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1. Sustainability

Climeworks has opened the world’s largest operational direct air capture (DAC) plant to suck carbon dioxide out of the atmosphere, with its Mammoth plant in Iceland almost ten times larger than the current record holder, according to Reuters. Worsening climate change and inadequate efforts to cut emissions have led U.N. scientists to estimate billions of tons of carbon must be removed from the atmosphere annually to meet global climate goals. DAC works by using a technical process to suck carbon dioxide (CO2) out of the air and store it, usually underground. The Mammoth DAC plant has a capacity to capture 36,000 metric tons of CO2 a year and will be fully complete by the end of 2024. It is Climeworks' second commercial project, after the Orca plant, also in Iceland, which has a capacity of 4,000 tons a year and was previously the world's largest operational site. Climeworks did not detail the cost per ton of removal at the Mammoth plant but said

it is seeking to reduce costs of the technology to \$400-600 per ton by 2030 and \$200-350 per ton by 2040.

Australia's government laid out a strategy to boost natural gas development even as it remains committed to net zero carbon emissions by 2050, highlighting demand from key Asian trade partners. Australia is one of the world's largest exporters of liquefied natural gas (LNG), and Resources Minister said gas would be needed "through to 2050 and beyond" in the global shift to cleaner energy. The plan lays out ways to reduce Australia's emissions, such as leasing more offshore acreage for carbon capture and storage, while encouraging development of new gas fields, including tightening "use it or lose it" provisions on existing leases.

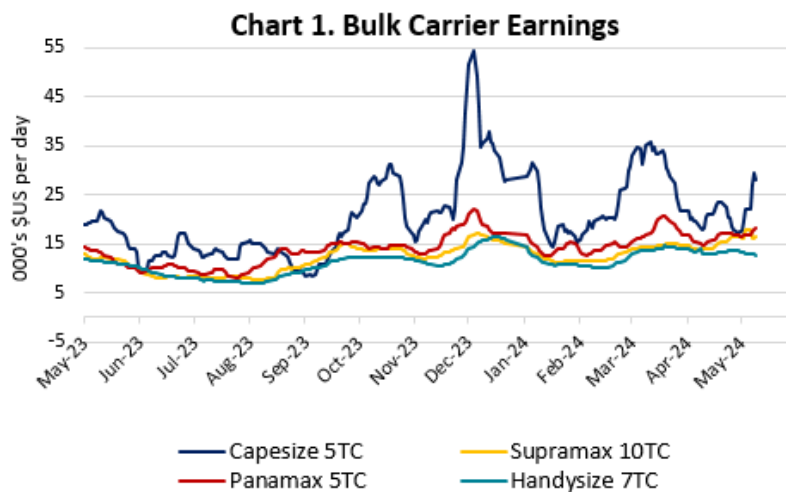
2. Shipping Markets Analysis

2.1 Dry Bulk

SnP activity was slower this week amid Holidays. There is lengthy inventory of Supramax and Handysize vessels for sale. A 2017 Built Japanese Ultramax which called for offers is rumoured to have seen levels in the high \$31's million and owners are holding for \$33 million.

On the Newbuild front, a Chinese owner is rumoured to be in the process of placing an order for twelve Newcastlemaxes with two Chinese Yards. Price is rumoured to be around \$78 million-\$80 million a piece with deliveries in 2027 onwards. If the order is confirmed, the orderbook for Capesize/Newcastlemax/VLOC will reach around 6% of the fleet or around 120 vessels.

Imports of iron ore by China, the world's biggest buyer, in 2024 are expected to be around 1.170 to 1.180 billion metric tons, similar to last year's 1.18 billion tons, a senior official of miner Vale said on Wednesday. "In the near term, we are still seeing strong resilience in the Chinese economy, although the property market is slowing down in the next few years," Eduardo Mello Franco, marketing manager for pricing at Brazilian mining company Vale told an industry conference in Singapore. "We see infrastructure for instance is still growing strongly in China," he said, adding that manufacturing is also "performing pretty well in China". Reuters.

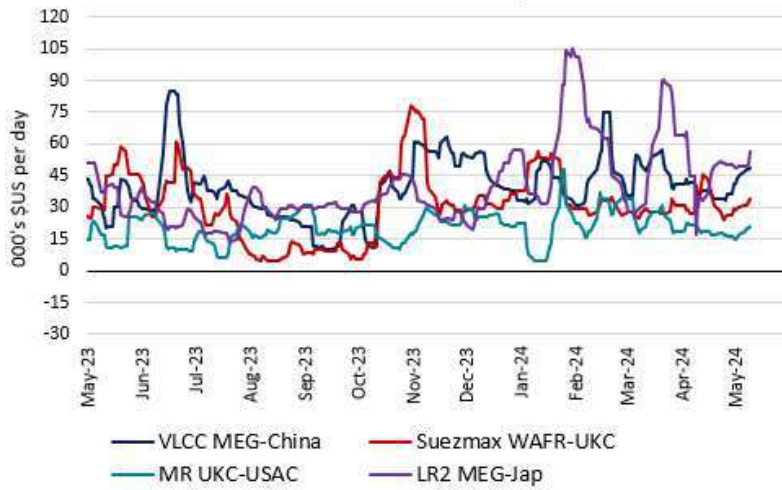


2.2 Tankers

Tanker prices for modern vessel are firm. A 2019 built Hyundai Vinashin MR tanker (fitted with scrubber) was rumoured to have been sold for \$48 million. For comparison purposes a 2019 Hyundai Mipo MR tanker was sold for around \$45 million, albeit not fitted with scrubber. The Time Charter market for remain resilient with strong demand for long term charters.

According to Reuters, Goldman Sachs on Wednesday said they no longer expect OPEC+ to announce a partial unwind of voluntary production cuts in June. The bank said inventories have recently surprised to the upside, and as a result, their model now estimates only a 37% chance of a production increase decision in June. "While our interpretation of OPEC+ communication is that no final decision has been made, we now expect Saudi crude supply to remain flat at 9 mb/d (million barrels per day) in July (vs. 9.2 previously)" the Wall Street bank added. Goldman still expects Brent crude futures to remain in a range of \$75 to \$90 a barrel in most scenarios and forecasts they will average \$82 in 2025, it said in a note. Brent settled below \$84 a barrel on Wednesday. Russian Deputy Prime Minister Alexander Novak said on Tuesday that there had been no discussions about an oil output increase by OPEC+.

Chart 2. Tanker Earnings



2.3 Container

This week, the activity in the chartering market remained robust with more than fifteen fixtures in segments between Feeders and Panamaxes. Operators are seeking to fix tonnage ranging from 1,500 TEUs upwards, however the availability for prompt deliveries is still limited.

Eight Feeders up to 1,700 TEUs reported fixed at a range between 9k/day and \$15k/day in short-term periods between three and six months while three modern (2023 built) large Feeders (1,900 TEUs) secured employment for a year with rates in the mid \$15k/day. Two Feedermaxes fixed for two years at \$18k/day, while a Danish Operator has extended the employment of a 4,250 TEUs Chinese Panamax for twenty up to twenty-four months in the mid \$27k/day.

On the SnP front, another quiet week. The Buyers appetite remains high however market sale candidates do not exist. It seems that it is Owners' preference to secure time charter employments and enjoy current rates rather than selling their tonnage.

Container ship deliveries hit a new year-to-date record as more than 1 million TEU already delivered during the first quarter of 2024. The orderbook contains about 2 million TEUs for delivery in 2024 and delivery volume is expected to exceed 3 million TEUs, around 30% higher than last year's record of 2.3 million TEUs in 2023.

The volume of new ships entering the market since Q2 2023 was expected to create a significant oversupply in the market, however the ongoing conflict in the Red Sea and diversions around the Cape of Good Hope keep the supply/demand dynamics balanced and it appears that the influx of new tonnage in the market has been absorbed.

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	2,166	28.32	VLCC MEG-China	48,700	18.49	SCFI	2,305.79	18.82
Capesize 5TC	28,238	60.87	Suezmax Wafr-UKC	33,800	16.96			
Kamsarmax 5TC	18,180	9.37	MR UKC-USAC	20,600	40.14			
Supramax 10TC	16,370	0.70	LR2 MEG-Jap	56,500	15.54			
Handysize 7TC	12,762	-4.40						

2.5 Finance

The Bank of England boss has said it needs to "see more evidence" that price rises have slowed further before cutting interest rates. Andrew Bailey said he was "optimistic that things are moving in the right direction" as rates were held at 5.25%. He said the Bank expected inflation, which measures the rate prices rise at, would fall "close" to its target level in the next couple of months. It paves the way for an interest rate cut as early as June. However, August or September seems to be the most likely timing. The interest rate set by the Bank dictates the rates set by High Street banks and money lenders. Rates are currently at their highest level for 16 years which has meant people are paying more to borrow money for things such as mortgages and loans, but savers have also received better returns. BBC

3. Second-Hand Market

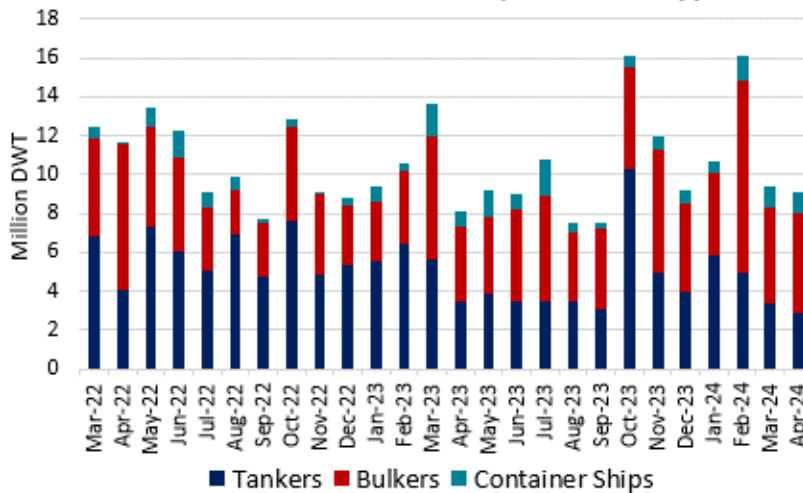
3.1 Weekly Ship Sales by Vessel Type

Vessel Type	Sub-Sector	Name	Size	Built	Yard	Price	Buyers	Surveys	Comments
Tanker	LR2	Claret Prince	109k Dwt	2010	Hudong-Zhonghua	mid \$43m	Chinese	SS/DD 01/25	BWTS/Scrubber fitted
Tanker	MR	Stavanger Pioneer	49k >>	2019	Hyundai-Vinashin	rgn \$48m	Greeks	SS/DD 11/24	BWTS/Scrubber fitted, EcoME
Tanker	Chemical	G Bright	19k >>	2004	Kitanihon	\$15m	N/A	SS/DD 06/24	StSt
Dry Bulk	Panamax	Chailase Glory	76k >>	2003	Imabari	N/A	N/A	SS 07/28 DD 04/26	BWTS fitted, TC attached
Dry Bulk	Panamax	AC Shanghai	75k >>	2001	Samho	\$8m	Chinese	SS 05/26 DD 05/24	BWTS fitted, Ice Class
Dry Bulk	Supramax	Gillingham	58k >>	2010	Yangzhou Dayang	\$13.8m	N/A	SS/DD 08/25	BWTS fitted

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	144	114	86	58	108	82	57	43
	Suezmax	98	82	67	50	76	57	41	28
	Aframax	83	71	58	42	63	49	36	24
	Panamax	61	51	41	29	50	36	26	18
	MR	51	44	36	26	43	34	24	16
DRY BULK	Capesize	75	61	44	27	56	43	27	17
	Panamax/Kamsarmax	42	36	29	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	57				62			
	6,600-teu / 10yrs	45				50			
	4,500-teu / 10 yrs	28				29			
	2,600-teu / 10 yrs	23				20			
	1,700-teu / 10 yrs	16				15			

Chart 4. Sales Volumes per Vessel Type



4. Newbuilding & Ship Recycling Markets

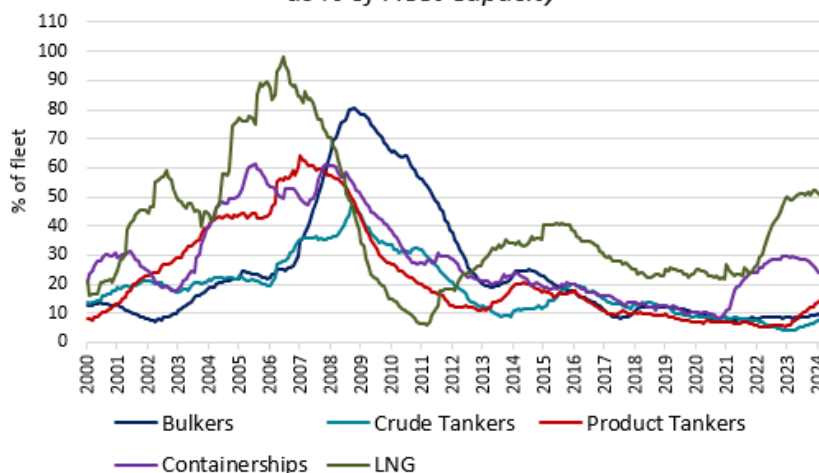
4.1 Recent Newbuilding Orders

Ship No	Type	Sub-Sector	Size	Delivery	Yard	Unit Price	Owners	Comments
6	Dry Bulk	Newcastlemax	210k Dwt	2027-29	Qingdao Beihai	ard \$80m	Chinese	Shaft generators
6	Dry Bulk	Newcastlemax			New Times			
2	Dry Bulk	Kamsarmax	82k >>	2026	Jiangsu New Hantong	ard mid \$36m	Germans	EEDI Phase III, Tier III
1	Dry Bulk	Ultramax	64k >>	2027	New Dayang	ard \$35m	Japanese	
2	Dry Bulk	Ultramax	64k >>	2027	New Dayang	ard \$35m	Egyptians	EEDI Phase III, Tier III
2	Tanker	VLCC	307k >>	2027	Dalian	ard \$120m	Greeks	Scrubber fitted
1	Tanker	LR1	75k >>	Q1 2027	Jiangsu Yangzijiang	ard \$54m	Greeks	
2	Tanker	LR1	75k >>	Q3 2026	K Shipbuilding	ard \$58m	US based	Options declared
2	Tanker	MR	50k >>	Q2-Q3 2026	K Shipbuilding	ard \$45m	Greeks	Options declared
2+2	Tanker	MR	50k >>	Q4 2026 -27	Huanghai	ard \$43m	Chinese	EEDI Phase III, Tier III
2	Gas	LNG	174k cbm	2028	HHI	ard \$266m	Greeks	
4	Gas	LPG/Ammonia	46k >>	2027	Hyundai Mipo	ard \$70m	Switzerland based	Ammonia dual fuelled
2	Gas	LPG/Ammonia	25k >>	2026	Huangpu Wenchong	N/A	Chinese	EEDI Phase III, dual fuelled

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	87	87	76	80	84
	Aframax	71	71	59	62	69
	Panamax	59	59	51	54	56
	MR	49	49	41	44	46
DRY BULK	Capesize	70	71	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	78	78	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



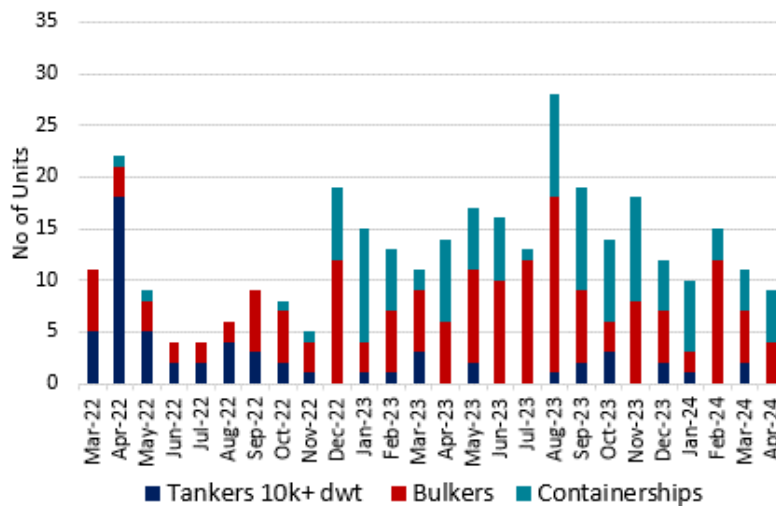
4.1 Recent Ship Recycling Activity

Type	Sub-Sector	Name	Dwt	Built	Ldt	Yard	Buyer	Price (\$/ldt)	Comment
Dry Bulk	Handymax	One Victory	45k	1996	7,685 mt	Japanese	Bangladeshi	494	
Dry Bulk	Handymax	Xin LV Bao Shi	45k	1996	7,970 mt	Japanese	Bangladeshi	525	
Container	Feeder	Professor B	1,033 TEUs	1984	5,121 mt	German	Indians	545	

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	505	560	525	500	510
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	84.41 \$/b	0.5%
WTI	79.84 \$/b	0.4%
Spore VLSFO	630 \$/t	-2.2%
GBP/USD	1.25	0.0%
USD/YEN	155.61	0.2%
EUR/USD	1.08	0.9%
USD/YUAN	7.22	-0.3%
Gold	2,355.5	1.9%
SOFR	5.31%	-0.6%
EURIBOR (3m)	3.814%	-0.3%



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