WeberSeas (Hellas) S.A.

Weekly Market Intelligence

Market Week 5 - 2024

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1. Sustainability

Power generated from low-emissions sources, such as wind, solar and nuclear, will be adequate to meet growth in global demand for the next three years, the International Energy Agency (IEA) said, adding power sector emissions are on the decline, according to Reuters. Following record growth, electricity generation from low-emissions sources will account for almost half of the world's power by 2026, up from less than 40% in 2023, the IEA said in report on Wednesday. Renewables are expected to overtake coal by early 2025, accounting for more than a third of total electricity generation, the report said. Nuclear power is also forecast to reach a record high globally as French output continues to recover from lows in 2022, several plants in Japan come back online and new reactors begin operations in markets including China, India, Korea and Europe. Electricity demand is expected to rise on average by 3.4% from 2024 through 2026 with about 85% of demand growth seen coming from China, India and southeast Asia, after growth eased slightly to 2.2% in 2023, IEA data showed. Over this period, China is expected to account for the largest share of the global increase in electricity demand in terms of volume, despite a forecast for slower economic growth and a lower reliance on heavy industry, the report said. Meanwhile, global emissions are expected to decrease by 2.4% in 2024, followed by smaller declines in 2025 and 2026, the report said. "The decoupling of global electricity demand and emissions would be significant given the energy sector's increasing electrification, with more consumers using technologies such as electric vehicles and heat pumps," the report said. Electricity accounted for 2% more of final energy consumption in 2023 from 2015 levels, though reaching climate goals would require electrification to advance significantly faster in coming years, the IEA said.

2. Shipping Markets Analysis

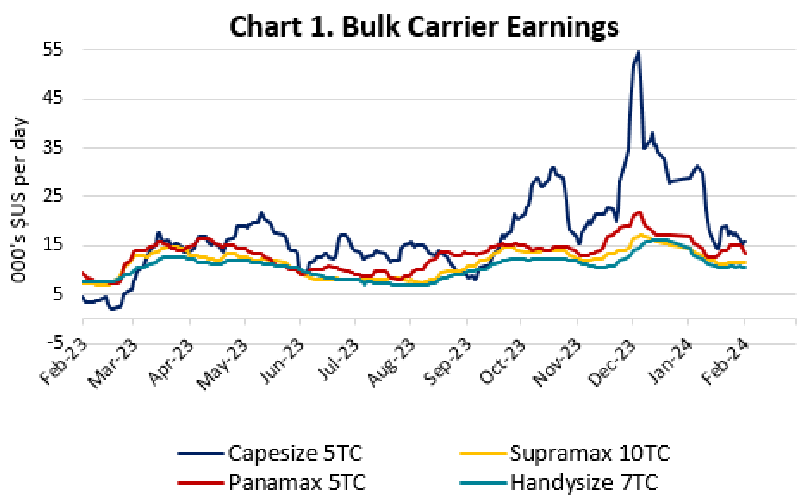
2.1 Dry Bulk

SnP activity during January was robust with a number of sales reported. Supramaxes had the lion's share of sales in the first month of the year with 24 sales, which is the highest numbers of Supramax sold for January based on our records. Far Eastern buyers bought the majority of Supramaxes sold in January while Greeks are rumored to have bought four vessels, with the oldest being built in 2011. Values of modern Supramaxes look firm. A 2014 Japanese controlled/built which called for offers earlier this week was committed for $22 million while a 2015 built Japanese Supramax was sold for excess $21milllion back in September last year. On the other hand, prices for non-eco units look steady while prices for vintage units have a softer feeling to them.

Appetite for the larger vessels, Capesize and Newcastlemax, has been healthy. During this week, a 2011 built Chinese Capesize was reported sold for low $26 million. A 2010 built Scrubber-fitted Chinese Capesize was rumored sold for $26 million. Four Scrubber fitted Newcastlemaxes called for offers on Thursday, two were built in 2021 and the other two in 2020. To put into context a 2023 resale Standard Japanese (non-Scrubber) was sold for excess $70 million while four Newbuild Newcastelamaxes (ammonia-dual fueled) were contracted in China for around $80 million each with delivery in 2026 and 2027. Two 2012 built Scrubber fitted Newcatlemaxes were rumoured sold enbloc for $36.5 million each to Chinese Buyers. Singapore's Hi5 spread averaged around $157/mt in 2023 while currently VLSFO and IFO380 price in Singapore is 661 and 461 $/per tonne respectively which gives a Hi5 spread (Singapore) of around 200 $/tonne.

There are currently around 78 Newcastlemaxes (200,000-219,000 dwt) on order and 26's Standard Capesizes. The rest of the orderbook consist of 330 Kamsarmaxes (80,000-90,000 dwt), 320 Ultramaxes (60,000-69,000 dwt) and 308 Handies (10,000-45,000 dwt). On the Newbuilding market, Kamsarmaxes dominated the orders this week. A Chinese Owner placed an order for two plus four Kamsarmaxes with delivery in Q3 2025 and Q1 2026 at a little-known Chinese Yard. A Greek owner placed an order for two Kamsarmaxes at Chengxi with delivery in 2026. A Monaco based owner placed an order for a couple of Ultramaxes at New Dayang. Newbuild Prices across all segment are firm. The majority of the Newbuild orders for January 2024 involved Kamsarmaxes with thirteen orders plus two options reported. All the orders were at Chinese Yards except one which was at a Japanese Yard. Four Newcastlemax and Two Guaibamax were contracted in the first month of the Year, all at Chinese yards. On the Post-Panamax sector, three vessels were order at a Japanese yard. During the same period, four Ultramaxes were ordered all at Chinese Yards. Interesting to note is that out of the 26 Dry Bulk new build orders, 15 were for alternative fuel, with the majority being for dual fuel while only three orders were with the "ready" notation.

Around 40 million Dwt of Dry bulk orders were contracted in 2023 against 36 million dwt in 2022, 52 million dwt in 2021, 24 million dwt in 2020 and 32 million in 2019.

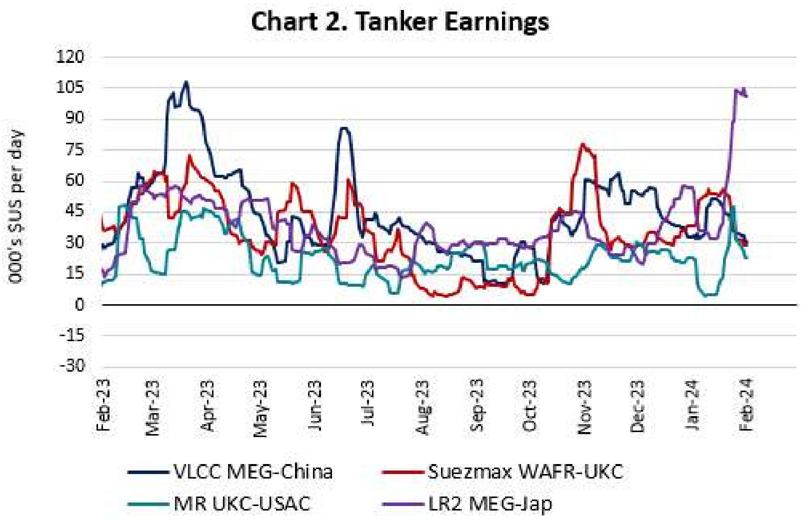


2.2 Tankers

Appetite for second hand tankers has picked up. Two modern Scrubber fitted LR2's built in 2018 called for offers on Thursday. The price looks light however it is important to note that the vessels have TC attached at lower rates compared to the current market levels. Inventory of such modern vessels for sale is almost not existed.

Last year was impressive for MR tanker sales with more than 210 vessels reported sold. Top buyers were, UAE, Turkish and Greeks. Unconfirmed rumors suggest that a European Company signed an LOI for two Scrubber fitted Suezmaxes at a Chinese Yard at a price of high $70 million with delivery in the second half of 2027. Based on our records, last done for a Scrubber fitted Suezmax Newbuild in China was in the mid $80million with delivery in 2026. 2023 was a busy year for Suezmax contracting with more than 50 orders reported. Greeks have placed the majority of the Suezmax Newbuild orders.

More than 10 VLCC Newbuild orders have been placed so far this year (including options). The orderbook for the 2-million-barrel vessels still remains at historically low levels of below 3%, however orders have increased substantially since the beginning of last year. Based on the latest fixtures, a conventional fuelled VLCC in China can cost around $115 million while a Dual Fuel would cost somewhere in the mid $130 million. The price for Korean Newbuild VLCC can reach well in excess of $125 million.



2.3 Containers

Spot freight rates remained elevated this week amid the ongoing situation in the Red Sea, though rates on some routes softened slightly, i.e. Europe/Mediterranean and Middle East.

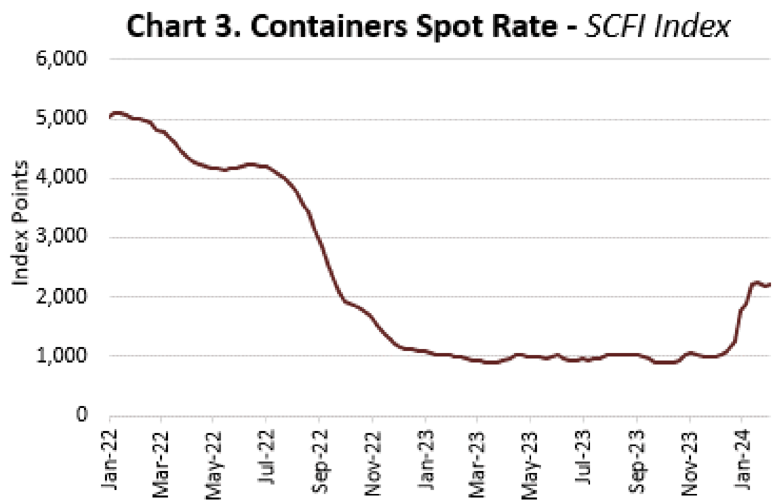
Overall, weekly transits of all types of ships through the Suez Canal decreased by an estimated 40% in the last two months. Especially, the containership transits through the Suez Canal were down 67% year-on-year. Shippers rerouting via Cape of Good Hope, doubling travel time and further boosting freight rates.

The chartering market remained busy, especially on the Panamax and Post Panamax segment. An interesting fixture reported, a modern Korean-built Post Panamax (6,800 TEUs) found employment for thirty-three to thirty-six months at high $33k/day, operating between the US East Coast and East Coast South America. Another three Post Panamaxes fixed for shorter periods, around twelve months at low $30's/day. Ten Feeders fixed for two to six months at range of mid $6k to mid $9k/day.

On the SnP front, two containerships reported sold this week. A 2009 German-built Feedermax (2,700 TEUs) concluded to German Owners at mid $12m while a 2002 Chinese-built Feedemax (2,500 TEUs) changed hands between Taiwanese and Chinese at $8m.

Based on 2023 records, the number of containerships sold in the second-hand market was a total number of 285 ships (around 930k TEUs) while the average prices declined 20-30% since early 2023. MSC and CMA CGM were the top Buyers, scouping up one out of three vessels sold.

It is worth mentioning that thirty-five new containerships entered the water in January: nine Feeders, four Feedermaxes, four Panamax, seven Post Panamaxes, ten Neo-Panamaxes and one Megamax-24, which increased the tonnage supply about 250k TEUs.



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	1,388	-7.40	VLCC MEG-China	30,900	-14.17	SCFI	2,217.73	1.77%
Capesize 5TC	15,953	-7.78	Suezmax Wafr-UKC	29,200	-25.13			
Kamsarmax 5TC	13,471	-11.43	MR UKC-USAC	22,700	-52.71			
Supramax 10TC	11,526	-1.29	LR2 MEG-Jap	101,400	14.71			
Handysize 7TC	10,578	-1.51						

2.5 Finance

Major central banks are now signaling that interest rates will likely move lower in coming months as inflation weakens, according to Reuters. The United States, UK and Sweden all left rates steady this week, with the U.S. Federal Reserve saying it sees lower rates on the horizon. Traders expect the Fed and ECB to start easing around the mid-year mark, while outlier Japan could finally hike rates soon.

The Fed held rates steady at 5.25% to 5.5% on Wednesday. Chair Jerome Powell said interest rates had peaked and would move lower in coming months as inflation continues to fall. However, he stopped short of a declaring victory in the central bank's two-year inflation fight, dampening investor hopes for rate cuts as soon as the March 19-20 meeting.

The ECB left rates unchanged at a record high on Jan. 25, but a slightly softer stance on inflation gave markets a hint it was starting to contemplate policy easing. Money markets reckon the ECB could be the first big central bank to cut rates, with traders pricing in a roughly 90% chance of a quarter point rate cut for April, and around 140 bps in total by year-end.

The Bank of England kept rates at a nearly 16-year high on Thursday but softened its stance about when it might cut them, while one of its policymakers cast the first vote for a reduction in borrowing costs since 2020. Still, with two members of the BoE's Monetary Policy Committee voting for a rate hike, markets tempered their rate cut bets. Traders now see a roughly 50% chance of a quarter point cut in June, down from 64% before the BoE decision.

A strong Swiss franc, up 5% versus the euro since early 2023, has dampened price pressures in a nation that could be heading for early rate cuts. Inflation undershot the Swiss National Bank's (SNB) 2% target for the seventh straight month in December. SNB chairman Thomas Jordan has said there is no need for more hikes from the current 1.75% level.

The Norges Bank, which delivered a surprise December rate hike, kept its key rate unchanged at 4.50% on Jan. 25 and said borrowing costs would stay on hold "for some time ahead". Norwegian core inflation fell to a 15-month low of 5.5% in December. A strengthened Norwegian crown should soften import prices.

The Bank of Canada held rates at 5% on Jan. 24 for the fourth consecutive meeting. It said that while underlying inflation was still a concern, the bank's focus was shifting to when to cut borrowing costs rather than whether to hike again. Markets fully price in a quarter-point cut by June.

The Reserve Bank of Australia held rates steady in December at 4.35%. Minutes of the meeting showed it had considered hiking again although markets are now pricing cuts from September. Data in January showed business conditions and inflationary pressures were softening while Australia remains vulnerable to shaky economic conditions in China, its major trading partner.

The Bank of Japan maintained its ultra-easy monetary settings on Jan. 24 but signalled conditions for phasing out its huge stimulus were falling into place, suggesting it could soon end negative interest rates.

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	Tohshi	300k Dwt	2007	IHI	$45m	Chinese	SS 03/27 DD 04/25	BWTS fitted
Tanker	MR	GH Austen	49k >>	2009	GSI	high $22m	Chinese	SS/DD 03/24	
Tanker	MR	Paprika	40k >>	2003	Hyundai Mipo	mid $15m	N/A	SS 01/28 DD 05/26	BWTS fitted
Tanker	MR	Maersk Kalea	38k >>	2004	GSI	$12.5m	UAE based	SS/DD 03/24	
Tanker	MR	Olympic Glory	36K >>	2005	Hyundai Mipo	$16m	N/A	SS 07/25	BWTS fitted
Tanker	Handy	Chemroute Oasis	26k >>	2011	Shin Kurushima	rgn $26m	N/A	SS 04/26 DD 03/24	BWTS fitted, StSt
Dry Bulk	Ultramax	SSI Splendid	63k >>	2019	Jinling	low $30m	Greeks	SS/DD passed	BWTS fitted, Eco ME
Dry Bulk	Supramax	Rui Fu Kang	57k >>	2011	Xiamen	$12.5m	Chinese	SS 09/26 DD 08/24	BWTS fitted
Dry Bulk	Supramax	Sea Star	56k >>	2014	Jiangdong	rgn mid $15m	Greeks	SS/DD 01/24	BWTS fitted
Dry Bulk	Supramax	Tomorrow	56k >>	2013	Minaminippon	$18.75m	Greeks	SS 05/26 DD 07/24	BWTS fitted
Dry Bulk	Supramax	King Baton Rouge	55k >>	2014	Mitsui	low $22m	Greeks	SS/DD 05/24	BWTS fitted
Dry Bulk	Supramax	Rui Fu Sheng	53k >>	2003	Oshima	high $8m	Chinese	SS 11/28 DD 11/26	BWTS fitted
Dry Bulk	Supramax	Pacific 07	53k >>	2003	Toyohashi	rgn $16m en bloc	N/A	SS 03/28 DD 02/26	BWTS fitted
Dry Bulk	Supramax	Pacific 08	52k >>	2004	Tsuneishi			SS/DD 09/24	BWTS fitted
Dry Bulk	Handysize	Nordic London	34k >>	2010	TK Shipbuilding	low/mid $12m	Turkish	SS/DD 06/25	BWTS fitted
Dry Bulk	Handysize	IVS Kingbird	32k >>	2007	Kanda	$10.4m	Turkish	SS 06/27 DD 07/25	BWTS fitted
Dry Bulk	Handysize	Rattana Naree	28k >>	2002	Kanda	mid $5m	N/A	SS 03/27 DD 05/25	BWTS fitted
Container	Feedermax	GH Bora	2,702 TEUs	2009	Howaldtswerke	rgn mid $12m	Germans	SS/DD 01/24	BWTS fitted, Ice Class
Container	Feedermax	Wan Hai 305	2,496 >>	2002	Naikai	rgn $8m	Chinese	SS 03/27 DD 03/25	

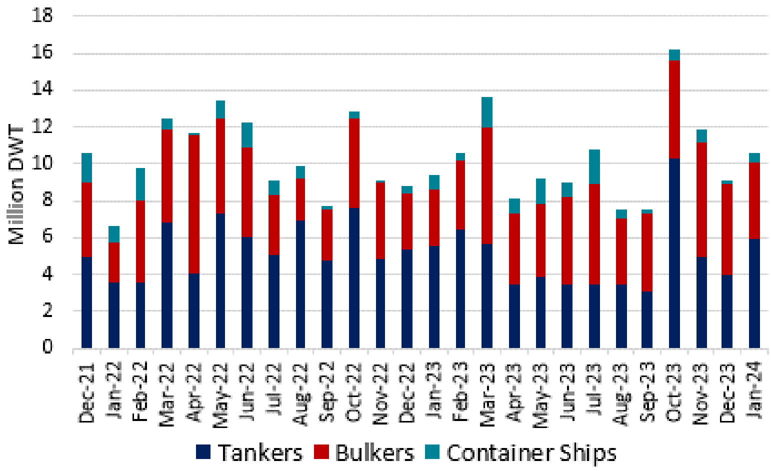
3.2 Second-Hand Asset Values & Sales Volumes per Vessel Type

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	137	107	78	56	108	81	57	42
	Suezmax	96	81	63	44	76	57	40	28
	Aframax	81	71	56	39	63	49	35	24
	Panamax	61	51	41	28	49	28	27	18
	MR	51	44	36	25	43	34	24	16
DRY BULK	Capesize	70	53	35	22	53	39	25	16
	Panamax/Kamsarmax	39	33	26	15	34	26	18	12
	Supramax/Ultramax	35	29	24	13	31	24	15	11
	Handysize	32	25	17	11	27	21	13	8

	Size	Current Prices	5-Year Avg Prices (2019-2023)
CONTAINERS	8,800-teu / 10 yrs	52	62
	6,600-teu / 10yrs	36	50
	4,500-teu / 10 yrs	21	29
	2,600-teu / 10 yrs	15	20
	1,700-teu / 10 yrs	14	15

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	Q3 2025 - Q1 2026	Yangzhou Wanlong	ard $35.5m	Chinese	
2	Dry Bulk	Kamsarmax	82k >>	Q3 2026	Chengxi	ard $36m	Greeks	EEDI Phase III, Tier III
2	Dry Bulk	Ultramax	64k >>	2026	New Dayang	ard $34m	Monaco based	EEDI Phase III
1	Tanker	VLCC	319k >>	2027	Qingdao Beihai	ard $112m	Belgians	Ammonia-ready, Option declared

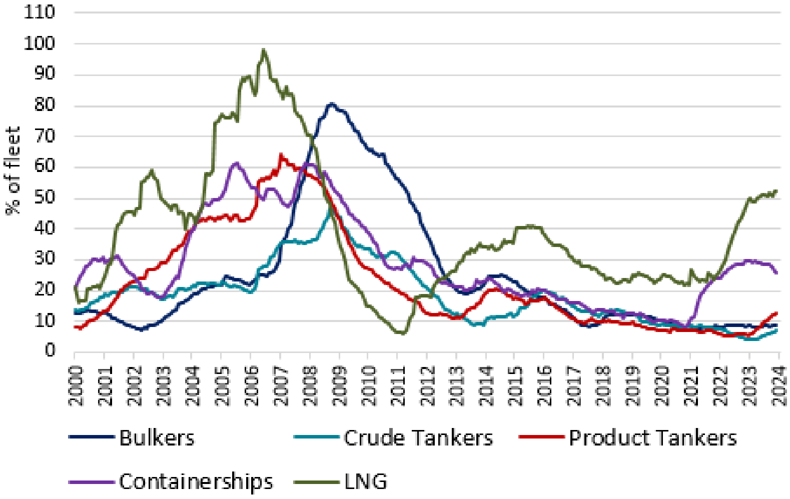
4.2 Newbuilding Asset Values & Orderbook Levels

Table 4. Newbuilding Asset Values

	Vessel Type	Current Prices		Year End, $m		
		Last Week	This Week	2011	2022	2023
TANKERS	VLCC	127	127	112	120	127
	Suezmax	84	84	76	80	84
	Aframax	69	69	59	62	69
	Panamax	56	57	51	54	56
	MR	47	47	41	44	46
DRY BULK	Capesize	66	66	61	61	65
	Kamsarmax	36	36	35	34	36
	Ultramax	34	34	33	31	34
	Handysize	31	31	30	29	31
CONTAINERS	10,000-teu	154	154	129	128	130
	8,000-teu	117	118	84	86	91
	5,000-teu	74	74	71	73	74
	2,600-teu	40	40	39	41	40
	1,700-teu	29	29	28	29	29

Chart 5. Shipping Orderbooks

as % of Fleet Capacity



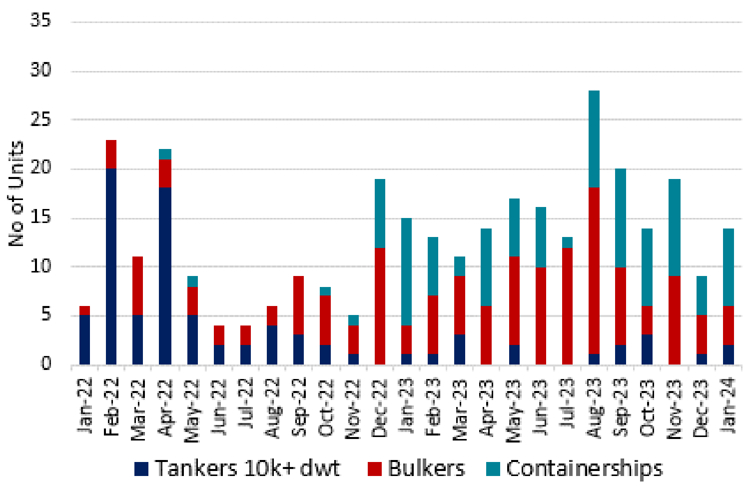
4.1 Recent Ship Recycling Activity

Table 5. Weekly Ship Recycling Activity									
Type	Sub-Sector	Name	Dwt	Built	Ldt	Yard	Buyer	Price ($/ldt)	Comment
Dry Bulk	Handymax	Song	46k	1977	11,348 mt	Yugoslavian	Bangladeshi	N/A	
Dry Bulk	General Cargo	Saviz	23k	1999	8,094 mt	Chinese	N/A	N/A	
Dry Bulk	Handy	Xin Xiang An	22k	1992	5,113 mt	Japanese	Bangladeshi	490	

4.2 Scrap Values & Ship Demolition Volumes

Table 6. Scrap Values								
Location	Tankers				Dry Bulk			
	Year End, $m			Current	Year End, $m			Current
	2021	2022	2023		2021	2022	2023	
India	565	530	495	**485**	560	525	500	**485**
Bangladesh	600	505	485	**495**	590	510	485	**510**
Pakistan	590	520	510	**510**	585	520	505	**515**

Chart 6. Ship Recycling per Vessel Type



5. Macro Indicators

Indicator		% w-o-w
ICE Brent	78.82 $/b	-4.3%
WTI	74.20 $/b	-3.8%
Spore VLSFO	644 $/t	2.1%
GBP/USD	1.27	0.0%
USD/YEN	146.45	-0.8%
EUR/USD	1.09	0.9%
USD/YUAN	7.10	0.0%
Gold	2,054.8	1.6%
SOFR	5.32%	0.2%
EURIBOR (3m)	3.905%	-0.6%

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