



# GOLDEN DESTINY

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

Week Ending: 22<sup>nd</sup> November 2013 (Week 47, Report No: 47/13)  
(Given in good faith but without guarantee)

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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	29			30
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	15			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	77			68
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, 44 transactions reported worldwide in the secondhand and demolition market, down by 12% week-on-week with 24% decrease in secondhand purchases and 25% higher scrapping volumes.

The highest activity is recorded in the newbuilding market **with 77 new orders** firm volume of business for bulkers (capesize/kamsarmax/ultramax vessel sizes) and tankers . very large crude carriers.

Compared with newbuilding investments, this week's secondhand purchasing activity is 62% down and demolition 81% down.

At **similar week in 2012**, the total S&P activity in the secondhand / demolition market was standing almost at the similar levels , when 45 transactions had been reported and secondhand ship purchasing was standing 24% lower than the levels of newbuilding orders. The ordering appetite was strong for special projects with 22 new contracts reported. (42 total new orders, 9 bulkers, 6 gas tankers, 3 containers, 2 Ro-Ro, and 22 special projects).

**Secondhand: 29 S&P deals . 38 S&P deals last week** 32 S&P deals in the third week of **November 2012**

**Newbuilding: 77 new orders -49 new orders last week . 42 new orders in the third week of November 2012**

**Demolition: 15 disposals -12 disposals last week . 13 disposals in the third week of November 2012**



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## SECONDHAND MARKET

**S&P Transactions:** 29 vessels reported to have changed hands. total invested capital region \$707,52 mil, 2 S&P deals reported at an undisclosed sale price. (8 bulkers, 11 tankers, 1 gas tanker, 3 liners, 3 containers and 3 special projects).

**Average age of vessels sold** 10yrs old built 2003

**S&P activity:** 24% down week-on-week and 9% down year-on-year. Intense buying activity is recorded for bulk carriers of all vessel sizes and tankers-VLCC. At **similar week in 2012**, 32 vessels induced buyers interest at a total invested capital of about \$443 mil. (13 S&P deals in the bulk carrier segment, 11 in the tanker, 3 in the gas tanker, 1 in the liner, 3 in the container and 1 in the Ro-Ro segment).

Tankers held lion share of this week's S&P activity -38% share, bulkers follow with 28% share and containers with 10% share. The highest invested capital is reported in the tanker segment, 49% share of the total invested capital and bulk carriers follow with 20%.

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	8		14
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:** 8 S&P deals, down by 27% week-on-week and down by 38% year-on-year. (13 S&P deals at similar week in 2012)

**Total Invested Capital:** region \$142,2 mil - **Average age of vessels sold** 9yrs old built 2004 (activity in all vessel sizes with preference in vessels built Japan).

- **Capesize- 1 S&P deal:** 181,196dwt built 2010 Japan for about \$54mil as internal sale.
- **Panamax- 1 S&P deal:** abt 76000dwt built 2007 Japan for about \$21,1mil.
- **Ultramax- 1 S&P deal:** about 64,000dwt built 2014 China for about total \$27,5mil each.
- **Supramax 1 S&P deal:** about 57,000dwt built 2013 China for about \$21mil.
- **Handymax- 1 S&P deal:** about 41,000dwt built 1996 Bulgaria for about \$6mil.
- **Handy- 3 S&P deals:** total invested capital \$32,6mil . vessel about 33,706dwt built 2012 Japan sold for about \$22,2mil.

### 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	11		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:** 11 S&P deals, up by 10% week-on-week and no change from similar week in 2012. (11 S&P deals at similar week in 2012)

**Total Invested Capital:** region \$347 mil. **Average age of vessels sold** 9yrs old built 2004 (strong activity in the crude tanker segment for modern VLCCs).

- **VLCC- 4 S&P deals:** 320,000dwt built 2012 South Korea for about \$83mil. Resale of 320,000dwt delivery 2014 from Chinese yard for about \$88mil.
- **Aframax- 1 S&P deal:** 104,000dwt built 1998 South Korea for about \$10,8mil.
- **Panamax- 1 enbloc S&P deal:** two vessels of about 74,000dwt built 2005 South Korea for about \$24,7mil each.
- **Handy- 2 S&P deals:** 15,000dwt built 2007 Rumania for about \$12mil and 12,756dwt built 1998 Japan for about \$8mil.
- **Small tanker 3 S&P deals:** 6,712dwt built 2001 Turkey for about \$5mil. 4,416dwt built 2007 Japan for about \$2,8mil.

**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	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

FRONTLINE 2012 said it will sell eight VLGC newbuildings it has ordered to Stolt Nielsen unit Avance Gas Holding once the vessels are delivered. The 83,000m<sup>3</sup> newbuildings were ordered from the Jiangnan Changxing Shipyard in China, and are expected to be delivered over August 2014-September 2015, a Frontline 2012 statement said yesterday. Avance Gas will pay \$75M for each newbuilding, of which \$17.4M will be paid upfront and \$57.6M on delivery from the yard. The sale price means Frontline will make profits of \$12M on each ship. The company ordered each for \$63M. In October 2013 Frontline 2012 entered into an agreement with Stolt-Nielsen and Sungas Holdings, whereby Frontline 2012 became a shareholder in Avance Gas along with Stolt-Nielsen and Sungas.

**At the current week:** 1 reported S&P deal for small LPG carrier, no change from previous week and down by 67% year-on-year. (3 S&P deals reported at similar week in 2012). 6,556cbm LPG carrier built 1995 Japan for about \$5,4mil.

**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	3			6
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:** 3 S&P deals, 79% down week-on-week and no change from previous week. (3 S&P deals reported at similar week in 2012). **Average age of vessels sold- 6yrs old built 2007. Invested capital region \$63mil.**

- **Large Panamax-** 1 resale for about 5,400TEU vessel with delivery 2014 from Hanjin Philippines for about \$48mil.
- **Small Panamax E** 1 S&P deal for a 3,430 TEU vessel built 2001 South Korea with cranes for about \$15mil.
- **Handy** . 1 S&P deal for a 1,577TEU boxship built 2006 Japan.

## NEWBUILDING MARKET

**No of new orders: 77** vessels. total deadweight: 8,080,772 tons, 44 transactions reported at an undisclosed contract price. The invested capital revealed is about \$1,5bn for 33 new orders. (37 bulkers, 14 tankers, 3 gas tankers, 6 containers, 2 car carriers and 15 special projects).

**Newbuilding activity:** 57% up week-on-week and 83% up year-on-year. The largest volume of newbuilding activity is reported in bulk carrier segment with focus in ultramax/kamsarmax/capesize vessels and VLCC tankers. Orders for bulk carriers and tankers held 48% and 18% share respectively of this week's ordering activity; special projects follow with 19% share and containers with 8% share.

At **similar week in 2012**, 42 fresh orders had been reported with zero reported business for tankers (9 bulkers, 6 gas tankers, 3 containers, 2 car carriers and 22 special projects).

Compared with previous week's levels, a large increase of 61% is recorded in the volume of new orders for bulkers (37 new orders from 23 last week). In the tanker segment, there is a 13% weekly decline with 14 new orders from 16 last week. In the offshore segment, there is 200% weekly increase with 15 new orders from 5 last week and high valued contracts for jack up drilling rigs.

- **No of units ordered at South Korean yards:** 17 new orders, 4 bulkers, 10 tankers, 3 gas tankers, (22% share of this week's ordering activity)

- **No. of units ordered at Chinese yards:** 44 new orders, 28 bulkers, 4 tankers, 2 car carriers, 10 special projects (57% share of this week's ordering activity)
- **No of units ordered at Japanese yards:** 5 new orders for bulkers, 1 ultramax, 2 panamaxes and 2 supramaxes. (6.4% 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	
Units	38	23	37			33
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: 37 new orders**, 61% up week-on-week and 311% up year-on-year. (9 new orders reported at similar week in 2012). Chinese yards won 76% share of bulk carriers' total newbuilding business. Large activity reported in the cape/kamsarmax/ultramax segment.

- **VLOC** 2 new orders: of 250,000dwt from **Cara Shipping** of Singapore at Qingdao Beihai of China at an undisclosed contract price with delivery in 2016.
- **Capesize** 6 new orders: 1 new order of 205,000dwt from **Oldendorff Carriers** of Germany at Hyundai HI of South Korea at an undisclosed contract price with delivery in 05/2015. 2 new orders of 205,000dwt from **Winning Shipping** of Hong-Kong at Nantong Cosco of China for about \$58mil each with delivery in 2016. 3 new orders of 180,000dwt from **Scorpio Bulkera** of Monaco at Daewoo Mangalia of Romania for about \$54mil each with delivery in the 4Q 2015 and 1Q 2016.
- **Kamsarmax** 10 new orders: 2 new orders of 82,000dwt from **Panacore** of UAE at Guangzhou Longxue of China for about \$27mil each with delivery in 05/2014 and 08/2014. 2 new orders of 82,000dwt from **Qingdao Da Tong Int.** of China at Jinling of China at an undisclosed contract price with delivery in 04/2017 and 06/2017. 2 new orders of 82,000dwt from **Rizhao Steel** of China at Jinling of China at an undisclosed contract price with delivery in 07/2015 and 09/2015. 2 new orders of 82,000dwt from **Soloi Inc.** of Greece at Jinling of China at an undisclosed contract price with delivery in 10/2016 and 12/2016. 2 new orders of 82,000dwt from **Thorvald Klaveness** of Norway at Yangzijiang of China at an undisclosed contract price with undisclosed delivery.
- **Panamax** 2 new orders: of 77,076dwt from **Safety Management Overseas** of Greece at Sasebo of Japan for about \$28.5mil with delivery in 08/2015 and 01/2016.
- **Ultramax** 8 new orders: 2 new orders of 64,000dwt from **Bekkers, J.** of Netherlands at Jinling of China at an undisclosed contract price with delivery in 03/2016 and 08/2016. 2 new orders of 64,000dwt from **Scorpio Bulkera** of Monaco at Nantong Cosco of China at an undisclosed contract price with delivery in 04/2016. 3 new orders of 64,000dwt from **Marin Shipping Pte** of Singapore at Jiangsu New Yangzijiang of China at an undisclosed contract price with delivery in 05/06/09/2015. 1 new order of 60,000dwt from **Shih Wei Navigation** of Taiwan at Onomichi of Japan for about \$29mil with delivery in mid-2016.
- **Supramax** 2 new order: of 55,160dwt from **Pacific Basin** of Hong-Kong at Oshima of Japan at an undisclosed contract price with delivery in 05/2015 and 05/2016.
- **Handymax** 5 new orders: of 38,500dwt from **Interlink Ltd.** of USA at Taizhou Kouan of China for about \$22mil each with delivery in 2016.
- **Handysize** 2 new orders: 1 new order of 37,300dwt from **Nordic Hamburg Shipg.** of Germany at Nanjing Dongze of China at an undisclosed contract price with delivery in 01/2015. 1 new order of 36,000dwt from **Marine Power** of Denmark at Samjin Shipyard of China at an undisclosed contract price with delivery in 02/2015.

**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	12	16	14			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: 14 new orders reported**, down by 13% week-on-week (zero reported business at similar week in 2012). (all the activity reported in the VLCC segment, with 10 new orders secured by South Korean yards).

- **VLCC** 14 new orders: 4 new orders of 300,000dwt from **Scorpio Bulk**ers of Monaco at DSME of South Korea at an undisclosed contract price with delivery late 2016. 4 new orders of 300,000dwt from **Navig8/Oaktree** of Singapore at Hyundai HI of South Korea at an undisclosed contract price with delivery in the 4Q of 2016 till 2017. 4 new orders of 300,000dwt from **Navig8/Oaktree** of Singapore at SWS of China at an undisclosed contract price with delivery in 2016. 2 new orders of 300,000dwt from **DHT** of USA at Hyundai HI of South Korea at an undisclosed contract price with delivery in 2016.

**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	3			5
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

**At the current week: 3 new orders reported this week**, down 67% week-on-week and 50% down year-on-year. (6 new orders reported at similar week in 2012). All new orders are placed at South Korean yards.

- **LNG** 1 new order: in the very large segment for a 174,000cbm carrier from **Teekay LNG Partners** of US at DSME of South Korea for about \$200mil with delivery in the 1H of 2017.
- **LPG** 2 new orders: in the very large segment from **Consolidated Maritime** of Greece at Hyundai HI of South Korea for about \$77,5mil with delivery in the 4q of 2015 and in the 1q of 2016.

**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	6			3
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: 6 new orders**, up by 200% week-on-week and up by 100% year-on-year. (3 new orders reported at similar week in 2012).

- **Large Panamax segment** 2 new order: of 6.900 TEU from **Cape Shipping S.A.** of Greece at Hanjin Subic Bay of Philippines for about \$58mil each with delivery in 06/2015 and 10/2015.
- **Sub Panamax segment** 4 new orders: of 1.800 TEU from **SITC International** of China at CSBC of Taiwan for about \$23mil each with delivery in 2015 and 2016.

**Car Carriers:** Norway's Siem Car Carriers exercised its option for two 6,700ceu energy efficient pure car truck carriers, from its order placed in November last year for other two similar units, at Samjin Shipbuilding Industries of China for delivery in 2015. The owner holds an option for four more units.

**Special Projects:** MARINE Bulk Carriers of South Africa has placed a \$29.6M order for a new anchor-handling tug & supply vessel, purpose-built for South African conditions at Guangxin Shipbuilding & HI in Guangdong, The contract for the 78m vessel-12,000hp will be built for South African conditions and expands business activities for Marine Bulk into vessel ownership from

management. In addition, SWISSCO Holdings, Singapore offshore services provider, said it ordered three newbuildings from Chinese yards worth an aggregate (\$28M). The group said two anchor-handling tug supply vessels with 80 tonnes bollard pull would be built at a northern Chinese yard. Meanwhile, one multipurpose utility tug will be built at a southern Chinese yard for delivery in 2015. OTTO Marine, Singapore offshore yard, said it has clinched two newbuilding deals worth an aggregate of \$9M from an undisclosed Indonesian contractor for delivery in the fourth quarter of 2014. In last Norwegian shipbuilder, Havyard has announced an order from Russian owner FEMCO for an icebreaking offshore vessel, to be constructed at its Leirvik shipyard with delivery in September 2015.

## 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	8			6
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	
Units	3	2	2			2
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	
Units	2	3	2			2
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

Bangladesh seems to have regained power by securing new tonnage at very firm levels of excess \$450/ldt from improving steel plate prices leaving behind Alang ship breakers. In India, benchmark scrap price levels have not yet shown a downward incline but there are some indications that are heading downwards as Indian rupee could be facing again devaluation. In China, shipbreakers remain very quiet with rates subdued at around \$330-\$340/ldt, while Pakistan faces intense threat from Chittagong shipbreakers in the winning of VLCC disposals after the recent spike in rates.

**No of demolition:** 15 disposals . **total deadweight:** 1,206,327 tons- 8 bulkers, 2 tankers, 3 liners, and 2 containers.

**Demolition activity (in terms of reported number of transactions):** 25% up week-on-week showing 167% weekly increase in the volume of bulker disposals and 50% in liner disposals. Bulker held 53% of this week's total demolition activity, with only 2 reported disposals in the tanker segment.

In terms of deadweight sent for scrap, there has been 36% weekly increase with 4 demolition deals reported for large vessel sizes, 4 capesize bulkers.

Bangladesh is reportedly to have won 4 of the 15 demolition transactions, India 2, Pakistan 0, China 1, and Turkey 0, 8 vessel disposals reported at an undisclosed destination.

Benchmark scrap prices in the Indian subcontinent region: \$390-\$400/ldt for dry and \$420-\$430/ldt for wet cargo. Scrap prices in China hover at \$330/ldt for dry and \$340/ldt for wet cargo.

*Notable demolition transactions:* Capesize bulker M/V **CAPE M+** with 25,222ldt built 1985 fetched \$436/ldt in Bangladesh. In addition, liner M/V **NION HELLEN+** with 7,318ldt built 1984 Japan achieved \$425/ldt in India.

At a **similar week in 2012**, demolition activity was down by 13%, in terms of the reported number of transactions, when 13 vessels had been reported for scrap of total deadweight 542,201 tons with 6 disposals for bulkers, 3 for tankers, 1 for liner and 3 containers.. Ship-breakers in Indian subcontinent region had been offering \$380-\$390/ldt for dry and \$410-\$420/ldt for wet cargo.

Per vessel type:

- **Bulk Carriers- number of disposals per vessel size:** 4 capesize units, 1 panamax, 1 handymax and 2 handies
- **Tankers- number of disposals per vessel size:** 1 handy and 1 small unit
- **Containers- number of disposals per vessel size:** 1 in the small panamax and 1 in the feeder

Per Demo Country:

- **India-2 disposals:** 2 liners
- **Bangladesh:** 3 capesize bulkers and 1 small panama containership
- **China-1 disposal:** 1 handysize bulker
- **Pakistan:** no reported deal

<b>GREEK PRESENCE</b>
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Investment trends during October: SH - NB

S&P		week 1	week 2	week 3	week 4
	<b>November</b>	8/11/2013	15/11/2013	22/11/2013	29/11/2013
Units	7	10	9		
<b>October</b>	11/10/2013	18/10/2013	25/10/2013	2/11/2013	
Units	14	4	10	7	

Average No of vessel purchases per week in November	9
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Average No of vessel purchases per week in October	9
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NB		week 1	week 2	week 3	week 4
	<b>November</b>	8/11/2013	15/11/2013	22/11/2013	29/11/2013
Units	7	9			
<b>October</b>	11/10/2013	18/10/2013	25/10/2013	2/11/2013	
Units	5	4	0	6	

Average No of new orders per week in November	8
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Average No of new orders per week in October	4
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**At the current week:** The upward momentum for secondhand vessel purchases and newbuilding vessels is being kept.

**Second-hand** purchasing activity: down by 10% week-on-week- **Newbuilding** activity: 11% down week-on-week.

**Secondhand Market-** No of vessel purchases: 9 vessel purchases . invested capital region \$302,5mil (3 bulkers, 5 tankers and 1 container).

**Newbuilding Market-** No of new orders: 8 new orders . 4 bulkers, 2 gas tankers and 2 containers.

- **Bulk Carriers: Panamax** 2 new orders: of 77.076dwt from **Safety Management Overseas** of Greece at Sasebo of Japan for about \$28.5mil with delivery in 08/2015 and 01/2016. **Kamarmax** - 2 new orders of 82,000dwt from **Soloi Inc.** of Greece at Jinling of China at an undisclosed contract price with delivery in 10/2016 and 12/2016.
- **Gas tankers: LPG** 2 new orders: in the very large segment from **Consolidated Maritime** of Greece at Hyundai HI of South Korea for about \$77,5mil with delivery in the 4q of 2015 and in the 1q of 2016.
- **Containers: Large Panamax segment** 2 new order: of 6.900 TEU from **Cape Shipping S.A.** of Greece at Hanjin Subic Bay of Philippines for about \$58mil each with delivery in 06/2015 and 10/2015.