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1. Sustainability

Anemoi, the wind rotor sail developer targeting wind propulsion systems for big bulk carriers and tankers, is on track to have a production capacity to install up to 50 rotors a year by the end of 2023. The UK-based company, currently has 16 of its largest five-metre diameter rotors in production that range in height from 24 metres to 35, with the tallest suited for newcastlemaxes and VLOCs as well as VLCCs. “Wind propulsion and rotor sails have found their place,” Chief executive Kim Diederichsen told TradeWinds, not just for retrofit projects, but rotors are increasingly also “being specified from owners for newbuilding projects”, with the company involved in joint development plans also for kamsarmax bulkers and VLCCs. The largest second-generation rotors of Anemoi are forecast to make fuel and emissions savings in the region of 20%-plus. Ultramaxs with three of the 3.5-metre units should get an average net global savings of 12% to 14%. Payback is generally within four to eight years, with it veering towards the longer timescale for the largest ships. Installation typically can be done within a few weeks or a month, with the rail systems allowing plug-and-play rotors to be taken off and transferred to another vessel if the original ship is sold. But Diederichsen said: “Return on investment was the driving factor when I joined [Anemoi] three and a half years ago, now it is not. Now it is one of multiple drivers: compliance is one thing and pressure to go green is another — and rotor sails are a visible [decarbonisation] technology.” With kamsarmax designs, Diederichsen said the optimal system appears to be transverse fitting of the five-metre diameter rotors that are 24-metres tall. Fixed installations generally work on tankers from MR up to VLCC in size and folding typically works for newcastlemaxes and VLOCs. Anemoi’s production facilities are in the greater Shanghai area, with a supply chain in China, including Chengxi Shipyard, where assembly is done, and collaboration with Cosco Heavy Industries, CRRC, ZhongFu, Hengli, Selma and the Shanghai Merchant Ship Design & Research Institute design centre.

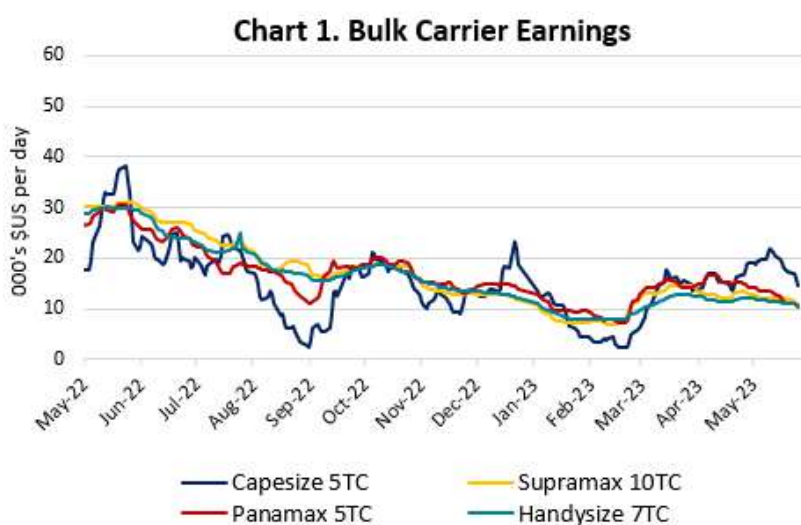
2. Shipping Markets Analysis

2.1 Dry Bulk

Limited fresh activity reported this week on the SnP market with the main focus being around the Handysize sector. The inventory of vessels for sale is increasing as new candidates are entering the market for sale. On the Handysize front, a 31k dwt boxed 2009 built Japanese vessel is rumoured to have been sold for \$13 million while a 2008 one is rumoured to have fetched \$12 million. Market sources suggest that a 43k dwt 2017 built Chinese unit has changed hands for \$24million. On the Supramaxes, a 2009 built unit which called for offers earlier this week is rumoured to be under close negotiations at below the levels than an identical ship was sold last month. Finally, on the Ultramax, a scrubber fitted unit is rumoured to have seen 4 offers with highest in the mid 28's million, well below sellers' expectations.

25% of the Dry Bulk fleet is 15 years old and older. Fundamentals for the Handysize and for the standard Capesize sector (160k-200k) are quiet favourable as 27% and 20% of the fleet respectively is 15 years old or older. The standard Capesize fleet is estimated to be around 1,085 vessels against only 25 currently on order. We expect in the next 3 years that the number of the Standard Capesizes that will go for recycling will exceed those that will be delivered to the fleet as a consequence the total fleet may contract. On the other hand, the Newcastlemax sector is anticipated to increase by around 15%, reaching 508 vessels, as 65 newbuilding Newcastlemax vessels will enter by the end of 2025. On the Supramax and Ultramax sector, currently around 300 such ships are on order. On the Panamax/Kamsarmax the current orderbook is around 275 vessels. Finally, the orderbook for Handysize currently stands around 290 vessels.

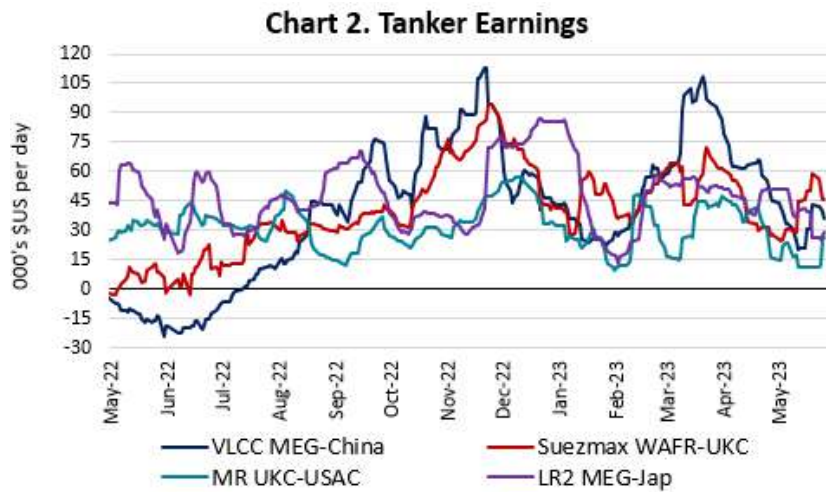
Based on our report 5 Capesize have been sold for demolition so far in 2023. Demolition price has decreased from \$610 per ldt in March to around \$570 per ldt today which equates to approximately \$800,000 drop in Capesize steel price.



2.2 Tankers

A quiet week on the SnP front. Notable sale was a Scrubber-fitted Aframax built in 2018 in Namura which was sold for \$68.5 million to Middle Eastern buyers. A 2008 Chinese Aframax was sold for high \$30 million while a 2004 built Korean unit is rumoured to have changed hands for around \$30 million.

According to Reuters, Top OPEC producers and their main allies have given a raft of conflicting messages about next oil policy moves, making it particularly difficult to predict the outcome of the next OPEC+ meeting in early June. Remarks by Saudi Arabian Energy Minister Prince Abdulaziz bin Salman, the de-facto leader of the Organization of Petroleum Exporting Countries (OPEC), warning short sellers to "watch out" pushed the market up by as much as 2%. Tuesday's comments by the prince were interpreted by some investors as a signal that OPEC+, OPEC and its allies led by Russia, could consider further output cuts when it meets on June 4 in Vienna. Short sellers are investors that bet on oil prices falling, and hence when an unexpected move by OPEC+ to cut production causes a rally, they are forced to close their positions at a loss.



2.3 Containers

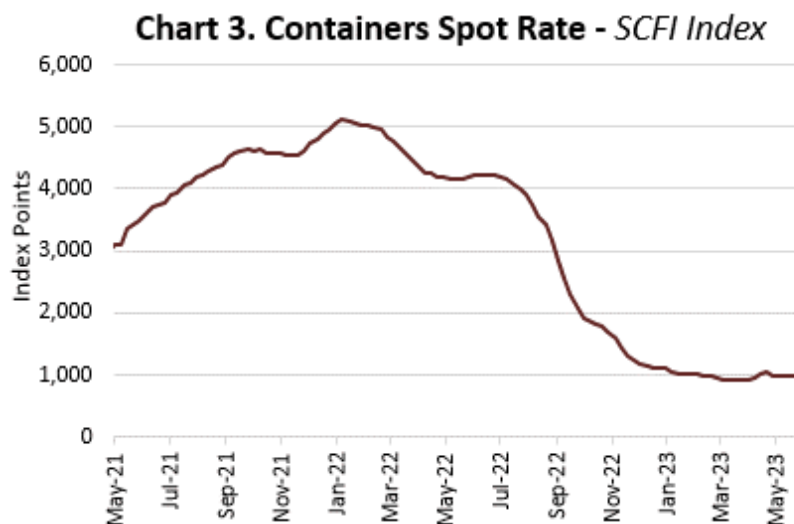
This week, the SCFI improved by 1.13% to 983 points.

The NCFI index remained stable for another week where the demand/supply fundamentals across the main routes from Ningbo haven't experienced any major fluctuations. The carriage volume of goods in route from Ningbo to India/Pakistan increased sharply by 30% on a w-o-w basis while the transportation activity to European and Mediterranean ports holds steady. The route from Ningbo to Middle East improved by 5% while the route to North America, both at West and East ports, slipped between 1% up to 4%.

On the chartering front, the activity has been slightly eased, mainly due the lack of available tonnage in several segments and areas. Notwithstanding the volume of fixtures slowed down, chartering rates remained steady over the past weeks. A 2006 Feeder (1,100 TEUs) fixed at \$13k/day for period six to twelve months while the employment of a 2011 unit (1,400 TEUs) has been extended for a period of eleven to thirteen months at low \$17k/day. A 2002 small Feeder (850 TEUs) reported fixed at high \$12k/day for eight to ten months period.

A newbuilding order reported on Feeder segment with a French Owner agreed with the Korean shipbuilder Hyundai Mipo for five "zero carbon" units equipped with methanol-powered main engines, due for delivery between Q4 2025 and mid-2026, at estimated high price of around \$62 million each.

In the recycling market, the activity is still at lower levels than expected. A Japanese small vintage Feeder reported sold to Bangladeshi cash Buyers at \$625/ldt. Meantime, there are some rumours that the vast majority of major container Owners/Sellers where they are looking to sell for HKC recycling, have their vessels committed for recycling following the Hong Kong International Convention standards in India.



2.5 Key shipping Freight Indices

Table 1. Key Shipping Freight Indices								
Bulkers		% w-o-w	Tankers		% w-o-w	Containers		% w-o-w
BDI	1,215	-13.34	VLCC MEG-China	35,700	17.0%	SCFI	983.46	1.13%
Capesize 5TC	14,577	-17.95	Suezmax Wafr-UKC	45,400	-9.2%			
Kamsarmax 5TC	10,272	-7.56	MR UKC-USAC	25,800	124.3%			
Supramax 10TC	10,782	-9.63	LR2 MEG-Jap	29,100	-25.8%			
Handysize 7TC	10,687	-3.29						

3. Second-Hand Market

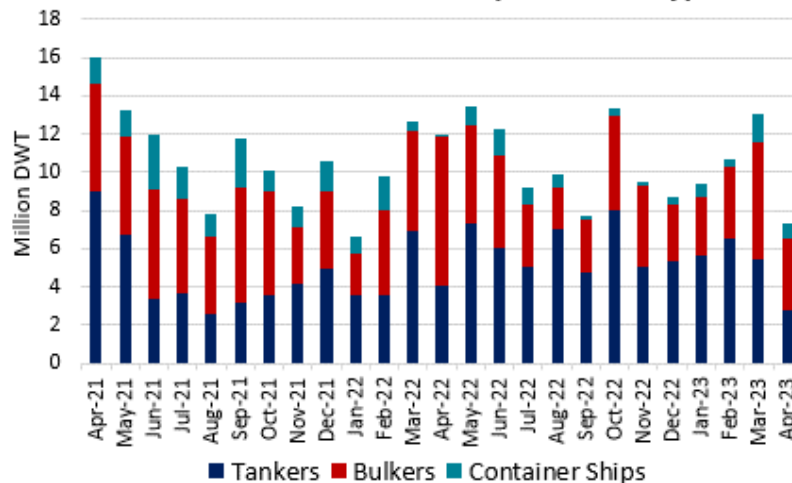
3.1 Weekly Ship Sales by Vessel Type

Vessel Type	Sub-Sector	Name	Size	Built	Yard	Price	Buyers	Surveys	Comments
Tanker	Suezmax	Amoroza	159k Dwt	2001	HHI	rgn \$30m	N/A	SS 12/25 DD 12/23	BWTS fitted
Tanker	Aframax	Sperchios	106k >>	2018	Namura	mid \$68m	Middle Easterns	SS/DD due	Scrubber fitted
Tanker	LR1	Gulf Crystal	74k >>	2009	Hyundai Mipo	\$29.5m	N/A	SS/DD 11/24	BWTS fitted
Tanker	LR1	Gulf Coast	74k >>	2005	HHI	low \$60's en bloc	N/A	SS 11/25 DD 12/23	BWTS fitted
Tanker	LR1	Gulf Horizon						SS 07/25 DD 10/23	
Tanker	LR1	Gulf Pearl						SS 04/25 DD 07/23	
Tanker	MR	Eastern Quince	41k >>	2009	SLS	\$22m	Europeans	SS/DD 05/24	DPP trading
Dry Bulk	Capesize	Bao May	178k >>	2010	SWS	mid \$25m	Far Easterns	SS 05/25 DD 05/23	BWTS fitted
Dry Bulk	Capesize	Mineral Ningbo	178k >>	2009	SWS	\$23.5m	Chinese	SS/DD 07/24	
Dry Bulk	Capesize	Berge Cristobal	177k >>	2003	Namura	\$13m	N/A	SS/DD 07/23	Scrubber fitted
Dry Bulk	Capesize	CIC Elli S	171k >>	2003	HHI	N/A	UAE based	SS/DD 09/23	
Dry Bulk	Kamsarmax	Xin Han	82k >>	2013	Dalian	rgn \$20m	Greeks	SS 05/27 DD 06/24	BWTS fitted
Dry Bulk	Ultramax	Federal Iris	63k >>	2016	Shin Kasado	rgn \$30m	N/A	SS 06/26 DD 07/24	BWTS fitted
Dry Bulk	Supramax	Ella	52k >>	2003	Tsuneishi	high \$9m	N/A	SS/DD 11/23	BWTS fitted
Dry Bulk	Supramax	Great Wenjie	50k >>	2002	Oshima	mid \$7m	N/A	SS 09/25	BWTS fitted
Dry Bulk	Handysize	Caribbean Spirit	35k >>	2009	Nantong Changqingsha	high \$10m	N/A	SS/DD 07/24	BWTS fitted
Dry Bulk	Handysize	Atlantic Brave	33k >>	2016	Shin Kurushima	rgn mid \$21m	Turkish	SS 08/26 DD 08/24	BWTS fitted, OHBS
Dry Bulk	Handysize	Alice Star	32k >>	2008	Hakodate	low \$12m	N/A	SS/DD 09/23	
Container	Post Panamax	Axel Maersk	8,272 TEUs	2003	Odense Lindo	rgn \$123m en bloc	USA based	SS/DD due	including TCB
Container	Post Panamax	Anna Maersk						SS/DD 05/23	
Container	Post Panamax	Arnold Maersk						SS/DD 09/23	
Container	Post Panamax	Arthur Maersk						SS/DD 11/23	

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	85	70	55	40	70	51	35	23
	Aframax	77	61	50	38	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

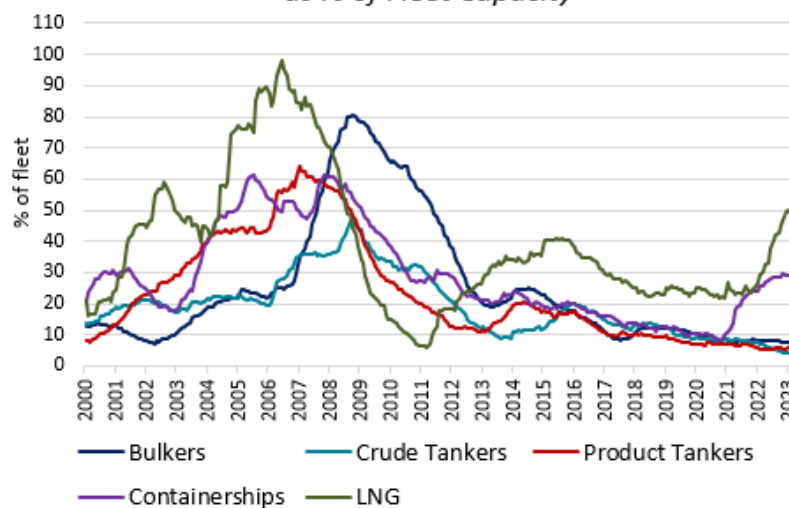
4.1 Recent Newbuilding Orders

Ship No	Type	Sub-Sector	Size	Delivery	Yard	Unit Price	Owners	Comments
4 + 4	Dry Bulk	Kamsarmax	82k Dwt	2024-25	Qingdao	ard \$33m	Norwegians	EEDI Phase III, Tier III
4	Tanker	LR2	115k >>	2026	CHI Yangzhou	ard \$62m	Greeks	
2	Tanker	MR	50k >>	2025-26	Hyundai Vinashin	low mid \$40's	Japanese	
1	Tanker	MR	48k >>	2025	Hyundai Mipo	ard \$55m	Japanese	Methanol dual-fuelled
5	Container	VLCS	15,000 TEUs	2025	HHI	N/A	Taiwanese	LNG dual-fuelled
5	Container	VLCS	1,300 >>	2026	Hyundai Mipo	ard \$62m	French	Methanol dual-fuelled, six wind masts

4.2 Newbuilding Asset Values & Orderbook Levels

Vessel Type		Current Prices		Year End, \$m		
		Last Week	This Week	2020	2021	2022
TANKERS	VLCC	121	123	86	112	120
	Suezmax	81	82	56	76	80
	Aframax	65	65	47	59	62
	Panamax	55	55	43	51	54
	MR	45	45	34	41	44
DRY BULK	Capesize	61	61	46	61	61
	Kamsarmax	34	34	26	35	34
	Ultramax	31	32	24	33	31
	Handysize	29	29	23	30	29
CONTAINERS	10,000-teu	127	127	88	129	128
	6,600-teu	88	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



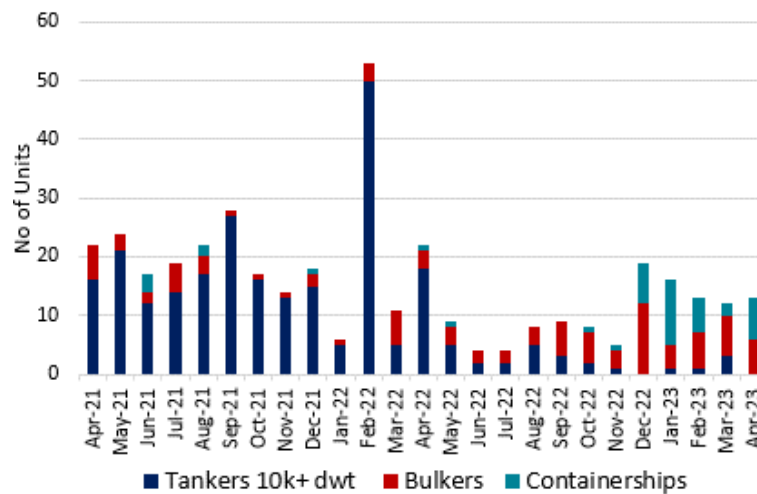
4.3 Recent Ship Recycling Activity

Type	Sub-Sector	Name	Dwt	Built	Ldt	Yard	Buyer	Price (\$/ldt)	Comment
Dry Bulk	Handysize	Hai Teng	33k	1977	7,450 mt	Japanese	Bangladeshi	560	
Dry Bulk	Handysize	Xiang Jiang 6	29k	1977	7,290 mt	Japanese	Bangladeshi	560	
Dry Bulk	Handysize	Xin Hai Zhou 7	22k	1999	7,380 mt	Chinese	Bangladeshi	N/A	
Container	Small Feeder	Blue Ocean	760 TEUs	1989	4,361 mt	Japanese	Bangladeshi	625	

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	76.04 \$/b	0.0%
WTI	71.71 \$/b	-0.6%
Spore VLSFO	582 \$/t	-0.4%
GBP/USD	1.24	0.0%
USD/YEN	139.55	0.7%
EUR/USD	1.07	-0.9%
USD/YUAN	7.05	0.0%
Gold	1,955.4	-0.1%
SOFR	5.05%	0.0%
EURIBOR (3m)	3.415%	0.8%



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