

ADVANCE OR RETREAT?

Sale & Purchase Market Report

S&P Sales

Vessel Name	DWT	Built	Yard	Buyers	Price (\$/m)	Notes
BULKERS						
NSS ENDEAVOR	184,887	2002	Mitsui (JPN)	Hong Kong based	13.8	
HANJIN PORT WALCOTT	180,012	2012	Daehan (KRS)	London based	26.5	
HANJIN NEWCASTLE	179,905	2011	Daehan (KRS)	London based	25.5	
BULK MONACO	76,662	2008	Imabari (JPN)	Undisclosed buyer	11	
CLIPPER INNOVATION	63,440	2016	Tadotsu (JPN)	Greek	23.5	
NORD LEADER	55,808	2007	Kawasaki (JPN)	Undisclosed buyer	11	
ANIKITOS	55,666	2009	Mitsui (JPN)	Undisclosed buyer		
TANKERS						
PHOENIX ADVANCE	114,024	2011	Hyundai Ulsan (KRS)	Pantheon	28.5	
SEABORNE	106,000	2003	Tsuneishi (JPN)	Indonesian	11.5	
AMBA BHAVANEE	107,081	2003	Koyo (JPN)	Undisclosed buyer	5.6	Auction
PTI VOLANS	51,224	2006	STX Jinhae (CHN)	Island Navigation	15.3	
ORIENTAL CLEMATIS	14,227	2006	Asakawa (JPN)	Fareastern	14	SUS
CONTAINERS/RO-RO/REEFER						
IRENES WISDOM	50,900	2003	Samsung Heavy Industry (KRS)	Japanese	7.1	
AS MARIELLA, AS MARINANA, AS MORGANA, AS MAGNOLIA	54,000	2009/10	Daewoo (KRS)	MPCC	37 enbloc	4,380-teu
GAS						
BW VISION	53503	2001	Kawasaki (JPN)	SCI	32	82,000 cbm

Newbuildings

Ordering Client	Vessel Type	Size / No. of units	Shipyard (Country)	Delivery	Price (\$m)	Notes
TANKERS						
AET	AFRA	125,000 dwt x 2	Samsung (KRS)	2019	60	
FYKUJIN KISEN & MASUMOTO & HISAMOTO KISEN	MR	??? X 5	Hyundai Mipo (KRS)		32	Tier II

Dry Cargo

Hanjin handover

This week has seen a number of significant sales that draw attention to the continued downward correction in prices. We understand that two Ex Hanjin vessels, namely the "HANJIN PORT WALCOTT" (180,012 dwt/blt 2012 Daehan) and the 2011 built sister "HANJIN NEWCASTLE" have been committed at region US\$26.5m and US\$25.5m respectively to London based buyers. Whilst some may argue that the price is reflective of these being bank driven sales and the ships having trading restrictions attached to them, it is still a clear mark down when compared to the sale of the "GOLDEN OPUS" (180,716 dwt/blt 2010 STX) which fetched US\$28.85m. It would appear that the only real caveat Owners can rely on for slowing the depreciation of asset values is the lack of quality tonnage available for sale.

NS United, invited offers on their "NSS ENDEAVOR" (184,887 dwt/blt 2002 Mitsui) yesterday, and we understand the vessel has been committed to Hong Kong based buyers for US\$13.8m setting a new benchmark for 15 year old capes. The last sale of this vintage was in May when a sister vessel the "KING SAIL" (177,643 dwt/blt 2002) was reported sold for region US\$15m.

Panamaxes are evidently following the same trend as the Capes. We understand that the "BULK MONACO" (76,662 dwt/blt 2008 Imabari) has been committed at US\$11m. If this price is correct it marks a circa 15% decrease in value when compared to the sale of the "CORAL GARNET" (75,674 dwt/blt 2007 Sanoyas) for US\$13m in June.

Tanker

Rising from the Ashes!

Holidays and Wimbledon hasn't slowed interest in tankers this week. Demolition has given a lift to underlying values, and, we would hope, convinces a number of owners to think seriously about saying goodbye, once and for all, to their older vessels approaching docking. There are limited modern ships to choose from and stiff competition has allowed MOL to achieve firm price for their aframax "PHOENIX ADVANCE" (114,024 dwt/blt 2011 Hyundai Ulsan); offers were due this week and she is reported sold to Pantheon Tankers at US\$28.5m. The older HK controlled aframax "SEABORNE" (106,000 dwt/ blt 2003 Tsuneishi) has been sold on subject to Indonesian buyers at US\$11.5m.

The despairing spot market in the product sector is giving little encouragement to buyers to cough up for tonnage. Everyone is hoping for bargains, but sellers are digging their heels in and refusing to drop their prices. There are market rumours that the “RESOLVE” (46,048 dwt/blt 2004 STX Jinhae) is negotiating in the low-mid US\$11s, and it is interesting to point out these levels are similar to Aframax tonnage of the same vintage where steel values alone must equate to around US\$2m, which would suggest the older MR2s should have a further drop in value. A few years younger the “PTI VOLANS” (51,224 dwt/blt 2006 STX Jinhae) we hear has been sold to Island Navigation for region US\$15.3m, which indicates a surprisingly strong level. What a difference a few years make!

Recycling Moving on up

From the low's we've been witnessing the last couple of months, the markets have since rebounded in spectacular fashion with Bangladesh leading the way. The Chittagong market goes from strength to strength with prices for large tankers now region US\$ 390 and firming by the day. Whether fundamentals will remain consistent which will lead to the magical figure of US\$400 being breached is the

question, but we are for sure approaching these levels for the right kind of Vessels. Pakistan and India are having to play catch up but local breakers will compete for the right ships. For now it seems available tonnage is still few and far between with just a few Vessels being negotiated, especially with the summer months now in full swing, but freight rates are under pressure in some sectors so the current demo rates on offer will no doubt tempt some Owners to part with their tonnage, even if it gets in the way of their summer vacation.

Elsewhere China remains fairly stable with prices in the low to mid US\$ 200's, and so from Turkey where they have remained consistently firm for a number of months where current rates are now above US\$250, but with the Sub-Continent pulling away it will be interesting to see whether Turkish breakers can keep pace and continue their impressive improvements.

Recycling/Demolition Prices (\$/lwt)

	Bangladesh	Pakistan	India	Turkey	China
Tank/Cont/Ro-Ro/Capes	380/390	370/380	370/380	250/260	240/250
Dry Cargo/Bulk/Tween	350/360	350/360	350/360	245/255	230/240

Recycling Activity

Vessel Name	BUILT	DWT	LWT	Delivery	Price (\$/lwt)	Notes
VLCC						
AURA	2000 / Japan	281,050	42,099	as-is Khor Fakkan (for B'desh)	330	All costs to Gas Free are on Buyers account / old sale
BRIGHT	1993 / Japan	299,085	38,996	as-is Khor Fakkan (for B'desh)	330	All costs to Gas Free are on Buyers account / old sale
SUEZMAX						
CARIBBEAN FANTASY	1989 / Japan	6,737	10,471	as-is Bahamas	145	Fire damaged / needs towing

Newbuild and Second Hand Values (\$ million)

	Newbuild	5 Year	10 Year
Tankers			
VLCC	81	62	42
SUEZMAX	54	42	28
AFRAMAX	45	30	19
MR	33.5	25	16
Bulkers			
CAPE	43	28	18.5
KAMSARMAX/PANAMAX	25	19/17	11.5/11
SUPRAMAX	23.5	15	11
HANDYSIZE	21.5	12	7.5

Indices

	C.O.B Friday	Change
BDI	900	+78
\$/Yen	112.47	-1.4
VLCC AG/East TD3 (WS)	52.5	n/c

Sale and Purchase	Direct	Mobile
David Cundy	020 7667 1150	07748 320896
David Hawkins	020 7557 1151	07788 299249
Michael Penrose	020 7667 1237	07432 049090
Bertie Schiff	020 7667 1152	07894 724871
Rupert Scott-Hughes	020 7667 1241	07770 915543
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