



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

India has asked power companies to order equipment worth \$33 billion this year to fast track capacity additions of coal-fired power in the years ahead, as the South Asian nation struggles to meet booming electricity demand, two government officials said, according to Reuters. The unprecedented move by the government, which would result in record tendering in a year for the equipment by major power firms such as state-run and SJVN as well as by private companies Adani Power and Essar Power, will help add 31 gigawatts (GW) in the next 5-6 years, the sources said. Normally, the government leaves the tendering timing to the companies themselves. Expediting equipment orders for new coal-fired plants was discussed at a meeting held by Power Minister Manohar Lal, soon after the formation of Prime Minister Narendra Modi's federal cabinet early last month. The targets are ambitious given the country has ordered equipment for about 2-3 GW capacity annually in prior years, barring last year's orders for

10 GW. India is rushing to add fresh coal-fired plants as it is barely able to meet high power demand with the existing fleet in non-solar hours.

Post pandemic, the country's power demand scaled new records on the back of the fastest rate of economic growth among major economies and increased instances of heatwaves. India saw its biggest power shortfall in 14 years in June, and had to race to avoid night time outages by deferring planned plant maintenance, and invoking an emergency clause to mandate companies to run plants based on imported coal and power. State-run Bharat Heavy Electricals Ltd (BHEL) which bagged all power equipment contracts in auctions in the last year, is likely to get most of the contracts for the new equipment, the sources said.

2. Shipping Markets Analysis

2.1 Dry Bulk

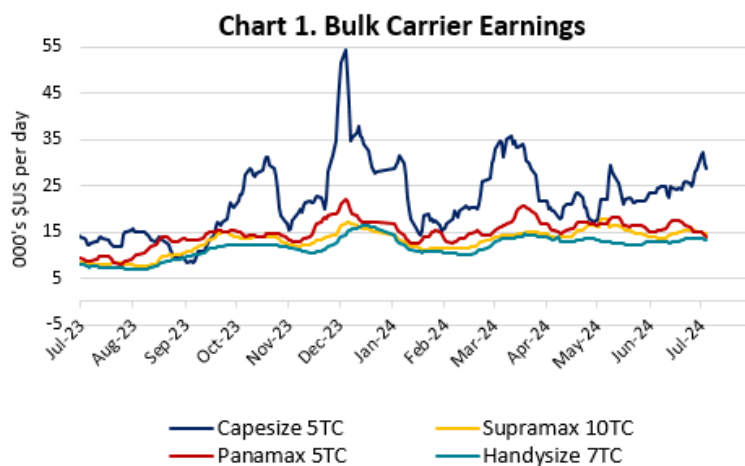
Second hand values remain steady. We see new sale candidates entering the market as some owners are trying to take advantage of the current high values. There are mixed feelings from Owners as some feel there is a discrepancy between vessels' values and the freight rates.

On the Handysize segment, a modern 2019 built Japanese unit is rumoured to have seen levels in the \$27's million, a touch less compared to a 2020 built unit which was sold for \$29.5 million back in April.

Order book for the largest segment keeps increasing. Over the last month we have counted more than 20 orders placed for Newcastlemax/Capesize/VLOC. This is around 20% of the current orderbook for this type of vessels in a span of a few weeks.

Baltic Exchange's index, hit on Monday its highest level in nearly two months as Capesize vessels gained on robust demand. Bauxite Exports from Guinea reached a new record high of 38.01 million tons. Nevertheless, the market dropped again by the end of the week.

According to Clarksons bulker Suez Canal transits have been relatively stable in recent months at around 50% of 1H December levels, driving an estimated ~1.2% increase in bulker demand as a result of rerouting.



2.2 Tankers

Headline sale of the week, was a 2020 Korean Aframax which was reported sold for almost \$79 million. Based on our records, the cost of a new building back in 2018 was around \$50 million.

An Omani company has placed an order for four VLCC tankers at a Korean yard for \$130 million a vessel. Despite the demand for VLCC Newbuilds, there are still some market players struggling to make up the numbers.

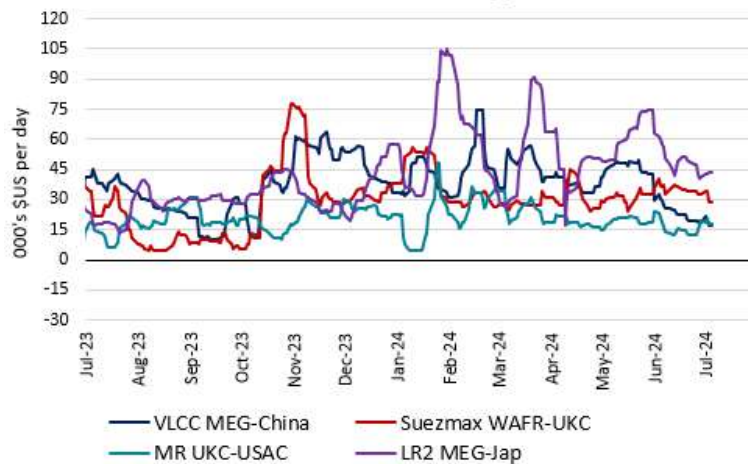
Based on the assumptions that a VLCC New Build cost around \$130 million with finance cost of around 8% and OPEX around usd 10,000 per day someone will need to make over 55,000 per day for the next 20 years to breakeven.

According to a Norwegian source, "a \$130 million (for a VLCC newbuild), one would need ~\$55k/day every day for 25 years to achieve a 12% unlevered return once the vessels are delivered two – three years down the road."

There are 4 VLCCs bound for Europe loaded with diesel in an unprecedented move to capture high LR2 freight rates. That's 7 million barrels arriving end of month and early August.

According to Clarksons, Oil tanker transits through the Suez Canal remain subdued, with product tanker trends largely steady in recent months; product tanker transits averaged 0.4m dwt per day in 1H-June, down 36% vs 1H-December. Meanwhile, crude tanker transits fell to an average of c.0.8m dwt per day in June (down from 0.9m dwt per day in May), c.20% below 1H-December levels.

Chart 2. Tanker Earnings



2.3 Container

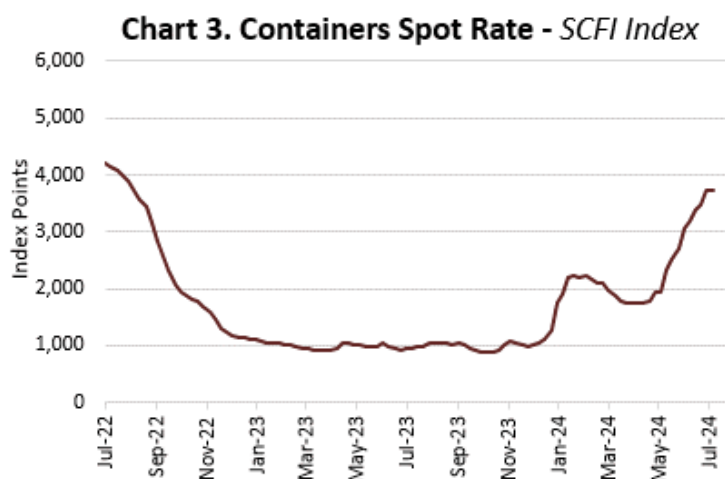
The Asia-North Europe container shipping futures have experienced a notable surge, jumping 22%, as market players anticipate that the conflict in the Red Sea will persist into next year. This has led to a remarkable increase in tonne-mile growth, reaching a 14-year high, with many ships being rerouted around the Cape of Good Hope. Containers have seen the most significant growth, with a 12% increase. As a result, freight rates are expected to remain high, with the average spot rate projected to reach around \$4k per TEU. However, some analysts predict that there may be a correction once the traditional third-quarter peak season comes to an end.

This week, the SnP market experienced a steady rhythm, with the scarcity of second-hand vessels on the market attributed to the current high demand in the time charter market. Enquiry levels remained exceptionally strong. As a matter of fact, we have observed that container vessels' values have improved by around \$2 million over the last two weeks. A 2007-built Chinese feeder vessel (1,700 TEUs, geared) which received around seven offers was ultimately sold at a price of around mid-\$13 million.

Despite the strong demand for new vessels, there are concerns about the global container ship fleet reaching a new record of over 30 million TEUs. Reason being that 64 new ships delivered or ordered so far this year. A hundred pending orders could push the orderbook to over 1 million TEUs by the end of the year.

Chinese ports have seen an increase in container throughput, with a 9% year-on-year increase from January to May 2024. Shanghai Port and Ningbo Zhoushan port experienced growth of 8.5% and 6.5%, respectively, while most ports showed an overall surge in container volume.

Last but not least, the Panama Canal has announced plans to optimize its operations by increasing its maximum authorized draft and daily transits. The canal aims to raise its maximum draft from 46 to 48 feet and increase daily transits to 35 ships per day by August.



2.4 Key shipping Freight Indices

Bulkers		% w-o-w	Tankers		% w-o-w	Containers		% w-o-w
BDI	2,021	-0.49	VLCC MEG-China	17,500	-9.79	SCFI	3,733.80	0.52
Capesize 5TC	28,911	3.42	Suezmax Wafr-UKC	29,100	-11.01			
Kamsarmax 5TC	14,110	-6.23	MR UKC-USAC	18,300	4.57			
Supramax 10TC	14,711	-4.43	LR2 MEG-Jap	43,500	7.14			
Handysize 7TC	13,405	-2.45						

2.5 Finance

According to Reuters, Swiss bank UBS has completed the merger of its domestic unit with Credit Suisse's operations in its home market, the bank said on Monday, adding that the head of the Credit Suisse business was leaving the bank. Following the merger, UBS Switzerland has taken on all the rights and obligations of Credit Suisse, with the process expected to ease the migration of clients and operations to the UBS platform. UBS has already begun to move over clients from Credit Suisse in Hong Kong and Singapore.

Global banking regulators have approved templates for banks to disclose their exposure to crypto assets from January 2026, according to Reuters.

China's central bank plans to intervene directly in bond markets in a sign of officials' growing discomfort with a rally that has pushed borrowing costs to the lowest level in two decades, according to Financial Times. The People's Bank of China said on Monday it would "borrow sovereign bonds from primary traders in the open market in the near future". The decision was made on "prudent observation and evaluations of current market situations" in order to "maintain the stable operation of the bond market". The statement came as the yield on China's onshore 10-year government bond declined two basis points to 2.18 per cent, the lowest since Bloomberg started tracking the data in 2002.

Investors have piled into the bonds as they hunt for haven assets in a weak economy. Experts said the PBoC's statement indicated it was moving to cool the market rally by selling bonds to ease demand. "The PBoC will become a regular and active trader on the secondary market of sovereign bonds going forward," said Zhang Ming, a senior fellow and the deputy director of the Institute of Finance and Banking under the Chinese Academy of Social Sciences, a state think-tank. "The Chinese government is on track to significantly increase the sale of its sovereign bonds in the coming years," he added. The yields on China's 10- and 30-year government bonds rose following the statement, to 2.2 per cent and 2.4 per cent respectively. Bond yields rise as prices fall.

3. Second-Hand Market

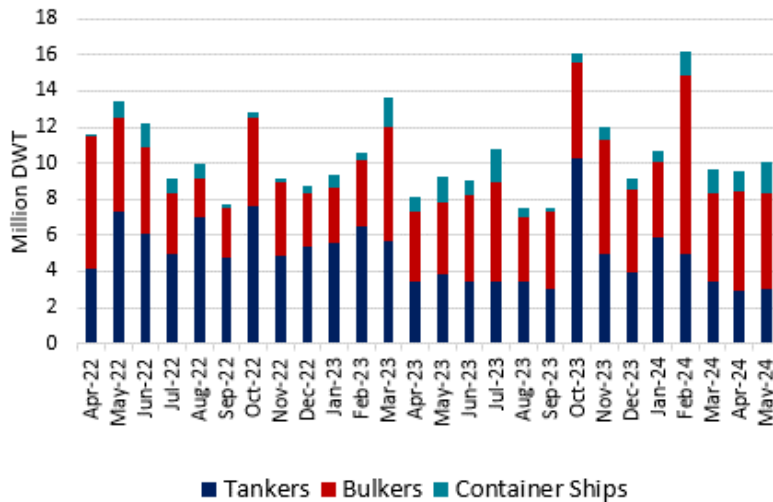
3.1 Weekly Ship Sales by Vessel Type

Vessel Type	Sub-Sector	Name	Size	Built	Yard	Price	Buyers	Surveys	Comments
Tanker	Aframax	Pusaka Java	108k Dwt	2018	Tsuneishi	\$69.5m	Singaporeans	SS 01/28 DD 03/26	Scrubber fitted, Eco ME
Dry Bulk	Capesize	Iron Phoenix	180k >>	2012	Tsuneishi Cebu	rgn \$35m	Chinese	SS 11/26 DD 02/25	BWTS fitted, Eco ME
Dry Bulk	Supramax	Nordic Stavanger	56k >>	2011	Mitsui	rgn \$18m	Europeans	SS 11/26 DD 12/24	BWTS fitted
Dry Bulk	Supramax	UM Elhanaya	56k >>	2010	Qingshan	mid/high \$12m	N/A	SS/DD 04/25	BWTS fitted
Dry Bulk	Supramax	FLC Longivity	56k >>	2009	Taizhou Kouan	\$11.5m	N/A	SS/DD 07/24	BWTS fitted
Dry Bulk	Handysize	DL Lilac	33k >>	2012	Samjin	\$12.5m	N/A	SS 11/27 DD 11/25	BWTS fitted
Dry Bulk	Handysize	Noble Oak	28k >>	2005	Imabari	\$7.7m	Chinese	SS/DD 09/25	
Container	Feeder	Hansa Wolfsburg	1,732 TEUs	2007	Guangzhou Wenchong	high \$13m	N/A	SS 12/27 DD 07/25	

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	62	52	42	30	50	36	26	18
	MR	53	46	38	27	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	64			62				
	6,600-teu / 10yrs	52			50				
	4,500-teu / 10 yrs	35			29				
	2,600-teu / 10 yrs	27			20				
	1,700-teu / 10 yrs	18			15				

Chart 4. Sales Volumes per Vessel Type



4. Newbuilding & Ship Recycling Markets

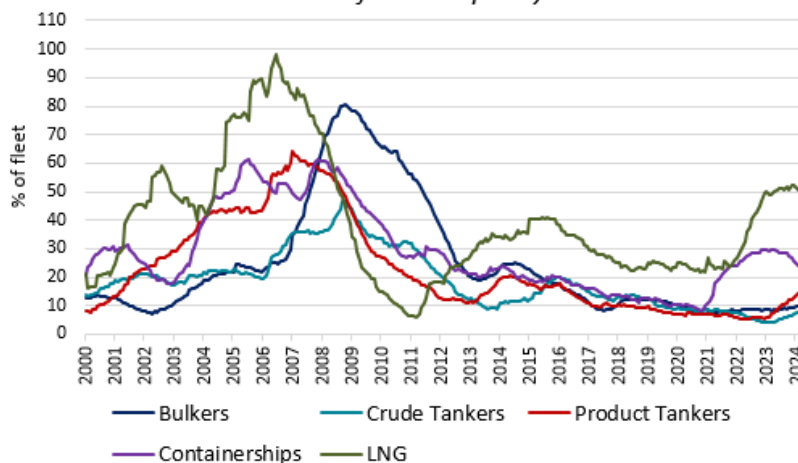
4.1 Recent Newbuilding Orders

Ship No	Type	Sub-Sector	Size	Delivery	Yard	Unit Price	Owners	Comments
6	Dry Bulk	VLOC	325k Dwt	2026-27	Hengli	ard mid \$115m	Singapore based	Methanol ready, EEDI Phase III
2 + 2	Tanker	LR1	75k >>	2027-28	New Times	ard \$55m each	Greeks	Scrubber fitted
1	Tanker			2027	Yangzijiang			
5	Tanker	MR	41k >>	Q4 2026 - Q1 2027	Penglai Jinglu	N/A	Greeks	
4	Tanker	MR	37k >>	2026	Hyundai Mipo	ard \$48m	Greeks	
8 + 4	Container	VLCS	18,000 TEUs	2027-28	New Times	ard xs \$200m	Singapore based	LNG dual fuelled
5	Container	VLCS	16,000 >>	2027-28	New Times	ard \$200m	Norwegians	LNG dual fuelled
2	Gas	VLAC	93k >>	Q3 2028	Hyundai Samho	ard \$120m	Danish	Options declared

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	88	88	76	80	84
	Aframax	74	74	59	62	69
	Panamax	61	61	51	54	56
	MR	51	51	41	44	46
DRY BULK	Capesize	75	75	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	158	158	129	128	130
	8,000-teu	121	121	84	86	91
	5,000-teu	79	79	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



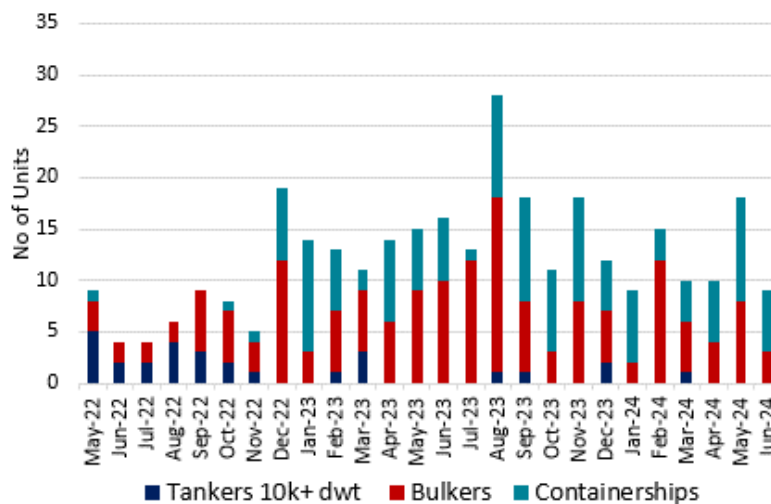
4.1 Recent Ship Recycling Activity

Type	Sub-Sector	Name	Dwt	Built	Ldt	Yard	Buyer	Price (\$/ldt)	Comment
Dry Bulk	Panamax	APJ Mahakali	70k	1996	9,126 mt	Japanese	N/A	525	"As is" Colombo
Dry Bulk	Handymax	Kmax Pro	48k	1997	7,226 mt	Japanese	N/A	N/A	"As is" Malaysia
Dry Bulk	Handymax	Khadeejah Jahan	45k	1997	6,994 mt	Japanese	Bangladeshi	N/A	
Container	Small Feeder	Hua Kai	357 TEUs	1994	2,408 mt	Korean	Bangladeshi	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	515	560	525	500	520
Bangladesh	600	505	485	515	590	510	485	520
Pakistan	590	520	510	510	585	520	505	505

Chart 6. Ship Recycling per Vessel Type



5. Macro Indicators

Indicator		% w-o-w
ICE Brent	87.55 \$/b	3.1%
WTI	84.12 \$/b	2.2%
Spore VLSFO	638 \$/t	1.7%
GBP/USD	1.28	1.6%
USD/YEN	160.7	-0.2%
EUR/USD	1.08	0.9%
USD/YUAN	7.27	0.0%
Gold	2,365.6	1.7%
SOFR	5.40%	1.1%
EURIBOR (3m)	3.709%	-0.3%



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