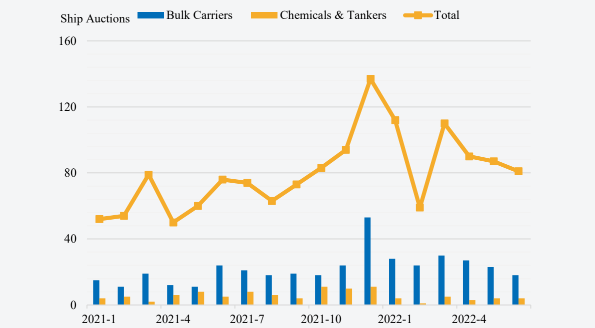
Monthly Report of Ship Auction Market

June 2022

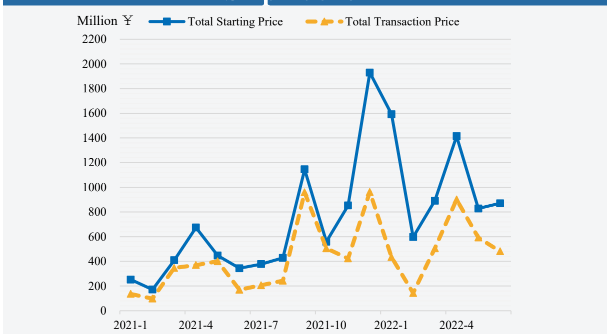
浙江船舶交易市场
ZHEJIANG SHIPPING EXCHANGE

In June, the international market has cooled down after surge of last month, while Ships of small tonnage gradually prevailed instead. Ship value of foreign market remained high with fewer transaction of bulk carrier. In the case of tanker, it was in a rapid recovery so that secondhand exchange kept active. Domestic coastal transport market was still hovering at a low level, but it warmed up slightly at the end of June, driven by the increase of coal consumption in scorching weather. There were 81 ships auctioned in June and 31 were sold with transaction rate of 38.3%. The total starting price was about ￥870.38m, while the total transaction price was ￥480.95m.

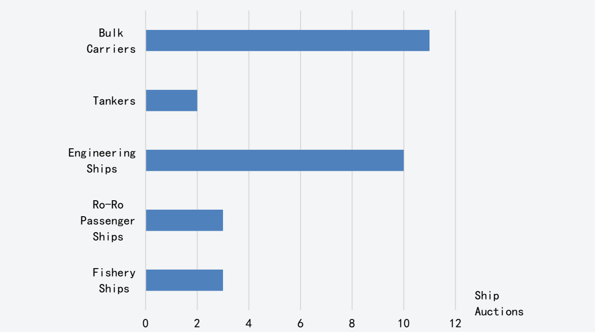
Total of the Ship Auction



Total of Starting and Transaction Price of Ship Auction



Different Segments of Ship Auction in China



Large contrast between domestic and foreign market made shipowners more cautious in purchasing ships

In June, the coastal area was hot and rainy, demand for dry bulk cargo transport remained weak, and the freight rates continued to be low. According to data from SHIPBID.NET, in China, the total ship auctions of June were 81, which decreased 6 MOM while increased 5 YOY. Among them, bulk carriers were 18, which decreased 5 MOM and tankers were 4, unchanged from the previous month. In terms of transaction, there were 31 ships sold, which decreased 9 MOM and 12 YOY, with a decline in transaction rate of 38.3%.

The volatile market made the transaction price dropped. In June, the total starting price was approximately ￥870.38m, which increased ￥42.16m MOM and ￥526.65m YOY. The total transaction price was ￥480.95m, which decreased ￥111.48m MOM but increased ￥311.43m YOY.

Domestic transport have seen the weak demand, meanwhile the foreign market fluctuated at a high level

In June, domestic temperature rose significantly which thereafter pulled up the daily consumption of power plants. However, hydropower was working well at this stage which squeezed the demand of thermal power, and the inventory of coal was adequate which slowed down the demand for replenishment. On the foreign side, Capesize and Panamax were in a negative trajectory and have seen a drop in freight rates. Meanwhile, ships of small tonnage were driven by Indonesian coal demand. In terms of crude oil freight market, domestic and foreign market showed strong contrast, one continued to be sluggish, another showed a rapid recovery trend. As for asset price, foreign bulk carrier remained at a high level in recent years, and tanker continued in the upward mode; domestic bulk carrier was slightly pulled up by the "peak summer", while tanker was still in the low ebb.

In terms of judicial auction, there were 30 ships auctioned in June, of which 14 were sold. The total starting price was ￥207.69m, and the total transaction price was ￥120.88m. In terms of commercial auctions, there were 51 ships auctioned, of which 17 were sold. The total starting price was ￥655.52m, the total transaction price was ￥352.89m. This month, affected by the continuous sluggish performance in domestic transport market, transaction number of judicial and commercial auction has both reduced, and transaction price fell with fewer large-scale ships sold.

Followed are some specific auctions. “ZHE HAI 355” sold at ￥51.61m; “SUNNY HORIZON” sold at $17.42m; “HULL NO.B85K-10”, under construction, sold at $35.18m; meanwhile, there were 2 tankers sold with total price of ￥93.28m. In terms of other ships, there were 3 fishery ships sold with the total price of ￥8.36m; 3 ro-ro passenger ships sold of ￥2.41m;10 engineering ships sold of ￥48.19m.

1. The data comes from various auction platforms, public bidding platforms of property rights exchanging market and ship exchange market etc. with a few live auctions may not be included in due to limited publicity.

Samples of Ship Auctions

Bulk Carriers

NO.	Ship Name	Sailing Area	DWT/ Reference capacity	Year Built	Shipyard	Starting Price	Transaction Price	Bids
1	ZHEHAI 355	Coastal	26750	2010	ZheJiang	￥51.61M	￥51.61M	1
2	Sunny Horizon	Unrestricted navigation	56686.2	2012	FuJian	$16.51M	$17.42M	1
3	HULL NO.B85K-10	Unrestricted navigation	84930	2022	HeBei	$35.18M	$35.18M	1

Engineering Ships

NO.	Ship Name	Sailing Area	DWT/ Reference capacity	Year Built	Shipyard	Starting Price	Transaction Price	Bids
1	GANGHAIJUN 336	-	-	2008	LiaoNing	￥8.74M	￥13.74M	11
2	GANGHAIJUN 316	-	-	2008	LiaoNing	￥8.36M	￥13.36M	10

Preview of Ship Auctions

Bulk Carriers

NO.	Ship Name	Sailing Area	DWT/ Reference capacity	Year Built	Shipyard	Starting Price
1	ZHEHAI 157	Coastal	26355	2010	ZheJiang	￥51.49M

Ro-Ro Passenger Ships

NO.	Ship Name	Sailing Area	DWT/ Reference capacity	Year Built	Shipyard	Starting Price
1	FeiZhou 7	-	42	2002	HuBei	￥0.22M
2	FeiZhou 8	-	94	2002	HuBei	￥0.22M
3	XianZhou 8	-	65	1998	HuBei	￥0.22M
4	XianZhou 11	-	94	2001	HuBei	￥0.23M
5	DaiShan 12	-	390	1995	GuangXi	￥3.72M

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