

## Market Commentary:

Demolition prices had dropped during the last month of 2021, but in 2022 we observe a significant increase in demolition prices. This increase is mainly attributed to global steel price that has increased by more than 10% YTD amid limited supply, while most analysts speak about an upcoming significant increase in demand as the construction and infrastructure sectors pick up. Meanwhile steel production in China is constrained for the first quarter of 2022 due to factories maintenance and efforts by the government to limit CO2 emissions and pollution. Apparently, the goal for carbon neutrality in 2050 will significantly affect steel production. As Euronav calculated, steel produced from scrap requires less energy than steel produced from iron ore, which translates to up to 70% reduced emissions. This indicates that firm demand for steel in compliance with environmental concerns makes the possibility of a continuous and ongoing need for scrap to be high, increasing the need for vessel demolition.

Going back to the dry & wet sectors, scrap offered prices have kept increasing, keeping well above the \$600/ton mark, while YTD in Bangladesh prices have risen by USD 45/ldt, while in India & Pakistan by USD 30/ldt. Meanwhile in Turkey there has been a slight increase of around USD 10/ldt keeping offering price above USD 330/tn. During 2021, in the tanker sector (over 25k in dwt), there was a better balance in ships demolished vs ships delivered, as 137 ships were beached, while 202 new ships entered the market adding around 1.6% to the fleet growth in DWT terms. During 2021, on the drybulk market (over 20k in dwt), we recorded only 53 vessels that were demolished, while 366 new vessels joined the dry bulk active fleet, leading to a 3.3% fleet growth in DWT. High demo price, together with the prolonged low tanker rates, and the past months downward trend of dry bulk rates coupled with the EEXI compliance that will soon be in force, may tempt owners of less efficient overaged ships with DD due to scrap more.

At date of publishing, Brent crude oil prices climbed to over USD 93/bbl, hitting a new 7-year high before landing back to USD 91/bbl & WTI crude futures held steady around USD 92/bbl, riding on the bullish momentum from the past weeks on expectations that global supply remains tight as demand will continue to recover. Meanwhile the restoration of sanctions waivers from U.S. to Iran to allow international nuclear cooperation projects, as the talks on the 2015 international nuclear deal enter their final stretch, erupted the rumours for a sanctions' lift on Iran, so the country could boost oil shipments, adding to global supply. If this happens will not only - according to traders - be a reason for the oil price rally to be steamed out, but according to market analysts, will also lead a significant number of very old VLCCs, which are transferring Iranian oil, to the scrap yards. The VLCC market is the most over-tonnaged crude tanker segment, having a net DWT growth of about 2.1% in 2021, while the fleet has expanded by around 7.7% since the pandemic hit. An increase of ships going to scrap as a result of lifting Iranian sanctions will be more than welcome by the shipping industry as it will lead the VLCC market to a better balance.

On the Russian/Ukrainian conflict, the tension between U.S. and Russia still escalates. Asian countries don't worry about Russia facing sanction possibilities as Russian oil makes up only a small portion of many Asian countries' refinery feedstock import baskets, with many possible alternatives available. Thailand is Asia's biggest importer of Russian crude oil, making up around 3.7% of its overall refinery feedstock imports in the year, South Korea imports from Russia in 2021, are equivalent to 5.6% of its overall crude imports while Japan's Russian crude oil imports, equate to 3.6% of its total crude imports. In the event that purchasing Russian cargoes become complicated due to all sorts of legal and diplomatic reasons for these countries, they will mainly resolve to Alaskan North Slope crude and light sweet Malaysian grades according to traders. China, Russia's second biggest imported after EU, will continue to absorb large volumes from Russia despite any possible sanctions due to the very close trade and economic partnership between Beijing and Moscow.

BALTIC DRY INDICES						
BALTIC INDICES	Week 5	Week 4	±%	Average Indices		
				2022	2021	2020
BDI	1,423	1,381	3.0%	1,708	2,943	1,064
BCI	1,242	1,075	15.5%	1,510	4,015	1,752
BPI	1,796	1,840	-2.4%	2,253	2,988	1,101
BSI	1,594	1,597	-0.2%	1,815	2,434	743
BHSI	990	1,011	-2.1%	1,146	1,428	444

BALTIC TANKER INDICES						
BALTIC INDICES	Week 5	Week 4	±%	Average Indices		
				2022	2021	2020
BDTI	679	687	-1.2%	694	644	722
BCTI	589	554	6.3%	589	532	586

DRY NEWBUILDING PRICES (in USD mills)						
Size Segment	Feb/22	Feb/21	±%	Average Prices		
				2022	2021	2020
Capesize	60.3	47.4	27%	60.3	56.0	47.6
Kamsarmax	35.0	26.2	34%	35.0	31.7	29.7
Ultramax	32.0	24.2	32%	32.0	29.1	24.6
Handysize	29.7	23.2	28%	29.7	26.8	23.1

WET NEWBUILDING PRICES (in USD mills)						
Size Segment	Feb/22	Feb/21	±%	Average Prices		
				2022	2021	2020
VLCC	113.0	86.6	30%	112.8	98.3	88.6
Suezmax	76.3	56.8	34%	76.3	66.3	58.6
Aframax	59.5	47.2	26%	59.4	53.3	47.8
Panamax	51.2	42.5	20%	51.2	46.7	43.6
MR2	40.5	34.0	19%	40.4	37.4	34.6

DEMOLITION PRICES (in USD/ldt)						
Demo Country	BULKERS			TANKERS		
	Week 5	Week 4	Change	Week 5	Week 4	Change
INDIA	590	585	5	600	595	5
BANGLADESH	630	610	20	640	620	20
PAKISTAN	610	595	15	620	605	15
TURKEY	330	330	0	340	340	0

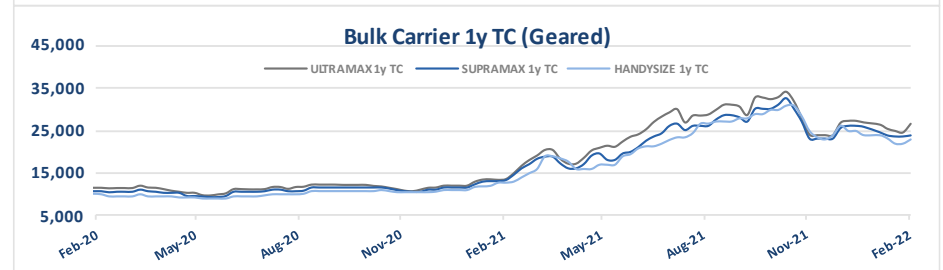
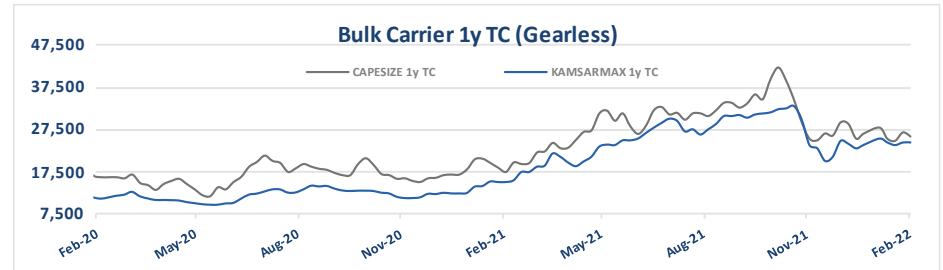
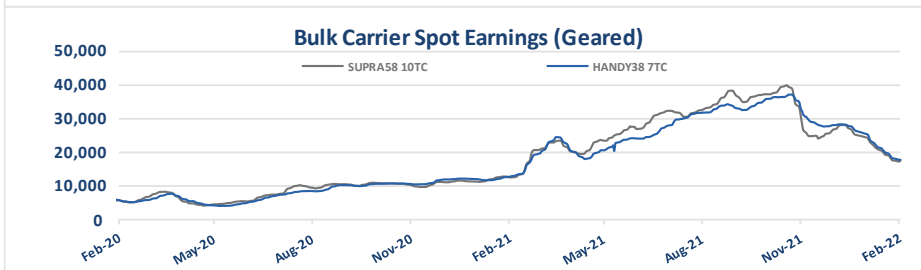
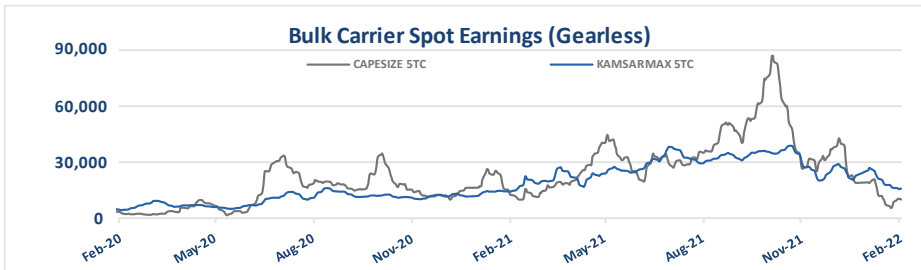
**Capesize:** The capesize average of the 5 T/C Routes is slightly improved this week at USD 10,302/day. Trip from Cont. to F.East is up by \$2.6k/day at USD 29,200/day, Transatlantic Return voyage is up at USD 12,860/day, while Pacific Return voyage is USD 6,883/day. Capesize 1y T/C rate is USD 24,500/day, while eco 180k Capesize 1y T/C is USD 26,000/day.

**Panamax:** The BPI-82 5T/C route average closed the week marginally down at USD 16,165/day. Trip from Skaw-Gib to F.East is down at USD 22,550/day, Pacific Return voyage is USD 17,658/day while Atlantic R/V is softer at USD 10,140/day. Kamsarmax 1y T/C rate is USD 24,500/day, while Panamax 1y T/C is USD 23,250/day.

**Supramax:** The BSI-58 10T/C route average closed the week on similar levels of last week, at USD 17,531/day. South China trip via Indonesia E.C.India is up at USD 15,721/day, W.Africa trip via ECSA to N.China is USD 25,836/day, Med/BI Sea to China/S.Korea is USD 24,508/day. Atlantic R/V pays USD 13,769/day, while Pacific Return voyage pays USD 17,893/day. 1y T/C rate for Ultramax is firmer this week at USD 26,750/day, with 1y T/C for Supramax at USD 23,500/day.

**Handysize:** The BHSI-38 7T/route average closed the week softer at USD 17,819/day. Brazil to Continent is firmer at USD 25,022/day, S.E.Asia trip to Spore-Japan is USD 19,438/day, U.S.Gulf to Continent is softer at USD 14,021/day. 38K Handy 1y T/C rate is USD 22,000/day, while 32k Handy 1y T/C is USD 19,750/day.

DRY SECONDHAND PRICES (in USD mills)							
Size	Feb/22	Jan/21	12m ch (%)	12m diff	Average Prices		
					2022	2021	2020
Capesize 180k Resale	59.2	49.0	21%	10.2	59.2	54.0	49.4
Capesize 180k 5y	46.2	36.2	28%	10.0	46.3	42.8	42.8
Capesize 180k 10y	31.5	20.3	55%	11.2	32.2	29.0	20.3
Capesize 180k 15y	19.2	14.2	35%	5.0	20.2	19.2	12.5
Kamsarmax 82k Resale	41.1	29.5	39%	11.6	40.8	34.9	29.6
Kamsarmax 82k 5y	33.6	23.5	43%	10.1	33.1	29.2	29.2
Panamax 76k 10y	24.5	15.2	61%	9.3	23.9	21.1	13.2
Panamax 76k 15y	16.5	8.7	89%	7.8	16.5	14.7	8.7
Ultramax 64k Resale	36.8	26.9	37%	10.0	36.8	32.3	26.8
Ultramax 61k 5y	30.1	19.2	57%	10.9	30.0	25.7	25.7
Supramax 58k 5y	25.6	15.8	62%	9.8	25.6	22.0	15.8
Supramax 56k 10y	20.9	11.0	89%	9.9	20.9	17.4	11.1
Supramax 52k 15y	15.6	7.0	123%	8.6	15.6	12.3	7.2
Handy 38k Resale	31.0	20.5	51%	10.5	30.2	26.1	21.3
Handy 37k 5y	27.0	14.7	83%	12.3	26.3	21.0	21.0
Handy 32k 10y	17.3	8.4	105%	8.9	17.0	13.7	8.5
Handy 28k 15y	10.5	5.0	110%	5.5	10.4	8.1	5.2



**Crude:**

**VLCC** average T/CE closed the week down at USD -18,735/day. M.East Gulf to China trip at USD -9,824/day, US Gulf to China at USD -7,241/day, M.East Gulf to Singapore at USD -7,761/day, W.Africa to China at USD -8,038/day, M.East Gulf to US Gulf at USD -27,645/day. 310k dwt D/H Eco VLCC 1y T/C is USD 23,000/day.

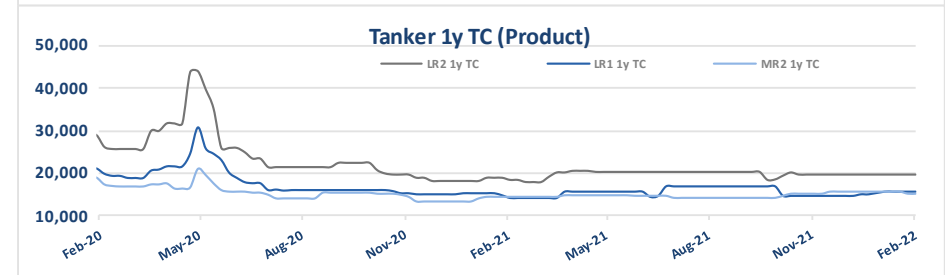
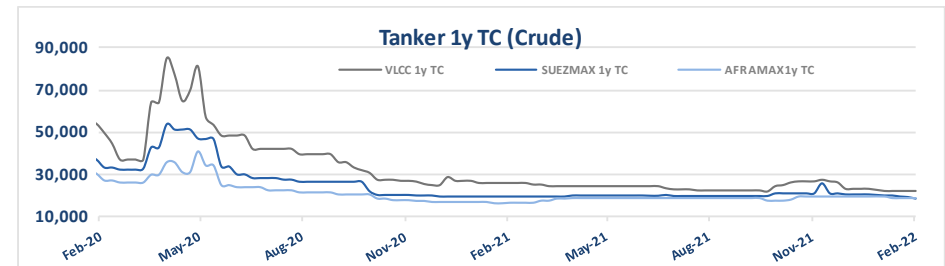
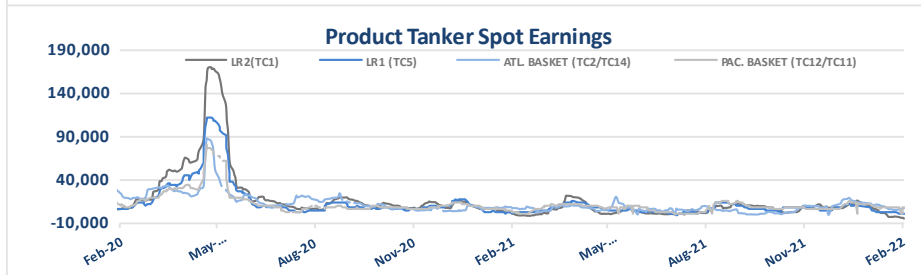
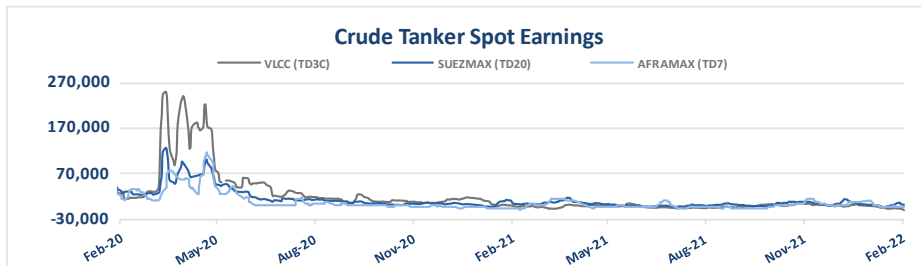
**Suezmax** average T/CE closed the week softer at USD 726/day. Trip from W.Africa to Continent is at USD 2,209/day, BI.Sea to Med is at USD -757/day, Middle East Gulf to Med at USD -19,717/day. 1y T/C rate for D/H Eco 150k dwt Suezmax is USD 19,000/day.

**Aframax** average T/CE closed the week softer at USD 1,572/day. Trip from N.Sea to Continent is at USD -3,393/day, trip from Kuwait to Spore at USD 448/day, trip from Carribs to US Gulf at USD 908/day, and S.E.Asia to EC Australia at USD 2,387/day. 1y T/C rate for D/H Eco Aframax is at USD 18,500/day.

**Products:**

The **LR2** route (TC1) M.East Gulf to Japan is this week down at USD -4,791/day. Trip from Middle East to F.East is at USD -12,732/day, while the **LR1** (TC5) route Mid.East Gulf to Japan at USD 1,058/day, Amsterdam to Lome at USD 3,463/day. The MR Atlantic Basket earnings is up at USD 7,393/day, with **MR** route from Cont. to USAC improved at USD 5,140/day, US Gulf to Cont. at USD -3,819/day, US Gulf to Brazil at USD 6,065/day, ARA to W.Africa at USD 7,339/day. TC6 Intermed Route at USD 10,865/day. Eco LR2 1y T/C rate is USD 19,500/day, and Eco MR2 1y T/C rate is USD 15,000/day.

WET SECONDHAND PRICES (in USD mills)							
Size	Feb/22	Jan/21	12m ch (%)	12m diff	Average Prices		
					2022	2021	2020
VLCC 320k Resale	96.0	88.0	9%	8.0	97.3	94.8	95.5
VLCC 320k 5y	71.4	64.8	10%	6.6	71.8	69.2	69.2
VLCC 300k 10y	49.5	45.5	9%	4.0	48.7	47.1	47.9
VLCC 300k 15y	33.7	31.8	6%	1.9	33.6	33.6	33.5
Suezmax 160k Resale	67.0	58.0	16%	9.0	68.0	64.4	64.9
Suezmax 160k 5y	47.5	44.3	7%	3.2	47.8	46.7	46.7
Suezmax 150k 10y	31.4	30.0	5%	1.4	31.7	31.3	33.7
Suezmax 150k 15y	21.6	22.0	-2%	-0.4	22.1	22.1	23.2
Aframax 110k Resale	57.0	44.9	27%	12.1	57.3	52.2	51.0
Aframax 110k 5y	44.5	33.2	34%	11.3	44.4	38.3	38.3
Aframax 105k 10y	27.4	21.2	29%	6.2	28.0	24.8	26.0
Aframax 105k 15y	17.0	14.4	18%	2.6	17.7	15.5	15.9
MR2 52k Resale	39.0	35.9	9%	3.1	39.7	37.2	37.5
MR2 51k 5y	29.7	27.2	9%	2.5	29.8	27.7	27.7
MR2 47k 10y	19.7	18.2	8%	1.5	19.8	18.5	18.2
MR2 45k 15y	10.9	11.8	-8%	-0.9	11.4	11.9	11.6



**Sale and Purchase:**

On the drybulk S&P, the Scrubber fitted Newcastlemax “*Hemingway*” - 208K/2017 SWS built was sold for USD 52 mills to clients of JP Morgan. Clients of Circle Harmony Shipping acquired the BWTS fitted & TIER II Kamsarmax “*Spetses Spirit*” - 80K/2011 STX for low USD 20 mills. On the Supramax sector, the BWTS fitted “*Magda*” - 58K/2010 Dayang was sold for USD 16.7 mills to clients of Costamare.

On the tanker side, clients of Sinokor acquired the VLCC “*Athenian Success*”- 299K/2010 HHI for USD 42.5 mills. Furthermore, 2x Aframaxes found new owners, mainly, the “*Glifa*”-109K/2005 Hudong Zhonghua sold for USD 14.7 mills to clients of Soechi, while the 2-year older “*Gundala*”- 107K/2003 Imabari changed hands for USD 11.7 mills. Finally, 3x Chemical tankers IMO II compliant & CPP, the “*Team Osprey*”- 25K/2009 Dae Sun, the “*Team Hawk*” - 25K/2008 Dae Sun & the “*Team Falcon*”- 25K/2009 Dae Sun committed at USD 9 mills each to European buyers.

Noteworthy is the sale of the VLCC “*New Inspiration*”- 298K/2002 Hitachi (40,737 LDT) which was sold for demo in the region of USD 660/ LDT which equates to high USD 26 mills basis delivery Gadani.

BULK CARRIER SALES							
NAME	DWT	YEAR	COUNTRY	YARD	BUYERS	PRICE (usd mills)	NOTES/ COMMENTS
HEMINGWAY	207,634	2017	CHINA	SWS	JP MORGAN	52	SS: 04/2022, DD: 04/2022, SCRUBBER FITTED
SICILIAN EXPRESS	93,076	2013	CHINA	COSCO DALIAN	COSMOSHIP	high 19	SS: 01/2023 - DD: 01/2023, BWTS FITTED
SPETSES SPIRIT	80,328	2011	S. KOREA	STX	CIRCLE HARMONY SHIPPING	low 20	SS: 04/2026 - DD: 04/2024, BWTS FITTED, TIER II
NORD FORTUNE	76,596	2008	JAPAN	IMABARI	GREEK	15.3	SS: 07/2026 - DD: 10/2024
MAGDA	58,018	2010	CHINA	YANGZHOU DAYANG	COSTAMARE	16.7	SS: 07/2025 - DD: 07/2023, BWTS FITTED
UNIVERSE 1	53,074	2003	JAPAN	OSHIMA	UNDISCLOSED	10.1	SS: 11/2023 - DD: 04/2022
MARINE PRINCESS	35,501	2012	CHINA	COSCO	UNDISCLOSED	16.4	SS: 11/2022 - DD: 11/2022, AUCTION
ROYAL INNOVATION	28,374	2011	JAPAN	IMABARI	ALMA	high 12	SS: 11/2025 - DD: 11/2023, BWTS FITTED

GENERAL CARGO SALES							
NAME	DWT	YEAR	COUNTRY	YARD	BUYERS	PRICE (usd mills)	NOTES/ COMMENTS
INA	17,096	2012	CHINA	TAIZHOU SANFU	UNDISCLOSED	low 10	SS: 06/2022 - DD: 06/2022

TANKER SALES							
NAME	DWT	YEAR	COUNTRY	YARD	BUYERS	PRICE (usd mills)	NOTES/ COMMENTS
ATHENIAN SUCCESS	298,996	2010	S. KOREA	HHI	SINOKOR	42.5	SS: 01/2025 - DD: 01/2023
GLIFA	109,229	2005	CHINA	HUDONG ZHONGHUA	SOECHI	14.7	SS: 08/2025 - DD: 10/2023
GUNDALA	107,127	2003	JAPAN	IMABARI	CHINESE	11.7	SS: 01/2023 - DD: 01/2023
TEAM OSPREY	25,432	2009	S. KOREA	DAE SUN	EUROPEAN	9 each	SS: 04/2024 - DD: 04/2022, IMO II, CPP
TEAM FALCON	25,419	2009	S. KOREA	DAE SUN			SS: 01/2024 - DD: 01/2024, IMO II, CPP
TEAM HAWK	25,385	2008	S. KOREA	DAE SUN			SS: 06/2023 - DD: 06/2023, IMO II, CPP
SUMMER	13,023	2009	S. KOREA	21st CENTURY	GREEK	UNDISCLOSED	SS: 06/2024 - DD: 08/2022
EASTERN LIBERTY	8,857	2002	JAPAN	USUKI	INDONESIAN	3.6	SS: 06/2022 - DD: 06/2022

GAS SALES							
NAME	CBM	YEAR	COUNTRY	YARD	BUYERS	PRICE (usd mills)	NOTES/ COMMENTS
GAS INSPIRATION	4,918	2006	JAPAN	SASAKI	ARCADIA	9.6	SS/ DD PASSED

COMMODITIES AND CURRENCIES						
Energy	Price	+/_	Day	Weekly	Monthly	YoY
Crude Oil	92.3	2.01	2.16%	5.79%	18.56%	61.57%
Brent	93.27	2.16	2.37%	5.05%	15.96%	56.71%
Natural gas	4.572	-0.316	-4.51%	-6.46%	12.47%	52.50%
Gasoline	2.6931	0.0146	0.55%	6.12%	17.22%	63.29%
Heating oil	2.8751	0.0356	1.25%	6.00%	18.85%	67.77%
Ethanol	2.0375	0.0325	1.62%	-5.67%	-6.54%	22.37%
Naphtha	839.29	12.55	1.52%	8.35%	15.48%	57.63%
Propane	1.29	0	0.27%	10.30%	16.88%	48.86%
Uranium	43.95	-0.05	-0.11%	-2.01%	-3.19%	48.23%
Methanol	2788	30	1.09%	2.61%	8.19%	20.43%
TTF Gas	82.65	2.43	3.03%	-10.22%	-9.69%	349.68%
UK Gas	200.49	7.73	4.01%	-8.63%	-10.28%	316.21%
Metals						
Gold	1,810.2	2.72	0.15%	1.07%	0.04%	-0.08%
Silver	22,596	0.116	0.52%	0.89%	1.33%	-17.09%
Platinum	1,024.1	-9.32	-0.90%	1.63%	4.23%	-8.86%
Industrial						
Copper	4.4875	0.0165	0.37%	4.12%	1.68%	23.76%
Coal	227.0	6	2.71%	-0.29%	26.11%	161.97%
Steel	4,778	42	0.89%	0.74%	4.90%	14.01%
Iron Ore	143.5	0	0.00%	5.90%	20.59%	-7.72%
Aluminum	3,074.0	24	0.79%	-0.28%	5.20%	52.33%
Iron Ore Fe62%	145.45	-0.5	-0.34%	11.19%	17.17%	-5.49%
Currencies						
EUR/USD	1.14556	0.0004	0.04%	2.75%	0.83%	-4.91%
GBP/USD	1.35339	0.0007	0.05%	0.99%	-0.41%	-1.45%
USD/JPY	115.236	0.04	0.03%	-0.03%	-0.27%	9.35%
USD/CNY	6.36283	0.0016	0.02%	-0.12%	-0.17%	-1.47%
USD/CHF	0.92551	0.0051	0.55%	-0.59%	0.90%	2.96%
USD/SGD	1.3451	0.0007	0.05%	-0.76%	-0.93%	0.82%
USD/KRW	1194.43	-2.01	-0.17%	-1.25%	-0.31%	6.95%
USD/INR	74.64	0.001	0.00%	-0.53%	0.48%	2.51%
Bunker Prices (in USD)						
	VLSFO	IFO380	MGO	Spread VLSFO-IFO380	Diff Spread w-on-w	% Spread w-on-w
Singapore	726.00	526.00	810.50	200.00	40.0	25.0%
Rotterdam	692.00	520.50	828.00	171.50	30.5	21.6%
Fujairah	733.50	538.00	864.00	195.50	33.0	20.3%
Houston	698.00	553.00	885.50	145.00	34.0	30.6%

WTI Crude Oil



Coal



Steel Rebar



Gasoline



- In the U.S., the Dow Jones Industrial average increased by 1.05% at 35,090 points, S&P 500 went up by 1.54% at 4,501 points and NASDAQ rise by 2.38% at 14,098 points. The main European indices closed almost the same as previous week, with the Euro Stoxx50 closing down by only 1.22% at 4,087 points and Stoxx600 down by 0.73% at 462 points mark. In Asia, the Nikkei closed the week at 27,249, gaining 2.01% on a weekly basis, while Hang Seng went up by 3.92% at 24,481 points mark and the CSI 300 index closed the week at 4,564 points, the same level as the previous week.
- The yield on the benchmark 10-year Treasury note edged up to 1.92%, the highest in 2 years, as investors await US inflation data and continue to expect the Fed will need to raise rates faster to tackle soaring consumer prices.
- Steel rebar futures rose above CNY 4,800 per tonne, the highest level in nearly 15 weeks, due to prospects of higher demand following China's announcement to increase iron ore production and lift steel scrap utilization.
- Spot prices of iron ore extended its gains to above \$140/ton, a level not seen since Sep 2021, with market participants anticipating a return in demand when construction projects resume and pace picks up.
- Coal futures trading around \$230 per tonne, close to levels not seen since October 2021 and 40 dollars short of the peak seen in 2013, as a global energy crunch drove prices higher and increased the cost of fueling coal-burning power plants.
- In January 2022, the Caixin China General Services PMI fell to 51.4 from 53.1 in December. As a result of recent COVID-19 outbreaks and efforts to curb the spread of the virus, this was the weakest increase in five months of growth in services activity.
- Inflation in the euro zone rose faster than expected in January, putting more pressure on the European Central Bank to taper off its pandemic stimulus more quickly than scheduled. Consumer prices jumped by 5.1% from a year ago, up from 5% in December.

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