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## 1. Sustainability

The Poseidon Principles group of banks has improved its emissions-reduction scores in 2023, according to TradeWinds, but uncertainty remains over net zero targets and reporting methodology. The lenders, which are committed to measuring and reporting the carbon intensity of their loan portfolios, now number 34, accounting for 80% of the global ship finance portfolio. The fourth annual report showed the portfolio average score was 2% above the trajectory needed to meet the IMO initial goal of a 50% cut in greenhouse gas emissions by 2050. This was a significant improvement from 9.7% above last year. The results show that 11 portfolios out of 30 reporting were aligned with the target, or more than one-third, up from a quarter last year.

In September, the banks agreed to a significant revision to the reporting framework to move shipping portfolios closer in line with targets in the Paris Agreement on climate change. The move also aligns with ambitious new IMO decarbonisation goals. The banks will now aim for net zero emissions in their portfolios in or around 2050, but there was no detail on how this would be achieved. In the annual report, the group said this would involve tackling existing challenges and uncertainties.

Representatives from nearly 200 countries agreed at the COP28 climate summit to begin reducing global consumption of fossil fuels to avert the worst of climate change, signalling the eventual end of the oil age, according to Reuters. The deal struck in Dubai after two weeks of hard-fought negotiations was meant to send a powerful message to investors and policy-makers that the world is united in its desire to

break with fossil fuels, something scientists say is the last best hope to stave off climate catastrophe. COP28 President Sultan al-Jaber called the deal "historic" but added that its true success would be in its implementation. Several countries cheered the deal for accomplishing something that until now eluded decades of climate talks. More than 100 countries had lobbied hard for strong language in the COP28 agreement to "phase out" oil, gas and coal use, but came up against powerful opposition from the Saudi Arabia-led oil producer group OPEC, which said the world can cut emissions without shunning specific fuels. Members of the Organization of the Petroleum Exporting Countries control nearly 80% of the world's proven oil reserves along with about a third of global oil output, and their governments rely heavily on those revenues.

Small climate-vulnerable island states, meanwhile, were among the most vocal supporters of language to phase out fossil fuels and had the backing of major oil and gas producers such as the United States, Canada and Norway, as well as the European Union and scores of other governments. The deal calls on governments to accelerate that - specifically by tripling of renewable energy capacity globally by 2030, speeding up efforts to reduce coal use, and accelerating technologies such as carbon capture and storage that can clean up hard-to-decarbonise industries. Now that the deal is struck, countries are responsible for delivering through national policies and investments. Even so, oil, gas, and coal account for about 80% of the world's energy, and projections vary widely about when global demand will finally hit its peak.

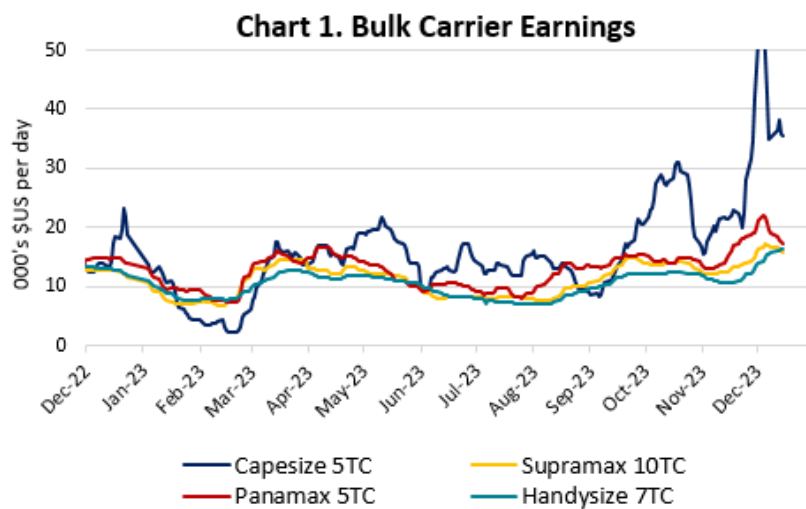
## 2. Shipping Markets Analysis

### 2.1 Dry Bulk

On the SnP front, second-Hand values remain relatively stable. There is a large inventory of vessels for sale especially for non-eco units. Market sources suggest that a Japanese Kamsarmax built in 2013 (non-eco ME) which called for offers last week is rumour to have been committed for \$22 million to Greek Buyers. Appetite for Capesize bulkers remains healthy with four vessels reported changing hands this week.

Interesting to note, a total of 120 Capesize/Newcastlemax (100 Capesizes & 20 Newcastlemax) have been sold so far this year, against 78 units in 2022, 92 units in 2021, 71 vessels in 2020 and 33 vessels in 2019. On the Capesize/Newcastlemax newbuild front, more than 30 vessels have been ordered year to date against 42 vessels in 2022, 90 vessels in 2021, 36 units in 2020 and 68 units in 2019. There are currently around 75 Newcastlemax and 21 Capesize on order with the orderbook to fleet ratio for such vessels currently at 5%.

Star Bulk Carriers Corp. and Eagle Bulk Shipping Inc. announced that the companies have entered into a definitive agreement to combine in an all-stock merger on a Net Asset Value to Net Asset Value basis with a pro forma market capitalization of approximately \$2.1 billion. Under the terms of the agreement, which was unanimously approved by the boards of directors of both companies, Eagle shareholders will receive 2.6211 shares of Star Bulk common stock for each share of Eagle common stock owned. This represents a total consideration of approximately \$52.60 per share, a 17% premium based on Eagle's closing share price of \$44.85 on December 8, 2023. Upon the close of the transaction, Star Bulk and Eagle shareholders will own approximately 71% and 29% of the combined company on a fully diluted basis, respectively.



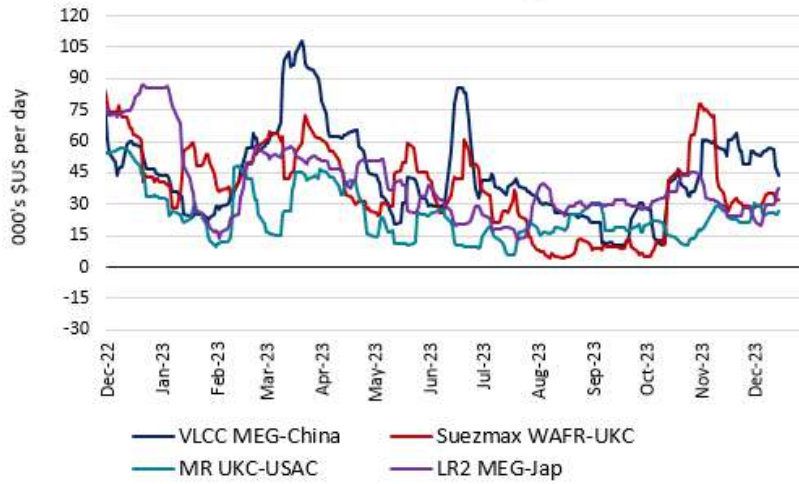
### 2.2 Tankers

Activity remains limited on the Tanker Second hand market. There are unconfirmed rumours of a couple 4-year-old VLCCs sold. A 4-year-old (2019 blt) VLCC is around \$115 million. The cost of a NB VLCC back in 2017 was around/less than \$85million.

Occidental Petroleum on Monday agreed to buy closely-held U.S. shale oil producer CrownRock in a cash-and-stock deal valued at \$12 billion including debt, expanding its presence in the largest U.S. shale oilfield. The deal comes amid a new wave of shale consolidation underpinned by Exxon Mobil's \$60-billion proposed deal for Pioneer Natural Resources and Chevron's \$53-billion agreement for Hess in October.

According to Reuters, the International Energy Agency (IEA) on Thursday raised its global oil demand growth forecast for next year despite an expected economic slowdown, citing an improvement in the outlook for the United States and lower oil prices. Despite the upgrade, there is still a sizeable gap between the IEA, which represents industrialised countries, and producer group OPEC over 2024 demand prospects. The two have clashed in recent years over issues such as long-term demand and the need for investment in new supplies. World consumption will rise by 1.1 million barrels per day (bpd) in 2024, the Paris-based IEA said in a monthly report, up 130,000 bpd from its previous forecast. Oil has weakened to a six-month low near \$72 a barrel this week, even after OPEC+, which includes OPEC oil-exporting nations and allies such as Russia, on Nov. 30 announced a new round of production cuts for the first quarter of 2024.

Chart 2. Tanker Earnings



## 2.3 Containers

The SCFI improved by 6% to 1,093 Points, on a w-o-w basis.

Based on the NCF Index weekly report, routes from Ningbo to Mediterranean/Europe and North Africa improved significantly by 16% and 13% respectively. The freight rates on routes from Ningbo to North America remained stable while the route to Middle East improved by 7.5%.

The inactive capacity now is close to 4% of the total container fleet (around 260 ships, circa 1,07m TEUs). The 70% of inactive fleet is related to vessels which are currently in Drydock and the remained 30% are idle and waiting to find employment.

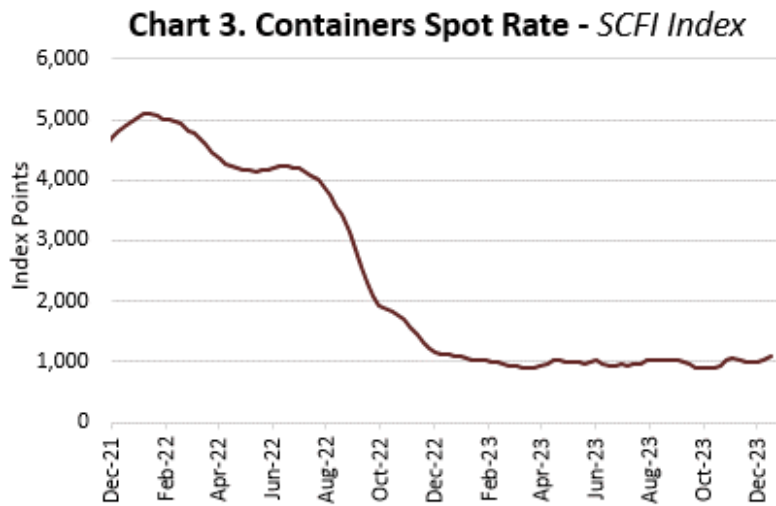
Another busy week in the chartering front with the main action taking place in the Feeder and Panamax/Post Panamax segment. However, Feeders and Feedermaxes continue to experience pressure on charter rates.

On Feeders, the most of the employments were fixtures in short-term period for three to six months at rates \$7k up to 9k/day, same as per previous week levels.

A Japanese-built Feedermax fixed at \$11k/day for two to four months. Two Korean Panamaxes (5,000 TEUs) fixed at mid \$17k/day for two to seven months. A vintage Korean-built Post Panamax found employment for seven to ten months at mid \$20k/day. Chinese Operator has extended the employment of a 2006 Korean-built large Post Panamax (9,500 TEUs) for another twenty-four months at \$37k/day. It is worth mentioning that another Chinese global Operator secured employments of three Greek-owned Post Panamaxes for two years at \$35k/day.

On the SnP front, vessels values continue to be under pressure with potential Buyers still waiting for further adjustment. The vast majority of the enquiries come from Asia. We understand that a Chinese Buyer purchased a 2010 Panamax (4,800 TEUs) at \$18m.

For another week, the recycling market is still moving slowly with two vintage containerships while Indian Cash Buyers continue to attract the majority of sales. A 2000 German-built Feedermax (2,500 TEUs) and a 1998 Chinese-built Feeder (1,500 TEUs) reported sold at \$530/LDT and \$560/LDT respectively, both to Indian Buyers.



## 2.4 Key shipping Freight Indices

Bulkers		% w-o-w	Tankers		% w-o-w	Containers		% w-o-w
BDI	2,411	-3.37	VLCC MEG-China	44,000	-21.01	SCFI	1,093.52	5.94%
Capesize 5TC	35,463	1.75	Suezmax Wafr-UKC	32,100	-6.96			
Kamsarmax 5TC	17,231	-12.87	MR UKC-USAC	26,400	6.02			
Supramax 10TC	15,865	-6.22	LR2 MEG-Jap	37,200	24.41			
Handysize 7TC	16,310	5.15						

## 2.5 Finance

The Federal Reserve on Wednesday held its key interest rate steady for the third straight time and set the table for multiple cuts to come in 2024 and beyond, according to CNBC. With the inflation rate easing and the economy holding in, policymakers on the Federal Open Market Committee voted unanimously to keep the benchmark overnight borrowing rate in a targeted range between 5.25%-5.5%. Along with the decision to stay on hold, committee members penciled in at least three rate cuts in 2024, assuming quarter percentage point increments. Markets had widely anticipated the decision to stay put, which could end a cycle that has seen 11 hikes, pushing the fed funds rate to its highest level in more than 22 years. Markets, followed up the meeting and Chair Jerome Powell's press conference by pricing in an aggressive rate-cut path, anticipating 1.5 percentage points in reductions next year. Officials have stressed their willingness to hike rates again if inflation flares up. However, most have said they can be patient now as they watch the impact the previous policy tightening moves are having on the U.S. economy. The developments come amid a brightening picture for inflation that had spiked to a 40-year high in mid-2022.

Norway's central bank raised its benchmark interest rate by 25 basis points to 4.50% in a surprise decision on Thursday as it sought to combat persistent inflation, and said it would likely stay put at that level until late 2024, according to Reuters. Norges Bank was ready to hike again if necessary but could also cut rates if inflation were to fall more quickly than expected, Governor Ida Wolden Bache told a press conference. The central bank had said last month it would likely raise the cost of borrowing in December, with the caveat that a decline in core inflation could change its monetary policymakers' minds. The Norwegian crown strengthened by about 1.5% to 11.51 against the euro from 11.67 just before the announcement. The Norwegian crown has been consistently weaker than predicted by the central bank, potentially stoking inflation. On a trade-weighted basis, the currency had weakened by around 9% this year until Wednesday's market close.

Norges Bank's next policy decision is due on Jan. 25.

Finally, it should be mentioned that The Swiss National Bank held its policy interest rate steady at 1.75%.

## 3. Second-Hand Market

### 3.1 Weekly Ship Sales by Vessel Type

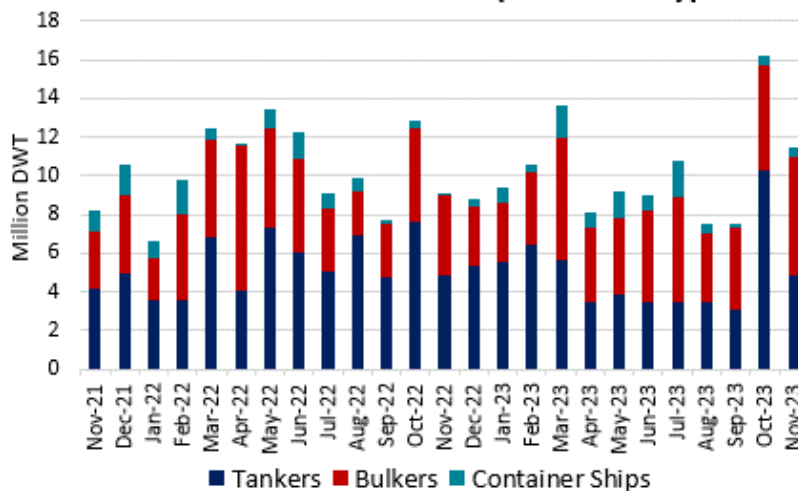
Vessel Type	Sub-Sector	Name	Size	Built	Yard	Price	Buyers	Surveys	Comments
Tanker	LR1	TTC Vidut	73k Dwt	2008	New Century	\$24m	Greeks	SS/DD due	BWTS fitted, old sale
Tanker	MR	Rundemanen	34k >>	2004	Kitanihon	rgn \$20m	Chinese	SS 04/28 DD 04/26	
Dry Bulk	Capesize	Iron Miracle	180k >>	2011	Tsuneishi Cebu	low \$27m	Greeks	SS 10/26 DD 03/25	BWTS fitted, Eco ME
Dry Bulk	Capesize	Magic Orion	180k >>	2006	Imabari	high \$17m	Chinese	SS 03/26 DD 03/24	
Dry Bulk	Capesize	Mineral Ningbo	178k >>	2009	SWS	rgn \$20m	Chinese	SS/DD 07/24	
Dry Bulk	Post Panamax	Double Miracle	95k >>	2014	Imabari	rgn mid \$20's	Greeks	SS/DD 06/24	BWTS/Scrubber fitted, Eco ME
Dry Bulk	Kamsarmax	IC Harvest	83k >>	2010	Sanoyas	\$17m	Chinese	SS/DD due	
Dry Bulk	Kamsarmax	Peak Dawn	81k >>	2013	Tsuneishi Zhoushan	rgn \$23m	Chinese	SS 11/28 DD 10/26	BWTS fitted
Dry Bulk	Panamax	King Coal	76k >>	2010	Oshima	high \$15m	Greeks	SS/DD 11/25	BWTS fitted
Dry Bulk	Supramax	Merlin	50k >>	2001	Mitsui	mid/high \$6m	Chinese	SS 03/26 DD 03/24	BWTS fitted
Dry Bulk	Handysize	Shinsung Clever	37k >>	2014	Saiki	\$18.2m	N/A	SS/DD 07/24	BWTS fitted, TC attached
Dry Bulk	Handysize	Global Hero	34k >>	2015	Hakodate	mid \$17m	Greece based	SS/DD 01/25	BWTS fitted, Eco ME
Dry Bulk	Handysize	Nong Lyla	33k >>	2004	Oshima	rgn \$8m	N/A	SS/DD 05/24	BWTS fitted, old sale

### 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	128	103	73	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	51	42	32	23	40	30	20	13
DRY BULK	Capesize	67	50	35*	20	53	39	25	16
	Panamax/Kamsarmax	37	32	23	14	34	26	18	12
	Supramax/Ultramax	35	29	19	13	31	24	15	11
	Handysize	32	25	16	10	25	19	12	7
CONTAINERS	Size	Current Prices				5-Year Avg Prices (2018-2022)			
	8,800-teu / 10 yrs	52				58			
	6,600-teu / 10yrs	36				48			
	4,500-teu / 10 yrs	21				27			
	2,600-teu / 10 yrs	15				20			
	1,700-teu / 10 yrs	14				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**

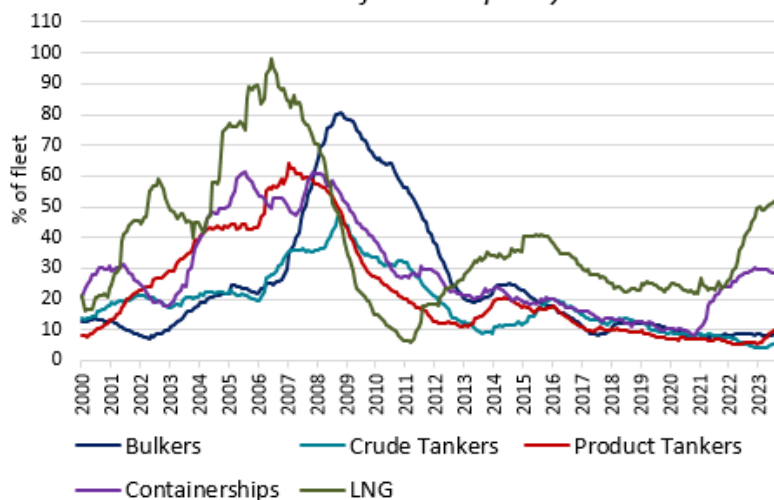
Ship No	Type	Sub-Sector	Size	Delivery	Yard	Unit Price	Owners	Comments
4 + 6	Dry Bulk	Kamsarmax	89k Dwt	2025-26	Wuhu	ard \$37m	Chinese	Methanol-ready
4	Dry Bulk	Kamsarmax	82k >>	2026 - 1Q 2027	Chengxi	ard \$36m	Chinese	EEDI Phase III, Tier III
4	Dry Bulk	Kamsarmax	82k >>	2026	Nantong Xiangyu	ard mid \$30's	Greeks	
2	Dry Bulk	Kamsarmax	82k >>	N/A	Jinling	N/A	Chinese	EEDI Phase III, Tier III, Scrubber fitted, Shaft generators
2	Dry Bulk	Ultramax	62k >>	N/A		N/A		EEDI Phase III, Tier III, Heavylift 150t cranes
2	Tanker	Suezmax	157k >>	2026	Jiangsu New Hantong	ard mid \$80's	Greeks	Scrubber fitted
1	Tanker	LR2	115k >>	2H 2025	New Times	N/A	Greeks	
3	Gas	VLEC	99k cbm	2026	Jiangnan	ard \$160m	Chinese	dual-fuelled
1	Gas	LPG	11k >>	2026	Japanese TBN	ard \$32.5m	Bangladeshi	
1	Gas	LCO2	7.5k >>	2025	2026	ard \$52m	Germans	LNG dual-fuelled, Wind-assisted propulsion, Air lubrication system

### 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	69	69	47	59	62
	Panamax	56	56	43	51	54
	MR	46	46	34	41	44
DRY BULK	Capesize	65	65	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**



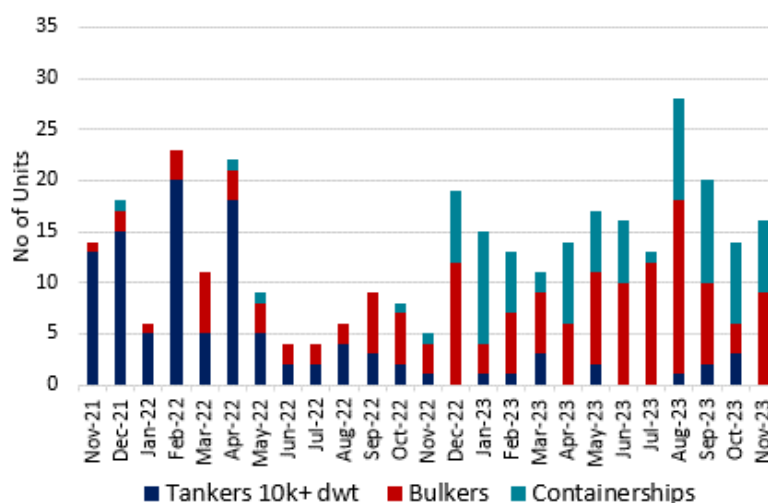
## 4.1 Recent Ship Recycling Activity

Type	Sub-Sector	Name	Dwt	Built	Ldt	Yard	Buyer	Price (\$/ldt)	Comment
Container	Feedermax	SSL Delhi	2,470 TEUs	2000	10,669 mt	German	Indians	530	"As is" Jebel Ali
Container	Feeder	TJ Orhan	1,550 >>	1998	7,360 mt	Chinese	Indians	560	

## 4.2 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	495	405	560	525	505
Bangladesh	415	600	505	485	415	590	510	485
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	76.84 \$/b	2.1%
WTI	71.80 \$/b	2.0%
Spore VLSFO	581.5 \$/t	-3.7%
GBP/USD	1.28	1.6%
USD/YEN	141.88	-1.3%
EUR/USD	1.10	1.9%
USD/YUAN	7.1	-0.3%
Gold	2,039.1	0.4%
SOFR	5.31%	-0.2%
EURIBOR (3m)	3.932%	-0.5%



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