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1. Sustainability

As MSC Mediterranean Shipping Company's fleet capacity swells past the 5 million TEUs, mark for the first time in history, the world's largest container shipping company is revealing its intention to explore the use of ammonia fuel for its newbuild containerships. The company has entered into a Memorandum of Understanding (MoU) with classification society Lloyd's Register (LR), Shanghai Merchant Ship Design & Research Institute (SDARI), and MAN Energy Solutions (MAN-ES) to design an ammonia dual-fuel system for an MSC containership. The MoU outlines the development of a technical specification and design documents for an ammonia dual-fuel variant of SDARI's twin island 8,200 TEUs design. The vessel will be contracted to LR class by MSC, paving the way for the company to consider ammonia as a zero-carbon fuel for the main propulsion of future newbuildings. Under the collaboration, SDARI will be responsible for preparing the specification and design documentation for the ammonia dual-fuel variant, while LR will ensure that the design adheres to safety standards and regulations concerning the usage of ammonia as a marine fuel. MAN-ES will provide data for the engine design, as well as the ammonia fuel supply and emission abatement systems. Ammonia is increasingly recognized as a promising alternative fuel in the maritime industry's transition towards sustainable operations. When burned, ammonia emits no CO₂, and its stability and reasonable energy-to-volume ratio make it suitable for long-distance transportation. Nick Brown, CEO of Lloyd's Register, expressed his enthusiasm for the project, stating that the collaboration is a crucial step in the industry's energy transition and efforts to meet emission reduction targets set by the International Maritime Organization (IMO). "The application of ammonia as a marine fuel for the container ship sector will be crucial for our industry to achieve the emission reduction targets set by the IMO and this cross-supply chain collaboration marks a vital step in the maritime industry's energy transition," said Brown. Giuseppe Gargiulo, Head of Newbuilding at MSC, emphasized the importance of proactive collaboration between ship operators, designers, class societies, and engine manufacturers. MSC aims to evaluate the safety and operational impact of adopting zero-carbon fuels like ammonia. "Under this MoU, we will produce the technical solution for an ammonia dual fuel variant of our 8,200 TEU containership design for MSC, a world-leading shipping company. Project like this are vital for helping us evaluate the risks and opportunities of using ammonia for propulsion and for sharing these learnings across the maritime supply chain," added Wang Gangyi, CTO of SDARI. Bjarne Foldager, Head of 2-stroke at MAN Energy Solutions, stressed the importance of exploring various fuel solutions to meet industry decarbonization objectives. "Being part of this MoU with MSC, SDARI and LR aligns with our strategic purpose, to provide decarbonization solutions for our trusted partners and it solidifies the industry commitment to reduce emissions," he said.

2. Shipping Markets Analysis

2.1 Dry Bulk

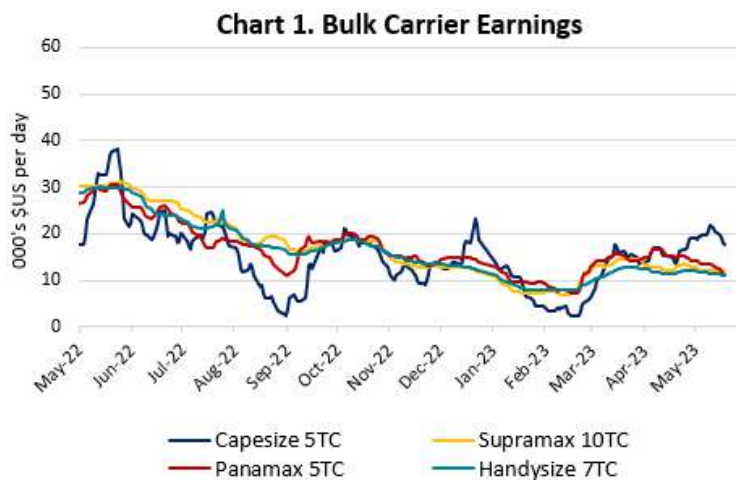
It was a quiet week on the SnP front with the inventory of vessel for sale increasing as new sale candidates are entering the market. Second hand values remain relatively unchanged despite the drop in the chartering market (Down almost 15% since 10th May). We expect activity to be slow next week as buyers are assessing the current market developments.

Two 2009 built Chinese handysizes that invited for offers on Tuesday are rumored to have seen levels in the region of \$10 million each. A 2009 built Korean Handysize was reported sold for around \$13million. On the Panamaxes, a 2011 built Chinese unit was committed for low \$17million, in line with a 1-year younger vessel which was sold one month ago.

New build market activity remains robust with 16 orders for kamsarmax reported this week with Chinese yards dominating in the new building orders.

The Ukraine Black Sea grain deal has been extended for two more months. Turkish President Tayyip Erdogan announced the extension in a televised speech and it was later confirmed by Russia, Ukraine and the United Nations.

China's April industrial output and retail sales growth undershot forecasts, suggesting the economy lost momentum at the beginning of the second quarter and intensifying pressure on policymakers to shore up a wobbly post-COVID recovery, according to an article from Reuters. Tuesday's batch of data, which also showed a further decline in property investment, adds to concerns about the outlook for the world's second-biggest economy as both its domestic and export engines of growth remain underpowered. Industrial output grew 5.6% in April from a year earlier, accelerating from the 3.9% pace seen in March, data released by the National Bureau of Statistics (NBS) showed. It was well below expectations for a 10.9% increase in a Reuters poll of analysts although it marked the quickest growth rate since September 2022. Retail sales, a gauge of consumption, jumped 18.4%, up sharply from a 10.6% increase in March for their fastest increase since March 2021. Analysts had expected 21.0% growth.



2.2 Tankers

Limited fresh activity reported this week on the SnP market, with the main focus being around the Crude tankers. Despite the recent drop in the MR chartering rates we still see buyers currently assessing potential acquisitions especially for 15 years-old and older tonnage.

A listed company is rumored to have made a strong profit from selling two of its Aframaxes (2005 & 2006 built in Korea) for around \$72million. The vessels were purchased in early 2021 on an enbloc deal for below \$30million! A 2005 built Korean Aframax was reported sold for around \$35million, the owners purchased her back in 2020 for around \$20million. On the Suezmaxes, market sources suggest that a 2001 built unit is committed sold for \$29 million.

On the VLCC chartering market, A 2007 Built unit was put on subjects for an Arabian Gulf to Thailand voyage at around \$30,000 per day (34 days). A scrubber fitted vessel is on subjects for a US Gulf to UK Continent voyage at around \$65,000 per day (46 days).

The Department of Energy, Strategic Petroleum Reserve Project Management Office (SPRPMO) announced a requirement to purchase up to three (3) million barrels of United States produced sour crude oil.

China's oil refinery throughput in April rose 18.9% from a year earlier to the second-highest level on record, data showed earlier this week. Chinese refiners maintained high runs to meet recovering domestic fuel demand and build stockpiles ahead of the summer travel season.



2.3 Containers

This week, the SCFI dropped slightly by 1.1% to 972 points.

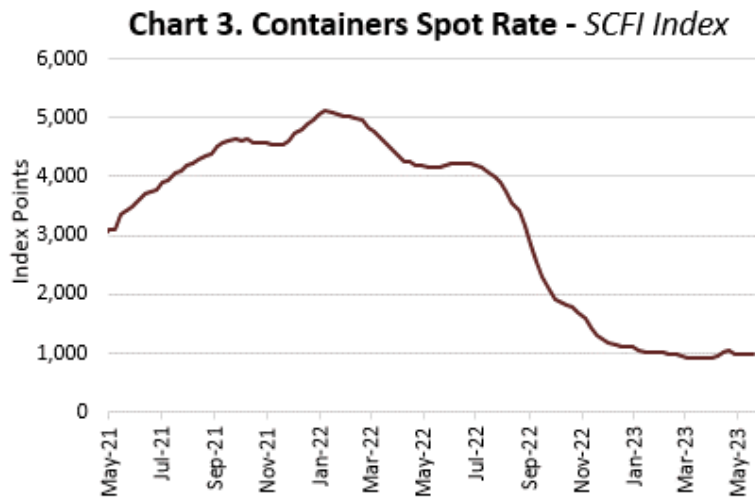
Based on the NCFI report, the index remained stable with a minor fluctuation by -0.6%, on a w-o-w basis. The demand for transportation on route from Ningbo to Europe is balanced comparing to last week. We have seen a correction on route from Ningbo to North America around 5% due the oversupply recently in the area however the demand for transportation of goods from Ningbo to India/Pakistan route has been significantly improved by 26%. Overall, the demand/supply dynamics are keeping the market solid which leads to healthier rates.

The port congestion index eased at around 30.7% while the same period in 2022 was around 35%.

A plenty of fixtures recorded across almost all segments with the vast majority on Feeders, keeping the chartering market busy for another week.

Most of the fixtures on Feeders include charter periods around twelve months between \$12k/day up to high \$18k/day while a Chinese Feeder fixed for six months at \$19k/day which was the shorter period this week. Feedermaxes charter rates were around high teens up to \$20k per day for twelve to fourteen months. A Post Panamax (8,272 TEUs) fixed at mid \$33k/day for two years and a smaller one (5,642 TEUs) secured high 20's per day. A Chinese Panamax (3,400 TEUs) found employment at \$24k/day for a two years charter.

On the SnP sector, the volume of activity remains healthy and Buyers are now focusing more on the bigger segment. We have noticed that four vintage Post Panamaxes (8,272 TEUs) changed hands between a Danish Owner to Greek interests with a time charter back for two plus one-year option, at undisclosed price. Same Danish Owners sold another Post Panamax vessel (6,690 TEUs) to Swiss Buyers, continuing the expanding of their own fleet.

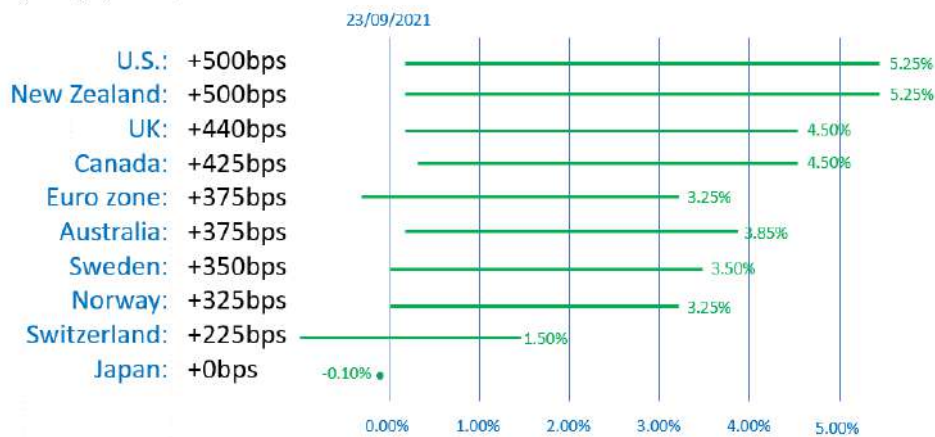


2.4 Finance

According to Reuters, several key central bankers, including FED Chair Jerome Powell, appear at a variety of events today. The Bank of England's Jonathan Haskel is up first. The messaging from the BOE after last week's 12th rate rise has been consistent: It isn't done, the labour market is tight, quantitative tightening might even pick up pace. Sterling has been heaved around by weak economic data and the central bank's hawkishness, but is reacting more to broader U.S. dollar strength around Washington's debt ceiling talks this week. The ECB's Isabel Schnabel speaks later in the day, but has also been steady in her message that the European Central Bank will keep raising borrowing costs until it sees core inflation decline sustainably and that market expectations for rate cuts are misplaced.

The race to raise rates.

Change in policy rates by central banks overseeing the 10 most traded currencies since the start of interest rate tightening cycle in September 2021.



President Joe Biden and top U.S. congressional Republican Kevin McCarthy on Wednesday underscored their determination to reach a deal soon to raise the federal government's \$31.4 trillion debt ceiling and avoid an economically catastrophic default. The U.S. Treasury has said it could start running out of funds as early as June 1 to pay the government's bills, a development economists say would trigger a recession.

2.5 Key shipping Freight Indices

Bulkers		% w-o-w	Tankers		% w-o-w	Containers		% w-o-w
BDI	1,402	-12.81	VLCC MEG-China	30,500	49.5%	SCFI	972.45	-1.11%
Capesize 5TC	17,767	-16.49	Suezmax Wafr-UKC	50,000	11.9%			
Kamsarmax 5TC	11,112	-14.58	MR UKC-USAC	11,500	1.8%			
Supramax 10TC	11,931	-2.48	LR2 MEG-Jap	39,200	-2.2%			
Handysize 7TC	11,050	-3.27						

3. Second-Hand Market

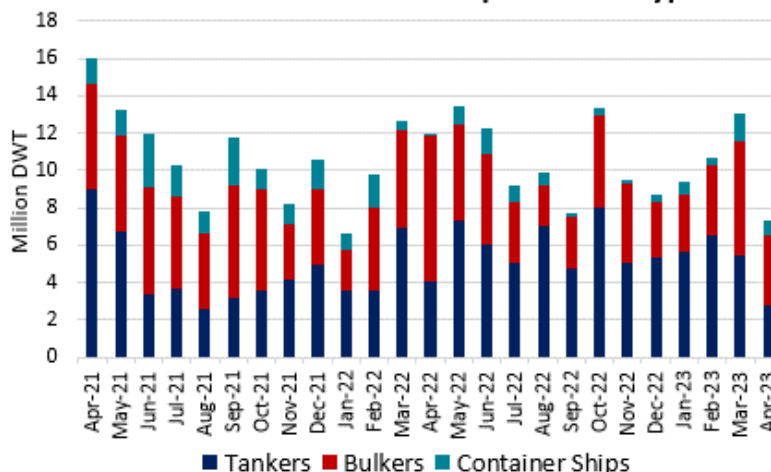
3.1 Weekly Ship Sales by Vessel Type

Vessel Type	Sub-Sector	Name	Size	Built	Yard	Price	Buyers	Surveys	Comments
Tanker	VLCC	Baltic Sunrise	309k Dwt	2005	HHI	mid \$51m	Chinese	SS 11/25 DD 12/23	BWTS/Scrubber fitted
Tanker	Suezmax	Agape Soul	159k >>	2001	Daewoo	\$29m	N/A	SS 01/26 DD 08/24	BWTS fitted
Tanker	LR2	Wonder Polaris	115k >>	2005	Samsung	rgn low \$70's en bloc	N/A	SS 05/25 DD 12/23	BWTS fitted
Tanker		Wonder Bellatrix		2006				SS 04/26 DD 05/24	
Tanker	Aframax	Southern Glory	108k >>	2019	Tsuneishi	high \$67m	Singaporeans	SS 06/27 DD 10/24	BWTS/Scrubber fitted
Tanker	LR2	Ampleforth	108k >>	2008	SWS	rgn \$37m	N/A	SS/DD 08/23	
Tanker	LR1	Lumen N	63k >>	2008	STX	low \$20's	N/A	SS/DD 08/23	BWTS fitted, Ice Class
Tanker	MR	MTM Hudson	51k >>	2004	STX	xs \$18m	N/A	SS/DD 06/24	BWTS fitted
Tanker	MR	Green Point	49k >>	2003	STX	\$13m	UAE based	SS/DD due	
Tanker	MR	Symphony	46k >>	2004	STX	mid \$17m	N/A	SS/DD 01/24	CAP 1
Tanker	MR	Splendour Chiltern	44k >>	1999	Halla	low \$14's	UAE based	SS/DD 10/23	Ice Class
Tanker	MR	Jenny I	40k >>	2003	Hyundai Mipo	\$17m	Europeans	SS/DD passed	BWTS fitted
Dry Bulk	Capesize	Tasik Melati	180k >>	2004	Koyo	mid \$15's	Chinese	SS/DD 05/24	
Dry Bulk	Capesize	Zheng Yuan	177k >>	2002	Mitsui	\$13m	Chinese	SS 07/26 DD 07/24	BWTS fitted
Dry Bulk	Capesize	Olympius	171k >>	2004	Hyundai Samho	rgn \$17m each	UAE based	SS/DD 02/24	
Dry Bulk		Victorius						SS/DD 06/24	
Dry Bulk	Mini Cape	FPMC B 103	106k >>	2011	STX Dalian	high \$24m	Far Easterns	SS 11/26 DD 09/24	BWTS/Scrubber fitted
Dry Bulk	Post Panamax	Claire Z	93k >>	2009	Jiangsu Newyangzi	rgn mid \$16m	Chinese	SS/DD 11/24	BWTS fitted, Tier II
Dry Bulk	Kamsarmax	Sweet Lydia	79k >>	2012	Jinhai	mid high \$17m	Greek	SS 07/27 DD 07/25	BWTS fitted
Dry Bulk		Sweet Venus						SS 04/27 DD 03/25	
Dry Bulk		Sweet Irina		SS 08/26 DD 08/24					
Dry Bulk		Sweet Melissa		SS 11/26 DD 11/24					
Dry Bulk	Panamax	Hong Cheng	75k >>	2011	Penglai Zhongbai	low \$17m	Greek	SS 10/26 DD 12/24	BWTS fitted
Dry Bulk	Ultramax	Bulk Electra	66k >>	2015	Mitsui	rgn \$27m	N/A	SS 12/05 DD 11/23	BWTS fitted
Dry Bulk	Handysize	Pacific Island	38k >>	2012	Shimanami	\$18.3m	N/A	SS 11/25 DD 11/23	BWTS fitted
Container	Post Panamax	Maersk Kiel	6,690 TEUs	1998	Ishikawajima	N/A	Swiss	SS/DD 05/23	
Container	Feeder	Valencia Elizabeth D	1,118 >>	2006	Jinling	N/A	UAE based	SS 11/26 DD 01/25	Ice Class

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	69	54	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
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

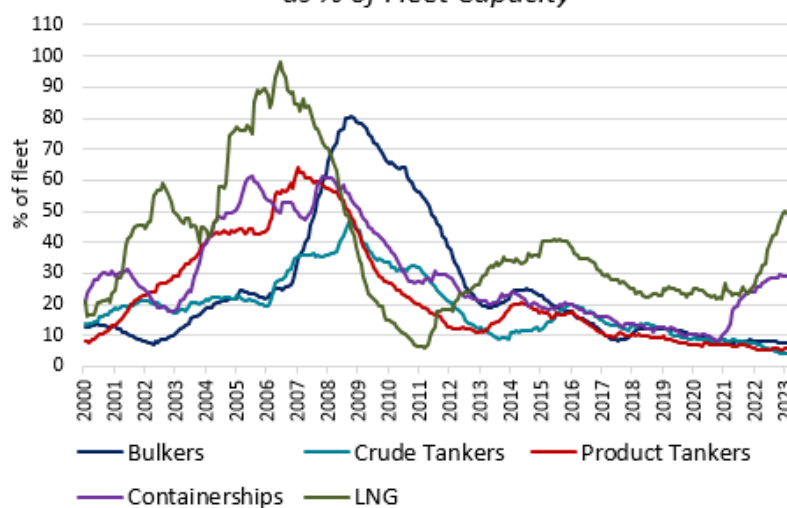
4.1 Recent Newbuilding Orders

Ship No	Type	Sub-Sector	Size	Delivery	Yard	Unit Price	Owners	Comments
2	Dry Bulk	Kamsarmax	86k Dwt	2025	Taizhou Kouan	N/A	Chinese	
4	Dry Bulk	Kamsarmax	82k >>	2025	Hengli Dalian	ard mid \$32m	Chinese	EEDI Phase III, Tier III, conventional-fuelled
2	Dry Bulk	Ultramax	64k >>	2025	China Merchants	ard mid \$32m	Turkish	
2	Dry Bulk	Ultramax	64k >>	2025	New Dayang	ard \$32m		
4	Tanker	MR	37k >>	2025	Hyundai	mid high \$40's	Canadian	Ice Class

4.2 Newbuilding Asset Values & Orderbook Levels

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	61	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	127	127	88	129	128
	6,600-teu	87	88	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



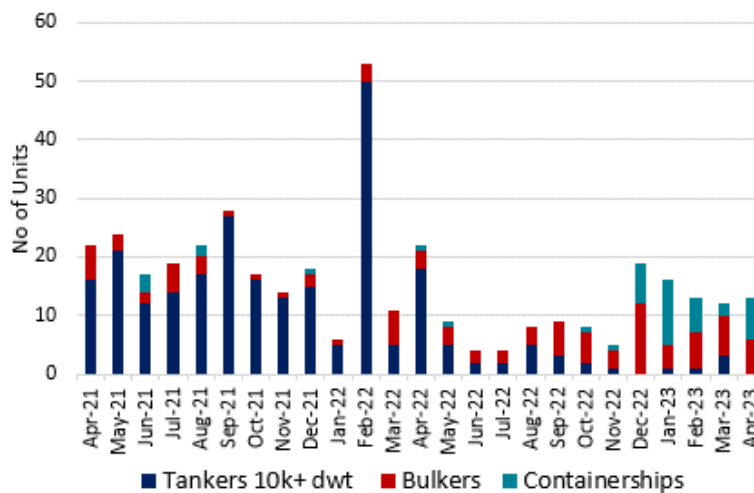
4.3 Recent Ship Recycling Activity

Type	Sub-Sector	Name	Dwt	Built	Ldt	Yard	Buyer	Price (\$/ldt)	Comment
Dry Bulk	Handysize	Hao Hang 3	22k	1991	5,099 mt	Japanese	N/A	N/A	"As is" China
Container	Panamax	Ever Diadem	4,211 TEUs	1998	21,731 mt	Japanese	N/A	514	"As is" Singapore, HKC recycling
Gas	LNG	Gandria	122k cbm	1977	34,131 mt	German	Indian	447	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	545	405	560	525	545
Bangladesh	415	600	505	550	415	590	510	560
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	76.07 \$/b	2.0%
WTI	72.14 \$/b	2.2%
Spore VLSFO	584.5 \$/t	2.3%
GBP/USD	1.24	-0.8%
USD/YEN	138.52	2.9%
EUR/USD	1.08	-0.9%
USD/YUAN	7.05	1.4%
Gold	1,958.2	-2.6%
SOFR	5.05%	-0.2%
EURIBOR (3m)	3.388%	2.6%



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