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1. Sustainability

- The ports of Rotterdam and Mannheim have signed a Memorandum of Understanding (MoU) to work on the sustainability of the logistics chain and speed up decarbonisation efforts. Under the MoU, the partners will step up cooperation in making the logistics chain between the two ports more sustainable and digital. Topics to be addressed in the cooperation include the possibilities for further developing the hinterland network via rail and inland shipping, transforming the logistics chain into a zero-emission transport corridor for freight transport by road, water and rail. The agreement is expected to further increase the reliability and efficiency of barge handling at deep-sea and inland terminals. Furthermore, the ports will share knowledge to work towards a fully transparent digital Rhine corridor. Regarding energy transition, both ports will examine whether they can act jointly in facilitating the infrastructure for the transport of alternative renewable energy carriers, either produced, imported or used in the ports, the hinterland and between the ports along the corridor. The port of Mannheim has a strategic location along the Rhine corridor and within a strong industrial area, from where bulk and container flows are transported to and from Rotterdam. Recently, the Port of Rotterdam teamed up with HGK Shipping to promote sustainable concepts for inland waterway services leading to and from seaports. The partnership primarily focuses on the energy revolution and logistics for hydrogen, as well as reducing CO_2 emissions by using innovative drive concepts and digitalisation.

- According to an article from Tradewinds, Australian mining giant Fortescue Metals Group (FMG) plans to begin converting its fleet of eight VLOCs to run on ammonia by 2027. The ambitious goal was revealed by Andrew Hoare, head of shipping at energy transition affiliate Fortescue Future Industries (FFI), at the Singapore Chamber of Maritime Arbitration's conference held during Singapore Maritime Week. FMG first announced plans to retrofit its fleet of ore carriers to use green ammonia as a fuel in 2021, but at the time provided few other details on how it intended to accomplish this. Hoare took the opportunity to update conference delegates on the project, saying FFI has developed the first engine testbed for burning ammonia for propulsion in a four-stroke engine. "And we did that well ahead of our peers," he claimed. The engine used in the testbed is a Cummings KTa50 diesel engine, the same type fitted in the 3,100-dwt platform supply vessel FFI Green Pioneer (ex-MMA Leveque, built 2010). FFI bought the ship in 2022 and is converting it into an ammonia dual-fuel demonstrator vessel that is due to begin operational trials this year. Explaining the rationale behind the choice of ammonia, Hoare said vessel emissions account for 10% of FMG's Scope 1 emissions. Each year, the company moves 200m tonnes of iron ore globally, mainly from Australia to China, but also more recently, from Gabon, in West Africa. "As a group, we want to show the world that we are absolutely ahead of all industrial groups in decarbonising our activities, and we do not talk of net anything, we talk of absolutes," he said. "We're committed to decarbonising our Scope 1 and 2 operations by 2030. "We have certain views about LNG and methanol as perhaps not being part of the full journey towards decarbonisation." "Three years ago, we had a project to build a fleet of LNG-powered VLOCs. We realised that this was completely the wrong thing to be doing, because LNG, in our view, is not the appropriate fuel due to the LNG slip. "Hoare noted that while manufacturers are "pumping out methanol engines", there is still uncertainty over enough supply to fuel those engines. That left ammonia as the prime choice. "Our group has about 80 projects under development for developing hydrogen and by definition, green ammonia as a carrier. Five of these will achieve final investment decision this year in Australia, Norway, North Africa, the US and South America," Hoare said. "Ultimately, we want to be there to provide the green molecule both to the power sector, and increasingly to provide the ammonia to support the shipping market as well." FMG's VLOCs provide about 12% of the miner's total shipping requirements. They were delivered from China's Yangzijiang Shipyard and Guangzhou Shipyard International between 2017 and 2018.

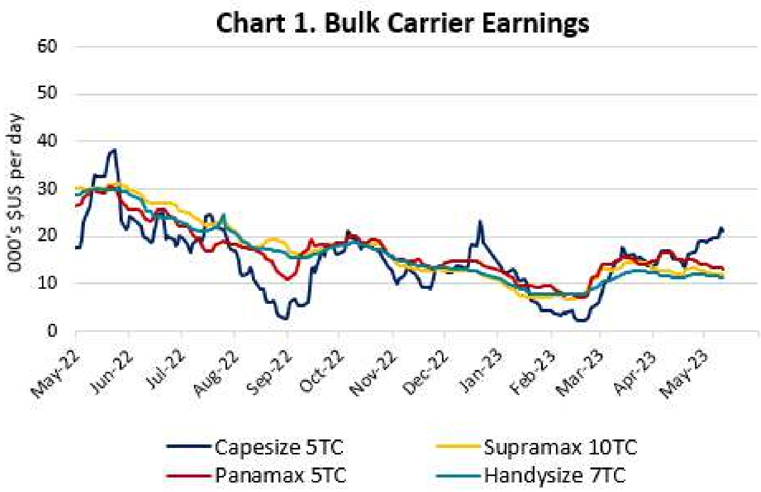
2. Shipping Markets Analysis

2.1 Dry Bulk

Activity is picking up on the SnP market after the holidays last week with buying appetite looking healthier. On the Capesize sector a 2004 Japanese vessel which invited offers on Monday is rumoured to have seen around 6-7 offers. On the Mini-Capesize Sector, market sources suggest that a 2011 built Korean unit has fetched excess $24million. It is not very often that we see mini-Capesize sales as the total trading fleet is around 158 vessels with only 2 vessels currently on order. Last time we saw a similar fixture was almost 1 year ago. Demand for kamsarmax remains robust with seven rumoured sales this week, all being Chinese and built between 2011-2013. Ultramax values continue its upward trajectory with a 2020 built unit fitted with scrubber committed for low-mid $30million, a firm price compared to a same age unit which was sold back in February this year for around $30million. Finally, on the Handysize, firm numbers are achieved by the sellers with a Large 2015 built Japanese vessel rumoured committed for around mid $22.5million.

The ratio of a 5-year-old Capesize against the newbuild price reached a 12-year high and is currently at 87% amid strong demand for promptly deliverable vessels. On the recycling market, the price for a Capesize is currently around $576/ldt in Bangladesh and $556/ldt in India, up 15% and 7% respectively compared to the end 2022.

US coal exports have increased significantly in February and March boosting long haul shipments. A mild winter lowering the demand for power generation, falling natural gas prices incetivising power plants to switch to gas feedstock, and strong Coal production in the country were the main reason behind this strong coal exports. On top of that, Europe’s coal inventories are at “good” levels thanks to a mild winter which paved the way for Indian Utilities to increase their imports of US Coal ahead of peak summer demand and the rainy season which is boosting tonne-milee especially for the CapesizeS and Panamaxes. India and Europe together imported almost 50% of the US coal between January and April.



2.2 Tankers

Limited fresh activity reported this week on the tanker SnP front. A 2019 blt Japanese aframax fitted with scrubbers is rumoured to have seen offers in the mid 60’s million.

The VLCC market looks to have found a bottom at WS 40-41 on the benchmark route from Middle East Gulf to China. USG market has been really active lately with around 10 cargoes fixed.

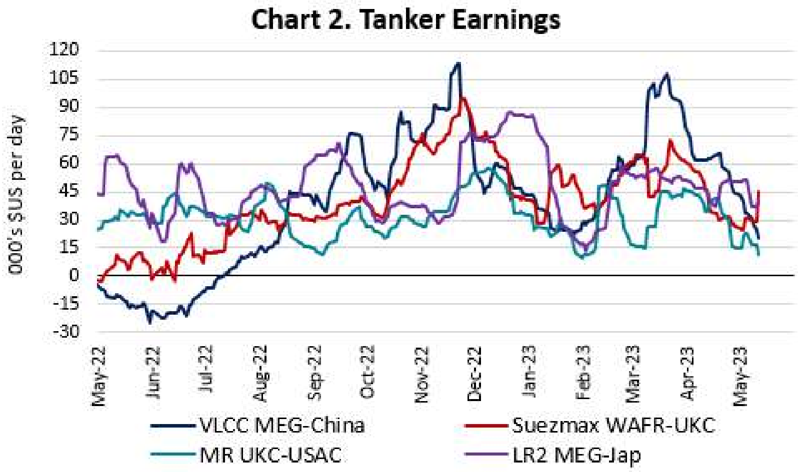
Bunker prices have dropped; VLSFO prices in Rotterdam drop to $515/t last week, reaching its lowest level since August 2021, whilst the VLSFO-HSFO differential in Rotterdam now stands at $90/t, also the lowest level since late 2021 and down 45% since the start of the year.

The 5-Year-old Aframax ratio against the Newbuild price is currently more than 90%. On the VLCCs, the ratio is more than 80% and for the MR product tankers around 91%.

By the end of 2023, 60% of the total crude oil tanker fleet will be 10 years or older while 30% and 10% will be approaching to 15 years and 20 years of age respectively. According to the Norwegian investment bank, Cleaves Securities, the limited demolition activity along with the few newbuilds, have pushed up the average age of the fleet in recent years. Due to the new environmental regulations, Cleaves analysts expect an increase in ships being sold for scrap, which could lead to negative fleet growth in 2025. The current orderbook corresponds to 3.68% of the existing fleet, a ratio that is the lowest since 1996, mainly due to the increase in shipbuilding costs combined with the uncertainty surrounding new technologies and fuels. On the demand side, the bank estimates that energy consumption will be strong in the long term, particularly in Asian countries and more specifically it will grow by 7.1% in 2023, by 3.2% in 2024 and by 1.3% in 2025. Accordingly, the fleet is estimated to grow by 3.1% this year, by 0.2% next year and by 0.3% in two years.

According to Reuters, Russian seaborne crude exports rose 8% on the month in April to a 12-month high as Indian refiners snapped up record volumes of discounted Russian oil displaced from Europe due to sanctions, according to tanker tracking data. Russia-origin seaborne crude exports averaged 3.76 million b/d in April, the highest since April 2022 and 22% above average pre-war levels of 3.1 million b/d, according to S&P Global Commodities at Sea data. India imported almost 2 million b/d of Russian crude in the month, the data shows, a 14% jump on March and a fresh record high for Russian crude flows into the country. With the change in trade flows since the start of the Ukraine war, more than 90% of Russian crude exports are now finding buyers in Asia, the data shows.

US total crude exports were up more than 20% Year over Year in April reaching 4.2m bpd amid improved demand from Chinese refineries and an open WTI-Brent arbitrage.



2.3 Containers

Based on the NCFI report, there was limited fluctuation on the routes from Ningbo to Europe/Mediterranean and North America where the freight rates overall remained stable. The route from Ningbo to Middle East eased further by 3.5% while the cargo volume on route from Ningbo to India/Pakistan sharply declined by 10%.

On the chartering front, the number of reported fixtures was limited due to the recent holidays in Asia but the demand and rates are still healthy, especially on the smaller segments. Owners are presently seeking to fix their vessels on longer employments as the supply of available tonnage in the market tends to tight further.

A Feedermax fixed at low $20k/day for twelve-month period, while two small Feeders (below 1,000 TEUs) were fixed at low $11m for ten months and $12k/day for eight months.

On the SnP sector this week we counted five reported transactions between small Feeder up to Panamaxes (an enbloc deal).

On the Newbuildings sector, a new order recorded by Greek Owner for a pair of Post Panamaxes (5,900 TEUs) where is the first order in 2023 in this field. The vessels will be constructed at Qingdao Yangfan shipyard and expected delivery into 2025. They are wide-beam designed (40m), ice classed vessels and will be powered by conventional fuel and capability for carriage around 1,150 reefers. Meantime, one Danish global operator invested the amount of around $1,4billion to eight Post Panamaxes (8,000 TEUs), with four options, methanol dual-fuelled.

Chart 3. Containers Spot Rate - *SCFI Index*

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	1,608	4.08	VLCC MEG-China	20,400	-39.5%	SCFI	983.41	-1.49%
Capesize 5TC	21,276	10.34	Suezmax Wafr-UKC	44,700	46.6%			
Kamsarmax 5TC	13,009	-4.56	MR UKC-USAC	11,300	-51.5%			
Supramax 10TC	12,235	0.67	LR2 MEG-Jap	40,100	-22.0%			
Handysize 7TC	11,423	-2.56						

3. Second-Hand Market

3.1 Weekly Ship Sales by Vessel Type

Table 1. Weekly Ship Sales by Vessel Type

Vessel Type	Sub-Sector	Name	Size	Built	Yard	Price	Buyers	Surveys	Comments
Tanker	Suezmax	Classic	159k Dwt	2005	HHI	high $36m	N/A	SS 10/25 DD 10/23	BWTS fitted, CAP 1
Tanker	Suezmax	Navigare Tolero	156k >>	2011	Jiangsu Rongsheng	N/A	Turkish	SS 04/26 DD 07/24	Scrubber fitted
Tanker	LR2	PS Pisa	108k >>	2010	Hudong Zhonghua	$36.5m	N/A	SS/DD 03/25	BWTS fitted
Tanker	Aframax	Songa Coral	107k >>	2005	Koyo	$35m	UAE based	SS/DD 01/25	BWTS/Scrubber fitted, CAP 1, prompt delivery basis DD passed
Tanker	LR2	Wonder Avior	106k >>	2004	HHI	rgn $30m	N/A	SS/DD 05/24	DPP trading
Tanker	LR1	Ever Victory	70k >>	2005	Universal	$21m	Chinese	SS 06/25 DD 09/23	BWTS fitted
Tanker	MR	MTM Colorado	51k >>	2004	STX	$18m	N/A	SS/DD 05/24	BWTS fitted
Tanker	MR	Atlantica Brave	51k >>	2008	STX	rgn $22m	Turkish	SS/DD due	
Dry Bulk	Capesize	Zheng Yuan	177k >>	2002	Mitsui	$13m	Chinese	SS 07/26 DD 07/24	BWTS fitted
Dry Bulk	Ultramax	Mount Athos	63k >>	2014	Jiangsu New Hantong	rgn $25m	Middle Easterns	SS/DD 02/24	Eco ME
Dry Bulk	Ultramax	Vokaria	63k >>	2020	CHI Yangzhou	low/mid $30m	S. Koreans	SS/DD 03/25	Scrubber fitted
Dry Bulk	Supramax	Mandarin Dalian	56k >>	2010	Jiangsu Hantong	rgn $14m	N/A	SS 11/25 DD 09/23	Basis delivery Jun-Aug'23
Dry Bulk	Supramax	Simge Aksoy	53k >>	2006	Chengxi	$11m	N/A	SS 08/26 DD 09/24	
Dry Bulk	Handysize	Maestro Diamond	36k >>	2015	Saiki	$22.5m	Turkish		OHBS
Container	Panamax	Northern Promotion	4,616 TEUs	2010	Daewoo	rgn $28m each	Italians	SS/DD 01/25	
Container		Northern Priority		2009				SS/DD 10/24	
Container	Feedermax	NYK Maria	2,664 >>	2009	STX	high $14m	Greek	SS 03/27 DD 04/25	
Container	Feeder	Vasi Moon	1,679 >>	2000	Hanjin	mid $6m	Chinese	SS 07/25 DD 12/23	Ice Class
Container	Small Feeder	Ingrid	698 >>	2008	Fujian	$5.8m	Turkish	SS/DD 05/23	Ice Class

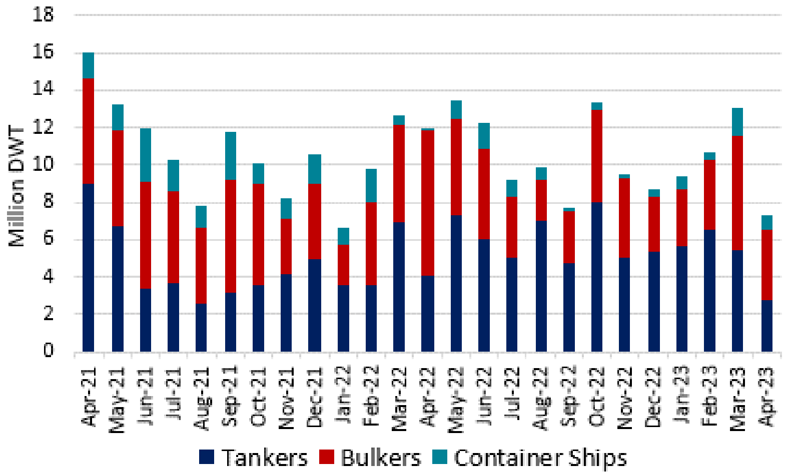
3.2 Second-Hand Asset Values & Sales Volumes per Vessel Type

Table 2. Secondhand Asset Values

	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	39	26	45	33	22	14
	MR	49	41	33	23	40	30	20	13
DRY BULK	Capesize	65	53	32	20	53	39	25	16
	Panamax/Kamsarmax	39	33	24	16	34	26	18	12
	Supramax/Ultramax	37	31	20	15	31	24	15	11
	Handysize	31	25	18	11	25	19	12	7

	Size	Current Prices	5-Year Avg Prices (2018-2022)
CONTAINERS	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

Table 3. Weekly Newbuilding Orders

Ship No	Type	Sub-Sector	Size	Delivery	Yard	Unit Price	Owners	Comments
3 + 3 + 3	Dry Bulk	Kamsarmax	82k Dwt	2025	Jiangsu New Hantong	ard $33m	Germans	EEDI Phase III, Tier III, conventional-fuelled
2	Dry Bulk	Ultramax	66k >>	2H 2026	Tsuneishi Cebu	ard $35m	Norwegians	
1	Dry Bulk	Ultramax	64k >>	2H 2026	Tsuneishi	ard $37.5m	Greeks	Scrubber fitted
1	Tanker	Suezmax	158k >>	2025	DH Shipbuilding	ard $77m	Greeks	Scrubber fitted, conventional-fuelled
1	Tanker	LR2	114k >>	2026	Yangzijiang	ard low $60's	Greeks	conventional-fuelled
2	Tanker	MR	50k >>	2025	K Shipbuilding	ard $45m	Greeks	
8 + 4	Container	Post Panamax	8,000 TEUs	Q4 2025-26	Yangzijing	ard $115m	Danish	Methanol dual-fuelled
2	Container	Post Panamax	5,900 >>	2025	Qingdao Yangfan	ard low $60's	Greeks	Ice Class, conventional-fuelled
1	Gas	LNG	174k cbm	Q1 2025	Hyundia Samho	ard $212m	S. Koreans	

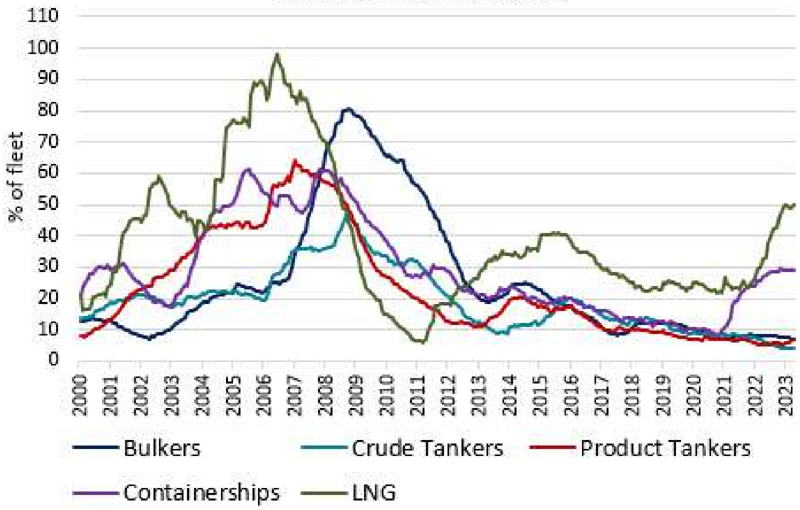
4.2 Newbuilding Asset Values & Orderbook Levels

Table 4. Newbuilding Asset Values

	Vessel Type	Current Prices		Year End, $m		
		Last Week	This Week	2020	2021	2022
TANKERS	VLCC	120	121	86	112	120
	Suezmax	80	81	56	76	80
	Aframax	64	65	47	59	62
	Panamax	54	55	43	51	54
	MR	44	45	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	126	127	88	129	128
	6,600-teu	86	87	72	84	86
	5,000-teu	71	71	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



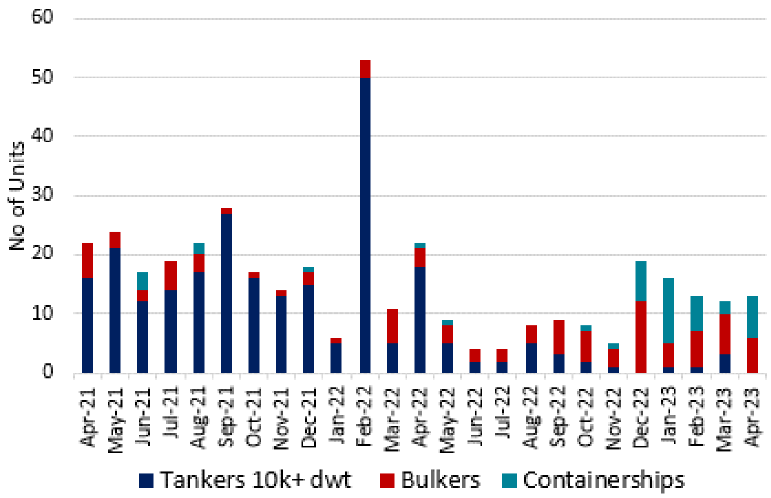
4.3 Recent Ship Recycling Activity

Table 5. Weekly Ship Recycling Activity									
Type	**Sub-Sector**	**Name**	**Dwt**	**Built**	**Ldt**	**Yard**	**Buyer**	**Price ($/ldt)**	**Comment**
Dry Bulk	Panamax	Ocean Smart 1	69k	1989	10,019 mt	Japanese	Bangladeshi	N/A	
Container	Feedermax	Horizon Pacific	2,325 TEUs	1979	17,224 mt	American	N/A	N/A	"As is" San Diego

4.4 Scrap Values & Ship Demolition Volumes

Table 6. Scrap Values								
Location	**Tankers**				**Dry Bulk**			
	Year End, $m			**Current**	**Year End, $m**			**Current**
	2020	**2021**	**2022**		**2020**	**2021**	**2022**	
India	405	565	530	**550**	405	560	525	**555**
Bangladesh	415	600	505	**550**	415	590	510	**575**
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	74.60 $/b	1.8%
WTI	70.6 $/b	1.9%
Spore VLSFO	571.5 $/t	1.4%
GBP/USD	1.25	-0.8%
USD/YEN	134.67	0.4%
EUR/USD	1.09	-0.9%
USD/YUAN	6.95	0.6%
Gold	2,009.9	-1.8%
SOFR	5.06%	5.2%
EURIBOR (3m)	3.301%	0.8%

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