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## 1. Sustainability

- Methanex Corporation (Methanex) and Mitsui O.S.K. Lines, Ltd. (MOL) announced that the dual-fuel vessel "Cajun Sun" successfully completed the first-ever net-zero voyage fuelled by bio-methanol. The Cajun Sun, operated by Methanex's subsidiary Waterfront Shipping and chartered from MOL, departed from Geismar, U.S. on January 17 and arrived in Antwerp, Belgium on February 4. By blending ISCC-certified bio-methanol that has negative carbon intensity with natural gas-based methanol, net-zero greenhouse gas emissions on a lifecycle basis were achieved for the 18-day trans-Atlantic voyage. This innovative fuel solution offers shipping companies the ability to achieve net-zero carbon emissions today, supporting the industry's transition to a low-carbon future.
- According to Argus Media, Malaysia's state-owned Petronas, through its subsidiaries tanker firm AET and trading firm Petco Trading Labuan (PTLCL), is considering building a "zero-emission" Aframax dual-fuel tanker running on green ammonia. AET will be responsible to select the shipyard to build the vessel, which could be delivered to PTLCL for long term charters by 2026. The firms also said they would "study opportunities for a green ammonia corridor in Southeast Asia". The partnerships marks another step in AET's 2030 and 2050 decarbonisation plans, after the shipowner agreed to work with Thailand's state-controlled oil firm PTT to develop two green ammonia-fuelled Aframax tankers. AET committed to hit net-zero GHG emissions by 2050 through progressive fleet renewal, increased energy efficiency and the use of a renewable energy mix — a more ambitious goal that the International Maritime Organisation's (IMO) target to halve emissions by 2050, compared with a 2008 baseline.
- Marine-fuel supplier Peninsula has begun providing marine biofuel at its hub ports in the Strait of Gibraltar, according to a Feb. 27 company posting on social media. The company said it was recently certified by the International Sustainability and Carbon Certification system for its physical-supply operations in Gibraltar, Algeciras (Spain) and nearby ports. "The ISCC permits the supply of biofuels from

- feedstocks that have fully traceable, sustainable and GHG-reducing supply chains," the company stated. "This enables Peninsula to directly support customers seeking drop-in biofuel solutions to help lower their carbon emissions."
- Shell and German carrier Hapag-Lloyd have signed a multi-year agreement for the supply of liquefied natural gas (LNG) to a series of 23,500 teu container vessels under construction. Bunkering for these 12 new vessels is expected to commence during the second half of 2023 and LNG will be supplied in the Port of Rotterdam. The ships will be deployed on Asia-Europe routes. In addition to the LNG supply agreement, Shell and Hapag-Lloyd have entered into a strategic collaboration agreement intended to accelerate the decarbonisation of alternative marine fuels. Initial focus will be given to developing the potential of additional low carbon fuels solutions including liquefied biomethane and the hydrogen-based fuel liquefied e-methane.
- Marubeni Corp has agreed to study clean hydrogen production in Saudi Arabia together with the kingdom's sovereign wealth fund, the Japanese trading house said on Thursday, as Riyadh is exploring cleaner energy to cut its reliance on oil. Saudi Arabia, a leading oil-producing nation and a key player in the Organization of the Petroleum Exporting Countries, is looking to add other types of energy sources, including cleaner fuels and renewables, to diversify its economy. Marubeni and the Saudi sovereign Public Investment Fund (PIF), central to the kingdom's goal to cut reliance on oil, agreed to conduct a feasibility study for producing clean hydrogen for both domestic and international markets, the Japanese firm said. PIF, which manages more than \$600 billion in assets, plans to invest more than \$10 billion in eligible green projects by 2026, including in renewable energy, clean transport and sustainable water management, it said last year. Saudi Arabia, which plans to reach net zero emission by 2060, also by developing carbon capture and storage hubs, may bring the target forward if the technology allows.

## 2. Shipping Markets Analysis

### 2.1 Dry Bulk

The SnP activity was busier this week as the chartering market jumped 100% since last Monday (20th February) reaching its highest point in almost two months. With all the indexes currently trading above \$10,000 per day (except the Capesize sector) and with an improved sentiment surrounding the market we expect activity to remain healthy. Market sources suggest that a 2015 built Chinese large-Handysize with eco Main Engine, semi-boxed holds, ice-class, has been committed for high \$19million. Four moderns Chinese Ultramaxs fitted with Scrubbers are rumoured to have been sold to undisclosed buyers. A 2015 built Japanese-affiliated Supramax that called for offers this week is rumoured to have attracted strong buying interest with offers ranging from mid-\$21million to mid-\$22million. Also, a 28,000 dwt Japanese Handysize which invited offers on Tuesday saw offers in well excess of \$13million. A 2001 Japanese Supramax rumoured to have been committed at excess \$8million. Last but not least, market sources suggest that a 2016 built Chinese Ultramax has seen an offer at around \$25million.

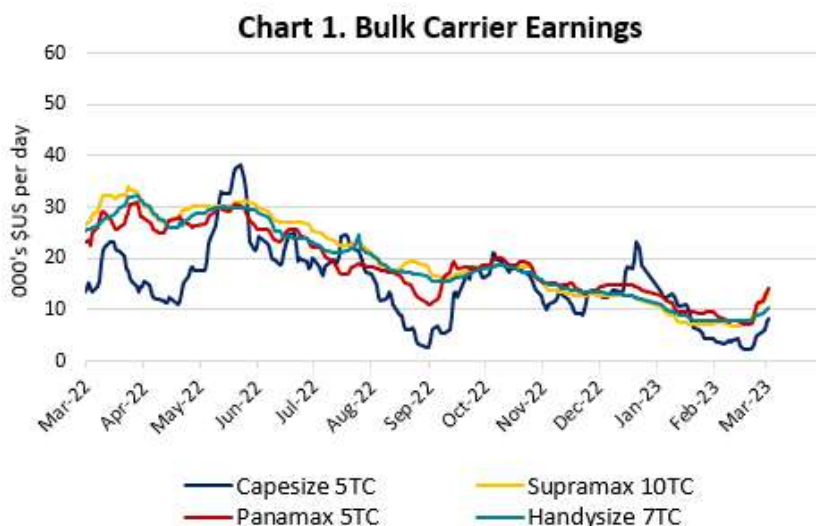
Chinese steel production increased around 2% Year over Year in February according to WorldSteel. Steel mills increased their production on the expectation of a recovery in the demand and the introduction of stimulus packages from the Government to support the economy.

Dutch TTF natural gas prices have now fallen below the gas-to-coal switching price in Europe for the first time since October 2022. April Dutch TTF natural gas futures price has fallen by 41% this year closing at around 47 Euros per MWh. This is down 85% from a peak on 26th August.

Data showed China's factory activity rose for the first time in seven months in February, according to the purchasing manager's index (PMI) published by Caixin/S&P Global on Wednesday. Official government PMI data also published on Wednesday showed the fastest expansion in manufacturing since 2012 occurred in February.

China is becoming increasingly ambitious with its 2023 growth target, aiming potentially as high as 6%, in a bid to boost investor and consumer confidence and build on a promising post-pandemic recovery, sources involved in policy discussions said. Four of the sources' said China was likely to aim for growth up to 6%, while three others said China was targeting 5%-5.5%. Those numbers point to rising optimism within Chinese policy circles compared with November, when government advisers recommended more modest targets ranging from 4.5% to 5.5%.

Ukraine will offer compensation for possible damages to civilian vessels entering its ports, Deputy Prime Minister Oleksandr Kubrakov said on Friday, as Kyiv tries to boost exports that are vital for its war-hit economy. Ukraine is a major producer and exporter of agricultural products, metals and chemical goods but has faced blockades of Black Sea ports since Russia's invasion a year ago and only food cargo can be shipped abroad. Kubrakov said on Twitter that Ukraine's parliament had approved a law to set up a \$500 million insurance fund. The Black Sea Grain Initiative brokered by the U.N. and Turkey last July allowed grain to be exported from three Ukrainian ports. The agreement was extended in November and will expire on March 18 unless an extension is agreed.



Recently, some of the traditional shipping banks have seen their portfolios shrink due to the fact that owners have repaid / prepaid their loans the last period. According to the global head of a major shipping bank, this shift was directed by the good times that shipowners in traditional shipping segments have been enjoying and also by the rising of the interest rates that makes financing costs more expensive. Therefore, this fact will lead banks to set lower targets for 2023 but also to seek for opportunities in the offshore and car carrier market, diversifying their portfolios in that direction.

## 2.2 Tankers

Healthy activity reported this week on the SnP market. A 2007 Japanese MR tanker has been committed for mid \$21million. A modern 2015 built Chinese MR was sold for high \$33million. Market sources suggest that a Scrubber fitted LR1 tanker built in 2006 in China is rumoured to have been committed at low \$23million. Last but not least, a 13-year-old LR2 tanker has been put on subs for mid-high \$42million.

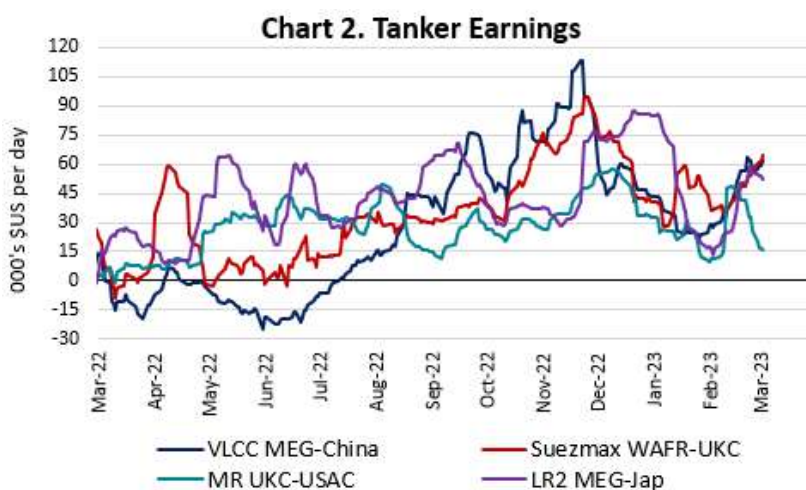
According to Tradewinds, a low-profile Chinese shipbuilder Haidong shipyard had won an order for four 80,000 dwt LR1's from Emeppo FZE UAE with delivery in 2025-2026. This is the first LR1 tanker order since 2019. There are 383 coated tankers between 60,000-85,000 with average 13 years.

J.P. Morgan on Thursday forecast Russia would be able to maintain its oil output at pre-Ukraine conflict levels due to steady demand from China and India but said it might struggle to reroute some of its oil product exports away from Europe. "We believe Russia will be able to maintain its oil production at pre-war levels of 10.8 mbd (million barrels a day) but will have difficulties getting back to peak pre-COVID volumes of 11.3 mbd," the bank said. J.P. Morgan expects Indian and Chinese demand collectively to increase by 1 million bpd this year. Russia has so far managed to reroute oil exports from Europe to India, China and Turkey, which snapped up cheap barrels despite the Group of Seven's \$60 price cap on Russian crude. China's seaborne imports of Russian oil are set to hit a record in March along with robust Indian demand. The International Energy Agency said the world's second biggest oil producer saw revenues from oil and gas exports drop by nearly 40% in January.

A series of New-York listed tanker companies reported their Q4 and 2022 Full year results this week. Frontline had its best quarterly earnings since 2008, International Seaways reported its best ever quarterly earnings, Okeanis Eco Tankers and Nordic American Tankers also reported very strong results.

The US exported a staggering 5.6 million barrels a day of crude oil last week, a record high (on a gross basis). A decade ago, America barely exported any oil.

According to Reuters, The United States is sounding out close allies about the possibility of imposing new sanctions on China if Beijing provides military support to Russia for its war in Ukraine, according to four U.S. officials and other sources. The consultations, which are still at a preliminary stage, are intended to drum up support from a range of countries, especially those in the wealthy Group of 7 (G7), to coordinate support for any possible restrictions. It was not clear what specific sanctions Washington will propose. The conversations have not been previously disclosed.



## 2.3 Containers

The plummeting on the market is still ongoing. The SCFI dropped further about 1.64% to 931 points. Comparing to the last year, the index was in the range of 4,780 points, a variance about 80% downwards.

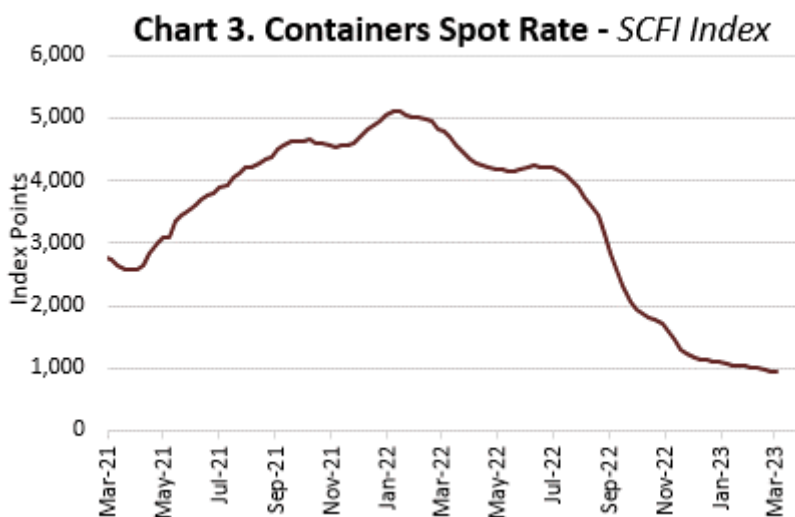
NCFI index continue to soften about 4% on a w-o-w basis on the main routes departing from Ningbo. The cargo volume from Ningbo and Europe/Mediterranean and North America is still weak, down 2%-5%, since the supply exceed the demand levels for carriage goods in these areas. On the other hand, the route to Thailand/Vietnam has seen significant improvement, an increase about 73% due to the seasonality where demand for cargoes tend to peak during this period.

Despite the above indices' reduction, the activity in the chartering front remains strong for another one week. Lately, more vessels are finding employments and number of idle units reduced steadily every week. More than ten fixtures reported on several reports. It has been recorded that charter rates on Feeders remains steady but were fixed for longer periods i.e., six to twelve months. Three Feedermaxes fixed at circa \$17k/day same periods as Feeder segment, while two Panamax (3,500 TEUs) fixed at low/mid \$17k/day. A Post Panamax (8,500 TEUs) has been reported fixed, after four months since the last similar size fixture, for period eleven to thirteen months at \$37k/day, while a smaller Post Panamax (5,500 TEUs) was fixed for short period, four to six months, at high \$27k/day.

On the SnP front, we have noticed that more sale candidates in the market recently, mostly large size tonnage. In parallel, Sellers are considering to employ their ships in short periods in order to revisit their decision in a few months.

In the recycling front, the supply of tonnage remains limited. Recyclers are expecting that vintage tonnage, especially Feeders, will proceed at recycling yards in the months to follow. It is worth to mentioned that number of units proceeded to recycling yards has been doubled by February (about 20 units) in 2023, while the total number of reported units for recycling was around 10 throughout the past year.

Regarding the alternative fuel trend on the newbuilding sector, LNG and methanol dual-fuel tonnage have taken the 40% of the orderbook (around 300 units), so far. Methanol orders have grown more rapidly than LNG in the last six months. Most of the dual-fuelled ships, (about 200) are scheduled to be delivered in 2025 and 2026. Presently, around 55 LNG capable vessels.



## 2.4 Key shipping Freight Indices

Bulkers		% w-o-w	Tankers			Containers		% w-o-w
BDI	1,145	40.32	VLCC MEG-China	61,700	0.2%	SCFI	931.08	-1.65%
Capesize 5TC	8,296	74.51	Suezmax Wafr-UKC	64,400	20.4%			
Kamsarmax 5TC	14,006	33.14	MR UKC-USAC	16,100	-50.3%			
Supramax 10TC	13,113	26.87	LR2 MEG-Jap	51,900	-10.7%			
Handysize 7TC	10,350	16.62						

## 3. Second-Hand Market

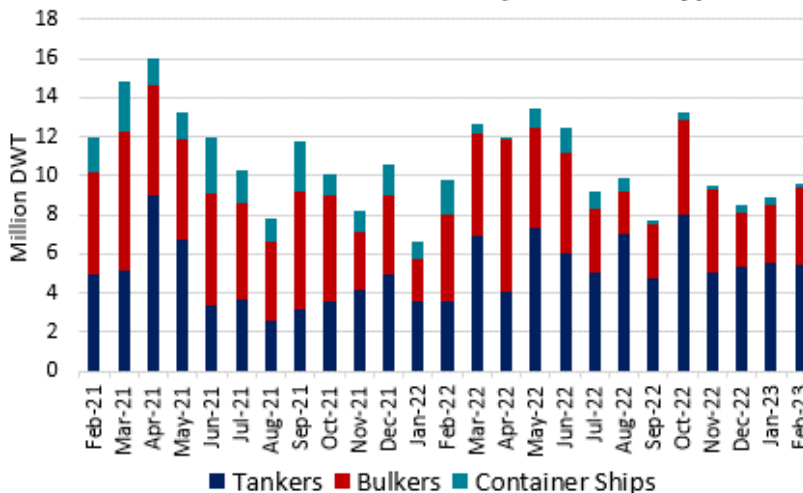
### 3.1 Weekly Ship Sales by Vessel Type

Vessel Type	Sub-Sector	Name	Size	Built	Yard	Price	Buyers	Surveys	Comments
Tanker	Suezmax	Cap Charles	158k Dwt	2006	Samsung	\$41.5m	UAE based	SS 09/26 DD 06/24	BWTS fitted, Ice Class
Tanker	MR	Spruce Express	51k >>	2006	STX	\$17.6m	N/A	SS 09/26 DD 01/24	BWTS fitted, CAP 1, forward delivery
Tanker	MR	Marlin Amethyst	49k >>	2015	Guangzhou	high \$33m	Greeks	SS 07/25 DD 10/23	
Dry Bulk	Capesize	Navios Felix	181k>>	2016	Imabari	\$40.7m	Greeks	SS 09/26 DD 06/24	Scrubber fitted, exercise P/O
Dry Bulk	Supramax	Supra Oniki	57k >>	2010	Qingshan	ard \$13m	N/A	SS 07/25 DD 08/23	BWTS fitted
Dry Bulk	Handysize	Lancaster Strait	37k >>	2013	Hyundai Mipo	low \$16m	Germans	SS/DD 01/23	TC attached
Dry Bulk	Handysize	Hong Kong Spirit	32k >>	2011	Taizhou Maple	\$10.7m	N/A	SS 01/26 DD 10/23	BWTS fitted
Dry Bulk	Handysize	Patronus	30k >>	2007	Cochin	\$7.8m	Turkish	SS 02/26 DD 03/24	BWTS fitted
Dry Bulk	Handy	Prince Rupert	18k >>	2009	Yamanishi	\$9.1m	N/A	SS/DD 04/24	
Container	Panamax	Hammonia Lipsia	3,091 TEUs	2004	Stocznia	\$14.5m	Swiss	SS 12/26 DD 12/24	
Container	Feedermax	Windermere	2,797 >>	2010	Yangfan	\$17m	N/A	SS 04/25 DD 04/23	Ice Class
Container	Feeder	Julius	1,368 >>	2009	Shandong Weihai	rgn \$8.8m	Germans	SS 11/24	Ice Class
Container	Feeder	A Fuku	1,043 >>	2007	Dae Sun	\$10m	N/A	SS/DD passed	BWTS fitted
Container	Feeder	A Kou	1043 >>	2007	Dae Sun	\$11m	N/A	SS/DD passed	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				
		14			15				

Chart 4. Sales Volumes per Vessel Type



## 4. Newbuilding & Ship Recycling Markets

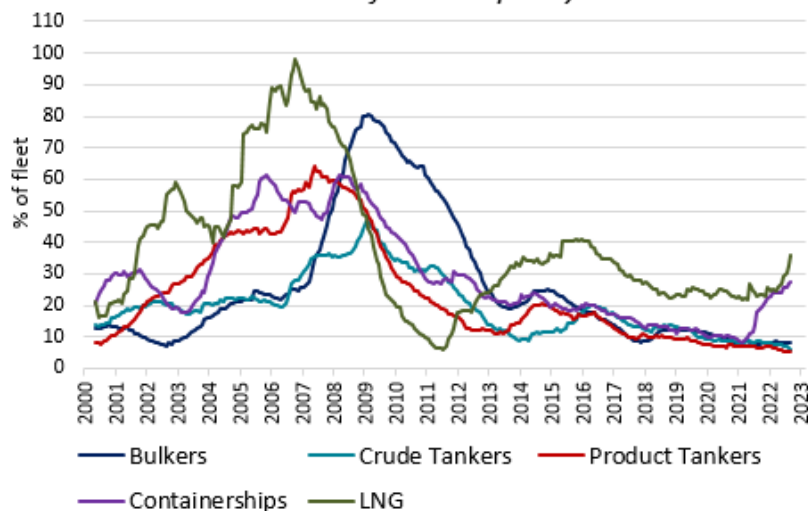
### 4.1 Recent Newbuilding Orders

Ship No	Type	Sub-Sector	Size	Delivery	Yard	Unit Price	Owners	Comments
4	Tanker	MR	52k >>	2025	Minaminippon	N/A	Japanese	
2	Gas	VLGC	88k cbm	2025-26	Hyundai Samho	ard \$98.5m	UAE based	

### 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	125	125	88	129	128
	6,600-teu	85	85	72	84	86
	5,000-teu	70	70	54	71	73
	2,600-teu	40	40	30	39	41
	1,700-teu	27	27	23	28	29

Chart 5. Shipping Orderbooks  
as % of Fleet Capacity



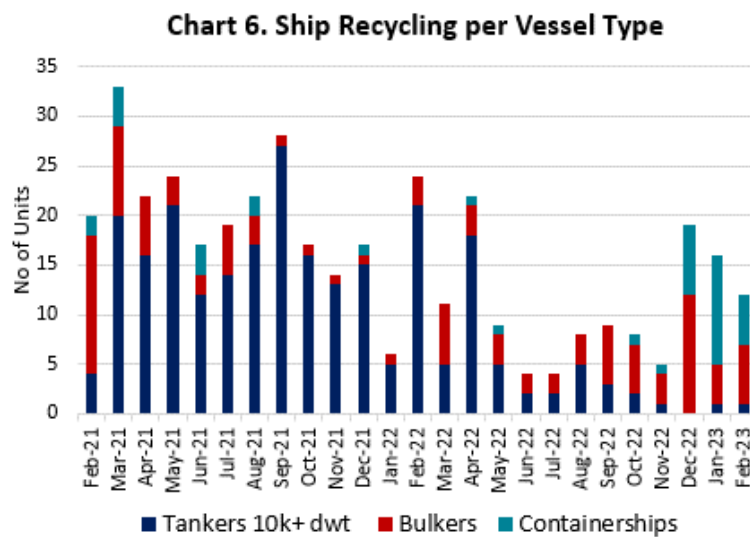
### 4.3 Recent Ship Recycling Activity

Type	Sub-Sector	Name	Dwt	Built	Ldt	Yard	Buyer	Price (\$/ldt)	Comment
Tanker	MR	Da Qing 439	37k	1999	9,828 mt	Chinese	N/A	500	"As is" China
Gas	LPG	Viet Dragon 68	74k cbm	1982	20,300	Finns	Indian	600	"As is" bss Fujairah

## 4.4 Scrap Values & Ship Demolition Volumes

According to Wirana, Bangladeshi market has been impressing everybody with levels over USD 600/LDT for the first time since the same time last year. Pakistan regrettably remains side-lined for yet another week. The country is getting close to securing USD 6.50 billion loan from IMF as they have taken multiple steps specified by IMF and they also received USD 700 million in loan from China this week. India reduced customs duty on import of vessels and other floating structures for breaking to 0% from earlier 3% with immediate effect up to 31st March 2025. This is an important step by the Government to ensure that ship recyclers from India remain competitive with its counterparts in Bangladesh and Pakistan. In Turkey, increase in local demand linked to rebuilding after earthquake, further expected local demand for same purposes and lower local production as big steel mills in earthquake affected region are not yet able to work at normal levels, have all resulted in good price increase across all segments in local steel market.

Location	Tankers				Dry Bulk			
	Year End, \$m			Current	Year End, \$m			Current
	2020	2021	2022		2020	2021	2022	
<b>India</b>	405	565	530	555	405	560	525	560
<b>Bangladesh</b>	415	600	505	540	415	590	510	550
<b>Pakistan</b>	415	590	520	515	415	585	520	515



## 5. Macro Indicators

Indicator		% w-o-w
ICE Brent	84.65 \$/b	2.0%
WTI	78.04 \$/b	2.7%
Spore VLSFO	614 \$/t	4.3%
GBP/USD	1.2	0.0%
USD/YEN	136.46	0.9%
EUR/USD	1.06	0.0%
USD/YUAN	6.9	-0.6%
Gold	1,842.2	1.1%



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