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August 17th, 2018 / Week 33

THE VIEW FROM THE BRIDGE

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

Tanker rates continue to bounce along the bottom (especially clean product rates) but the dry bulk charter market remains very strong (especially for mid-August). Sale and Purchase transactions remain at "typical summer vacation slowdown" levels.

The tanker slump and the offshore slump have taken a toll on Korean shipbuilders. In 2017 the Korean government provided a $2.6 billion bailout of Daewoo Shipbuilding & Marine Engineering Co. (DSME) after 6 straight years of operating losses. There have been recent reports that DSME will be sold to Hyundai Heavy Industries or Samsung Heavy Industries as early as next year.

However, Hyundai and Samsung are also under financial pressure as the drought of orders for ships and offshore vessels plus intense price undercutting by Chinese competitors have taken a toll. A lack of fresh newbuilding orders has prompted the South Korean shipbuilders to take more drastic action. Since 2015 Hyundai Heavy Industries has laid off about 27,000 workers at their Ulsan Shipyard as orders have plunged and orders from their ship owning company Hyundai Merchant Marine have dried up. Last month Samsung reported a second quarter loss of just over $125 mill. and 3,000 office and yard workers took turns taking paid leave from November to June due to decreasing orders.

Have a good weekend.

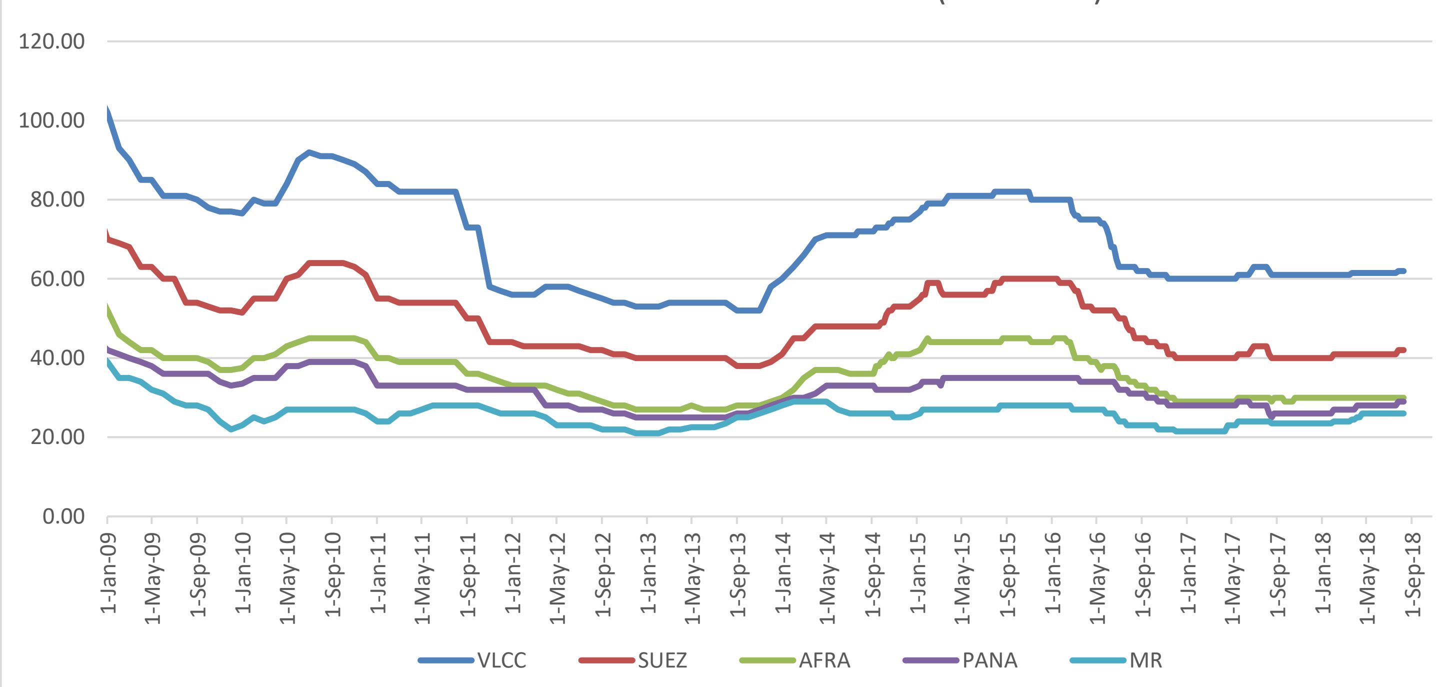
TANKERS

TANKER SALES REPORTED THIS WEEK

Vessel Name	DWT	Year	Built	Engine	Additional Info	Price ($ Mill.)	Buyer
SHANGHAI	319,725	2015	Jinhai	Man B&W		$51.0	Greek
KAZAN	115,727	2003	Hyundai	B&W	Coiled / 18.300 ldt	$9.5	Greek
PETROZAVODSK	106,449	2003	Tsuneishi	B&W	Coiled / 16.200 ldt	$9.8	China
ARCTURUS	47,198	1998	Onomichi	Man B&W	IMO III / 9.200 ldt	$61	Undisclosed

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	90	86	62	38	18
SUEZMAX	160,000	60	58	42	26	10
AFRAMAX	110,000	49.5	45	30	19	7
PANAMAX - LR1	70,000	43	41	29	17	5
MR TANKER	51,000	36.5	35	26	16	4



COMPASS MARITIME TANKER VALUES (5YRS OLD)

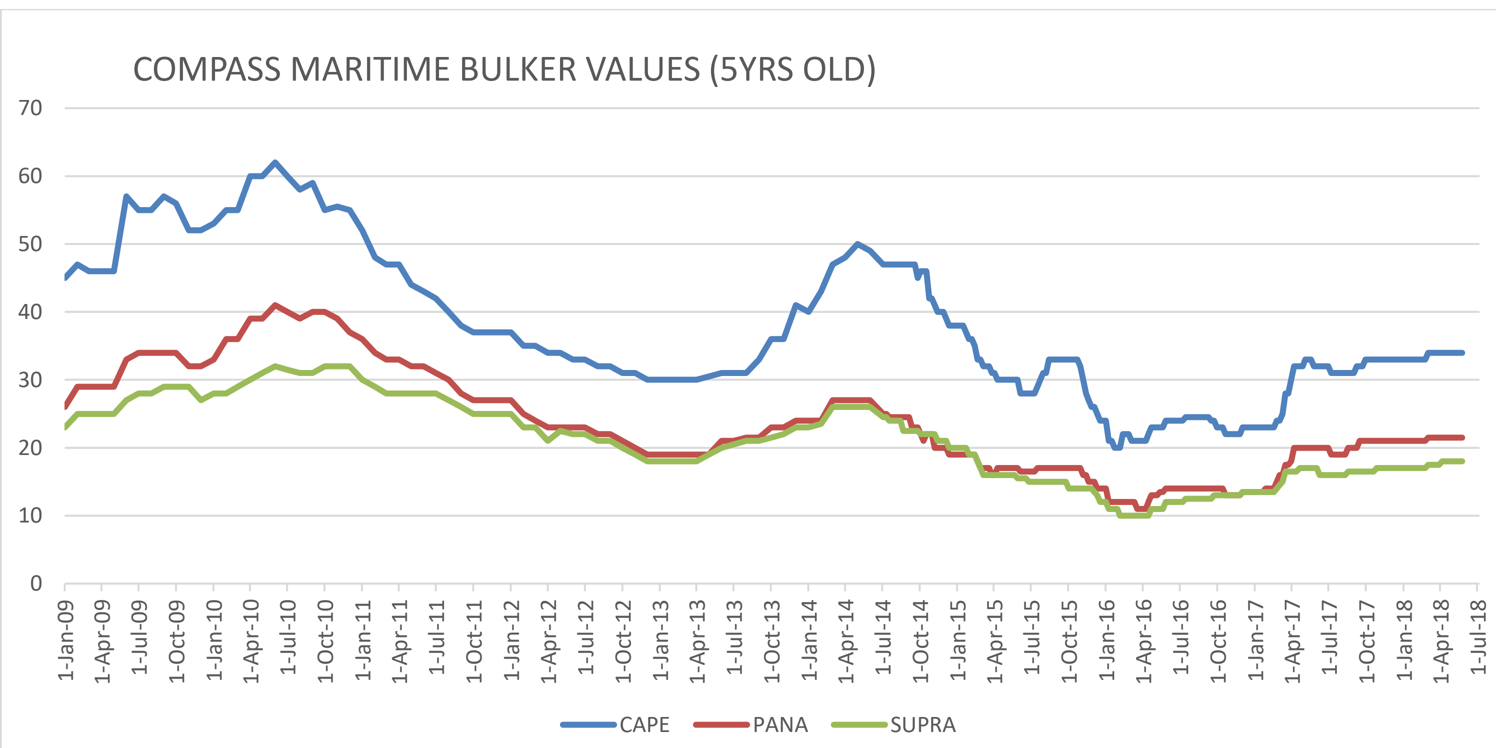
BULK CARRIERS

BULK CARRIERS SALES REPORTED THIS WEEK

Vessel Name	DWT	Year	Built	Engine	H/H	GEAR	Additional Info	Price ($ Mill.)	Buyer
FIVE STARS FUJIAN	181,383	2009	Sasebo	Man B&W	9/9			$24.5 @ Auction	Greek
TEN JIN MARU	98,681	2011	Tsuneishi	Man B&W	7/7		38M Beam	$21.0	Undisclosed
NAUTICAL AVENTURIN	56,778	2012	Hantong Ship	Man B&W	5/5	4x30tc		$13.5	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	48	51	36	25	12
PANAMAX	74,000	28	29	22	15	8
SUPRAMAX	56,000	26	27	18.5	14	6



NEWBUILDINGS

NEWBUILDING ACTIVITY REPORTED THIS WEEK

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

NEWBUILDING STATISTICS - TANKERS

ASSET CLASS	2018	2019	2020	TOTAL
VLCC (200k+ dwt)	27	56	25	108
SUEZMAX (120k-199k dwt)	19	19	11	49
AFRAMAX (80k-119k dwt)	37	52	19	108
PANAMAX (60k-79k dwt)	10	14	13	37
HANDY TANKER (35k-50k dwt)	98	155	52	305

NEWBUILDING STATISTICS - BULKERS

ASSET CLASS	2018	2019	2020	TOTAL
CAPESIZE (100k+ dwt)	29	74	66	169
PAN/KAM (65k-99k dwt)	39	109	58	206
SUPRAMAX (40k-64k dwt)	57	73	44	174
HANDYSIZE (10k – 39k dwt)	59	51	23	133

CHARTERING MARKET SNAPSHOT

TANKERS

BALTIC EXCHANGE TANKER FREIGHT INDICES

	CURRENT WEEK	LAST WEEK	LAST YEAR
BDTI	753	713	621
BCTI	489	489	463

TANKER 12 MONTHS T/C RATES

	DWT	CURRENT WEEK	LAST WEEK
VLCC	300,000	23,500	23,500
Suezmax	150,000	16,750	16,750
Aframax	110,000	14,250	14,250
LR2	105,000	14,500	14,500
LR1	80,000	13,000	13,500
MR	47,000	13,000	13,000

BULKERS

BALTIC EXCHANGE BULKER FREIGHT INDICES

	CURRENT WEEK	LAST WEEK	LAST YEAR
BDI	1723	1691	1260
BCI	3454	3480	2574
BPI	1485	1339	1345
BSI	1056	1039	806

BULKER 12 MONTHS T/C RATES

	DWT	CURRENT WEEK	LAST WEEK
CAPE	170,000	19,250	19,250
PANAMAX	75,000	12,250	12,250
SUPRAMAX	52,000	12,000	11,950

RECYCLING ACTIVITY REPORTED THIS WEEK

Pakistan

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

India

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

Bangladesh

NAME	DWT	YEAR	LDT	ADDITIONAL INFORMATION	PRICE/ LDT
WEST ENERGY (LNG)	28,200	1976	30,520	Delivery under tow, understand high Nickel content	$455.25

Misc.

NAME	DWT	YEAR	LDT	ADDITIONAL INFORMATION	PRICE/ LDT
WINNING BROTHER	183,683	1995	21,189	Delivery options full sub-continent	$445

RECYCLING STATISTICS

ASSET CLASS	*THIS DATE 2018*	*THIS DATE 2017*	*2017 TOTAL*	*2016 TOTAL*
ULCC/VLCC	31	9	15	6
SUEZMAX	20	12	18	2
AFRAMAX	30	14	35	7
PANAMAX TANKER	7	5	11	4
CAPE/COMBO (80K DWT +)	10	20	38	80
PANAMAX BULKER	2	36	55	104
POST PANAMAX BULKER	0	4	4	4

ESTIMATED RECYCLING PRICES (US $ / LDT)

LOCATION	*TANKERS 15-20,000 LDT*	*TANKERS 6-10,000 LDT*	*BULK CARRIERS*
CHINA	N/A	N/A	N/A
SUB-CONTINENT	$435	$435	$420

MISCELLANEOUS VESSELS

CONTAINERSHIPS SALES REPORTED THIS WEEK									
Vessel Name	**DWT**	**Year**	**Built**	**TEU**	**Engine**	**GEAR**	**Additional Info**	**Price ($ Mill)**	**Buyer**
HAMMONIA EMDEN	34,248	2006	Hyundai	2.550	Sulzer	4x4cr		$12.8	Israel

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	409.50	443.50	450.50	433.00
180CST	434.50	525.00	482.50	457.00
MGO	617.50	710.00	645.00	663.00

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