WeberSeas (Hellas) S.A.

Weekly Market Intelligence

Market Week 46 - 2023

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1. Sustainability

Wärtsilä has introduced the marine sector's first commercially available 4-stroke engine-based solution for ammonia fuel. The new solution enables a significant advance in sustainable shipping operations – during a time in which ship owners are seeking viable options among green fuels. The ammonia solution is now commercially available as part of the Wärtsilä 25 engine platform, which was launched in September 2022.

Viridis Bulk Carriers, the world's first zero emission shipping company, is intended to be the first shipowner to benefit from the new ammonia solution. The company is a partnership between Amon Maritime, Mosvolds Rederi and Navigare Logistics. Earlier this month, Wärtsilä and Viridis Bulk Carriers signed a Letter of Intent for the Wärtsilä 25 ammonia engine solution, targeting to sign a commercial contract in early 2024. Viridis Bulk Carriers is bringing a 'green game changer' to the European short sea bulk market, planning a carbon free transportation service based on a series of ammonia-powered newbuild vessels.

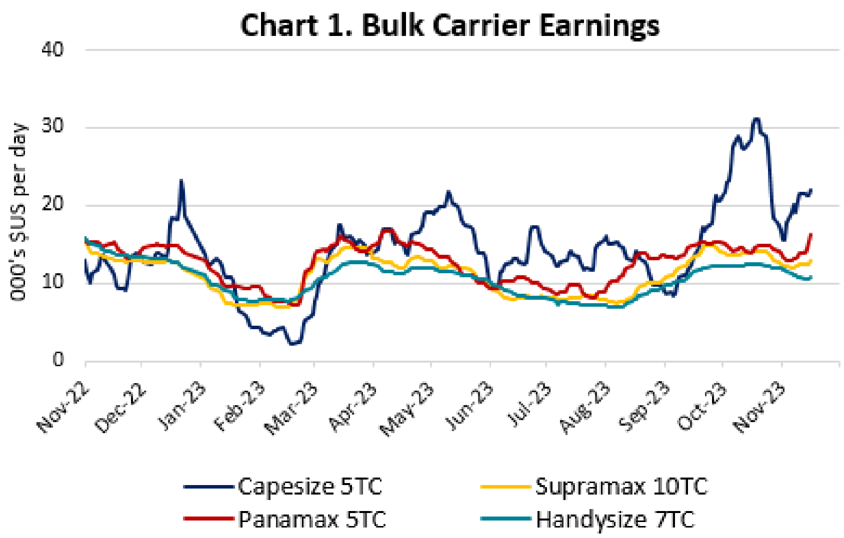
2. Shipping Markets Analysis

2.1 Dry Bulk

The SnP market remains active with several vessels changing hands across all segments. Appetite for Capesize bulkers remains strong, especially from the Greeks. Headline sale was a 2023 built Japanese Capesize which was sold for $67 million to UK based buyers. Moreover, Greeks are behind the acquisition of two 2011 built Korean Capesize. Last but not least, Chinese are rumoured to be the Buyers of a 10-year-old Japanese Capesize for $30.5 million.

The Capesize orderbook to fleet ratio (Including Newcastlemax) is at 5% (or 97 vessels), Panamax/Camsramax orderbook (Including post-panamax) is at 11% (or 330 vessels), Ultramax orderbook is at 9% (or 350 vessels) and the Handysize orderbook is at 9% of the fleet.

Chinese Buyers are becoming more active on the Buying front. After having sold the most Bulkers during last year, Japanese owner's appetite for selling is slowing down.



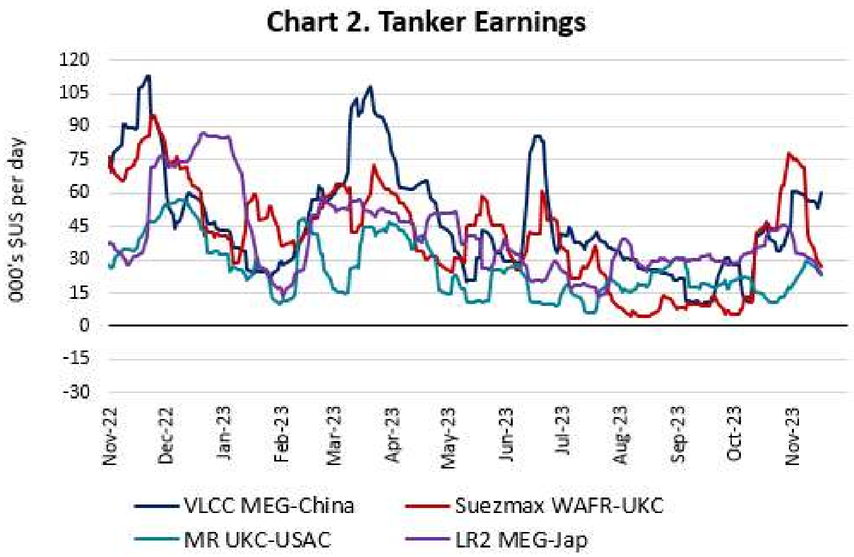
2.2 Tankers

Despite Product tanker are monopolizing the sales the last few weeks, appetite for crude tanker is slowly improving on the back of the firmer freight market, with prices for such units showing signs of firming. A 2007 built Korean Aframax fetched $39.3 million a firm price compared to the last done.

On the Newbuild front, Greeks have placed an order for two Suezmaxes at a Korean yard for $85.3 million per unit basis delivery in 2026 bringing the total orderbook to fleet ratio to around 9%. Interesting to note is that at the start of the year the Suezmax orderbook was less than 2.5% of the fleet. There are currently 59 Suezmaxes on order.

The VLCC orderbook remains at low levels of less than 3% of the fleet (or 25 vessels). The Aframax/LR2 orderbook to fleet ratio is the highest one at more than 11% of the fleet (or 123 vessels). Despite the high orderbook, Aframax/LR2 sector is the oldest fleet with 45% of the current fleet being 15-year-old and older, compared to 28% on the VLCCs and 29% in the Suezmaxes.

A European Charterer has fixed a Greek Controlled VLCC from Venezuela to China for around 71,000 per day. (The voyage is estimated to be around 112 days).



2.3 Containers

The SCFI fell by 3% to 999 Points, on a w-o-w basis.

This week, the NCF Index declined by 5%. Overall, the spot freight rates faced a drop in the main routes from China as a result of the weak demand for transportation of goods lately. In view of the overcapacity increase, operators are also trying to keep the demand/supply dynamics in balance across the affected areas.

The routes from Ningbo to Europe/Mediterranean and North America fell by 8% and 10% respectively, while the route from Ningbo to the Middle East declined slightly by 3%. We also seen a correction on route from Ningbo to West South America of 11% due to the increase of available tonnage in the area.

Although the activity on the chartering front remained relatively healthy, it is worth mentioning that the majority of reported fixtures referred to the extension of vessels' existing employment with their Charterers.

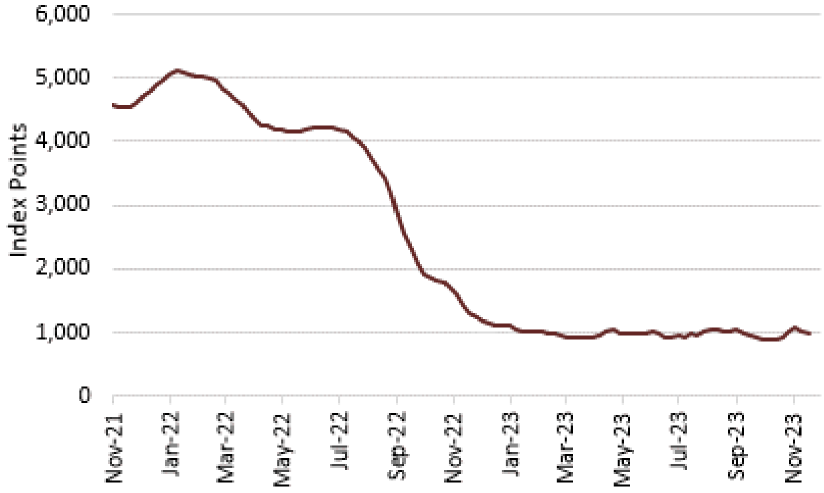
A vintage Korean built Post Panamax (6,800 TEUs) secured employment for five to nine months at $25k/day while a 2014 Korean Panamax (5,000 TEUs) was fixed at $19.5k/day for five to eight months. For another week, we have recorded several fixtures on the Feeder segment (between 1,000 and 1,800 TEUs) for various periods (three to six months) at rates between $7.5k and high $10k/day.

Several SnP transactions are reported at undisclosed prices. Two modern Feeders (1,100 TEUs) changed hands between Greece and New Zealand based Owners while two Panamaxes (4,300 TEUs) sold by Cyprus based Owners to Italians. We also noticed that a Korean built Feedermax (2,500 TEUs) sold at $8m to undisclosed Buyers.

The newbuilding activity returned with huge order this week. A Singapore-based Global Operator placed an order for twelve methanol dual-fuelled Neo Panamaxes of 13,000 TEUs. Chinese shipyards, Jiangnan and Yangzijiang, will undertake the construction of the mentioned vessels. The cost of this project estimated close toa $2 billion, approximately $165 million per unit. The ships are expected to be delivered between 2026 and 2027.

The recycling market is moving lazily with only one vintage Feedermax, built in 1987, reported sold at $537 per lightweight to Indian Cash Buyers following the Hong Kong International Convention standards.

Chart 3. Containers Spot Rate - *SCFI Index*



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	1,758	10.01	VLCC MEG-China	60,500	5.22	SCFI	999.92	-2.94%
Capesize 5TC	22,096	7.17	Suezmax Wafr-UKC	27,100	-35.32			
Kamsarmax 5TC	16,196	19.96	MR UKC-USAC	23,400	-20.14			
Supramax 10TC	12,956	5.51	LR2 MEG-Jap	24,100	-22.76			
Handysize 7TC	10,672	-1.37						

2.5 Finance

Against the dollar, the yen last stood at 151.70, languishing near a one-year low of 151.92 hit on Monday. A break below last year's trough of 151.94 per dollar would mark a fresh 33-year low for the yen.

According to Reuters, China has ordered its local governments to halt public-private partnership projects identified as "problematic" and replaced a 10% budget spending allowance for these ventures with a vetting mechanism by Beijing as it tries to curb municipal debt risks. The State Council has issued detailed guidelines to reform the public-private partnership (PPP) model for the first time since its launch in 2014, and comes as worries grow about the impact of ballooning local government debt on the economy. Since 2014, Beijing has promoted a PPP model to channel private money into public infrastructure projects, to increase capital investment while easing the burden on heavily-indebted local governments.

Local government debt reached 92 trillion yuan ($12.6 trillion), or 76% of China's economic output in 2022, up from 62.2% in 2019, according to the latest data from the International Monetary Fund.

Debt-laden local governments represent a major risk to the Chinese economy and its financial stability, economists say, amid a deepening property crisis, years of over-investment in infrastructure and huge bills to contain the COVID-19 pandemic. A portion of the $12.6 trillion local government debt is linked to the PPP projects, as municipalities used these infrastructure-building initiatives as a conduit to raise capital. As of the end-2022, China had implemented more than 14,000 PPP projects with the value of investment worth 20.9 trillion yuan ($2.87 trillion), or roughly the size of France's economy, according to a research note by Bank of China. Beijing is now stepping up efforts to minimise the broader economic risk posed by the local government debt.

3. Second-Hand Market

3.1 Weekly Ship Sales by Vessel Type

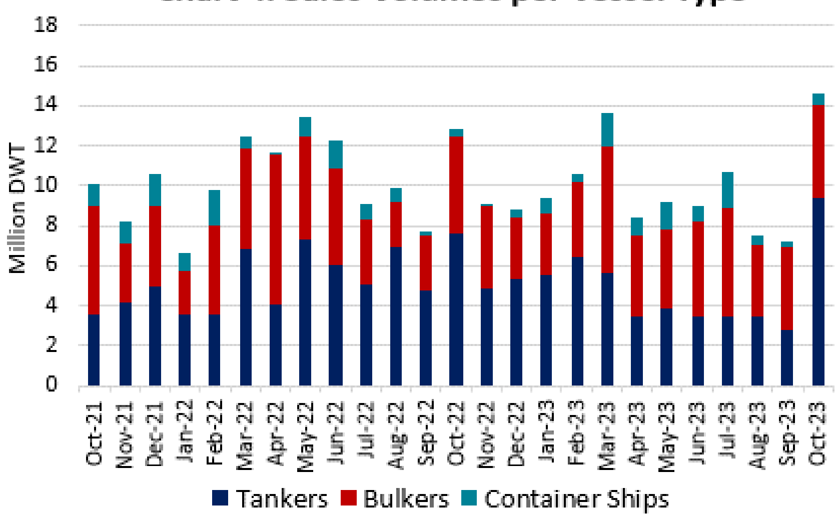
Table 1. Weekly Ship Sales by Vessel Type									
Vessel Type	**Sub-Sector**	**Name**	**Size**	**Built**	**Yard**	**Price**	**Buyers**	**Surveys**	**Comments**
Tanker	LR2	8 x SKS series	119k Dwt	2010-12	Hyundai Samho	rgn $400m en bloc	Danish		Eco ME
Tanker	Aframax	Concord Express	119k >>	2003	HHI	$26m	UAE based	SS 05/28 DD 08/26	BWTS fitted, CAP 1
Tanker	Chemical	Enford	16k >>	2012	Taizhou Sanfu	$14m each	Chinese	SS 06/27 DD 11/25	
Tanker	Chemical	Kenrick						SS 06/27 DD 11/25	
Dry Bulk	Capesize	Chow	181k >>	2016	SWS	$43.1m	US based	SS 09/26 DD 11/24	BWST/Scrubber fitted
Dry Bulk	Capesize	Xin Bin Hai	180k >>	2010	Dalian	mid $21m	Greeks	SS/DD 03/25	BWTS fitted
Dry Bulk	Panamax	Xin Yu Long	80k >>	2000	CSBC	high $8m	Chinese	SS/DD 07/25	BWTS fitted, wide beam, old sale
Dry Bulk	Panamax	Thor	76k >>	2005	Oshima	high $19m	N/A	SS/DD 01/25	
Dry Bulk	Supramax	Ocean Destiny	58k >>	2008	Tsuneishi	high $13m	Greeks	SS/DD passed	old sale
Dry Bulk	Supramax	Nippon Maru	55k >>	2011	Mitsui	low $17m	Greeks	SS 10/25	BWTS fitted
Dry Bulk	Surpamax	Ocean Glory	55k >>	2006	Mitsui	rgn $11m	Indonesians	SS 11/25 DD 11/23	BWTS fitted
Dry Bulk	Handysize	Aprilia	36k >>	2017	Jiangdong	xs $20m	Greeks	SS 01/27 DD 12/24	Eco ME
Dry Bulk	Handysize	Atlantic Ruby	33k >>	2012	Fukuoka	$14m	N/A	SS 02/27 DD 01/25	BWTS fitted
Dry Bulk	Handysize	African Ibis	32k >>	2004	Kanda	$8.6m	N/A	SS 07/24	BWTS fitted
Dry Bulk	Handysize	Lord Nelson	28k >>	2005	Shin Kochi	high $7m	Turkish	SS/DD 11/25	BWTS fitted
Container	Feedermax	AS Petra	2,556 TEUs	2004	HHI	ard $8m	N/A	SS/DD 04/24	BWTS/Scrubber 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	93	76	59	42	70	51	35	23
	Aframax	81	69	53	36	56	41	29	19
	Panamax	61	50	39	26	45	33	22	14
	MR	49	42	31	23	40	30	20	13
DRY BULK	Capesize	66	48	30*	20	53	39	25	16
	Panamax/Kamsarmax	36	32	23	14	34	26	18	12
	Supramax/Ultramax	35	29	19	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 non 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
2 + 2	Dry Bulk	Kamsarmax	82k Dwt	Q4 2025 - Q2 2026	Qingdao Yangfan	N/A	Greeks	
2 + 2	Dry Bulk	Kamsarmax	82k >>	2H 2025 - 2026	China Merchants HI	N/A	Hong Kong based	EEDI Phase III, Tier III, Scrubber fitted, Shaft Generators
2	Dry Bulk	Ultramax	64k >>	1H 2025	Nantong Xiangyu	ard $34m	Chinese	
2	Dry Bulk	Handysize	40k >>	2025	Namura	ard low$32m	Taiwanese	
2	Tanker	Suezmax	158k >>	Q2-Q3 2026	Hyundai Samho	ard $85m	Greeks	
4	Tanker	MR	41k >>	2025-26	Xiamen	N/A	Europeans	Ice Class, Shaft Generator, Battery-hybrid
2	Tanker	Chemical	13k >>	2025	Taizhou Wuzhou	ard low $40's	Chinese	Stainless Steel
6	Container	Neo Panamax	13,000 TEUs	2026-27	Jiangnan	ard $165m	Singapore based	Methanol dual-fulled
6					Yangzijiang			
2	Gas	LNG	174k cbm	2027-28	HHI	ard $263m	Greeks	

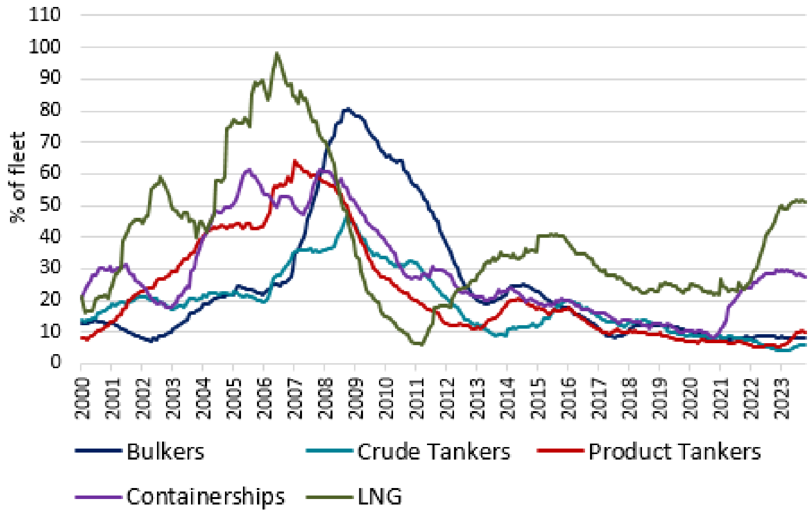
4.2 Newbuilding Asset Values & Orderbook Levels

Table 4. Newbuilding Asset Values

	Vessel Type	Current Prices		Year End, $m		
		Last Week	This Week	2020	2021	2022
TANKERS	VLCC	127	127	86	112	120
	Suezmax	84	84	56	76	80
	Aframax	68	68	47	59	62
	Panamax	56	56	43	51	54
	MR	46	46	34	41	44
DRY BULK	Capesize	64	64	46	61	61
	Kamsarmax	36	36	26	35	34
	Ultramax	34	34	24	33	31
	Handysize	31	31	23	30	29
CONTAINERS	10,000-teu	130	130	88	129	128
	6,600-teu	91	91	72	84	86
	5,000-teu	74	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



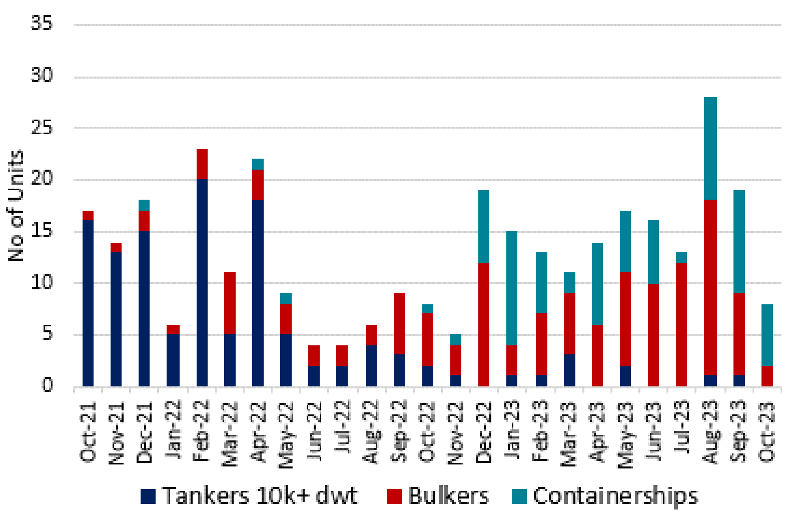
4.1 Recent Ship Recycling Activity

Table 5. Weekly Ship Recycling Activity									
Type	Sub-Sector	Name	Dwt	Built	Ldt	Yard	Buyer	Price ($/ldt)	Comment
Dry Bulk	Panamax	Catherine Bright	77k	1998	10,962 mt	Japanese	Indians	535	
Dry Bulk	Handymax	Wu Yang Gooddess	45k	1995	7,481 mt	Japanese	N/A	480	Including 500mt BROB, "As is" China
Dry Bulk	Handymax	Bontrup Maldives	42k	1984	10,965 mt	Korean	Indians	547	HKC recycling, Including 350mt BROB
Container	Feedermax	MSC Chiara	2,073 TEUs	1987	13,933 mt	French	Indians	537	HKC recycling, Including 350mt 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	**505**	405	560	525	**500**
Bangladesh	415	600	505	**490**	415	590	510	**490**
Pakistan	415	590	520	**510**	415	585	520	**515**

Chart 6. Ship Recycling per Vessel Type



5. Macro Indicators

Indicator		% w-o-w
ICE Brent	78.08 $/b	-2.9%
WTI	73.56 $/b	-3.2%
Spore VLSFO	683 $/t	2.5%
GBP/USD	1.24	1.6%
USD/YEN	149.65	-1.1%
EUR/USD	1.09	1.9%
USD/YUAN	7.24	-0.7%
Gold	1,990.9	1.8%
SOFR	5.32%	0.0%
EURIBOR (3m)	3.994%	0.5%

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