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1. Sustainability

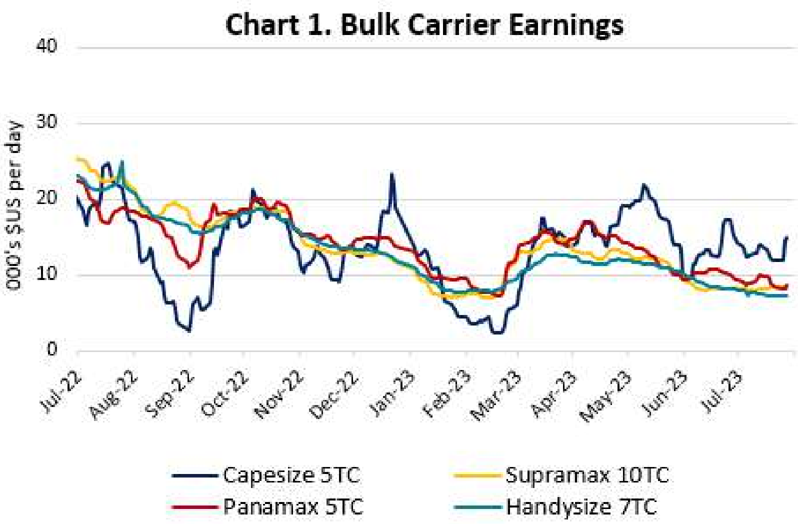
Fuel EU maritime initiative: Council adopts new law to decarbonise the maritime sector, the European council said on a press release. The main objective of the Fuel EU maritime initiative, as a key part of the EU's Fit for 55 package, is to increase the demand for and consistent use of renewable and low-carbon fuels and reduce the greenhouse gas emissions from the shipping sector, while ensuring the smooth operation of maritime traffic and avoiding distortions in the internal market. The new legislation aims to put maritime transport on the trajectory of the EU's climate targets for 2030 and 2050 and should play a fundamental role in delivering on the European climate law. The new regulation contains the following main provisions: measures to ensure that the greenhouse gas intensity of fuels used by the shipping sector will gradually decrease over time, by 2% in 2025 to as much as 80% by 2050, a special incentive regime to support the uptake of the so-called renewable fuels of non-biological origin (RFNBO) with a high decarbonisation potential, an exclusion of fossil fuels from the regulation's certification process, an obligation for passenger ships and containers to use on-shore power supply for all electricity needs while moored at the quayside in major EU ports as of 2030, with a view to mitigating air pollution in ports, which are often close to densely populated areas, a voluntary pooling mechanism, under which ships will be allowed to pool their compliance balance with one or more other ships, with the pool – as a whole - having to meet the greenhouse gas intensity limits on average, time limited exceptions for the specific treatment of the outermost regions, small islands, and areas economically highly dependent on their connectivity, revenues generated from the regulation's implementation ('Fuel EU penalties') should be used for projects in support of the maritime sector's decarbonisation with an enhanced transparency mechanism, monitoring of the regulation's implementation through the Commission's reporting and review process. Following today's formal adoption by the Council, the new regulation will be published in the EU's official journal after the summer and will enter into force the twentieth day after this publication. The new rules will apply from 1 January 2025, apart from articles 8 and 9 which will apply from 31 August 2024.

2. Shipping Markets Analysis

2.1 Dry Bulk

Moderate activity reported this week on the SnP market with the majority of the market rumours being around the Capesize sector. Headline fixture was a 2009 built Japanese Capesize which called for offers on Thursday and committed for region $21 million. Market sources suggest that a large number of buyers registered interest and several offers received which underlines the strong buying interest for this type of vessels. Greeks have been active buying big vessels with 12 out of the 16 Capesizes sold since June have gone to Greek Interest. For comparison purposes, a 2008 Built Japanese Capesize was sold for $19.4 million earlier this month which indicates prices for Japanese Capesize are steady. Last but not least, four Chinese Capesizes, built in 2003-2004-2005, which called for offers on Tuesday are rumoured to be under Bidding process at levels in the $13’s million. July is set to be the busiest month for Capesize sales in almost 2 years with more than 16 vessels sold.

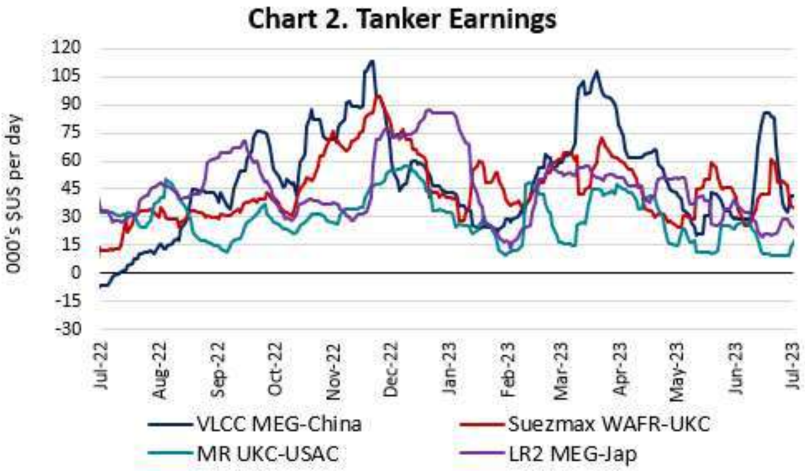
Sentiment in the Pakistan recycling market is improving as the IMF's provided USD 3 billion to the country. Pakistani yards have been absent from the market in recent months and the reinsurance of letters of credit may change that. Fundamentally, cash reserves have increased to 9-month highs, but new L/Cs are in the region of 3-4 billion and require significant margins (50 to 70%). Opening L/Cs in Bangladesh remains difficult and there are a few vessels waiting approval before beaching while credit is available for smaller vessels.



2.2 Tankers

Another uneventful week for the tanker market. Values look to have eased a bit but still remain at exceptionally high levels (at 15 years high in some cases. Values for 15-year-old tankers are significantly above their 10-year average. Prices for a 15-year-old VLCC, Suezmax, Aframax, LR1 and MR are currently at 75%, 90%, 130%, 100% and 90% respectively above their 10-year average.

China boosted its stockpiling of crude oil to the highest level in three years in June, taking advantage of cheap Russian crude to bolster inventories and add flexibility to future import requirements. The world's biggest oil importer added 2.1 million barrels per day (bpd) to commercial or strategic stockpiles in June, according to calculations based on official data. This was up from the 1.77 million bpd added in May and the most since June 2020, when imports surged as Chinese refiners lifted imports as crude prices slumped to the lowest in three decades as global demand collapsed during the initial stages of the COVID-19 pandemic.



2.3 Containers

The SCF index fell by 6.5% to 1,029 Points, on a w-o-w basis.

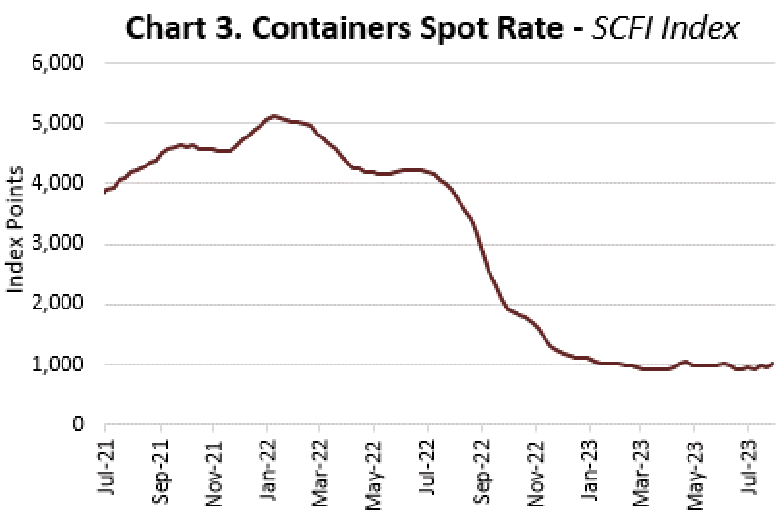
According to Ningbo containerized Freight Index (NCFI), the market slightly dropped for another week by 2.5%. The cargo volume on routes from Ningbo to Middle East and Red Sea sharply declined by 16.5% while the routes from Ningbo to Europe/Mediterranean and North America adjusted slightly downwards by 1%-2%.

On the chartering side, the activity was improved. The volume of fixtures increased for another week across Feeder to Post Panamax segment. Five Feeders were fixed at rates between $12k/day and $15k/day for a period of two to eight months. A 2006 German built Feedermax found employment for a month at $16k/day while another 2007 Chinese built Feedermax was fixed for eighteen up to twenty-four months. Two sister Panamaxes (around 4,200 TEUs) reported fixed at $21k/day for twenty to twenty-four months. A vintage Panamax secured employment at mid $36k/day for two up to five months while a 5,000 TEUs containership was fixed for one year at $20k/day.

The last couple of weeks, the activity on the SnP front has slightly eased. Reports suggest that a Swiss Global Operator continued its acquisitions with three more vessels from different Owners, a 2010 Korean affiliated Panamax, a 2005 Danish Panamax and a 2003 Korean Feedermax at undisclosed price.

A quiet week on Newbuilding market, with no new orders reported. The influx of newbuilding tonnage continued this week, with four more vessels entered the market, a Feeder (1,100 TEUs), a Feedermax (2,700 TEUs), a Post Panamax (6,800 TEUs) and a Very Large Container Vessel (13,200 TEUs).

The situation on the recycling market remains unchanged with Recyclers to be concerned about the shortage in the supply of tonnage.



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	1,097	12.28	VLCC MEG-China	35,400	-11.50	SCFI	1,029.23	6.50%
Capesize 5TC	14,937	26.72	Suezmax Wafr-UKC	14,500	-45.90			
Kamsarmax 5TC	8,594	1.07	MR UKC-USAC	21,500	48.28			
Supramax 10TC	8,066	-3.18	LR2 MEG-Jap	21,600	64.89			
Handysize 7TC	7,142	-1.45						

2.6 Finance

According to Reuters the Federal Reserve raised interest rates by a quarter of a percentage point on Wednesday and Fed Chair Jerome Powell said the economy still needed to slow and the labor market to weaken for inflation to "credibly" return to the U.S. central bank's 2% target. The hike, the Fed's 11th in its last 12 meetings, set the benchmark overnight interest rate in the 5.25%-5.50% range, a level last seen just prior to the 2007 housing market crash and which has not been consistently exceeded for about 22 years.

The European Central Bank raised interest rates for the ninth consecutive time on Thursday and kept the door open to further tightening he European Central Bank raised interest rates for the ninth consecutive time on Thursday and kept the door open to further tightening. With Thursday's 25 basis point move, the ECB's deposit rate stands at 3.75%, its highest level since a similar level set in 2000, before euro banknotes and coins had even been put into circulation. The main refinancing rate was set at 4.25%.

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	VLCC	Astro Chloe	318k Dwt	2009	HHI	rgn $62m	Chinese	SS/DD 01/24	Scrubber fitted
Tanker	VLCC	C. Champion	314k >>	2003	Samsung	rgn $40m	N/A	SS/DD 11/23	Scrubber fitted
Tanker	Suezmax	Umnenga II	162k >>	2006	Daweoo	N/A	N/A	SS 04/26 DD 06/24	Scrubber fitted, Ice Class
Tanker	LR2	Wellington	108k >>	2009	SWS	rgn $39.5m	N/A	SS/DD 05/24	Trading DPP
Tanker	MR	MTM Potomac	51k >>	2004	STX	mid $17m	N/A	SS 11/24	delivered
Dry Bulk	Capesize	HL Passion	179k >>	2015	Dalian	rgn $36m	Greeks	SS 11/25 DD 12/23	BWTS fitted, Eco ME
Dry Bulk	Kamsarmax	Restinga	82k >>	2006	Tsuneishi	high $13m	Greeks	SS 09/26 DD 02/25	BWTS fitted
Dry Bulk	Panamax	Delphinus	76k >>	2007	Namura	low $13m	Greeks	SS 05/27 DD 06/25	BWTS fitted, Ice Class
Dry Bulk	Panamax	Sheng Wu	76k >>	2005	Tsuneishi	high $14m	N/A	SS/DD 01/25	BWTS fitted
Dry Bulk	Supramax	Rhine Confidante	57k >>	2010	Ningbo Beilun	rgn $11m	N/A	SS 04/25 DD 08/23	BWTS fitted
Dry Bulk	Supramax	Jenny M	56k >>	2007	Mitsui	xs $12m	N/A	SS 08/25 DD 11/23	BWTS fitted
Dry Bulk	Supramax	Giscours	53k >>	2009	Zhejiang	$10m	N/A	SS/DD 01/24	BWTS fitted
Dry Bulk	Supramax	RHL Marta	53k >>	2007	Chengxi	mid $10m	N/A	SS 10/27 DD 01/26	BWTS fitted
Dry Bulk	Handysize	Ben Rinnes	35k >>	2015	Jiangdong	mid $16m	Greeks	SS 09/25 DD 10/23	TC attached
Dry Bulk	Handysize	Pan Daisy	32k >>	2009	Taizhou Maple Leaf	high $9m each	N/A	SS/DD 03/24	BWTS fitted
Dry Bulk	Handysize	Pan Edelweiss						SS/DD 10/24	
Dry Bulk	Handysize	Sheng Le A	28k >>	1997	Hakodate	$4.5m	Chinese	SS/DD passed	
Container	Panamax	Zhong Gu Jiang Su	4,963 TEUs	2010	Daewoo-Mangalia	N/A	Swiss	SS 04/25	Ice Class
Container	Panamax	Maersk Launceston	4,533 >>	2005	Odense	N/A	Swiss	SS/DD 11/24	

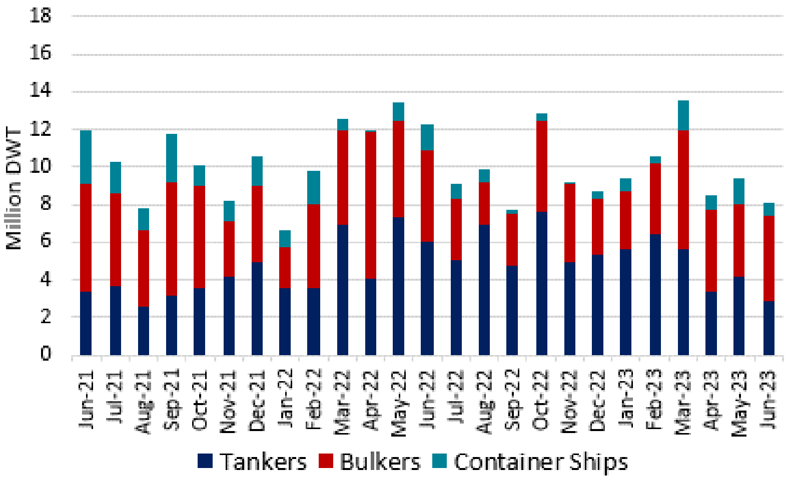
3.2 Second-Hand Asset Values & Sales Volumes per Vessel Type

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	123	97	72	56	101	74	51	38
	Suezmax	87	70	56	40	70	51	35	23
	Aframax	77	61	49	36	56	41	29	19
	Panamax	58	47	37	26	45	33	22	14
	MR	48	38	30	20	40	30	20	13
DRY BULK	Capesize	60	46	28	17	53	39	25	16
	Panamax/Kamsarmax	36	30	20	13	34	26	18	12
	Supramax/Ultramax	34	28	17	12	31	24	15	11
	Handysize	30	23	16	9	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	26	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

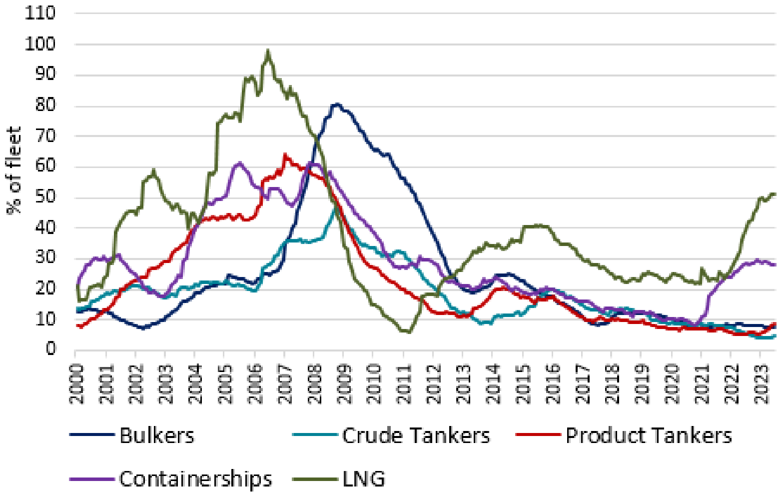
Table 3. Weekly Newbuilding Orders								
Ship No	**Type**	**Sub-Sector**	**Size**	**Delivery**	**Yard**	**Unit Price**	**Owners**	**Comments**
2	Tanker	Suezmax	157k Dwt	2025	Nihon	ard mid $85m	Swiss based	Scrubber fitted, LNG-ready dual fuelled
1	Tanker	LR2	115k >>	Q1 2026	Daehan	ard $74m	Bangladeshi	LNG-ready
2	Tanker	MR2	50k >>	H1 2026	GSI	ard xs $50m	US based	Metbanol dual-fuelled
4	Tanker	Chemical	19.9k >>	2H 2024 - 2025	Fukuoka	ard high $30m	UK based	
4	Tanker	Chemical	6.6k >>	2025-26	Wuhu	ard $20m	Norwegians	Metbanol dual-fuelled
2	Gas	LNG	174k cbm	2H 2027	HHI	ard $260m	Greeks	TC attached for 20 year
2	Gas	LNG	174k >>	2027	DSIC	N/A	Hong Kong based	TC attached for 20 year

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	129	88	129	128
	6,600-teu	90	91	72	84	86
	5,000-teu	73	73	54	71	73
	2,600-teu	40	40	30	39	41
	1,700-teu	28	29	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	Panamax	Zheng Jie	73k	1997	10,783 mt	Korean	Bangladeshi	495	"As is" China
Dry Bulk	Panamax	Zheng Hao	73k	1997	10,784 mt	Korean	Bangladeshi	495	"As is" China
Dry Bulk	Panamax	Yang Fan	69k	1997	9,687 mt	Japanese	Bangladeshi	540	"As is" Batam

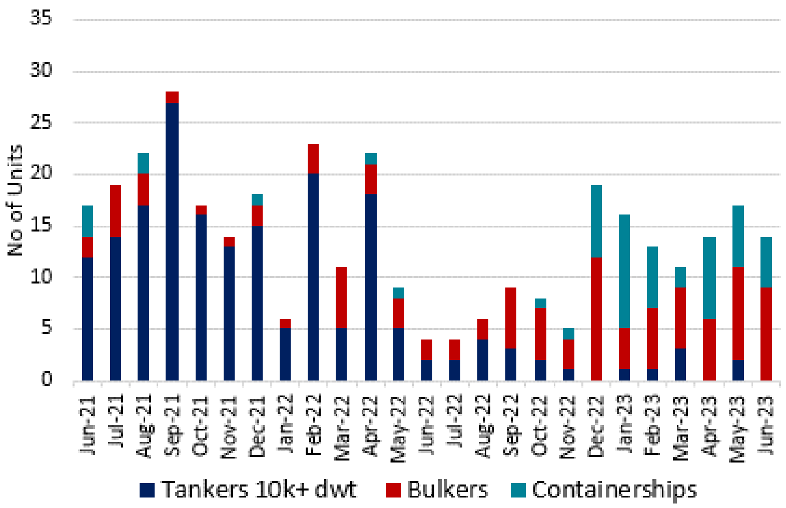
Table 5. Weekly Ship Recycling Activity

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	**540**
Bangladesh	415	600	505	**550**	415	590	510	**550**
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	83.73 $/b	4.3%
WTI	79.68 $/b	4.5%
Spore VLSFO	608 $/t	6.9%
GBP/USD	1.28	-0.8%
USD/YEN	138.71	-1.1%
EUR/USD	1.10	-0.9%
USD/YUAN	7.16	-0.1%
Gold	1,953.8	-0.8%
SOFR	5.06%	0.2%
EURIBOR (3m)	3.714%	1.9%

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