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1. Sustainability

According to Financial Times, Cargill’s head of ocean transport has called on the shipping industry to give wind power a chance in its efforts to decarbonise, as one of the world’s largest marine freight operators prepares to test the use of sails on a mid-sized vessel. Jan Dieleman, president of the US agricultural trader’s shipping business, said some shipowners were too sceptical of proposals to propel large cargo vessels using wind. He added that wind power was “underestimated”. “We have an industry that has been focusing solely on the zero-carbon fuels for a long time,” he said. “Some people are sceptical [of sails] from a technical point of view and they feel very strongly that you shouldn’t alter their ship. [Other shipowners] don’t want to take all the risk [of investing without support from their customers].” Cargill has had a previous foray into wind ship propulsion. In 2011, it announced an agreement to install a giant sail on the Aghia Marina cargo ship, in partnership with German company Sky Sails. In a 2015 update, Cargill said its project with Sky Sails had “encountered obstacles”. Shipping groups investing in decarbonisation, however, are divided on the best solutions. Companies are betting on a range of fuels including methanol and ammonia, as well as giant kites that can use wind to propel ships, despite concerns over whether alternative fuels will be affordable or available at scale. Dieleman spoke to the Financial Times as Cargill launched a ship, chartered by the agriculture group and owned by Japan’s Mitsubishi, which it said has been retrofitted with two 37.5-metre-high sails. Dieleman said the Pyxis Ocean bulk carrier, which can carry as much as 81,000 tonnes of cargo according to data provider Marine Traffic, is likely to transport corn from Brazil to Denmark on its first shipment. But he admitted that Cargill, which itself has been criticised for driving deforestation and climate change, could not take on all the risk for the shipping industry. He added the trading house may struggle to profit from its initial investment in the wind-powered vessel. Danish company Maersk, the world’s second-largest container shipping group, previously sold a vessel after analysis found that installing sails on the ship had only led to an 8 per cent drop in fuel consumption in a year. “Are we going to get our money back on this one? I don’t think so” It’s a proof of concept,” Dieleman said, declining to reveal how much Cargill had invested. But he said that low-carbon alternatives such as green methanol or ammonia currently cost up to four times as much as fossil fuels, meaning wind power could be used alongside green fuels to save money if it proves successful. Governments have also supported bringing back wind power. Last year, six countries including France and Spain submitted a paper to the UN’s International Maritime Organisation (IMO), stating wind propulsion systems were “ready, sufficiently mature and available” to help reduce emissions. Tristan Smith, a shipping and energy researcher at University College London, said using sails was “generally viable” but less practical on container ships, which have less deck space, or on routes where wind is less favourable.

According to Tradewinds, Eastern Pacific Shipping is poised to contract the world’s first ammonia-powered bulk carrier newbuildings in China, according to shipbuilding sources. The deal for six ammonia dual-fuelled 210,000-dwt newcastlemaxes, which is close to being finalised, is valued at about \$480m in total. The order involves an initial three ships to be built at state-owned Qingdao Beihai Shipbuilding Heavy Industry with options for a further three, according to sources familiar with the talks. Delivery of the first ship is pencilled in for mid-2026. While a number of so-called “ammonia ready” ships have been contracted — which have the capability to upgrade to ammonia fuel at a later date — Eastern Pacific’s vessels will be built ready to run on ammonia or conventional marine fuel. “These newbuildings are not ammonia-ready vessels, they will be built to run on ammonia from the get-go,” one source commented. Ammonia-fuel engines are still undergoing development, but engine maker MAN Energy Solutions has said it will be ready to deliver the first two-stroke ammonia fuel engines by the end of 2024 to be installed on the newbuildings. Ammonia fuel reduces CO and particulate matter emissions by 95% and SOx emissions by 100%. However, there are some concerns over the toxicity of the fuel. Energy giant Shell has said it will not be developing ammonia as a marine fuel until the toxicity issues are resolved. Sources believe MAN ES will be supplying the main engines for Eastern Pacific’s newbuildings.

2. Shipping Markets Analysis

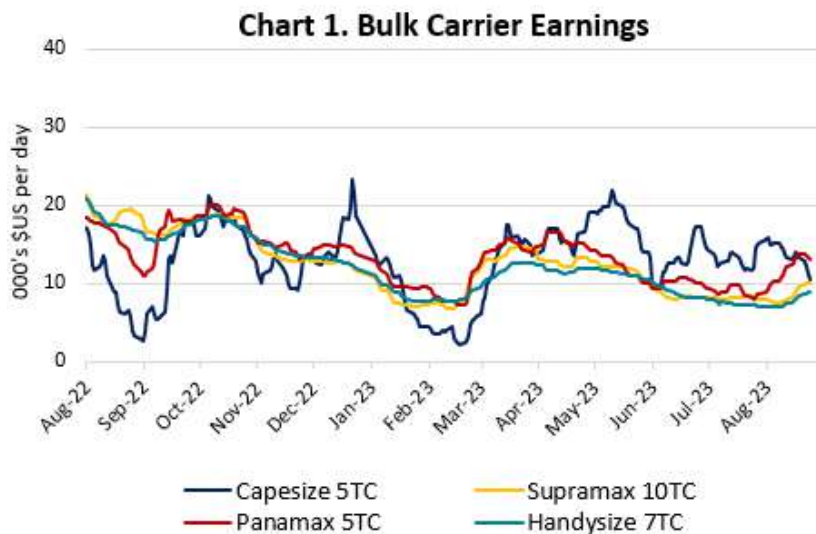
2.1 Dry Bulk

Despite the summer holidays, the SnP activity looks healthy with Capesize bulkers continue to attract strong buying interest. A Chinese 2011 built Capesize was reported sold for around \$23 million while a 2006 Japanese one was committed for mid \$16million. Based on our records around 78 Capesizes/Newcastlemaxes have been sold so far in 2023, compared to 80 units in the whole 2022, 91 in 2021, 71 in 2020 and 32 in 2019. On the Ultramax sector, Greeks are rumoured to be the buyers of two modern Japanese units built in 2015 and 2016 for a total price of \$46.5 million. It was a quiet week for the surpamax/handysize sector with two recent fixture reported. Overall, Dry bulk values remain relatively unchanged throughout August with only some slight easing mainly on the smaler vessels/non-eco ones.

The Chinese market remains slow with main interest being around the Capesize sector. The Japanese Sellers are active as the Dollar hovers around 2-month high against the Yen. Japan's threshold for currency market intervention on the yen is likely to be around 150 per dollar, investment bank JPMorgan's analysts said on Monday. "We think that the MoF (Ministry of Finance Japan) will not intervene in the FX market at around (the) 145 level. Our threshold level of JPY buying intervention is around 150," they said in a note.

Chinese iron ore inventories have reached their lowest level since September 2020, dropping below 120.5 million tons, below the 5-year average of 132 million tons. Despite a slight dip from 91 to 90.7 million tons in July, Chinese crude steel production remains robust.

According to Reuters, BHP Group on Tuesday said it saw solid growth from some sectors in China as it logged its weakest annual profit since 2020, but added it was too early to assess the impact of Beijing's policy measures on the country's housing market. In an earnings call to reporters, CEO Mike Henry said steel demand from Chinese sectors outside new housing starts, such as infrastructure, green infrastructure, automotive and property completions had been "pretty strong".



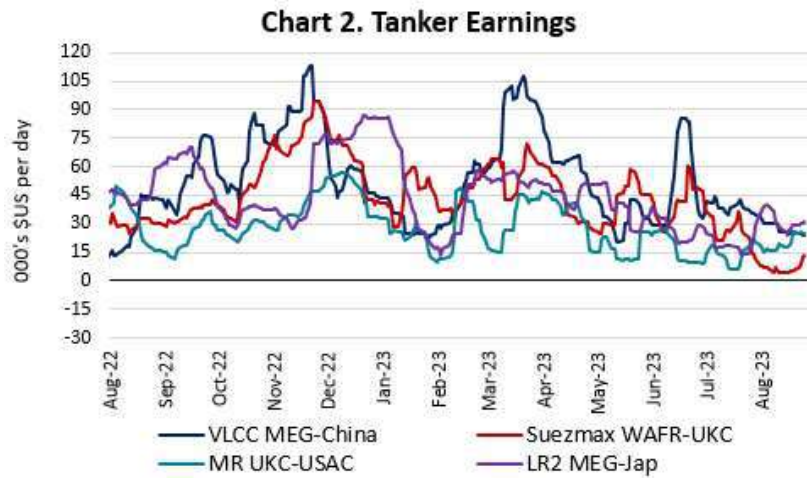
2.2 Tankers

Another quiet week for the tanker SnP market with limited fresh fixtures reported, mainly on the MR sector. A Japanese 2010 built MR2 was reported sold for \$24 million which is slightly below a similar unit sold back in June. A Korean 2011 built MR1 tanker was sold for \$23.5 million, a softer price compared to a sistership which was sold last month for region \$25 million.

Frontline plc, reported unaudited results for the six months ended June 30, 2023. The highest second quarter profit since 2008 of \$230.7 million, or \$1.04 per basic and diluted share for the second quarter of 2023. Declared a cash dividend of \$0.80 per share for the second quarter of 2023. Reported spot TCEs for VLCCs, Suezmax tankers and LR2/Aframax tankers in the second quarter of 2023 were 64,000, 61,700 and 52,900 per day, respectively. For the third quarter of 2023, Frontline estimates spot TCE on a load-to-discharge basis of \$53,200 contracted for 74% of vessel days for VLCCs, \$48,800 contracted for 67% of vessel days for Suezmax tankers and \$40,500 contracted for 57% of vessel days for LR2/Aframax tankers.

Lars H. Barstad, Chief Executive Officer of Frontline Management AS, commented: "Frontline had another solid quarter as supportive tanker fundamentals continued. With all our asset classes performing, Frontline's lean and efficient platform

continued to yield shareholder returns. Despite OPEC production cuts, global oil in transit outperformed seasonal patterns, as Asian oil demand attracted incremental barrels from other regions of the world. Despite uncertainties in the global macro environment, demand for oil and oil products seem largely unaffected as we head towards the winter in the northern hemisphere. The current softness in certain tanker segments is in line with historical seasonal expectations and improving refinery margins aligns with the market playbook for this time of the year”.



2.3 Containers

The SCF Index dropped slightly for second consecutive week by 1.6% to 1,013 points, following previous week minor correction (down 1.2%).

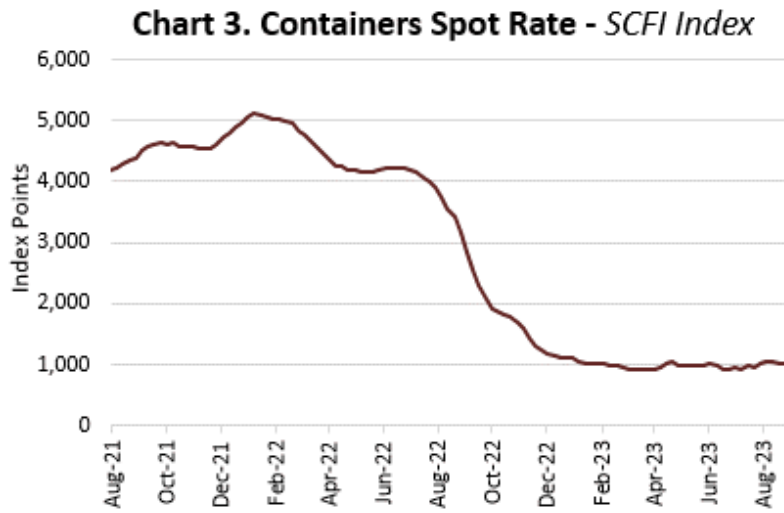
The NCF Index remained relatively stable on a w-o-w basis with some fluctuation downwards by 3%. A significant improvement, about 18%, in the route from Ningbo to Middle East as the Operators managed to balance the demand for transportation of goods with a sufficient available tonnage in the area. For another week, the route to India/Pakistan increased by 11%. On the other hand, the routes from Ningbo to Europe/Mediterranean and North America are facing corrections almost every week (now downwards about 4% and 8% respectively).

On a w-o-w basis, the chartering activity has been relative improved. The volume of fixtures was mainly between Feeders and Feedermaxes. As per market reports, a modern Feeder, Wenchong 1900 design, was fixed at mid \$12k/day for two to six months while a 1997 built Feeder found employment at \$9k/day for a period of three to four months. Two Feedermaxes were fixed at \$16k/day each. The first one, a 2005 built, Hyundai 2500 design was fixed three to nine months and the second one, a 2006 built, Hyundai 2800 design was fixed for eleven to fourteen months.

Based on several reports, we noticed two transactions on the SnP market. A 2007 Korean built Panamax (4,600 TEUs) changed hands between Hong Kong based Owners to Chinese Buyers at high \$20's while a 2007 Wenchong built Feeder (1,740 TEUs) reported sold at \$11m to undisclosed Buyers.

During the last two weeks, the activity in the new building sector was quiet with no new orders reported.

In the recycling market, three vintage units reported sold to Cash Buyers. A 1993 Panamax and a 1998 small Feeder to Indians and one Feeder to Bangladeshi recyclers.



2.5 Key shipping Freight Indices

Bulkers		% w-o-w	Tankers		% w-o-w	Containers		% w-o-w
BDI	1,100	-34.29	VLCC MEG-China	24,100	-8.02	SCFI	1,013.78	-1.67%
Capesize 5TC	10,443	-24.78	Suezmax Wafr-UKC	13,700	191.49			
Kamsarmax 5TC	13,106	12.70	MR UKC-USAC	25,200	31.25			
Supramax 10TC	9,966	28.25	LR2 MEG-Jap	31,000	8.39			
Handysize 7TC	9,004	24.86						

2.6 Finance

According to Reuters, S&P Global followed Moody's in cutting its credit ratings and outlook on multiple U.S. regional banks, saying higher funding costs and troubles in the commercial real estate sector will likely test the credit strength of lenders. S&P on Monday cut its ratings on Associated Banc-Corp (ASB.N) and Valley National Bancorp on funding risks and higher reliance on brokered deposits, while UMB Financial Corp, Comerica Bank and KeyCorp were downgraded, citing large deposit outflows and prevailing higher interest rates. S&P also lowered the outlook of S&T Bank and River City Bank to "negative" from "stable", citing higher CRE exposure. S&P's action came weeks after similar downgrades by its peer Moody's, which lowered ratings on 10 U.S. banks and placed six, including Bank of New York Mellon, US Bancorp, State Street and Truist Financial, on review for potential downgrades. An analyst at Fitch, the last of the three chief rating agencies, told CNBC last week that several U.S. banks, including JPMorgan Chase (JPM.N), could see downgrades if the sector's "operating environment" were to deteriorate further.

According to Financial Times, China has cut a benchmark lending rate but defied market expectations by leaving another unchanged as policymakers grapple with their response to slowing economic momentum, a property sector cash crunch and a weakening currency. The one-year loan prime rate (LPR), a reference for bank lending in China, was lowered 10 basis points to 3.45 per cent, the People's Bank of China announced on Monday. The equivalent five-year rate, which is closely watched because of its relationship to mortgage lending, was kept steady at 4.2 per cent. The renminbi, which is approaching last October's lows, lost ground following Monday's announcement, dropping as much as 0.3 per cent to Rmb7.3051 per dollar.

3. Second-Hand Market

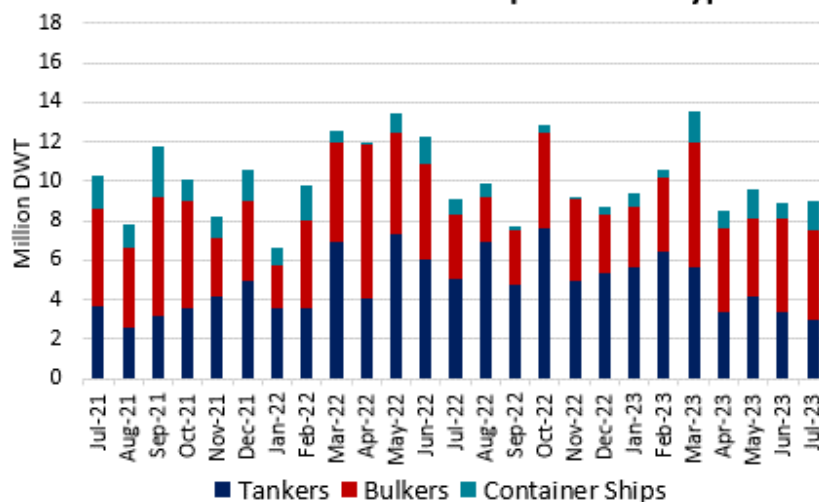
3.1 Weekly Ship Sales by Vessel Type

Vessel Type	Sub-Sector	Name	Size	Built	Yard	Price	Buyers	Surveys	Comments
Tanker	Suezmax	Namsen	157k Dwt	2016	New Times	\$67m	UK based	SS 11/26 DD 05/24	BWTS/Scrubber fitted
Tanker	Suezmax	Monte Toledo	150k >>	2004	Universal	mid \$35m	Nigerians	SS/DD 05/24	BWTS/Scrubber fitted, CAP 1
Tanker	MR	Scarlet Ibis	46k >>	2004	Iwagi	xs \$15m	Chinese	SS/DD 01/24	BWTS fitted, Zinc coated
Tanker	MR	Pro Jade	46k >>	2003	Hyundai Mipo	low \$12m	N/A	SS/DD 11/23	
Tanker	MR	Brunswick	45k >>	2010	Shin Kurushima	\$24m	Vietnamese	SS/DD 01/25	BWTS fitted
Dry Bulk	Newcastlemax	HL Imabari	206k >>	2008	Imabari	rgn mid \$21m	Chinese	SS/DD 10/23	BWTS fitted
Dry Bulk	Capesize	Ariadne	180k >>	2009	Daewoo	ard mid \$21m	UK based	SS/DD 02/24	
Dry Bulk	Capesize	Yuan Fu Star	176k >>	2011	Jiangsu Rongsheng	rgn \$23m	Middle Eastern	SS 12/26 DD 01/25	BWTS fitted
Dry Bulk	Capesize	Mount Apo	175k >>	2012	Jiangsu Rongsheng	mid \$20's m	Germans	SS 04/27 DD 09/25	
Dry Bulk	Mini Cape	AOM Elena	106k >>	2010	Oshima	mid \$20m	Indonesians	SS 03/25	Scrubber fitted
Dry Bulk	Kamsarmax	Navios Southern Star	82k >>	2013	Tsuneishi Fukuyama	high \$21m	Greeks	SS 04/28 DD 04/26	BWTS fitted
Dry Bulk	Kamsarmax	Belo Horizonte	81k >>	2012	Taizhou CATIC	rgn mid \$17m	Greeks	SS 07/27 DD 09/25	
Dry Bulk	Ultramax	SSI Formidable	63.5k >>	2017	Jinling	rgn \$27m	N/A	SS 07/27 DD 01/26	
Dry Bulk	Ultramax	IVS Hayakita	60k >>	2016	Mitsui	\$46.5m en bloc	Greeks	SS 09/26 DD 05/24	BWTS fitted, Eco ME
Dry Bulk	Ultramax	IVS Bosch Hoek		2015	Onomichi			SS10/25 DD 10/23	
Dry Bulk	Supramax	Pythagoras	56k >>	2012	Mitsui	\$18.2m	Greeks	SS 03/27 DD 07/25	BWTS fitted, Tier II
Dry Bulk	Supramax	Windsor Adventure	55k >>	2008	Mitsui	\$13.2m	N/A	SS 03/26 DD 04/24	BWTS fitted
Dry Bulk	Supramax	Cape Trafalgar	55k >>	2014	JMU	\$24m	N/A	SS 07/24 DD 05/25	Basis 2 years BBHP
Dry Bulk	Handysize	Steady Sarah	38k >>	2011	Minaminippon	\$15m	US based	SS 05/26	
Dry Bulk	Handysize	Tomini Ghibli	37k >>	2016	AVIC Weihai	mid/hgh \$17m	Indonesians	SS 05/26 DD 05/24	BWTS fitted, Eco ME
Container	Panamax	TS Kelang	4,363 TEUs	2007	Hyundai Mipo	high \$20's m	Chinese	SS 11/27 DD 02/26	BWTS fitted
Container	Feeder	X-Press Irazu	1,740 >>	2007	Guangzhou Wenchong	\$11m	N/A	SS 02/27 DD 03/25	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	123	97	72	56	101	74	51	38
	Suezmax	88	71	57	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	27	18	53	39	25	16
	Panamax/Kamsarmax	36	30	19	13	34	26	18	12
	Supramax/Ultramax	33	26	16	11	31	24	15	11
	Handysize	30	23	15	9	25	19	12	7
CONTAINERS	Size	Current Prices				5-Year Avg Prices (2018-2022)			
	8,800-teu / 10 yrs	57				58			
	6,600-teu / 10yrs	41				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

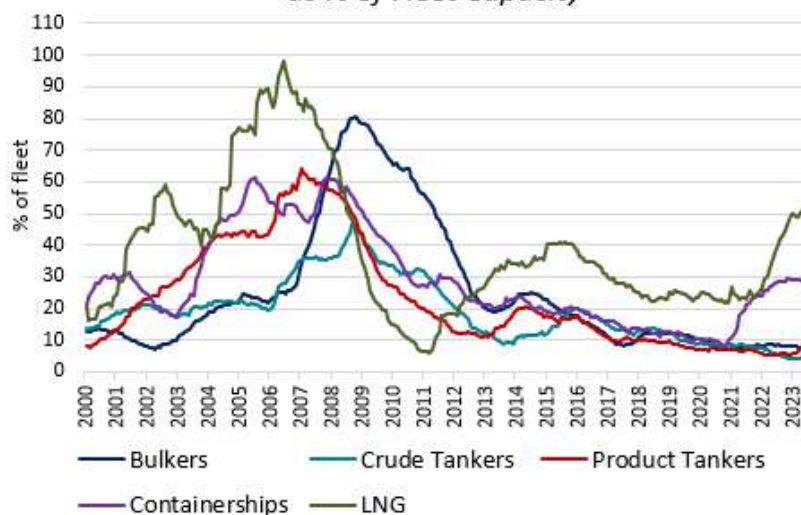
4.1 Recent Newbuilding Orders

Ship No	Type	Sub-Sector	Size	Delivery	Yard	Unit Price	Owners	Comments
2	Tanker	VLCC	319k >>	2H 2026	Qingdao Beihai	ard \$112m	Belgians	Scrubber fitted, Ammonia ready, Resale
2	Tanker	Suezmax	159k >>	2025-26	JMU	ard \$81.5m	Greeks	Scrubber fitted
4	Tanker	Suezmax	155k >>	2027	New Times	ard \$87m	Greeks	LNG dual-fuelled
1	Tanker	LR2	115k >>	1H 2026	Yangzijiang	ard xs \$60m	Greeks	
2	Tanker	LR1	75k >>	Q2 2026	Yangzijiang	ard xs \$50m	Greeks	conventional fuelled
2	Tanker	Chemical	25.9k >>	Q3 2025	Wuchang	ard \$41m	Chinese	
6	Dry Bulk	Newcastlemax	210k >>	2H 2026-27	Qingdao Beihai	ard \$80m	Singapore based	Ammonia powered
4	Dry Bulk	Kamsarmax	82k >>	2026	New Dayang	ard \$35m	Korean	EEDI Phase III, Tier III
4	Dry Bulk	Kamsarmax	82k >>	2025-26	Jiangsu New Hantong	ard \$33m		
4	Dry Bulk	Ultramax	64k >>					
2 + 2	Gas	LNG	175k cbm	2027	Dalian	ard \$265m	Chinese	WinGD, LNG dual-fuelled
1	Gas	VLGC	88k >>	2H 2027	HHI	ard \$107m	Norwegians	
2	Gas	LPG/Ammonia	40k >>	Q2 - Q4 2026	Nantong CIMC	ard \$61.5m	Norwegians	Options declared

4.2 Newbuilding Asset Values & Orderbook Levels

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	66	47	59	62
	Panamax	55	55	43	51	54
	MR	45	45	34	41	44
DRY BULK	Capesize	62	63	46	61	61
	Kamsarmax	35	35	26	35	34
	Ultramax	33	33	24	33	31
	Handysize	29	29	23	30	29
CONTAINERS	10,000-teu	129	130	88	129	128
	6,600-teu	91	91	72	84	86
	5,000-teu	73	73	54	71	73
	2,600-teu	40	40	30	39	41
	1,700-teu	29	29	23	28	29

Chart 5. Shipping Orderbooks
as % of Fleet Capacity



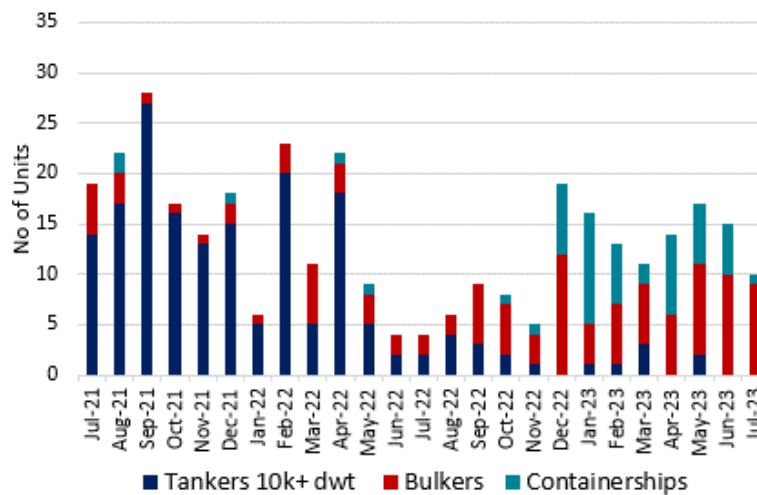
4.3 Recent Ship Recycling Activity

Type	Sub-Sector	Name	Dwt	Built	Ldt	Yard	Buyer	Price (\$/ldt)	Comment
Dry Bulk	Panamax	BH Mally	73k	1997	9,379 mt	Japanese	Bangladeshi	465	"As is" China, including ard 200mt BROB
Dry Bulk	Supramax	Ming Zhou 58	52k	1990	13,420 mt	USSR	N/A	425	"As is" China
Dry Bulk	Handymax	An Yue	45k	1996	7,966 mt	Taiwanese	Bangladeshi	475	"As is" Singapore, including ard 200mt BROB
Dry Bulk	Handymax	Ming Zhou 25	42k	1990	6,729 mt	Japanese	Bangladeshi	400	"As is" China
Container	Panamax	Heng Hui 2	3,469 TEUs	1993	11,835 mt	German	Indians	550	"As is" Colombo, including ard 200mt BROB
Container	Feeder	SOL Hind	1,730 >>	1996	7,792 mt	Polish	Bangladeshi	565	
Container	Small Feeder	Sinokor Tianjin	834 >>	1998	4,672 mt	Chinese	Indians	600	

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	515	405	560	525	515
Bangladesh	415	600	505	520	415	590	510	520
Pakistan	415	590	520	510	415	585	520	505

Chart 6. Ship Recycling per Vessel Type



5. Macro Indicators

Indicator		% w-o-w
ICE Brent	83.68 \$/b	-2.9%
WTI	79.39 \$/b	-3.9%
Spore VLSFO	629 \$/t	-5.1%
GBP/USD	1.26	-0.8%
USD/YEN	146.15	0.9%
EUR/USD	1.08	-1.8%
USD/YUAN	7.28	1.0%
Gold	1,917.2	0.0%
SOFR	5.30%	0.0%
EURIBOR (3m)	3.826%	1.8%



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