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

Ocean Network Express (ONE) has supercharged an order for methanol-fuelled newbuildings at a time of intense investment in new container ships, according to Tradewinds. It has returned to China's Jiangnan Shipyard and Yangzijiang Shipbuilding to place orders for 10 extra methanol dual-fuel 13,000-teu container ships. Singapore-based ONE has doubled down on methanol at a time when other major shipowners, most notably pioneer AP Moller-Maersk, are turning to LNG. Shipbuilding sources said ONE, which contracted six of the vessel type at each shipyard earlier this year, has added five ships to the original deals.

Sources said ONE's latest five-ship deal at Yangzijiang were optional vessels, while the five ships at Jiangnan had been newly contracted. ONE has said the orders represent its "inaugural fleet" of methanol-fuelled vessels that will play a key role in meeting sustainability goals. However, it did not rule out following rivals with orders for LNG-fuelled ships, noting it is "continually exploring various alternative fuel options".

The price for ONE's latest container ships has not been disclosed. But the container line was reported to be paying just shy of $170m each for the boxships it penned in January. Jiangnan is scheduled to deliver the first vessel to ONE in late 2026 and the other 10 in 2027 and 2028. Jiangsu-based Yangzijiang is slated to deliver its vessels in 2027 and 2028. ONE's newbuildings at Jiangnan and Yangzijiang will include an optimised hull form, waste heat recovery systems and a bow windshield. Some vessels will also be equipped with an air lubrication system and shaft generator to help explore enhancements in fuel efficiency and the reduction of greenhouse gas emissions. The innovations aim to accelerate decarbonisation efforts and ensure compliance with regulations.

Methanol's largest advocate, Maersk, is said to be turning to LNG fuelling for its latest batch of newbuildings. The liner giant was reported to have long-term chartered five LNG dual-fuel 16,000-teu newbuildings from both SFL Corp and Seaspan Corp. The company has also approached shipyards for a raft of similar vessels on its own account.

2. Shipping Markets Analysis

2.1 Dry Bulk

On the SnP front, a 2015 and 2012 blt Japanese ultramaxes invited offers this week. Market sources suggest that the 2015 built Japanese unit has seen offers in the $29's million while the 2012 one in the $21's million. Prices are in line with the last done. Interesting to note that few modern private Ultramaxes have been circulated in the market for sale.

Based on our records, more than 210 Bulkers have been ordered year to date. Market players have placed orders for 55 Capesizes (Including Newcastlemax and VLOC), 3 Post-Panamaxes, 50 Kamsarmaxes, 84 Ultramaxes and 20 Handysize so far this year. Chinese have the lion's share of newbuild orders this year followed by the Greeks, Japanese and Singaporeans. During 2024, 11 Greek Companies have ordered 20 Kamsarmaxes, 7 Ultramaxes and 4 Handysize.

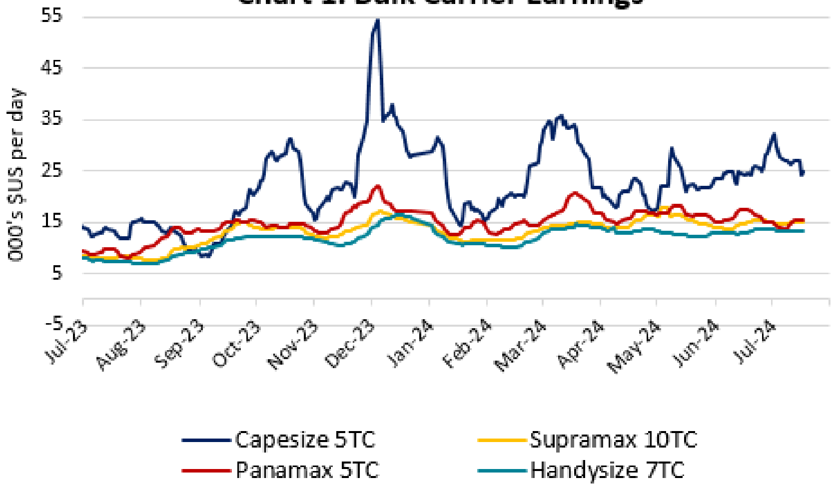
HMM of Korea has been busy buying modern second-hand vessels. According to Market sources the company has purchased a series of modern Bulkers from Handysize up to Newcastlemaxes. The cost associated with the acquisition of the above vessels is rumored to exceed $240 million according to Tradewinds. The company is planning to significantly increase its Dry Bulk fleet by the end of the decade.

Dry orderbook as a percentage of the fleet increased above 10% in dwt terms (25k-dwt +), mainly due to the increase in Newcastlemax and VLOC newbuild activity. This is the highest number since early 2020. Dry orderbook to fleet ratio 12 months ago, was at around 8%.

Rio Tinto's African iron ore project (world's largest new iron ore project) has won final approval from the Guinean and Chinese governments, clearing the way for first production to begin within 18 months. Simandou will initially comprise two neighbouring iron ore projects under different ownership, which will use shared rail and port infrastructure to get a combined tally of about 120 million tonnes of iron ore to seaborne markets.

Yards in China are increasing their capacity. According to Tradewinds, Yangzijiang to expand capacity with new $413 million clean energy shipyard. The Chinese yard will acquire land for new facility with a shipbuilding capacity of 800,00 dwt per year. Shipbuilding giant New Times plots major expansion to cope with $5.7 billion container ship order run. China's Hengli Group is lining up an investment of CNY 9.2 billion ($1.3 billion) in its reborn former STX Dalian shipyard at Changxin Island.

Chart 1. Bulk Carrier Earnings

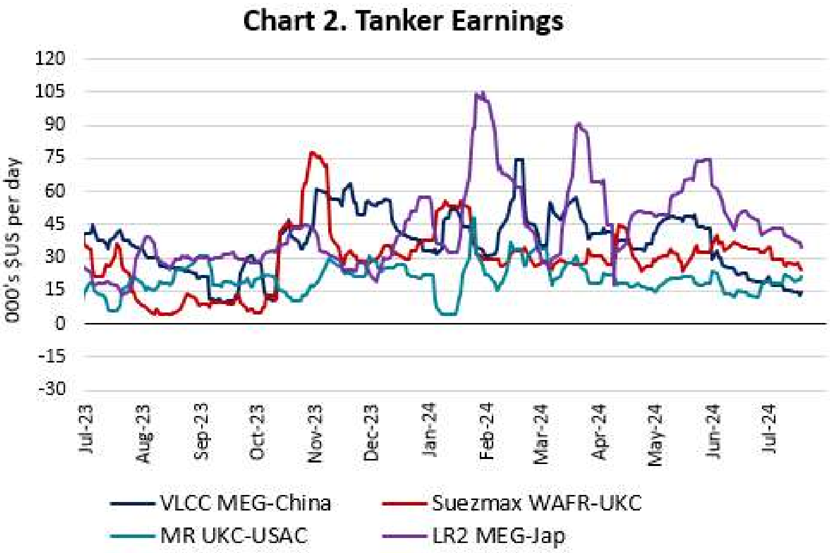


2.2 Tankers

Despite limited fresh SnP activity was reported during this week, prices remain exceptionally high across all segments. Enquiry for VLCC and Suezmaxes tankers has cooled down significantly during July with no reported sales.

According to Poten, Chinese crude imports will likely increase again once refineries come out of maintenance season. Vortexa recently reported that the Chinese govt has asked oil companies to increase their oil purchases for the SPR by 8m tons (~58.5 Mln bbl) by March 2025.

We do not expect a significant upside on the price of oil, always subject to geopolitics, given Global oil demand growth is on a downward trend while Global oil supply is on the rise this year. Strong crude oil exports from the Atlantic basin will support the tanker market.



2.3 Container

There is a shortage of large vessels available for charter until 2025. Charter rates have risen about 3% from last week and nearly tripled from December's levels.

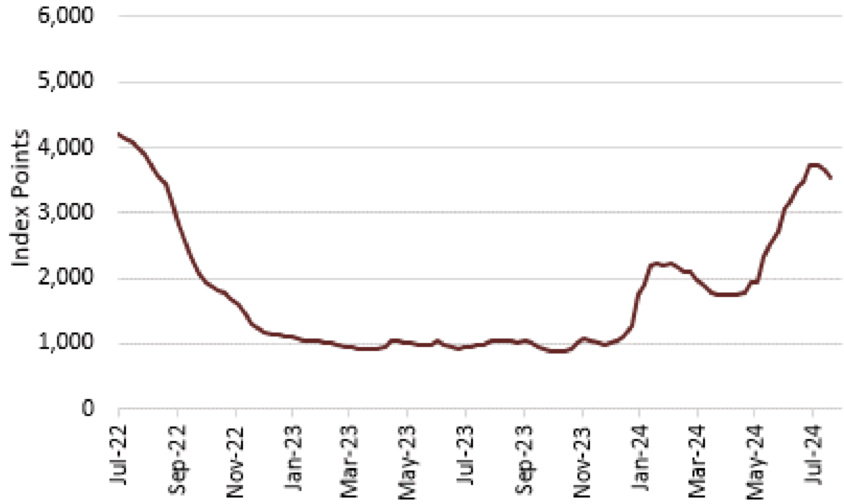
The freight market has seen a significant increase in spot rates on major trades out of the Far East, with a 300% surge between December 2023 and June 2024. Singapore, the world's largest transshipment hub, was severely congested, but carriers have spread cargo throughout the region to ease the situation. The cost of shipping a FEU from Shanghai to New York has risen to nearly $10k.

India is currently experiencing a shortage of refrigerated containers, which is having a significant impact on the export of perishable goods, including seafood and pharmaceuticals, to major markets in the West.

The Newbuilding sector remains busy. Over the last six weeks, we have recorded Newbuilding orders for approximately 74 vessels, plus 16 options. A French and Singapore-based global Owner/Operator has placed a massive order with South Korean and Chinese shipyards for the construction of 17 vessels. Hyundai Heavy Industries (HHI) and Hyundai Samho will build twelve Very Large Container Ships (VLCS) of 15,500 twenty-foot equivalent units (TEUs), all of which will be LNG dual-fuelled and delivered in 2027 and 2028. The cost for each unit is estimated to be around $220 million.
Jiangnan will build five methanol dual-fuelled VLCS of 13,000 TEUs at a cost of $170 million each, with delivery expected in 2027-28. Additionally, the Singapore-based owner/operator has declared options for an additional five VLCS vessels to be built by Yangzijiang Shipyard.

In port/terminals segment, the Port of Long Beach achieved its busiest June on record, with 844k TEUs moved, a 40% increase from the same month last year and 7,034 TEUs more than the previous record set in June 2022. Imports rose 53% to 419k TEUs, exports increased 4% to 98k TEUs, and empty containers increased about 42% to 324k TEUs.

Chart 3. Containers Spot Rate - *SCFI Index*



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	1,912	-5.39	VLCC MEG-China	14,200	-7.79	SCFI	3,542.44	-3.60
Capesize 5TC	24,941	-13.73	Suezmax Wafr-UKC	24,900	-10.43			
Kamsarmax 5TC	15,423	9.31	MR UKC-USAC	21,500	0.47			
Supramax 10TC	15,065	2.41	LR2 MEG-Jap	35,200	-11.34			
Handysize 7TC	13,478	0.54						

2.5 Finance

Several major Russian commodity exporters say trade with China has become a gamble as direct payments made in yuan are increasingly being frozen or delayed after the US in June broadened the criteria for imposing sanctions, according to Bloomberg. It has become very difficult or even impossible to make direct payments from China to Russia after the latest round of US sanctions, even when using yuan, said top executives at three commodities exporters.

The European Central Bank kept interest rates unchanged but said September's meeting was "wide open" as it downgraded its view of the euro zone's economic prospects and predicted that inflation would keep on falling, according to Reuters. The ECB cut rates from record highs last month in a move that even some of its policymakers considered rushed given stalling disinflation, and the bank is proving more cautious about a follow-up step. There were a few hints to support investor bets on another reduction in September, however, including ECB President Christine Lagarde's comment that risks to growth were "tilted to the downside" - a change to her previous formulation that they were balanced, at least in the near-term.

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	Zeze Start	49k Dwt	2009	Hyunduai Mipo	high $27m	N/A	SS/DD 07/24	
Tanker	MR	Sparkle	45k >>	2004	Minaminippon	N/A	N/A	SS/DD 08/24	BWTS fitted
Dry Bulk	Supramax	Seacon Yantai	56k >>	2010	COSCO Zhoushan	$13.8m	Indonesians	SS/DD 08/25	BWTS fitted
Dry Bulk	Handysize	Western Durban	39k >>	2015	Jiangmen Nayang	rgn $78m en bloc	Thais	SS/DD 06/25	Eco ME / BWTS fitted
Dry Bulk	Handysize	Western Lima	39k >>					SS/DD 04/25	
Dry Bulk	Handysize	Western Miami	39k >>					SS/DD 07/25	
Dry Bulk	Handysize	Western Paris	38k >>					SS/DD 11/25	
Dry Bulk	Handysize	Voge Mia	36k >>	2011	Hyundai Mipo	low $15m	Euorepeans	SS/DD 05/26	BWTS fitted
Dry Bulk	Handysize	Voge Emma	36k >>	2011	Hyundai Mipo	low $15m	Euorepeans	SS/DD 04/25	BWTS fitted

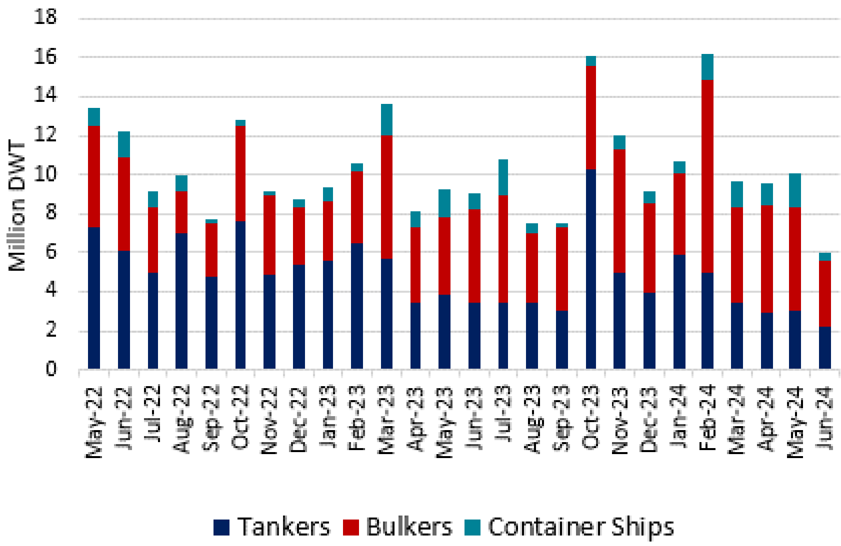
3.2 Second-Hand Asset Values & Sales Volumes per Vessel Type

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	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

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

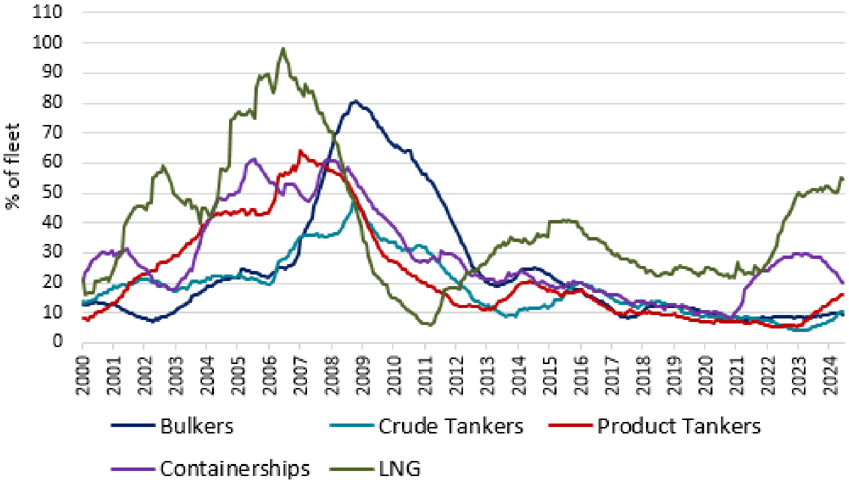
4.1 Recent Newbuilding Orders

Table 3. Weekly Newbuilding Orders								
Ship No	Type	Sub-Sector	Size	Delivery	Yard	Unit Price	Owners	Comments
6	Dry Bulk	Ultramax	63.5k Dwt	2H 2026 - 1Q 2027	Sainty	ard $32m	Greeks	Tier III
6	Container	VLCS	15,500 TEUs	2027-28	Hyundai Samho	ard $222m	French	LNG dual fuelled
6	Container	VLCS			HHI			
5	Container	VLCS	13,000 >>	2027-28	Jiangnan	ard $170m	Singapore based	Methanol dual fulled
5	Container	VLCS	13,000 >>	2027-28	Yangzijiang			Methanol dual fulled, options declared
2	Gas	VLGC	88k cbm	2027	HHI	ard $124m	UAE based	

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	88	89	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



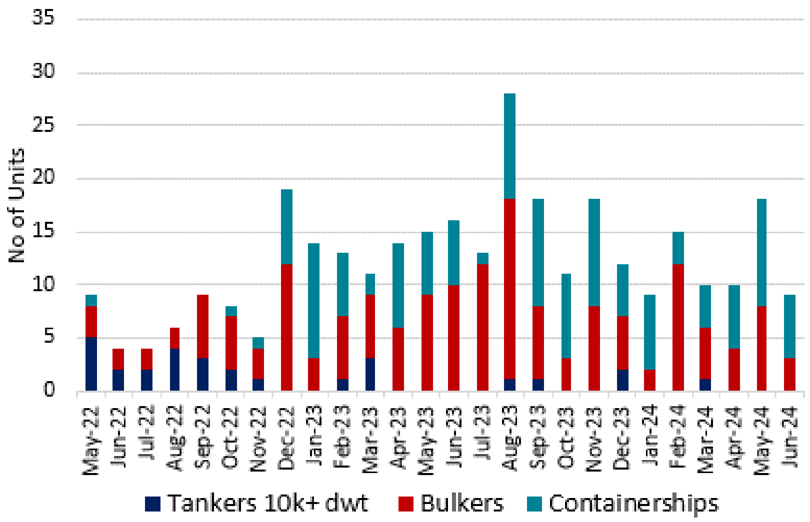
4.1 Recent Ship Recycling Activity

Table 5. Weekly Ship Recycling Activity									
Type	Sub-Sector	Name	Dwt	Built	Ldt	Yard	Buyer	Price ($/ldt)	Comment
Dry Bulk	Handymax	Jia Hang Xing	43k	1994	7,955 mt	Korean	N/A	N/A	"As is" Zhejiang

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

Chart 6. Ship Recycling per Vessel Type



5. Macro Indicators

Indicator		% w-o-w
ICE Brent	85 $/b	-0.5%
WTI	82 $/b	-1.1%
Spore VLSFO	625 $/t	-0.4%
GBP/USD	1.29	0.0%
USD/YEN	157.64	-0.4%
EUR/USD	1.08	-0.9%
USD/YUAN	7.27	0.1%
Gold	2,417.4	0.1%
SOFR	5.35%	0.2%
EURIBOR (3m)	3.678%	-0.7%

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