WeberSeas (Hellas) S.A.

Weekly Market Intelligence

Market Week 35 - 2024

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1. Sustainability

The Alette Maersk was the first container vessel powered by low-carbon methanol fuel to cross the Pacific Ocean - a milestone in the shipping industry's effort to reduce its climate impact, according to Reuters. But when the 1,148-foot (350-meter) vessel arrived at the Port of Los Angeles from China last week, there was nowhere in the U.S. to buy more of the green fuel, forcing it to rely heavily on petroleum-based maritime fuel for the return trip.

At a day-long ship naming event on Tuesday, A.P. Moller-Maersk representatives said the industry that accounts for close to 3% of global greenhouse gases needs more and cheaper green fuel if it is to decarbonize at the pace scientists and world governments say is necessary to fight climate change. Maersk aims to achieve net zero greenhouse gas emissions in 2040 and has emerged as a leader in its sector's energy transition with five green methanol ships on the water and another 20 on order. Even so, that represents just a fraction of its 700 owned and chartered ships. The new ships are also dual-fueled, meaning they are equipped to run on fossil fuels when needed, like when green methanol is too expensive or unavailable. Green methanol can be made from agricultural and food waste, or from carbon dioxide and hydrogen using renewable electricity. The fuel now costs two to three times more than fossil fuels, Maersk representatives said, and global production is currently miniscule. China's Goldwind has guaranteed green methanol supplies for the first of Maersk's 12 large ocean-going vessels to burn that fuel, with deliveries starting in 2026.

But potential supplier Orsted is dropping plans to build the largest e-methanol plant under construction in Europe, saying that the green fuels market was developing more slowly than expected. E-methanol is made with CO_2 captured from renewable sources.

Maersk also plans to replace as many as 60 additional ships with dual-fuel vessels that run on renewable fuels including liquefied bio-methane. That low-emissions fuel from renewable sources is controversial because it is chemically identical to fossil methane, so any leaks release a potent greenhouse gas. Most of Maersk's ships also can run on biodiesel, a replacement fuel that has been available for years but still accounts for a tiny portion of maritime fuel.

Familiar shippers like Nike, Amazon.com, H&M and Nestle have partnered with Maersk on green fuel-powered deliveries to help drive adoption that can justify investments in production.

Maersk and peers CMA CGM, Hapag-Lloyd and MSC have also proposed a regulatory framework to the International Maritime Organization. That includes a plan to levy a "green balance fee" on carriers that gain a competitive advantage by clinging to lower-cost fossil fuels.

2. Shipping Markets Analysis

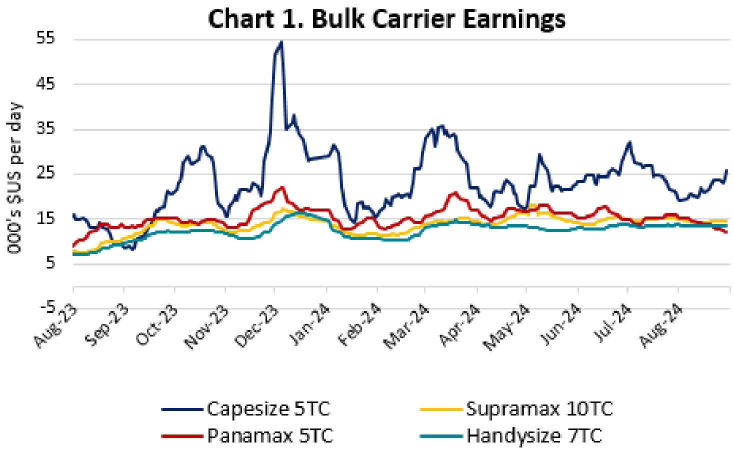
2.1 Dry Bulk

SnP activity remains healthy with sales up 23% compared to the same period last year. On the Newbuilding front, 284 bulkers have been ordered this year, down more than 30% from 2023. Following July which was the busiest month in terms of Handysize sales, August has been rather active with a number of vessels changing hands. A 2012 NACKS built Newcastlemax which called for offers this week was rumoured to have seen levels around $38 million. Capesize/Newcastlemax values have increased significantly year over year. For comparison purposes, two exact same sisterships were sold late last year for around $30 million each. The time charter market for the larger vessel remains resilient, with a 10-year-old Capesize fixed for 2 years at $26,800 per day.

On the Chartering front, Supramax earnings are earning more than Panamax due to heavier congestions levels for Supramax and healthy cargo enquiry.

According to Tradewinds, Taiwan's Chinese Maritime Transport (CMT) is splashing out about $320 million on newcastlemax bulker newbuildings. The listed shipping company said it has contracted domestic shipyard CSBC Corp to build two 210,000-dwt newbuildings. The deal included an option for two additional vessels. CMT said it has ordered the newbuildings as part of the company's fleet renewal program. There are presently around 140 Capesize/Newcastlemax on order or around 6% of the fleet.

China's 5% Growth Target Faces Rising Doubt as UBS Cuts Outlook. JPMorgan and Nomura also predict GDP will expand less than 5%. Property slump has dragged down consumption, household wealth. With economic momentum held back by a real estate downturn and tight fiscal policy, the Swiss bank now expects China's gross domestic product to expand 4.6% this year-compared with an earlier forecast of 4.9%. For 2025, UBS sees growth at 4%, down from 4.6% previously. Bloomberg.



2.2 Tankers

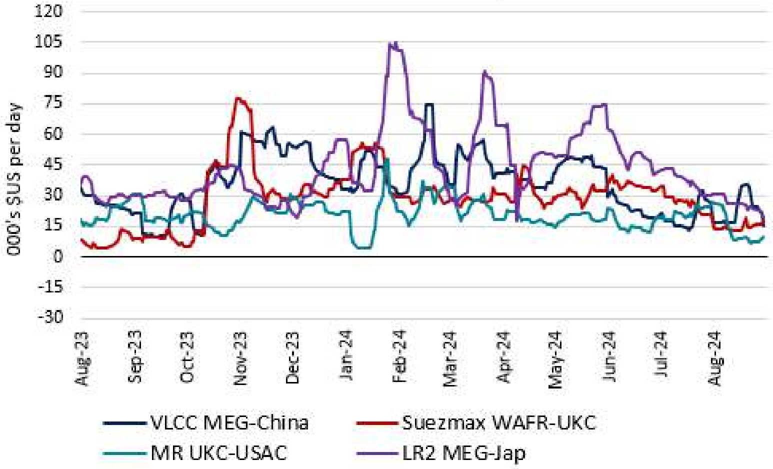
Tanker SnP activity remains subdued with second hand sales significantly down so far this year compared to the same period last year. Tanker Newbuild activity is up this year compared to last year, more than 410 tankers have been contracted so far in 2024 surpassing 2023's total. Tanker values remain at exceptionally high levels which is prompting some owners to play the asset and register huge profits. A 2008 Chinese LR-2 was reported sold for $40 million, making the owners around $23 million just from the asset play, not taking into consideration the earnings from the freight. The owners paid around $17 million to purchase her back in 2021.

Sinokor has been busy fixing VLCCs on period. The company is rumoured to have fixed Gustavia S (2020 Blt) for three years at $54,000 per day. Sinokor has fixed a total of four VLCCs on period in the past few weeks.

Singapore "scrubber" spread is widening lately, currently at $166/mt up 28% over the last 10 days.

Hafnia reported net profit of USD 259.2 million for q2 2024, bringing total net profit in the first half of 2024 to USD 478.8 million.

Chart 2. Tanker Earnings



2.3 Container

Container exports from Asia to Europe surged 8% in June, reaching 1.59 million TEUs, driven mainly by increased exports from China. China and Hong Kong accounted 1.25 million TEUs, a 10.5% increase, while Southeast Asia contributed 196k TEUs, up 4%. The rise in shipments was particularly notable in North Europe, which received one million TEUs, up 11%. Meanwhile, container imports from Europe to Asia saw a slight decline, with imports from North Europe down 1.9% and imports from Southeast Asia down 5%. For the first half of the year, exports from Asia to Europe grew by 6.7% to 8.75 million TEUs, while imports from Europe increased by 0.3% to 3.19 million TEUs.

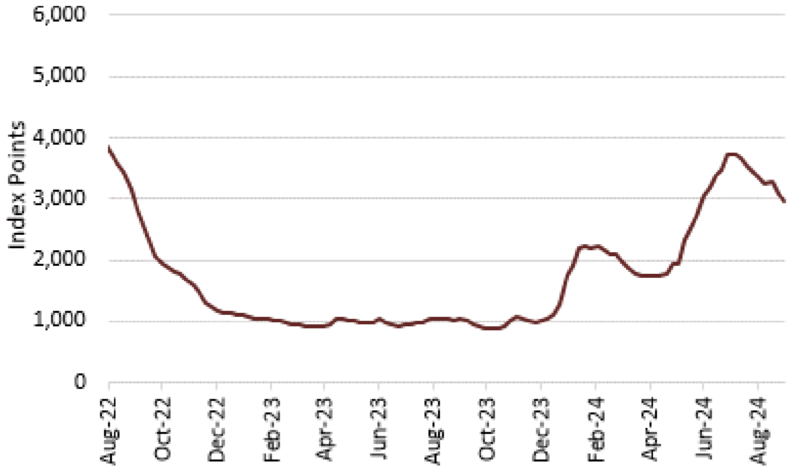
On the SnP front, an increase in interest from Buyers has been noticed this week. The demand for freshly listed vessels has been substantial, defying expectations of a typical August slowdown. Several discussions are ongoing with new requirements entering the market. Many Buyers are now focusing on Feeders and Feedermaxes (1,000 to 3,000 TEUs) of any age.

In the Newbuilding segment, a Danish shipping company is preparing to order a large number of new container ships, each with a capacity of 16,000 TEUs and LNG dual-fuelled propulsion. The company has agreed to build up to 32 vessels at three shipyards in South Korea (HHI) and China (New Times and Yangzijiang), with a total value of over $6.6 billion. The ships are expected to be delivered in 2027 and 2028.

In August, twenty vessels were delivered with the total fleet capacity increased by approximately 142k TEUs. Containership orders have reached a two-year high, with around 57 newbuilding orders placed in July 2024. This is the highest number of orders since June 2022, when around 65 orders were placed. The orders were placed by Owners from Singapore, Greece, France, China, with the majority of them scheduled to be built in Chinese yards.

In the port/terminals segment, Valencia port has reported a significant increase in container throughput. In July, the port handled 460,000 TEUs, a 5.6% rise compared to the same month last year. Year-to-date, the port has handled 3.17 million TEUs, a 12.7% increase over the same period last year. Cargo volume reached 47.6 million tons. Over the past 12 months, the port has handled 79.5 million tons of cargo and 5.16 million TEUs, representing year-over-year increases of 5.5% and 8.6%, respectively.

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	1,827	3.34	VLCC MEG-China	15,700	-46.60	SCFI	2,963.38	-4.33
Capesize 5TC	25,870	9.58	Suezmax Wafr-UKC	17,500	20.69			
Kamsarmax 5TC	11,975	-7.86	MR UKC-USAC	9,700	36.62			
Supramax 10TC	14,429	-0.12	LR2 MEG-Jap	19,600	-19.67			
Handysize 7TC	13,407	-1.10						

2.5 Finance

China’s plans to issue billions of dollars of government bonds before the end of the year could burst a “bubble” in the country’s treasury market, people close to the central bank have warned, according to Financial Times. The warning follows frenzied buying that has driven up the prices of Chinese 10-year central government bonds, pushing yields below 2.2 per cent and leading the People’s Bank of China to caution that a sudden reversal could threaten financial stability. Official data and state media reports indicate that as of July, the government had yet to issue just over half of its planned 2024 quota of local government and special central government ultra-long treasuries, with a total of about Rmb2.68tn ($376bn) still to come.

China’s economic slowdown has led to increasing bond issuance in the past few years. These include special local government bonds — whose proceeds are used by lower authorities for projects and investments, and ultra-long dated special treasury bonds used to help stimulate the economy. Despite the planned increased issuance, the subdued economic outlook and weak stock market have led investors, including Chinese banks, to pile into government bonds, leading to concerns among regulators that the market is in bubble territory. The 10-year yield hit an all-time closing low of 2.12 per cent this month. The PBoC has said it is concerned about leveraged investment funds loading up with the bonds and the risk of failures similar to Silicon Valley Bank in the US, if banks buy treasuries with long maturities and then interest rates reverse.

Ministry of Finance data shows that as of July, the government had yet to issue about Rmb2.1tn of its Rmb3.9tn full-year quota of special local government bonds, while state media reported it still had yet to issue Rmb582bn of a Rmb1tn issuance of ultra-long central government treasuries. This has created an overhang of potential new issuance in the government bond market, the people close to the central bank warned.

3. Second-Hand Market

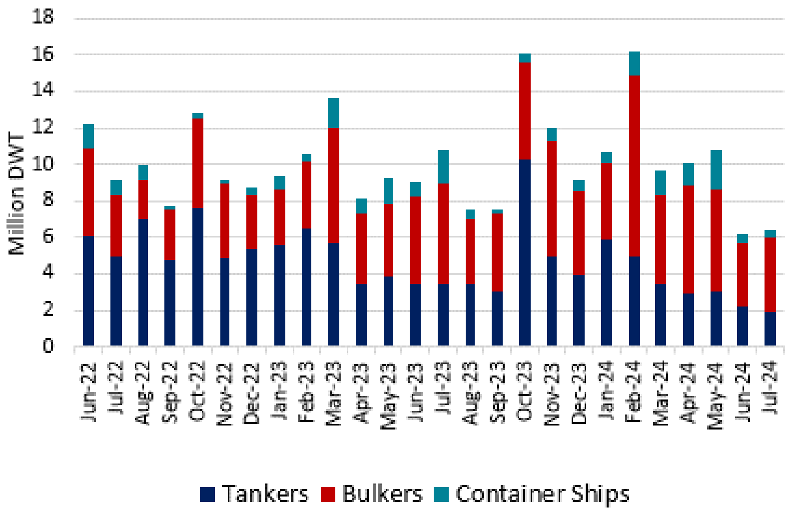
3.1 Weekly Ship Sales by Vessel Type

Table 1. Weekly Ship Sales by Vessel Type									
Vessel Type	Sub-Sector	Name	Size	Built	Yard	Price	Buyers	Surveys	Comments
Tanker	Aframax	Salamander	115k Dwt	2004	Hyundai Samho	$27m	Turkish	SS/DD 07/29	delivered
Tanker	LR2	Osgood	108k >>	2008	SWS	ard $40m	Middle Easterns	SS 05/28 DD 03/26	BWTS fitted
Tanker	MR	Elegant Grace	50k >>	2009	SPP	mid $27.5m	Vietnamese	SS 03/29 DD 06/27	BWTS fitted
Tanker	MR	Kalamos	46k >>	2004	Iwagi	$17.8m	N/A	SS/DD 03/25	BWTS fitted, Zinc coated
Dry Bulk	Capesize	Maran Prosperity	174k >>	2006	SWS	mid $21m	Chinese	SS/DD 10/25	BWTS/Scrubber fitted
Dry Bulk	Kamsarmax	Nord Penguin	81k >>	2015	Oshima	rgn $30m	Greeks	SS/DD 01/25	BWTS/Scrubber fitted, Eco ME, Ice Class
Dry Bulk	Kamsarmax	Elsa S	80k >>	2015	JMU	$30.2m	Far Easterns	SS/DD 08/25	BWTS/Scrubber fitted, Eco ME
Dry Bulk	Supramax	Sania	57k >>	2010	Qingshan	$12.3m	Chinese	SS/DD 10/25	BWTS fitted
Dry Bulk	Handysize	Floriana	33k >>	2012	21st Century	$14m	Greeks	SS 10/27 DD 08/25	BWTS fitted
Container	Panamax	GH Tramontane	3,635 TEUs	2010	Shanghai	ard $20m	N/A	SS/DD 07/25	BWTS fitted, Ice Class, TC attached till Q1 2026
Container	Feedermax	Buxfavourite	2,456 >>	1997	Daewoo	rgn $10m	Chinese	SS 12/27 DD 01/26	BWTS fitted, Ice Class

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
TANKERS	Suezmax	98	82	67	50	76	57	41	28
TANKERS	Aframax	83	71	58	42	63	49	36	24
TANKERS	Panamax	67	57	47	31	50	36	26	18
TANKERS	MR	57	49	40	27	43	34	24	16
DRY BULK	Capesize	76	62	44	28	56	43	27	17
DRY BULK	Panamax/Kamsarmax	42	37	29	18	35	28	20	13
DRY BULK	Supramax/Ultramax	40	35	26	15	33	25	16	12
DRY BULK	Handysize	34	28	20	12	27	21	13	8
CONTAINERS	Size	Current Prices				5-Year Avg Prices (2019-2023)			
CONTAINERS	8,800-teu / 10 yrs	64				62			
CONTAINERS	6,600-teu / 10yrs	52				50			
CONTAINERS	4,500-teu / 10 yrs	35				29			
CONTAINERS	2,600-teu / 10 yrs	27				20			
CONTAINERS	1,700-teu / 10 yrs	19				15			

Chart 4. Sales Volumes per Vessel Type



4. Newbuilding & Ship Recycling Markets

4.1 Recent Newbuilding Orders

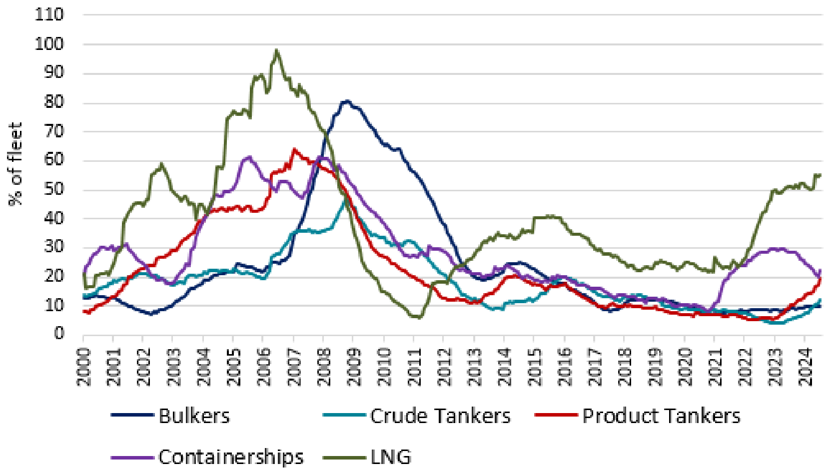
Table 3. Weekly Newbuilding Orders								
Ship No	**Type**	**Sub-Sector**	**Size**	**Delivery**	**Yard**	**Unit Price**	**Owners**	**Comments**
2 + 2	Dry Bulk	Newcastlemax	210k DWT	N/A	CSBC	ard $78m	Taiwanese	EEDI Phase III, Tier III, Shaft generators, AMP fitted
4	Tanker	Aframax	113.5k >>	2027	Hengli	ard $70m	Hong Kong based	
2	Tanker	MR	40k >>	2027	GSI	ard $40m	France based	EEDI Phase III, Tier III
6 + 4	Container	NeoPanamax	16,000 TEUs	2027	HHI	ard $220m	Danish	LNG dual fuelled
6 + 6	Container			2028	New Times	ard $200m		
6 + 4	Container			2027-28	Yangzijiang			
6	Gas	ULEC	150k cbm	2027	Jiangnan	ard $200m	Singapore based	GTT Mark III membrane tanks
2 + 2	Gas	MGC	48.5k >>	Q2 - Q3 2027	Jiangnan	ard $103m	UK based	Ethane dual fuelled
2	Gas	MGC	45k >>	2H 2027	Hyundai Mipo	ard $74m	UK 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	89	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	76	76	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	125	125	84	86	91
	5,000-teu	80	80	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



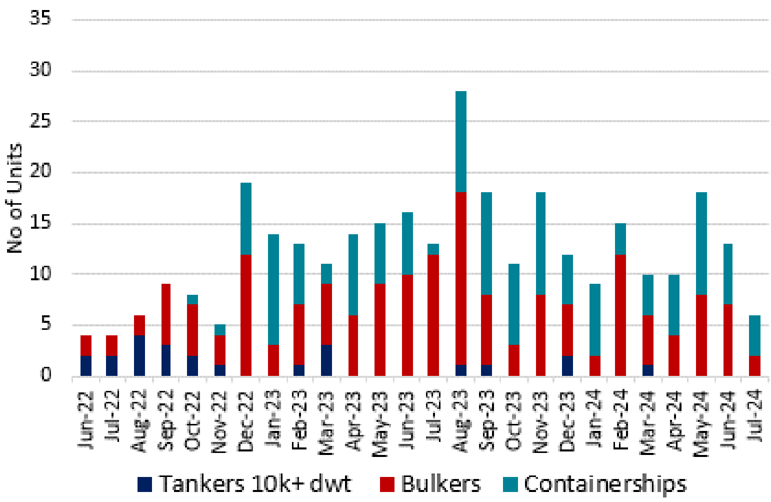
4.1 Recent Ship Recycling Activity

Table 5. Weekly Ship Recycling Activity									
Type	Sub-Sector	Name	Dwt	Built	Ldt	Yard	Buyer	Price ($/ldt)	Comment
Dry Bulk	Handysize	Ruida 19	24k	1996	5,728 mt	Japanese	Indians	480	
Tanker	Aframax	Prada	112k	2001	18,860 mt	Korean	N/A	480	

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	**485**	560	525	500	**485**
Bangladesh	600	505	485	**500**	590	510	485	**495**
Pakistan	590	520	510	**500**	585	520	505	**490**

Chart 6. Ship Recycling per Vessel Type



5. Macro Indicators

Indicator		% w-o-w
ICE Brent	79.94 $/b	3.5%
WTI	75.76 $/b	3.7%
Spore VLSFO	628.50 $/t	2.7%
GBP/USD	1.32	0.8%
USD/YEN	144.86	-0.5%
EUR/USD	1.11	0.0%
USD/YUAN	7.10	-0.6%
Gold	2,517.8	1.0%
SOFR	5.35%	0.8%
EURIBOR (3m)	3.505%	-1.0%

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