when combusted. Meanwhile, adequate safety measures are imperative as it has been pointed out that ammonia is toxic to humans and corrosive to materials. ClassNK has been involved in projects aiming for zero-emission ships using ammonia fuel in terms of safety assessment, and has issued its "Guidelines for Ships Using Alternative Fuels" as a necessary standard to minimize the risks related to ammonia-fueled ships for the ships, crews, and environment by stipulating requirements for installation, controls, and safety devices. MOL and MITSUI have jointly determined the size and specifications for the vessel, and its design has been entrusted to Mitsubishi Shipbuilding Co., Ltd. ClassNK carried out the review of this jointly developed design in line with Part C of its guidelines and issued the AiP on verifying conformity to the prescribed requirements. In addition, risk assessment (HAZID) will be conducted to confirm that no unacceptable risks exist at the basic design stage and to identify items to be considered in the detailed design. ClassNK will continue to support those companies as the certification body and will strive to provide appropriate standards for ammonia-fueled ships through the expertise gained from the collaboration.
- According to Tradewinds, Greece's Maran Dry Management is said to have joined the growing league of shipping companies which own large dual-fuelled bulk carriers, after taking over control of two LNG dual-fuelled ships which are under construction in China. Shipping sources said the 190,000-dwt ships being built at Shanghai Waigaoqiao Shipbuilding (SWS) were part of a series of six capesizes that were originally contracted by mining giant Anglo American in 2020. Anglo American took delivery of its first LNG-fuelled capesize bulker at the end of last year. The SWS-built, 190,000-dwt Ubuntu Harmony (built 2022) was the first of 10 LNG-fuelled chartered bulk carriers that it hopes will help it reduce CO emissions by 35%, compared with conventionally powered ships. The Ubuntu Harmony's sister vessel Ubuntu Equality (built 2023) is scheduled to arrive at Saldanha in South Africa to load iron ore for Chinese buyers. Energy major Shell will supply LNG bunkers when the bulker is trading in the Far East. The vessel is fitted with two 2,800-cbm LNG tanks that will allow for a return trip from Brazil to China or two round-trip routes from Australia to China. The shallow draft bulker has a beam of 47.5 metres, which is 2.5 metres wider than the standard. The ship is also fitted with MAN Energy Solutions high-pressure ME-GI engines, which will reduce methane slip and increase operational efficiency and reliability. The Ubuntu Harmony and Ubuntu Equality are two of four LNG-fuelled capesize bulkers owned by U-Ming Marine Transport. The Taiwanese shipping company is due to take delivery of the other two ships, the Ubuntu Integrity and Ubuntu Loyalty, from the shipyard soon. They are also chartered out to the miner for 10 years. Anglo American has set a target for carbon neutrality for its controlled ocean freight of 2040, with an interim target to reduce emissions from these activities by 30% by 2030 — all part of its wider ambition to halve Scope 3 emissions by 2040. The fleet of chartered LNG-fuelled capesizes is a key component of the company's ambition to reduce its carbon footprint.

## 2. Shipping Markets Analysis

### 2.1 Dry Bulk

Enquiry for second-hand vessels was healthier this week as people returned from their Lunar Year holidays. We have seen a strong appetite for modern vessels however there is a limited inventory of units currently for sale. Values of younger vessels remain relatively steady as limited availability of candidates in combination with a strong demand for such units keep prices unchanged. Rumours in the market suggest that two 10-year-old Chinese Supramaxes which called for offers last week have seen offers at below \$15million each. A 2012 Supramax was sold for excess \$15million last month. Market sources suggest that a large Korean Handysize built in 2011 with Open Hatch Boxed shaped holds is rumoured to have received an offer at around \$13million. A 34,000 dwt Handysize built in Korea is rumoured to have been committed at around \$13.3million.

The Baltic Dry Index has decreased by almost 50% since the start of the year. Capesize, Panamax, Supramax and Handysize indexes are down 72%, 31%, 29% and 29% respectively since January the 3rd.

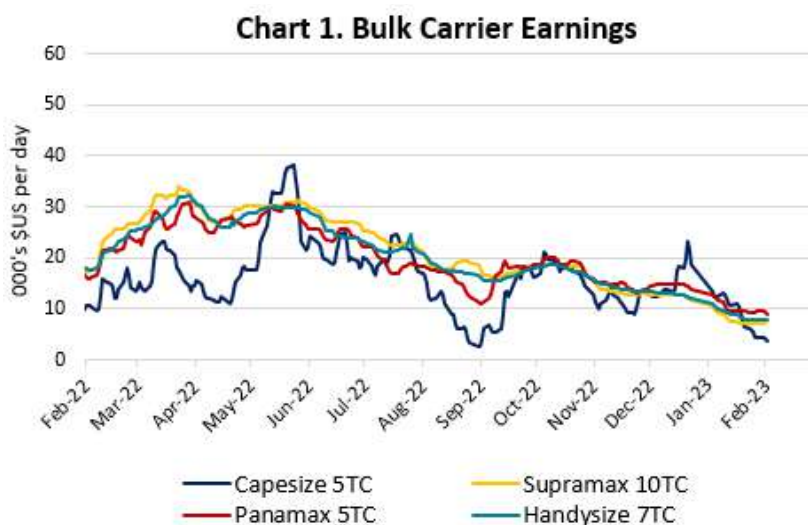
Indonesia plans to produce 695 million tonnes of coal this year and sees exports of 518 million tonnes, Energy and Mineral Resources Minister Arifin Tasrif said on Monday, a level that would mean record shipments out of the country. In 2022 Indonesia produced 687 million tonnes of coal and exported 494 million tonnes, he said.

Brazil's soybean crop is predicted to grow 24 million tonnes year-over-year to 152.6 million tonnes in 2023. The Foreign Agricultural Service (FAS) of the US Department of Agriculture forecasts Brazilian farmers will plant 43.3 million hectares of soybeans for marketing year 2022-23, compared to 40.9 million in 2021-22. The FAS estimate for the 2022-23 soybean crop is 153 million tonnes.

Earlier this year, the higher-than-seasonal average heavy rains in Brazil, have temporarily halted production and transport at major miner Vale; During the first weeks of 2023, iron ore shipments fell by 13.1% year on year, the lowest volume since at least 2019.

According to an Article from Tradewinds, Jan Dieleman Cargill's Ocean Transportation president said:

"If you see us fixing long term, it normally means that the paper market and physical markets are more aligned. And over the last two weeks, we have seen the FFA market improve, and we've seen the spot market come down," "So in a way, where we were looking at quite a gap at what physical was trading and paper was trading, that's more in line. ... I wouldn't take that as a signal that Cargill is getting extremely bullish at Panamax or Kamsarmaxes." But he said that the Panamax and Kamsarmax market looks "pretty solid" as it waits to see if China will implement stimulus measures that boost fixture activity. "We do know that they're quite low on commodity stocks in general, so we know that probably demand is going to be better not worse than the last six months," Dieleman said. Kamsarmaxes are also poised to benefit from the upcoming Brazilian grain harvest. "But the reality is also we still have quite a lot of ships in the in the spot market that we have to get through before we can see better market," he said.



## 2.2 Tankers

The SnP market was relatively quiet this week with limited fresh transactions reported. Values remain at high levels across all segment. Market sources suggest that a 2005 built Korean aframax is rumoured to be under negotiations at \$36-\$37 million. A 2005 Croatian built MR tanker is rumoured to have been committed at \$17million.

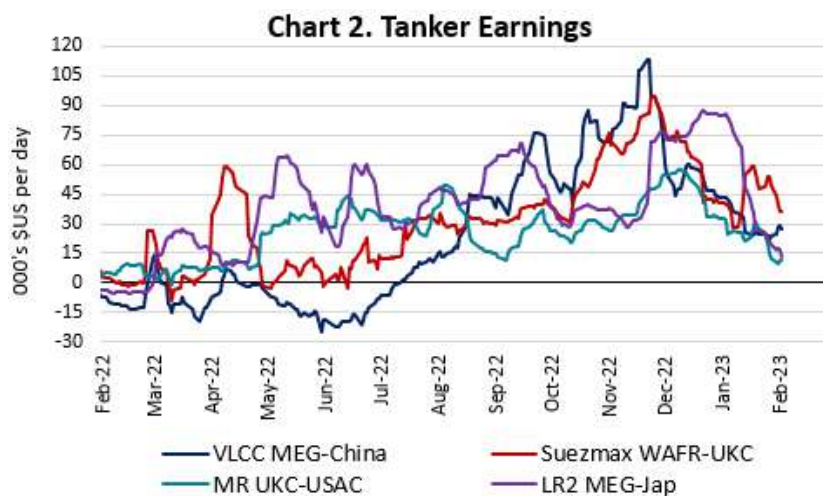
According to Reuters, The European Union's ban on Russian fuel imports which begins next week is expected to keep profit margins high this year at U.S. oil refiners, executives said on Tuesday, as global fuel trade shifts. A Feb. 5 ban on Russian fuel product imports could keep margins high this year and strain inventories of distillate fuels and vacuum gasoil (VGO), a key Russian intermediate, refiners said on first quarter earnings calls. Tight fuel supplies this year will hold margins high, said Exxon Chief Executive Darren Woods, adding the tailwind could last into 2024.

As per same source source, U.S. exports of light sweet crude to China jumped to a five-month high, as the world's biggest crude importer boosted refining and as Europe's demand eased. Cargoes of U.S. light sweet crude bound for China rose last month to about 187,000 barrels per day, the highest since August, said Matt Smith, lead oil analyst for the Americas at data and analytics firm Kpler. Those exports are expected to tighten global supply of light sweet crude, while prices for WTI Midland, a key U.S. light sweet grade, have strengthened. "China is continuing to pull more light sweet crude," said Vikas Dwivedi, global oil and gas strategist at financial services firm Macquarie Group. "WTI Midland is moving into Asia in bigger size." Prices for WTI Midland are trading at an over \$2.00 a barrel premium to U.S. crude futures, traders said, the highest since Oct. 18. Meanwhile, U.S.-linked grades are seeing a wider discount to the international benchmark Brent, encouraging foreign buyers to snap up U.S. crude. U.S. crude futures' discount to Brent widened to over \$7.00 a barrel this week, the most since Nov. 28. A tight light sweet crude market is an indication that oil prices could go higher in the coming weeks, said Macquarie's Dwivedi. U.S. oil production is expected to hit 12.4 million bpd in 2023, according to the Energy Information Administration. Weekly U.S. crude exports rose to 4.7 million bpd in the week to Jan. 20, highest since November, EIA data showed.

Most Russian oil currently trades below the price cap level, with seaborne Urals crude quoted at \$49.50 a barrel on a free-on-board basis from Primorsk on Tuesday, and at \$47.83 FOB from Novorossiisk. Crude oil loadings from Primorsk, Ust-Luga and Novorossiisk this month are on track to hit a multi-month high above 9.5 million tonnes, supported by solid Asian demand, an oil price rally and greater tanker availability, traders told Reuters.

Shell delivered a record \$40 billion profit in 2022, the energy giant said on Thursday. The annual profit of \$39.9 billion far exceeded the previous record of \$31 billion in 2008. It was driven by higher oil and gas prices, robust refining margins and a strong trading.

Euronav reported its quarterly earnings on Thursday which were the highest since Q2 2020. Net profit for the last quarter of 2022 stood at almost \$235 million bringing the 2022 net profit at around \$203million against a loss of \$338million in 2021.



### 2.3 Containers

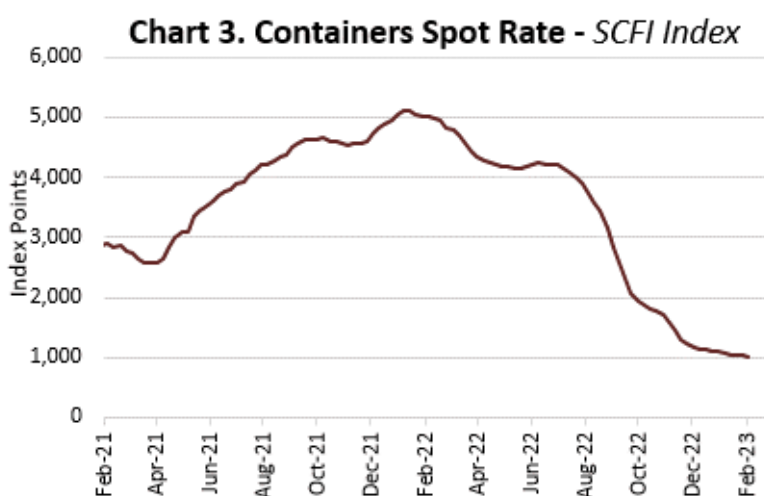
After Chinese New Year, the SCFI continues its downturn and dropped another 2%. The freight index closed at 1,006 points.

Based on the NCFI report, the cargo volume from Ningbo to Europe and North America (East and West) dropped about 1% and 1.6%, however the overall transportation routes remained stable. The route from Ningbo to West South America rebounded about 8.5% while the appetite for cargoes in the Middle East has seen 3% correction.

The port congestion index continued easing and closed at 31.5% this week, which is the lowest since October 2019 and near to pre pandemic average levels.

On the chartering front, Feeders remained relatively active, while the activity on larger vessels, such as Panamaxes, continues to soften. Based on several reports, eight Feeders reported fixed. Older vessels secured short periods, up to three months at circa \$9k to \$11k/day, while younger tonnage fixed between \$12.5k - \$14.5k / day for a bit longer period range between six and twelve months.

This week, the activity in the recycling market was quiet but there are ongoing discussions and it is expected that more vintage tonnage will proceed at recycling yards in the weeks to follow.



### 2.4 Key shipping Freight Indices

* Bulkers		% w-o-w	Tankers		% w-o-w	Containers		% w-o-w
BDI	640	-5.47	VLCC MEG-China	27,400	25.1%	SCFI	1,006.89	-2.22%
Capesize 5TC	3,688	-18.96	Suezmax Wafr-UKC	36,300	-32.8%			
Kamsarmax 5TC	8,894	-5.47	MR UKC-USAC	11,400	-25.5%			
Supramax 10TC	7,529	6.09	LR2 MEG-Jap	13,200	-38.0%			
Handysize 7TC	7,855	-2.92						

## 3. Second-Hand Market

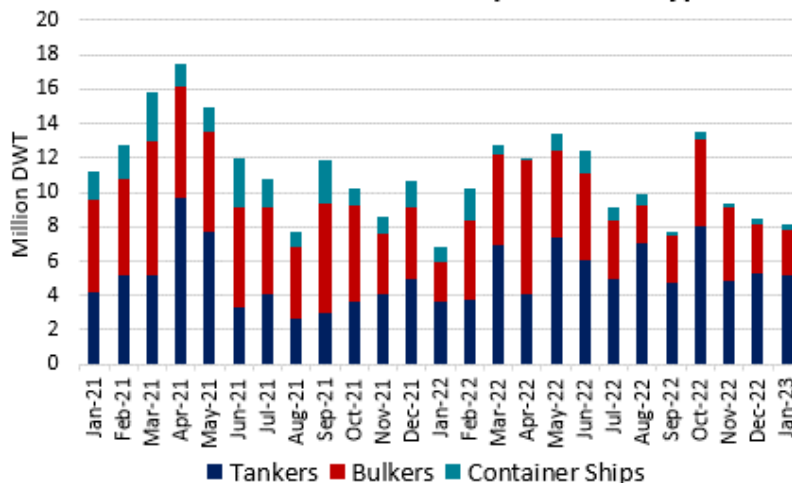
### 3.1 Weekly Ship Sales by Vessel Type

Vessel Type	Sub-Sector	Name	Size	Built	Yard	Price	Buyers	Surveys	Comments
Tanker	Suezmax	Amoroza	159k >>	2001	HHI	xs \$27m	N/A	SS 12/25 DD 12/23	BWTS fitted
Tanker	Aframax	Kythira Warrior	115k >>	2006	Sanoyas	\$38m	N/A	SS 08/26 DD 01/25	BWTS fitted, Prompt delivery
Tanker	LR2	Marathon	105k >>	2005	Hyundai Samho	low \$30's	Indonesians	SS/DD 01/25	Ice Class
Tanker	MR	Proodos	47k >>	2005	STX	mid/high \$18m	N/A	SS 01/25	BWTS fitted, CAP 1
Tanker	MR	Atlantica Breeze	46k >>	2007	Sungdong	\$19m	Far Eastern	SS 09/27 DD 12/25	BWTS fitted
Tanker	MR	Victor 1	46k >>	2004	Hyundai Mipo	rgn \$11m	Indians	SS 10/24	Auction sale
Dry Bulk	Post Panamax	Jupiter N	93k >>	2011	Taizhou Kouan	\$16.5m	Greek	SS 04/26 DD 06/24	
Dry Bulk	Panamax	Ocean Domina	76k >>	2005	Tsuneishi	\$10.6m	Vietnamese	SS 06/25 DD 08/23	
Dry Bulk	Panamax	Navios Prosperity I	75k >>	2007	STX	\$13.75m	N/A	SS/DD passed	
Dry Bulk	Supramax	Navios Amaryllis	58k >>	2008	Tsuneishi Zhoushan	high \$14m	Indonesians	SS/DD 07/23	old sale
Dry Bulk	Supramax	Bulk Newport	52k >>	2003	Toyohashi	\$9.3m	N/A	SS/DD 02/23	BWTS fitted
Dry Bulk	Handysize	Corkscrew	33k >>	2010	Kanda	\$13.7m	Chinese	SS 07/25 DD 02/23	OHBS
Container	Feedermax	AS Carinthia	2,824 TEUs	2003	Hyundai Mipo	\$7.8m	Chinese	SS/DD 04/23	TC attached, Ice Class
Container	Feedermax	SITC Surabaya	2,742 >>	2006	Aker	\$13m	Chinese	SS 03/26	Ice Class
Container	Small Feeder	Dongjin Highness	704 >>	2007	Yangfan	\$5.5m	Chinese	SS 08/27 DD 01/25	

### 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

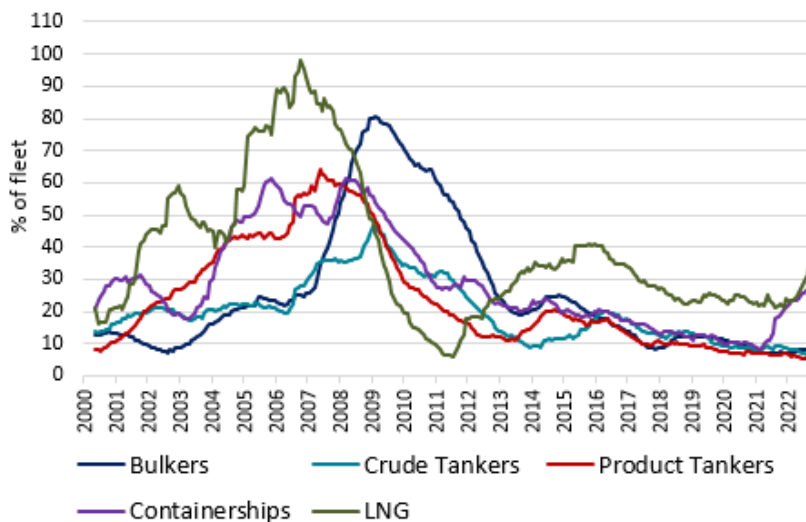
### 4.1 Recent Newbuilding Orders

Ship No	Type	Sub-Sector	Size	Delivery	Yard	Unit Price	Owners	Comments
1	Tanker	MR2	50k >>	2025-26	Yamic	N/A	Singaporean	
1	Gas	LPG	86.7 cbm	2026	Kawasaki	N/A	Japanese	EEDI Phase III, Tier III, Ammonia Ready

### 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	60	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	87	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*

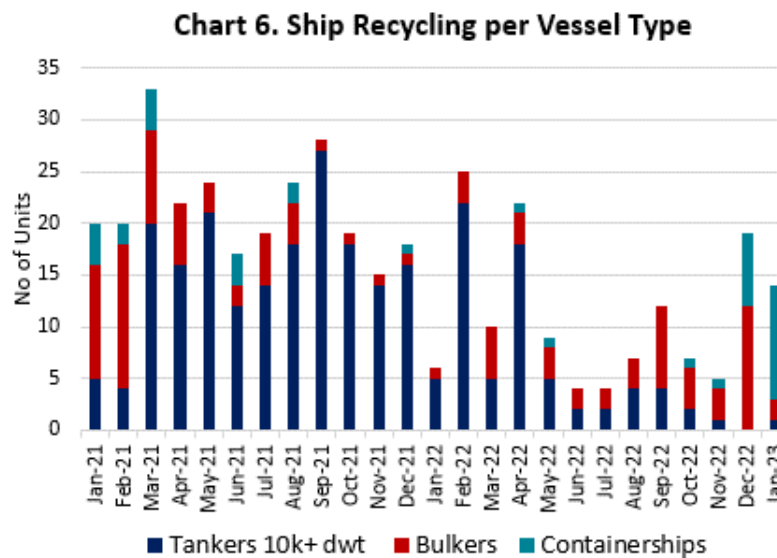


### 4.3 Recent Ship Recycling Activity

Type	Sub-Sector	Name	Dwt	Built	Ldt	Yard	Buyer	Price (\$/ldt)	Comment

### 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	555	405	560	525	550
Bangladesh	415	600	505	525	415	590	510	515
Pakistan	415	590	520	535	415	585	520	525



## 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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