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## 1. Sustainability

State-run energy firm Petrobras has hit growing resistance from Indigenous groups and government agencies to its premier exploration project, which would open the most promising part of Brazil's northern coast to oil drilling, according to Reuters. Environmental agency Ibama denied Petrobras a license for exploratory drilling offshore in the Foz do Amazonas area last year, citing possible impacts on Indigenous groups and the sensitive coastal biome. But a Petrobras appeal for Ibama to reverse its decision has drawn powerful political backing. President Luiz Inacio Lula da Silva said in September that Brazil should be able to “research” the region’s potential resources, given the national interest. Energy Minister Alexandre Silveira last week told journalists that it is “Brazil's right to know the potential” of the offshore fields. That has bolstered bullish rhetoric from Petrobras about its chances of getting a license to drill in the blocks off the coast of Amapa state. Ibama chief Rodrigo Agostinho said in November that a decision would be made in early 2024, although labor disputes at the agency have since slowed the pace of environmental licensing.

Visits to four Indigenous villages, interviews with over a dozen local leaders, and previously unreported documents show organized opposition mounting to Petrobras' attempt to reverse the halt on exploratory drilling. Petrobras has drawn fresh government scrutiny. Indigenous

affairs agency Funai asked Ibama regulators in December to run several more studies to assess impacts, according to a Dec. 11 government memo from Funai to Ibama obtained in a freedom of information request. The proposed studies would have to be done before Ibama can decide whether to accept the Petrobras appeal.

In July 2022, the Council of Chieftains of the Indigenous People of Oiapoque (CCPIO), an umbrella group representing more than 60 Indigenous villages in the area, asked federal prosecutors to get involved, denouncing an alleged violation of their rights.

Brazilian prosecutors have a mandate to protect Indigenous peoples, often taking their side in disputes with firms or federal and state governments. In September 2022 they recommended that Ibama not issue the license before a formal consultation of the local communities. Records from the prosecutors’ preliminary investigation, seen by Reuters, show that in December 2023, CCPIO asked them to broker a 13-month formal consultation with Petrobras about Indigenous views on the project.

The consultation process, along with studies proposed by Funai, would push a decision into 2025 when Brazil will host the COP30 climate change summit in the Amazon city of Belem, which could make it more politically difficult to approve drilling, a person close to CCPIO told Reuters.

## 2. Shipping Markets Analysis

### 2.1 Dry Bulk

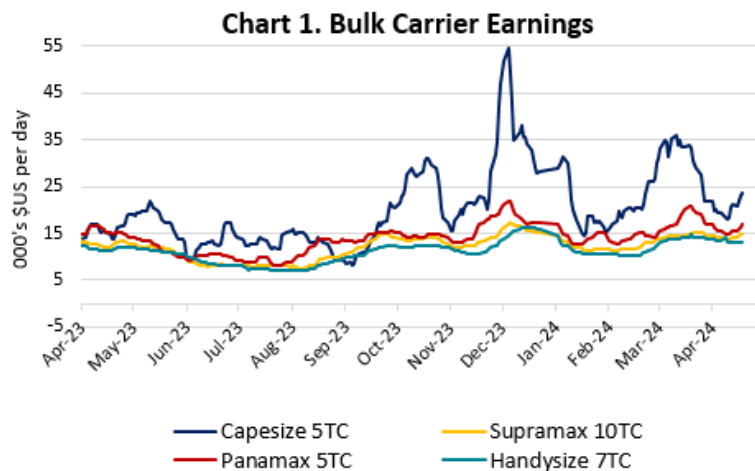
Around 100 Dry bulk vessels have been ordered year to date. Ultramaxs have the lion's share followed by Kamsarmax and Capesize. On the Handysize Sector, based on our records, only two orders have been placed so far this year against around 30 orders in 2023.

Appetite for Newbuild Ultramax remain strong, with more than 40 orders reported this year against a total of almost 100 in the whole 2023. Interesting to note, despite Greeks being active ordering Newbuild Ultramaxs last year, this year they have placed only one order.

On the Kamsarmax Newbuild front, 24 orders have been placed in 2024 against a total of around 150 last year.

The vast majority of the Capesize/Newcastlemax orders are for alternative fuel vessels and mainly ammonia. So far this year around 18 orders have been placed against 36 orders in 2023.

According to an Article from Tradewinds, EU emissions trading scheme could split the dry bulk market, says Klaveness's head of dry bulk. The Singapore based executive noted that while the overall orderbook is relatively high, the existing fleet is ageing, which will make a large percentage of existing vessels untradeable in a few years from now. "If you take, for example, the panamax segment, 33% of the vessels are turning 15 within the next few years. That is one third of the entire fleet that will struggle to trade internationally because the majority of the big miners, the big trading houses, they are not accepting vessels above 15 years old," he said. These older vessels will also be heavily impacted by the EU ETS, most likely avoiding the area completely, Jorgensen added. "The risk we are running in this part of the world (Asia) is that the better performing vessels with lower consumption, or that are willing to use an alternative fuel, will all be in the Atlantic side of market, the Euro side of things, and we'll be stuck with the older, less economical ships," he said.

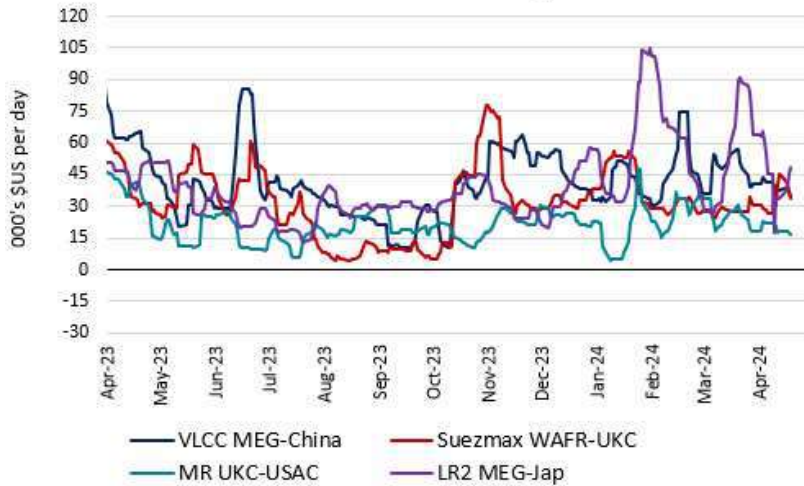


### 2.2 Tankers

Tanker Newbuild activity has been robust. 155 Tankers have been ordered this year. Around 31 VLCCs orders were placed this year against a total of 19 orders in 2023. On the Suezmax sector, based on our records, 24 units have been ordered year to date compared to around 60 orders last year. Significant to note is that the orderbook for Suezmaxes has increased significantly and currently stands at around 12% of the fleet. 14 LR2/Aframax have been ordered this year against 93 orders in 2023. On the MR newbuild front, 50 MR tankers have been booked so far this year against a total of 230 units in 2023.

According to Tradewinds, more than 50 VLCCs are due to be delivered over the next five years, but that compares with more than 200 that will reach the age of 20 years or more over the same period, Tankers International said in a new market outlook. "This means the potential for fleet exits by far exceeds additions," the sector specialist said.

**Chart 2. Tanker Earnings**



**2.3 Container**

The incident in the Strait of Hormuz (latest seizure of container ship by Iran) could create higher risk in the container imports in the Middle East. This is in continuation of the ongoing conflict in the Red Sea and Gulf of Aden which leads to an additional disruption of the transportation of goods by sea in the Arab continent.

Based on the NCF reports, the index remained stable on a w-o-w basis with the demand for transportation of goods to remain strong. The route from Ningbo to Middle East increased by 5% while the demand for cargoes from Ningbo to West Africa route has seen significant improvement this week, around 30%.

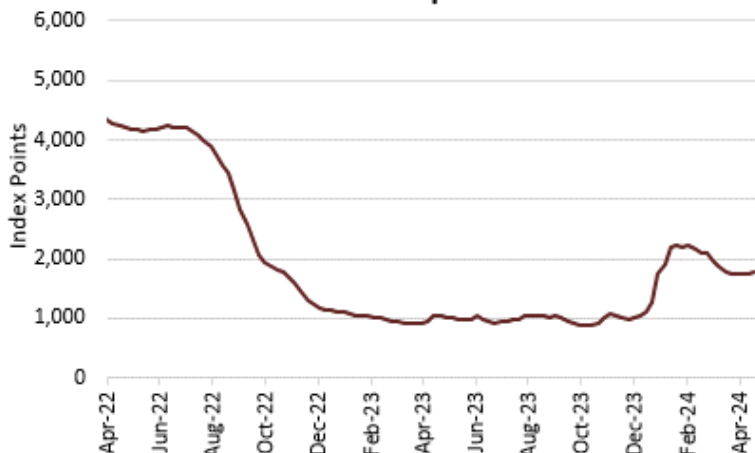
On the SnP front, the activity and appetite for second hand units remained relatively healthy for second consecutive week. New enquires appearing in all sizes, especially on Panamax segment. A French global Operator declared the purchase option for a 2008 Korean-built New Panamax (11,000 TEUs) in the region of \$50 million. Market rumours suggest that a 2009 Korean-built Panamax (4,250 TEUs) changed hands at \$24 million to undisclosed Buyers.

In the Newbuilding, the volume of discussions for new orders has picked up. The enquire is primarily coming from Europeans (Swiss and Germans) Owners and Operators.

German Charterer and Canadian Owner entered into a partnership agreement to convert five 10,100 TEU container ships powered by conventional to methanol dual-fuelled. The duration of this retrofit is expected to be about 80-90 days per vessel and is expected to start in the first quarter of 2026. The total of the investment is estimated at around USD 120 million.

European global Operators intent to build ten to fifteen new terminals by 2030 as they are forecasting some potential growth opportunities across Indian ports in the following years. They expect to reduce the costs per TEU by 20%, on a long-term basis.

**Chart 3. Containers Spot Rate - SCFI Index**



## 2.4 Key shipping Freight Indices

Bulkers		% w-o-w	Tankers		% w-o-w	Containers		% w-o-w
BDI	1,901	12.49	VLCC MEG-China	34,800	-6.95	SCFI	1,769.54	0.71
Capesize 5TC	23,598	14.98	Suezmax Wafr-UKC	33,700	-16.17			
Kamsarmax 5TC	16,885	11.88	MR UKC-USAC	16,700	-6.18			
Supramax 10TC	15,013	8.21	LR2 MEG-Jap	48,100	41.89			
Handysize 7TC	13,225	1.47						

## 2.5 Finance

Finland's Nordea reported first-quarter profits above expectations and said its strong performance would continue this year and next, despite falling interest rates. The Nordic region's biggest bank said first quarter return on equity (RoE) was 18.1%, in line with its goal of above 15% in 2024 and 2025, and a similar return to its regional rivals. Reuters

The German economy — Europe's largest — is set to avoid a winter recession thanks to a pick-up in manufacturing, rising exports and surging construction at the start of the year, according to the Bundesbank. After warning just four weeks ago that output probably shrank for a second straight quarter between January and March, the central bank said the period may, in fact, have seen a "slight increase." It did, though, caution that a sustained recovery isn't assured. Bloomberg

European Central Bank President Christine Lagarde on Tuesday said the central bank remains on course to cut interest rates in the near term, subject to any major shocks. CNBC

UBS Group AG faces an increase in regulatory capital requirements that could reach around \$20 billion under reforms proposed in the wake of the collapse of Credit Suisse. Bloomberg

China reported faster-than-expected economic growth in the first quarter — along with some numbers that suggest things are set to get tougher in the rest of the year. Bloomberg

A rally in the U.S. dollar is accelerating, as stubborn inflation sows doubts over how aggressively the Federal Reserve will be able to cut rates this year compared to other central banks. Reuters

Goldman Sachs profit rose 28% in the first quarter, buoyed by a recovery in debt underwriting and deal making that boosted its investment banking unit. Profit rose to \$4.13 billion, or \$11.58 per share, for the three months ended March 31, compared with \$3.23 billion, or \$8.79 per share, a year ago.

## 3. Second-Hand Market

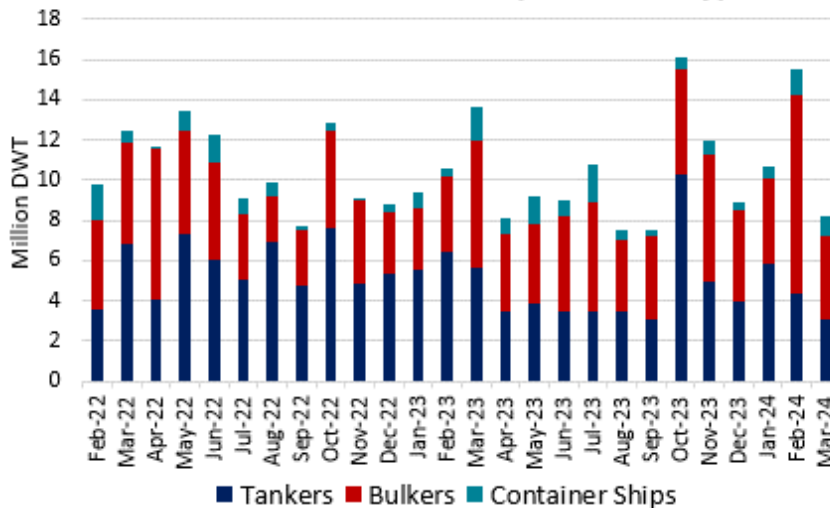
### 3.1 Weekly Ship Sales by Vessel Type

Vessel Type	Sub-Sector	Name	Size	Built	Yard	Price	Buyers	Surveys	Comments
Tanker	Aframax	Monvos	115k Dwt	2004	Samsung	mid \$28m	N/A	SS/DD 04/24	BWTS due
Tanker	MR	Golden Lavender	34k >>	2022	Fujian Mawei	\$36m	Greeks	SS 02/27 DD 02/25	Eco ME
Dry Bulk	Post Panamax	Lowlands Rise	95k >>	2013	Imabari	\$26m	N/A	SS 06/26 DD 05/24	
Dry Bulk	Kamsarmax	YMK Quarter	82k >>	2021	Yamic	rgn \$35m	Greeks	SS 02/26	Eco ME
Dry Bulk	Ultramax	African Lion	66k >>	2013	Mitsui	high \$24m	Greeks	SS 02/27 DD 05/25	BWTS/Scrubber fitted, Eco ME
Dry Bulk	Ultramax	Kmarin Genoa	63k >>	2014	Jiangsu New Hantong	rgn \$20m	N/A	SS/DD 12/24	BWTS fitted, Eco ME, TC attached
Dry Bulk	Ultramax	Maritime Prosperity	61k >>	2012	Shin Kasado	\$22m	Greeks	SS 11/27 DD 11/25	BWTS fitted
Dry Bulk	Handysize	Voge Sophie	38k >>	2019	Taizhou Kouan	rgn \$26.5m	Europeans	SS/DD passed	BWTS fitted, Eco ME, Ice Class
Dry Bulk	Handysize	Morges	35k >>	2011	Shinan	rgn \$14.5m	N/A	SS 12/26 DD 03/25	BWTS fitted, Tier II
Container	Neo Panamax	CMA CGM Vela	11,262 TEUs	2008	Daewoo	rgn \$50m	French	SS 10/28	BWTS fitted, Ice Class, Purchase option
Container	Panamax	ALS Apollo	4,253 TEUs	2009	Samsung	rgn mid \$20's	UAE based	SS/DD 09/24	BWTS due

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

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	41	35	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
CONTAINERS	Size	Current Prices			5-Year Avg Prices (2019-2023)				
	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

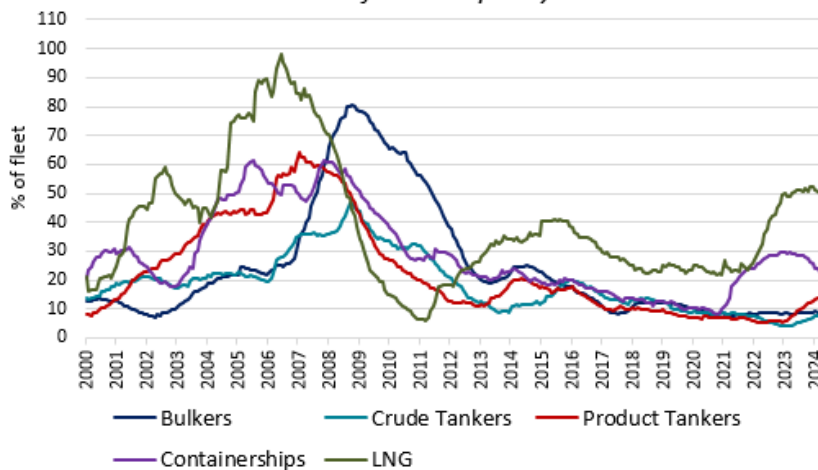
### 4.1 Recent Newbuilding Orders

Ship No	Type	Sub-Sector	Size	Delivery	Yard	Unit Price	Owners	Comments
4	Dry Bulk	Newcastlemax	210k Dwt	2027-28	Qingdao Yangfan	ard \$68m	Norwegians	Scrubber fitted
4	Dry Bulk	Kamsarmax	82k >>	2027	Hengli	ard xs mid \$30's	Turkish	Scrubber fitted
4	Dry Bulk	Ultramax	63.5k >>	2025	Jiangsu Haitong	N/A	Taiwanese	Tier III
2	Tanker	LR2	111k >>	2026-27	GSI	N/A	Greeks	LNG dual fuelled
2	Tanker	LR1	75k >>	2H 2027	Jiangsu New Yangzi	ard mid \$55m	Italians	
2	Tanker	Chemical	18.5k >>	Q4 2025 - Q1 2026	Fujian Southeast	ard low \$32m	Chinese	EEDI Phase III
1	Gas	VLGC	91k cbm	N/A	Hanwha	ard \$127m	Japanese	

### 4.2 Newbuilding Asset Values & Orderbook Levels

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



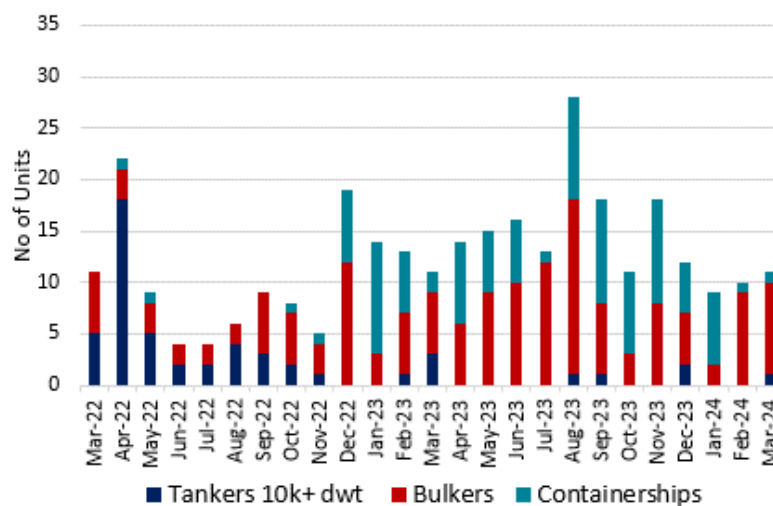
## 4.1 Recent Ship Recycling Activity

Type	Sub-Sector	Name	Dwt	Built	Ldt	Yard	Buyer	Price (\$/ldt)	Comment
Dry Bulk	Panamax	Jin Hai Fu	73k	1995	10,607 mt	Korean	N/A	469	"As is" China
Dry Bulk	Panamax	Guo Dian 6	69k	1993	9,637 mt	Japanese	N/A	468	
Container	Small Feeder	Sinokor Hongkong	1,228 TEUs	1996	5,300 mt	Japanese	Bangladeshi	598	
Container	Small Feeder	Sinokor Qingdao	834 >>	1999	4,672 mt	Chinese	Indians	593	

## 4.2 Scrap Values & Ship Demolition Volumes

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	500
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	88.95 \$/b	-1.7%
WTI	84.63 \$/b	-1.4%
Spore VLSFO	647 \$/t	-0.5%
GBP/USD	1.24	-1.6%
USD/YEN	154.37	0.8%
EUR/USD	1.06	-0.9%
USD/YUAN	7.24	0.0%
Gold	2,383.4	-0.2%
SOFR	5.31%	-0.2%
EURIBOR (3m)	3.912%	1.4%



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