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1. Sustainability

India will have to invest as much as \$385 billion to meet its target of 500 gigawatts (GW) of renewable energy by 2030, but coal will remain a key source of electricity generation for the next decade, according to Moody's Ratings.

India, a major greenhouse gas emitter, has said it aims, opens new tab to ramp up non-fossil fuel capacity set by 50 GW each year to help meet its 500 GW target. It missed its target of 175 GW by 2022. Moody's, however, estimates an annual capacity addition of around 44 GW will help achieve that target. For that, India will have to spend \$190 billion to \$215 billion on capacity over the next six to seven years and another \$150 billion to \$170 billion for transmission and distribution, the credit ratings agency estimates. "The sizable pipelines of announced projects will likely keep financial leverage of rated renewable power companies high over the next two to three years, a credit negative, but leverage of

government related issuers is likely to remain moderate over the same period," Moody's said.

India's strong policy support has boosted the renewable energy share to around 43% in its power capacity mix in fiscal 2023-24, attracting private sector investments. Adani Group, through Adani Green Energy aims to generate 45 GW of renewable power by 2030 as it strives to become the country's first integrated renewable energy player. Continued policy backing will facilitate significant progress toward India's 2030 transition and 2070 net-zero targets, said Moody's.

However, despite the steady growth in renewable energy, most of which will likely be solar power, Moody's expects coal will play a significant role in electricity generation for the next eight to ten years. "We expect India to add 40GW-50GW of coal-based capacity over the next five to six years to help meet power demand, which is likely to grow by 5%-6% annually over this period."

2. Shipping Markets Analysis

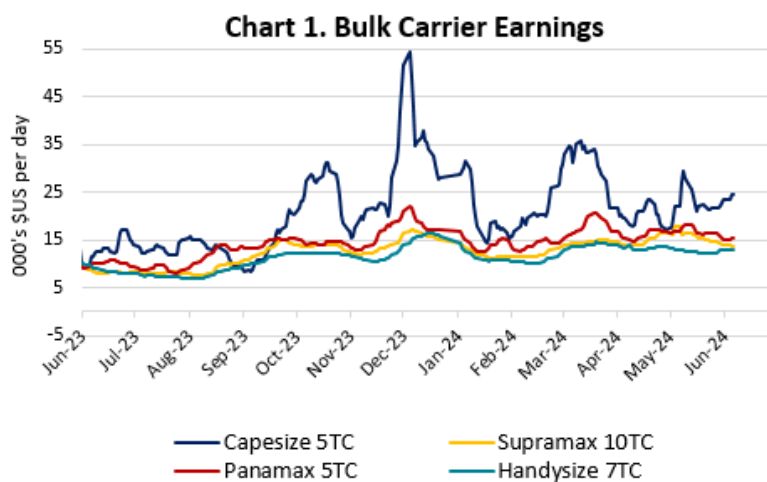
2.1 Dry Bulk

SnP activity was slower amid the Posidonia week. Headline sale of the week was the acquisition of three Chinese Panamax bulkers built in 2012 for \$52.5 million enbloc.

Prices for Newbuild vessels are holding strong on the back of healthy demand, limited availability of slots and high inflation. Newbuild prices are currently hovering at 15 year high. Some Chinese shipyards are now discussing slots basis delivery for 2028. Apparently, a Chinese yard is quoting \$80 million for a non-scrubber Newcastlemax with delivery in 2029 however the information is not confirmed.

Should the COSCO Newbuild deal goes through (rumoured around 120 vessels) this should reduce slot availability further and subsequently will increase further the Newbuild values.

In the second-hand market, Chinese have been active on the buying front mainly on the Capesize, Panamax and Supramax sector.



2.2 Tankers

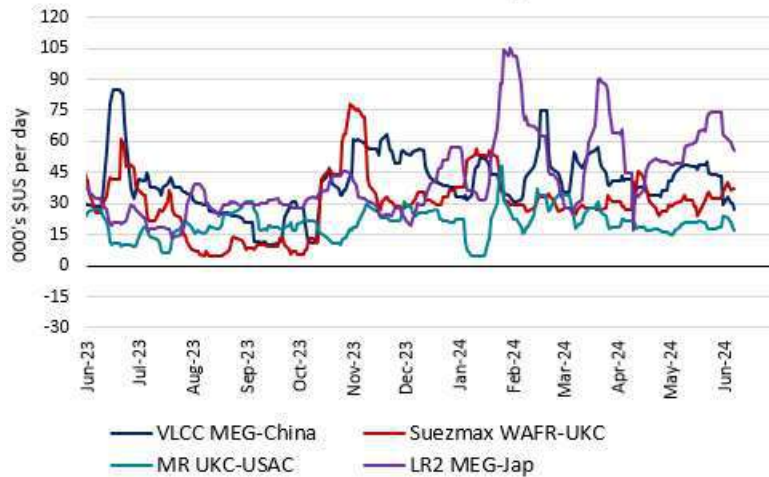
A series of fresh tanker orders were reported during the Posidonia week. Two Traders have placed orders for VLCC and LR1 tankers at Chinese yards while a Greek owner has extended its Suezmax orderbook by placing an order for two Suezmax tankers at a Korean yard. 60% of LR-1 orderbook is older than 15 years old. LR-1 orderbook currently stands at 8% (45 vessels) of the fleet. According to Market players, there is a need to renew the VLCC fleet as more than 200 VLCCs will reach the age of 20 years or more over the next five years.

The Time Charter market remains resilient. Greek owners fixed an Aframax tanker for two years at \$41,000 per day. The vessel was built in 2011.

Oman's Asyad Shipping is rumoured to be the buyers of the Hanwha Ocean VLCC slots. Market sources suggest a price of around \$130 million per ship. The vessels will be delivered in 2026.

According to Reuters, India plans to set up a new shipping company to expand its fleet by at least 1,000 ships in the next decade, as Asia's third-largest economy seeks a bigger chunk of revenue from surging trade, two government officials said. The South Asian nation is spending billions of dollars to refurbish infrastructure in its race to become a world-class manufacturer with Prime Minister Narendra Modi, who won a third term this week, aiming for it to be a developed nation by 2047. The yet-to-be-named firm will be jointly owned by state-run companies in the oil, gas and fertiliser industries, which would provide it with business, along with the state-run Shipping Corp of India and foreign companies. India's oil and shipping ministries did not respond to requests for comment. India has a fleet of about 1,500 large vessels including tankers, gas carriers, container ships and dry bulk carriers, the sources said. In January India's oil and shipping ministries agreed that all state-run oil companies and the planned company work together, a government document seen by Reuters showed.

Chart 2. Tanker Earnings



2.3 Container

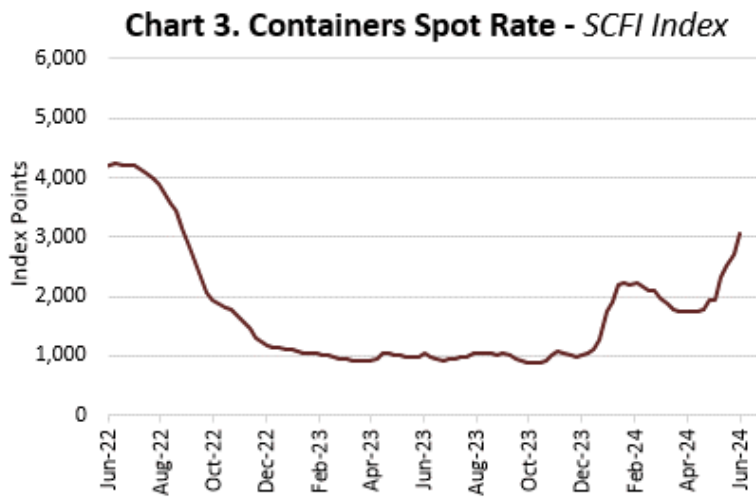
The container trading in China has been highly volatile throughout the month of May, with container prices rising beyond market expectations. The surge in container prices is driven by a significant lack of capacity (containers and vessels) that coincides with an unexpected increase in demand for transportation. In the past four to six weeks spot rates/fees which shipping companies charge for near-term delivery have risen significantly approaching pandemic levels. In China, rates surged by 45% in May while rates in the US and Europe remained stable. Overall, the demand for cargo transportation has risen significantly in recent weeks but this surge may be short-lived as the real demand from consumers remains flat. However, Analysts suggest that this container price bubble expected to burst in H2 2024.

This week, the activity on the chartering front was busier and charter rates are steadily rising with longer employment. We noticed around fifteen reported fixtures, mostly on the Feeder and Fedemax segment. Indicatively, a large modern Chinese-built Feeder (1,900 TEUs) secured employment at \$27k/day for ten to twelve months while a 2007 Chinese built slightly smaller unit (1,500 TEUs) was fixed at high \$16k/day for twelve to fourteen months. Seven Fedemaxes were fixed at a range between low \$20's and \$28k/day for twelve up to twenty-eight months. A 2023 Korean-built Fedemax which was fixed for four to six months at \$51m while a Korean-built Panamax (4,250 TEUs) was fixed at 30k/day for two years.

It was a quiet week on the newbuilding front with no new orders reported. Newbuilding sources suggest that there are some projects in the pipeline for new orders from several Global Operator companies for sizes between 8,000 and 15,000 TEUs. It is said that if the pace continues, we expect to see slots being pushed into the second half of 2028. In May, thirty-three vessels were delivered with the total fleet capacity increased by approximately 259k TEUs.

It is worth mentioning that in port/terminals segment, Tanjung Pelepas port reached a significant milestone, surpassing one million TEUs in a single month without any congestion, solidifies it as Malaysia's busiest and largest transshipment hub.

DP World, a global logistics leader, is strategically investing in its port terminal in Peru providing efficient logistic solutions from West Coast South America to international trade. The investment in Peru amounts to \$400 million, which is expected to dramatically increase the terminal's capacity by 80% as the pier will accommodate up to three vessels simultaneously, boosting its annual capacity to 2.7 million TEUs.



2.4 Key shipping Freight Indices

Bulkers		% w-o-w	Tankers		% w-o-w	Containers		% w-o-w
BDI	1,869	3.78	VLCC MEG-China	27,400	-36.43	SCFI	3,184.87	4.60
Capesize 5TC	24,689	8.25	Suezmax Wafr-UKC	37,500	14.33			
Kamsarmax 5TC	15,583	0.76	MR UKC-USAC	16,700	-10.22			
Supramax 10TC	13,706	-3.14	LR2 MEG-Jap	55,900	-24.76			
Handysize 7TC	12,883	-0.27						

2.5 Finance

European Central Bank governors see a further interest-rate cut in July as unlikely after some stronger-than-expected economic data, with the focus now on their September meeting, five sources told Reuters. The ECB went ahead with its first reduction in borrowing costs since 2019 on Thursday, citing progress in tackling inflation even as it acknowledged price growth was likely to stay above its target for another year.

Policymakers gathering in Frankfurt agreed not to provide any public guidance about their next meeting on July 18, given that the path ahead for inflation was bumpy and uncertain, the sources said. But some governors, speaking on condition of anonymity, said they thought it was unlikely they would cut rates again next month in light of recent data, including strong wage growth and services inflation. Those policymakers had already shifted their focus to the Sept. 12 meeting, when the ECB will update its economic projections and have a few more inflation prints to consider. One source said a rate cut would be warranted in September if the ECB's inflation forecast for the last quarter of 2025 remained where it has been for some time, that is at 1.9%-2.0%. ECB President Christine Lagarde has singled out that stable projection as key evidence underpinning Thursday's decision to cut rates.

3. Second-Hand Market

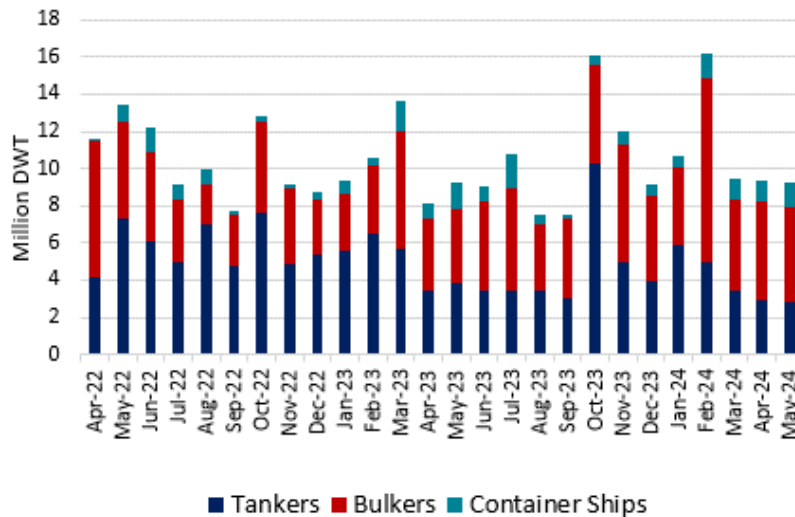
3.1 Weekly Ship Sales by Vessel Type

Vessel Type	Sub-Sector	Name	Size	Built	Yard	Price	Buyers	Surveys	Comments
Dry Bulk	Capesize	Cape Keystone	179k Dwt	2011	Hyundai Mipo	\$32.5m	Chinese	SS 12/26 DD 01/25	
Dry Bulk	Capesize	Eastern Windflower	175k >>	2010	New Times	\$28m	Chinese	SS/DD 06/25	
Dry Bulk	Supramax	Neo	58k >>	2011	Tsuneishi Zhoushan	N/A	Monaco based	SS 05/26 DD 06/24	
Dry Bulk	Supramax	Seacon 8	57k >>	2012	Ningbo Beilun	\$14.13m	UAE based	SS 03/27 DD 01/25	BWTS fitted, online auction
Dry Bulk	Handysize	Aktea R	28k >>	2010	Imabari	\$10.8m	Chinese	SS/DD 03/25	BWTS fitted, Logger
Tanker	MR	Stolt Sisto	46k >>	2010	SLS	\$28.5m	Chinese	SS/DD 02/25	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	76	62	44	28	56	43	27	17
	Panamax/Kamsarmax	42	37	29	18	35	28	20	13
	Supramax/Ultramax	41	35	27	16	33	25	16	12
	Handysize	34	28	20	12	27	21	13	8
CONTAINERS	Size	Current Prices			5-Year Avg Prices (2019-2023)				
	8,800-teu / 10 yrs	58			62				
	6,600-teu / 10yrs	46			50				
	4,500-teu / 10 yrs	29			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

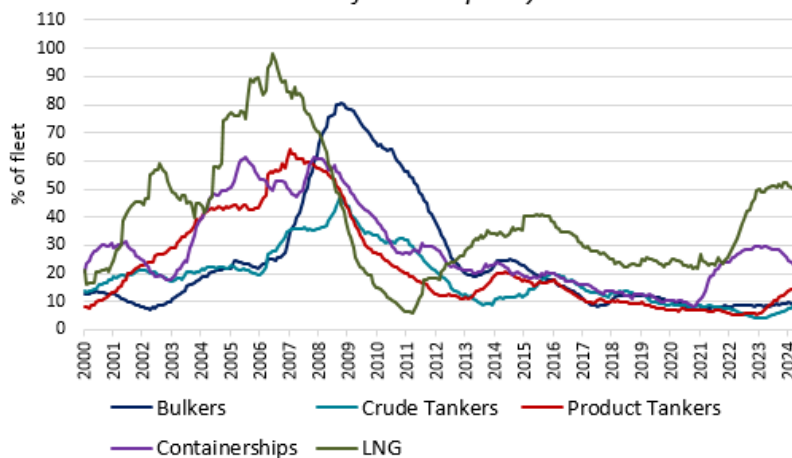
4.1 Recent Newbuilding Orders

Ship No	Type	Sub-Sector	Size	Delivery	Yard	Unit Price	Owners	Comments
1	Dry Bulk	Kamsarmax	82k Dwt	2027	TBN - Japan	N/A	Greeks	EEDI Phase III, Tier III
2	Dry Bulk	Ultramax	64k >>	2H 2027	New Dayang	ard \$35m	Hong Kong based	
4	Dry Bulk	Ultramax	64k >>	2026-27	Taizhou Sanfu	ard \$33.4m	Thais	
1	Dry Bulk	Ultramax	64k >>	2026-27	New Dayang	ard \$35m	Japanese	
2	Dry Bulk	Handysize	41k >>	2026	Jiangmen Nanyang	ard \$30m		
3	Tanker	VLCC	319k >>	2026-27	Jiangsu New Hantong	ard \$120m	Switzerland based	Ammonia dual fuelled
2	Tanker	Suezmax	157k >>	2027	Daehan	N/A	Greeks	Scrubber fitted
2	Tanker	Panamax	74k >>	2027	Yangzijiang	ard \$56m	Switzerland based	
2	Tanker	Chemical	18.5k >>	2025-26	Wuhu	ard \$33m	Chinese	EEDI Phase III, Tier II
1	Gas	LPG	40k cbm	2027	TBN - Chinese	ard low \$65m	Greeks	
4	Gas	LCO2	22k >>	2026-27	Hyundai Mipo	ard low \$78m		
1	Gas	LPG	11k >>	2027	Sasaki	N/A	Greeks	

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	72	59	62	69
	Panamax	59	60	51	54	56
	MR	50	50	41	44	46
DRY BULK	Capesize	73	73	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	119	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

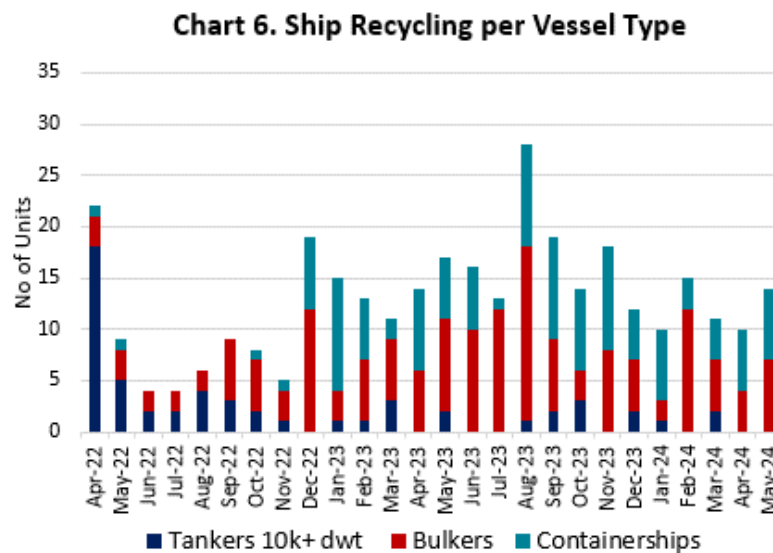


4.1 Recent Ship Recycling Activity

Type	Sub-Sector	Name	Dwt	Built	Ldt	Yard	Buyer	Price (\$/ldt)	Comment
Dry Bulk	Handysize	Poseidon M	38k	1994	7,170 mt	Japanese	Pakistani	N/A	
Container	Panamax	Jeppesen Maersk	3,003 TEUs	2001	6,314 mt	German	Turkish	N/A	

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	520	560	525	500	525
Bangladesh	600	505	485	515	590	510	485	520
Pakistan	590	520	510	515	585	520	505	515



5. Macro Indicators

Indicator		% w-o-w
ICE Brent	79.98 \$/b	-2.3%
WTI	75.70 \$/b	-2.7%
Spore VLSFO	577.5 \$/t	-5.3%
GBP/USD	1.28	0.8%
USD/YEN	155.51	-0.9%
EUR/USD	1.09	0.9%
USD/YUAN	7.24	0.1%
Gold	2,376.3	1.4%
SOFR	5.33%	0.0%
EURIBOR (3m)	3.752%	-1.0%



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