

COMPASS MARITIME WEEKLY REPORT



June 30th, 2017 / Week 26

THE VIEW FROM THE BRIDGE

Full report can be viewed on the Market Reports tab at the following link: www.compassmar.com

Merger and acquisition (M&A) activity continues to dominate the shipping capital markets headlines in 2017 as capital raising via IPO's remains difficult. So far this year the shipping M&A activity has been in all sectors, ranging from the dry cargo merger of Golden Ocean and Quintana, chemical tanker merger of Stolt-Nielsen acquiring Jo Tankers, crude tanker owner DHT Holdings buying the VLCC fleet of BW Group, and three major tie ups in the container market with Maersk Line/Hamburg Sud, CMA-CGM/Neptune Orient Lines, and Hapag-Lloyd with United Arab Shipping.

This week there were reports of another potential large merger in the product tanker sector (where charter rates remain in the doldrums) following in the footsteps of the recent Scorpio Tankers acquisition of Navig8 Product Tankers. Privately owned Diamond S Shipping (32% controlled by Wilbur L Ross, 27.2% First Reserve Corp, and 18.33% owned by CarVal Investors) and Hafnia Tankers of Denmark (majority owned by Blackstone Group but supported by Tufton Oceanic, the Lauritzen Foundation, Davidson Kempner, Barclays and Oak Hill) are reportedly in merger discussions that could result in a combined fleet of about 70 product tankers. Diamond S Shipping owns 33 MR product tankers with an average age of eight years and Hafnia Tankers owns 37 units including six LR 1's.

There is a report this week of a shipping IPO under consideration by Chelsea Logistics Corp (CLC) of the Philippines (controlled by Dennis Uy, founder of oil company Phoenix Petroleum). The company currently owns about 15 small tankers (the largest is a 14,000 DWT product tanker built 2014 in China) and intends to raise \$85 mill. via an IPO in July for fleet expansion. They intend to spend close to \$55 mill. for seven vessels initially and complete the expansion over the next two years. CLC currently has about 57 tankers and roro/passenger ferries controlled by three shipping companies, 2Go, Trans Asia Shipping, and Chelsea Shipping.

Have a great Fourth of July weekend!

Our office will be closed on Monday & Tuesday but all brokers will be monitoring emails and are available on cell phones - for contact details see www.compassmar.com

COMPASS MARITIME WEEKLY REPORT

TANKERS

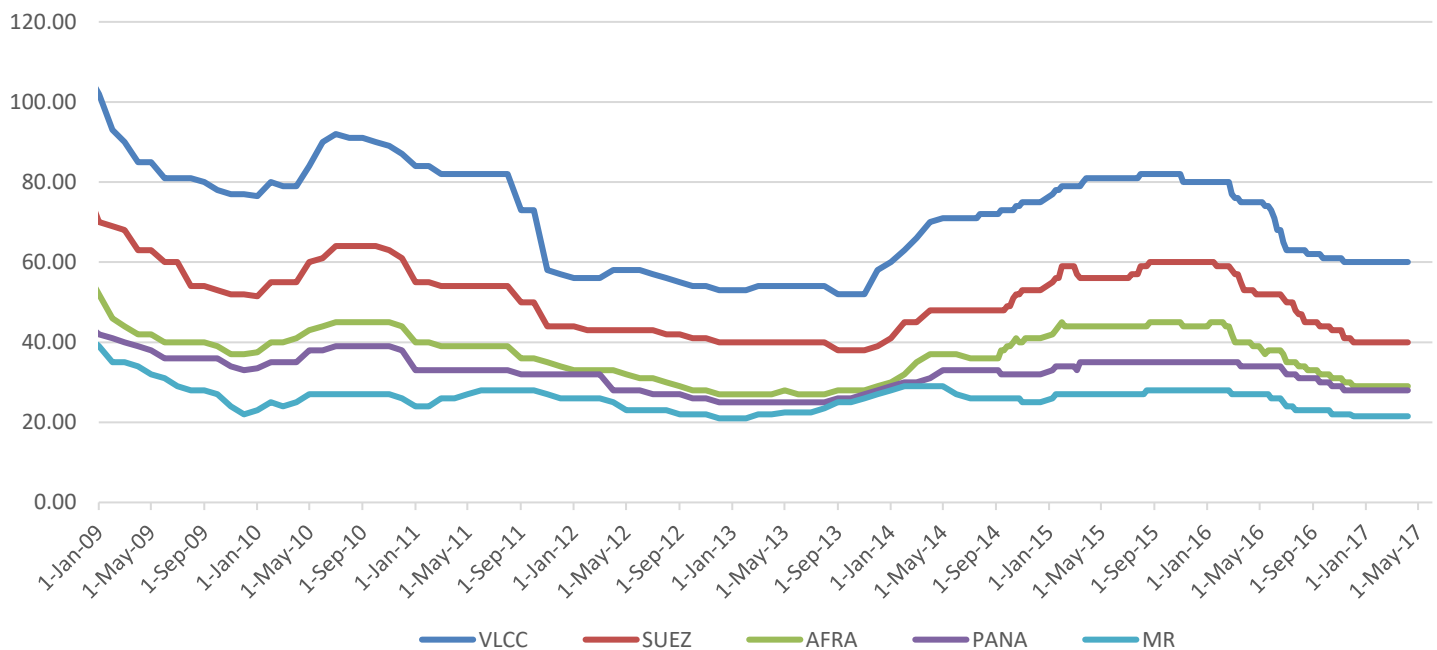
TANKER SALES REPORTED THIS WEEK

Vessel Name	DWT	Year	Built	Engine	Additional Info	Price (\$ Mill.)	Buyer
NORD INDEPENDENCE	48,005	2010	IWAGI	Man B&W	Coated/coiled	\$18.0	Taiwan
JENNY	45,861	2002	Shin	Mitsubishi	IMO III 8.800 ldt	\$9.5	Indonesia
MOUNTAIN OAK	13,160	2008	Sekwang	Man B&W	IMO II	\$10.7	Vietnam

COMPASS MARITIME TANKER VALUES

ASSET CLASS	NB CONTRACT		NB PROMPT DELIVERY	5 YEAR	10 YEAR	20 YEAR
TANKERS	SIZE (DWT)	(All Numbers in US \$ Millions)				
VLCC	300,000	83	84	63	41	17
SUEZMAX	160,000	56	56	43	28	11
AFRAMAX	110,000	44	44	30	19	7.5
PANAMAX - LR1	70,000	38	39	28	17	6.5
MR TANKER	51,000	33	34	24	16	5

COMPASS MARITIME TANKER VALUES (5YRS OLD)



COMPASS MARITIME WEEKLY REPORT

BULK CARRIERS

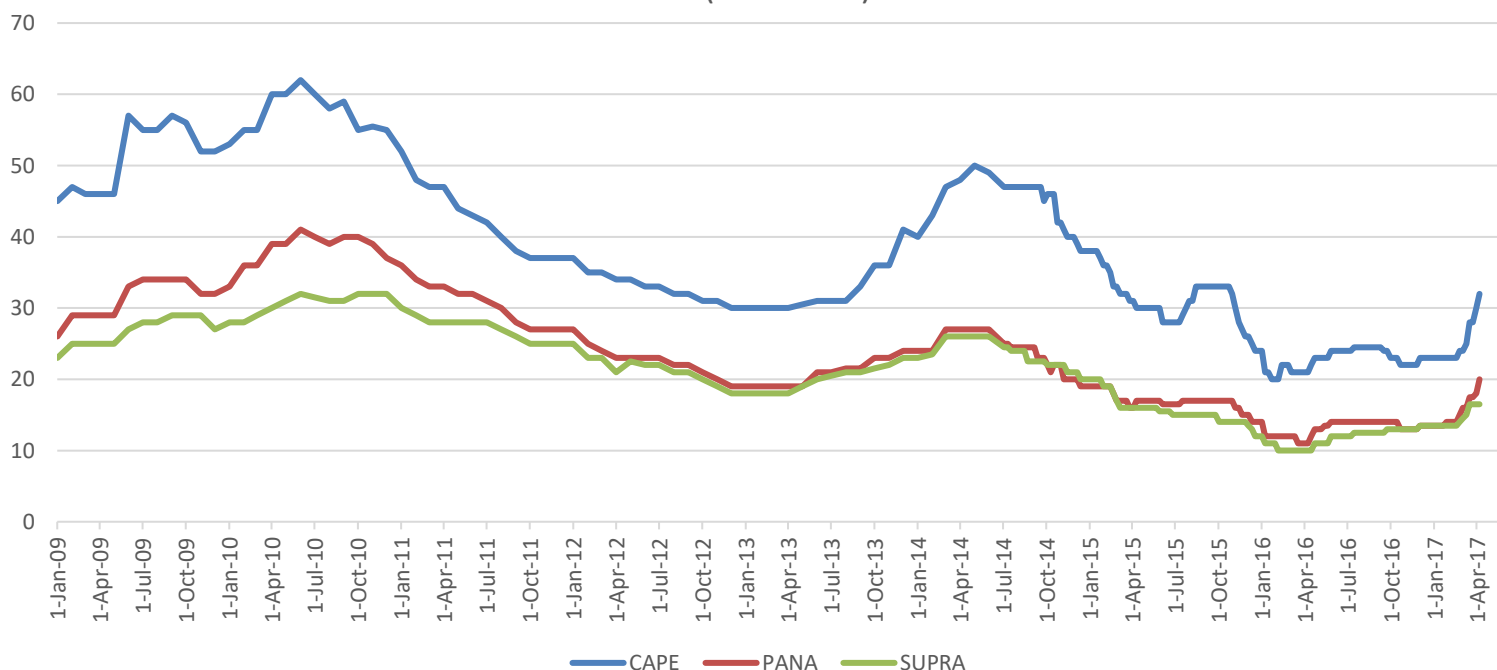
BULK CARRIERS SALES REPORTED THIS WEEK

Vessel Name	DWT	Year	Built	Engine	H/H	GEAR	Additional Info	Price (\$ Mill.)	Buyer
OCEAN SYMPHONY	57,949	2012	Tsuneishi	Man B&W	5/5	4x30t c		\$15.25	Undisclosed
PRIVMED	57,005	2010	Cosco	Man B&W	5/5	4x30t c		\$9.8	Greek
BURTON	53,688	2006	New Century	Man B&W	5/5	4x36t c	10.000 ldt	\$7.0	Germany
ELEKTRA	53,299	2005	New Century	Man B&W	5/5	4x36 t c	10.500 ldt	\$7.5	Undisclosed
NEPTUNE	35,947	2015	Shikoku	Man B&W	5/5	4x30.5t c		\$17.0	Hong Kong

COMPASS MARITIME BULK CARRIER VALUES

ASSET CLASS		NB CONTRACT	NB PROMPT DELIVERY	5 YEAR	10 YEAR	20 YEAR
BULK	SIZE (DWT)	(All Numbers in US \$ Millions)				
CAPE	170,000	44	43	32	22	9
PANAMAX	74,000	24	26	20	13	6
SUPRAMAX	56,000	23	24	16	10	4

COMPASS MARITIME BULKER VALUES (5YRS OLD)





NEWBUILDINGS

NEWBUILDING ACTIVITY REPORTED THIS WEEK

<u>No.</u>	<u>Size</u>	<u>Type</u>	<u>Yard</u>	<u>Delivery</u>	<u>Price (mill)</u>	<u>Comments</u>	<u>Owners</u>

NEWBUILDING STATISTICS - TANKERS

ASSET CLASS	2017	2018	2019	TOTAL
VLCC (200k+ dwt)	33	47	10	90
SUEZMAX (120k-199k dwt)	53	19	0	72
AFRAMAX (80k-119k dwt)	36	41	10	91
PANAMAX (60k-79k dwt)	33	16	1	50
HANDY TANKER (35k-50k dwt)	187	91	40	318

NEWBUILDING STATISTICS - BULKERS

ASSET CLASS	2017	2018	2019	TOTAL
CAPE SIZE (100k+ dwt)	53	52	18	124
PAN/KAM (65k-99k dwt)	90	37	6	135
SUPRAMAX (40k-64k dwt)	186	43	12	244
HANDYSIZE (10k – 39k dwt)	153	54	21	231

CHARTERING MARKET SNAPSHOT

TANKERS

BALTIC EXCHANGE TANKER FREIGHT INDICES

	CURRENT WEEK	LAST WEEK	LAST YEAR
BDTI	663	683	691
BCTI	563	559	464

TANKER 12 MONTHS T/C RATES

	DWT	CURRENT WEEK	LAST WEEK
VLCC	300,000	27,500	27,500
Suezmax	150,000	17,500	18,000
Aframax	110,000	15,500	15,500
LR2	105,000	15,500	15,500
LR1	80,000	13,750	13,750
MR	47,000	13,500	13,500

BULKERS

BALTIC EXCHANGE BULKER FREIGHT INDICES

	CURRENT WEEK	LAST WEEK	LAST YEAR
BDI	901	870	677
BCI	1086	987	1,030
BPI	1091	1138	691
BSI	754	744	562

BULKER 12 MONTHS T/C RATES

	DWT	CURRENT WEEK	LAST WEEK
CAPE	170,000	11,500	11,500
PANAMAX	75,000	9,000	8,750
SUPRAMAX	52,000	8,900	8,750

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RECYCLING ACTIVITY REPORTED THIS WEEK

BANGLADESH – CHITTAGONG

NAME	DWT	YEAR	LDT	ADDITIONAL INFORMATION	PRICE/ LDT (USD)
No sales to report					

China

NAME	DWT	YEAR	LDT	ADDITIONAL INFORMATION	PRICE/LDT
No sales to report					

India

NAME	DWT	YEAR	LDT	ADDITIONAL INFORMATION	PRICE/ LDT
MV MIRAFLORES (wood chip)	48,977	1999	9.250	Green recycling, NK Hong Kong Convention standard	\$320

Pakistan

NAME	DWT	YEAR	LDT	ADDITIONAL INFORMATION	PRICE/ LDT
No sales to report					

TURKEY

NAME	DWT	YEAR	LDT	ADDITIONAL INFORMATION	PRICE/ LDT
No sales to report					

MISC

BOMAR RISSEN (cont)	23,028	1999	7.807	“As Is” Colombo, final destination unknown	\$356
PDZ Mehwah (cont)	12,577	1993	5.247	“As Is” Singapore, final destination unknown	\$325

RECYCLING STATISTICS

ASSET CLASS	THIS DATE 2017	THIS DATE 2016	2016 TOTAL	2015 TOTAL
ULCC/VLCC	2	1	6	4
SUEZMAX	5	0	2	1
AFRAMAX	9	5	7	3
PANAMAX TANKER	4	3	4	5

CAPE/COMBO (80K DWT +)	18	64	80	92
PANAMAX BULKER	24	75	104	96
POST PANAMAX BULKER	2	1	4	8

ESTIMATED RECYCLING PRICES (US \$ / LDT)

LOCATION	TANKERS 15-20,000 LDT	TANKERS 6-10,000 LDT	BULK CARRIERS
CHINA	\$245	\$240	\$235
SUB-CONTINENT	\$345	\$340	\$340

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MISCELLANEOUS VESSELS

CONTAINERSHIPS SALES REPORTED THIS WEEK

<u>Vessel Name</u>	<u>DWT</u>	<u>Year</u>	<u>Built</u>	<u>TEU</u>	<u>Engine</u>	<u>GEAR</u>	<u>Additional Info</u>	<u>Price (\$ Mill)</u>	<u>Buyer</u>
LOG-IN AMAZONIA	23,896	2007	Aker	1.680	Man B&W	1x45 tc, 1x40tc, 1x36tc	7.800 ldt	\$5.5	Vietnam

TWEENDECKERS/ MPC/ Ro-Ro/ MISCELLANEOUS VESSELS

<u>Vessel Name</u>	<u>DWT</u>	<u>Year</u>	<u>Built</u>	<u>TEU</u>	<u>Engine</u>	<u>H/H</u>	<u>GEAR</u>	<u>Additional Info</u>	<u>Price (\$ Mill)</u>	<u>Buyer</u>

BUNKER PRICES

BUNKER PRICES (US\$/ton)	ROTTERDAM	FUJAIRAH	SINGAPORE	PIRAEUS
380 CST	285.50	300.00	301.00	307.00
180CST	313.50	350.00	339.00	322.00
MGO	422.00	552.50	442.00	449.00

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