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1. Sustainability

Kawasaki Kisen Kaisha, Ltd. announced that it has conducted the trial use of B24 marine biofuel comprising 24% fatty acid methyl ester (FAME) blended with very low sulfur fuel oil (VLSFO), which was supplied by integrated energy company BP to the Capesize bulker “CAPE TSUBAKI” with the cooperation of the charterer, JFE Steel Corporation. This is third successful trial use of marine biofuel by a “K” LINE vessel. The vessel was supplied with the biofuel in Singapore on 26 November 2022. In December 2022, after completing the loading of Iron Ore at Ponta da Madeira, the vessel started consuming the biofuel while navigating to the discharging port in Kawasaki. In this trial, biofuel had been stored for 2 months in a tank, and the biofuel was used for the long voyage after storage without any large problems. The FAME component of the marine biofuel blend used in this trial enabled a GHG emissions reduction of about 80-90% in the well-to-wake (from fuel generation to consumption) process without changing current engine specifications. In addition to this trial, “K” LINE already has conducted the same kind of trial use of marine biofuel for a Supramax bulker for carrying hot-rolled steel coils with JFE Steel Corporation. Now “K” LINE has also conducted this trial for their raw materials shipments. “K” LINE aims to contribute the decarbonization of all of the marine transportation in the customer’s supply chain. “K” LINE Environmental Vision 2050-Blue Seas for the Future-^{*2}, sets the 2030 interim target of improving CO2 emissions efficiency by 50% compared with 2008, surpassing the IMO target of a 40% improvement. Furthermore, the new target for 2050 as “The Challenge of Achieving Net-Zero GHG Emissions.” As an action plan, the company will continue to work on the introduction of new fuels which have a low environmental impact and take on the challenge of achieving the targets we have established.

2. Shipping Markets Analysis

2.1 Dry Bulk

The SnP market was relatively quiet this week however with the chartering market improving more than 50 % up since last Friday, we expect the activity to start picking up. There is a limited inventory of ships against a strong buying interest for modern vessels. A 2009 Chinese Capesize which invited offers during the week is rumoured to have seen an offer at region \$18.5million. A Chinese controlled 2000 built Japanese Supramax is rumoured to be under negotiations at low \$7 million. Greeks have purchased two Japanese handysizes, one built in Naikai-2012 and the other built in Shin Kurushima-2013. At the time of this report, market sources suggest that a well maintained Korean Kamsarmax built in 2011 has been committed for around \$20.5million. So far this year, 20 handysize, 24 Supramax/Ultramax, 9 Pamamax/Kamsarmax and 15 Capesize have been sold.

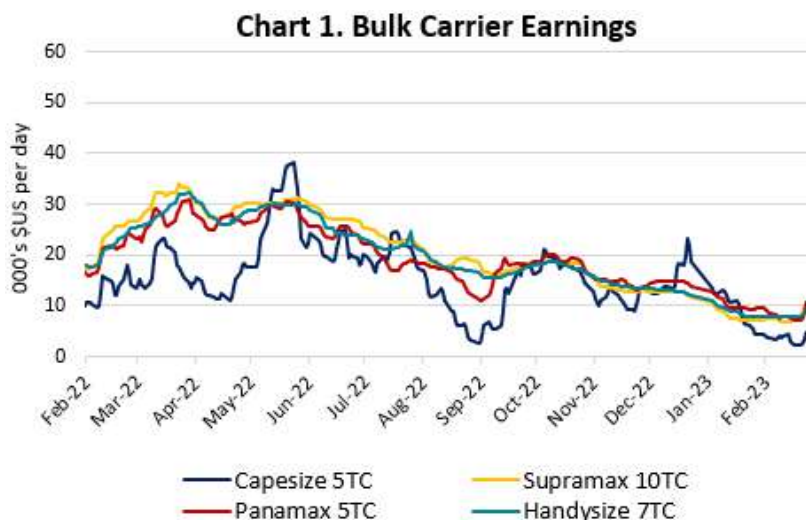
On the Newbuilding front, Greeks are behind an order for a Japanese kamsarmax with delivery in the second quarter 2025. The newbuild vessel is designed to meet the Phase 3 requirements of Energy Efficiency Design Index related to the reduction of greenhouse gas emissions and also comply with the latest NOx emissions regulation, NOx-Tier III. In addition, another Greek has placed an order for three Japanese Kamsarmax with delivery in 2025.

There are signs of more activity in the recycling market as demand for tonnage is increased.

Indonesian thermal coal price reached a one-year low at around \$71 per tonne, which is a drop of around 42% since March 2022. Thermal coal inventories in China have increased to around 154 million tonnes, up almost 50% since November last year which is putting a pressure on prices.

The Indian government has ordered the coal-fired plants using imported coal to operate at full capacity in anticipation of increased demand. Import reliant plants account for almost 10% of India's coal-fired capacity. These plants have cut imports as they were struggling to compete with those using cheaper domestic coal. The initiative from the government aims to prevent potential electricity shortages seen during March and April last year which caused an increase of more than 40% in seaborne coal imports as power stations rushed to build their inventories. With Indonesian coal prices well below their highs seen last year it is likely that India will look to Indonesia for their thermal coal imports needs. Indonesia accounted for almost a half of Indian coal imports in 2022.

According to Bloomberg, People's Bank of China (PBOC) adds a net 632 billion yuan with reverse repos. Beijing is determined to keep cash supply ample. The People's Bank of China offered the short-term cash boost to lenders last Friday, having just pumped one-year money into the system earlier this week. The operations came after a gauge of interbank funding costs soared to the highest in two years last week and stayed elevated since.



2.2 Tankers

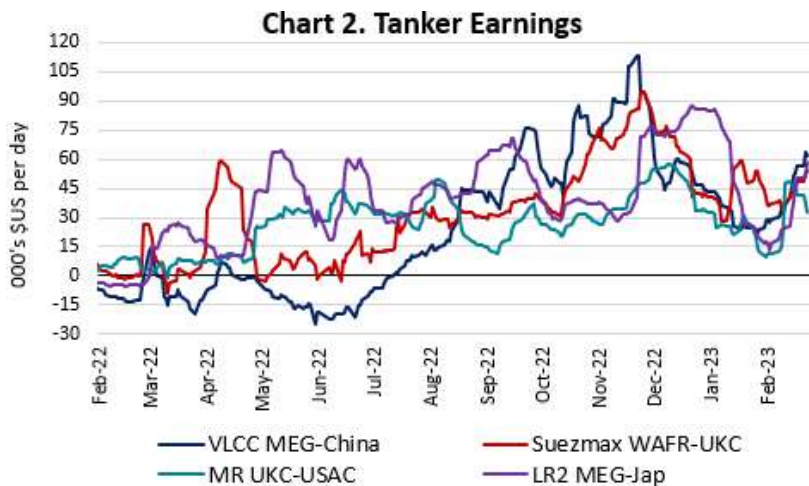
Healthy activity reported this week on the SnP market as buying appetite for second hand units looks steady. A CAP 1, 2004 built Croatian Suezmax is rumoured to have change hands at around \$35million, a strong price compared to a Korean same age unit which was sold for low \$30mill last month. A 2004 built Korean MR tanker is rumoured to have been committed at high \$17 million. Rumours in the market suggest that Libyan buyers are behind the acquisition of two Korean Resale LR2s with delivery in 2023 at a price of around \$76million each. For comparison purposes, two LR2 resales fitted were sold at around \$71.5million back in October last year.

Greeks have signed an LOI for two or three 115k tankers at COSCO Shipping Heavy Industry Yangzhou with delivery in 2025. Vessels will be ice classed and scrubber fitted. Market sources suggest that the price is around \$61.5m

US crude exports are expected to stay robust as i) Biden announced the release of further 26 million barrels from the SPR ii) wide WTI-Brent spread iii) Heavy Refinery Maintenance season in the US which might free up more crude for export and iv) strong US crude oil production, EIA's latest forecast calls for crude oil production to rise by 590,000 barrels per day, to 12.49 million barrels per day (bpd) in 2023, and by another 160,000 barrels to 12.65 million bpd next year.

VLCC spot rates were firmer at the start of week as healthy cargo enquiry pushed rates up with a very modern Scrubber fitted unit fixed for the benchmark route AG/China at around \$70,000 per day.

On the TC market. A 2011 built VLCC fixed for 40-100 days at \$56,000 per day. A 2017 built VLCC fixed for 45-160 days at \$65,000 per day.



2.3 Containers

Freight rates fell again this week, with the SCFI dropped about 2.87% to 946 Points, which is above the 2019 average.

Based on the NCFI report, the cargo volume from Ningbo to Middle East and West Africa routes have seen a correction about 11% and about 8% respectively, on a w-o-w basis, due to the weak demand for transportation. The demand for cargoes from Ningbo to Europe/Mediterranean and North America (East & West) routes slightly decreased, between 1% to 3%, respectively, however the overall transportation remain steady.

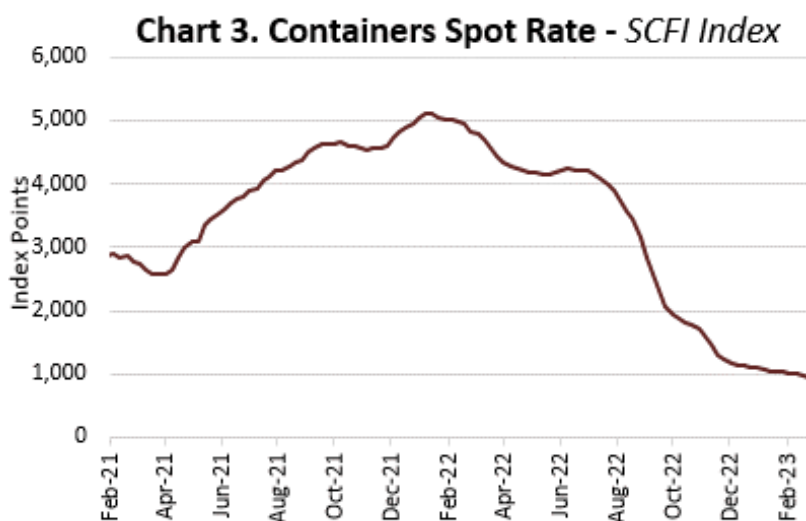
The port congestion index closed at around 31.9% this week, which remains almost stable with minor fluctuations, on a w-o-w basis, and near to pre pandemic average levels.

In the chartering front, the activity continues to improve with several fixtures between small Feeders up to Panamaxes segment this week. Average charter rates fluctuated close to same levels on w-o-w basis. Feeders were fixed at circa \$13,5k to \$15,25k/day and Feedermaxes fixed at circa \$15,5k to \$17,7k/day for periods between four to eleven months. A Korean Panamax was fixed at \$18k/day for period between 5-8 months.

Many vessels opening in Far East, consider repositioning in Atlantic market where the charter rates seem healthier.

On the SnP front, the activity eased the last two weeks, with two single transactions reported sold, one for each week. The reason of this cooling down may be a reflection of the stability on chartering rates the last period, especially on the Feeder segment. Nevertheless, the buying interest remain strong and believed that the volume of transactions will improve in March more vigorously.

For third consecutive week, the new building activity continued with fresh orders. It was announced by big Korean Operator a total of nine Post Panamax (9,000 TEUs) methanol-fuelled ships in two different Korean shipyards (seven at Hyundai Samho and two at HJ Shipbuilding). It is also worth mentioning that Owners' interest is attracted for methanol fuelled units, based on the last orders in February.



2.4 Key shipping Freight Indices

Bulkers		% w-o-w	Tankers*		% w-o-w	Containers		% w-o-w
BDI	816	50.83	VLCC MEG-China	61,600	16.9%	SCFI	946.68	-2.87%
Capesize 5TC	4,754	80.76	Suezmax Wafr-UKC	53,500	20.0%			
Kamsarmax 5TC	10,520	40.77	MR UKC-USAC	32,400	-29.9%			
Supramax 10TC	10,336	46.86	LR2 MEG-Jap	58,100	24.1%			
Handysize 7TC	8,875	14.32	*Indices on 22nd Feb'23					

3. Second-Hand Market

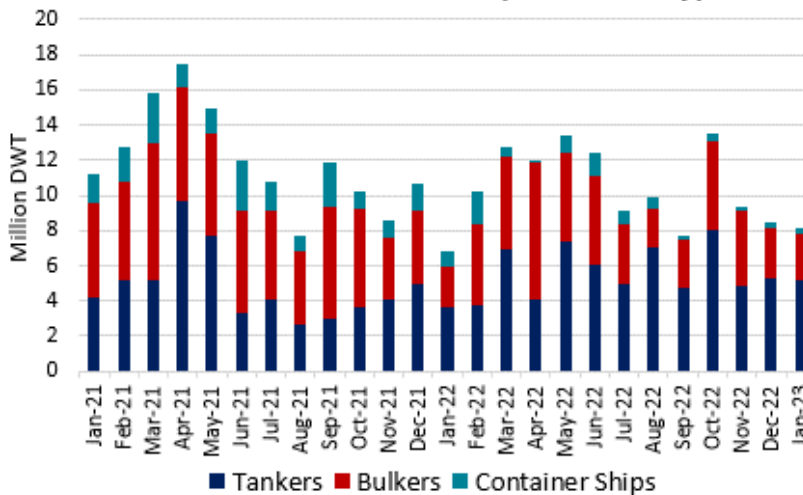
3.1 Weekly Ship Sales by Vessel Type

Vessel Type	Sub-Sector	Name	Size	Built	Yard	Price	Buyers	Surveys	Comments
Tanker	VLCC	Cosglory Lake	299k Dwt	2003	Universal	low \$40	Middle Easterns	SS/DD passed	
Tanker	Aframax	Pelagos One	111k >>	2005	Hyundai Samho	\$36.5m	UAE based	SS 05/25 DD 07/23	BWTS fitted, Ice Class
Tanker	MR	Ibis Pacific	51k >>	2007	STX	\$22m	N/A	SS/DD passed	BWTS fitted, CPP
Tanker	MR	Loukas I	45k >>	2005	Uljanik	low \$17m	N/A	SS 12/25 DD 03/24	BWTS fitted, CPP
Tanker	MR	Lisca Bianca M	40k >>	2005	Hyundai Mipo	\$21m	UAE based	SS 05/25 DD 07/23	BWTS fitted, Ice Class
Tanker	Handy Tanker	Apollo	23k >>	2003	3 Maj	\$10m	Chinese	SS 05/26 DD 05/24	Ice Class
Dry Bulk	Newcastlemax	HL Sapphire	207k >>	2021	New Times	ard \$291 en bloc	Norwegians	SS 01/26 DD 01/24	BWTS/Scrubber fitted, Time Charter Back at \$21k/day for 3 years
Dry Bulk	Newcastlemax	HL Aquamarine		SS 02/26 DD 02/24					
Dry Bulk	Newcastlemax	HL Pearl		SS 11/25 DD 11/23					
Dry Bulk	Newcastlemax	HL Diamond		SS 10/25 DD 10/23					
Dry Bulk	Newcastlemax	HL Emerald		SS 10/25 DD 10/23					
Dry Bulk	Newcastlemax	HL Port Walcott		2020				SS 10/25 DD 10/23	
Dry Bulk	Newcastlemax	HL Port Walcott	2017	CIC (Jiangsu)	SS 03/27 DD 02/24				
Dry Bulk	Capesize	Agia Trias	185k >>	2002	Kawasaki	\$12.5m	N/A	SS/DD passed	BWTS fitted
Dry Bulk	Capesize	Ocean Caesar	180k >>	2008	Imabari	rgn \$20m	Far Eastern	SS 09/26 DD 06/24	BWTS fitted
Dry Bulk	Ultramax	Mutiara	61k >>	2012	Shin Kasado	rgn \$21m	Singaporean	SS/DD 04/23	BWTS fitted
Dry Bulk	Supramax	Pacific Dream	56k >>	2013	Jiangsu Hantong	\$15m each	N/A	SS/DD 06/23	BWTS fitted, Tier II
Dry Bulk	Supramax	Pacific Vision						SS/DD 08/23	
Dry Bulk	Supramax	Ellie M	52k >>	2001	Kanasashi	\$7.5m	N/A	SS 11/26 DD 03/25	BWTS fitted
Dry Bulk	Handysize	Basic Princess	38k >>	2012	Imabari	N/A	Turkish	SS 08/25 DD 04/25	
Dry Bulk	Handysize	Auckland Spirit	31k >>	2003	Saiki	\$9.1m	N/A	SS/DD 03/23	BWTS fitted, OHBS
Container	Small Feeder	Sky Pride	962 TEUs	2005	Dae Sun	\$8.5m	N/A	SS 07/25 DD 07/23	BWTS fitted

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	53	40	70	51	35	23
	Aframax	75	60	49	37	56	41	29	19
	Panamax	57	45	34	24	45	33	22	14
	MR	45	40	32	21	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

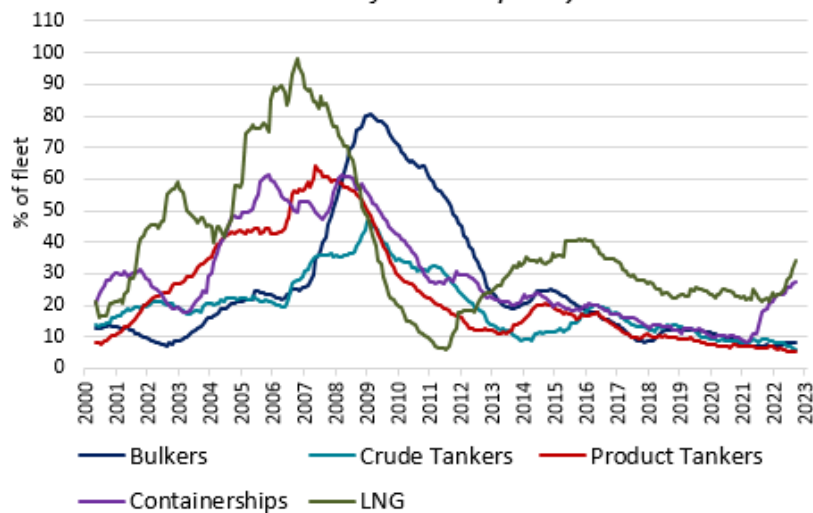
4.1 Recent Newbuilding Orders

Ship No	Type	Sub-Sector	Size	Delivery	Yard	Unit Price	Owners	Comments
3	Dry Bulk	Kamsarmax	82k Dwt	2025	Oshima	ard \$38m	Greek	
1	Dry Bulk	Kamsarmax	81k >>	2025	Japan	N/A	Greek	Tier III, EEDI Phase 3
1	Dry Bulk	Ultramax	65k >>	2025	Tsuneishi Cebu	N/A	N/A	Methanol dual-fuelled
2+1	Tanker	LR2	115k >>	1H 2025	SWS	ard \$63.5m	Greek	Hybrid Scrubber fitted
2	Tanker	LR2	115k >>	2025	CHI Yangzhou	ard \$61.5m	Greek	Scrubber fitted, Ice Class
4	Tanker	Panamax	80k >>	2025-26	Haidong	N/A	UAE	
2	Tanker	MR	50k >>	2025	Yangzijiang	ard \$40m	Greek	
2	Container	Post Panamax	9,000 TEUs	2025	HJ Shipbuilding	ard \$123.5m	Korean	Methanol dual-fuelled
7	Container	Post Panamax	9,000 >>	2025-26	Hyundai Samho	ard \$123.5m		
2	Gas	LPG	87k cbm	1H 2026	HHI	ard \$99m	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	60	60	46	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	125	88	129	128
	6,600-teu	87	85	72	84	86
	5,000-teu	73	70	54	71	73
	2,600-teu	41	40	30	39	41
	1,700-teu	29	27	23	28	29

Chart 5. Shipping Orderbooks
as % of Fleet Capacity

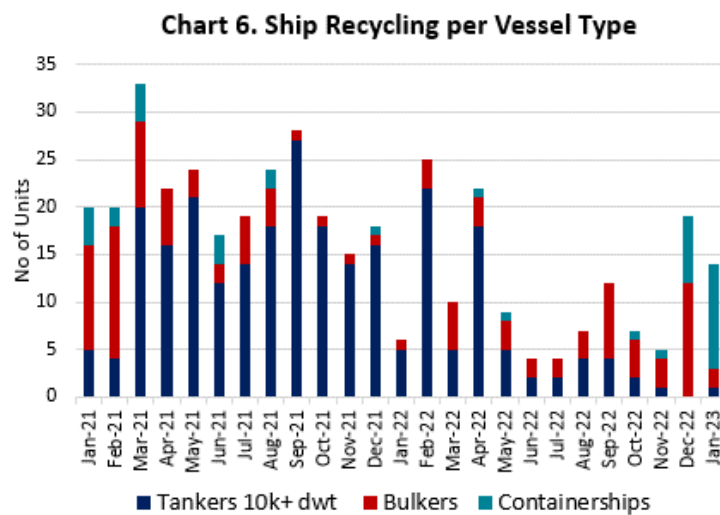


4.3 Recent Ship Recycling Activity

Type	Sub-Sector	Name	Dwt	Built	Ldt	Yard	Buyer	Price (\$/ldt)	Comment
Dry Bulk	Panamax	Vadi	70k >>	1994	10,247 mt	Korean	Bangladeshi	575	300mt BROB, spare propeller
Dry Bulk	Handymax	Sea Win	45k >>	1996	7,488 mt	Japanese	Bangladeshi	538	
Container	Feedermax	MSC Giovanna	2,098 TEUs	1987	11197 mt	Yugoslavian	Indian	500	HKC recycling
Container	Feeder	Xiumei Shanghai	1,608 >>	1997	7,393 mt	German	Bangladeshi	640	300mt BROB
Container	Feeder	OEL Shravan	1,584 >>	1998	7,399 mt	German	Indian	587	"As is" in Colombo
Container	Small Feeder	Tanto Sentosa	256 >>	1984	2,726 mt	Japanese	N/A	490	"As is" in Malaysia
Gas	LNG	Seapeak Arctic	89k cbm	1993	23,667 mt	Japanese	Indian	643	HKC recycling

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	565	405	560	525	555
Bangladesh	415	600	505	540	415	590	510	535
Pakistan	415	590	520	525	415	585	520	515



5. Macro Indicators

Indicator		% w-o-w
ICE Brent	82.96 \$/b	-1.1%
WTI	76.01 \$/b	-1.5%
Spore VLSFO	588.5 \$/t	-9.9%
GBP/USD	1.2	0.8%
USD/YEN	135.21	0.2%
EUR/USD	1.06	0.0%
USD/YUAN	6.94	0.9%
Gold	1,822.5	0.1%



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