WEBERSEAS (HELLAS) S.A.

WEEKLY MARKET INTELLIGENCE

Market Week 25 - 2023

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1. Sustainability

IMO aims to cut shipping emissions with a goal of halving them (compared to 2008 levels) by 2050, otherwise, if shipping industry doesn't move to zero-carbon fuels and innovative technologies to green its energy footprint, the latest estimates suggest that carbon emissions will grow by 90-130 percent by 2050. Thus, IMO focuses on three ends: new technologies, new zero-carbon fuels and energy efficiency, always under the scope of cost effectiveness. According to estimates, in shipping alone, putting a price on carbon could raise $40 to $60 billion dollars each year between 2025 and 2050. This could help reduce GHG emissions and generate revenue which could be used to speed decarbonization in the shipping industry. There is a great need for investment in zero-carbon fuel production and in maritime infrastructure – including efficient ports – that promotes decarbonization, provides development opportunities, reduces transport costs, and builds resilience in the face of extreme global events. World Bank believes that a smartly designed distribution framework for carbon revenues can deliver on the twin goals of maximizing climate benefits and ensuring an equitable transition for countries, especially for the most vulnerable.

Ardmore Shipping has ordered Value Maritime's (VM) carbon capture ready and emissions-reducing Filtree systems, including the Clean Loop system, for a further three MR Tankers, the company said on a statement on its website. Having already signed for six Filtrees at the end of last year, the additional three ships to be made carbon capture ready for collecting CO_2 emissions onboard in the future are Ardmore Engineer, Ardmore Exporter and Ardmore Seavanguard. Taking place during regularly scheduled drydocks, the Filtree units will be installed in the first quarter of 2024 at yards in Asia.

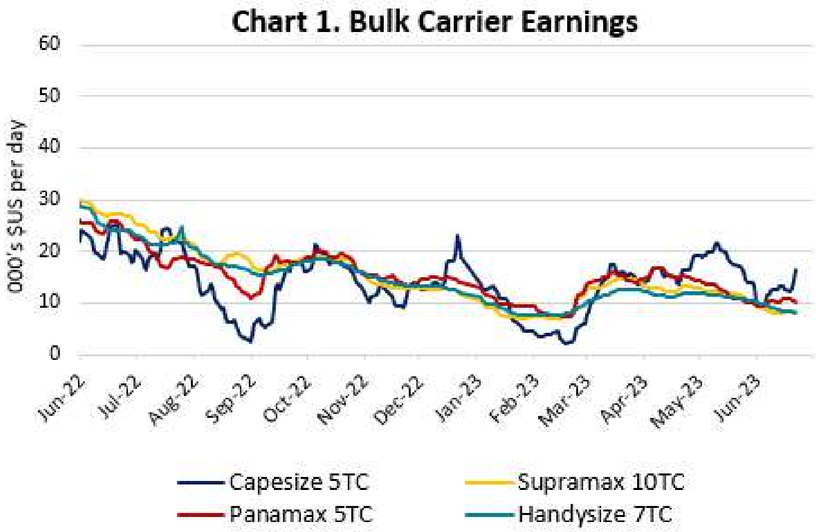
2. Shipping Markets Analysis

2.1 Dry Bulk

Activity continues to be limited on the SnP market with only few fresh fixtures reported, mainly on the Kamsarmax sector. Holiday's season in the Far East is making things even quieter. The market is soft and we estimate in some cases a drop of more than 10% in vessel's values since May. Nevertheless, at the time of writing this report the BDI has increased almost 20% since the start of the week reaching a four-week high on Thursday, supported by strong demand for Capesize vessels. There is a lengthy inventory of ships for sale against a limited number of buyers. A Japanese Kamsarmax built in 2011 which called for offers on Monday is now committed at $18.1 million nett; The vessel was fitted with a non-US Coast Guard approved BWTS. A 3-year-old Kamsarmax built in 2019 was sold via action for $29 million while a 2012 Japanese unit was at low $18million.

According to an article from Reuters, Goldman Sachs analysts have cut forecasts for China's economic growth, citing persistently weak confidence and the cloud over the property market as stronger-than-expected headwinds. The U.S. investment bank lowered its full-year real gross domestic product growth forecast for the world's second biggest economy from 6% to 5.4%, according to a note published late on Sunday. It also lowered its 2024 growth forecast from 4.6% to 4.5%.

Grain Export volumes out of the Black Sea have decreased significantly in May which is putting an extra pressure on the freight market. Volumes dropped from around 4 million mt in March, to 2,9 million mt and then 1,4 million mt in April and May, with just 42 ships loading in May vs 106 in March.



2.2 Tankers

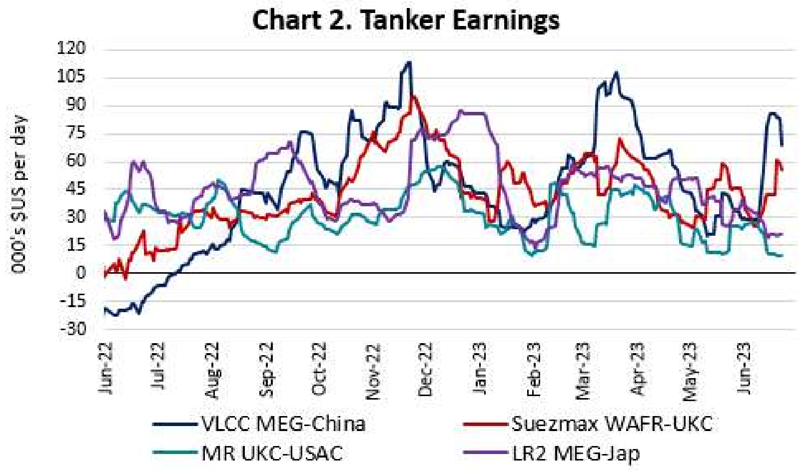
Another quiet week on the SnP market with values remaining flat. On the LR2 sector, a 2009 Korean unit was sold for $38million. Market sources suggest that a 2008 Korean MR tanker was sold for $23.5 million basis surveys and BWTS due while a 2010 Japanese unit trading DPP was sold for $24.5 million.

A 2023 Scrubber fitted VLCC was put on Subs from US Gulf to UK Continent for excess 100,000 $/per day. A 2005 built non-Scrubber unit was put on subs for a voyage from US Gulf to China for $74,098 $/per day for around 93 days.

A Belgian owner ordered two Scrubber fitted and ammonia ready VLCCs at Qingdao Beihai, price around $110million each. Moreover, the private company of Tor Olav Troim is rumoured to have ordered a pair of dual-fuel VLCC at an undisclosed yard with delivery in 2026. Market sources suggest that the price should be around $130million. Including these orders, we count 16x VLCCs currently on order against a fleet of 900 VLCCs on the water. During the next 3 years, 50 VLCCs will turn 25-year-old, 74 VLCCs will turn 20-year-old and 174 will turn 15-year-old.

Chinese oil refinery production increased 14% Year over Year to 14.6m bpd in May, as refineries restarted operation after the planned maintenance and independent refiners imported discounted crude, supporting refining margins; China has issued new crude oil import quotas for 2023, with 1H-23 volumes now up 20% Year over Year to around 195 million tonnes.

Crude stocks posted a surprise draw in the last week, helped by strong export demand and low imports, while gasoline and distillate inventories rose, the Energy Information Administration said on Thursday. Crude inventories fell by 3.8 million barrels to 463.3 million barrels in the week to June 16, compared with analysts' expectations in a Reuters poll for a 300,000-barrel rise. U.S. crude oil exports climbed to 4.5 million barrels per day last week, while imports fell about 50% to 1.6 million barrels per day.



2.3 Containers

The SCF index dropped for third consecutive week by 1% to 924 points.

Based on the NCFI reports, the market declined for second consecutive week by 4%. On a w-o-w basis, the routes from Ningbo to North/West South America and Thailand/Vietnam dropped by 13% and 10% respectively. The routes from Ningbo to Europe/Mediterranean and Middle East are stable with minor fluctuations downwards (between 1% and 3%) due to the small oversupply of supply created in the areas.

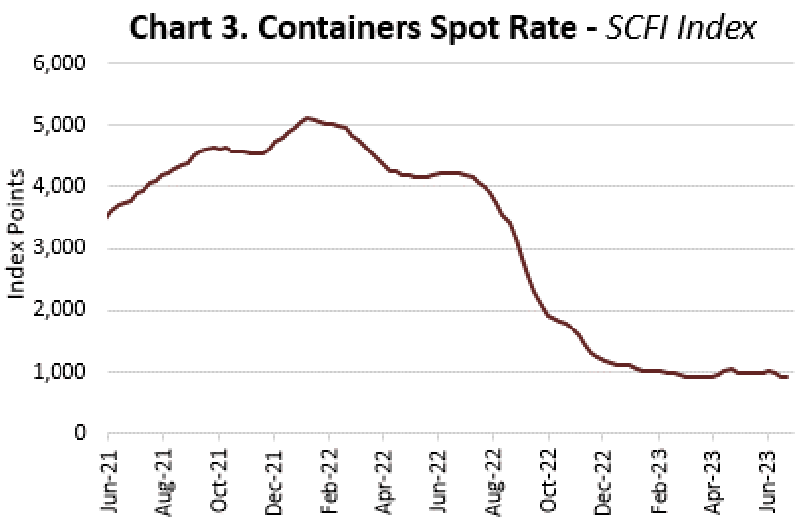
On the chartering front, the activity has been improved comparing to the last week. Plenty of fixtures recorded across almost all segments with the vast majority on Feeders, Feedermaxes and Post Panamaxes. Six Feeders fixed at rates between $13k/day and mid $18k/day in various time charter periods of one up to six months and a one-year charter. Total five Feedermaxes secured employments. Two vintage Feedermaxes fixed for periods for ten to twelve months at mid $28k/day and eleven to thirteen months at $17k/day, respectively. This week, the longest fixture employment involves a German modern Feedermax which reported fixed at $17k/day for twenty-six up to twenty-eight months. Two Korean built Post Panamaxes also fixed in a two-year time charter, a 5,600 TEUs at mid $27k/day and a 6,500 TEUs at mid $32k/day.

It is worth mentioning that all above units will be delivered in Asia and Middle East.

This week, the volume of reported transactions increased, keeping the SnP market busy. Two sister Panamaxes 3,500 TEUs reported sold at mid $17m to Middle Eastern interest while four Chinese modern Feeders and one Feedermax changed from a UK based Owner to Norwegian-based buyers at xs $136 million on en bloc basis.

Two vintages container vessels, a German Feeder and a Chinese small Feeder reported sold to Bangladeshi Cash Buyers. We counting around 36 units proceeded to recycling so far in 2023.

New orders recorded in the newbuilding front. A Taiwanese Global Operator has ordered twenty-four Very Large Containers (VLCS) of 16,000 TEUs with methanol dual-fuelled. It is expected that Korean (Samsung) and Japanese (Nihon) shipyards will undertake the construction of this huge project of around $4.2 billion. The vessels expected to be delivered into 2026 and 2027.



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	1,216	11.15	VLCC MEG-China	69,200	-15.5%	SCFI	924.29	-1.07%
Capesize 5TC	16,514	24.56	Suezmax Wafr-UKC	55,700	32.9%			
Kamsarmax 5TC	10,263	-3.71	MR UKC-USAC	9,900	-4.8%			
Supramax 10TC	8,260	1.50	LR2 MEG-Jap	21,100	7.1%			
Handysize 7TC	8,202	-3.21						

2.6 Finance

According to Reuters, the Bank of England raised interest rates by a bigger-than-expected half a percentage point on Thursday after it said there had been "significant" news suggesting British inflation would take longer to fall. The BoE's Monetary Policy Committee (MPC) voted 7-2 to raise its main interest rate to 5% from 4.5%, its highest since 2008 and its largest rate increase since February,

The Yen touched a Seven-Month Low against the Dollar reaching 142.36, its weakest since November. According to Bloomberg, the yen slid to its weakest against the dollar since November after Federal Reserve Chair Jerome Powell said officials expect interest rates need to move higher to curb inflation, highlighting diverging expectations for policy in Japan and the US. The yen dropped as much as 0.6% to 142.36 per dollar before paring losses to trade around the 141.80 level in early Thursday trading in Tokyo. The Japanese currency has slid nearly 8% against the dollar this year, the second-worst performer among its developed-market peers.

Turkey’s lira dropped to the weakest on record after a smaller-than-expected increase in interest rates on Thursday. The central bank of Turkey hiked its main one-week repo rate by 650 basis points to 15%, while the currency slipped 2.6% to 24.40 against the dollar.

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	MR	Anfa	47k Dwt	2010	Iwagi	rgn $24.5m	N/A	SS/DD 02/25	BWTS fitted, DPP trading
Tanker	MR	Gulf Jumeirah	46k >>	2008	Hyundai Mipo	rgn $23.5m	N/A	SS/DD 12/23	N2 Gen fitted
Tanker	Handy	RT Star	26k >>	2011	Shin Kurushima	$24m	N/A	SS 06/26 DD 07/24	BWTS fitted
Dry Bulk	Capesize	Atlantic Tiger	180k >>	2006	Imabari	$16.5m	Chinese	SS/DD 07/24	
Dry Bulk	Kamsarmax	JY Bulk	81k >>	2018	Chengxi	$28.49m	N/A	SS/DD 11/23	BWTS/Scrubber fitted, online auction
Dry Bulk	Kamsarmax	Magic Twilight	80k >>	2010	STX	rgn $17.5m	N/A	SS 04/25 DD 07/23	BWTS fitted
Dry Bulk	Supramax	New Direction	56k >>	2013	Mitsui	high $19m	N/A	SS/DD 06/23	BWTS fitted
Dry Bulk	Supramax	Zhou Shan Hai	56k >>	2009	COSCO Zhoushan	rgn $13m each	Chinese	SS/DD 10/24	BWTS fitted
Dry Bulk	Supramax	Yuan An Hai						SS/DD 08/24	
Dry Bulk	Supramax	Yuan Shun Hai						SS/DD 08/24	
Dry Bulk	Supramax	Jin Zhou Hai			COSCO Dalian			SS/DD 11/24	
Dry Bulk	Supramax	Oceanic Leader	53k >>	2006	Taizhou Kouan	rgn $11m	Middle EasternS	SS 12/25 DD 05/24	BWTS fitted
Dry Bulk	Handysize	Greenery Sea	35k >>	2012	Nantong Changqingsha	mid $12m	Greeks	SS 06/27 DD 07/25	BWTS fitted
Dry Bulk	Handysize	Agia Irini	28k >>	2013	Imabari	high $13m	N/A	SS 01/26 DD 05/24	BWTS fitted
Container	Panamax	AS Emma	4,256 TEUs	2010	Jiangsu Newyangzi	$22m	N/A	SS 01/25	basis delivery Nov'23
Container	Panamax	Northern Dedication	3,534 >>	2007	Shanghai	$17.5m	UAE based	SS 07/27 DD 08/25	BWTS fitted, Ice Class
Container	Panamax	Northern Defender						SS/DD passed	
Container	Feedermax	Northern Vigour	2,742 >>	2005	Aker	$17m	Swiss	SS 08/25 DD 07/23	BWTS fitted, Ice Class
Container	Feedermax	Ella	2,450 >>	2003	Naikai Zosen	$14m	Swiss	SS 05/27 SS 10/24	BWTS fitted
Container	Feedermax	Queen Esther	2,190 >>	2016	Guangzhou Wenchong	xs $136m en bloc	Norwegians	SS 06/26 DD 09/24	Eco ME, TC included
Container	Feeder	B Trader	1,762 >>	2019	COSCO HI Guangdong			SS/DD 02/24	
Container	Feeder	London Trader						SS/DD 11/24	
Container	Feeder	Madrid Trader						SS/DD 06/24	
Container	Feeder	Trieste Trader						SS/DD 04/24	
Container	Feeder	Marfret Marajo	1,713 >>	2008	Hyundai Samho	N/A	Argentines	SS/DD 09/23	

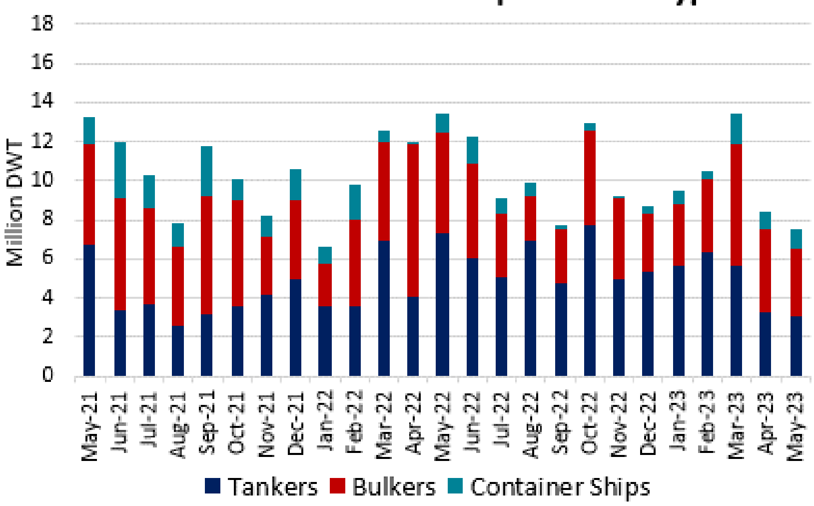
3.2 Second-Hand Asset Values & Sales Volumes per Vessel Type

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	74	56	101	74	51	38
	Suezmax	87	71	56	40	70	51	35	23
	Aframax	77	61	50	38	56	41	29	19
	Panamax	58	48	38	26	45	33	22	14
	MR	48	40	32	22	40	30	20	13
DRY BULK	Capesize	61	49	30	18	53	39	25	16
	Panamax/Kamsarmax	37	30	21	13	34	26	18	12
	Supramax/Ultramax	35	29	18	13	31	24	15	11
	Handysize	30	24	16	10	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
1	Dry Bulk	Kamsarmax	81k Dwt	2026	Tsuneishi	N/A	Danish	Methanol dual-fuelled
6	Dry Bulk	Ultramax	64k >>	2025-26	DACKS	N/A	Danish	
2	Dry Bulk	Ultramax	64k >>	2025	Sumec New Dayang	N/A	Greeks	
1	Dry Bulk	Handysize	42.2k >>	N/A	Tsuneishi	ard $34m	Taiwanese	
24	Container	VLCS	16000	2026-27	N/A	ard $175m	Taiwanese	Methanol dual-fuelled

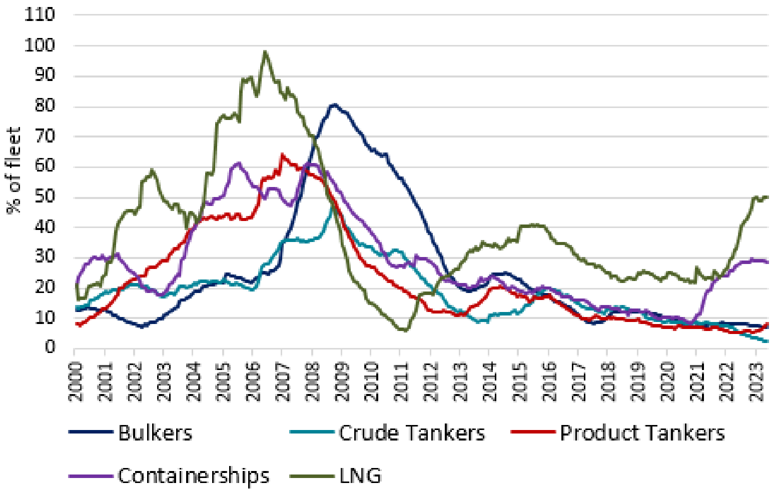
4.2 Newbuilding Asset Values & Orderbook Levels

Table 4. Newbuilding Asset Values

	Vessel Type	Current Prices		Year End, $m		
		Last Week	This Week	2020	2021	2022
TANKERS	VLCC	124	124	86	112	120
	Suezmax	83	83	56	76	80
	Aframax	65	65	47	59	62
	Panamax	55	55	43	51	54
	MR	45	45	34	41	44
DRY BULK	Capesize	62	62	46	61	61
	Kamsarmax	34	34	26	35	34
	Ultramax	32	32	24	33	31
	Handysize	29	29	23	30	29
CONTAINERS	10,000-teu	128	128	88	129	128
	6,600-teu	90	90	72	84	86
	5,000-teu	73	73	54	71	73
	2,600-teu	40	40	30	39	41
	1,700-teu	28	28	23	28	29

Chart 5. Shipping Orderbooks

as % of Fleet Capacity



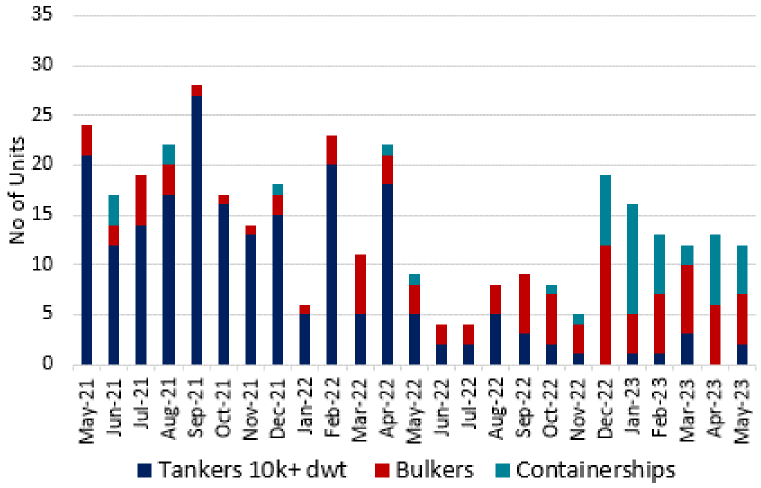
4.3 Recent Ship Recycling Activity

Table 5. Weekly Ship Recycling Activity									
Type	Sub-Sector	Name	Dwt	Built	Ldt	Yard	Buyer	Price ($/ldt)	Comment
Container	Feeder	Meratus Makassar	1,104 TEUs	1995	5,455 mt	German	Bangladeshi	N/A	
Container	Small Feeder	SCO Qingdao	614 >>	1997	3,759 mt	Chinese	Bangladeshi	610	

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	**540**	405	560	525	**545**
Bangladesh	415	600	505	**555**	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	72.84 $/b	-3.9%
WTI	68.15 $/b	-3.7%
Spore VLSFO	612.5 $/t	3.6%
GBP/USD	1.27	-0.8%
USD/YEN	142.88	1.6%
EUR/USD	1.09	-0.9%
USD/YUAN	7.18	1.0%
Gold	1,917.4	-2.2%
SOFR	5.05%	0.0%
EURIBOR (3m)	3.568%	1.3%

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