WeberSeas (Hellas) S.A.

Weekly Market Intelligence

Market Week 26 - 2023

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1. Sustainability

- Graphite Innovation and Technologies (GIT), provider of the world's most sustainable marine coatings, and Eastern Pacific Shipping (EPS), a global leader in the shipping industry, are pleased to announce a strategic partnership deal. GIT's first project with EPS involved the application of a fresh coat of XGIT-PROP, a biocide-free graphene-based propeller coating on the QUEBEC, an LPG tanker. In addition to reducing environmental impacts, GIT's technology uses less paint during application and provides improved fuel efficiency with underwater noise reduction capabilities in shallow water. The QUEBEC project will be followed by a complete application of the XGIT coating system on both the hull and propeller of a sister ship, KENT, an LPG tanker. The application of XGIT in lieu of traditional anti-fouling hull coatings will prevent the release of up to 1,900 kg of copper biocide to the ocean. EPS will benefit from a significant reduction in fuel burned compared to a traditional anti-fouling coating by maintaining a durable ultra-low hull roughness with this system. Over the next 5 years, the tanker will avoid the emission of up to 10,562 metric tonnes of CO2eq which will help EPS push towards meeting their sustainability goals.

- BASF and Yara Clean Ammonia are collaborating on a joint study to develop and construct a world-scale low-carbon blue ammonia production facility with carbon capture in the U.S. Gulf Coast region. The companies are looking into the feasibility of a plant with a total capacity of 1.2 to 1.4 million tons p.a. to serve the growing global demand for low-carbon ammonia. Approximately 95 percent of the carbon dioxide (CO_2) generated from the production process is aimed to be captured and permanently stored in the ground. This would allow Yara to serve its customers with clean ammonia with a significantly reduced product carbon footprint. For BASF, the new plant would act as backward integration to serve the company's demand for low-carbon ammonia and would lower the carbon footprint of its ammonia-based products. BASF and Yara are long-standing collaboration partners and successfully operating a joint world-scale ammonia plant at BASF's site in Freeport, Texas. The companies plan to complete the feasibility study on the low-carbon blue ammonia production facility by end of 2023. The product characteristics of blue ammonia are identical to conventionally produced ammonia. Since the CO_2 generated in the production process is captured and not released to the atmosphere, blue ammonia plays a significant role in the transition to alternative, less carbon-intensive products. BASF aims to reduce its absolute CO_2 emissions by 25 percent by 2030 compared to 2018 and achieve net zero CO_2 emissions by 2050. Yara has a strong track record in greenhouse gas abatement.

- China's Sinopec, has begun producing green hydrogen at a plant in Kuqa city in Xinjiang, Chinese state media outlet Xinhua reported on Friday. The plant - Sinopec's first green hydrogen facility - has the capacity to produce 20,000 metric tons of hydrogen per year, using solar power to electrolyse water, according to the report. China and other countries are racing to develop green hydrogen - produced using renewable power to split water into hydrogen and oxygen - as a crucial source of fuel with no carbon emissions to help limit climate change. China's state planner last year announced a target to produce 100,000 to 200,000 metric tons of green hydrogen a year by 2025.Sinopec's facility, along with its production capacity, has hydrogen storage capacity of 210,000 cubic metres and transmission capacity of 28,000 cubic metres per hour, Xinhua said. Hydrogen produced at the facility will be supplied to Sinopec's Tahe refinery to replace hydrogen produced from natural gas. Sinopec began construction of the plant in November 2021, with an initial investment of around 3 billion yuan ($414 million). In February, the company launched construction of a 30,000 metric ton green hydrogen demonstration project in Inner Mongolia and announced plans to build a 400 km pipeline from Inner Mongolia to the capital Beijing to transport hydrogen.

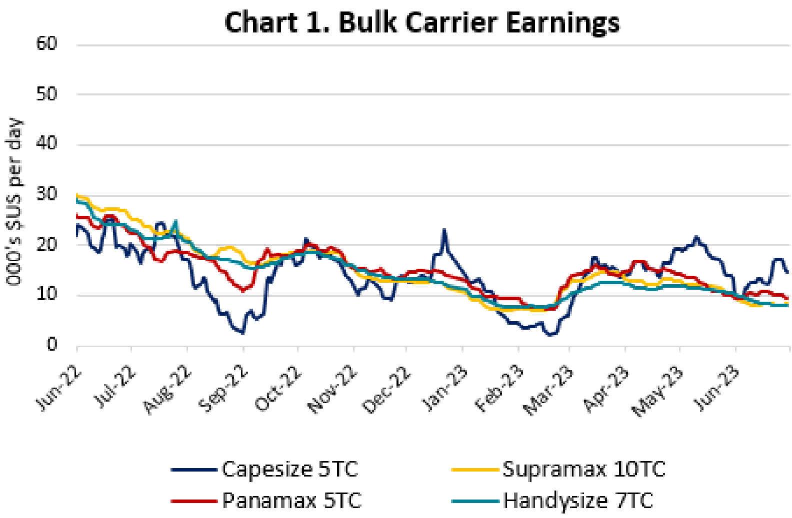
2. Shipping Markets Analysis

2.1 Dry Bulk

Limited fresh activity reported this week with second hand values looking soft. A Japanese 10-year-old kamsarmax (Scrubber fitted) which call for offers on Tuesday is now rumoured committed for around $22million to Greeks. For comparison purposes a 10-year-old, non-scrubber fitted unit was sold late last year for $23milllion. The majority of the market players are currently on a wait and see mode and they are cautiously monitoring the market developments.

The Newbuild market continues to be active with several fresh orders reported. Germans are rumoured to be behind the first standard capesize order for 2023, signing a contract for four Capesize 180,000 dwt and four Kamsarmax at a Chinese yard with delivery in 2025 and 2026. Market sources suggest that a Danish owners has placed an order for a dual fuel Japanese Kamsarmax with delivery in 2026.

China is expected to cut interest rates again this year and ramp up fiscal stimulus to spur a faltering economy, according to economists surveyed by Bloomberg. The People's Bank of China will likely reduce the rate on its one-year policy loans — known as the medium-term lending facility — by 5 basis points to 2.6% in the final quarter of this year, according to the median estimate in the latest quarterly survey. It's also expected to reduce the reserve requirement ratio for banks in the coming months, the forecasts show.



2.2 Tankers

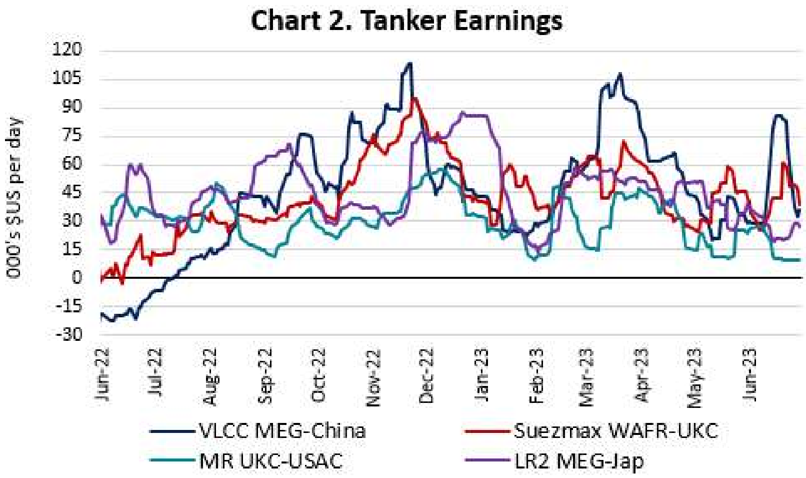
Activity has slowed down on the SnP front. Headline fixures of the week was the sale of a 2003 blt VLCC which was sold for $42.5million and a 5-year-old Suezmax (scrubber fitted) was sold for mid-$70 million. On the Aframax sector, a 2004 unit was sold for $31million.

Chinese crude oil imports have risen by around 8% Year over Year to more than 10 million barrels per day from January to May. Post-Covid economic recovery, strong refinery runs amid favourable margins and need for stocking crude oil ahead of the peak summer season lead to an increase in Chinese crude oil imports. China's imports of Russian crude have increase more than 45% in 2023 Year over Year. Volumes from ECSA and Caribbean have also significantly increased. Chinese crude imports in tone-mile terms went up by almost 10% Year over Year across January and May 2023. Chinese products export have risen almost 47% in 2023 Y-o-Y amid increased export quotas and attractive export pricing. Imports of products in the country have also increased.

Iran's total crude loadings hit 1.5m b/d in May, a record high since sanctions were imposed in 2018. Most of the crude exports went to China, at ~1.3m b/d in May, according to Argus.

Shipments of diesel and gasoil, about 41% of Russia's oil product flows, jumped to 1.1m bpd, i.e. a 35% jump from May.

Tanker contracting has continued to pick up, with 134 vessels (10k+ dwt) of 10.8m dwt ordered across Jan-Jun, up 13% vs full year 2022 and the highest annual run rate since 2015. Despite this pickup, the tanker orderbook still stood equivalent to around 5% of fleet capacity.



2.3 Containers

This week, the SCF index improved by 3.17% to 953 points.

The NCFI index remained stable on a w-o-w basis, as the demand for transportation has slightly eased in almost all main routes leading to the increase of available tonnage in the market. Overall, the routes from Ningbo to Europe/Mediterranean and North America (East and West) saw a minor downward around 2.5% while the route to Middle East slipped by 4%. Nevertheless, contrary to the above, the demand for cargoes from Ningbo to India/Pakistan route has seen significant improvement this week, around 18.5%.

There seems to be a normalization on port congestion levels as there is no any particular change during the last months.The related index remained steady around 31% close to pre-Covid average during first half of 2023.

Based on recent reports, the global inactive fleet is recorded at 3%, around 200 units (approximate 770k TEUs). Almost the 70% of inactive capacity is reflected to ships currently in drydock and the rest are commercially on idling mode.

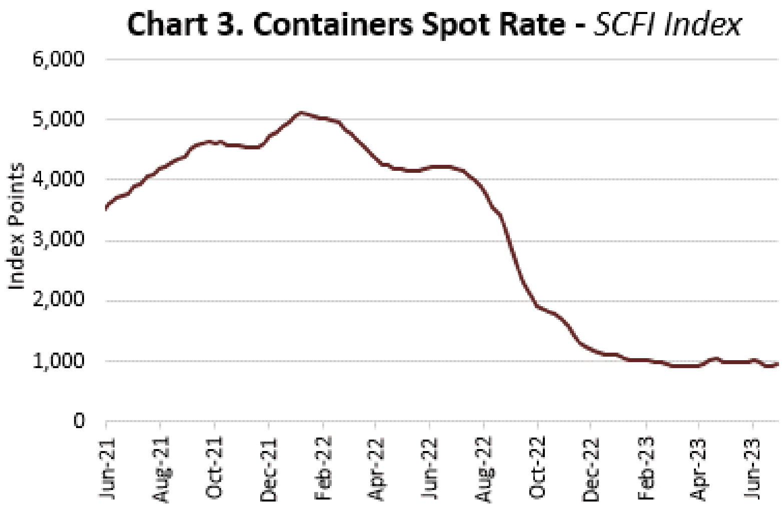
The activity on the chartering front is slower. Demand for Feeders and Feedermaxes is showing signs of weakness. Charter rates becoming softer along with shorter period employments. In particular, the Feeder size is facing a built-up of tonnage in Asia as the influx of newbuilding deliveries increasing the total number of units in the area. On the other hand, the charter rate levels on larger segments, especially Panamax and Post Panamaxes, increased as there is limited availability presently in the market for such tonnage.

Two Post Panamaxes secured new employments with thirty-six-month duration at $40k/day for the 7,000 TEUs and $35k/day for the 5,900 TEUs. Another Post Panamax extended the current employment to forty-six up to fifty months at $34k/day.

Three Feedermaxes fixed at rates between $15k/day and $20k/day for around six and twelve months respectively. Based on the reports, about seven Feeders recorded fixed in various periods from $12k/day and high $15k/day.

On the SnP front, the interest from potential Buyers remains relatively strong with some units reported sold for undisclosed price and direction. A Swiss liner leading company continued its buying activity with several additions for another week with the acquisition of three Feedermaxes and one Panamax from Norwegian, Greek and German owners. A 2007 Korean built Panamax, 5,000 TEUs, changed hands from Singaporean based Owners to Greek Buyers while a ten-year old Feeder, Wenchong 1700, sold and delivered by UK-based Owners to Chinese Buyers.

A quiet week on the recycling market as there was no any sale of a container vessel recorded. Cash Buyers are still worried about the shortage in the supply of vessels as we already entered the second half of 2023 and the activity remains very limited.



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	1,112	-8.55	VLCC MEG-China	35,800	-48.3%	SCFI	953.60	3.17%
Capesize 5TC	14,589	-11.66	Suezmax Wafr-UKC	38,600	-30.7%			
Kamsarmax 5TC	9,368	-8.72	MR UKC-USAC	9,600	-3.0%			
Supramax 10TC	8,251	-0.11	LR2 MEG-Jap	27,200	28.9%			
Handysize 7TC	8,065	-1.67						

2.6 Finance

According to Reuters, The German yield curve was at its most inverted level since 1992 on Tuesday with yields at the rate-sensitive short end of the curve rising more than at the long end. Germany's 2-year government bond yield, most sensitive to expectations for policy rates, rose nearly 10 basis points (bps) to 3.24%. Last Friday, it hit 3.282%, its highest level since March 9. Germany's 10-year yield, the bloc's benchmark, rose less, up 6 bps at 2.36%, leaving the gap between the two at -88.3 basis points, its most inverted since September 1992.

Federal Reserve Chair Jerome Powell signaled policymakers could potentially raise interest rates in July and September to curb persistent price pressures and cool a surprisingly resilient US labor market. Asked whether Fed officials now anticipate they will raise rates every other meeting after skipping a hike this month, Powell said that may or may not happen and that he wouldn't rule out consecutive rate hikes. He reiterated that most policymakers' forecasts show they expect to hike at least two more times this year.

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	Sonangol Kassanje	158k Dwt	2005	Daewoo	$37m	UAE based	SS 06/25 DD 11/23	BWTS fitted
Tanker	Suezmax	Elandra Osprey	157k >>	2018	Huyndai Samho	rgn $75m	Singaporeans	SS 04/28 DD 08/25	Scrubber fitted
Tanker	LR2	Pro Triumph	105k >>	2009	HHI	rgn $38m	UAE based	SS/DD 01/24	
Dry Bulk	Kamsarmax	Santa Cruz	83k >>	2011	Sanoyas	rgn/mid $18m	Greeks	SS 06/26 DD 03/24	BWTS fitted
Dry Bulk	Kamsarmax	Rikke	81k >>	2016	Tsuneishi Zhoushan	rgn $27m	Greeks	SS 07/26 DD 07/24	BWTS fitted, Eco ME
Dry Bulk	Panamax	Coral Opal	78k >>	2012	Shi Kurushima	low $19m	Greeks	SS 03/27 DD 02/25	BWTS fitted
Dry Bulk	Ultramax	Hanton Trader III	63k >>	2014	Jiangsu Hantong	mid $23m	N/A	SS 11/24	Eco ME
Dry Bulk	Ultramax	Great Spirit	61k >>	2019	DACKS	$28.9m	Chinese	SS/DD 11/24	Online auction
Dry Bulk	Supramax	RHL Julia	55k >>	2009	Mitsui	rgn/mid $15m	N/A	SS/DD 11/24	BWTS fitted
Container	Panamax	NYK Delphinus	4,888 TEUs	2007	HHI	$23m	Greeks	SS 10/25 DD 03/24	
Container	Feeder	Mellum	1,810 >>	2010	Dalian	$12m	Qataris	SS 04/25	BWTS fitted, Purchase option
Container	Feeder	Cerinthus	1,740 >>	2013	Guangzhou Wenchong	$17m	Chinese	SS/DD passed	Ice Class, old sale, delivered
Container	Feeder	Hansa Steinburg	1,740 >>	2010	Guangzhou Wenchong	N/A	Norwegians	SS/DD 01/25	TC attached, BWTS fitted, Ice Class
Container	Feeder	SC Parma	1,209 >>	2003	Jiangsu Yangzijiang	N/A	UAE based	SS/DD passed	BWTS fitted, Ice Class

Table 1. Weekly Ship Sales by Vessel Type

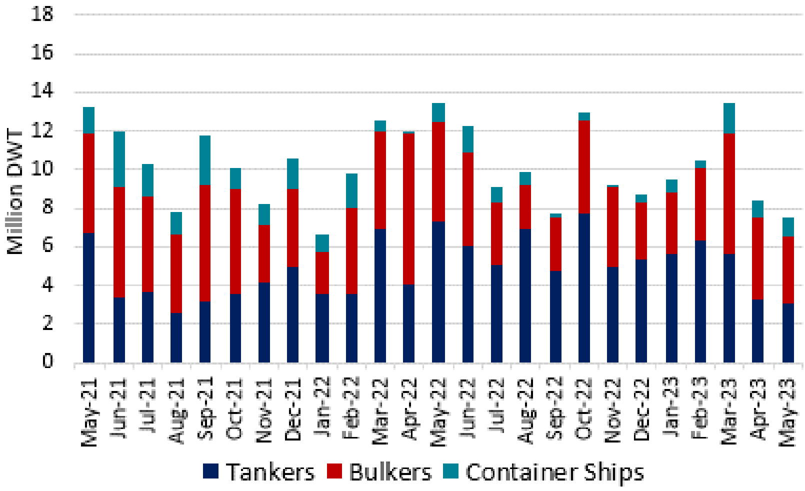
3.2 Second-Hand Asset Values & Sales Volumes per Vessel Type

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	132	98	73	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	47	37	26	45	33	22	14
	MR	48	39	31	21	40	30	20	13
DRY BULK	Capesize	61	48	30	18	53	39	25	16
	Panamax/Kamsarmax	36	30	20	13	34	26	18	12
	Supramax/Ultramax	34	28	18	12	31	24	15	11
	Handysize	30	24	16	10	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

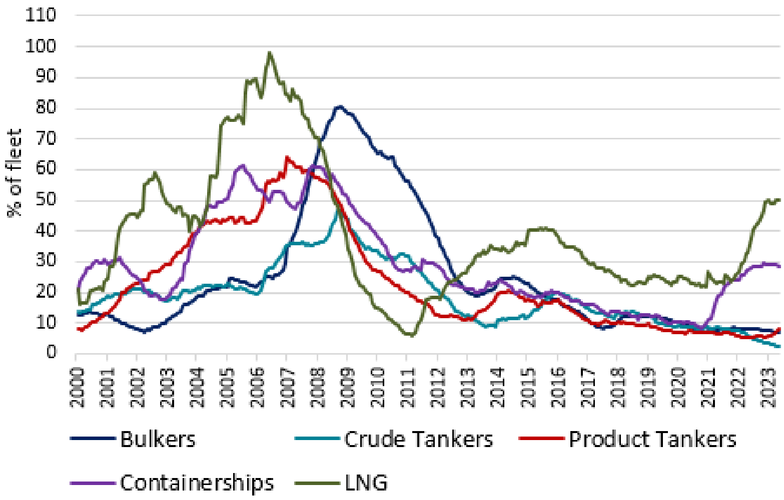
4.1 Recent Newbuilding Orders

Table 3. Weekly Newbuilding Orders								
Ship No	**Type**	**Sub-Sector**	**Size**	**Delivery**	**Yard**	**Unit Price**	**Owners**	**Comments**
2	Dry Bulk	Newcastlemax	210k Dwt	2025-26	COSCO HI Yangzhou	N/A	Greeks	conventional fuel, Scrubber fitted
4	Dry Bulk	Capesize	180k >>	2026	Hengli	ard $63.5m	German	
4	Dry Bulk	Kamsarmax	82k >>	2026		ard $34.5m		
6	Dry Bulk	Handysize	40k >>	2025-26	Jiangmen Nanyang	ard $29m	Turkish	EEDI Phase III, Tier III
4	Tanker	MR	50k >>	2H 2025	Hyundai Mipo	ard $42.25m	Japanese	
2	Tanker	Chemical	22.5k >>	2026	Wuhu	N/A	Swedish	LNG dual-fuelled, Battery-Hybrid, Ice Class
2	Tanker	Chemical	6.6k >>	1H 2025	K Shipbuilding	ard $21m	Japanese	
10	Container	MGX-24	24,000 TEUs	2026-2028	Yangzijiang	ard $240m	French	LNG dual-fuelled, old order
6 + 4	Container	Post Panamax	9,000 >>	2026-27	Yangzijiang	ard $115m	Danish	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



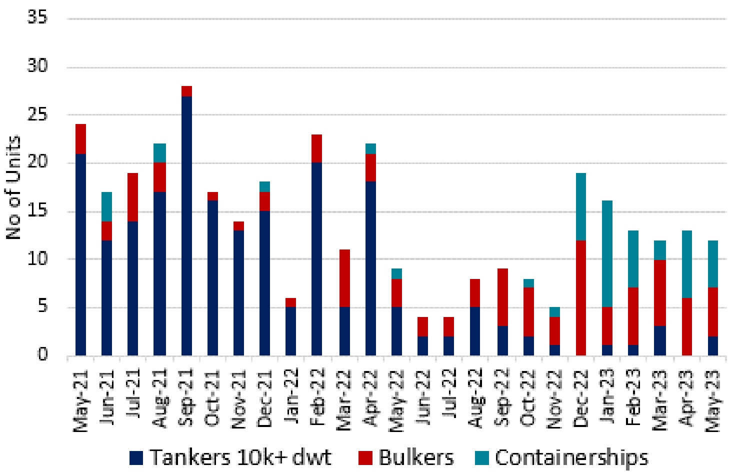
4.3 Recent Ship Recycling Activity

Table 5. Weekly Ship Recycling Activity									
Type	Sub-Sector	Name	Dwt	Built	Ldt	Yard	Buyer	Price ($/ldt)	Comment
Dry Bulk	Handymax	Shun Tong Da 156	43k	1991	8,207 mt	Japanese	N/A	505	"As is" at Guangdong
Gas	LNG	Seapeak Polar	87k cbm	1993	23,707 mt	Japanese	N/A	637	"As is" at Khor Fakkan, HKC Recycling

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	**545**	405	560	525	**555**
Bangladesh	415	600	505	**560**	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	74.81 $/b	2.7%
WTI	70.2 $/b	3.0%
Spore VLSFO	587 $/t	-4.2%
GBP/USD	1.26	-0.8%
USD/YEN	144.83	1.4%
EUR/USD	1.09	0.0%
USD/YUAN	7.26	1.1%
Gold	1,904.4	-0.7%
SOFR	5.06%	0.2%
EURIBOR (3m)	3.598%	0.8%

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SALE & PURCHASE OF SHIPS, NEW BUILDINGS, RECYCLING, MARINE PROJECTS & FINANCE
7, Granikou Str, Marousi 15125 - Attica, Greece
T:+30 210 453 9000 | E: *sales@weberseas.com*

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