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1. Sustainability

- Itochu in collaboration with Lotte Chemical of South Korea will collaborate on developing fuel ammonia business. Japan and South Korea are two major importers of ammonia and is expected their needs for the alternative fuel will increase further. The two companies plan to trade Fuel-use ammonia, moreover they will investigate the use of ammonia infrastructures, future demand for Japan and South Korea and JV in carbon capture and storage (CCS) to produce blue ammonia. Infrastructure will focus on tanks, pipeline and loading/discharging operations at S. Korea’s main ports such as Busan, Ulsan and Yeosu.
- Drax a power generation business in the UK in combination with MOL Drybulk plan to reduce their shipping related carbon dioxide emissions. Windpower will be the main method for achieving lower emissions such as hard sail technology which will be installed on the MOL’s Newbuilds which are schedule for delivery in 2025. The vessels will carry Drax’s Biomass cargo. Drax is planning to be a carbon negative company by 2030.
- Furetank of Sweden has ordered its 11th dual fuel product tanker capable of running on LNG and Liquid Biogas (LBG). Th vessel has a deadweight of around 18,000 tonnes and will be build by China Merchants Jinling Shipyard in Yangzhou.
- Eastern Pacific of Singapore plans to test a crude algae oil blend as an alternative bunker fuel. The company said in a statement that will test the fuel on one of its vessel for 12-18 months starting from August. The trial is part of the series of bio fuel trial announced by Singapore's Global Centre for Maritime Decarbonization.

2. Shipping Markets Analysis

2.1 Dry Bulk

On the SnP front, a lull in activity this week as limited buying appetite made things quieter. A 2015 Chinese Ultramax was withdrawn from the market as only a couple of buyers showed interest and the levels of the offers they received were way below sellers expectations and lower compare to what a similar vessel was sold back in March which underlines a softer feeling in the market.

European coal imports are declining month over month since April after the initial rush in coal demand following the Russia's "Special Military Operation". Coal exports to Europe declined about 20% in June compare to the previous month however they are still almost double Year over Year.

Coal inventories at ARAG region are at very high levels. We have observed increased congestion and worsening bottlenecks in the ARAG region as the recent extreme temperatures in Europe lead to reduce water levels on the Rhine river which in turn makes it impossible for some vessel to fully load. It is reported that in some cases vessels only load 1/3 of their capacity depending on the destination.

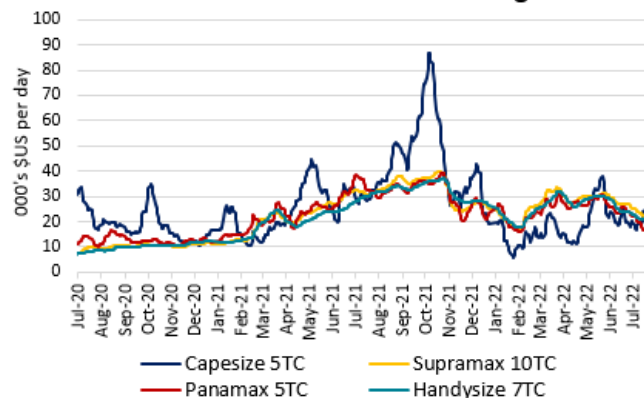
Exports of Russian coal to India in June reached the highest monthly total on record. We expect that India's demand for Russian coal will stay robust as we see a willingness to buy the Russian coal given the large discounts.

Global steel production decreased about 6% in June amid an economic slowdown and high inflation. Only India's steel production increased in June compare to the other major steel producers which saw their output contracting. US was the largest steel importer with around 2.8m tonnes in June followed by Turkey and China.

Chinese corn imports decreased significantly in June. 30% of Chinese corn imports came from Ukraine in 2021. Alternatives to Ukrainian corn would be the Brazilian one which can potentially support the tonne-mile demand.

Chinese Aluminum production increased about 4% in June YoY despite tight margins from Smelters. Around 60% of Chinese bauxite imports came from Guinea. Aluminum prices have dropped around 25% from its peak in March. Western Europe production decreased more than 9% Year over Year in June with unprofitable plants forced to reduce output or close down entirely.

Chart 1. Bulk Carrier Earnings



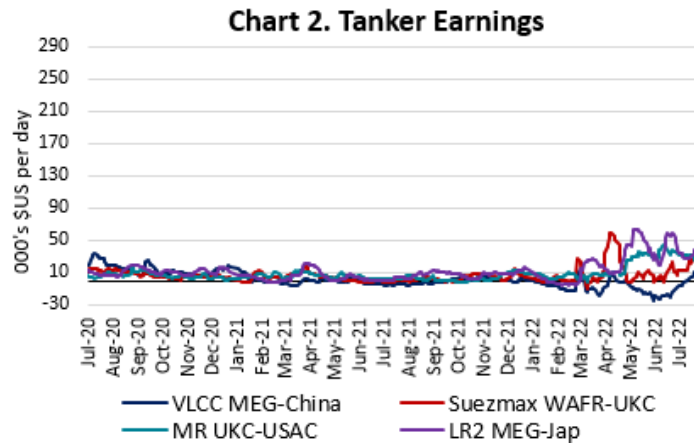
2.2 Tankers

On the VLCC front, the active atlantic basin looks like the main driver behind the firm market. Around 22 VLCCs bound for East discharge and 11 for Europe discharge in July compare to 16 and 6 respectively in June. Strong US crude oil exports have a positive impact on the crude market as normally those cargoes tend to go East which is supporting the tonne-mile demand. US exports of crude oil surged to an all-time high last week at 4.5m barrels per day. Exports could potentially continue to rise given the discount of the WTI compare to the other international benchmarks. The spread between the Brent and the WTI crude futures has increased to \$9 a barrel which makes the US crude more attractive for International refineries. USG to China trip on a VLCC currently pays \$7.5m.

India's imports of Russian crude oil reached a record of about 955,000 barrels per day in June which is around 4,100 % up compare to April 2021 volumes. India is taking advantage of the heavily discounted Russian Crude which can be as much as \$40 per barrel.

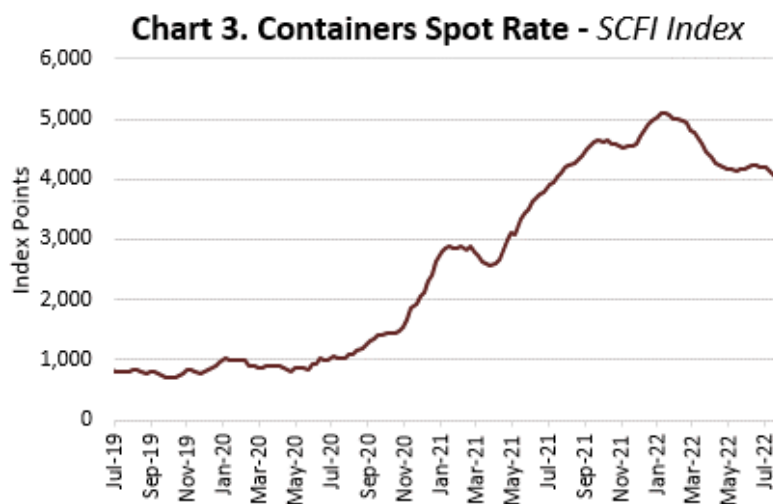
Time Charter activity has been healthy with many majors willing to lock in on tonnage for long TCs, especially for modern tonnage. On the VLCCs, Petrobras is currently in the market for 12+12 months TC. On the Suezmaxes a Newbuild 2022 scrubber fitted fixed for 3 years at USD 34,000 per day. An aframax fixed for 3 years at USD \$31,000 per day to Vitol. On the product tanker side, we understand a 2015 built MR tanker fixed for 24 months at region USD 22,000 per day.

Tanker Sale and Purchase activity remains very robust with strong buyers appetite and values very firm on all segments. There is increased interest on ice-class tonnage with around 60 vessels changing hands so far in 2022 which is 50% up from the total volumes of 2021 and 130% up from those of 2022.



2.3 Containers

Despite a downward trend on the container market since the start of the year, rates still remain at exceptionally high levels with charter and SnP activity still remaining healthy. A 2,700 TEUs container is rumoured to have been fixed for a 3-year charter at around 11% below a similar vessel fixed in June which indicates that some owners are willing to get a discount especially against a long TC. On the panamax and post-panamax sector we see liner giants forward-fixing ships. Two vessels 18 Years old with a capacity of 6,492 TEUs each were fixed with laycan between February and April 2023. Moreover a 6,500 TEUs container fixed for 3 years at USD 59,000 per day. A 4,250 TEUs container has extended its charter for 5 years at USD 40,000 per day starting from early 2023.



2.4 Key shipping Freight Indices

Table 1. Key Shipping Freight Indices								
Bulkers			Tankers			Containers		
		% w-o-w			% w-o-w		% w-o-w	
BDI	1,945	-3.23	VLCC MEG-China	11,500	7.5%	SCFI	3,996.77	0.00%
Capesize 5TC	18,162	-10.78	Suezmax Wafr-UKC	34,600	5.8%			
Kamsarmax 5TC	18,581	0.73	MR UKC-USAC	28,500	10.0%			
Supramax 10TC	22,032	-2.30	LR2 MEG-Jap	45,100	19.6%			
Handysize 7TC	21,526	-1.39						

3. Second-Hand Market

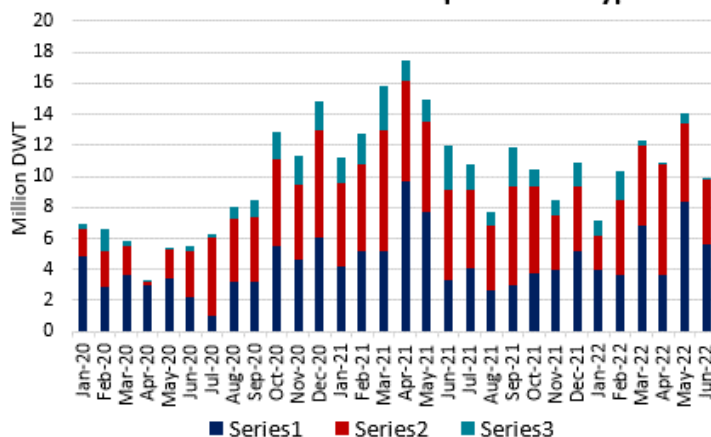
3.1 Weekly Ship Sales by Vessel Type

Vessel Type	Sub-Sector	Name	Size	Built	Yard	Price	Buyers	Surveys	Comments
Tanker	Suezmax	Dolviken	159k >>	2012	Samsung	\$42.5	Swiss	basis SS/DD passed	BWTS fitted, eco ME
Tanker	Suezmax	Astro Polaris	159k >>	2004	HHI	\$43m enbloc	Chinese	SS 3/24 DD passed	
Tanker	Suezmax	Astro Phoenix	159k >>	2004	HHI			SS 1/24 DD pssed	
Tanker	Aframax	Oracle	105k >>	2008	Sumitomo	\$28.75m	N/A	SS/DD 7/23	
Tanker	Aframax	Nicholas	115k >>	2007	Sasebo	\$27.7m	Chinese	basis SS/DD passed	BWTS fitted, delivery August
Tanker	Aframax	Jag Lyall	110k >>	2006	Dalian	\$26.2m	N/A	SS 5/24 DD Due	BWTS/Scrubber fitted
Tanker	MR	Challenge Phoenix	47k >>	2007	STX	rgn \$18m	Greeks	SS 9/25 DD 8/23	BWTS fitted
Tanker	MR	Grand	50k >>	2008	SPP	xs \$19m	Vietnamese	SS/DD 11/23	BWTS fitted
Tanker	MR	Patagonian Mystic	49k >>	2005	Naikai	\$13.8m	N/A	SS 7/25 DD 10/23	BWTS fitted, Nitrogen Fitted
Tanker	MR	Hafnia Robson	40k >>	2004	Saiki	\$24m enbloc	Turkish	SS 5/24	Trades DPP
Tanker	MR	Hafnia Rainier	40k >>	2004	Saiki		Turkish	SS 3/24 DD due	BWTS fitted
Dry Bulk	Panamax	Bonanza YR	76k >>	2006	Tsuneishi	\$16.5m	N/A	SS 8/26 DD 9/24	BWTS fitted
Dry Bulk	Supramax	Crete Trader	53k >>	2009	Zhejiang	\$16.2m	Middle Eastern	SS 12/24 DD 2/23	BWTS fitted
Dry Bulk	Handysize	Maria L	28k >>	1998	Hakodate	low \$7m	Syrian	SS/DD/BWTS due	
Dry Bulk	Handysize	A Racer	26k >>	1996	GSI	high \$6m	Middle Eastern	SS/DD passed	BWTS fitted
Container	Post Panamax	Judith Schulte	9,403 TEUs	2013	Shanghai Jiangnan	Enbloc /	MSC	N/A	BWTS fitted/Scrubber Ready
Container	Post Panamax	Johanna Schulte	9,403 TEUs	2013	Shanghai Jiangnan	undisclosed		N/A	BWTS fitted/Scrubber Ready
Container	Panamax	Cap Capricorn	3,884 TEUs	2013	Zhejiang	\$75m	CMA CGM	SS/DD 10/23	
Container	Feeder	Harbour Express	560 TEUs	1998	Watanabe	\$10m	N/A	SS/DD 3/23	Geared: 2 x 36t

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	105	81	58	40	91	67	44	29
	Suezmax	75	56	42	30	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	35	22	49	38	23	14
	Panamax/Kamsarmax	42	35.5	29	18.5	30	23	14	9
	Supramax/Ultramax	40	32.5	23	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	140				38			
	6,600-teu / 10yrs	135				30			
	4,500-teu / 10 yrs	72				17			
	2,600-teu / 10 yrs	51				14			
	1,700-teu / 10 yrs	35				10			

Chart 4. Sales Volumes per Vessel Type



4. Newbuilding & Ship Recycling Markets

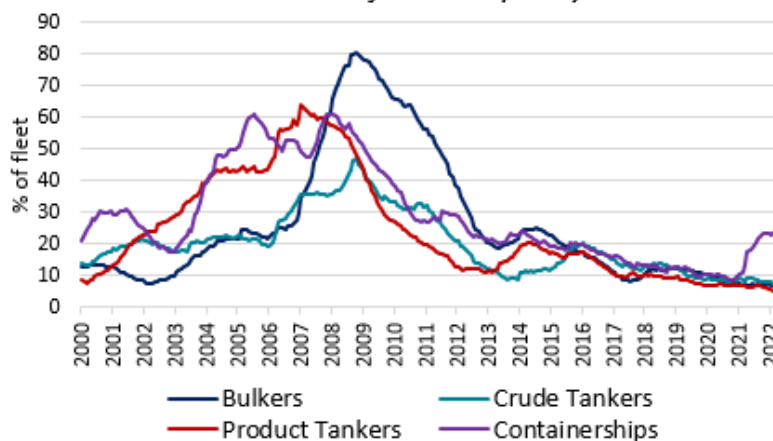
4.1 Recent Newbuilding Orders

Ship No	Type	Sub-Sector	Size	Delivery	Yard	Unit Price	Owners	Comments
2	Dry Bulk	Ultramax	64k	2024	Dayang	\$34m	U-Ming	EEDI Phase III
7	Dry Bulk	Handysize	40k	N/A	Jiangmen	N/A	Turkish	
2	Dry Bulk	Kamsarmax	82k	N/A	Jiangmen	N/A	Turkish	
4	Dry Bulk	Kamsarmax	83k	2025	Tsuneishi Cebu	N/A	N/A	
2	Tanker	LNG	174k cbm	2026	Dewoo	\$248m	Norway	
2	Tanker	MR	50k dwt	2024	K Shipbuilding	N/A	PCL	
3	Container	Feeder	1,800 TEUs	2024	Hyundai Mipo	\$35.5m	South Korean	

4.2 Newbuilding Asset Values & Orderbook Levels

Vessel Type		Current Prices		Year End, \$m		
		Last Week	This Week	2019	2020	2021
TANKERS	VLCC	117	118	91	84	111
	Suezmax	79	79	61	55	75
	Aframax	65	65	48	45	59
	Panamax	52	52	44	42	50
	MR	42	42	35	33	40
DRY BULK	Capesize	62	63	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

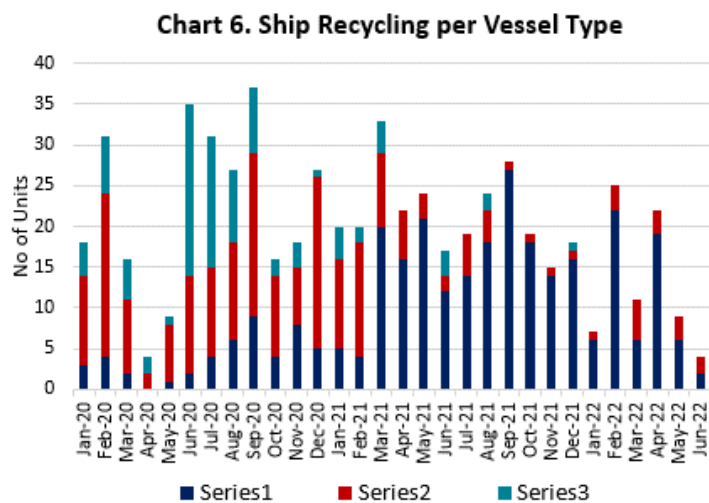


4.3 Recent Ship Recycling Activity

Type	Sub-Sector	Name	Built	Dwt	Ldt	Yard	Buyer	Price (\$/ldt)	Comment
Dry	Capesize	Okra	1999	171k	21,018	Koyo	N/A	529	"as is" Korea

4.4 Scrap Values & Ship Demolition Volumes

Location	Tankers			Current	Dry Bulk			Current
	Year End, \$m				Year End, \$m			
	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



5. Macro Indicators

Indicator		% w-o-w
ICE Brent	107 \$/b	3.9%
WTI	98 \$/b	2.0%
Spore VLSFO	890 \$/t	-6.3%
GBP/USD	1.21	1.6%
USD/YEN	135	-1.5%
USD/EURO	0.98	1.0%
USD/YUAN	6.75	-0.2%
Gold	1,740	1.2%



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