WeberSeas (Hellas) S.A.

Weekly Market Intelligence

Market Week 15 - 2024

Table of Contents

1. **Sustainability** 1
2. **Shipping Markets Analysis** 2
3. **Second-Hand Market** 5
4. **Newbuilding & Ship Recycling Markets** 6
5. **Macro Indicators** 7

1. Sustainability

European Union lawmakers adopted a law to place methane emission limits on Europe's oil and gas imports from 2030, pressuring international suppliers to clamp down on leaks of the potent greenhouse gas, according to Reuters. Methane, the main component of natural gas, is the second-biggest cause of climate change after carbon dioxide and in the short term has a far higher warming effect. Rapid cuts in methane emissions this decade are crucial if the world is to avoid severe climate change. The import rules - which will impose limits on "methane intensity values" from 2030 on producers sending fossil fuels into the EU - are likely to hit major gas suppliers which include the United States, Algeria and Russia. Moscow slashed deliveries to Europe last year and has since been replaced as Europe's biggest pipeline gas supplier by Norway, whose supply has among the world's lowest methane intensity. The law now also has to be formally adopted by the European Council, before being published in the EU Official Journal and will be entering into force 20 days later.

Moreover, Global revenues from the sale of carbon permits in emissions trading systems (ETS) grew to a record $74 billion last year, as governments increasingly turn to such schemes to help tackle global warming. The $74 billion raised from permit auctions in 2023 was up from $64 billion in 2022. Jurisdictions making up 58% of global gross domestic product are now using an ETS, according to the intergovernmental forum International Carbon Action Partnership's (ICAP) annual emissions trading status report. Currently, 36 such systems are in place, compared to 28 last year and another 22 ETS are under development or consideration, including in Argentina, Brazil, India, Turkey and Vietnam. Under an ETS, governments set a gradually decreasing cap on the amount of emissions that a sector, or group of sectors, can produce. They create carbon permits for those emissions, which are auctioned, and companies must buy one for each tonne of CO_2 they emit. Higher carbon permit prices in two of the schemes in particular - the European Union's ETS and its British counterpart - helped to increase revenues last year, as well as more auctions of permits to distribute them among industry, according to same sources.

According to Tradewinds, Japanese shipowners K Line and NS United and trading house Itochu Corp will own one of the first vessels to be fitted with MAN Energy Solutions' under-development ammonia-fuelled engines. MAN ES said it will install its MAN B&W 7S60ME-Ammonia engine on a 200,000-dwt bulk carrier being built at Imabari Shipbuilding for a joint venture of the three companies

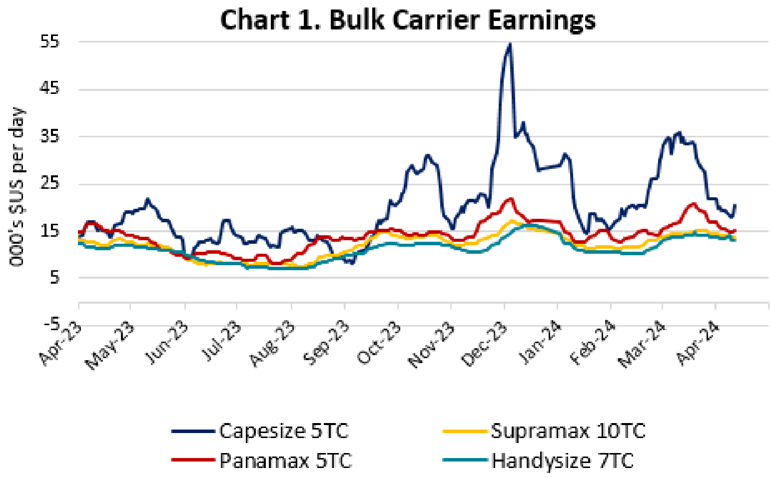
2. Shipping Markets Analysis

2.1 Dry Bulk

An influx of fresh candidates entering the market for sale. Appetite for Capesize Bulkers has slowed down lately amid an extremely busy first quarter in terms of sales. Four Vessels called for offers this week. A Japanese 2012 built Ultramax was rumored to have been committed for $21.8million, a price in line with the last done. On the Kamsarmax sector, a 2021 YAMIC built Kamsarmax was rumoured to have seen levels in the low $35's million, a price slightly below the last done which was at $37.75 million in February, albeit fitted with scrubber.

Ultramax contracting activity has been robust. 41 Ultramax bulkers have been ordered so far this year, all Chinese apart from 3 which are Japanese. The Ultramax orderbook currently stands at about 370 vessels. An Ultramax at a Chinese yard could cost around $34-$35 million with delivery within 2026. For comparison purposes, a Modern Second-hand Ultramax 2022 built in DACKS was rumored sold around $34.5 million.

Eagle Bulk Shipping Inc. announced that its shareholders voted in favor of a proposal to approve and authorize the previously announced Agreement and Plan of Merger, dated December 11, 2023, entered into by and among Star Bulk Carriers Corp.



2.2 Tankers

Tanker values remain at exceptionally high levels. Demand for Product tankers and modern Crude tankers remains strong while appetite for older (vintage) crude tankers has slowed down.

Headline sale of the week was a 2021 Built Japanese Aframax which was sold for $80million. The company paid around $63million to order the vessel in 2019. This is the second sale of such modern Aframax (5 years and younger) this year. The first was a 2019 Korean Aframax which was sold via auction to Greek interest for $73million. Moreover two 2018 built Korean LR2s were sold in February for $131million enbloc, albeit with a TC attached at well below market levels. Demand form Modern Aframax is strong amid high Time Charter rates.

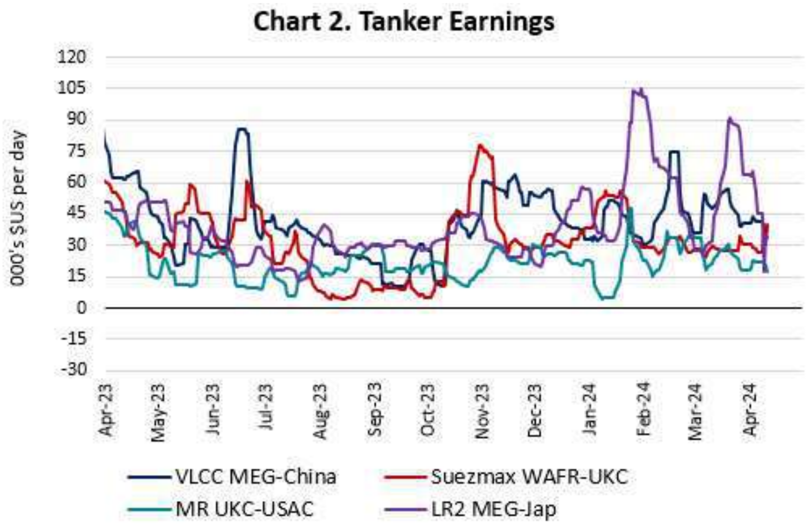
Demand for long term TC remains resilient with various fixtures reported. Two VLCCs were fixed for 3 years at $44,500 per day + 50/50 profit sharing basis TD3C. A VLCC fixed for 2+1 years at $54,000 and $55,000 per day. A Suezmax 2009 built fixed for 1 year at $38,500 per day while an MR built in 2024 fixed for 18 months at $32,500 per day.

Chinese Yards are quoting around $83million for a Suezmax with delivery in 2027. A VLCC resale built in China with scheduled delivery in 2025 is rumored to have changed hands for around $127million. An LR-2 at a Korean yard could cost $80million today.

Four modern VLCCs (2019 and 2020 built) called for offers this week. The vessel were ordered for around $86million.
Russian Oil Is Once Again Trading Far Above the G-7's Price Cap Everywhere. Exported Urals crude is near $75 a barrel, about $15 above cap. Bloomberg

Rhone Energies, a consortium of commodity trader Trafigura and Entara LLC, is in exclusive negotiations with Exxon Mobil's ESSO SAF to acquire the Fos-sur-Mer refinery in southern France and the Toulouse and Villette de Vienne terminals. Trafigura said in a statement on Thursday it would enter into a minimum 10-year exclusive crude oil supply and product offtake agreement, including ownership of crude oil and product stocks in tank. Fos-sur-Mer refinery has a crude oil processing capacity of 140,000 barrels per day. Trafigura added that Rhone Energies would continue to supply ESSO SAF in the region. This is the second major acquisition by Trafigura this year following an agreement to buy the European business of Greenergy, a UK-based supplier of road fuels and a biodiesel producer. Reuters

Vitol, the world’s largest independent commodity trader, earned profits far in excess of its rivals for the second year running, consolidating its position as one of the most powerful players in global energy markets. The privately owned group, whose chief executive is based in London, made $13bn of net profit in 2023, according to people with knowledge of the company’s results. Vitol’s closest rival Trafigura made net profits of $7.2bn in its last financial year, which ended in September, while fellow privately held energy trader Gunvor made $1.3bn, it said last week. Financial Times



2.3 Container

Despite the on-going issue with Panama drought, the conflict in the Middle East and the aftermath of the Baltimore Bridge collapse, US container import volumes saw marginal growth in March compared to February. TEU volumes increased around 16% on y-o-y basis and 20%, compared to pre-pandemic levels.

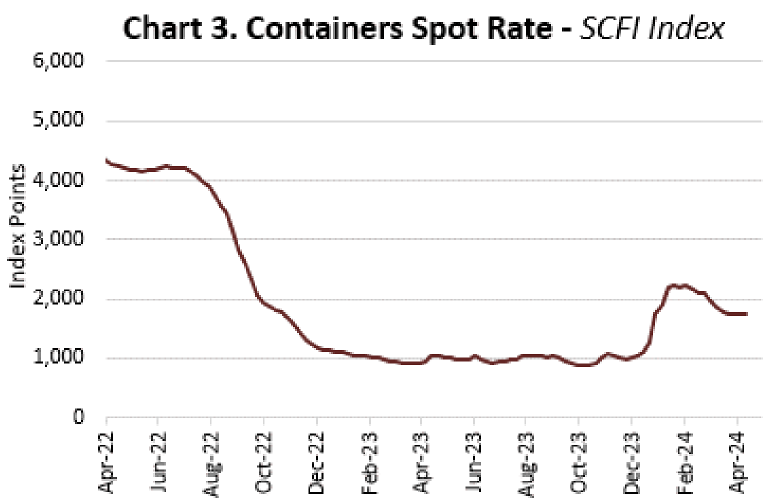
Another busy week in the chartering front with the main action happening in the Feeder and Feedermax segments. A vintage Post Panamax unit (5,900 TEUs) secured employment for fourteen to sixteen months at $32k/day and four Feedermaxes were fixed for twelve to seventeen months between $17k and $18/day. On the Feeder segment, three ships were fixed for six to seven months in low teens while a modern large Chinese Feeder was fixed around mid $19k/day for a period of six to eight months.

On the SnP front,a Swiss liner leading company continued its buying spree with the acquisition of two 2004 German-built Feedermaxes (2,500 TEUs) at an undisclosed price while a French-owned Post Panamax (5,800 TEUs) change hands for high $18 million to undisclosed Buyers.

The newbuilding activity having being quiet for six weeks, returned with fresh order on midsize segment. A Turkish Operator placed an order for four conventional-fuelled Panamaxes of 4,300 TEUs. Guangzhou Wenchong will undertake the construction of the captioned vessels. The cost is estimated at $60 million per unit and the ships are expected to be delivered in 2028.

In the recycling market, the status remained unchanged for several weeks now, as the volume of ships heading to the recycling yards is still very low. A 1995 German-built Feeder (1,500) reported sold at $602/LDT to Bangladeshi Cash Buyers. So far, we counted around ten units demolished so far in 2024.

Last but not least, we noticed that the world's first methanol-enabled, a New Panamax of 16,500 TEUs, performed successfully her maiden voyage (around 65 days) on green methanol. The ship loaded in Ningbo to Le Havre via the Cape of Good Hope with a total distance around 15,800 nautical miles, mostly on slow-steaming mode.



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	1,690	1.26	VLCC MEG-China	37,400	-9.22	SCFI	1,757.04	0.67
Capesize 5TC	20,523	5.13	Suezmax Wafr-UKC	40,200	40.56			
Kamsarmax 5TC	15,092	-3.26	MR UKC-USAC	17,800	-19.82			
Supramax 10TC	13,874	-0.93	LR2 MEG-Jap	33,900	-38.48			
Handysize 7TC	13,034	-2.78						

2.5 Finance

The European Central Bank kept interest rates at record highs but sent an even clearer signal that it may be preparing to cut them as euro zone inflation continues to fall, according to Reuters. The central bank for the 20 countries that share the euro currency kept its deposit rate at 4.0%, where it has been since September as part of a 1-1/2-year effort to rein in prices. But, with inflation now close to the ECB's 2% target, bank lending at a standstill and the economy barely growing, the ECB dropped fresh hints about a possible cut at its next meeting. ECB policymakers, including those who typically favor higher rates, have been lining up behind a rate reduction at their June 6 meeting, provided key indicators including wage growth and underlying inflation continue to moderate. But that decision may now be complicated by uncertainty whether the Federal Reserve will be able cut its own rates in June as U.S. inflation stays stubbornly above its goal. With Thursday's decision, the ECB also left the interest rate on its daily and weekly loans for banks at 4.75% and 4.50% respectively.

According to Bloomberg, bets against the Yen are at the highest in 17 years.

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	MR	Avon	49k Dwt	2019	Hyundai Mipo	mid $44m	US based	SS 01/29 DD 03/27	BWTS fitted, Eco ME
Tanker	MR	Nyon Express	45k >>	2010	Shin Kurushima	$27m	N/A	SS 11/25	
Tanker	MR	San Carlos	37k >>	2007	Hyundai Mipo	$20.5m	Turkish	SS/DD 05/25	BWTS fitted, Ice Class
Tanker	Chemical	Livarden	19k >>	2007	Fukuoka	$18m	Vietnamese	SS 06/27 DD 08/25	Stainless Steel
Dry Bulk	Capesize	HL Harmony	179k >>	2015	Dalian	$42.2m	US based	SS/DD 08/25	BWTS/Scrubber fitted, Eco ME
Dry Bulk	Mini Cape	Spring Samcheonpo	119k >>	2009	Sanoyas	$18.4m	Chinese	SS/DD 07/24	BWTS fitted
Dry Bulk	Post Panamax	Federico II	92k >>	2009	Oshima	mid $19m	Hong Kong based	SS/DD 05/24	BWTS fitted
Dry Bulk	Kamsarmax	Sammy	82k >>	2012	Tsuneishi	mid $24m	N/A	SS/DD 11/26	BWTS/Scrubber fitted
Dry Bulk	Kamsarmax	Scarlet Island	81k >>	2014	Tsuneishi Cebu	rgn $29m	Greeks	SS/DD 05/24	BWTS fitted
Dry Bulk	Ultramax	New Champ	66k >>	2018	Mitsui	xs mid $32m	Bangladeshi	SS 10/28 DD 08/26	BWTS fitted, Eco ME
Dry Bulk	Ultramax	Aries Sumire	64k >>	2020	Shin Kurushima	mid $35m	N/A	SS/DD 11/25	BWTS fitted, Eco ME
Dry Bulk	Ultramax	World Royal	61k >>	2022	DACKS	rgn $35m	N/A	SS 04/27 DD 04/25	BWTS fitted, Eco ME
Dry Bulk	Supramax	Daidan Mustikawati	55k >>	2005	Kawasaki	$11m	Chinese	SS/DD 01/25	
Dry Bulk	Handysize	Susanoo Harmony	37k >>	2020	Saiki	mid $29m	N/A	SS/DD 10/25	BWTS fitted, Eco ME
Dry Bulk	Handysize	FW Excursionist	34k >>	2019	Hakodate	$27m	Turkish	SS/DD 08/24	BWTS fitted, Eco ME
Container	Post Panamax	CMA CGM Bellini	5,782 TEUs	2004	Samsung	high $18m	N/A	SS/DD due	
Container	Feedermax	Maersk Dakar	2,478 >>	2004	Aker	N/A	Swiss	SS/DD 09/24	Ice Class
Container	Feedermax	Maersk Douala						SS/DD 11/24	
Container	Small Feeder	Avera	862 >>	2003	Sietas	$4m	Germans	SS 10/26 DD 10/24	

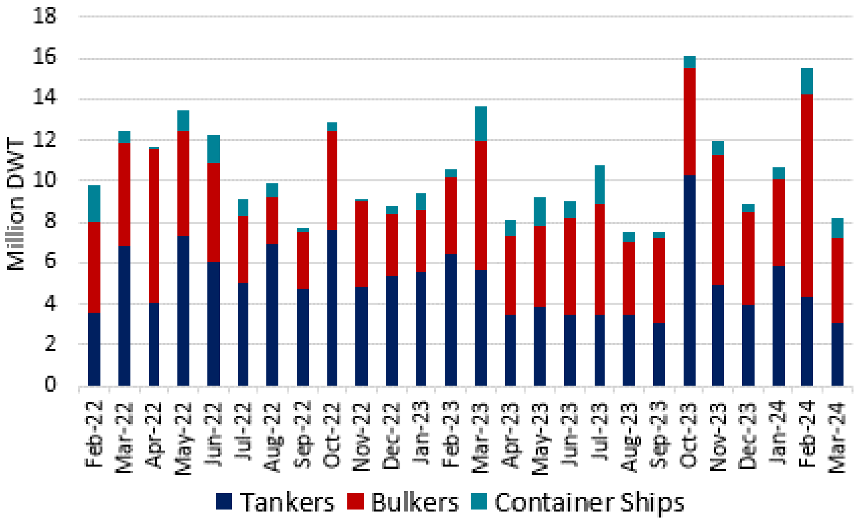
3.2 Second-Hand Asset Values & Sales Volumes per Vessel Type

Table 2. Secondhand Asset Values

	Vessel Type	Current Prices				5-Year Avg Prices (2018-2023)			
		Resale	5 yrs	10 yrs	15 yrs	Resale	5 yrs	10 yrs	15 yrs
TANKERS	VLCC	142	112	86	58	108	82	57	43
	Suezmax	98	82	67	50	76	57	41	28
	Aframax	81	71	56	40	63	49	36	24
	Panamax	61	51	41	28	50	36	26	18
	MR	51	44	36	25	43	34	24	16
DRY BULK	Capesize	75	61	44	28	56	43	27	17
	Panamax/Kamsarmax	42	36	28	18	35	28	20	13
	Supramax/Ultramax	41	34	26	16	33	25	16	12
	Handysize	33	27	19	12	27	21	13	8

	Size	Current Prices	5-Year Avg Prices (2019-2023)
CONTAINERS	8,800-teu / 10 yrs	56	62
	6,600-teu / 10yrs	42	50
	4,500-teu / 10 yrs	28	29
	2,600-teu / 10 yrs	22	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

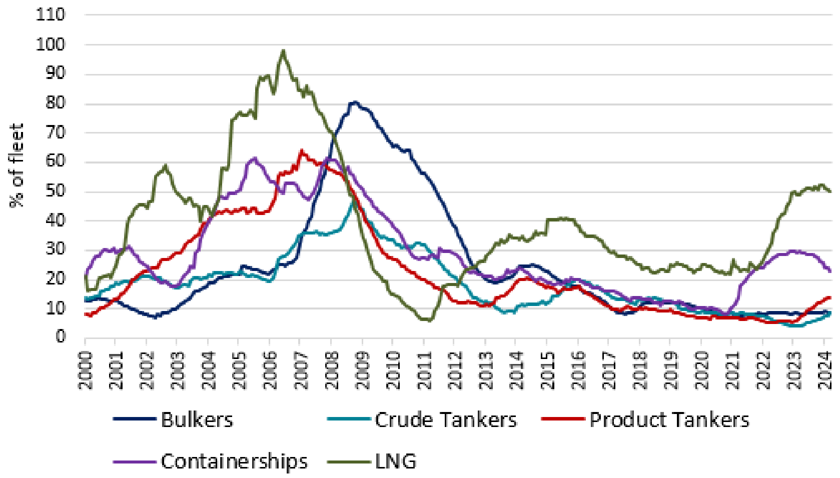
Table 3. Weekly Newbuilding Orders								
Ship No	Type	Sub-Sector	Size	Delivery	Yard	Unit Price	Owners	Comments
2 + 2	Dry Bulk	Kamsarmax	82k Dwt	1H 2027	Wenchong Longxue	N/A	Norwegians	Pulp trade, Ammonia/Methanol ready
8	Dry Bulk	Ultramax	64k >>	2026-27	New Dayang	ard $34m	Chinese	EEDI Phase III, Tier III
2	Tanker	Aframax	115k >>	Q4 2027	New Times	ard $68m	Singapore based	LNG dual fuelled
2	Tanker	LR2	115k >>	2H 2027	Hyundai Heavy	ard low $70's	UK based	LNG dual fuelled, Wind-assisted propulsion
1	Tanker	LR2	115k >>	Q4 2026	Shanhaiguan			
2	Tanker	MR	53k >>	2H 2027	GSI	ard $45m	Germans	Methanol ready, Scrubber fitted EEDI Phase III, Tier III
2	Tanker	MR	50k >>	2026	Chengxi	ard $45m	Greeks	
4	Tanker	MR	50k >>	2026-27	Wuhu	ard $63m	French	Methanol dual fuelled, Wind-assisted propulsion, Battery-hybrid
4	Gas	LNG	174k cbm	Q4 2026 - 27	Hanwha	ard $230m	JV (Japanese/Koreans)	Scrubber fitted
4	Gas	VLAC	93k >>	Q3 2028	Hyundai Samho	ard $117m	Danish	Option declared
4	Container	Panamax	4,300 TEUs	2028	Guangzhou Wenchong	ard $60m	Turkish	

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	129	129	112	120	127
	Suezmax	86	86	76	80	84
	Aframax	71	71	59	62	69
	Panamax	59	59	51	54	56
	MR	48	48	41	44	46
DRY BULK	Capesize	70	70	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	157	157	129	128	130
	8,000-teu	118	118	84	86	91
	5,000-teu	77	77	71	73	74
	2,600-teu	41	41	39	41	40
	1,700-teu	29	29	28	29	29

Chart 5. Shipping Orderbooks

as % of Fleet Capacity



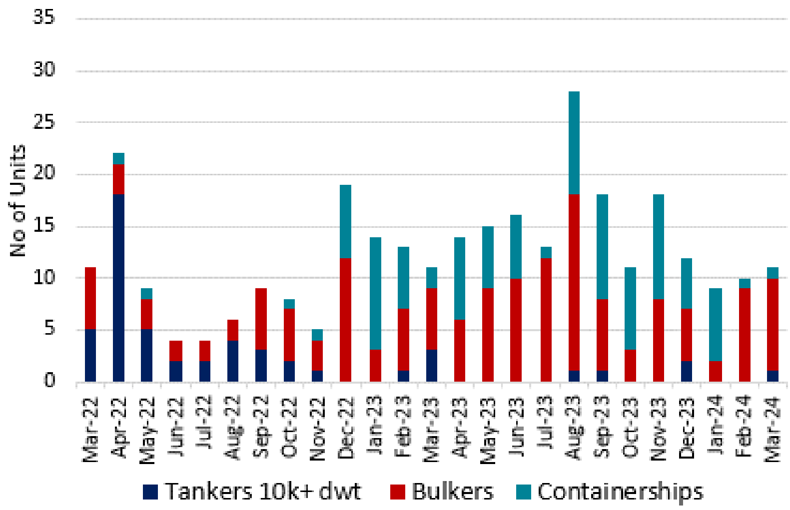
4.1 Recent Ship Recycling Activity

Table 5. Weekly Ship Recycling Activity									
Type	Sub-Sector	Name	Dwt	Built	Ldt	Yard	Buyer	Price ($/ldt)	Comment
Container	Feeder	Sawasdee Singapore	1,512 TEUs	1995	7,098 mt	German	Bangladeshi	602	incl. 550 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
	2021	2022	2023		2021	2022	2023	
India	565	530	495	**495**	560	525	500	**485**
Bangladesh	600	505	485	**505**	590	510	485	**520**
Pakistan	590	520	510	**510**	585	520	505	**510**

Chart 6. Ship Recycling per Vessel Type



5. Macro Indicators

Indicator		% w-o-w
ICE Brent	90.47 $/b	-0.7%
WTI	85.84 $/b	-1.2%
Spore VLSFO	650.50 $/t	0.2%
GBP/USD	1.26	0.0%
USD/YEN	153.15	1.5%
EUR/USD	1.07	-0.9%
USD/YUAN	7.24	0.1%
Gold	2,388.4	4.5%
SOFR	5.31%	-0.2%
EURIBOR (3m)	3.912%	1.4%

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