WeberSeas (Hellas) S.A.

Weekly Market Intelligence

Market Week 42 - 2023

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1. Sustainability

Deutsche Bank has set emissions reduction targets for loans to clients in the coal mining, cement and shipping sectors and now has a net-zero plan for 55% of its financed emissions, its chief sustainability officer told Reuters. A key funder to polluting sectors, Germany's biggest lender, like many of its peers, is under increasing pressure from policymakers and investors to push clients to curb climate-damaging emissions.

It should be mentioned that its corporate loan book stood at 107 billion Euros ($112.72 billion) at the end of 2022.

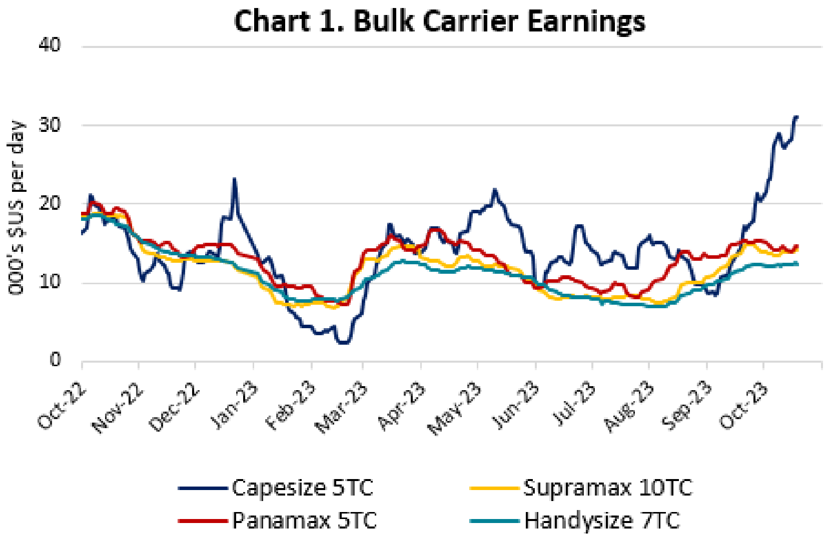
A year after setting up a "net zero forum" of senior executives to assess loan deals of more than 25 million Euros that would lead to big increases in emissions, CSO said the body had so far reviewed 41 and kicked back 25% to be renegotiated. Reasons for initially rejecting a transaction could include a company having a weak net-zero plan, for example by not including reporting of Scope 3 emissions, which are those tied to a company's value chain. The bank said it would aim to reduce absolute emissions from coal mining by 49% by the end of this decade and by 97% by 2050, all from a 2022 baseline of 7.9 million metric tons of carbon dioxide equivalent for cement, it wants to reduce the intensity of emissions linked to the operations and energy use of clients by 29% by 2030 and 98% by 2050; while targets for shipping will follow the industry agreed "Poseidon Principles" methodology. Deutsche Bank's targets do not include emissions linked to its underwriting of stocks and bonds, a big source of company finance. The lender said it planned to account for so-called facilitated emissions once industry agreed methodologies were available. Emissions linked to its oil and gas sector loans slid 29% in 2022 from 2021 levels, while in power generation, emissions fell 2.4% over 2022 and need to fall 69% by 2030; in autos, emissions fell 1.4% and need to fall 59%; and in steel, emissions fell 1.6% and need to fall 34% by 2030, all from a 2021 baseline.

2. Shipping Markets Analysis

2.1 Dry Bulk

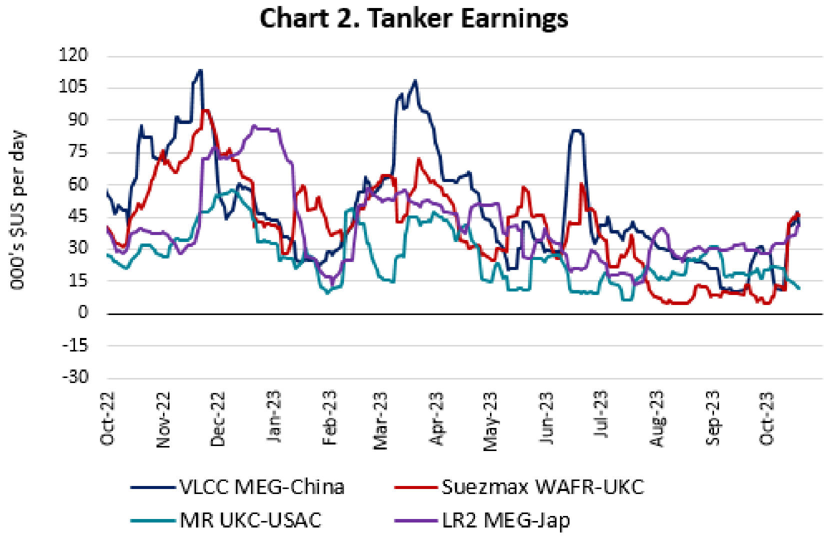
Buying appetite remains healthy on the SnP market especially for vessels 10-year-old and younger, with the values of these vessels firming up. Chinese Buyers are slowly starting to become keener on the buying front but still their appetite is lacking behind compared to the last two years. Japanese owners on the other hand have been very active on the selling front, having sold the most bulkers followed by the Greeks and Chinese. A Japanese Ultramax 2013 built with non-Eco ME, which invited offers on Wednesday, was rumoured to have seen strong interest.

Greeks have been busy ordering Kamsarmaxes the last couple of weeks. Market sources suggest that 10 Kamsarmax were ordered by Greek interest. The current Kamsarmaxes orderbook consist of almost 280 vessels. As a percentage of the fleet, Kamsarmax orderbook is almost 11% of the Fleet Ultramax is 8% of the fleet, Handysize orderbook is 7% of the current fleet with the Capesize segment having the smallest percentage of orders against the current fleet of about 5%. There are Currently 71 Newcastlemax and 25 Capesize on order. The operating Capesize, Newcastlemax and VLOC fleet consist of 1,125 and 454 and 263 vessels respectively.



2.2 Tankers

Crude tanker rates are firm. A 2009 Built Scrubber Fitted VLCC was fixed from Brazil to China for around $53,000 per day (82 days voyage) while a 2011 built scrubber fitted one was fixed from USG to China for around $50,000 per day (125 Days voyage). Suezmaxes on the Benchmark Wes Africa to Europe are earning around $47,000 per day while Aframaxes in the Atlantic are making north of $50,000 per day.



2.3 Containers

For second consecutive week, the SCFI increased by 3% to 917 Points.

The NCF index rose 5%. The routes from Ningbo to Middle East and West South America improved significantly by 33% and 25% respectively, on a w-o-w basis due to limited available capacity by Operators in the areas. The routes from Ningbo to Europe/Mediterranean and North America continued their decline during the week.

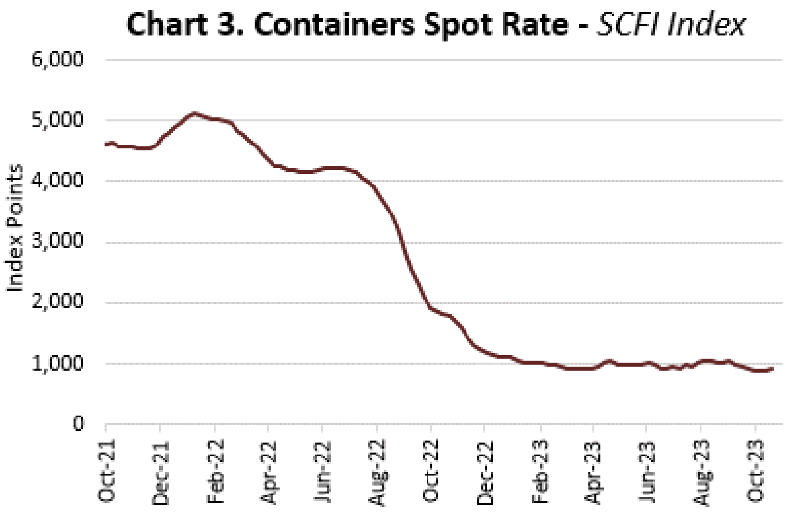
A Panamax fixed at mid $16k/day for 20-40 days. Two sister Feedermaxes fixed at $14.8k/day for three to six months. On the Feeders segment, five units secured employment between one and six months at a range between $10k/day and $12k/day.

On the SnP front, appetite for Feeders remains healthy. Norwegian Owners sold three German built units between 1,200 and 1,400 TEUs to Turkish Buyers at $21.7 million en-bloc. A Korean Feedermax (2,800 TEUs) reported that changed hands between Norwegians and Greeks at $13 million while a 2004 small Feeder reported sold in the region $4 million to UAE based Buyers.

Vessels' values remain under pressure and are expected to fall further going forward. More vessels are expected to enter the market for sale in view of the uncertainties in the container market in the forthcoming months.

An interesting Newbuilding order reported on Feeder segment with a Taiwanese Owner come into agreement with the Japanese shipbuilder Nihon for eight Panamax units (3,055 TEUs), at estimated price of around $47 million each.

In the ship recycling, Alang in India continues to attract the majority of sales. This year, Swiss Global disposed its thirteenth containership to Indian Cash Buyers for $565 per lightweight.



2.4 Key shipping Freight Indices

Table 1. Key Shipping Freight Indices

Bulkers		% w-o-w	Tankers		% w-o-w	Containers		% w-o-w
BDI	2,071	7.03	VLCC MEG-China	41,400	37.54	SCFI	917.66	2.93%
Capesize 5TC	31,130	14.51	Suezmax Wafr-UKC	46,000	49.84			
Kamsarmax 5TC	14,719	2.69	MR UKC-USAC	11,900	-24.68			
Supramax 10TC	14,152	1.60	LR2 MEG-Jap	41,300	17.00			
Handysize 7TC	12,393	0.69						

2.5 Finance

According to Reuters, The European Central Bank will need some time, possibly until next spring, before it can be confident that inflation is returning to its 2% target, ECB chief economist Philip Lane told a Dutch newspaper. The ECB has raised rates at each of its past ten meetings to curb runaway price growth but signalled a pause for October and markets expect its next move to be a cut, not a hike, sometime around mid-2024. “I personally will need more information about the wage settlements for 2024, and we will have to wait until spring next year before many countries release that information,” Het Financieele Dagblad quoted Lane as saying on Monday. “So, it’s going to be some time before we can have a high degree of confidence that inflation is on its way back to 2%.” Lane also kept the door open to further rate hikes, arguing that if there are further large or persistent inflation shocks, the ECB needs to be open to doing more. “Only when we are sufficiently confident of reaching that target, we can normalise policy,” Lane said. “But this is quite some distance from where we are now.”

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	24 x units	298k - 300k Dwt	2015-2023	Hyundai Samho, Daewoo, HHIC, HHI	$2,35bn en bloc	Norwegian		
Tanker	MR	Elafonisos Bay	50k >>	2009	SPP	low $25m	Turkish	SS/DD 03/24	BWTS fitted
Tanker	MR	Constance	50k >>	2008	SPP	rgn $23m	Vietnamese	SS/DD 11/23	BWTS fitted
Tanker	MR	GH Austen	49k >>	2009	GSI	$23m	N/A	SS/DD 03/24	BWTS fitted
Tanker	MR	Formosa Thirteen	45k >>	2005	Shin Kurushima	rgn $18m	Chinese	SS/DD 03/25	BWTS/Scrubber fitted, Zinc Coated
Dry Bulk	Capesize	Mineral Shougang International	180k >>	2009	Dalian	rgn $22m	N/A	SS/DD 07/24	Scrubber fitted
Dry Bulk	Kamsarmax	Royal Fukuyama	82k >>	2013	Tsuneishi	rgn $23m	Greeks	SS 07/28 DD 04/26	BWTS fitted
Dry Bulk	Panamax	Boyang Garnet	75k >>	2007	Sanoyas	low $12m	Vietnamese	SS/DD 03/25	BWTS fitted
Dry Bulk	Panamax	HC Pioneer	75k >>	2004	Sanoyas	high $8m	Chinese	SS/DD 05/24	
Dry Bulk	Ultramax	CP Shanghai	63k >>	2015	Chengxi	mid $23m	N/A	SS 08/25	BWTS fitted
Dry Bulk	Supramax	Ocean Glory	56k >>	2006	Mitsui	$11m	N/A	SS 09/25	BWTS fitted
Dry Bulk	Supramax	RHL Clarita	53k >>	2008	Chengxi	mid/high $9m	N/A	SS 03/28 DD 05/25	BWTS fitted
Dry Bulk	Handysize	Pacific Island	38k >>	2012	Shimanami	low $15m	Greeks	SS 11/25 DD 11/23	BWTS fitted
Dry Bulk	Handysize	Red Sea	35k >>	2011	Nantong Changqingsha	low $11m	N/A	SS 08/26 DD 11/24	BWTS fitted
Dry Bulk	Handysize	Daiwan Dolphin	34k >>	2015	Namura	$18.6m	Dutch	SS/DD 03/25	BWTS fitted, TC attached
Container	Feedermax	Thorstar	2,824 TEUs	2003	Hyundai Mipo	$13m	Greeks	SS/DD due	Ice Class
Container	Feeder	AS Rafaela	1,440 >>	2007	Peene Werft	rgn $ 21.7m en bloc	Turkish	SS 09/27 DD 11/25	Ice Class
Container	Feeder	AS Roberta		2006				SS 11/26 DD 11/24	
Container	Feeder	AS Flora	1,223 >>	2005				SS/DD 03/25	
Container	Small Feeder	Pegasus Prime	710 >>	2004	Dae Sun	rgn $4m	UAE based	SS/DD 02/24	BWTS fitted

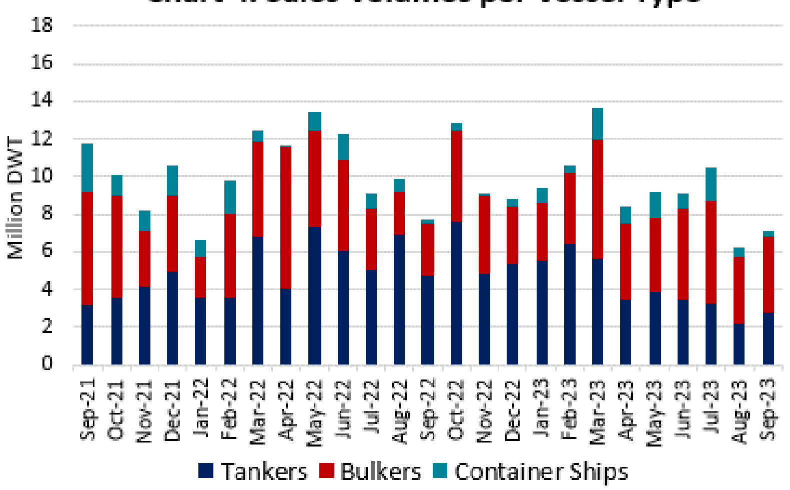
3.2 Second-Hand Asset Values & Sales Volumes per Vessel Type

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	55	101	74	51	38
	Suezmax	91	74	59	42	70	51	35	23
	Aframax	81	68	53	36	56	41	29	19
	Panamax	59	59	37	25	45	33	22	14
	MR	49	42	31	23	40	30	20	13
DRY BULK	Capesize	63	47	30*	20	53	39	25	16
	Panamax/Kamsarmax	36	32	23	14	34	26	18	12
	Supramax/Ultramax	35	29	21	13	31	24	15	11
	Handysize	32	24	16	10	25	19	12	7
CONTAINERS	Size	Current Prices				5-Year Avg Prices (2018-2022)			
	8,800-teu / 10 yrs	55				58			
	6,600-teu / 10yrs	39				48			
	4,500-teu / 10 yrs	23				27			
	2,600-teu / 10 yrs	17				20			
	1,700-teu / 10 yrs	15				15			

* for Eco vessels

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	Gas	LNG	174k cbm	2H 2026	Samsung	ard $260m	Japanese	LNG dual-fuelled
2	Gas	LPG	46k cbm	2026-27	Hyundai Mipo	ard $100m	Belgians	Ammonia dual-fuelled, WinGD
2	Gas	LPG/Ammonia	40k >>	Q2-Q3 2027	Yamic	ard $67m	Singapore based	LPG dual-fuelled
8	Container	Panamax	3,055 TEUs	N/A	Nihon	ard $47m	Taiwanese	

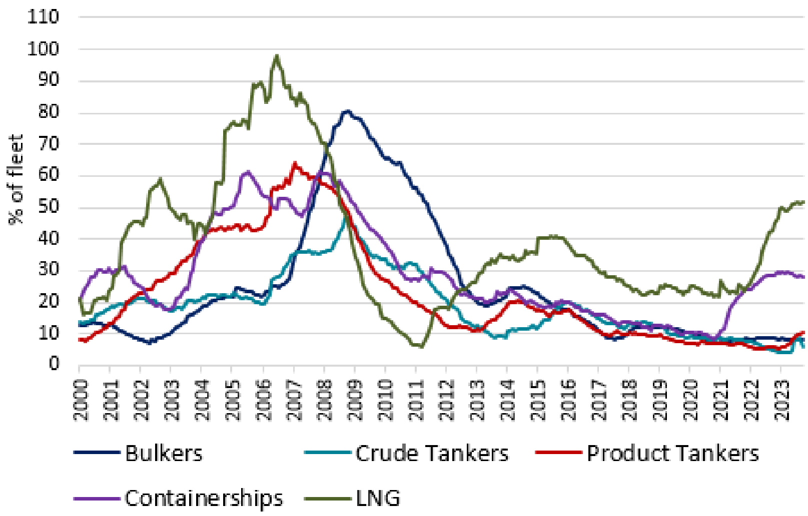
4.2 Newbuilding Asset Values & Orderbook Levels

Table 4. Newbuilding Asset Values

	Vessel Type	Current Prices		Year End, $m		
		Last Week	This Week	2020	2021	2022
TANKERS	VLCC	126	126	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	64	46	61	61
	Kamsarmax	35	36	26	35	34
	Ultramax	33	34	24	33	31
	Handysize	30	31	23	30	29
CONTAINERS	10,000-teu	130	130	88	129	128
	6,600-teu	91	91	72	84	86
	5,000-teu	73	74	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



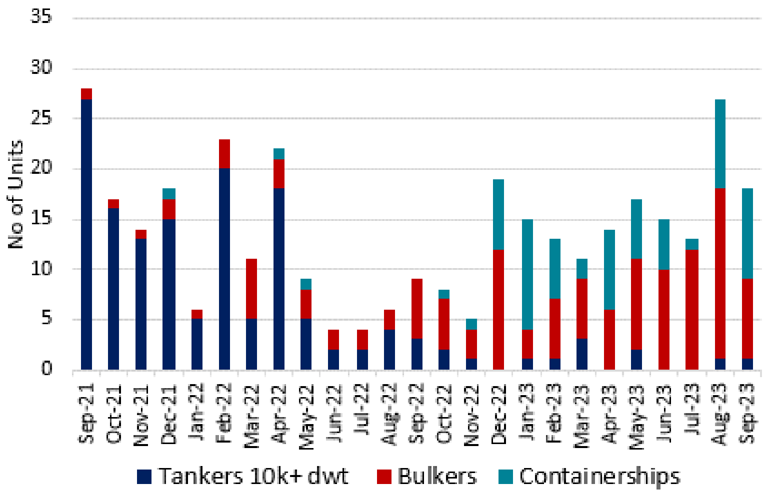
4.1 Recent Ship Recycling Activity

Table 5. Weekly Ship Recycling Activity									
Type	Sub-Sector	Name	Dwt	Built	Ldt	Yard	Buyer	Price ($/ldt)	Comment
Dry Bulk	Handymax	Sea Smile	45k	1995	8,118 mt	Japanese	Bangladeshi	498	
Container	Feedermax	MSC Levina	2,932 TEUs	1989	12,858 mt	Korean	Indians	565	HKC Recycling, incl. 400 mt BROB

4.2 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	**520**	405	560	525	**525**
Bangladesh	415	600	505	**490**	415	590	510	**495**
Pakistan	415	590	520	**525**	415	585	520	**525**

Chart 6. Ship Recycling per Vessel Type



5. Macro Indicators

Indicator		% w-o-w
ICE Brent	93.21 $/b	7.8%
WTI	90.78 $/b	8.7%
Spore VLSFO	680.5 $/t	3.1%
GBP/USD	1.21	-0.8%
USD/YEN	149.84	0.0%
EUR/USD	1.06	1.0%
USD/YUAN	7.32	0.3%
Gold	1,978.3	5.6%
SOFR	5.30%	-0.2%
EURIBOR (3m)	3.993%	1.0%

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