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## 1. Sustainability

According to Tradewinds, China Merchants Energy Shipping (CMES) is set to be the first mover to order a methanol dual-fuel VLCC newbuilding. The Shanghai-listed shipping giant said it has received approval from its board of directors to order one crude carrier at its favourite shipyard — Dalian Shipbuilding Industry Co (DSIC). CMES said the order for the VLCC newbuilding is part of the company’s fleet-renewal programme. The organisation will be paying \$107.5m for the vessel and DSIC is scheduled to deliver the ship by April 2026. CMES is not a newcomer when it comes to opting for methanol as a fuel for its fleet. Last year, the company ordered up to six methanol dual-fuel ultra-large pure car/truck carrier newbuildings at shipyards under China Merchants Heavy Industry (CMHI). The deal was for two firm vessels, with the option for an additional four ships. The PCTCs were reported to cost no more than \$99.5m

apiece. CMHI will be delivering the first firm vessel in September 2025 and the second in March 2026.

Origin Materials, Inc, the world’s leading carbon negative materials company with a mission to enable the world’s transition to sustainable materials, and Proman, a global leader in natural gas-derived products and one of the world’s largest producers of methanol, announced a strategic partnership centered on low-carbon biofuel production utilizing Origin’s technology platform and Proman’s worldwide fuels capabilities and expertise. As part of the partnership, Proman and Origin Materials signed an agreement to explore the production and global distribution of low-carbon biofuels. Origin expects to produce bio-based fuels using its patented technology platform, which turns the carbon found in sustainable wood residues into useful products.

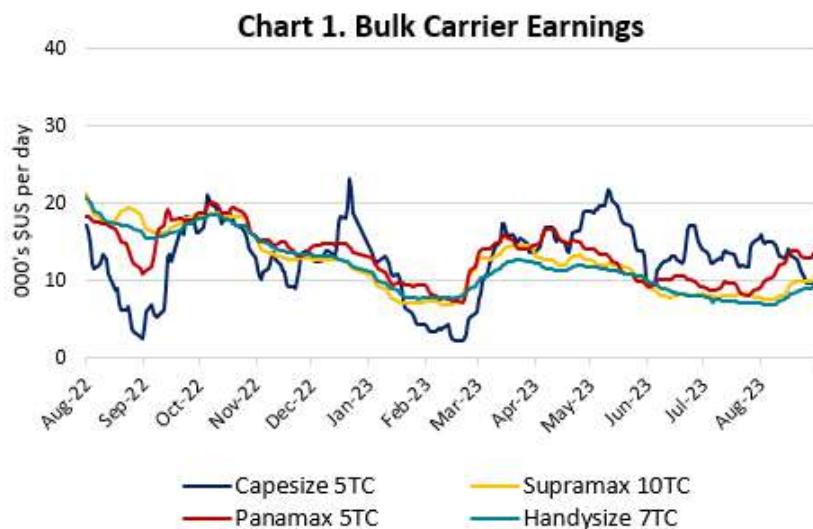
## 2. Shipping Markets Analysis

### 2.1 Dry Bulk

Buying appetite for secondhand vessels remains healthy. Two Japanese controlled bulkers called for offers this week. A 2013 built Japanese Ultramax was committed for around \$20.7 million and a 2012 built Japanese affiliated Kamsarmax which is rumored to have seen levels excess \$20 million, with market sources suggesting that both vessels attracted strong buying interest especially from Greek buyers. Last but not least a 2018 built Japanese Ultramax is rumored to be committed for excess \$27 million.

Around 290 dry bulk vessels have been ordered so far this year. Kamsarmaxes have the lion's share with 115 units reported ordered which is almost 40% of the total 2023 dry bulk orders. Around 90 Ultramaxes were ordered. Orders for Handysize and Capesize are down significantly in 2023 compared to last year. The total Dry Bulk orderbook has increase from 7% in 2022 to around 8% of the fleet in 2023.

According to Tradewinds, South Korean dry bulk giant Polaris Shipping has been put up for sale as its owners look to exit the sector. Polaris is one of the world's largest owners of VLOCs with 15 bulkers over 250,000 dwt and four newcastlemax vessels in its fleet. The dry bulk fleet is valued at \$1.36 billion in total, according to VesselsValue. So far, five companies have shown interest and carried out initial due diligence between late May and July. The sellers are hoping to finalise a deal before year's end. The potential buyers include China's Cosco Shipping, Japan's Mitsui OSK Lines, American multinational investment company BlackRock, South Korea's Woori Private Equity Asset Management and state-owned ship finance fund Korea Ocean Business Corp. Among the bidders, Cosco would appear to be the best fit due to its financial power and size. Local news reports suggest that Cosco has formed a large acquisition team and hired UBS to evaluate the bid for Polaris. Sources said Cosco is keen to acquire Polaris to expand its dry bulk business.



### 2.2 Tankers

Another uneventful week for the tanker SnP market with only a handful of fresh transactions reported, mainly on the Product sector. Year to date around 365 secondhand tankers (10,000 dwt onwards) have changed hands compared to 700 tankers sold in the whole 2022. Buying appetite has slowed down recently following an impressive 2022 and first half of 2023.

On the New build front, around 235 tankers have been ordered so far in 2023, up 160% compared to same period last year. From January until August of this year, 58 Aframax/LR2, 70 MR tankers, 40 Suezmaxes and 11 VLCC have been ordered. For comparison purposes, in 2022 only 19 Aframax/LR2, 30 MR tankers, 2 Suezmax and 3 VLCC were ordered.

Brazil's oil and gas production in July reached its highest level ever for a single month, data from oil regulator ANP showed on Wednesday, beating the previous record set in June. Oil and natural gas production totaled 4.48 million barrels of oil equivalent per day in the period, ANP said in a statement, with oil output alone rising 18.6% on a yearly basis to 3.51 million barrels per day. Natural gas production jumped 13.6% to 154.08 million cubic meters per day, the regulator added.



## 2.3 Containers

This week, the SCFI improved by 1.96% to 1,033 points.

Although there wasn't any significant capacity reduction by Operators this year, blank sailings might be required across the main routes from China due to the forthcoming Chinese National Holiday (Golden Week). The demand for cargo transportation is expected dropped during this period and perhaps oversupply tonnage should diverted to other routes.

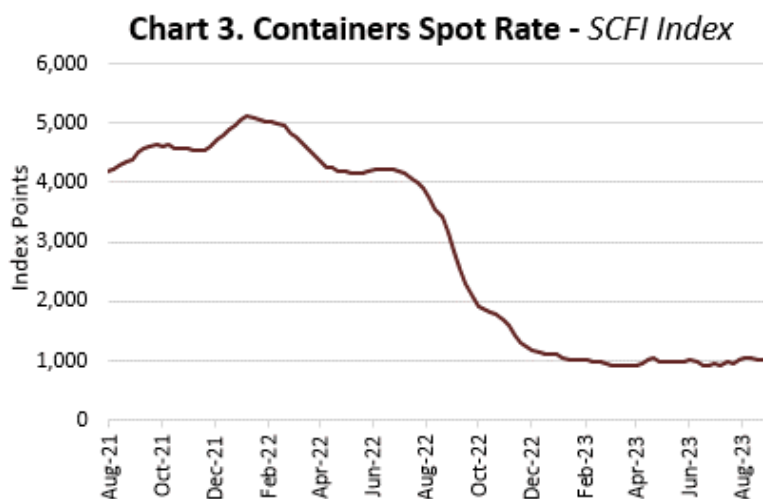
At the same time, the ongoing issue of the drought at Panama Canal continues to create transit restrictions and delays. The increase of the congestion and the limited availability of tonnage could improve the current market and freight rates.

For second consecutive week, the chartering activity continues to improve as Owners are actively looking to secure long-time charter for their ships. We have noticed that vessels repositioning from East of Suez to the Atlantic Basin, where the tonnage supply is more balanced. Based on market reports, two Panamaxes secured employment with a Danish Operator. The first one, a Samsung 4250 design, built in 2003 was fixed at low \$18k/day for nine to twelve months and the second one, a Dalian C4250 design, built in 2006 was fixed at \$19,250/day for three to five months. A Feedermax was fixed for twelve-month period at undisclosed rate. Feeders are covering the vast majority of volume of fixtures. This week, five Feeders, all around fifteen years old, fixed on a short period, between two to nine months at range \$11k/day to \$13k/day.

On a w-o-w basis, the SnP front remains relatively quiet. However, it is worth mentioning that a Canadian leading company bought the shares of their Japanese partners of two sisterships Post Panamax (around 8,100 TEUs), built in 2008 in Japan, based at the price of mid \$54 million in total.

The newbuilding activity after being quiet for two weeks, returns with another huge order. A French Global Operator is expected to place an order for eight methanol dual-fuelled Post Panamax of 9,200 TEUs. Shanghai Waigaoqiao Shipbuilding will undertake the construction of the mentioned vessels. The cost of this project estimated to exceed the total amount of \$1 billion, approximately \$126m per unit. The containerships are expected to be delivered in 2027.

The recycling market remained relatively stable this week. Three vintage vessels, all units built in 1990's (Panamax, Feeder and small Feeder) were sold to Indian Cash Buyers at low/mid \$500 per LDT.



## 2.5 Key shipping Freight Indices

Bulkers		% w-o-w	Tankers		% w-o-w	Containers		% w-o-w
BDI	1,086	-1.27	VLCC MEG-China	21,100	-12.45	SCFI	1,033.67	1.96%
Capesize 5TC	9,072	-13.13	Suezmax Wafr-UKC	8,000	-41.61			
Kamsarmax 5TC	13,526	3.20	MR UKC-USAC	30,800	22.22			
Supramax 10TC	10,584	6.20	LR2 MEG-Jap	30,500	-1.61			
Handysize 7TC	9,611	6.74						

## 2.6 Finance

According to Reuters, UBS embarked on a more than \$10 billion cost cutting plan, after swallowing up its stricken rival Credit Suisse. UBS shares were up 6% hitting highs not seen since 2008, after the cuts were announced alongside the first financial results the bank has published since the takeover, hastily arranged over a weekend in March. With a market value of 77 billion Swiss francs, UBS also struck an optimistic note about its short-term outlook. It is seeing a pickup in sentiment among rich clients and expects stronger financial markets to also boost the fees it earns. The biggest bank merger since the global financial crisis, orchestrated by the Swiss government to avert Credit Suisse's collapse, created a group whose assets dwarf the economic output of the country, whose regulators had already struggled to control big lenders. Analysts welcomed the announcement, although several sounded a note of caution. Jefferies described the integration of the two as "long, challenging and likely bumpy." "The group remains a construction site," said Deutsche Bank analysts. The results also showed the difficulties UBS has had in persuading Credit Suisse's wealthy customers to stay. Credit Suisse reported net asset outflows of 39 billion Swiss francs (\$44.4 billion) in the second quarter, underscoring that the rescue has failed to stem the loss of confidence. But UBS said the outflows had slowed down and reversed in June. UBS's global wealth management reported net new money of \$16 billion. The first-ever merger of two global systemically important banks creates both opportunities and risks for UBS. Analysts note that UBS acquired Credit Suisse for just 3 billion Swiss francs but to make it work UBS must slash costs, shrink Credit Suisse's investment bank, and keep its wealthy clients on board.

European Central Bank policymakers kept a September rate hike on the table when they raised interest rates in July. The ECB has lifted rates from minus 0.5% to 3.75% in just over a year to fight a surge in inflation. Arguments for a pause are now on the rise, especially as economic growth is visibly slowing, underperforming the ECB's already benign expectations. According to Reuters, August inflation data showed underlying price growth easing to 5.3% from 5.5%, a modest decrease that is still likely to add to arguments that price pressures are waning. Some policymakers argued that a September rate hike would not be needed because policy had already been tightened enough to bring down inflation in the years ahead.

## 3. Second-Hand Market

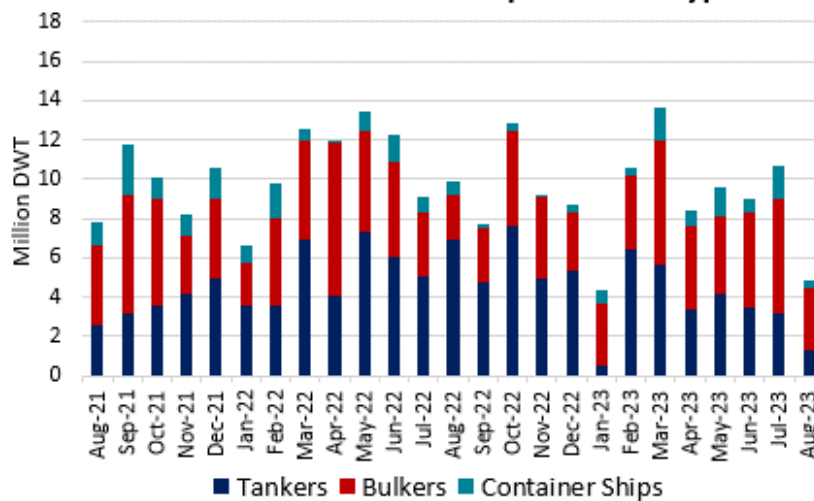
### 3.1 Weekly Ship Sales by Vessel Type

Vessel Type	Sub-Sector	Name	Size	Built	Yard	Price	Buyers	Surveys	Comments
Tanker	VLCC	Landbridge Horizon	308k Dwt	2019	Dalian	ard \$102m each	Hong Kong based	SS/DD 08/24	Scrubber fitted, Basis 9 years BB back at rgn \$29.5k/day
Tanker	VLCC	Landbridge Glory	307k >>					SS/DD 04/24	Scrubber fitted, Basis 7 years BB back at rgn \$29.5k/day
Tanker	MR	Ras Maersk	34k >>	2003	GSI	mid \$11m	N/A	SS/DD 08/23	
Dry Bulk	Capesize	Santa Lucia	176k >>	2006	Namura	xs \$16m	Turkish	SS 08/26 DD 07/24	BWTS fitted
Dry Bulk	Capesize	Xin Wang Hai	174k >>	2003	SWS	high \$12m	Chinese	SS/DD 10/23	
Dry Bulk	Ultramax	Nord Pacific	61k >>	2018	Shin Kurushima	low \$27m	N/A	SS 01/28 DD 01/26	BWTS fitted
Dry Bulk	Handysize	Tasman Spirit	35k >>	2010	Nantong Changqingsha	rgn mid \$9m	N/A	SS/DD 01/25	BWTS fitted, Boxed, Logger
Container	Post Panamax	ONE Continuity	8,102 TEUs	2008	Koyo	ard \$54.4m en bloc	Canadians	SS/DD 08/23	TC Attached
Container	Post Panamax	ONE Cosmos						SS/DD due	

### 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	23	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

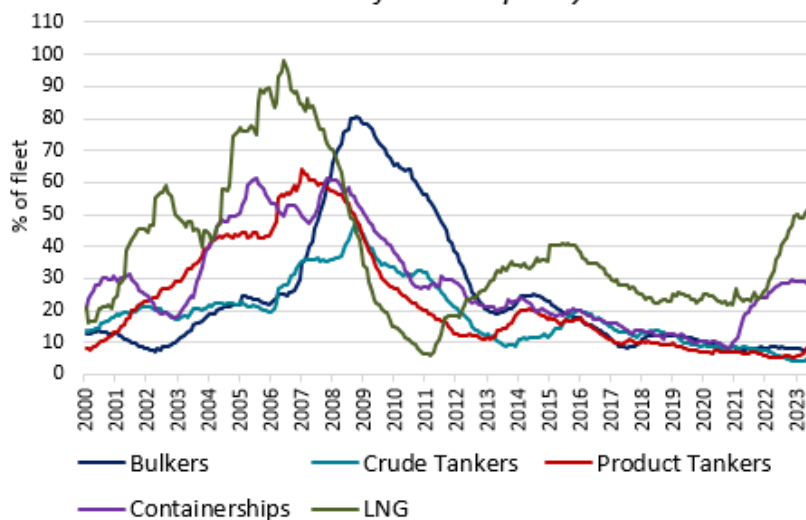
### 4.1 Recent Newbuilding Orders

Ship No	Type	Sub-Sector	Size	Delivery	Yard	Unit Price	Owners	Comments
1	Tanker	VLCC	307k Dwt	Q2 2026	Dalian	ard \$107m	Chinese	Methanol dual-fuelled
2	Tanker	MR	50k >>	2H 2026	GSI	ard xs \$50m	US based	Methanol dual-fuelled
2	Dry Bulk	Ultramax	64k >>	2H 2026	Imabari	ard high \$37m	Greeks	
3	Gas	LNG	175k cbm	2H 2027-28	Dalian	ard \$233m	Chinese	GTT's Mark III Flex
4	Gas	VLGC / VLAC	88k >>	2027	HHI	xs \$110m	Singapore based	LPG or Ammonia carrier
1	Gas	LCO2	7.5k >>	2025	Dalian	ard \$52m	Norwegians	Wind-assisted propulsion
8	Container	Post Panamax	9,200 TEUs	2027	SWS	ard \$126m	French	Methanol dual-fuelled

### 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	66	66	47	59	62
	Panamax	55	55	43	51	54
	MR	45	45	34	41	44
DRY BULK	Capesize	63	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	130	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

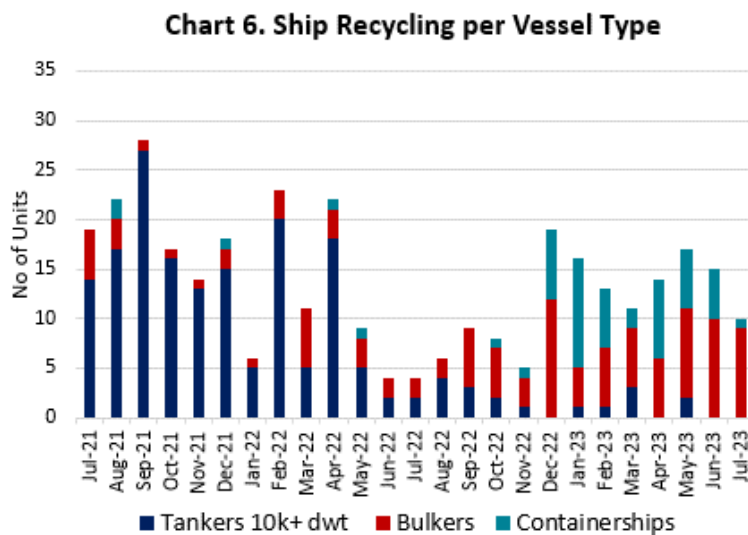


### 4.3 Recent Ship Recycling Activity

Type	Sub-Sector	Name	Dwt	Built	Ldt	Yard	Buyer	Price (\$/ldt)	Comment
Dry Bulk	Panamax	Gloria 1	77k	1998	11,259 mt	Japanese	Pakistani	525	
Dry Bulk	Handymax	Yong Ning	48k	1996	12,724 mt	Polish	Pakistani	500	
Dry Bulk	Handysize	Winda	27k	1995	5,951 mt	Japanese	Bangladeshi	N/A	
Container	Feedermax	Lady of Luck	2,210 TEUs	1998	11,454 mt	Taiwanese	Indians	545	
Container	Feeder	Jitra Bhum	1,498 >>	1997	7,049 mt	Japanese	N/A	515	"As is" Singapore
Container	Feeder	Kama Bhum	1,498 >>	1997	7,049 mt	Japanese	N/A	515	"As is" Singapore

### 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	505	405	560	525	510
Bangladesh	415	600	505	500	415	590	510	510
Pakistan	415	590	520	510	415	585	520	510



## 5. Macro Indicators

Indicator		% w-o-w
ICE Brent	87.10 \$/b	4.1%
WTI	83.92 \$/b	5.7%
Spore VLSFO	637 \$/t	1.3%
GBP/USD	1.27	0.8%
USD/YEN	145.4	-0.5%
EUR/USD	1.09	0.9%
USD/YUAN	7.26	-0.3%
Gold	1,943.6	1.4%
SOFR	5.30%	0.0%
EURIBOR (3m)	3.803%	-0.6%



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