

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

Week Ending: 28th June 2013 (Week 26, Report No: 26/13)
(Given in good faith but without guarantee)

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Investment Trends during June: ↓ Secondhand – ↓ Newbuilding – Demolition ↑

S&P		week 1	week 2	week 3	week 4
	June	7/6/2013	14/6/2013	21/6/2013	28/6/2013
Units		19	16	27	37
May	10/5/2013	17/5/2013	24/5/2013	31/5/2013	
Units		15	37	30	32

Average No of vessels reported sold per week in June
25

Average No of vessels reported sold per week in May
29

DEMO		week 1	week 2	week 3	week 4
	June	7/6/2013	14/6/2013	21/6/2013	28/6/2013
Units		21	23	10	17
May	10/5/2013	17/5/2013	24/5/2013	31/5/2013	
Units		14	24	18	12

Average No of vessels reported demo per week in June
18

Average No of vessels reported demo per week in May
17

NB		week 1	week 2	week 3	week 4
	June	7/6/2013	14/6/2013	21/6/2013	28/6/2013
Units		45	33	53	39
May	10/5/2013	17/5/2013	24/5/2013	31/5/2013	
Units		36	28	75	73

Average No of vessels reported on order per week in June
43

Average No of vessels reported on order per week in May
53

At the current week, 54 transactions reported worldwide in the secondhand and demolition market, up by 46% week-on-week with 37% increase in secondhand purchases and 70% higher scrapping volumes. The highest activity is recorded in the newbuilding market, due to large volume of new orders for bulk carriers and special projects, 14 and 12 new contracts respectively. However, secondhand purchasing activity is only 5.1% lower than newbuilding due to strong vessel purchases – 21 in the bulk carrier segment.

Compared with newbuilding investments, this week's secondhand purchasing activity is 5% down and demolition 56%.down.

At similar week in 2012, the total S&P activity in the secondhand / demolition market was standing 15% lower than the current levels, when 46 transactions had been reported and secondhand ship purchasing was 53% lower than the volume of newbuilding orders.

Secondhand: 37 S&P deals – 27 S&P deals last week – 17 S&P deals in the fourth week of June 2012

Newbuilding: 39 new orders -53 new orders last week – 36 new orders in the fourth week of June 2012

Demolition: 17 disposals -10 disposals last week – 29 disposals in the fourth week of June 2012



SECONDHAND MARKET

S&P Transactions: 37 vessels reported to have changed hands–total invested capital region more than \$384 mil, 8 S&P deals reported at an undisclosed sale price

Average age of vessels sold – 12yrs old built 2001

S&P activity: 37% up week-on-week and 118% up year-on-year. At similar week in 2012, 17 vessels induced buyers' interest at a total invested capital of about \$186,8mil with 9 S&P deals in the bulk carrier segment, 3 in the tanker, 2 in the container, and 3 in the reefer segment.

The largest volume of S&P activity is being marked in the bulk carrier segment with a total invested capital of about \$314mil. Bulk carriers held 57% share of this week's S&P activity against 11% share from tankers, 8% share from liners and 19% share from containers.

Per vessel type:

↓ **Bulk Carriers –Investment trends during June:**

S&P		week 1	week 2	week 3	week 4	
	June	7/6/2013	14/6/2013	21/6/2013	28/6/2013	
Units	3	6	8	21		10
May	10/5/2013	17/5/2013	24/5/2013	31/5/2013		Average No of bulkers reported sold per week in May
Units	4	14	15	15		12

At the current week: 21 S&P deals, 163% up week-on-week and 133% up year-on-year. Large volume of S&P activity in the handysize segment for vessels built Japan at an average age of less than 15yrs old, mainly bought by Chinese owners.

Total Invested Capital: \$ 314 mil, ...S&P deals - **Average age of vessels sold – 9yrs old built 2004**

- **Capesizes:** 1S&P deals, 171,012dwt built 2000 Japan for \$16,3mil
- **Kamsarmax:** 3 S&P deals, all built Japan, 2 built 2006 sold for about \$19mil and one built 2009 sold for about \$22miil
- **Panamax:** 2 S&P deals, built Japan (1 built 2009 for \$21mil and one built 1999 for \$11mil)
- **Supramax:** 3 S&P deals, all built Japan (1 built 2004 for \$18,1mil, 1 built 2003 for \$15,3mil and one built 2005 for \$17,8mil)
- **Handysize:** 12 S&P deals, 10 built in Japan of an average age of less than 15yrs at an estimated sold price in the region \$11-\$13mil each and 2 built 2013 in China as \$17,75mil each

↓ **Tankers- Investement trends during June:**

S&P		week 1	week 2	week 3	week 4	
	June	7/6/2013	14/6/2013	21/6/2013	28/6/2013	
Units	7	4	8	4		6
May	10/5/2013	17/5/2013	24/5/2013	31/5/2013		Average No of tankers reported sold per week in May
Units	7	13	8	5		8

At the current week: 4 S&P deals, 50% down week-on-week and 33%up year-on-year .

Total Invested Capital: more than \$32 mil, 2 S&P deals reported at an undisclosed sale price - **Average age of vessels sold – 15yrs old built 1998**

- **Handysize:** 2 S&P deals, one for a vessel built 2013 South Korea for \$30,5mil and one built 1999 South Korea at an undisclosed sale price.
- **Small tankers-less than 10,000dwt:** 2 S&P deals

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

S&P		week 1	week 2	week 3	week 4
	June	7/6/2013	14/6/2013	21/6/2013	28/6/2013
Units	0	0	3	0	
May	10/5/2013	17/5/2013	24/5/2013	31/5/2013	
Units	0	1	1	5	

Average No of gas tankers reported sold per week in June

1

Average No of gas tankers reported sold per week in May

2

- At the current week: No reported S&P deals

↑ **Containers- Investment trends during June:**

S&P		week 1	week 2	week 3	week 4
	June	7/6/2013	14/6/2013	21/6/2013	28/6/2013
Units	5	3	7	7	
May	10/5/2013	17/5/2013	24/5/2013	31/5/2013	
Units	1	4	1	3	

Average No of containers reported sold per week in June

6

Average No of containers reported sold per week in May

2

At the current week: 7 S&P deals, no change from previous week and 250% up year-on-year (only 2 S&P deals at similar week in 2012).

Average age of vessels sold – 14yrs old built 1999

- Small Panamax: 2 S&P deals for about 3,500TEU boxships built 1998 South Korea
- Sub-Panamax: 4 S&P deals for about 2,500TEU boxships built 2000-2001
- Handy: 1 S&P deal for about 1,000TEU boxship built 1995 Poland

NEWBUILDING MARKET

No of new orders: 39 vessels –total deadweight: 1,474,380 tons, 14 transactions reported at an undisclosed contract price – The invested capital revealed is about \$1,8bn for 25 new orders.

Newbuilding activity: 26%down week-on-week and 8% up year-on-year. The largest volume of newbuilding activity is reported in the bulk carrier segment with a total invested capital of about \$406mil. Bulk carriers held 36% share of this week's volume of new orders against 10% share from tankers, 5% share from containers and 31% share from special projects.

At similar week in 2012, 36 fresh orders had been reported with the largest volume of newbuilding activity in the special project segment -17 new orders against 7 new orders for bulkers, 4 for gas tankers, and 4 for containers.

Compared with previous week's levels, a large decrease in the volume of new orders is recorded in the container segment, 78% against 48% week-on-week decrease in the bulk carrier segment.

Overall, a hefty amount of money is invested in the offshore segment, 62% share of the total invested capital due to the construction of a high valued jack up rig and drillship. Dalian Shipbuilding Industry of China won a contract for the construction of two jack up rigs from Norwegian player Seadrill for about \$230mil each and South Korean Daewoo Shipbuilding and Marine Engineering a contract for one drillship from US player Atwood Oceanics for about \$635mil. China Oilfield Services made a strong presence this week in the offshore segment through its announcement for signing contracts for 15 vessels to be built at five Chinese shipyards without specifying all the name of the yards. The orders are one output enhancement vessel, four 6,000HP platform supply vessels, two 9,000HP platform supply vessels, two 8,000HP anchor handling tug supply vessels, four 12,000HP anchor handling tug supply vessels and two 15,000HP anchor handling tug supply vessels.

- **European owners' presence:** 24 vessels- invested capital more than \$939mil - 12 bulkers, 4 tankers, 4 liners, 2 car carriers, 2 special projects
- **Greek owners' presence:** 4 new orders for MR tankers – 52,000dwt at \$32mil each
- **Asian owners' presence:** 10 new orders – invested capital more than \$202mil – 2 bulkers, 1 gas tanker, 2 containers, 5 special projects
- **Chinese owners' presence:** only in the offshore segment – 5 new orders at domestic shipyards

- **USA owners' presence:** in the offshore segment – 2 new orders for MPP platform supply vessels from Hornbeck Offshore Services and one drillship from Atwood Oceanics
- **No. of units ordered at Chinese yards:** 30 new orders, 8 bulkers, 4 tankers, 2 containers, 4 liners, 4 car carriers and 8 special projects
- **No of units ordered at Japanese yards:** zero reported business this week
- **No of units ordered at South Korean yards:** 7 new orders, 4 bulkers, 1 gas tanker and 2 special projects

Per vessel type:

↑ **Bulk Carriers –Investment trends during June:**

NB		week 1	week 2	week 3	week 4
	June	7/6/2013	14/6/2013	21/6/2013	28/6/2013
Units	12	16	27	14	
May	10/5/2013	17/5/2013	24/5/2013	31/5/2013	
Units	15	9	23	17	

Average No of bulkers reported on order per week in June

17

Average No of bulkers reported on order per week in May

16

At the current week:

14 new orders, down 48% week-on-week and up 100% year-on-year, 7 new orders at similar week in June 2012. (4 new orders reported at Korean, 8 new orders at Chinese yards and 2 new orders in Tsuneishi Cebu, Philippines).

The invested capital is estimated in the region of \$406 mil. The largest volume of newbuilding activity is reported in the ultramax segment.

- **Capesize:** 2 new orders for 205,000dwt vessels from Norwegian owner, Frontline at Bohai Shipbuilding for about \$49mil each.
- **Ultramax:** 6 new orders all placed at Chinese yards for an indicative newbuilding price of \$24,5mil each (two new orders from Spar Shipping of Norway at Jiangsu Hantong Ship H.I. and four new orders from Marine Capital of UK at Sinopacific Shipbuilding).
- **Supramax:** 2 new orders from Wisdom Marine Lines of Taiwan at Tsuneishi Cebu, Philippines for about \$27,5mil each.
- **Handymax:** 4 new orders for **39,000dwt** bulkers from GSD Holding of Turkey at Hyundai Mipo of South Korea for about \$26mil each.

↓ **Tankers–Investment trends during June:**

NB		week 1	week 2	week 3	week 4
	June	7/6/2013	14/6/2013	21/6/2013	28/6/2013
Units	6	4	0	4	
May	10/5/2013	17/5/2013	24/5/2013	31/5/2013	
Units	0	2	12	28	

Average No of tankers reported on order per week in June

4

Average No of tankers reported on order per week in May

11

At the current week:

4 new orders, down 50% week-on-week, from zero new orders at similar week in June 2012. All placed in the MR product segment from Capital Maritime Trading of Greece at Samsung Ningbo of China for about \$32mil each, including an option for four more vessels.

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

NB		week 1	week 2	week 3	week 4
	June	7/6/2013	14/6/2013	21/6/2013	28/6/2013
Units	0	2	3	1	
May	10/5/2013	17/5/2013	24/5/2013	31/5/2013	
Units	2	1	2	6	

Average No of gas tankers reported on order per week in June

2

Average No of gas tankers reported on order per week in May

3

At the current week: 1 new order, down 67% w-o-w and down 75% year-on-year, 4 new orders reported at similar week in 2012.

- 1 large LPG carrier of about 84,000cbm – exercised option from Singaporean owner, Petredec at Hyundai HI of South Korea for about \$72mil.

↑ **Containers- Investment trends during June:**

NB		week 1	week 2	week 3	week 4
	June	7/6/2013	14/6/2013	21/6/2013	28/6/2013
Units		22	4	9	2
May	10/5/2013	17/5/2013	24/5/2013	31/5/2013	
Units		5	1	20	4

Average No of containers reported on order per week in June
9

Average No of containers reported on order per week in May
8

At the current week: 2 new orders, down 78% week-on-week and 50% down year-on-year, 4 new orders reported at similar week in June 2012.

- Small Panamax: 4,350 TEU – 2 new orders** from Simatech Shipping of United Arab Emirates at Taizhou Kouan Shipbuilding of China for about \$37,5mil, including an option for two more.

Liners: German owner BBC Chartering placed an order in China for four 12,500dwt multipurpose heavy lift vessels, with combined lifting capacities of 500 tonnes. The ships, designed for improved fuel economies, would be delivered from the Jiangzhou Union Shipbuilding yard from the end of 2015, the BBC representative said.

Car Carriers: Wallenius Lines of Sweden has ordered two post panamax carriers at Tianjin Xingang Shipyard, for delivery in 2015 and 2016 at an undisclosed contract price, including an option for two more vessels.

DEMOLITION MARKET

↑ Bulk Carriers ↓ Tankers ↑ Containers

BC		week 1	week 2	week 3	week 4
	June	7/6/2013	14/6/2013	21/6/2013	28/6/2013
Units		12	10	4	7
May	10/5/2013	17/5/2013	24/5/2013	31/5/2013	
Units		4	7	7	6

Average No of bulkers reported demo per week in June
8

Average No of bulkers reported demo per week in May
6

TNK		week 1	week 2	week 3	week 4
	June	7/6/2013	14/6/2013	21/6/2013	28/6/2013
Units		2	0	1	5
May	10/5/2013	17/5/2013	24/5/2013	31/5/2013	
Units		0	4	2	2

Average No of tankers reported demo per week in June
2

Average No of tankers reported demo per week in May
2

CONT		week 1	week 2	week 3	week 4
	June	7/6/2013	14/6/2013	21/6/2013	28/6/2013
Units		3	5	2	2
May	10/5/2013	17/5/2013	24/5/2013	31/5/2013	
Units		3	2	3	1

Average No of containers reported demo per week in June
3

Average No of containers reported demo per week in May
2

The depreciation in Indian and Pakistan rupee against US dollar keep depressing the scrap price levels offered in India subcontinent region along with the ongoing monsoon season. Bangladesh persists to be quiet and China's levels offered are still too low. Benchmark scrap price levels offered by India are floating below \$400/ldt since end May and below \$350/ldt in China.

No of demolition: 17 disposals –total deadweight: 794,302tons. - 7 bulkers, 5 tankers, 2 containers, 1 passenger/cruise and 2 special projects.

Demolition activity (in terms of reported number of transactions): 70%up week-on-week showing 75% and 400% increase in the volume of demolitions for bulk carriers and tankers respectively. The largest activity is recorded in the **bulk carrier** segment by holding 41% share of this week's activity against 29%share from tankers and 12% share from liners.

In terms of deadweight sent for scrap, there has been 33% weekly increase stemmed from one large vessel disposal in the tanker segment for a very large crude carrier, one aframax tanker and two panamax bulkers. India is reportedly to have won 8 of the 17 total demolitions, Bangladesh 2, Pakistan 1, China 1 and 5 demolitions transactions are reported at no revealed destination.

Benchmark scrap prices in the Indian subcontinent region: \$390-\$400/ldt for dry and \$420-\$430/ldt for wet cargo. In China, \$310/ldt for dry and \$320/ldt for wet cargo.

Notable demolition transactions of this week: Bulk carrier M/V "AOWISDOM" 68,377dwt built 1988 Japan with 10,431ldt reported to have fetched \$440/ldt in Bangladesh. In the tanker segment, VLCC M/T "DIAMOND JASMINE" 281,050dwt built 1999 Japan with 41,179ldt reported as an old sale for \$440/ldt in India. In Pakistan, aframax tanker M/T "ATLAS NAVIGATOR" of 107,181dwt built 1998 Japan with 16,696ldt reported to have fetched \$441/ldt.

At a similar week in 2012, demolition activity was up by 71%, in terms of the reported number of transactions, when 29 vessels had been reported for scrap of total deadweight 1,426,373 tons with 10 disposals for bulkers, 6 tankers, 4 liners, 2 reefers, 1 Ro-Ro, 2 combined and 3 special projects. Ship-breakers in Indian subcontinent region had been offering \$350-\$370/ldt for dry and \$380-\$390/ldt for wet cargo.

Per vessel type:

- **Bulk Carriers- number of disposals per vessel size:** 2 in the panamax segment, **2 in the handymax and 3 in the handysize.**
- **Tankers - number of disposals per vessel size:** 1 in the VLCC segment, 1 in the aframax and 3 small tankers.
- **Containers:** 1 in the small panamax segment and 1 in the handy.

Per Demo Country:

- **India:** 8 vessel disposals – 3 bulk carriers, 3 tankers, 1 container and 1 Ro-Ro
- **Bangladesh:** 2 vessel disposals in the bulk carrier segment
- **Pakistan:** 1 vessel disposal in the tanker segment
- **China:** 1 vessel disposal in the bulk carrier segment

GREEK PRESENCE

Investment trends during June: SH ↑ - NB ↓

S&P		week 1	week 2	week 3	week 4
	June	7/6/2013	14/6/2013	21/6/2013	28/6/2013
Units		6	5	7	4
May	10/5/2013	17/5/2013	24/5/2013	31/5/2013	
Units		3	15	11	4

Average No of vessel purchases per week in June

6

Average No of vessel purchases per week in May

8

NB		week 1	week 2	week 3	week 4
	June	7/6/2013	14/6/2013	21/6/2013	28/6/2013
Units		5	5	7	4
May	10/5/2013	17/5/2013	24/5/2013	31/5/2013	
Units		4	0	25	12

Average No of new orders per week in June

5

Average No of new orders per week in May

10

At the current week:

Second-hand purchasing activity: 43% down week-on-week - **Newbuilding** activity: 43% down week-on-week

Secondhand Market- No of vessel purchases: 4 vessels – Total Invested Capital: more than \$55,3mil, 1 S&P deal reported at an undisclosed sale price.

- **Bulk Carriers:** 3 vessel purchases: 1 kamsarmax built 2006 Japan for \$16mil, one panamax built 2009 Japan for \$21mil and one supramax built 2003 Japan for \$15,3mi.

- **Containers:** 1 vessel purchase 3,987TEU built 1998 South Korea at an undisclosed price

Newbuilding Market- No of new orders: 4 vessels – Total Invested Capital: \$128mil.

Per vessel type:

- **Tankers:** 4 MR-52,000dwt vessels from Capital Maritime & Trading at Samsung Ningbo of China for \$32mil each.

