



GOLDEN DESTINY

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

Week Ending: 15th November 2013 (Week 46, Report No: 46/13)
(Given in good faith but without guarantee)

This Report/Analysis is distributed for the primary use of GOLDEN DESTINY's subscribers and should not be redistributed to any third parties without the written consent of GOLDEN DESTINY. An extraction of market information from GOLDEN DESTINY's Reports/Analysis is allowed only when GOLDEN DESTINY is mentioned as a source.

Investment Trends during November: Secondhand . Newbuilding . Demolition

S&P		week 1	week 2	week 3	week 4	
	November	8/11/2013	15/11/2013	22/11/2013	29/11/2013	
Units	24	38				31
October	11/10/2013	18/10/2013	25/10/2013	2/11/2013		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	8/11/2013	15/11/2013	22/11/2013	29/11/2013	
Units	16	12				14
October	11/10/2013	18/10/2013	25/10/2013	2/11/2013		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	8/11/2013	15/11/2013	22/11/2013	29/11/2013	
Units	78	49				64
October	11/10/2013	18/10/2013	25/10/2013	2/11/2013		Average No of vessels reported on order per week in October
Units	34	65	55	52		52

At the current week, 50 transactions reported worldwide in the secondhand and demolition market, up by 25% week-on-week with 58% increase in secondhand purchases and 25% lower scrapping volumes.

The highest activity is recorded in the newbuilding market- **with 49 new orders** firm volume of business for bulkers with focus on the ultramax segment.

Compared with newbuilding investments, this week's secondhand purchasing activity is 22% down and demolition 76% down.

At **similar week in 2012**, the total S&P activity in the secondhand / demolition market was standing 26% lower than the current levels, when 37 transactions had been reported and secondhand ship purchasing was standing 29% higher than the levels of newbuilding orders. The ordering appetite was strong for tankers with 10 new contracts reported. (24 total new orders, 10 tankers, 4 containers, 1 Ro-Ro, 2 car carriers, 7 special projects)

Secondhand: 38 S&P deals . 24 S&P deals last week 17 S&P deals in the second week of **November 2012**

Newbuilding: 49 new orders -78 new orders last week . 24 new orders in the second week of **November 2012**

Demolition: 12 disposals -16 disposals last week . 20 disposals in the second week of **November 2012**



EMAIL: snv@goldendestiny.com – Website: www.goldendestiny.com

ISO 9001

BUREAU VERITAS
Certification



SECONDHAND MARKET

S&P Transactions: 38 vessels reported to have changed hands. total invested capital region \$920 mil, 2 S&P deals reported at an undisclosed sale price. (11 bulkers, 12 tankers, 1 gas tanker and 14 containers)

Average age of vessels sold 9yrs old built 2004

S&P activity: 58% up week-on-week and 124% up year-on-year. Intense buying activity is recorded in all main vessel segments, bulk carriers, tankers and containers. At **similar week in 2012**, 17 vessels induced buyers interest at a total invested capital of about \$207,65 mil. (5 S&P deals in the bulk carrier segment, 5 in the tanker, 1 in the liner and 6 in the container).

Containers held lion share of this week's S&P activity -37% share, tankers follow with 32% share and bulk carriers with 29% share. The highest invested capital is reported in the container segment, 50% share of the total invested capital, tankers 26% share and bulk carriers 17.5%.

Per vessel type:

Bulk Carriers Investment trends during November:

S&P		week 1	week 2	week 3	week 4	
	November	8/11/2013	15/11/2013	22/11/2013	29/11/2013	
Units		24	11			18
October	11/10/2013	18/10/2013	25/10/2013	2/11/2013		Average No of bulkers reported sold per week in October
Units		15	14	28	14	18

At the current week: 11 S&P deals, down by 54% week-on-week and up 120% year-on-year. (5 S&P deals at similar week in 2012)

Total Invested Capital: region \$161 mil - **Average age of vessels sold** 11yrs old built 2002 (activity in all vessel sizes with preference in the handy-handymax segment. The majority of vessels sold are built Japan)

- **Panamax- 1 S&P deal:** 73,000dwt built 2002 Japan for about \$14mil.
- **Ultramax- 2 S&P deals:** about 61,000dwt built 2014 China for about total \$27,5mil each.
- **Supramax 2 S&P deals:** about 56,000dwt built 2005 Japan for about \$19,5mil each.
- **Handy/handymax- 4 S&P deals:** total invested capital \$42,2mil . vessels built Japan of more than 15yrs old.
- **Handy-less than 20,000dwt 1 S&P deal:** 15,500dwt built 2001 Japan for about \$3,375mil.

Tankers- Investment trends during November:

S&P		week 1	week 2	week 3	week 4	
	November	8/11/2013	15/11/2013	22/11/2013	29/11/2013	
Units		7	12			10
October	11/10/2013	18/10/2013	25/10/2013	2/11/2013		Average No of tankers reported sold per week in October
Units		11	6	21	5	11

At the current week: 10 S&P deals, up by 43% week-on-week and up by 100% year-on-year. (5 S&P deals at similar week in 2012)

Total Invested Capital: region \$234,5 mil. **Average age of vessels sold** 9yrs old built 2004 (strong activity in the small tanker segment with interesting S&P deals in the VLCC segment.

- **VLCC- 3 S&P deals:** 300,000dwt built 1996 South Korea for about \$20mil. 298,000dwt built 2011 China for about \$57mil, built 2010 China for about \$54.5mil and built 2009 China for about \$51,5mil.
- **Handymax- 1 S&P deal:** 47,300dwt built 1999 Croatia for about \$10,5mil.
- **Handy- 1 S&P deal:** 15,000dwt built 2009 Rumania for about \$12mil
- **Small tanker 6 S&P deals:** invested capital region \$29mil (4 S&P deals reported at auction).

Gas Tankers - Investment trends during November:

S&P		week 1	week 2	week 3	week 4	
	November	8/11/2013	15/11/2013	22/11/2013	29/11/2013	
Units	3	1				2
October	11/10/2013	18/10/2013	25/10/2013	2/11/2013		Average No of gas tankers reported sold per week in October
Units	0	0	0	1		0

At the current week: 1 reported S&P deal for a very large LPG carrier, from 3 reported S&P deals last week (zero S&P deal reported at similar week in 2012). 78,600cbm LPG carrier built 2005 South Korea for about \$65mil.

Containers - Investment trends during November:

S&P		week 1	week 2	week 3	week 4	
	November	8/11/2013	15/11/2013	22/11/2013	29/11/2013	
Units	2	14				8
October	11/10/2013	18/10/2013	25/10/2013	2/11/2013		Average No of containers reported sold per week in October
Units	9	1	5	5		5

At the current week: 14 S&P deals, 600% up week-on-week and up by 133% year-on-year. (6 S&P deals reported at similar week in 2012). **Average age of vessels sold- 8yrs old built 2005. Invested capital region \$459mil. Strong activity in the large panamax and small panamax segments.**

- **Large Panamax-** 1 enbloc S&P deal for five 6,700TEU vessels built 2006 South Korea for about \$55mil each.
- **Small Panamax** - 1 S&P deal for a 4,298 TEU vessel built 2006 South Korea for about \$14,8mil.
- **Small panamax-** 1 enbloc S&P deal for five 3,630TEU vessels built 2007 South Korea for about \$27mil each including 3yrs time charter.
- **Sub-panamax** . 1 S&P deal for a 2,468TEU boxship built 1997 German for about \$7,2mil.
- **Feedermax-** 1 S&P deal for a 834TEU vessel built 2000 China.

NEWBUILDING MARKET

No of new orders: 49 vessels. total deadweight:3,625,000 tons, 11 transactions reported at an undisclosed contract price . The invested capital revealed is about \$1,4bn for 38 new orders. (23 bulkers, 16 tankers, 2 gas tankers, 2 containers, 1 Ro-Ro and 5 special projects).

Newbuilding activity: 37% down week-on-week and 104% up year-on-year. The largest volume of newbuilding activity is reported in bulk carrier segment with focus in ultramax vessels and aframax tankers. Orders for bulk carriers and tankers held 47% and 33% share respectively of this week's ordering activity and special projects follow with 10% share.

At **similar week in 2012**, 24 fresh orders had been reported with zero reported business for bulkers (10 tankers, 4 containers, 1 Ro-Ro, 2 car carriers and 7 special projects).

Compared with previous week's levels, a large increase of 33% is recorded in the volume of new orders for tankers (16 new orders from 12 last week). In the bulk carrier segment, there is a 39% weekly decline with 23 new orders from 38 last week. In terms of invested capital, the offshore segment grasped 41% of the total amount of money invested due to the construction of high valued jack up drilling rigs and accommodation semi submersible units.

- **No of units ordered at South Korean yards:** 17 new orders, 15 for tankers and 2 gas tankers (35% share of this week's ordering activity)
- **No. of units ordered at Chinese yards:** 23 new orders, 21 bulkers, 1 container and 1 special project (47% share of this week's ordering activity)
- **No of units ordered at Japanese yards:** 3 new orders, 2 bulkers and 1 special project (6.1% 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	8/11/2013	15/11/2013	22/11/2013	29/11/2013		Average No of bulkers reported on order per week in November
Units	38	23					31
October	11/10/2013	18/10/2013	25/10/2013	2/11/2013		Average No of bulkers reported on order per week in October	
Units	5	25	20	23			18

At the current week: 23 new orders, 39% down week-on-week. (zero new orders reported at similar week in 2012). Chinese yards won 91% share of bulk carriers total newbuilding business. Large activity reported in the ultramax segment.

- **Capesize -2** new orders: of 208,000 (newcastlemax) from **Capital Maritime & Trading Corp** of Greece at China's Qingdao Yangfan for about \$55mil each with delivery late 2015, with an option for two more units.
- **Kamsarmax-6** new orders: of 82,000dwt from **Scorpio Bulkers** of Monaco at Hudong Zhonghua of China at an undisclosed contract price with delivery 2015-2016.
- **Ultramax -11** new orders: 4 new orders of 64,000dwt from **Scorpio Bulkers** of Monaco at Chengxi Shiyong of China at an undisclosed contract price with delivery 2015 and 2016. 2 new orders of 63,000dwt from **Greenship Bulk** of Singapore at Yangzhou Dayang of China at an undisclosed contract price with delivery 2014 and 2015. 5 new orders from China's **Fujian Guohang Ocean Shipping** at China's Taizhou Sanfu Shipbuilding at an undisclosed contract price with delivery between the end 2015 and 2016.
- **Handymax-2** new orders: of 38,500dwt from **Shih Wei Navigation** of Taiwan at Onomichi of Japan at an undisclosed contract price with delivery in 2016 with an option for two more.

Note: Norden, Denmark said that it ordered five bulkers, three panamax and two supramax vessels at undisclosed Japanese yards, without revealing further details.

Tankers Investment trends during November:

NB		week 1	week 2	week 3	week 4		
	November	8/11/2013	15/11/2013	22/11/2013	29/11/2013		Average No of tankers reported on order per week in November
Units	12	16					14
October	11/10/2013	18/10/2013	25/10/2013	2/11/2013		Average No of tankers reported on order per week in October	
Units	10	18	6	20			14

At the current week: 16 new orders reported, up by 33% week-on-week and 60% up year-on-year. (Strong activity reported in the aframax at South Korean yards).

- **Aframax -9** new orders: 4 new orders of 115,000dwt from **Navig8 Chemical Tankers in a joint venture with Oaktree Capital Management** of US at Sungdong Shipbuilding of South Korea at an undisclosed contract price with delivery in 2016, exercised option from an initial order placed in October for other four similar units for about \$48mil each. 5 new orders of 115,000dwt from **Tsakos** of Greece at Hyundai HI of South Korea for USD \$52 mil each including time charter to Statoil for five years with an option for two more at \$23,000/day.
- **MR -1** new order: of Jones act 50,000dwt from **Seabulk Tankers** of US at General Dynamics NASSCO, US for about \$125.25mil with delivery 4q 2016 (Three now ordered. Option for a fourth unit).
- **Handysize / Chemical -6** new orders: of 37,000dwt from **Navig8 Chemical Tankers in a joint venture with Oaktree Capital Management**, US at Hyundai Mipo Dockyard of South Korea at an undisclosed contract price with delivery in 2015 with exercised option from an initial order placed in October for other six similar units for about \$34,7mil each.

Gas Tankers - Investment trends during November:

NB		week 1	week 2	week 3	week 4	
	November	8/11/2013	15/11/2013	22/11/2013	29/11/2013	
Units	9	2				6
October	11/10/2013	18/10/2013	25/10/2013	2/11/2013		Average No of gas tankers reported on order per week in October
Units	4	4	5	0		3

South Korean shipbuilders are said to win a contract for the construction of about 13 or even more LNG carriers in an deal for the enlargement of business between South Korea and Russia. The deal came to light after the meeting of Russian President Vladimir Putin in Seoul with President Park Geun-Hye, according to South Korea's presidential office.

At the current week: 2 new orders reported this week, down 78% week-on-week. (zero reported orders at similar week in 2012).

- **LPG Æ 2** new orders: in the very large segment for 84,000cbm carriers from **BW LPG** of Norway at Hyundai HI, SKR for about \$75mil each with delivery in the third quarter of 2016 as an exercised option from a similar order placed in August for other six units.

Containers - Investment trends during November:

NB		week 1	week 2	week 3	week 4	
	November	8/11/2013	15/11/2013	22/11/2013	29/11/2013	
Units	2	2				2
October	11/10/2013	18/10/2013	25/10/2013	2/11/2013		Average No of containers reported on order per week in October
Units	5	12	2	4		6

At the current week: 2 new orders, no change from previous week. (zero reported activity at similar week in 2012).

NYK Line of Japan is said to be planning an investment for the construction of four 13,200boxships, with an interest of ordering up to 10 vessels, for a total value of more than \$1bn. Sources suggest that the owner is already in talks with Japanese yard, Imabari Shipbuilding and South Korean yards, Hyundai HI and Samsung HI.

- **Large Panamax segment Æ1** new order: of 5,400 TEU from **Korea Marine Transport Corp** of South Korea at Hanjin HI in Philippines at an undisclosed contract price with delivery in 2014.
- **Small Panamax segment Æ1** new order: of 4,957 TEU from **Dietrich Tamke** of Germany at China's Jingling for more than \$50mil with delivery in 2016.

Special Projects: COSCO Corp (Singapore) said it has secured a letter of intent for two advanced, accommodation semi-submersible for about more than \$200mil each for a subsidiary of Oslo's Prosafe SE, with an option for four more. In addition, Viking Offshore and Marine of Singapore placed an order for one jack up drilling rig at China Merchants Heavy Industries with delivery in October 2015 for about \$180mil.

DEMOLITION MARKET

Bulk Carriers Tankers Containers

BC		week 1	week 2	week 3	week 4	
	November	8/11/2013	15/11/2013	22/11/2013	29/11/2013	
Units	7	3				5
October	11/10/2013	18/10/2013	25/10/2013	2/11/2013		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	8/11/2013	15/11/2013	22/11/2013	29/11/2013	Average No of tankers reported demo per week in November
	Units	3	2			3
	October	11/10/2013	18/10/2013	25/10/2013	2/11/2013	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	8/11/2013	15/11/2013	22/11/2013	29/11/2013	Average No of containers reported demo per week in November
	Units	2	3			3
	October	11/10/2013	18/10/2013	25/10/2013	2/11/2013	Average No of containers reported demo per week in October
Units	2	1	3	0		2

Diwali celebrations are now ended and prices are still holding firm with Alang breakers expected to be more aggressive in the coming days for securing new tonnage. In Bangladesh and Pakistan, scrapping business is still quiet, while China remains in doldrums with subdued domestic steel prices. Benchmark scrap prices in Indian subcontinent region seems to hold the same levels as last year with China being far uncompetitive to reach the levels of offered from Alang shipbreakers.

No of demolition: 12 disposals . **total deadweight: 888,701** tons- 3 bulkers, 2 tankers, 2 liners, 3 containers, 1 Ro-Ro and 1 special project.

Demolition activity (in terms of reported number of transactions): 25% down week-on-week showing 100% weekly increase in the volume of liner disposals, and 57%-33% weekly declines in bulkers /tanker disposals respectively. Soft scrapping activity is recorded for all main vessels segments. (BC/TNK/CONT)

In terms of deadweight sent for scrap, there has been 25% weekly decline with 3 demolition deals reported for large vessel sizes, 1 offshore, 1 capesize and 1 aframax.

Bangladesh is reportedly to have won 5 of the 12 demolition transactions, India 2, Pakistan 2, China 2, Turkey 0, 1 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: Ro-Ro M/V %UROCARGP EUROPA+ with 12,449ldt built 1981 fetched \$455/ldt in Bangladesh due to well equipped spares.

At a **similar week in 2012**, demolition activity was up by 67%, in terms of the reported number of transactions, when 20 vessels had been reported for scrap of total deadweight 1,077,075 tons with 11 disposals for bulkers, 2 for tankers, 2 for liners, 3 containers, 1 reefer and 1 combined. 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 capesize and 2 handies
- **Tankers- number of disposals per vessel size:** 1 aframax and 1 panamax
- **Containers- number of disposals per vessel size:** 1 in the small panamax and 2 in the handy

Per Demo Country:

- **India-2 disposals:** 2 containers
- **Bangladesh:** 2 bulkers, 1 container, 1 liner and 1 Ro-Ro
- **China-2 disposals:** 1 bulker, 1 liner
- **Pakistan:** 1 offshore and 1 tanker

GREEK PRESENCE

Investment trends during October: SH - NB

S&P		week 1	week 2	week 3	week 4	
	November	8/11/2013	15/11/2013	22/11/2013	29/11/2013	
Units	7	10				9
October	11/10/2013	18/10/2013	25/10/2013	2/11/2013		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	8/11/2013	15/11/2013	22/11/2013	29/11/2013	
Units	7	9				8
October	11/10/2013	18/10/2013	25/10/2013	2/11/2013		Average No of new orders per week in October
Units	5	4	0	6		4

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

Second-hand purchasing activity: up by 43% week-on-week- **Newbuilding** activity: 29% up week-on-week.

Secondhand Market- No of vessel purchases: 10 vessel purchases . invested capital region \$457,2mil (2 bulkers, 3 tankers and 5 containers).

Newbuilding Market- No of new orders:9 new orders . 4 for capesize bulkers and 5 for aframax tankers.

- **Bulk Carriers: Capesize -2** new orders: of 208,000 (newcastlemax) from **Capital Maritime & Trading Corp** of Greece at Chinaç Qingdao Yangfan for about \$55mil each with delivery late 2015, with an option for two more units.
- **Aframax tankers: 5** new orders of 115,000dwt from **Tsakos** of Greece at Hyundai HI of South Korea for USD \$52 mil each including time charter to Statoil for five years with an option for two more at \$23,000/day.