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1. Sustainability

HD Korea Shipbuilding & Offshore Engineering (HD KSOE) has been given the green light by the Liberian Registry for their new ammonia fuel system to be used for the construction projects of new ammonia-fuelled vessels, according to Tradewinds. Winning the approval from the Liberian Registry, one of the biggest flag states for a ship registry, is a breakthrough for HD KSOE's new project.

This comes after the shipbuilding giant unveiled its design of an ammonia scrubber for the next generation of ammonia-fuelled vessels. The scrubber is designed to absorb toxic gas while emitting zero carbon. Additionally, the exhaust outlets are strategically positioned away from crew quarters to enhance safety. Class society Lloyd's

Register has also vouched for the new fuel supply system project, confirming a successful joint development project between the Liberian Registry, Lloyd's Register and HD KSOE.

As reported previously by TradeWinds, using ammonia as a marine fuel can slash greenhouse gas emissions by up to 61%, according to an independent study commissioned by the Society for Gas as a Marine Fuel. Ammonia is expected to be one of the new zero-emissions fuels, with several shipowners ambitioning to move straight to ammonia as soon as blue or green supplies become available from 2027 or 2028.

2. Shipping Markets Analysis

2.1 Dry Bulk

The SnP market remains strong despite the summer holidays with second hand values significantly increased since the end of last year. On the SnP Capesize front, around 68 vessels have been sold this year. Interesting to note, 50 Capesizes changed hands between January and April or almost 75% of the total 2024 sales. Earnings for the largest segment were unexpectedly strong during Q1 this year and they are presently above the 5year average. Chinese have been the top buyers in 2024 with almost 40 Capesize purchased (or 58% of the 2024 Sales).

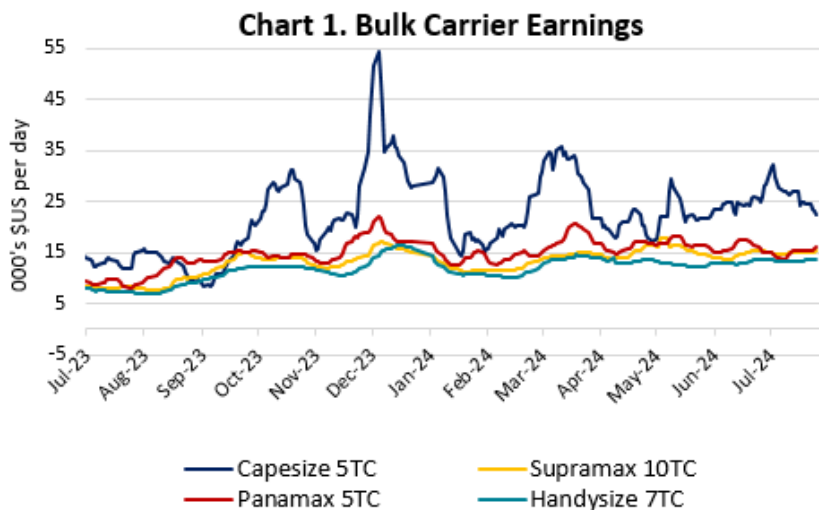
Greeks have acquired 10 Capesize vessels so far this year.

On the Newcastlemax, Greeks are leading the race having acquired 8 vessels. Chinese have purchased seven units while Koreans and Danish have purchased two Newcastlemaxes each respectively.

On the Panamax and Kamsarmax sector, Chinese are the top Panamax buyers accounting for more than 50% of the reported sales. On the other hand, Greeks are the top Kamsarmax buyers having purchased more than 30% of the vessels sold.

Greeks are the top Buyers for Ultramax and Handysize accounting for 30% and 23% of the sales this year for each segment respectively. Top Supramax Buyers for 2024 are Chinese.

A Greek owner has placed an order for one Ultramax Tess-66 blt at Tsuneishi with delivery in 2028. So far this year two Greek Owners have placed orders for 8 Ultramaxs, 6 in China and 2 in Japan. More than 80 Ultramaxs have been contracted year to date.



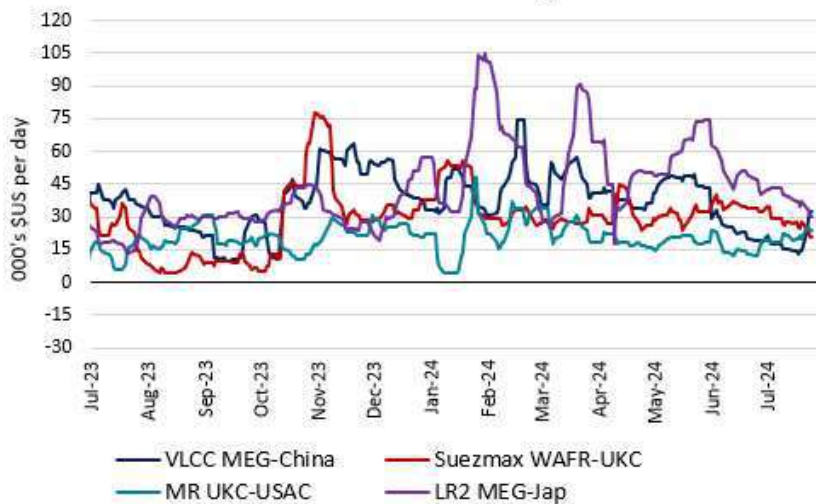
2.2 Tankers

Tanker SnP activity has slowed down compared to last year, however prices remain at exceptionally high levels. A total of 28 VLCC and 13 Suezmax have changed hands this year against 77 and 39 in full year of 2023 as demand from the so called 'unknown' buyers has cooled down compared to last year.

The majority of the VLCC and Aframax tankers sold this year have gone to Chinese and unknown Buyers. Greek based interests are the top buyers of MRs (15% of the sales), LR-1s (36% of the sales) and Suezmaxes (30% of the sales)

According to Tradewinds, Cido Shipping of Hong Kong is rumoured to have placed a newbuild ordered worth \$2.7 billion. Market sources suggest that the order is for 36 vessels, mainly tankers (Suezmax tankers, 14 LR's and up to eight MRs). The tankers will be constructed at Hyundai Yards and Dalian Shipbuilding. The order includes 12 LNG dual fuel PCTC at a China Merchant Heavy Industries Jiangsu (CMHI Jiangsu). The price for Suezmax is rumoured to be around \$91 million basis scrubber fitted. Sources suggest price for the LR2's around \$70 million and for the MRs around \$47 million. Interesting to note is that the total LR-2/Aframax orderbook currently stands at 180 vessels (or 16% of the operational fleet), therefore if the Cido order is confirmed then order LR-2/Aframax orderbook will increase by more than 7% reaching 17.4% of the operational fleet.

Chart 2. Tanker Earnings



2.3 Container

The container ship fleet has experienced its fastest growth in 15 years, with a capacity increase of 1.6 million TEUs since the beginning of the year. The capacity has risen by 11% to 29.5 million TEUs, with over 260 new ships delivered in the first half of 2024. The fleet's capacity is expected to exceed 30 million TEUs by the end of the third quarter and hit 30.5 million TEUs by the end of 2024.

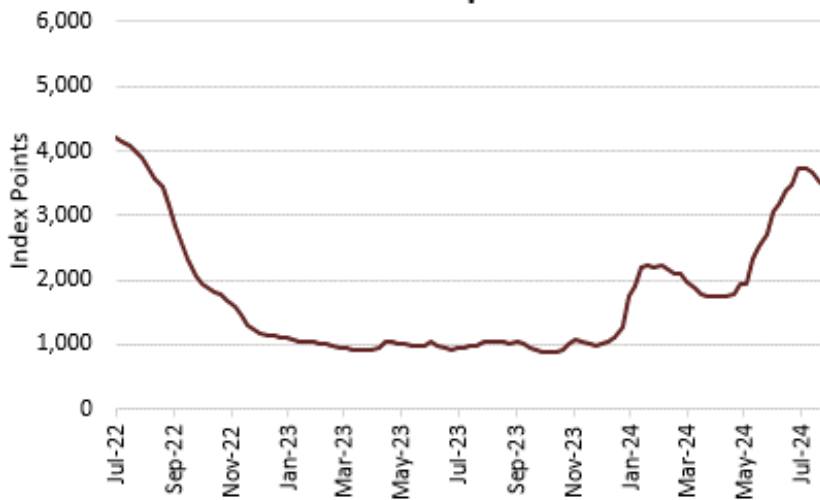
However, this increased capacity has led to a slowdown in the freight rates. The Transpacific freight rates have paused their surge after rising for over three months. The Shanghai Containerised Freight Index (SCFI) dropped 2%, the first decline since late March. Several shipping lines have adjusted their services to respond to the increased capacity. Freight rates on the main East-West lanes have decreased by 1-4% after two months of increases.

The average container prices in China have stabilized in July 2024 for the first time this year, despite a surge in leasing rates from China to the US and Europe. Leasing rates for Westbound trade from China have continued to rise throughout July, with average rates increasing to \$8,800 from China to the US West Coast and \$9,700 from China to the US East Coast.

The activity in the chartering market has started to ease due to the seasonal summer holidays. Three Korean-built Panamax (4,400 TEUs) secured employment for twenty-four months at \$29k/day, all to a Chinese global operator. A Chinese Feedermax (2,500 TEUs) fixed for twenty-three to twenty-five months at \$26k/day. Additionally, there has been strong demand reported for Feeders (1,700 TEUs), with a 1998 Polish-built vessel being fixed for six to eight months at mid-\$24k/day.

The S&P market is cooling down with no sales reported over the last two weeks with a limited number of potential Buyers and Sellers actively engaged in negotiations.

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	
BDI	1,834	-9.25	VLCC MEG-China	32,300	109.74	SCFI	3,447.87
Capesize 5TC	22,363	-22.65	Suezmax Wafr-UKC	20,500	-26.26		
Kamsarmax 5TC	16,066	13.86	MR UKC-USAC	24,000	12.15		
Supramax 10TC	15,252	3.68	LR2 MEG-Jap	29,800	-24.94		
Handysize 7TC	13,671	1.98					
							-6.18

2.5 Finance

China's latest series of rate cuts show the central bank's monetary framework has changed, analysts said, with the short-term repo rate becoming the primary signal and a diminished role for its medium-term lending facility (MLF), according to Reuters.

The People's Bank of China (PBOC) surprised markets this week by first cutting several key rates including loan prime rate (LPR) and reverse repo rate on Monday. It then conducted an unscheduled MLF lending operation on Thursday, at steeply lower rates. The sequence was a departure from the past, as MLF rate changes have historically been a precursor to LPR and deposit rate changes. The central bank also introduced a new cash management tool earlier this month in the form of temporary bond repurchase (repo) agreements and reverse repos. Analysts say the PBOC is moving away from targeting money supply and towards the price of money. That means controlling short-term repo rates rather than the MLF, as the latter is used more to bridge funding shortfalls at banks. Investors are closely tracking changes in the PBOC's policy transmission mechanism amid heightened bond market volatility, as expectations rise for new steps to support a shaky economy and prevent too much cash being parked in safe-haven bonds.

The PBOC lent one-year MLF loans this week at 2.30%, down 20 basis points from its previous MLF loan, its largest cut since April 2020. Three days prior to that, the bank cut the seven-day reverse repo rate to 1.7% from 1.8%, and LPR by the same margin.

3. Second-Hand Market

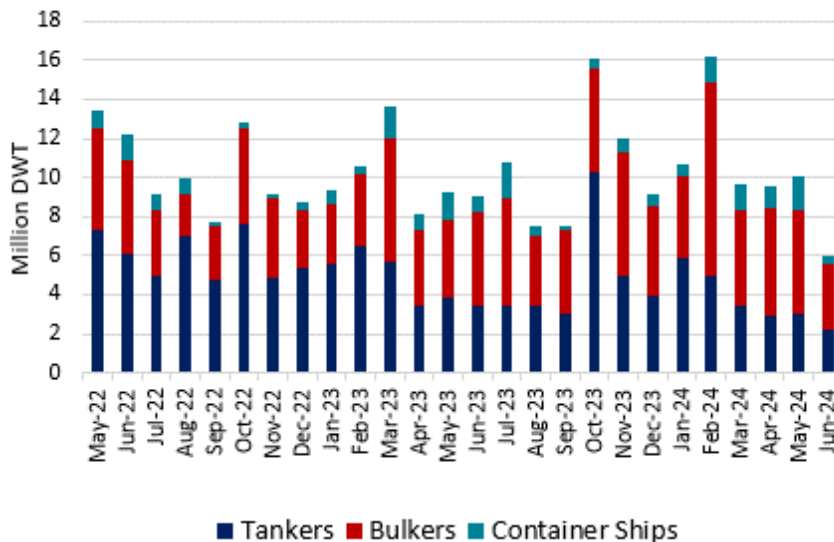
3.1 Weekly Ship Sales by Vessel Type

Vessel Type	Sub-Sector	Name	Size	Built	Yard	Price	Buyers	Surveys	Comments
Tanker	LR2	Pacific Jewels	115k Dwt	2016	Daehan	rgn \$68m each	Vietnamese	SS 05/26 DD 09/24	Scrubber fitted
Tanker	LR2	Pacific Treasures	115k >>					SS 07/26 DD 07/24	
Tanker	MR	Nave Equator	49k >>	2009	SPP	rgn \$26m	N/A	SS/DD 09/24	
Tanker	MR	Shan Gang Rong He	38k >>	2001	Santierul	\$7m	Chinese	SS/DD 02/25	BWTS fitted
Dry Bulk	Capesize	Cape Mathilde	178k>>	2010	Mitsui	rgn \$30m	Chinese	SS/DD 11/25	BWTS fitted
Dry Bulk	Ultramax	Tai Shine	61k >>	2012	Shin Kasado	\$21.8m	Chinese	SS 10/27 DD 08/25	BWTS fitted
Dry Bulk	Supramax	Royal Samurai	58k >>	2010	Tsuneishi Cebu	\$17.8m	Bangladeshi	SS/DD 11/25	BWTS fitted
Dry Bulk	Supramax	H Juno	57k >>	2011	STX Dalian	\$14m	Vietnamese	SS 11/25	BWTS fitted
Dry Bulk	Supramax	Cebihan	57k >>	2009	STX	low \$15m	Vietnamese	SS 04/29 DD 04/27	BWTS fitted
Dry Bulk	Handysize	Coreleader OL	37k >>	2012	Saiki	low \$17m	Turkish	SS 10/27 DD 10/25	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	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	19				15			

Chart 4. Sales Volumes per Vessel Type



4. Newbuilding & Ship Recycling Markets

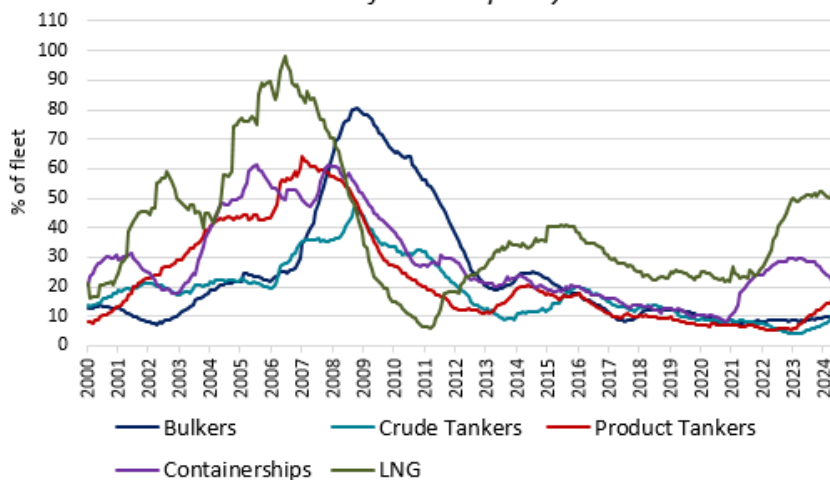
4.1 Recent Newbuilding Orders

Ship No	Type	Sub-Sector	Size	Delivery	Yard	Unit Price	Owners	Comments
1	Dry Bulk	Ultramax	66k >>	2028	Tsuneishi Cebu	N/A	Greeks	EEDI Phase III
3	Dry Bulk	Ultramax	63.5k >>	2025	Nantong Xiangyu	ard \$34m	Greeks	EEDI Phase III, Tier III
2	Dry Bulk	Ultramax	63.5k >>	2026	Jiangsu Haitong	ard \$33m	Chinese	EEDI Phase III, Tier III
4	Tanker	VLCC	307k >>	2026-27	Dalian	N/A	Saudi Arabian	LOI
4	Tanker	Suezmax	158k >>	2027	HHI	ard \$91m	Hong Kong based	Scrubber fitted
10	Tanker	LR2	115k >>	2028	Shanhaiguan	ard \$57m		
4	Tanker	LR2	115k >>	2028	Huynhai Vietnam	ard \$70m		
4 + 4	Tanker	MR	50k >>	2027		ard \$47m		
4	Tanker	MR	50k >>	2026-27	Huanghai	N/A	Greeks	
2	Tanker	Chemical	18.5k >>	2026-27	Wuchang	ard \$30m	Greeks	IMO II/III, EEDI Phase III, Tier II
9	Gas	VLEC	99k cbm	2025-27	Jiangnan	ard \$155m	UAE based	
4	Gas	VLAC	88k >>	2028-29	Yamic	ard \$110m	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	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	122	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

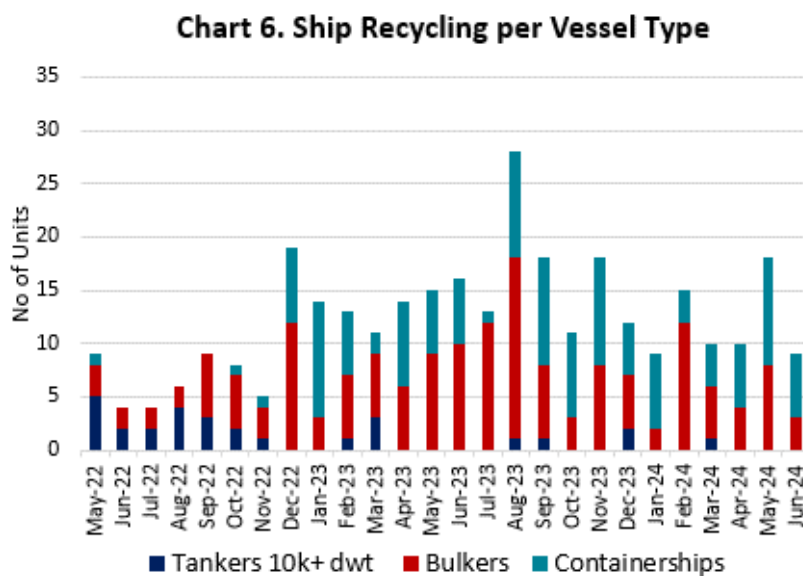


4.1 Recent Ship Recycling Activity

Type	Sub-Sector	Name	Dwt	Built	Ldt	Yard	Buyer	Price (\$/ldt)	Comment
Container	Feeder	MSC Iris	1,438 TEUs	1982	10,655 mt	German	Indians	525	incl. 500 mt BROB
Container	Feeder	Watermark St. George	1,138 TEUs	1998	5,468 mt	Turkish	N/A	300	"As is" Curacao

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	510	590	510	485	515
Pakistan	590	520	510	510	585	520	505	505



5. Macro Indicators

Indicator		% w-o-w
ICE Brent	82.41 \$/b	-3.5%
WTI	78.3 \$/b	-5.6%
Spore VLSFO	612.5 \$/t	-2.4%
GBP/USD	1.29	0.0%
USD/YEN	153.58	-3.0%
EUR/USD	1.09	0.0%
USD/YUAN	7.25	-0.1%
Gold	2,370.1	-1.9%
SOFR	5.34%	-0.2%
EURIBOR (3m)	3.698%	0.5%



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