



GOLDEN DESTINY

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

Week Ending: 8th November 2013 (Week 45, Report No: 4513)
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Investment Trends during November: Secondhand . Newbuilding . Demolition

S&P		week 1	week 2	week 3	week 4	
	November	8/11/13	15/11/13	22/11/13	29/11/13	
Units	24					24
October	11/10/13	18/10/13	25/10/13	2/11/13		Average No of vessels reported sold per week in October
Units	38	24	56	26		36
DEMO		week 1	week 2	week 3	week 4	
	November	8/11/13	15/11/13	22/11/13	29/11/13	
Units	16					16
October	11/10/13	18/10/13	25/10/13	2/11/13		Average No of vessels reported demo per week in October
Units	16	15	12	11		14
NB		week 1	week 2	week 3	week 4	
	November	8/11/13	15/11/13	22/11/13	29/11/13	
Units	78					78
October	11/10/13	18/10/13	25/10/13	2/11/13		Average No of vessels reported on order per week in October
Units	34	65	55	52		52

At the current week, 40 transactions reported worldwide in the secondhand and demolition market, up by 8% week-on-week with 8% decrease in secondhand purchases and 45% higher scrapping volumes.

The highest activity is recorded in the newbuilding market **with 78 new orders** firm volume of business for bulkers of all vessel sizes with strong activity in the very large ore capesize, capesize and ultramax segments.

Compared with newbuilding investments, this week's secondhand purchasing activity is 69% down and demolition 79% down.

At **similar week in 2012**, the total S&P activity in the secondhand / demolition market was standing 30% higher than the current levels, when 52 transactions had been reported and secondhand ship purchasing was standing 136% higher than the levels of newbuilding orders. The ordering appetite was very low for bulkers, tankers and containers with only 5, 3 and 1 new contract reported respectively and zero reported business for special projects.

Secondhand: 24 S&P deals . 26 S&P deals last week . 33 S&P deals in the first week of November 2012

Newbuilding: 78 new orders -52 new orders last week . 14 new orders in the first week of November 2012

Demolition: 16 disposals -11 disposals last week . 19 disposals in the first week of November 2012



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SECONDHAND MARKET

S&P Transactions: 24 vessels reported to have changed hands. total invested capital region \$438,4 mil, no S&P deals reported at an undisclosed sale price. (12 bulkers, 7 tankers, 3 gas tankers and 2 containers)

Average age of vessels sold 9yrs old built 2004

S&P activity: 8% down week-on-week and 27% down year-on-year. Lower purchasing appetite recorded for containers. At **similar week in 2012**, 33 vessels induced buyers interest at a total invested capital of about \$504,1 mil. (18 S&P deals in the bulk carrier segment, 4 in the tanker, 1 in the gas tanker, 3 in the liner, 5 in the container, 1 Ro-Ro and 1 special project).

Bulk carriers held lion share of this week's S&P activity, 50% share and tankers follow with 29% share, while only 3 S&P deals reported in the gas tanker segment and 2 S&P deals for boxships. The highest invested capital is reported in the bulk carrier segment, 59% share of the total invested capital, tankers 19.4% share, gas tankers 15.6% and containers 6% share.

Per vessel type:

Bulk Carriers Investment trends during November:

S&P		week 1	week 2	week 3	week 4	
	November	8/11/13	15/11/13	22/11/13	29/11/13	
Units	24					24
October	11/10/13	18/10/13	25/10/13	2/11/13		Average No of bulkers reported sold per week in October
Units	15	14	28	14		18

At the current week: 24 S&P deals, up by 71% week-on-week and up 33% year-on-year. (18 S&P deals at similar week in 2012)

Total Invested Capital: region \$438,4 mil - **Average age of vessels sold** 11yrs old built 2002 (activity in all vessel sizes with preference in the handy segment). The majority of vessels sold are with age of more than 10yrs old built Japan)

- **Capesize** 2 S&P deals: about 179,200dwt built 2011-2012 South Korea for total \$102,5mil.
- **Panamax- 2 S&P deals:** 76,500dwt built 2002 Japan for about \$15,5mil, 75,656dwt built 2005 Japan for \$20mil.
- **Ultramax- 2 S&P deals:** about 61,000dwt built 2012-2013 Japan for about total \$60,5mil.
- **Supramax** 2 S&P deals: about 56,000dwt built 2011 Japan for about \$28mil and 52,478dwt built 2001 Japan for about \$14,5mil.
- **Handysize- 4 S&P deals:** total invested capital \$30,9mil . vessels built Japan of more than 15yrs old.

Tankers- Investment trends during November:

S&P		week 1	week 2	week 3	week 4	
	November	8/11/13	15/11/13	22/11/13	29/11/13	
Units	7					7
October	11/10/13	18/10/13	25/10/13	2/11/13		Average No of tankers reported sold per week in October
Units	11	6	21	5		11

At the current week: 7 S&P deals, up by 40% week-on-week and up by 75% year-on-year. (4 S&P deals at similar week in 2012)

Total Invested Capital: \$85,4 mil. **Average age of vessels sold** 9yrs old built 2004 (preference in the handy segment for vessels built South Korea)

- **Suezmax-** 1 S&P deal: 160,383dwt built 2000 South Korea for about \$16,3mil.
- **Handy-** 5 S&P deals: 30,651dwt built 1999 Japan for about \$7,9mil. 4 vessels of about 12,000-13,000dwt built 2006-2007 sold enbloc total for about \$47,5mil.
- **Small tanker** 1 S&P deal: 7,150dwt built 2010 Turkey, stainless steel for about \$13,7mil at auction.

Gas Tankers - Investment trends during November:

S&P		week 1	week 2	week 3	week 4	
	November	8/11/13	15/11/13	22/11/13	29/11/13	
Units	3					3
October	11/10/13	18/10/13	25/10/13	2/11/13		Average No of gas tankers reported sold per week in October
Units	0	0	0	1		0

At the current week: 3 reported S&P deal for LPG carriers, up 200% week-on-week and 200% year-on-year, two of medium size built 2013 South Korea for about \$57mil each and 1 in the LPG segment for a small carrier built 1994 for about \$11,5mil.

Containers - Investment trends during November:

S&P		week 1	week 2	week 3	week 4	
	November	8/11/13	15/11/13	22/11/13	29/11/13	
Units	2					2
October	11/10/13	18/10/13	25/10/13	2/11/13		Average No of containers reported sold per week in October
Units	9	1	5	5		5

At the current week: 2 S&P deals, 60% down week-on-week and down by 60% year-on-year. (5 S&P deals reported at similar week in 2012). **Average age of vessels sold- 12yrs old built 2001.**

- **Sub Panamax-** 2 S&P deals for about 2,500TEU vessel built 2001 South Korea and Germany for about \$13,5mil and \$11,9mil respectively.

NEWBUILDING MARKET

No of new orders: 78 vessels. total deadweight:5,775,116 tons,28 transactions reported at an undisclosed contract price . The invested capital revealed is about \$3,34bn for 50 new orders. (38 bulkers, 12 tankers, 9 gas tankers, 5 liners, 2 containers, 2 car carriers and 10 special projects).

Newbuilding activity: 50% up week-on-week and 457% up year-on-year. The largest volume of newbuilding activity is reported in bulk carrier segment for ultramax vessels and MR-hadysize tankers. Orders for bulk carriers and tankers held 49% and 15% share respectively of this week's ordering activity and special projects follow with 13% share.

At **similar week in 2012**, 14 fresh orders had been reported with subdued business in all vessel segments (5 bulkers, 3 tankers, 1 gas tanker, 3 reefers, 1 passenger/cruise and 1 Ro-Ro).

Compared with previous week's levels, a large increase of 100% is recorded in the volume of new orders for special projects (10 new orders from 5 last week) and 65% in the bulk carrier (38 new orders from 23 last week). In the tanker segment, there is a 40% weekly decline with 12 new orders from 20 last week. In terms of invested capital, the offshore segment grasped 33% of the total amount of money invested due to the construction of high valued jack up drilling rigs-more than \$1,1bn invested for special projects and the bulk carrier segment held 30% share with an invested capital of more than \$992,5mil.

- **No of units ordered at South Korean yards:** 12 new orders, 4 for tankers, 6 gas tankers and 2 car carriers (15% share of this week's ordering activity)
- **No. of units ordered at Chinese yards:** 53 new orders, 34 bulkers, 8 tankers, 2 gas tankers and 4 special projects (68% share of this week's ordering activity)
- **No of units ordered at Japanese yards:** 4 new orders, 3 bulkers, 1 gas tanker (5.1% share of this week's ordering activity)

Per vessel type:**Bulk Carriers Investment trends during November:**

NB		week 1	week 2	week 3	week 4	
	November	8/11/13	15/11/13	22/11/13	29/11/13	
Units	38					38
October	11/10/13	18/10/13	25/10/13	2/11/13		Average No of bulkers reported on order per week in October
Units	5	25	20	23		18

At the current week: 38 new orders, 65% up week-on-week and 660% up year-on-year. (only 5 new orders reported at similar week in 2012). Chinese yards won 89.4% share of bulk carriers total newbuilding business. Large activity reported in the VLOC, capesize and ultramax segments.

- **VLOC- 6** new orders: of 250,000dwt from **Berge Bulk** of Singapore at Chinese yards.
- **Capesize 10** new orders: **2** new orders of 208,000 dwt from **US fund Foremost Group** at Nantong Cosco of China for about \$55 mil each with delivery not revealed. **4** new orders of 208,000 dwt from **Oldendorff** of Germany at Taizhou Catic of China for about \$55 mil each with delivery 2015-2016. **4** new orders of 215,000 dwt from **Berge Bulk** of Singapore at Bohai of China for undisclosed contract price with delivery 2016.
- **Ultramax 15** new orders: **9** new orders of 64,000dwt from **Tomini Ship Management** of Pakistan at China Ship Ind. Corp for delivery from 2015 till 2017. **2** new orders of 64,000dwt from **HI investment** of South Korea at China Jiangsu Hantong for about \$26mil each delivery 2016. **2** new orders of 60,000dwt and 61,000dwt vessels from **Western Bulk** of Norway at an undisclosed yard with delivery 2015-2016, under long term lease agreements with purchase options. **1** new order of 64,000dwt from China **Fujian Guohang Ocean Shipping Group** at Taizhou Sanfu Ship Engineering with delivery end 2015.
- **Panamax 3** new orders: from **Safe Bulkers of Greece** for **1** vessel of 76,500dwt at an undisclosed Japanese yard, eco design, for delivery in the first half 2015 under 10years time charter agreement for about \$28 mil and **2** vessels of 77,000dwt at an undisclosed Japanese yard for about \$30mil each with delivery in the second half of 2015 and first half of 2016.
- **Ultramax 11** new order: **1** of 64,000dwt from **Fujian Guohang Ocean Shipping**, **6** of 64,000dwt from **Tomini Ship Management** of Pakistan, **2** of 64,000dwt from HI Investment of South Korea all placed at Chinese yards for about \$25-\$26mil each and **2** of 60,000- 61,000dwt from **Western Bulk** of Norway at undisclosed yards.
- **Handysize - 8** new orders: of 38,500dwt from **Dalian Tiger Shipping** of China at China Shanhaiguan Shpd at an undisclosed contract price with delivery in 2015.

Tankers Investment trends during November:

NB		week 1	week 2	week 3	week 4	
	November	8/11/13	15/11/13	22/11/13	29/11/13	
Units	12					12
October	11/10/13	18/10/13	25/10/13	2/11/13		Average No of tankers reported on order per week in October
Units	10	18	6	20		14

At the current week: 12 new orders reported, down by 40% week-on-week and 300% up year-on-year. (Strong activity reported in the MR segment at South Korean yards).

Note: BP Shipping is expected to order five plus five 50,000dwt MR product tankers and five plus five wide beam 40,000dwt tankers at Hyundai Mipo of South Korea for about \$35-\$40mil each, depending on whether they are built to high specifications.

- **MR 4** new orders: of 50,000dwt from **Ceres Shipping subsidiary Unisea Shipping** at Hyundai Mipo Dockyard for about \$30mil each with delivery by the end of March 2016.
- **Handysize / Chemical 8** new orders: of 33,000dwt from **Jo Tankers** of Norway at China New Times Shpd for about \$40mil each with delivery 2016-2017.

Gas Tankers - Investment trends during November:

NB		week 1	week 2	week 3	week 4	
	November	8/11/13	15/11/13	22/11/13	29/11/13	
Units	9					9
October	11/10/13	18/10/13	25/10/13	2/11/13		Average No of gas tankers reported on order per week in October
Units	4	4	5	0		3

At the current week: 9 new orders reported this week, from zero new orders last week (1 order reported at similar week in 2012).

- **LPG Ë7** new orders: 2 in the very large segment for 84,000cbm carriers from **Georgas** of Switzerland at Hyundai HI, SKR for about \$77mil each. 2 in the medium size for 38,500cbm carriers from **Exmar JV**, Belgium at Hyundai Mipo, SKR and 2 in the small LPG segment for less than 10,000cbm carriers.
- **LNG- 2** new orders: of 174,000cbm from **BG Group**, UK at Hudong Zhonghua, China . letter of intent signed.

Containers - Investment trends during November:

NB		week 1	week 2	week 3	week 4	
	November	8/11/13	15/11/13	22/11/13	29/11/13	
Units	2					2
October	11/10/13	18/10/13	25/10/13	2/11/13		Average No of containers reported on order per week in October
Units	5	12	2	4		6

At the current week: 2 new orders, down by 67% week-on-week (zero reported activity at similar week in 2012).

- **Small panamax segment Ë2** new orders: of 3,600 TEU Jones act boxships from **Matson** of US at Aker Philadelphia, US for about \$209mil each.

Car Carriers: Wilh Wilhelmsen of Norway has declared an option for two more 8,000ceu car carriers at Hyundai HI of South Korea for about \$75mil each, two other units ordered in May 2012.

Special Projects: China Oilfield Services said it has signed construction contracts with Dalian Shipbuilding Industry Offshore and China Merchants HI (Shenzhen) to build three jack-up drilling rigs for delivery in 2015. The newbuildings are to be named HYSY982, HYSY 943 and HYSY944. HYSY982 is a sixth-generation deepwater semi-submersible rig equipped with DP3 dynamic positioning system, designed for a maximum operating depth of 5,000ft (1,524m), and a maximum drilling depth of 30,000ft (9,144m). It is expected to be delivered in August 2016. HYSY943 is equipped with a maximum operating depth of 400ft (122m) and a maximum drilling depth of 35,000ft (10,668m). HYSY944 has the same maximum operating depth but a maximum drilling depth of 30,000ft (9,144m). In addition, Chinese shipbuilder AVIC Weihai Shipyard sealed its first newbuilding contract for the construction of a jack up drilling rig from an Egyptian owner for delivery in 2014. In last, Keppel Fels of Singapore sealed a high value contract of \$1,1billion for the construction of five jack up drilling rigs, with an option for five more, for Transocean of US with delivery in 2016-2017.

DEMOLITION MARKET

Bulk Carriers Tankers Containers

BC		week 1	week 2	week 3	week 4	
	November	8/11/13	15/11/13	22/11/13	29/11/13	
Units	7					7
October	11/10/13	18/10/13	25/10/13	2/11/13		Average No of bulkers reported demo per week in October
Units	7	9	3	2		5
TNK		week 1	week 2	week 3	week 4	
	November	8/11/13	15/11/13	22/11/13	29/11/13	Average No of tankers reported demo per week in November
	Units	3				3
	October	11/10/13	18/10/13	25/10/13	2/11/13	Average No of tankers reported demo per week in October
Units	5	3	2	4		4
CONT		week 1	week 2	week 3	week 4	
	November	8/11/13	15/11/13	22/11/13	29/11/13	Average No of containers reported demo per week in November
	Units	2				2
	October	11/10/13	18/10/13	25/10/13	2/11/13	Average No of containers reported demo per week in October
Units	2	1	3	0		2

Diwali celebrations have brought a silent scrapping activity with scrap prices still holding firm in the Indian subcontinent region and container vessels fetching strong levels for disposal, including sufficient amount of bunkers remaining on board. In Bangladesh and Pakistan, Eid holidays are now concluded, but scrapping business is still lull with some positive signs in the Chittagong market for stronger activity as currency remains stable and local steel plate prices are improved. Indian remains the most aggressive in the Indian subcontinent region in its prices offered and after the end of Diwali celebrations, Alang shipbreakers would return even more dynamic as there are no longer currency issues with the Indian Rupee against US dollar. In China, steel prices are discouraging leaving local shiprecyclers out of the game as seem unable to compete with their rivals in the Indian subcontinent region even now during holidays (Eid & Diwali).

No of demolition: 16 disposals . **total deadweight:** 1,033,931 tons- 7 bulkers, 43 tankers, 1 liner, 2 containers and 3 Ro-Ro.

Demolition activity (in terms of reported number of transactions):45% up week-on-week showing 250%weekly increase in the volume of bulker disposals, and 50% weekly declines in tanker disposals.

The largest activity is recorded in the bulk carrier by holding 54% share of the total demolition activity, against 23% share from bulkers.

In terms of deadweight sent for scrap, there has been 62% weekly increase with interesting scrapping activity in large vessel crude tankers categories, 2 VLCCs.

India is reportedly to have won 6 of the 16 demolition transactions, Bangladesh 1, Pakistan 0, China 4, Turkey 0, 5 vessel disposal reported at an undisclosed destination.

Benchmark scrap prices in the Indian subcontinent region: \$385-\$390/ldt for dry and \$420/ldt for wet cargo. Scrap prices in China hover at \$330/ldt for dry and \$340/ldt for wet cargo.

***Notable demolition transactions:** Sub-panamax container M/V %OMODO+with 12,949ldt built 1991 fetched \$455/ldt in India, due to sufficient amount of bunkers remaining on board . 500 tons.*

At a **similar week in 2012**, demolition activity was up by 19%, in terms of the reported number of transactions, when 19 vessels had been reported for scrap of total deadweight 1,347,328 tons with 8 disposals for bulkers, 5 for tankers, 2 for liners and 2 for containers. Ship-breakers in Indian subcontinent region had been offering \$390/ldt for dry and \$420/ldt for wet cargo.

Per vessel type:

- **Bulk Carriers- number of disposals per vessel size:** 1 in the panama and 6 in the handy
- **Tankers- number of disposals per vessel size:** 2 VLCCs and 1 handymax
- **Containers- number of disposals per vessel size:** 1 in the small panamax and 1 in the sub panama segment

Per Demo Country:

- **India-7 disposals:** 1 container, 2 bulkers, 2 Ro-Ros, 1 liner
- **Bangladesh:** 1 container
- **China-3 disposals:** 3 bulkers, 1 tanker
- **Pakistan:** no reported business

GREEK PRESENCE

Investment trends during October: SH - NB

S&P		week 1	week 2	week 3	week 4	
	November	8/11/13	15/11/13	22/11/13	29/11/13	
Units	7					7
October	11/10/13	18/10/13	25/10/13	2/11/13		Average No of vessel purchases per week in october
Units	14	4	10	7		9
NB		week 1	week 2	week 3	week 4	
	November	8/11/13	15/11/13	22/11/13	29/11/13	
Units	7					7
October	11/10/13	18/10/13	25/10/13	2/11/13		Average No of new orders per week in October
Units	5	4	0	6		4

At the current week: November begins with firm investments from Greek owners in the secondhand and newbuilding market.

Second-hand purchasing activity: 3no change from previous week- **Newbuilding** activity: 17% up week-on-week.

Secondhand Market- No of vessel purchases: 7 vessel purchases . invested capital region \$113,7mil (5 bulkers, 1 tanker and 1 container).

Newbuilding Market- No of new orders: 7 new orders . 3 for panamax bulkers and 4 for MR tankers.

- **Bulk Carriers: 3 new orders:** from **Safe Bulkers of Greece** for 1 vessel of 76,500dwt at an undisclosed Japanese yard, eco design, for delivery in the first half 2015 under 10years time charter agreement for about \$28 mil and 2 vessels of 77,000dwt at an undisclosed Japanese yard for about \$30mil each with delivery in the second half of 2015 and first half of 2016.
- **MR tankers: 4 new orders:** of 50,000dwt from **Ceres Shipping subsidiary Unisea Shipping** at Hyundai Mipo Dockyard for about \$30mil each with delivery by the end of March 2016