

# Monthly Report of Ship Auction Market

July 2022



浙江船舶交易市场  
ZHEJIANG SHIPPING EXCHANGE

In July, freight rates in the international dry bulk market declined, the Capesize was greatly affected with lower activities. The Panamax was generally stable, while the Supramax and Handysize performed active for the strong demand of grain. The domestic coastal transportation market was still fluctuating with few change in freight rates. Due to the decline in the international dry bulk market and lack of improvement in the domestic market, shipowners were mostly on the sidelines. There were 89 ships auctioned in July and 25 were sold with transaction rate of 28.1%. The total starting price was about ¥1273.86m, while the total transaction price was ¥487.97m.

## Coastal shipping market fluctuated due to abundant downstream inventory.

In July, many parts of China ushered in extremely high temperature, but with adequate pre-stockpile of cargoes, it did not bring too much support to the freight rates. According to data from SHIPBID.NET, in China, the total ship auctions of July were 89, which increased 8 MOM and 15 YOY. Among them, bulk carriers were 22, which increased 4 MOM and tankers were 9, which increased 5 MOM. In terms of transaction, there were 25 ships sold, which decreased 6 MOM and 8 YOY, with a remarkable decline in transaction rate of 28.1%.

Uncertainty about future expectations has led to limited vessel trade. In July, the total starting price was approximately ¥1273.86m, which increased ¥403.47m MOM and ¥896.10m YOY. The total transaction price was ¥487.97m, which decreased ¥7.03m MOM but increased ¥281.99m YOY.

## Volatile conditions in the transportation led to rising wait-and-see sentiment of trading market.

In July, under the influence of "La Niña", the historical high temperature records were refreshed in many places in China, and the residential electricity load surged rapidly. However, the epidemic of COVID-19, combined with the outdoor operations interrupted by high temperature, the overall industrial electricity demand was weak. This year, the general inventory of power plants is high, and they would only purchase coal when it was necessary, so coastal freight rates were relevantly quiet. On the international front, Indonesian coal transportation dominated the Asian market, the Atlantic and the U.S. Gulf grain trade performed well. Vessels of small tonnage were more active than large ones, so that the Capesize continued to weaken. In the oil transport market, affected by the sharply fluctuated international crude oil price, the domestic retail price of refined oil was in a downward expectation. In terms of vessel prices, international bulk carriers have declined, while coastal bulk carriers remained at a low level.

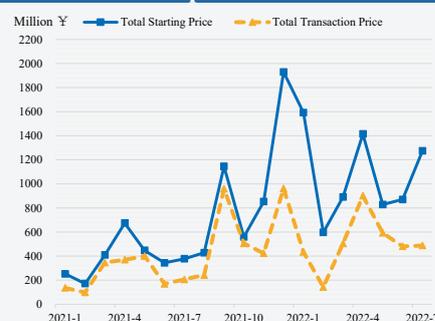
In terms of judicial auction, there were 51 ships auctioned in July, of which 16 were sold. The total starting price was ¥721.42m, and the total transaction price was ¥179.16m. In terms of commercial auctions, there were 38 ships auctioned, of which 9 were sold. The total starting price was ¥552.43m, the total transaction price was ¥308.81m. The pressure on international and domestic transportation market led to significant decline on both judicial and commercial auctions.

Followed are some specific auctions. "YU LIN HAI", Panamax bulk carrier, sold at ¥130.00m; two oil and chemical carriers, "DH BLOSSOMING" and "DH ADMIRAL" sold at \$18.50m for each. In terms of other ships, there were 6 fishery ships sold with the total price of ¥20.16m; 7 engineering ships sold of ¥46.56m; no ro-ro passenger ship sold in July.

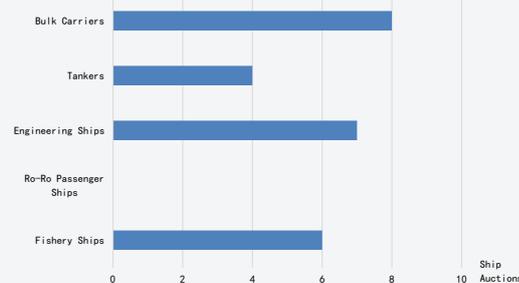
### Total of the Ship Auction



### Total of Starting and Transaction Price of Ship Auction



### Different Segments of Ship Auction in China



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	YULINHAI	Unrestricted navigation	75380.1	2012	GuangDong	¥ 130M	¥ 130M	1

Engineering Ships								
NO.	Ship Name	Sailing Area	DWT/ Reference capacity	Year Built	Shipyard	Starting Price	Transaction Price	Bids
1	DH BLOSSOMING	Unrestricted navigation	8702.5	2018	JiangSu	\$18.5M	\$18.5M	1
2	DH ADMIRAL	Unrestricted navigation	8713.7	2018	JiangSu	\$18.5M	\$18.5M	1
3	NINGHUA 411	Coastal	12447	1998	-	¥ 11.88M	¥ 11.88M	1

## 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	ZhengJiang	¥ 51.49M
2	TAIHERONG	Coastal	17635	2009	-	¥ 27.5M
3	TAIHEXING	Coastal	15872	2009	-	¥ 26.5M
4	XINTANGSHANHAI 1	Unrestricted navigation	81870.2	2013	LiaoNing	¥ 152.88M

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