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1. Sustainability

Investment in shipbuilding for a new generation of low-emission vessels is forecast to peak in 2036 but could be delayed for a decade if the technology is not ready, Martin Stopford told the Capital Link conference in London, according to Tradewinds.

Stopford, a veteran industry analyst, said market trends suggest that shipping was in the middle of its third supercycle of the past 160 years, a period of structural change in the industry driven by investment in new technologies. The industry’s ambition to reach net-zero shipping emissions by 2050 will require a major investment in new vessels to drive the change, but major uncertainties remain about which cleaner fuels will emerge.

Newbuilding investment will increase through the 2030s but a great “snarl-up” on the technical side could delay the process, Stopford said. “The thing that bothers me about

this — will the technology be ready by this time?” he said. “One possibility is that it peaks in 2036. Another possibility is 2046, and so what are you going to do in the meantime?”

Supercycles can last decades and are marked by rising investment in new shipping allied to periods of consolidation, Stopford said. His analysis suggests that the first supercycle covered the lengthy period of transition from sail to steam from the 1860s. The second, from the 1940s, marked the growth of containerisation and bulk shipping and lasted about four decades. The final stage has been marked by the emergence of China and truly global shipping combined with the drive to cleaner maritime transport. Stopford said it did not matter if the peak was in 2036 or 2046 — but shipping companies needed to be sure they could move fast enough to deal with technology when it matured.

2. Shipping Markets Analysis

2.1 Dry Bulk

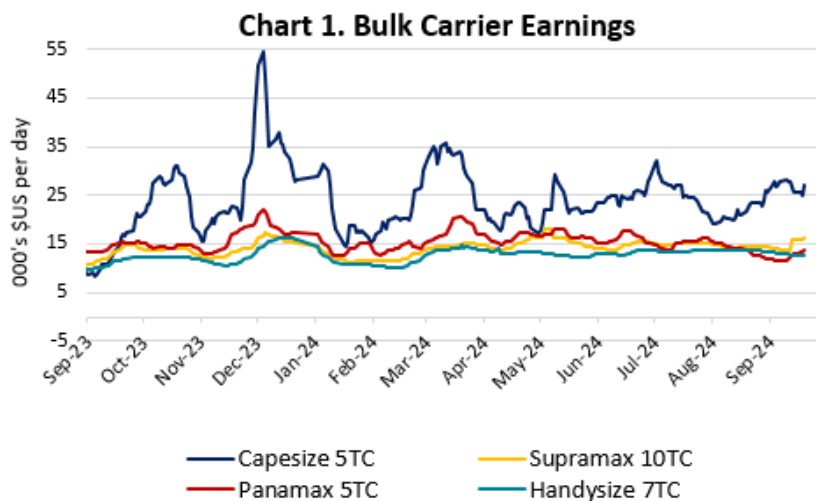
Kamsarmax second hand values have dropped about 10% this month. Market sources suggest that a 10-year-old Scrubber fitted Kamsarmax was committed in the \$25's million to Greek Buyers. For comparison purposes, a one-year younger scrubber fitted Kamsarmax was sold in the \$29's million last month to Greek Buyers. Greeks are top Kamsarmax Buyers so far this year with 15 out of the 40 Kamsarmax sold this year have gone to Greek interest (or \$37.5% of 2024 Kamsarmax sales).

There is a lengthy inventory of Kamsarmax for sale presently, especially for units built around 15-year-old, therefore we expect a correction on the older Kamsarmax values soon.

September was the busiest month in terms of Capesize sales since February this year. Demand for the largest segment remains robust especially from Chinese Buyers.

According to VesselsValue, in August, the number of Bulkers transiting the Suez Canal fell from 703 in August 2023, equating to a DWT capacity of 45.9 million MT, to 427 in August 2024-or 27.9 million MT, a decline of c.39% year-on-year.

Newbuild activity remains robust, most notably in the Kamsarmax sector, boosted particularly by over 30 Kamsarmax orders by COSCO. The Panamax orderbook now stands at 14% of the fleet.



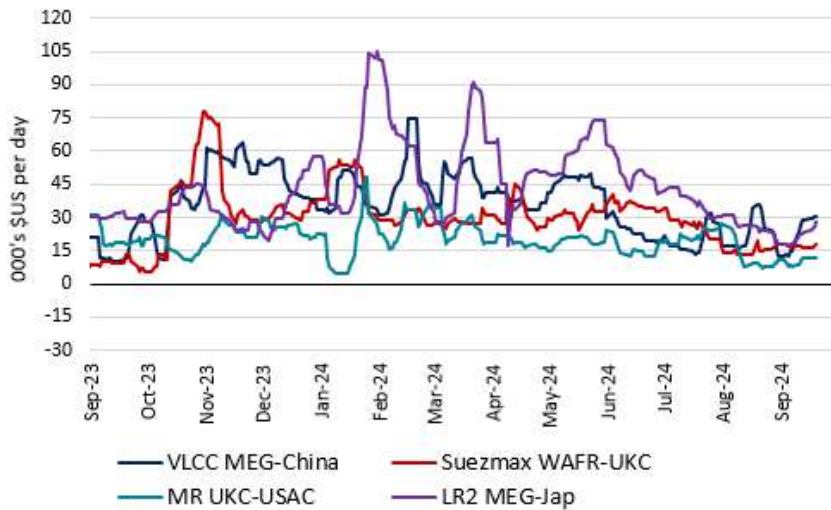
2.2 Tankers

Prices for vintage crude tankers have dropped significantly since last year. 20-year-old VLCC values are down 25% year over year. A 2005 built unit is rumoured committed around \$40 million. A similar unit was sold in the mid \$50's million in May last year. On the Suezmaxes, a 2005 built Korean unit was reported sold for \$33 million, while a same age unit was sold in May last year in the \$36's million, down 17%.

Product tanker orderbook now exceeding 20% of the fleet (dwt-terms) and the crude tanker orderbook is exceeding 10%. Suezmax orderbook is 16% of the current fleet.

According to Vessels Value, the volume of Tankers travelling through the Suez Canal has also taken a hit over the past year with the number of vessels in this sector down by c.49.78% in August 2024 where 202 Tanker transits were recorded with a DWT capacity of 16.6 million MT. Compared to August 2023, 385 Tanker units passed through the canal equivalent to 16.7 million MT.

Chart 2. Tanker Earnings



2.3 Container

For fifth consecutive week, the SCFI fell by 6% to 2,366 Points. The market was at 911 points in September 2023, about 160% up year-over-year.

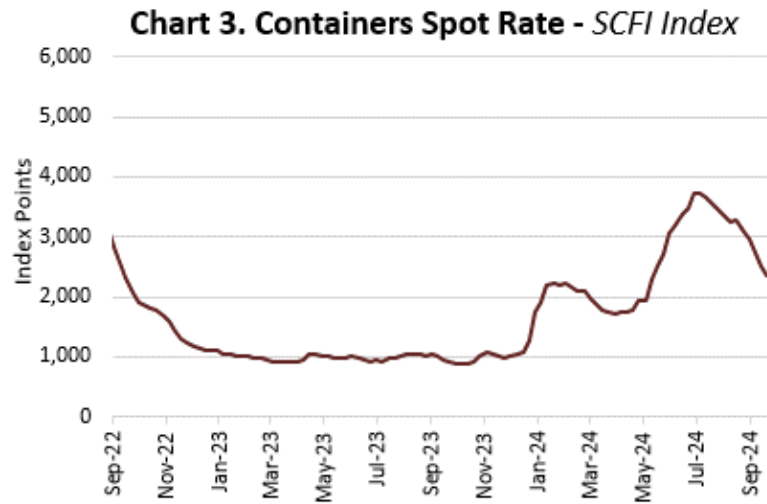
On a w-o-w basis, the NCF Index declined by 10% on a week-over-week basis. A notable correction was observed in the freight rates for the route from Ningbo to India/Pakistan, which noticed a significant decrease of 26% due to the oversupply resulting from the introduction of new service routes in the region. Additionally, routes from Ningbo to the Mediterranean and the Middle East experienced declines of 16% and 23%, respectively.

The current idle fleet of container ships remains steady, with approximately 156k TEUs (0.6% of total capacity) out of service, equivalent to around 58 vessels.

The SnP market continued to exhibit a robust pace, with the resumption of activity following the summer holidays. Over the past fortnight, the market has seen a significant uptick in deal-making, with numerous transactions concluded. Notably, a cluster of vessel sales has been recorded, with ships ranging from 1,000 to 3,000 TEUs changing hands. However, the market for larger vessels appears to be slightly subdued, due to a limited supply of sale candidates. Many Owners have opted to capitalize on the persistent strength of the charter market, instead of parting with their assets.

The recycling market has remained stagnant for several months, with no notable changes in its status. The volume of vessels being sent to recycling yards continues to be low.

In the port/terminals segment, the Port of Los Angeles has achieved a remarkable milestone, handling a record-breaking 960k TEUs in August. This marks the busiest non-pandemic month in the port's history, with a 16% surge in volume compared to the same month last year. The growth is attributed to robust consumer spending and inventory replenishment, as well as the steady flow of manufacturing parts and components.



2.4 Key shipping Freight Indices

Bulkers		% w-o-w	Tankers		% w-o-w	Containers		% w-o-w
BDI	1,976	4.55	VLCC MEG-China	30,700	6.23	SCFI	2,366.24	-5.76
Capesize 5TC	26,980	5.31	Suezmax Wafr-UKC	18,200	10.98			
Kamsarmax 5TC	13,753	7.04	MR UKC-USAC	11,400	-1.72			
Supramax 10TC	16,131	15.69	LR2 MEG-Jap	27,700	20.96			
Handysize 7TC	12,726	-0.04						

2.5 Finance

A big interest rate cut from the U.S. Federal Reserve on Wednesday raised bets on further policy easing at the European Central Bank in October but this is still not the most likely outcome given different economic realities, according to Reuters. The ECB has already cut interest rates in June and earlier this month, and many at the bank have hinted at steady, quarterly rate cuts ahead to make sure inflation is defeated on a durable basis.

While the Fed's apparent rush lends some support to arguments that the ECB is falling behind the curve given rising recession risks, the fundamental economics have not changed overnight, so policy hawks on the Governing Council can make an argument for waiting until December.

The ECB is likely to take it slower because it has a lot less to do. It has five, maybe six 25-basis-point cuts until it reaches a "neutral" interest rate level at around 2.0% or 2.25%, according to various estimates that include the ECB's own. The Fed meanwhile has probably eight such reductions until then, so the world's top two central banks might still reach their end point of policy easing at the same time. Then there are the fundamentals. Euro zone inflation, now at 2.2%, could pick up towards 2.5% by the end of the year and will likely come down only slowly to 2% by the final weeks of 2025 as entrenched wage pressures push up services costs.

3. Second-Hand Market

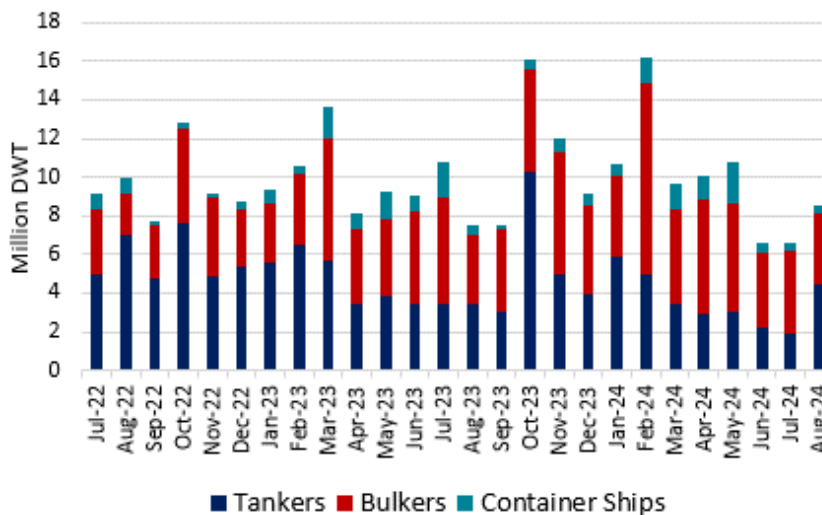
3.1 Weekly Ship Sales by Vessel Type

Vessel Type	Sub-Sector	Name	Size	Built	Yard	Price	Buyers	Surveys	Comments
Tanker	VLCC	Captain X Kyriakou	299k Dwt	2013	HHI	rgn \$80m	Norwegians	SS 08/28 DD 06/26	Scrubber fitted, Eco ME
Tanker	LR1	INF Light	72k >>	2006	Dalian	\$17m	Chinese	SS 02/26	
Tanker	MR	Sea La Vie	49k >>	2007	Hyundai Mipo	\$24.85m	Greeks	SS 08/27 DD 08/25	BWTS fitted
Tanker	Handy	Maersk Barry	29k >>	2006	GSI	N/A	Far Easterns	SS/DD 05/25	BWTS fitted, Ice Class
Dry Bulk	Mini Cape	Kitaura	119k >>	2012	Sanoyas	\$25m	Greeks	SS 03/27 DD 06/25	BWTS/Scrubber fitted
Dry Bulk	Panamax	Dias	74k >>	2001	Hudong-Zhonghua	high \$6m	Chinese	SS 07/26 DD 10/24	BWTS fitted
Dry Bulk	Ultramax	Eternal Hakata	61k >>	2014	Imabari	\$24.7m	Greeks	SS 02/27 DD 02/25	BWTS fitted
Dry Bulk	Ultramax	Queen Sapphire	61k >>	2011	Iwagi	low \$21m	Chinese	SS 12/26 DD 05/25	BWTS fitted
Dry Bulk	Supramax	Sagarjeet	58k >>	2009	Tsuneishi Zhoushan	\$16.3m	Indonesians	SS 05/29 DD 06/27	BWTS fitted
Dry Bulk	Handysize	HB Golden Eagle	37k >>	2020	Shimanami	\$28.5m	Europeans	SS/DD 01/25	
Dry Bulk	Handysize	Sassy Sofia	32k >>	2005	Kanda	\$9m	Middle Easterns	SS/DD 05/25	BWTS fitted
Dry Bulk	Handysize	Globe Explorer	28k >>	2015	I-S	ard mid \$14m	Greeks	SS/DD 02/25	BWTS fitted, Logger
Container	Panamax	Spirit of Hong Kong	4,255 TEUs	2010	Hyundai Samho	low \$30m	Korean	SS/DD 04/25	
Container	Panamax	Northern Dependant	3,534 >>	2008	Shanghai Shipyard	rgn \$31m	Swiss	SS 02/28 DD 03/26	Ice Class
Container	Feedermax	Manila Voyager	2,113 >>	1997	Daewoo	rgn \$8m	Chinese	SS 07/26 DD 10/24	
Container	Feeder	Melanesian Chief	1,118 >>	2008	Jinling	\$9.5m	N/A	SS 09/27 DD 09/25	Ice Class
Container	Small Feeder	Nithi Bhum	928 >>	2002	Mitsubishi	rgn \$5m	N/A	SS 02/27 DD 04/24	

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	145	114	86	58	108	82	57	43
	Suezmax	98	82	67	48	76	57	41	28
	Aframax	83	71	58	42	63	49	36	24
	Panamax	67	57	47	31	50	36	26	18
	MR	57	49	40	26	43	34	24	16
DRY BULK	Capesize	76	62	44	27	56	43	27	17
	Panamax/Kamsarmax	41	36	26	16	35	28	20	13
	Supramax/Ultramax	40	35	25	15	33	25	16	12
	Handysize	33	27	19	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	36				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

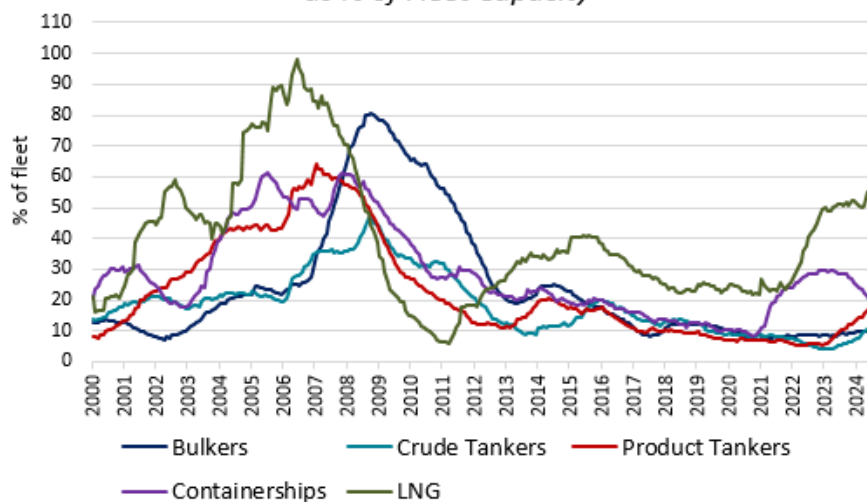
4.1 Recent Newbuilding Orders

Ship No	Type	Sub-Sector	Size	Delivery	Yard	Unit Price	Owners	Comments
1	Tanker	VLCC	319k Dwt	2027	Jiangsu New Hantong	ard \$120m	Swiss	Ammonia ready
4	Tanker	VLCC	306k >>	2026-27	Hengli	ard \$115m	Chinese	
2 + 2	Tanker	MR	50k >>	2027	Hyundai Mipo	ard \$52m	Korean	
2	Tanker	MR	46k >>	2026	Xiamen	ard \$60m	Germans	IMO II/III, F-bow shape design, Options declared
10	Tanker	Chemical	25.9k >>	2026-28	Wuchang	ard \$44.2m	Chinese	StSt, EEDI Phase III, Tier III

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	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	158	158	129	128	130
	8,000-teu	127	127	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



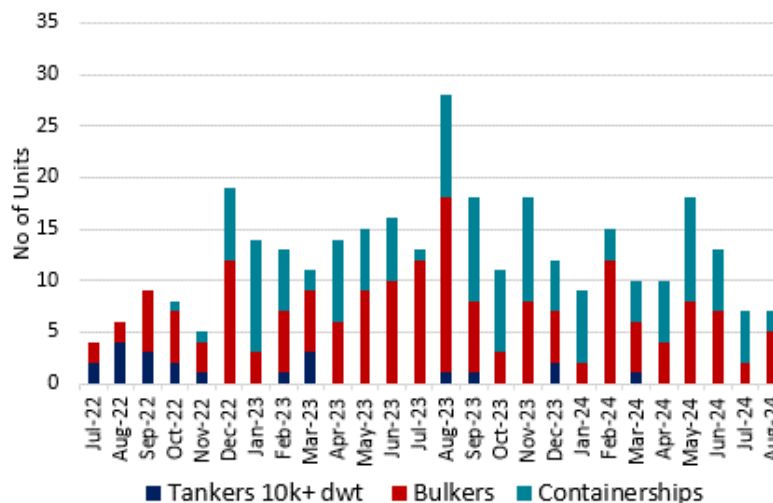
4.1 Recent Ship Recycling Activity

Type	Sub-Sector	Name	Dwt	Built	Ldt	Yard	Buyer	Price (\$/ldt)	Comment
Dry Bulk	Handysize	Serenity 1	28k	1994	6,350 mt	Japanese	Bangladeshi	495	
Gas	LNG	Coral Energy	123k cbm	1979	28,525 mt	US	N/A	555	As is "Malaysia"

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	485	560	525	500	480
Bangladesh	600	505	485	500	590	510	485	495
Pakistan	590	520	510	490	585	520	505	480

Chart 6. Ship Recycling per Vessel Type



5. Macro Indicators

Indicator		% w-o-w
ICE Brent	74.61 \$/b	3.2%
WTI	71.80 \$/b	3.6%
Spore VLSFO	591.5 \$/t	2.2%
GBP/USD	1.33	1.5%
USD/YEN	142.23	1.0%
EUR/USD	1.12	0.9%
USD/YUAN	7.04	-1.0%
Gold	2,594.6	1.2%
SOFR	5.33%	0.2%
EURIBOR (3m)	3.458%	-0.3%



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