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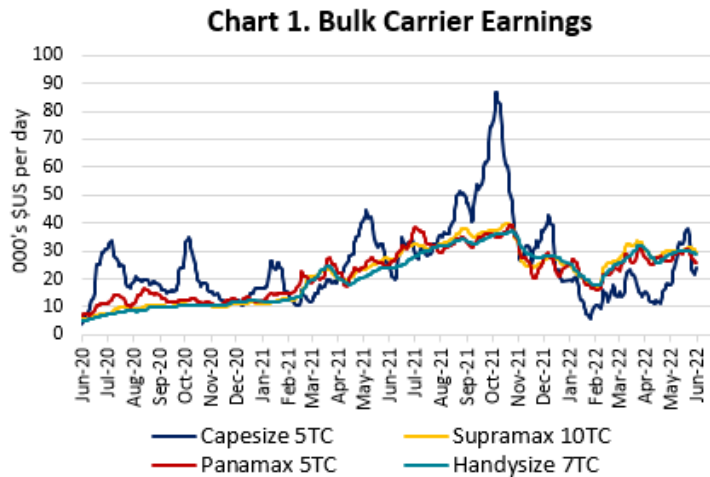
1. Sustainability

- According to DNV there are currently 805 LNG fuelled ships (In operation and on order) and 229 additional LNG ready ships. In May 30 vessels capable of running on LNG were ordered, 51 vessels ordered in April and 14 vessels were ordered in March.
- Ocean Network Express ordered ten methanol and Carbon Capture ready container vessels.
- Rio Tinto joined the Maersk Mc-Kinney Moller Centre for Zero Carbon Shipping. The mining firm is aiming for net zero emissions from the transportation of its products by 2050 and for 40% cut in its emissions intensity by 2025.
- Alternative fuels have gained significant traction so far in 2022, with around 65% of all new building orders being for alternative fuel capable units, up from circa 30% across the 2020-2021 period. LNG is by far the most popular choice on the back of an expanding bunkering network and proven technology, amounting to around 60% of all orders so far in 2022.
- Professor Dr Stefan Ulreich, author of the report “Fuelling the Fourth Propulsion Revolution” describes that in order to meet the industry’s 2050 net-zero goal, shipping’s fuel needs would require electricity from renewable sources to increase by up to 3,000 TWh – the equivalent of the entire world’s current renewable energy production.
- Dr. Ulreich in his report he also points out that in order to meet the International Energy Agency’s net-zero emissions by 2050 scenario, the world would need an 18-fold increase in current renewable production capacity. Germany, Algeria, and Chile, identified as the first movers who are looking to seize these investment and have signed bilateral agreements on the production of hydrogen fuels.
- Technology Company Veracity Integrated Partners will collaborate with Eyal Ofer’s Zodiac Maritime in order to boost environmental reporting. Ninety Percent of Everything Limited (90POE) has joined Veracity and they aim to enable more efficient and accurate reporting for its maritime customers. Improved data quality, shorter reporting cycles and regular data quality controls will be some of the services the technology companies will provide.
- PSG equity plans to invest in ZeroNorth (Maersk Tankers’ voyage optimisation spin-off). ZeroNorth points that it is on course to help cut Co2 emissions by over half a million tonnes in 2022, which is around 130% up from a year earlier. Other current shareholders include Maersk and Cargill.
- The world’s largest tug operator Svitser plans to cut all carbon emissions by 2040. The company has a fleet of more than 430 vessels, that emitted almost 275,000 tonnes of Co2 in 2020 this equates to the emissions of around 111,000 cars. The company will explore methanol as a fuel and in the long term to take steps to retrofit and renew its fleet to operate on low-carbon fuel solutions.

2. Shipping Markets Analysis

2.1 Dry Bulk

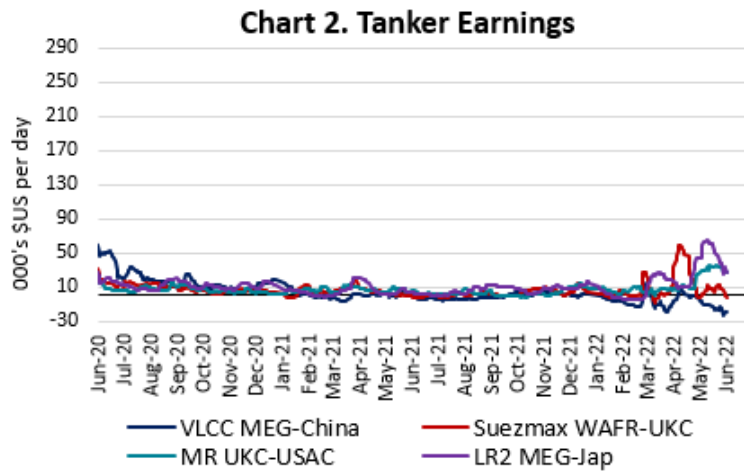
The Baltic dry index increased slightly this week to 2633 as of Wednesday 1st of June snapping a six session losing streak. Capesizes lead the increase as Chinese iron ore futures rose to a six-week high on the back of the government stimulus plans to boost the economy. Current earnings for capesizes, panamax, supramax are 24,274 \$/d, 25,663 \$/d and 29,738 \$/d respectively. Interesting to note that Baltic dry index is currently 98% above the 10 year average. Moreover average supramax earnings year to date outperform the other segments and current supramax earnings are almost 140% above the 7-year average. Last but not least the number of dry bulk vessels currently in Atlantic are at 3-year high.



2.2 Tankers

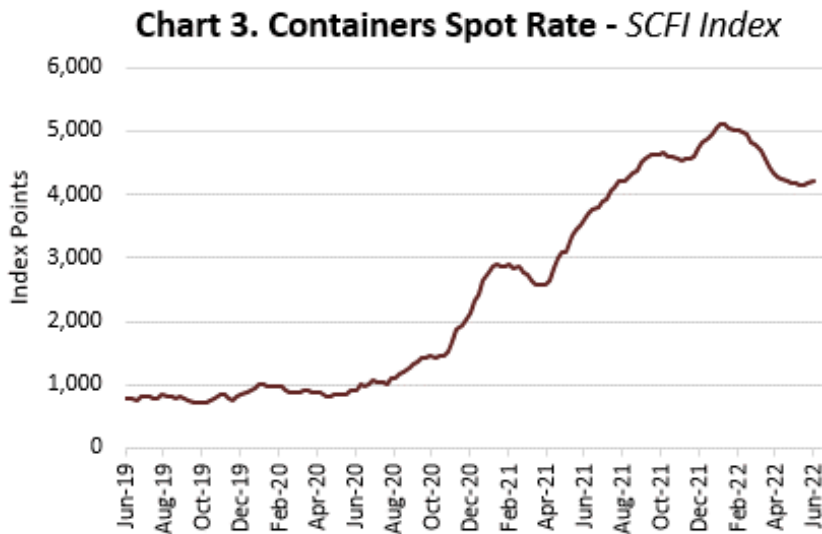
Suezmax freight rates have reached their lowest point since Russia's "Special Military Operation", as fewer cargoes competing against a lengthy position list. VLCCs and Aframaxes were steadier this week on the back of a sturdy market. We do not expect a significant change in rates next week due to the Posidonia week. 2022 Average earnings for VLCC, Suezmax and Aframax are -3,000 \$/day, 8,000 \$/day and 17,500 \$/d respectively. Europe's ban on Russian oil, increased Indian imports of Russian oil, trade dislocations due to the Ukraine-Russia situation and a potential increase in Saudi Arabia crude oil production may benefit the tanker market.

While rates for product tankers fell this week, they are still at very healthy levels. The main factors that drove product tanker rates higher in the second quarter are: i) increased scrapping in 2021 ii) increased post-pandemic oil demand iii) low products inventories as refineries cut capacity during the Covid iv) trade dislocations (e.x replacement of Russian diesel from USA – longer distance v) and last but not least exceptionally strong refinery margins (refinery crack spreads have more than doubled since Russia invaded Ukraine).



2.3 Containers

It was a softer week in the container market with fewer reported fixtures compared to last week. Few tonnage requirements remain uncovered with the main barrier often being the length of the TC period. Nevertheless the supply of ships remains tight as charterers are adopting a “wait and see” mode. Rates remain at exceptionally high levels with a 8,814 TEUs vessel taken for 70 to 80 days at 175,000 \$/day and a feeder with 1,032 TEUs fixed for 12 to 14 months at region mid 30,000s. Net fleet growth for 2022 is expected at about 3.9%, 11% in 2023 and around 11.3% in 2024. There are about 1,202 container vessel that are 20 years old or older currently in the water.



3. Second-Hand Market

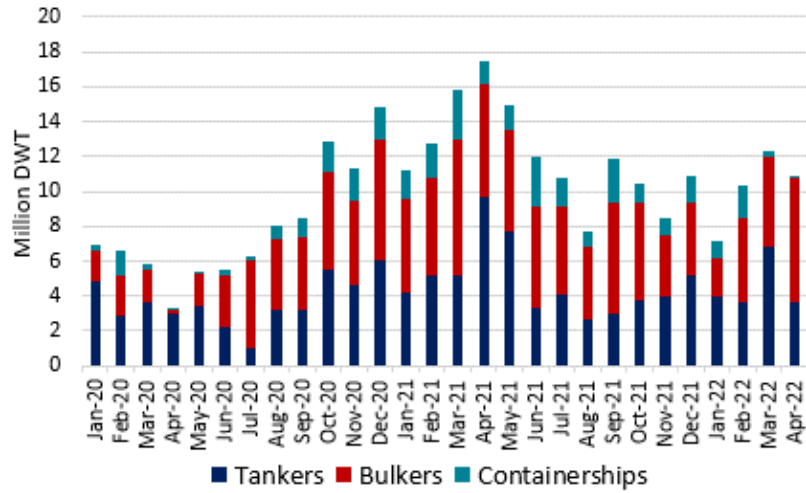
3.1 Weekly Ship Sales by Vessel Type

Vessel Type	Sub-Sector	Name	Size	Built	Yard	Price	Buyers	Surveys	Comments
Tanker	LR2	Rumford	107k >>	2012	Tsuneishi	\$32.7m	Greek	SS/DD due	BWTS fitted
Tanker	MR2	Pacific Diamond	47k >>	2010	Iwagi	\$18m	N/A	SS 10/25 DD 12/23	BWTS fitted
Tanker	MR2	Valle di Navarra	42k >>	2002	Hyundai Mipo	rgn \$6m	Greek	SS/DD 07/22	
Tanker	MR2	Miss Claudia	40k >>	2006	ShinA	\$11.5m	N/A	SS 05/26 DD 05/24	BWTS fitted, Ice Class
Tanker	MR1	Bianca Amoretti	29k >>	2003	Chengxi	\$6m	N/A	SS 08/23	
Dry Bulk	Capesize	Mount Nevis	177k dwt	2005	Namura	\$20.5m	Greek	SS 09/25 DD 08/23	Scrubber fitted
Dry Bulk	Kamsarmax	Capricorn Moon	81k >>	2015	Tsuneishi Cebu	rgn \$33m	German	SS 04/25 DD 04/23	Eco ME
Dry Bulk	Kamsarmax	Majulah Harbourfront	81k >>	2014	Tsuneishi Zhoushan	\$31.65m	Greek	SS 11/24 DD 10/22	BWTS fitted, Eco ME
Dry Bulk	Panamax	Glory One	73k >>	2002	Namura	N/A	Chinese	N/A	
Dry Bulk	Ultramax	Yangzhou Confidence	63k >>	2017	Sinopacific Dayang	\$31.25m	N/A	SS/DD 05/22	BWTS fitted, Eco ME
Dry Bulk	Ultramax	Pavo Bright	61k >>	2017	Shin Kurushima	\$33.5m	Greek	SS 01/27 DD 11/24	BWTS fitted, Eco ME
Dry Bulk	Supramax	Xin Xiang Hai	56k >>	2012	Mitsui	\$23.5m	Greek	SS/DD 07/22	
Dry Bulk	Supramax	Ru Cheng Shan	56k >>	2013	Zhejiang Zhenghe	\$17.87m	N/A	SS 07/23	auction sale
Dry Bulk	Supramax	Prabhu Lal	52k >>	2004	Tsuneishi	\$16.2m	N/A	SS 03/24 DD due	BWTS fitted
Dry Bulk	Handymax	Zhong Liang Hua Do	46k >>	2001	Oshima	ard \$12m	N/A	SS 01/26 DD 01/24	auction sale
Dry Bulk	Handysize	Nordic Seoul	35k >>	2017	Samjin	\$24.5m	Thai Buyers	SS/DD 8/22	
Dry Bulk	Handysize	Nordic Busan	35k >>	2018	Samjin	\$25.5m		SS/DD 04/23	
Dry Bulk	Handysize	Moleson	35k >>	2010	Shinan	\$17.5m	Middle Eastern	SS 10/25 DD 11/23	BWTS fitted
Dry Bulk	Handysize	Golden Maple	32k >>	2009	Zhejiang Hongxin	\$14m	N/A	SS/DD 12/24	BWTS fitted
Dry Bulk	Handysize	Super Kate	32k >>	2008	Hakodate	xs \$16.5m	N/A	SS 10/25 DD 11/23	BWTS fitted
Gas	LNG	Resales 2x	174k cbm	Q1 2025	Hyundai Samho	\$231.7m each	Eastern Pacific	N/A	

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

Vessel Type		Current Prices				5-Year Avg Prices (2017-2021)			
		Resale	5 yrs	10 yrs	15 yrs	Resale	5 yrs	10 yrs	15 yrs
TANKERS	VLCC	102	76	52	38	91	67	44	29
	Suezmax	72	52	37	25	61	45	30	18
	Aframax	61	48	33	21	48	34	22	13
	Panamax	48	36	23	15	41	29	18	10
	MR	39.5	33	22	15	36	26	17	10
DRY BULK	Capesize	62	52.5	37	23.5	49	38	23	14
	Panamax/Kamsarmax	42	37	27	18	30	23	14	9
	Supramax/Ultramax	39	35	23.5	18	27	21	13	8
	Handysize	32	28	20	15	22	16	10	5
CONTAINERS	Size	Current Prices				5-Year Avg Prices (2017-2021)			
	8,800-teu / 10 yrs	150				38			
	6,600-teu / 10yrs	140				30			
	4,500-teu / 10 yrs	80				17			
	2,600-teu / 10 yrs	58				14			
	1,700-teu / 10 yrs	40				10			

Chart 4. Sales Volumes per Vessel Type



4. Newbuilding & Ship Recycling Markets

4.1 Recent Newbuilding Orders

Table 3. Weekly Newbuilding Orders

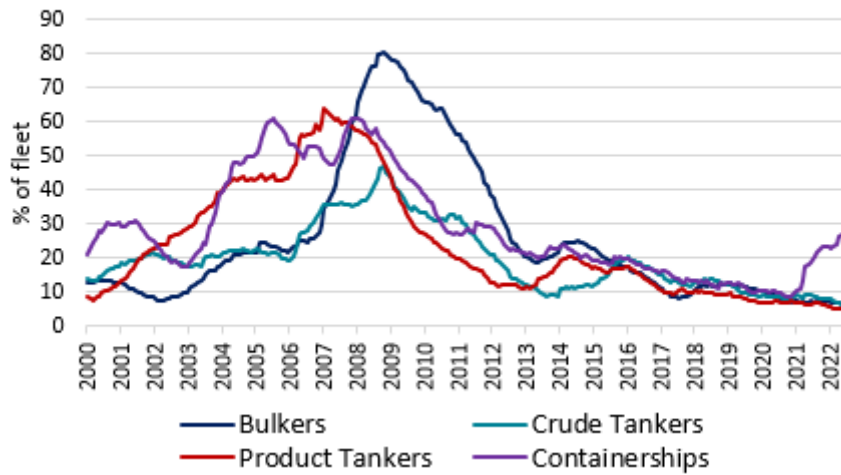
Ship No	Type	Sub-Sector	Size	Delivery	Yard	Unit Price	Owners	Comments
4	Container	Feeder	2,800 TEUs	Q4 2023 - Q1 2024	HHI	ard \$47m	Greek	
4	Dry Bulk	Ultramax	63k dwt	2024	New Dayang	ard \$32.5m	Chinese	Tier III
8	Tanker	MR2	50k >>	2025	New Times	\$58m	Norwegian	Methanol filled, TC 7 years at \$17k/day

4.2 Newbuilding Asset Values & Orderbook Levels

Table 4. Newbuilding Asset Values

Vessel Type		Current Prices		Year End, \$m		
		Last Week	This Week	2019	2020	2021
TANKERS	VLCC	116	116	91	84	111
	Suezmax	78	78	61	55	75
	Aframax	60	60	48	45	59
	Panamax	51	51	44	42	50
	MR	41	41	35	33	40
DRY BULK	Capesize	62	62	49	46	60
	Kamsarmax	36	36	27	25	34
	Ultramax	34	34	25	23	32
	Handysize	30	30	23	22	29
CONTAINERS	10,000-teu	128	128	88	87	128
	6,600-teu	83	83	71	71	83
	5,000-teu	71	71	52	52	70
	2,600-teu	40	40	31	29	39
	1,700-teu	27	27	25	22	27

**Chart 5. Shipping Orderbooks
as % of Fleet Capacity**



4.3 Recent Ship Recycling Activity

Table 5. Weekly Ship Recycling Activity

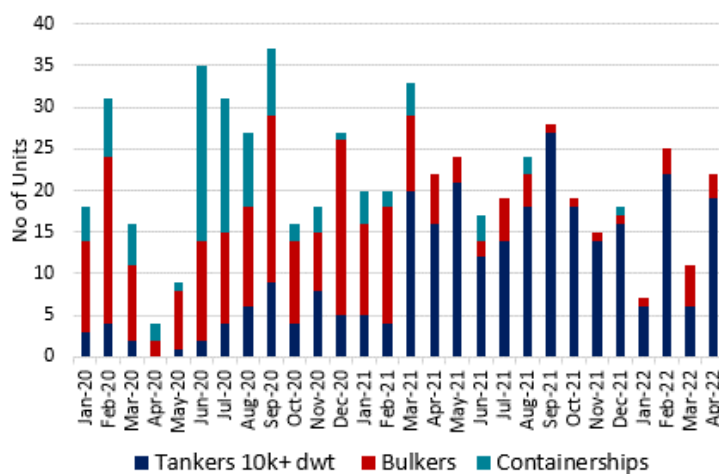
Type	Sub-Sector	Name	Built	Dwt	Ldt	Yard	Buyer	Price (\$/ldt)	Comment
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4.4 Scrap Values & Ship Demolition Volumes

Table 6. Scrap Values

Location	Tankers				Dry Bulk			
	Year End, \$m			Current	Year End, \$m			Current
	2019	2020	2021		2019	2020	2021	
India	361	402	562	630	365	403	562	620
Bangladesh	385	410	600	620	380	415	585	610
Pakistan	355	415	588	610	355	415	585	600

Chart 6. Ship Recycling per Vessel Type



5. Macro Indicators

Indicator		% w-o-w
ICE Brent	117 \$/b	0.0%
WTI	116 \$/b	2.7%
Spore VLSFO	1,086 \$/t	18.2%
GBP/USD	1.26	0.0%
USD/YEN	129.89	3.1%
USD/EURO	0.93	0.0%
USD/YUAN	6.66	-0.7%
Gold	1,867	0.5%



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