July 7th, 2017 / Week 27

THE VIEW FROM THE BRIDGE

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

Newbuilding orders are on the rise - which likely will have a negative impact on freight rates moving forward. The Korean shipyards especially have rebounded and this week it was reported that during the January to May 2017 period, Hyundai Heavy Industries of South Korea and their affiliates won 62 new ship orders worth $3.8 Billion which represents a 500% increase in the order book for the comparable period in 2016 when it received 12 ship orders worth $1 Billion. In May 2017 alone, HHI Group and their affiliates booked 20 ships worth $1.3 Billion with options for an additional 9 ships which would total $1.9 Billion if all options are exercised. It was reported that HHI Group and their affiliates secured orders for 28 tankers of 100,000 DWT or larger representing about 67% of the world order book.

The leading Korean shipyards returned to profit in the second quarter of 2017 according to information from Yonhap Infomax in Korea. Hyundai Heavy Industries Co. is leading the South Korean shipyards return to profitability. This can be attributed to an increased ship deliveries, cost-cutting measures and a rise in new orders. HHI is reported to have operating income of $124 mill. during second quarter 2017, a slight drop on the previous quarter.

Samsung Heavy Industries Co. expects to report operating income of $44+ mill. for April-June 2017, ahead of the first quarter $23.7 mill. Sales are expected to have reduced by about 20% to $1.75 Billion. Samsung Heavy has secured new orders of about $5.2 Billion to date this year, closing in on the annual target of $6.5 Billion.

Daewoo Shipbuilding & Marine Engineering Co. had operating income of $25.3 mill. in the first quarter.

Have a good weekend!

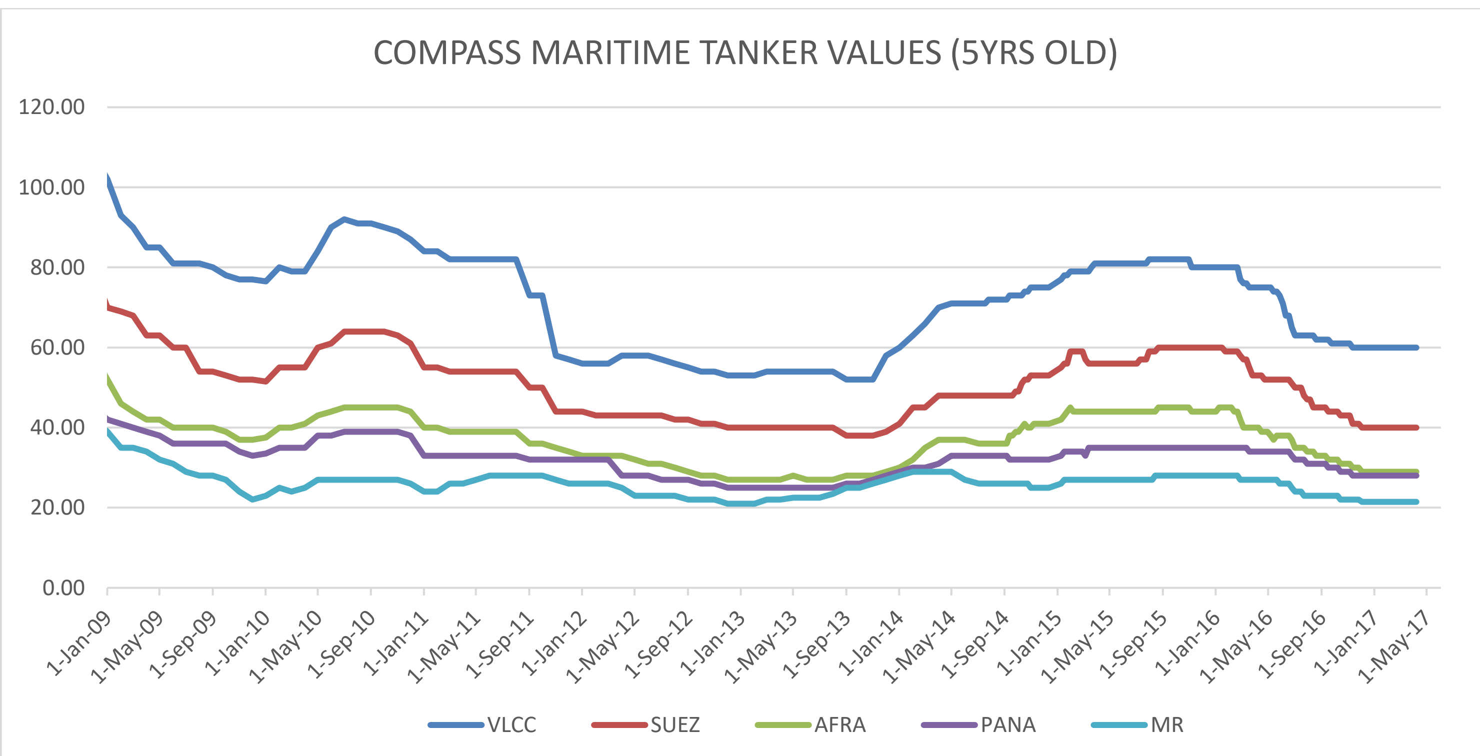
TANKERS

TANKER SALES REPORTED THIS WEEK

Vessel Name	DWT	Year	Built	Engine	Additional Info	Price ($ Mill.)	Buyer
MARITIME YUAN	45,374	1998	Dalian	B&W	Coated/coiled 12.200 ldt	$4.5	Undisclosed
ACQUAVIVA	40,113	2002	Hyundai	Man B&W	IMO III 9.900 ldt	$9.5	Undisclosed
TOREA	40,000	2004	Shina	B&W	IMO III	$10.8	Undisclosed
GOLDEN PACIFI	18,041	2012	Zhejiang	Man B&W	IMO II, marine line coated	$12.0	Greek
ORIENTAL CLEMATIS	14,227	2006	Asakawa	Man B&W	St Steel, 22 grds	$13.85	Greek
DUMLUPINAR	11,259	2008	Dearsan	Man B&W	IMO II, ICE 1A	$10.8	Norway
CAP FERRET	8,012	1998	Niestern	MaK	IMO II 2.650 ldt	$2.7	China

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



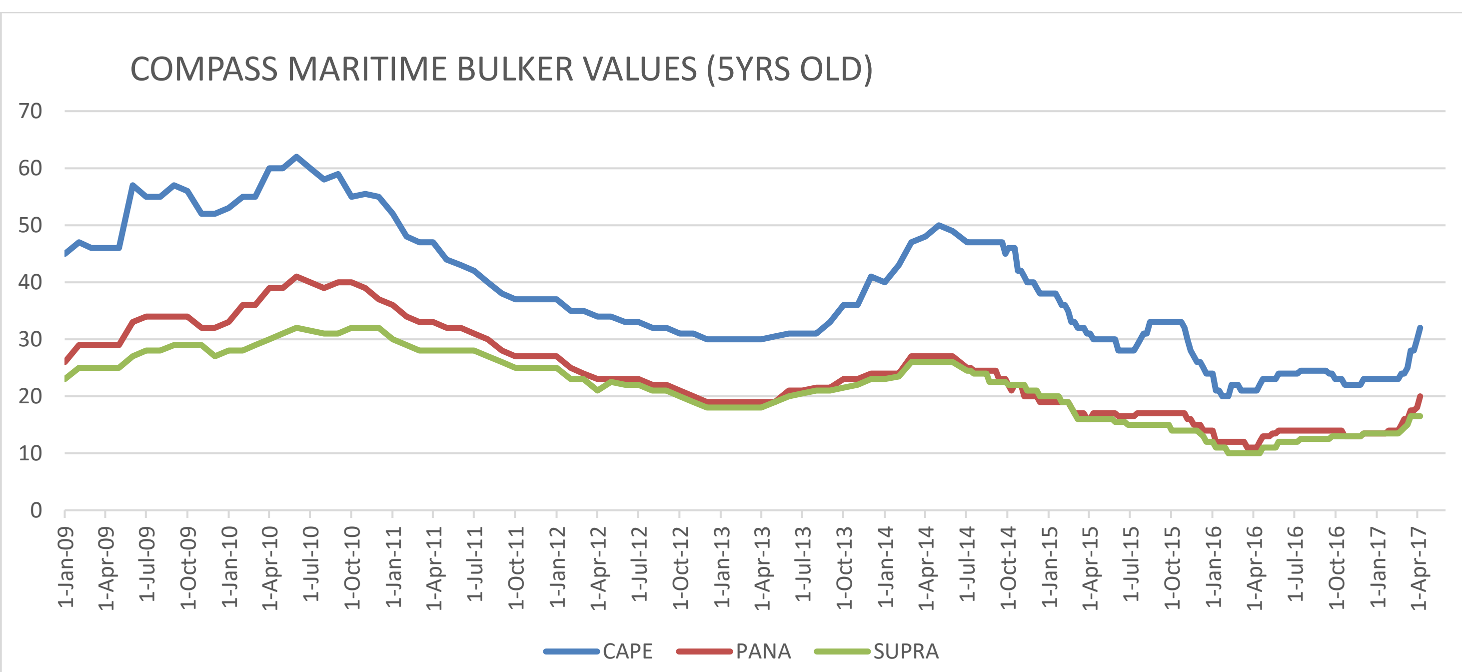
BULK CARRIERS

BULK CARRIERS SALES REPORTED THIS WEEK

Vessel Name	DWT	Year	Built	Engine	H/H	GEAR	Additional Info	Price ($ Mill.)	Buyer
BBG GLORY / BBG HOPE	82,000	2013	Qingdao	Man B&W	7/7			$15.0 each	Singapore
AESARA	75,202	2001	Samho	B&W	7/7		11.500 ldt	$7.55	Middle East
CLIPPER INNOVATION	63,440	2016	Tadotsu	Man B&W	5/5	4x30.7t c		$23.5	Undisclosed
OCEAN HEAVEN	57,949	2013	Tsuneishi	Man B&W	5/5	4x30t c		$16.5	Monaco
AARON N	45,518	1994	Tsuneishi	B&W	5/5	4X25t c	7.650 ldt	$2.8	China
NEW CREATION	35,283	2006	Shikoku	Man B&W	5/5	4x30t c		$9.1	Sri Lanka
SUNNY SKY	28,390	2011	Imbari	Man B&W	5/5	4x30.5t c		$8.9	Undisclosed

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	31	21	9
PANAMAX	74,000	24	26	19	12	6
SUPRAMAX	56,000	23	24	16	10	4



NEWBUILDINGS

NEWBUILDING ACTIVITY REPORTED THIS WEEK

No.	Size	Type	Yard	Delivery	Price (mill)	Comments	Owners

NEWBUILDING STATISTICS - TANKERS

ASSET CLASS	2017	2018	2019	TOTAL
VLCC (200k+ dwt)	22	49	24	95
SUEZMAX (120k-199k dwt)	32	31	10	73
AFRAMAX (80k-119k dwt)	44	58	24	126
PANAMAX (60k-79k dwt)	24	16	4	44
HANDY TANKER (35k-50k dwt)	120	129	60	309

NEWBUILDING STATISTICS - BULKERS

ASSET CLASS	2017	2018	2019	TOTAL
CAPESIZE (100k+ dwt)	37	51	29	117
PAN/KAM (65k-99k dwt)	56	44	25	125
SUPRAMAX (40k-64k dwt)	122	50	14	186
HANDYSIZE (10k – 39k dwt)	103	59	19	181

CHARTERING MARKET SNAPSHOT

TANKERS

BALTIC EXCHANGE TANKER FREIGHT INDICES

	CURRENT WEEK	LAST WEEK	LAST YEAR
BDTI	649	663	691
BCTI	580	563	464

TANKER 12 MONTHS T/C RATES

	DWT	CURRENT WEEK	LAST WEEK
VLCC	300,000	27,500	27,500
Suezmax	150,000	17,500	17,500
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	822	901	699
BCI	753	1086	1,002
BPI	1062	1091	792
BSI	732	754	647

BULKER 12 MONTHS T/C RATES

	DWT	CURRENT WEEK	LAST WEEK
CAPE	170,000	10,500	11,500
PANAMAX	75,000	9,000	9,000
SUPRAMAX	52,000	9,000	8,900

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
No sales to report					

Pakistan

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

MISC

No sales to report					

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	10	5	7	3
PANAMAX TANKER	5	3	4	5
CAPE/COMBO (80K DWT +)	18	64	80	92
PANAMAX BULKER	25	75	104	96
POST PANAMAX BULKER	3	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	$355	$350	$340

MISCELLANEOUS VESSELS

CONTAINERSHIPS SALES REPORTED THIS WEEK									
Vessel Name	**DWT**	**Year**	**Built**	**TEU**	**Engine**	**GEAR**	**Additional Info**	**Price ($ Mill)**	**Buyer**
No Sales to Report									

TWEENDECKERS/ MPC/ Ro-Ro/ MISCELLANEOUS VESSELS										
Vessel Name	**DWT**	**Year**	**Built**	**TEU**	**Engine**	**H/H**	**GEAR**	**Additional Info**	**Price ($ Mill)**	**Buyer**

BUNKER PRICES

BUNKER PRICES (US$/ton)	ROTTERDAM	FUJAIRAH	SINGAPORE	PIRAEUS
380 CST	276.00	295.00	307.00	306.00
180CST	304.50	340.00	333.00	315.00
MGO	417.00	555.00	450.00	461.00

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