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## 1. Sustainability

- According to Reuters, EU countries on Tuesday gave the final approval to the biggest revamp to date of Europe's carbon market, which is set to make it more costly to pollute and sharpen the 27-member bloc's main tool for cutting carbon dioxide emissions. The world's first major carbon trading system has since 2005 forced power plants and factories to buy permits when they emit CO<sub>2</sub>, and has cut emissions from those sectors by 43%. European Union members approved a deal agreed last year by negotiators from EU countries and Parliament, to reform the carbon market to cut emissions by 62% from 2005 levels by 2030, which is designed to deliver the EU's emissions-cutting targets. After nearly two years of EU negotiations, the member states' approval means the policy will now pass into law. The EU Parliament approved the deal last week. Of the 27 EU countries, 24 voted for the reform. Poland and Hungary opposed it, while Belgium and Bulgaria abstained. Poland, which has previously called for the carbon market to be suspended or its price capped to ease the burden on industry, said EU climate policies set unrealistic goals. The reform is set to hike the cost of polluting for sectors including cement manufacturing, aviation and shipping, while also raising billions of euros through CO<sub>2</sub> permit sales, for national governments to invest in green measures. Heavy industries will lose the free CO<sub>2</sub> permits they currently receive by 2034, while airlines will lose theirs from 2026, exposing them to higher CO<sub>2</sub> costs. Emissions from ships will be added to the scheme from 2024. Countries also approved the EU's world-first policy to phase in a levy on imports of high-carbon goods from 2026, targeting steel, cement, aluminium, fertilisers, electricity and hydrogen. The carbon border levy aims to put EU industries and foreign competitors on a level footing, to avoid EU producers relocating to regions with less stringent environmental rules. The price of EU carbon permits has soared in recent years, boosted by anticipation of the reforms. EU carbon permits were trading at around 88 euros per tonne on Tuesday, having more than tripled in value since the start of 2020. EU countries also backed plans to launch a new EU carbon market covering emissions from fuels used in cars and buildings in 2027, plus a 86.7 billion euro EU fund to support consumers affected by the costs.
- HMM has signed a Memorandum of Understanding (MoU) with GS Caltex to secure marine biofuels. HMM also plans to conduct the trial use of the fuels on its three 24,000 TEU containerships in the second half of this year. The marine biofuels comprise 30 percent biodiesel derived from used cooking oil and 70 percent high-sulfur fuel oil (HSFO). Biodiesel reduces greenhouse gas emissions by 80% compared to conventional fuels. Biofuels have the merit of being compatible with current ship engines without technological modification. In 2021, HMM performed the first test voyage using biofuels on its 13,100TEU containership. The vessel HMM Dream, deployed in EC1 (East Coast 1) service connecting Asia and the US East Coast, successfully completed the voyage in the Pacific Ocean. Park, Jinki, Senior Executive Vice President of HMM, said, "Based on this MoU, we expect to generate less greenhouse gas emissions and thereby contribute to limiting climate change. We will continue to enhance our environmental competence by accelerating R&D activities".

## 2. Shipping Markets Analysis

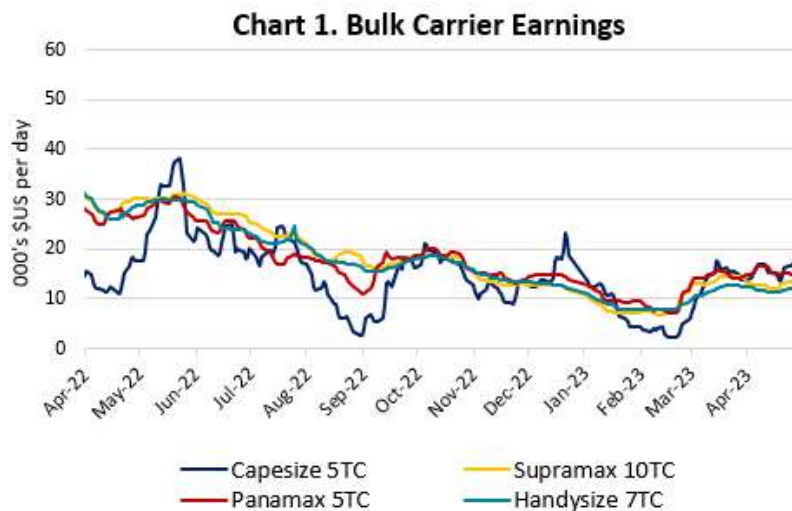
### 2.1 Dry Bulk

SnP activity remains healthy with second hand values trending upwards especially for the younger vessels. We expect modest activity next week as holidays are taking place around the world. Chinese Buyers remain slow, however we anticipate their appetite for second hand vessels to gradually improve, which might lift up demand for older vessels. Buying interest for modern vessels remains robust with limited inventory of vessels currently for sale. We continue to see fresh candidates entering the market for sale especially on the Supramax/Kamsarmax sector.

On the Capesize sector, a 15-year-old Japanese unit fitted with scrubber has been sold for region \$23million. On the Panamax front, a 2009 Japanese built unit was committed for around \$17.5million, a firm price compared to a 1-year older similar unit which was sold for \$15million earlier this month. A 2011 built Chinese Supramax is rumoured to have been committed for excess \$15million. A 2009 Japanese built 55,000 dwt vessel was sold for mid-high \$16 million. Handysizes continue to attract good buying interest, with market sources suggesting a 2009 Chinese vessel was sold for excess \$10million. A large Japanese Handysize built in 2013 sold for around \$19.5million, a slightly firmer price compared to a 2-year older sistership which was sold for excess \$17million last month.

European imports of South African coal have decreased in Q1 this year as the second largest economy in Africa shifted its exports to India and other Asian buyers on the back of weaker demand from Europe. Overall, coal export from South Africa have decreased around 6% Year over Year as persistent rail issues due to lack of maintenance, funding and large-scale theft of rail infrastructure in combination with flooding in February caused exports to drop.

Many Japanese owners have been left with cash after operators took up purchase options on bulk carriers on long term charter during a boom in asset values last year. Usually, the funds would be recycled into the newbuilding market but, faced with elevated yard prices and low time charter rates, Japanese operators have looked to redirect the funds toward bareboat charter back deals on newbuilding deliveries or secondhand ships. The bareboat charter back deals are essentially a refinancing, which also allows operators to keep the asset on their balance sheet, and includes purchase options to fully acquire the vessel.



### 2.2 Tankers

Not the busiest of weeks for the second-hand market with limited fresh fixtures reported. The New build market has seen increased interest lately with quite a few remarkable orders reported. A Greek owner is rumoured to have splashed over \$600 million on an order in a Chinese yard for up to ten plus four options Scrubber-fitted LR2 tankers with delivery in 2025 and 2026 and a price of around \$61-\$63million each. Suezmax new build orders have seen a huge increase. Within the last two weeks we have counted 16 orders plus 12 options for Suezmaxes which if the orders confirmed and options are exercised this will mean that the equivalent of around 4% of the total current fleet has been contracted only in a matter of few weeks.

Spot rates for MR tankers are plunging in the Atlantic market, pushing average earnings in the basin to the lowest level since February. Baltic Exchange data showed that the vessels on the Atlantic trade saw their average time charter equivalent rate fall to just under \$20,400 per day on Wednesday, a one-day dip of 4.8% that contributed to a 39.9% slump since this time last week.

Even though the Crude spot chartering market has softened, demand for Time charter looks healthy with market sources suggesting an eco/scrubber fitted VLCC fixed for 1 year at \$57,000 per day.

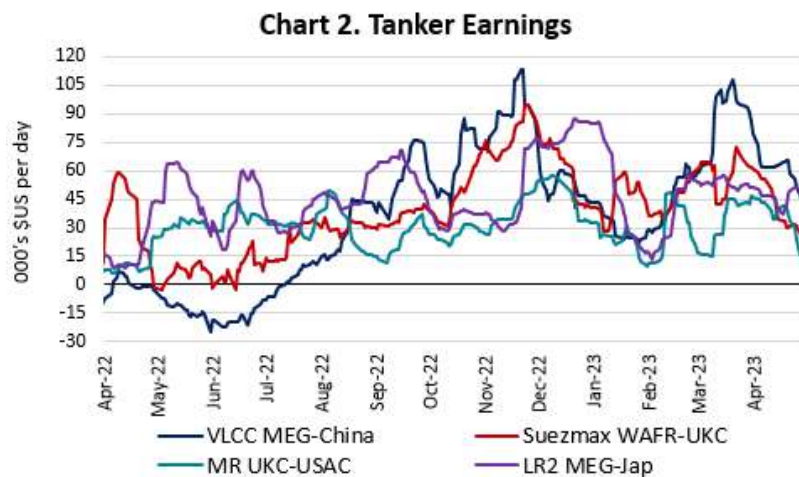
According to Reuters, Russian Deputy Prime Minister Alexander Novak said on Thursday the OPEC+ group of leading oil producers saw no need for further output cuts despite lower-than-expected Chinese demand, but that the organisation can always adjust policy if necessary. Novak also said the difference between prices of Russian Urals flagship oil blend and global benchmark Brent in the Baltic is around \$26-\$27 per barrel. The discount widened in December after Western nations imposed a price cap, but has narrowed since mid-March.

US crude oil inventories declined by 4.6m bbl to 466.0m bbl. US refinery utilisation rose to 91%, its highest level in 2023 so far. Meanwhile, US crude exports rose by almost 70% w-o-w to 4.6m bpd, up by more than 100% Year over Year as the US tenders its crude as an alternative to Russian energy exports.

Chinese Gross domestic product grew 4.5% year-on-year in the first three months of the year, data from the National Bureau of Statistics (NBS) showed on Tuesday, faster than the 2.9% in the previous quarter. It beat analyst forecasts for a 4.0% expansion and marked the strongest growth in a year.

India is about to surpass China as the world's most populous nation in the coming days, the UN The main driver of these trends is the fertility level in the two nations, said John Wilmoth, Director of the UN Population Division. Together, China and India's collective populations equal more than one third of the world's eight billion citizens. By the end of April, India's population is expected to reach 1,425,775,850 people, with projections indicating further growth for several decades more, the UN said. That's slightly higher than China's global record of 1.4 billion in 2022. "China's population reached its peak size in 2022 and has begun to decline," Mr. Wilmoth told a press conference at UN Headquarters in New York. "Projections indicate that the size of the Chinese population could drop below one billion before the end of the century."

Iran seized a Marshall Islands-flagged oil tanker in the Gulf of Oman in international waters on Thursday, the U.S. Navy said. Iran's army said it had seized a Marshall Islands-flagged oil tanker in the Gulf of Oman after it collided with an Iranian boat, injuring several crewmen, Iranian state media reported. Tanker had been headed for Houston according to ship tracking data.



## 2.3 Containers

This week, the SCFI dropped 3.6% w-o-w to 999 points, after four consecutive weeks of improvement.

The NCFI index remained steady (down 0.2%), on a w-o-w basis. Based on reports, the demand for transportation on routes from Ningbo to Middle East and Black Sea has been increased by 6.5% and 15.5% respectively. Meantime the route from Ningbo to Europe saw a minor downward by 1% while the demand for cargoes on route to North America has been corrected by around 3%.

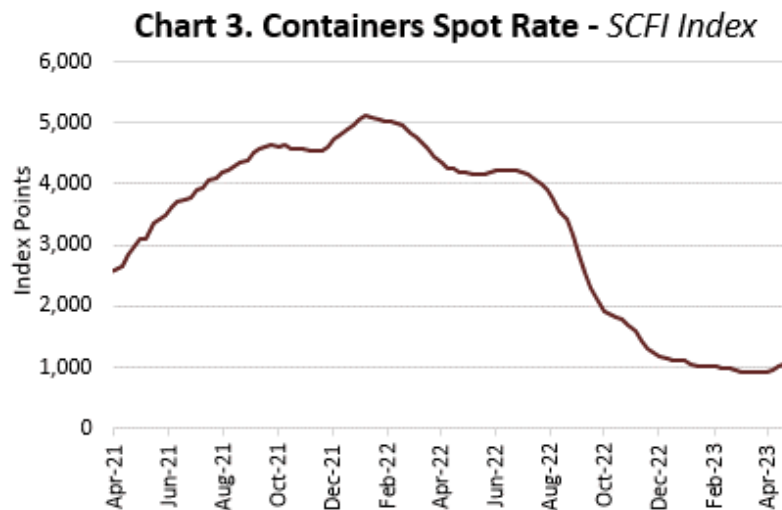
For another week the volume of reported fixtures keeps the chartering front active and healthy. The rates on Feeder segment remain steady but most of the employments were fixed in smaller periods comparing to the last previous weeks. Eight Feeders in total, between 1,000 to 1,900 TEUs, found employment at range \$14k/day to \$17k/day for four to six up to eight months and few for ten to twelve months. A Feedermax was fixed for a small period (2-3 months) at \$20k/day while two

Panamaxes, a 3,000 TEUs and a 4,250 TEUs, secured fixtures at \$19k/day for three years and at \$22k/day for two years respectively.

In the SnP sector, the activity eased for another week. We have recorded two new transactions, a twenty-year-old Korean built Post Panamax sold for around mid \$22m to Swiss interest and a freshly ex-shipyard Chinese Feeder sold to Thai Buyers.

A quiet week on the newbuilding front as no new orders reported. However, a Taiwanese company is in process for an investment about four billion dollars for twenty-four Very Large Containers (VLCS) of 15,000 TEUs with methanol dual-fuelled, estimated price \$175m each.

In the recycling market, two vintage units reported sold to Indian Cash Buyers. Recyclers are still worried about the shortage in the supply of vessels as we already entered the second quarter of 2023 and the activity remains limited.



## 2.4 Key shipping Freight Indices

Table 1. Key Shipping Freight Indices								
Bulkers		% w-o-w	Tankers		% w-o-w	Containers	% w-o-w	
BDI	1,581	10.41	VLCC MEG-China	45,000	-31.2%	SCFI	999.73	-3.60%
Capesize 5TC	18,874	27.99	Suezmax Wafr-UKC	28,000	-7.9%			
Kamsarmax 5TC	14,506	-3.90	MR UKC-USAC	16,000	-56.9%			
Supramax 10TC	13,036	0.55	LR2 MEG-Jap	50,700	7.0%			
Handysize 7TC	11,965	2.27						

## 3. Second-Hand Market

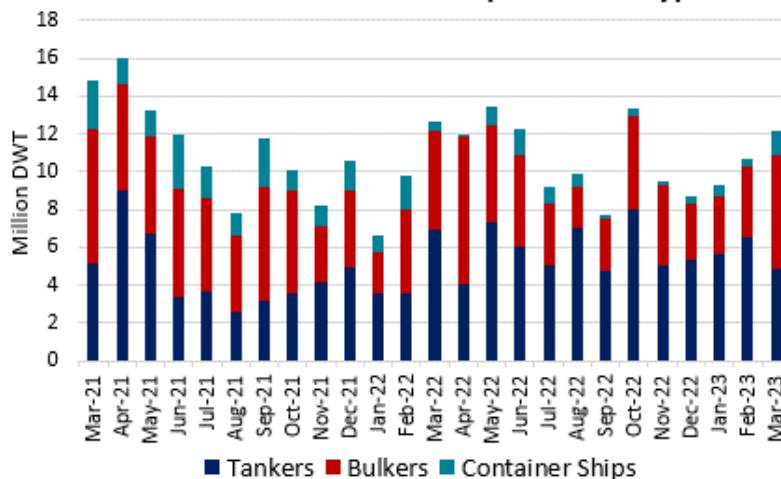
### 3.1 Weekly Ship Sales by Vessel Type

Vessel Type	Sub-Sector	Name	Size	Built	Yard	Price	Buyers	Surveys	Comments
Tanker	VLCC	Nautica	307k Dwt	2008	Dalian	\$55m	United Nations	SS/DD 04/23	
Tanker	VLCC	Ace Porter	301k >>	2008	Daewoo	N/A	N/A	SS/DD passed	BWTS fitted
Tanker	Suezmax	Eagle Brenda	164k >>	2001	HHI	rgn \$26m	N/A	SS 07/26 DD 10/24	
Tanker	LR2	STI Lobelia	109k >>	2019	New Times	N/A	US based	SS/DD 01/24	Purchased option Declared
Tanker	LR1	Hafnia Rhine	76k >>	2008	Dalian	\$26.5m	Europeans	SS/DD passed	BWTS fitted
Tanker	MR	Kiribora	50k >>	2013	SPP	\$33.5m	Greeks	N/A	BWTS fitted
Tanker	MR	Bahri Jasmine	49k >>	2005	Daewoo	\$18.3m	UAE based	SS 04/25 DD 07/23	
Tanker	MR	STI Magic	47k >>	2019	Hyundai-Vinashin	N/A	US based	SS/DD 01/24	Purchased option Declared
Tanker	MR	STI Magister						SS/DD 06/24	
Tanker	MR	STI Marvel						SS/DD 03/24	
Tanker	MR	STI Mystery						SS/DD 02/24	
Tanker	MR	STI Mythic						SS/DD 07/24	
Tanker	MR	Dee4 Elm	47k >>	2009	Onomichi	rgn \$25m	N/A	SS/DD 01/24	BWTS fitted
Tanker	MR	SW Julia I	40k >>	2003	Hyundai Mipo	\$15.2m	N/A	SS/DD 09/23	CAP 1
Dry Bulk	Kamsarmax	Valiant Spring	81k >>	2015	Tsuneishi Zhoushan	\$28.3m	Greeks	SS 12/25 DD 02/24	BWTS fitted, Eco ME
Dry Bulk	Kamsarmax	DL Ivy	81k >>	2012	Jiangsu Eastern	rgn \$17.5m	Greeks	SS 09/27 DD 02/26	BWTS fitted
Dry Bulk	Panamax	Navios Aldebaran	76k >>	2008	Imabari	\$15m	N/A	SS 08/25 DD 08/23	BWTS fitted
Dry Bulk	Panamax	Navios Anthos	75k >>	2004	Sanyas	\$11.25m	N/A	SS/DD 09/24	BWTS fitted
Dry Bulk	Supramax	Seacon Qingdao	57k >>	2013	Taizhou Sarfu	mid \$15m	N/A	SS/DD passed	BWTS fitted, Tier II, auction sale
Dry Bulk	Supramax	Pan Pegoia	57k >>	2009	STX Dalian	low/mid \$14m	N/A	SS/DD 04/24	BWTS fitted
Dry Bulk	Supramax	Worldera-3	50k >>	2000	Mitsui	\$8m	N/A	SS 07/25 DD 08/23	BWTS fitted
Dry Bulk	Handysize	Pacific Spirit	35k >>	2009	Nantong	xs \$10m	N/A	SS/DD 04/24	BWTS fitted
Dry Bulk	Handysize	Lady Laura	31k >>	2008	Hakodate	\$11.8m	N/A	SS/DD 08/23	BWTS fitted
Dry Bulk	Handysize	Nord Setouchi	28k >>	2010	Imabari	low \$11m	Indonesians	SS 12/25 DD 11/23	BWTS fitted
Dry Bulk	Handysize	J-Harmony	28k >>	2009	Imabari	low \$10m	Vietnamese	SS/DD 06/24	
Container	Post Panamax	Lisbon	6,078 TEUs	2003	Hanjin	\$22.5m	Swiss	SS/DD 05/23	Ice Class
Container	Feeder	ASL Peony	1,930 >>	2023	CSSC Huangpu Wenchong	N/A	Thai	N/A	Scrubber 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	77	61	49	37	56	41	29	19
	Panamax	59	49	38	26	45	33	22	14
	MR	49	41	33	23	40	30	20	13
DRY BULK	Capesize	63	52	31	20	53	39	25	16
	Panamax/Kamsarmax	38	32	23	15	34	26	18	12
	Supramax/Ultramax	37	31	20	15	31	24	15	11
	Handysize	30	25	17	11	25	19	12	7
CONTAINERS	Size	Current Prices			5-Year Avg Prices (2018-2022)				
	8,800-teu / 10 yrs	59			58				
	6,600-teu / 10yrs	45			48				
	4,500-teu / 10 yrs	25			27				
	2,600-teu / 10 yrs	20			20				
	1,700-teu / 10 yrs	16			15				

Chart 4. Sales Volumes per Vessel Type



## 4. Newbuilding & Ship Recycling Markets

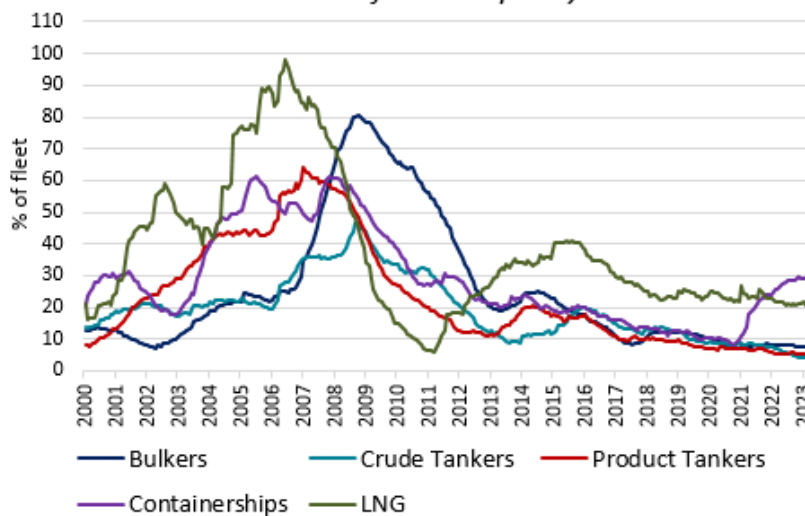
### 4.1 Recent Newbuilding Orders

Ship No	Type	Sub-Sector	Size	Delivery	Yard	Unit Price	Owners	Comments
4 + 4	Tanker	Suezmax	158k >>	2026-27	New Times	ard \$87m	Greeks	LNG dual-fuelled
4 + 4	Tanker	Suezmax	158k >>	2026-27	New Times	ard \$87m	Greeks	LNG dual-fuelled
10 + 4	Tanker	LR2	115k >>	2025-26	DSIC Shanhaiguan	ard \$62m	Greeks	Scrubber fitted
2	Tanker	LR2	114k >>	2H 2025	Yangzijiang	ard \$62m	UK based	Scrubber fitted
2	Tanker	LR2	114k >>	2H 2025	SWS	ard \$63m	HK based	EEDI Phase III, Tier III
2	Tanker	LR1	75k >>	2H 2025	Yangzijiang	ard \$50m	Greeks	Scrubber fitted
8	Tanker	MR	50k >>	2024-25	Hyundai Mipo	ard \$46.25m	Japanese	EEDI Phase III, Tier III
2	Gas	VLGC	93,000 cbm	2026-27	Hyundai Samho	ard\$100m	Singaporeans	dual-fuelled
2	Gas	VLGC			Samsung			

### 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	63	64	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



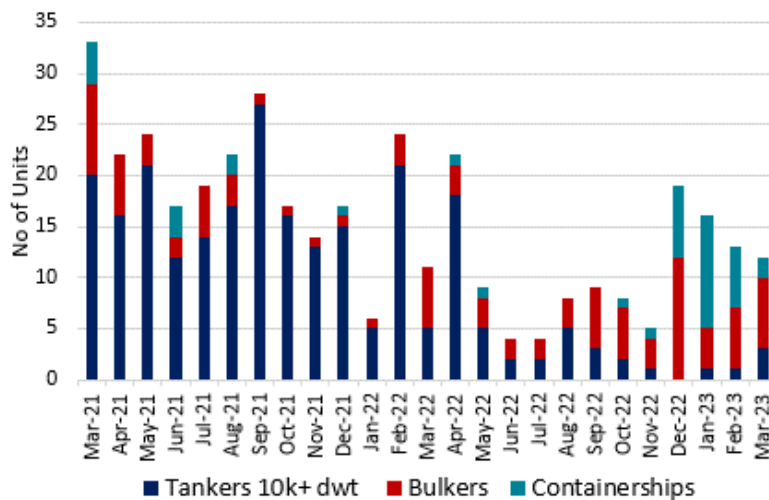
### 4.3 Recent Ship Recycling Activity

Type	Sub-Sector	Name	Dwt	Built	Ldt	Yard	Buyer	Price (\$/ldt)	Comment
Dry Bulk	Handysize	Siam Ocean	33k	1995	7,870 mt	Japanese	Bangladeshi	560	
Dry Bulk	Handysize	Ocean Great	28k	1993	6,350 mt	Japanese	Bangladeshi	575	
Dry Bulk	Handysize	Sunnine	28k	1992	6,013 mt	Japanese	Bangladeshi	N/A	
Container	Panamax	MSC Pilar	4,814 TEUs	1990	23,740 mt	Danish	Indian	544	
Container	Feeder	MSC Nora II	1,835 >>	1999	10,478 mt	Polish	Indian	592	

### 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	545	405	560	525	550
Bangladesh	415	600	505	550	415	590	510	580
Pakistan	415	590	520	505	415	585	520	500

Chart 6. Ship Recycling per Vessel Type



## 5. Macro Indicators

Indicator		% w-o-w
ICE Brent	78.47 \$/b	-2.8%
WTI	74.81 \$/b	-2.8%
Spore VLSFO	580.5 \$/t	-2.9%
GBP/USD	1.25	0.8%
USD/YEN	135.7	1.2%
EUR/USD	1.1	0.9%
USD/YUAN	6.92	0.3%
Gold	1,983.2	-0.1%
SOFR	4.80%	0.0%
EURIBOR (3m)	3.242%	1.2%



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