

This Week's Overview of Shipping Investments
SECONDHAND / DEMOLITION / NEW BUILDING MARKET ANALYSIS

Week Ending: 10th January 2014 (Week 1, Report No: 1/14)
(Given in good faith but without guarantee)

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S&P Market Trends during January: ↑ Secondhand – ↑ Newbuilding – Demolition ↓

S&P		week 1	week 2	week 3	week 4
	January	Jan-10	Jan-17	Jan-24	Jan-31
	Units	46			
	December	Dec-6	Dec-13	Dec-20	Dec-30
	Units	27	19	21	40

Average No of vessels reported sold per week

46

Average No of vessels reported sold per week

27

DEMO		week 1	week 2	week 3	week 4
	January	Jan-10	Jan-17	Jan-24	Jan-31
	Units	7			
	December	Dec-6	Dec-13	Dec-20	Dec-30
	Units	12	5	11	24

Average No of vessels reported demo per week

7

Average No of vessels reported demo per week

13

NB		week 1	week 2	week 3	week 4
	January	Jan-10	Jan-17	Jan-24	Jan-31
	Units	139			
	December	Dec-6	Dec-13	Dec-20	Dec-30
	Units	90	97	91	61

Average No of vessels reported on order per week

139

Average No of vessels reported on order per week

85

At the current week, 53 transactions reported worldwide in the secondhand and demolition market, down by 17% week-on-week with 15% decrease in secondhand purchases and 71% lower scrapping volumes from the activity reported in the last week of December.

The highest activity is recorded in the newbuilding market-**with 139 new orders** –firm volume of business for bulkers with 59 new orders due to firm activity in the capesize, kamsarmax and ultramax vessel sizes. This week's newbuilding activity is the largest seen since the onset of financial crisis in 2009.

Compared with newbuilding investments, this week's secondhand purchasing activity is 67% down and demolition 95% down.

At **similar week in 2013**, the total S&P activity in the secondhand / demolition market was standing at 8% lower levels, when 49 transactions had been reported and secondhand ship purchasing was standing 33% lower than the levels of newbuilding orders. The ordering appetite was strong for bulk carriers, tankers and special projects with 14, 8 and 22 new contracts reported respectively. (45 total new orders, 14 bulkers, 8 tankers, 1 liner, and 22 special projects).

Secondhand: 46 S&P deals –40 S&P deals last week of December–**30 S&P deals** in the first week of **January 2013**

Newbuilding: 139 new orders -61 new orders last week of December – **45 new orders** in first week of **January 2013**

Demolition: 7 disposals -24 disposals last week of December– **19 disposals** in the first week of **January 2013**



SECONDHAND MARKET

S&P Transactions: 46 vessels reported to have changed hands—total invested capital region \$1,6 bn, 5 S&P deals reported at an undisclosed sale price. (19 bulkers, 24 tankers, 1 liner and 1 container).

Average age of vessels sold –9 yrs old built 2005

S&P activity: 15% up from last week of December and 53% up year-on-year. At **similar week in 2013**, 30 vessels induced buyers' interest at a total invested capital of about \$586,3 mil. (12 S&P deals in the bulk carrier segment, 16 in the tanker and 2 in the container).

Bulkers and tankers held the lion share of this week's S&P activity -44% share and 56% share each with only 1 S&P deal reported for containers. The highest invested capital is reported in the tanker segment, region more than \$1,2bn stemmed from strong purchases in the very large crude carrier segment.

BULK CARRIERS							
Vessel's Age	Vessel DWT	Country Built	Built	Yard	Vessel Gears	Price (\$)	GDSA Index \$/Dwt
0	64.000	2014	PRC	JINLING	4 X 30t CRANES	30.000.000	468,75
1	180.000	2013	PRC	QINGDAO BEIHAI SHIPBUI		47.000.000	261,11
1	180.000	2013	PRC	QINGDAO BEIHAI SHIPBUI		47.000.000	261,11
1	82.000	2013	PRC	ZHEJIANG JUDGER SHIPBU		24.500.000	298,78
1	82.000	2014	PRC	ZHEJIANG JUDGER SHIPBU		24.500.000	298,78
4	56.700	2010	PRC	QINGSHAN	4 X 30t CRANES	21.000.000	370,37
5	23.641	2009	JAPAN	SHIN KOCHI	4 X 30t CRANES	15.000.000	634,49
7	76.596	2007	JAPAN	IMABARI MARUGAME		21.750.000	283,96
13	28.492	2001	JAPAN	IMABARI IMABARI	4 X 30t CRANES	13.000.000	456,27
14	46.786	2000	JAPAN	KANASASHI HEAVY TOYOHA	4X30.0t CRANES	14.200.000	303,51
15	48.913	1999	JAPAN	IHI - TOKYO	4X25.0t CRANES	12.700.000	259,64
17	42.717	1997	JAPAN	IHI - TOKYO	4X30.0t CRANES	10.500.000	245,80
18	41.455	1996	BULGARIA	VARNA	4X30.0t CRANES	6.750.000	162,83
TANKERS							
Vessel's Age	Vessel DWT	Country Built	Built	Yard	Vessel Coating	Price (\$)	GDSA Index \$/Dwt
2	320.105	SKR	2012	DAEWOO SHIP/MARINE		83.400.000	260,54
2	9.046	PRC	2012	CHUANDONG		18.650.000	2.061,68
3	9.016	PRC	2011	CHUANDONG	SSTEEL	18.650.000	2.068,54
5	19.999	JAPAN	2009	FUKUOKA NAGASAKI	SSTEEL	26.750.000	1.337,57
7	74.999	JAPAN	2007	ONOMICHI		27.000.000	360,00
10	74.999	KOREA, SOUTH	2004	HYUNDAI HEAVY INDUSTRI		22.000.000	293,34
10	6.576	JAPAN	2004	HAKATA HAKATA	SSTEEL	8.800.000	1.338,20
14	149.990	SKR	2000	DAEWOO HEAVY	EPOXY Coated	18.000.000	120,01
16	298.982	SKR	1998	DAEWOO HEAVY	TAR_EPOXY	23.150.000	77,43

Per vessel type:↑ Bulk Carriers –Investment trends during January:

S&P		week 1	week 2	week 3	week 4
	January	Jan-10	Jan-17	Jan-24	Jan-31
Units	19				
December	Dec-6	Dec-13	Dec-20	Dec-30	
Units	12	8	17	8	

Average No of bulkers reported sold per week

19

Average No of bulkers reported sold per week

11

At the current week: 19 S&P deals, up by 138% week-on-week and up by 58% year-on-year. (12 S&P deals at similar week in 2013)

Total Invested Capital: region \$365,2 mil - **Average age of vessels sold -9yrs old built 2005. (strong S&P activity in the handy-max-handy segment).**

- **Cape-** 2 S&P deals – 180,000dwt built 2013 China for \$47,5mil each.
- **Kamasarmax-** 1 enbloc S&P deal for two 82,000dwt built 2014 China for about \$24,5-\$26mil each.
- **Panamax-** 1 S&P deal- 76,000dwt built 2007 Japan for \$21,75mil.
- **Ultramax-** 1 enbloc S&P deal for four 64,000 vessels built 2014 China for \$30mil each.
- **Supramax-** 1 S&P deal for 57,000dwt built 2010 China for \$21mil.
- **Handymax– 4 S&P deals** – for vintage tonnage of more than 15yrs old /42,000-48,000dwt dwt mainly built in Japan at an invested capital region \$43,95mil.
- **Handy- 5 S&P deals:** for vintage tonnage of more than 12yrs old /26,000-28,000dwt dwt built in Japan/China.

↑ Tankers- Investment trends during January:

S&P		week 1	week 2	week 3	week 4
	January	Jan-10	Jan-17	Jan-24	Jan-31
Units	24				
December	Dec-6	Dec-13	Dec-20	Dec-30	
Units	12	3	2	26	

Average No of tankers reported sold per week

24

Average No of tankers reported sold per week

11

Euronav, Belgium announced that it has entered into a contract to acquire fifteen (15) Very Large Crude Carriers (VLCC) from Maersk Tankers Singapore Pte Ltd for a total acquisition price of USD 980 million payable as the vessels are being delivered. The vessels have an average age of 4 years and will expand the large tanker fleet of Euronav made of 1 ULCC, 11 VLCCs and 23 Suezmaxes.

At the current week: 24 S&P deals, down by 8% week-on-week and up by 50% year-on-year. (16 S&P deals at similar week in 2013).

Total Invested Capital: region \$1,2 bn. **Average age of vessels sold –8yrs old built 2006. Strong activity reported in the VLCC segment.**

- **VLCC-** 18 S&P deals -1 enbloc S&P deal for 15 VLCCs ,1 for a 320,000dwt built 2015 for about \$83,4mil and 1 for a 300,000dwt built 1998 for about \$18mil.
- **Suezmax-** 1 S&P deal: for about 157,000dwt vessel built 2000 South Korea for about \$18mil.
- **Panamax-2 S&P deals:** for about 75,000dwt vessels built 2004 South Korea & 2007 Japan for about \$22mil and \$27mil respectively.
- **Handysize-** 1 S&P deal for a stainless steel 20,000dwt built 2009 Japan for about \$26,75mil.
- **Small tanker – 3 S&P deals:** 1 enbloc deal for two 9,000dwt vessels built 2011-2012 China for about \$18,65mil each and 1 for a stainless steel of 6,600dwt built 2004 Japan for about \$8,8mil.

↓ **Gas Tankers** - Investment trends during January:

S&P		week 1	week 2	week 3	week 4
	January	Jan-10	Jan-17	Jan-24	Jan-31
Units	0				
December	Dec-6	Dec-13	Dec-20	Dec-30	
Units	1	1	1	3	

Average No of gas tankers reported sold per week

0

Average No of gas tankers reported sold per week

2

At the current week: zero reported S&P deal, down 100% week-on-week. (zero S&P deals reported at similar week in 2013).

↓ **Containers** - Investment trends during January:

S&P		week 1	week 2	week 3	week 4
	January	Jan-10	Jan-17	Jan-24	Jan-31
Units	1				
December	Dec-6	Dec-13	Dec-20	Dec-30	
Units	1	5	1	1	

Average No of containers reported sold per week

1

Average No of containers reported sold per week

2

At the current week: 1 S&P deal, no change week-on-week. (zero S&P deals reported at similar week in 2013).

- **Handy** – 1 S&P deal for a 1,684TEU boxship vessel built 1995 for an undisclosed sale price.

NEWBUILDING MARKET

No of new orders: 139 vessels– total deadweight: 8,247,092 tons, 82 transactions reported at an undisclosed contract price – The invested capital revealed is about \$3,7bn for 57 new orders. (59 bulkers, 18 tankers, 5 gas tankers, 29 containers, 2 Ro-Ro, 5 passenger/cruises and 21 special projects).

Newbuilding activity: 128% up week-on-week and up by 209% up year-on-year. The largest volume of newbuilding activity is reported in bulk carrier segment with focus in the capesize/ kamsarmax/ ultramax segments. Orders for bulk carriers held 42% Share of this week's ordering activity; containers 21% share, special projects 15% share and tankers 13% share.

At **similar week in 2013**, 45 fresh orders had been reported with the largest activity in the bulker segment -14 reported new contracts. (14 bulkers, 8 tankers, 1 liner and 22 special projects).

Compared with previous week's levels, a large increase of 168% is recorded in the volume of new orders for bulkers (59 new orders from 22 in the last week of December) and 125% weekly increase in the tanker (18 new orders from 8 in the last week of December).

- **No of units ordered at South Korean yards:** 22 new orders, 11 bulkers, 3 tankers, 1 gas tanker and 7 containers. (16% share of this week's ordering activity).
- **No. of units ordered at Chinese yards:** 69 new orders, 37 bulkers, 9 tankers, 11 containers, 1 gas tanker, 1 Ro-Ro and 9 special projects. (50% share of this week's ordering activity).
- **No of units ordered at Japanese yards:** 21 new orders, 9 bulkers, 9 containers, and 3 for gas tankers. (15% share of this week's ordering activity).

Vessel type	Units	Dwt	Country	Yard	USD mil/Unit	GDSA Index \$/dwt
BC	3	250.000	PRC	Rongsheng	60.000.000	240,00
BC	1	82.000	PRC	Yangzhou Dayang	28.824.900	351,52
BC	2	82.000	PRC	Avic Weihai	27.500.000	335,37
BC	4	64.000	PRC	Huangpu Wenchong S/Y	27.000.000	421,88
BC	4	64.000	PRC	Jinling	25.800.000	403,13
TNK	2	320.000	SKR	Hyundai HI.	93.000.000	290,63
TNK	1	300.000	SKR	Hyundai HI.	92.700.000	309,00

Vessel type	Units	Cbm	Country	Yard	USD mil/Unit	GDSA Index \$/cbm
GAS TNK-LPG	1	22.000	PRC	Jiangnan	44.000.000	2000,00

Vessel type	Units	TEU	Country	Yard	USD mil/Unit	GDSA Index \$/TEU
CONT	5	14.000	SKR	Samsung HI	116.800.000	8342,86
CONT	6	9.400	PRC	CIC Industry	81.000.000	8617,02
CONT	2	9.200	SKR	Hyundai HI	81.500.000	8858,70
CONT	2	1.800	TWN	CSBC	25.000.000	13888,89
CONT	2	1.103	JPN	Kyokuyo	21.500.000	19492,29

Per vessel type:

↑ Bulk Carriers – Investment trends during January:

NB		week 1	week 2	week 3	week 4	
	January	Jan-10	Jan-17	Jan-24	Jan-31	Average No of bulkers reported on order per week
	Units	59				59
	December	Dec-6	Dec-13	Dec-20	Dec-30	Average No of bulkers reported on order per week
	Units	41	44	44	22	38

At the current week: 59 new orders, 168% up week-on-week and 321% up year-on-year. (14 new orders reported at similar week in 2013). Large activity reported in capesize/kamsarmax/ultramax segments.

• **Capesize – 25 new orders:**

3	250.000	Ocean line Holdings	HK	Rongsheng	PRC
2	209.000	Undisclosed		Japan Marine United	JPN
7		Scorpio Bulkers	MON	Shanghai Waigaoqiao	PRC
11		Scorpio Bulkers	MON	Sungdong Shpd.	SKR
2		Scorpio Bulkers	MON	Daewoo Mangalia	ROM

• **Kamsarmax–13 new orders:**

2	82.600	Dong-A Tanker Co.	SKR	Samjin Shipyard	PRC
2	82.600	Kambara Kisen	JPN	Tsuneishi	PRC
1	82.000	Diana Shipping	GR	Yangzhou Dayang	PRC
2	82.000	Scorpio Bulkers	MON	Hudong-Zhonghua	PRC
2	82.000	Golden Union	GR	Avic Weihai	PRC
4	81.600	Undisclosed		Zhejiang Ouhua	PRC

- **Ultramax – 19 new orders:**

4	64.000	COSCO Group	PRC	Huangpu Wenchong	PRC
4	64.000	Sinotrans	HK	Jinling	PRC
2	63.000	Target Marine	GR	Zhejiang Shipyard	PRC
3	63.000	Wisdom Marine	TWN	Imabari	JPN
2	58.000	Zurich Reederei	SWITZ	Tsuneishi	PRC
4	57.000	Pacific Basin	HK	Shimanami	JPN

- **Handy – 2 new orders:**

2	37.650	Ucler Denizcilik	TRK	Avic Weihai	PRC
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↑ **Tankers–Investment trends during January:**

NB		week 1	week 2	week 3	week 4	
	January	Jan-10	Jan-17	Jan-24	Jan-31	Average No of tankers reported on order per week
	Units	18				18
	December	Dec-6	Dec-13	Dec-20	Dec-30	Average No of tankers reported on order per week
	Units	16	28	7	8	15

At the current week: 18 new orders reported, up by 125% week-on-week and up by 125% year-on-year. (8 new orders reported at similar week in 2013). Almost of all the activity reported in the MR segment.

- **VLCC – 3 new orders:**

2	320.000	Metrostar Mgmt	GR	Hyundai HI.	SKR
1	300.000	DHT Holdings	NOR	Hyundai HI.	SKR

- **MR-8 new orders:**

4	50.000	Central Mare Monaco	GR	Hyundai Vinashin	VTM
2	50.400	Tomasos Brothers Inc.	GR	Samjin	PRC
2	40.000	Central Mare Monaco	GR	Hyundai Vinashin	VTM

- **Small-7 new orders:**

7	5.800	Techmarine Co. Ltd	SKR	Samjin	PRC
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—Gas Tankers - Investment trends during January:

NB		week 1	week 2	week 3	week 4
	January	Jan-10	Jan-17	Jan-24	Jan-31
	Units	5			
NB		week 1	week 2	week 3	week 4
	December	Dec-6	Dec-13	Dec-20	Dec-30
	Units	7	5		

Average No of gas tankers reported on order per week

5

Average No of gas tankers reported on order per week

6

At the current week: 5 new orders reported this week, no change week-on-week and year-on-year. (zero new orders reported at similar week in 2013).

- **LNG /Floating Storage Units -3 new orders:**

1	75.300	Kawasaki Kisen	JPN	Mitsubishi	JPN
1	75.300	Mitsubishi	JPN	Mitsubishi	JPN
1		Mitsui OSK	JPN	Daewoo	SKR

- **LPG /Medium-small -2 new orders:**

1	24.000	Navigator Gas	US	Jiangnan	PRC
1	8.100	Kumiai	JPN	Sasaki	JPN

↑Containers - Investment trends during January:

NB		week 1	week 2	week 3	week 4
	January	Jan-10	Jan-17	Jan-24	Jan-31
	Units	29			
NB		week 1	week 2	week 3	week 4
	December	Dec-6	Dec-13	Dec-20	Dec-30
	Units	5	0		

Average No of containers reported on order per week

29

Average No of containers reported on order per week

3

At the current week: 29 new orders reported. (zero new orders reported during the last week of December and at similar week in 2013). Large activity reported in the post panamax segment.

- **Post panamax –25 new orders:**

7	140.000	Sumitomo	JPN	N/A	JPN
5	140.000	Undisclosed	EUR	Samsung HI	SKR
6	112.000	BoCom	PRC	CIC Industry	PRC
5	112.000	COSCO Group	PRC	Hudong Zhonghua	PRC
2	100.000	Oceanbulk	GR	Hyundai HI	SKR

- **Handy –4 new orders:**

2	21.196	ISEACO	SPORE	CSBC	TWN
2	11.650	TVL Business	JPN	Kyokuyo	JPN

DEMOLITION MARKET

↑ Bulk Carriers — Tankers ↓ Containers

BC		week 1	week 2	week 3	week 4
	January	Jan-10	Jan-17	Jan-24	Jan-31
Units	3				
December	Dec-6	Dec-13	Dec-20	Dec-30	
Units	1	0	3	10	

Average No of bulkers reported demo per week

3

Average No of bulkers reported demo per week

4

TNK		week 1	week 2	week 3	week 4
	January	Jan-10	Jan-17	Jan-24	Jan-31
Units	2				
December	Dec-6	Dec-13	Dec-20	Dec-30	
Units	1	1	2	5	

Average No of tankers reported demo per week

2

Average No of tankers reported demo per week

2

CONT		week 1	week 2	week 3	week 4
	January	Jan-10	Jan-17	Jan-24	Jan-31
Units	2				
December	Dec-6	Dec-13	Dec-20	Dec-30	
Units	6	1	4	5	

Average No of containers reported demo per week

2

Average No of containers reported demo per week

4

2013 ended with scrapping business being at 26% lower levels, in terms of number of vessels, than the historical highs of 2012, but still standing at robust amount as 968 vessels reported to have been headed to the scrap yards with accumulated dwt of more than 44mil tons. During 2012, 1309 vessels reported for disposal at total deadweight of about 61mil tons.

With the opening of New Year, benchmark scrap prices in the Indian subcontinent region are standing at firm levels, with India being the most competitive by offering \$410/ltd for dry and \$440/ltd for wet. The Indian currency fundamentals and local steel prices are supporting the current high price momentum, while in Bangladesh; the upcoming elections have created confusion and lower activity. In China, prices have picked up by \$10/ltd for dry and wet cargo and the recent government incentives for Chinese owners to scrap their vessels locally may boost further the price sentiment during the first quarter of the year.

No of demolition: 7 disposals –total deadweight: 421,795 tons- 3 bulkers, 2 tankers and 2 containers.

Demolition activity (in terms of reported number of transactions): 71% down week-on-week showing 70% weekly decrease in the volume of bulker disposals and 60% decline each in tanker and container disposals.

In terms of deadweight sent for scrap, there has been 67% weekly decrease with 1 demolition deal reported for large vessel size, 1 panamax bulker.

China is reportedly to have won 4 of the 7 demolition transactions, 2 India, 1 Pakistan, while there was no reported activity for Bangladesh.

Benchmark scrap prices in the Indian subcontinent region: \$400-410/ltd for dry and \$430-\$440/ltd for wet cargo. Scrap prices in China hover at \$340/ltd for dry and \$350/ltd for wet cargo.

Notable demolition transactions: Panamax containers (3,500-4,000teu) M/V "MAERSK MIAMI"& m/v "NEDLLOYD AMERICA" with 20,000-23,000 Ldt built 1992-1994 fetched \$450/ltd in India.

At a **similar week in 2013**, demolition activity was up by 5%, in terms of the reported number of transactions, when 19 vessels had been reported for scrap of total deadweight 975,406 tons with 9 disposals for bulkers, 1 tanker, 1 liner and 7 containers. Ship-breakers in Indian subcontinent region had been offering similar levels of the current year, \$400-410/ltd for dry and \$425-\$435/ltd for wet cargo.

Per vessel type:

- **Bulk Carriers- number of disposals per vessel size:** 3 reported deals
- **Tankers- number of disposals per vessel size:** 1 aframax and 1 MR
- **Containers- number of disposals per vessel size:** 2 in the panamax segment.

Per Demo Country:

- **India:** 2 containers.
- **Bangladesh:** 0 reported deals
- **China:** 3 bulkers and 1 tanker.
- **Pakistan:** 1 aframax tanker.

GREEK PRESENCE

Investment trends during January: SH ↑ - NB ↑

S&P		week 1	week 2	week 3	week 4	
	January	Jan-10	Jan-17	Jan-24	Jan-31	
	Units	15				
	December	Dec-6	Dec-13	Dec-20	Dec-30	
	Units	3	5	6	6	

Average No of vessel purchases per week

15

Average No of vessel purchases per week

5

NB		week 1	week 2	week 3	week 4	
	January	Jan-10	Jan-17	Jan-24	Jan-31	
	Units	19				
	December	Dec-6	Dec-13	Dec-20	Dec-30	
	Units	6	9	17	5	

Average No of new orders per week

19

Average No of new orders per week

9

At the current week: Greek owners emerged with firm investments in the newbuilding/secondhand arena.

Second-hand purchasing activity: up by 150% week-on-week- **Newbuilding** activity: 280% up from the last week of December.

Secondhand Market- No of vessel purchases: 15 vessel purchases – invested capital region more than \$309mil. (12 bulkers, 3 tankers).

Newbuilding Market- No of new orders: 19 new orders –5 bulkers, 10 tankers, 2 containers and 2 special projects.

- **Bulkers: 5 new orders:**

Kamsarmax:

1	82.000	Diana Shipping	GR	Yangzhou Dayang	PRC
2	82.000	Golden Union	GR	Avic Weihai	PRC

Ultramax:

2	63.000	Target Marine	GR	Zhejiang Shipyard	PRC
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• **Tankers: 10 new orders:****VLCC:**

2	320.000	Metrostar	GR	Hyundai HI.	SKR
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MR:

4	50.000	Central Mare Monaco	GR	Hyundai Vinashin	VTM
2	50.400	Tomasos Brothers Inc.	GR	Samjin	PRC
2	40.000	Central Mare Monaco	GR	Hyundai Vinashin	VTM

• **Containers: 2 new orders:**

2	100.000	Oceanbulk	GR	Hyundai HI	SKR
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• **Special Projects:**

2	4.000	Golden Energy	GR	Jiangsu Rainbow HI	PRC
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