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1. Sustainability

- K’Line of Japan has ordered three additional Seawing Systems from Airseas. K’ Line plans to use Airseas’s wind propulsion technology to cut its emissions. Following Berge bulk which ordered rotor sails from Anemoi Marine Technology, K’Line has a 20-year deal with Airseas with options for seawings to be fitted on up to 50 of its ships. The Japanese company said that by using wind propulsion technologies an average of 20% saving in fuel and emissions could be viable. Berge bulk’s plans is to fit its newcatlemax with rotor sails with the aim of saving around 1,200-1,500 tonnes of fuel per year. Rotor sails are mechanical cylinders that use the power of wind to reduce fuel consumption and emissions.
- Petrobras of Brazil has signed a \$1.25billion in green financing. The sustainability loan will be the first such loan for the Brazilian major. Bank of China, Bank of Nova Scotia and MUFG signed the loan which has a five year maturity. The details of the financing have yet to be disclosed however it is understood that the major will have to pay lower interest if it meets goals to reduce emissions of GHG. “This is the first time Petrobras has contracted financing associated with its corporate sustainability targets,” Petrobras said. The oil mayor aims to reduce carbon intensity by almost 16% in refining operations and 32% in exploration/production activities by 2025. According to its website, Petrobras has a fleet of around 123 ships in total (incl. chartered and owned tonnage). Petrobras was the top suezmax charter in 2021 according to Poten & Partners.
- According to McKinsey demand for sustainable fuels such as hydrotreated vegetable oil (HVO), Bioethanol and synthetic fuels such as ammonia or methanol could triple in the next 20 years. It is expected that the share of sustainable fuels in transportation’s energy demand could be between 7% and 37% by 2025 depending on the net-zero ambition levels across the countries.
- 61% of the newbuild orders (by tonnage) so far this year are for vessel capable of running on alternative fuels. More than 260 vessels capable of running on alternative fuels were ordered Year to date with the majority of them for LNG dual-fuelled ships. Methanol, ethane and battery hybrid propulsion orders accounted for less than 3% of the total orders in 2022. About 4700 vessels are currently fitted with scrubbers which is about 24% of the global trading fleet.

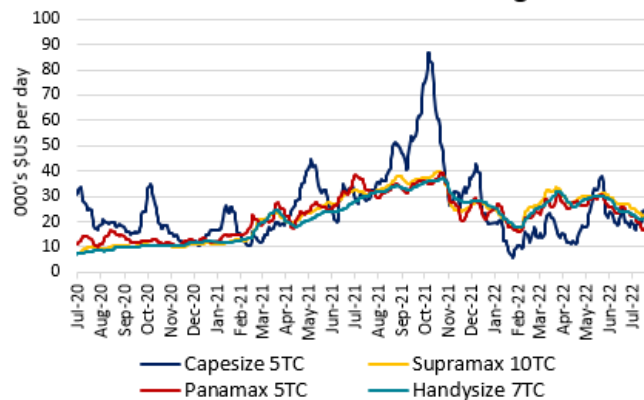
2. Shipping Markets Analysis

2.1 Dry Bulk

Even though the sub-capesize sectors were firm, declines in the larger segment led to a softer week with the Main Index falling to 2,118 (As of 21st July). Panamax lodged the biggest gains this week followed by supramax and then handysize. The Baltic Dry Index is currently 7% below the Year to date average. Only the capesize is currently above the Year to date average, with the Panamax, Supramax and handysize currently 27%, 15% and 14% below the YTD average.

Chinese officials will restrict some of the phosphate fertilizer exports so to support the domestic market and help farmers to reduce their costs. In June 2022, Chinese fertilizer exports were around 1.19m tonnes which is already about 50% below the levels it exported in June 2021. Main Chinese fertilizer importers are Brazil, Indonesia and India. Di-ammonium Phosphate fertilizer (FOB USG Gulf), Urea (FOB Black Sea) and Potash (FOB Vancouver) have increased 27%, 76% and 178% Year over Year in June 2022.

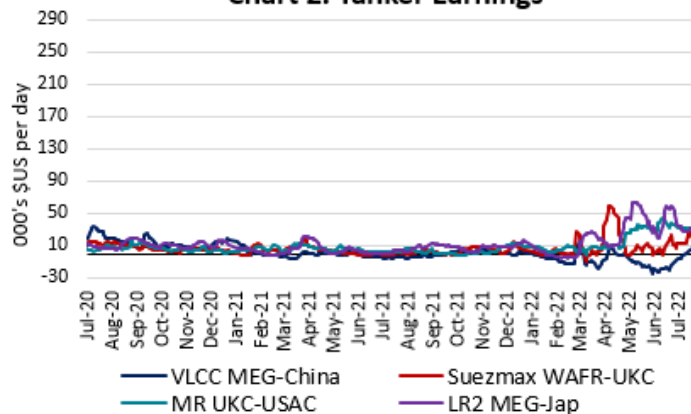
Chart 1. Bulk Carrier Earnings



2.2 Tankers

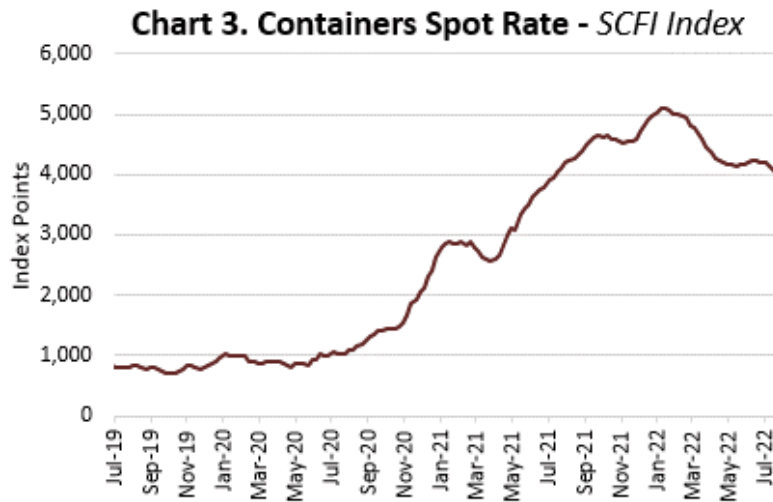
The VLCC market closed this week on a positive note with rates for AG/China breaking the WS 60 mark and USG/China currently at \$7.25m (about USD 500k up since early July). National Oil Corporation of Libya announced that it has lifted the force majeure on its ports which will benefit the Suezmax and Aframax market further. On the SnP front, the market is very active with lots of interest especially for MR and aframax. Market sources suggest that a 15 years old MR tanker was committed at \$18 mill which is significantly higher than the last done. Moreover by the time of writing this report we understand that a 10 years old Suezmax sold at \$42.5m which is about 5 million above than the sistership sold 3 months ago which underlines the strong sentiment in the crude carriers.

Chart 2. Tanker Earnings



2.3 Containers

Containers were softer for another week however rates still remain at very profitable levels. Limited activity on the SnP front as buyers are currently assessing the market.



2.4 Key shipping Freight Indices

Bulkers		% w-o-w	Tankers		% w-o-w	Containers		% w-o-w
BDI	2,118	5.37	VLCC MEG-China	10,700	613.3%	SCFI	3,996.77	-3.54%
Capesize 5TC	21,999	8.07	Suezmax Wafr-UKC	32,700	9.0%			
Kamsarmax 5TC	18,455	6.80	MR UKC-USAC	25,900	-16.5%			
Supramax 10TC	22,800	1.10	LR2 MEG-Jap	37,700	32.3%			
Handysize 7TC	21,820	3.40						

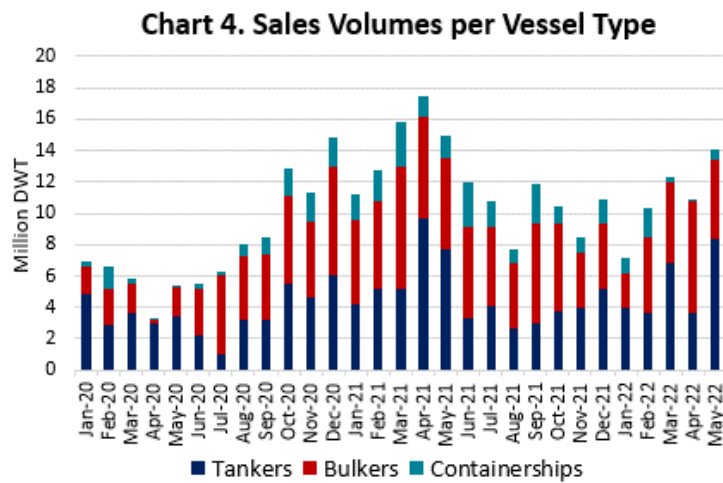
3. Second-Hand Market

3.1 Weekly Ship Sales by Vessel Type

Vessel Type	Sub-Sector	Name	Size	Built	Yard	Price	Buyers	Surveys	Comments
Tanker	VLCC	ECO Leader	299k >>	2016	Daewoo	\$82m	N/A	SS 06/26 DD 07/24	BWTS/Scrubber fitted
Tanker	Aframax	Godam	113k >>	2006	Samsung	ard \$80m	Greek	SS 05/26 DD 04/25	Ice Class
Tanker	Aframax	Mandala	113k >>	2006	Samsung			SS 02/26 DD 12/24	Ice Class
Tanker	LR2	Timberwolf	109k >>	2008	Dalian			SS/DD 01/23	Eco ME
Tanker	LR2	Thunderbolt	109k >>	2008	SWS			SS/DD 08/23	
Tanker	Aframax	Songa Coral	107k >>	2005	Koyo	\$25m	Turkish	SS 01/25 DD 01/23	BWTS/Scrubber fitted
Tanker	MR2	Sunny Bay	50k >>	2008	SPP	high \$17m	N/A	SS/DD 05/23	
Dry Bulk	Panamax	Fortune Union	73k >>	1998	Sumitomo	\$8.5m	N/A	SS/DD 11/23	BWTS fitted, Ice Class
Dry Bulk	Ultramax	Dayang Confidence	63k >>	2017	Yangzhou Dayang	rgn \$30m	N/A	SS/DD due	BWTS fitted, Eco ME
Dry Bulk	Ultramax	Soho Mandate	61k >>	2016	COSCO Dalian	rgn \$31m	Chinese	SS 09/26 DD 09/24	BWTS fitted, Eco ME
Dry Bulk	Supramax	Shun Xin	56k >>	2010	COSCO Zhoushan	high \$16m	N/A	SS 01/25 SS 03/23	BWTS fitted
Dry Bulk	Supramax	Anastasia S	52k >>	2004	Onomichi	xs \$16m	Indian	SS 09/24 DD passed	Prompt delivery, Freshly Drydock passed
Dry Bulk	Handysize	Nord Montreal	36k >>	2012	Onomichi	\$22m	N/A	SS/DD 09/22	Ice Class
Dry Bulk	Handysize	Jun De	34k >>	2011	SPP	rgn \$17m	Chinese	SS 07/26 DD 07/24	BWTS fitted, Tier II, TC attached
Container	Post Panamax	Resale	5,500 TEUs	2023	HJ	N/A	Norwegian	N/A	Methanol ready
Container	Feeder	AS Serafina	1,713 >>	2010	CSBC	\$33m	French	SS 06/25 DD 06/23	auction sale
Container	Feeder	A Roku	1,708 >>	2008	Imabari	\$30m	Vietnamese	SS/DD due	
Container	Feeder	X-Press Yamuna	1,162 >>	1998	Stocznia	N/A	Middle Eastern	SS/DD 05/23	
Container	Feeder	Crystal Arrow	1,020 >>	2017	Tsuneishi Zhoushan	\$27m	French	SS/DD 07/22	BWTS fitted

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	104	80	56	39	91	67	44	29
	Suezmax	74	56	42	27	61	45	30	18
	Aframax	65	52	38	27	48	34	22	13
	Panamax	51	38	26	18	41	29	18	10
	MR	42	36	25	18	36	26	17	10
DRY BULK	Capesize	62	52.5	37	24	49	38	23	14
	Panamax/Kamsarmax	42	38	29	18.5	30	23	14	9
	Supramax/Ultramax	40	35	23.5	18.5	27	21	13	8
	Handysize	32	28	21	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			



4. Newbuilding & Ship Recycling Markets

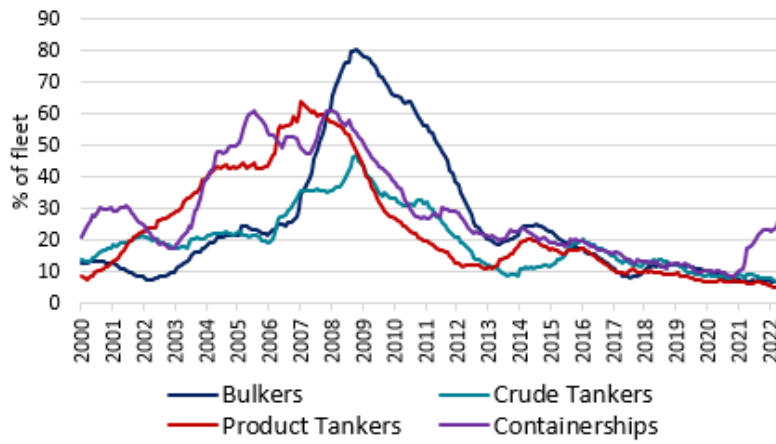
4.1 Recent Newbuilding Orders

Ship No	Type	Sub-Sector	Size	Delivery	Yard	Unit Price	Owners	Comments
2	Dry Bulk	Capesize	185k dwt	2024	Namura	N/A	US based	EEDI Phase III, conventionally fuelled, to be upgraded to use biofuels
3	Dry Bulk	Kamsarmax	85k >>	2H 2024	Shanhaiguan	N/A	Norwegian	LNG ready
1	Tanker	MR2	50k >>	N/A	CSBC	\$50m	Taiwanese	EEDI Phase III, Country's 5% value-added tax
4	Tanker	MR2	50k >>	2024	Hyundai Vietnam	\$42.5m	Japanese	conventionally fuelled, EEDI Phase III

4.2 Newbuilding Asset Values & Orderbook Levels

Vessel Type	Current Prices		Year End, \$m			
	Last Week	This Week	2019	2020	2021	
TANKERS	VLCC	117	117	91	84	111
	Suezmax	79	79	61	55	75
	Aframax	61	65	48	45	59
	Panamax	52	52	44	42	50
	MR	42	42	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

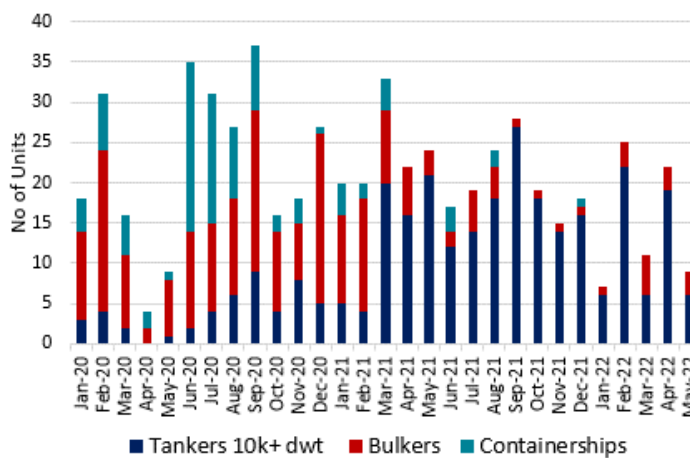
Type	Sub-Sector	Name	Built	Dwt	Ldt	Yard	Buyer	Price (\$/ldt)	Comment
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4.4 Scrap Values & Ship Demolition Volumes

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	580	365	403	562	570
Bangladesh	385	410	600	590	380	415	580	580
Pakistan	355	415	588	570	355	415	585	560

Chart 6. Ship Recycling per Vessel Type



5. Macro Indicators

Indicator		% w-o-w
ICE Brent	103.8 \$/b	3.8%
WTI	96.18 \$/b	0.1%
Spore VLSFO	950.50 \$/t	-5.1%
GBP/USD	1.19	0.8%
USD/YEN	137.75	-0.8%
USD/EURO	0.99	-1.0%
USD/YUAN	6.77	0.1%
Gold	1,718	0.8%



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(HELLAS) S.A.

SALE & PURCHASE OF SHIPS, NEW BUILDINGS, RECYCLING, MARINE PROJECTS & FINANCE
7, Granikou Str, Marousi 15125 - Attica, Greece
T:+30 210 453 9000 | E: sales@weberseas.com

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