

Monthly Report of Ship Auction Market

October 2022



浙江船舶交易市场
ZHEJIANG SHIPPING EXCHANGE

In October, the international dry bulk market was quiet with lack of cargoes, the freight rates of large-scale ship frustrated, while rates of small and medium-sized ship were struggling; the market of coastal dry bulk market rose slightly, and the winter storage started so that the demand of coastal coal cargoes increased. In the ship auction market, the number of ship auctions and turnover both declined significantly. There were 66 ships auctioned in October and 23 were sold with transaction rate of 34.8%. The total starting price was about ¥505.44m, while the total transaction price was ¥184.42m.

Transport market was lower than expect which made the ship auction market quiet.

In October, driven by the National Holiday, the domestic demand grew and road congested, activities for shipping increased, coupled with the start of coal winter storage, the freight rates began to rise, but not as much as usual. According to data from SHIPBID.NET, in China, the total ship auctions of October were 66, which decreased 9 MOM and 17 YOY. Among them, bulk carriers were 24, which decreased 9 MOM and tankers were 3, which decreased 3 MOM. In terms of transaction, there were 23 ships sold, which decreased 3 MOM and 27 YOY, with a basically flat transaction rate of 34.8%. The ship auction market was quiet with declined turnover. In October, the total starting price was approximately ¥505.44m, which decreased ¥521.02m MOM and ¥53.82m YOY. The total transaction price was ¥184.42m, which decreased ¥188.53m MOM and ¥321.03m YOY.

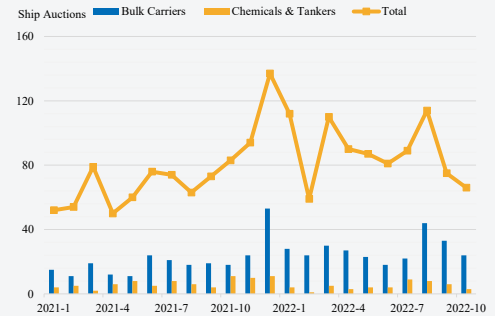
Price of dry bulk carrier continued to fall, while price of international tanker was stable.

In October, the coastal transport market ushered in a larger increase of this year, coal demand growth doubled with increased congestion in northern ports of China which caused some delays, and then the freight rates of coastal dry bulk rose. On the international side, there was a shortage of cargoes in the dry bulk market and the market expectation was negative. Capesize routing from Brazil to the Far East continued in a downward trend. Handysize and Supramax have borne the pressure, but it was difficult to see a long-term growth. As for tankers, the continued impact of the Russia-Ukraine conflict and strong international oil demand kept the freight rates at a high level. In terms of ship prices, the long term confidence on dry bulk carrier was weak, while the international tanker price was in a state of high volatility in the short term after experiencing a surge in the previous period.

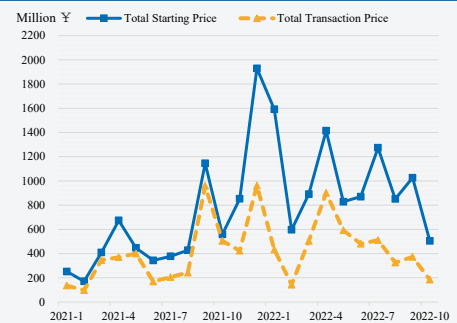
In terms of judicial auction, there were 45 ships auctioned in October, of which 16 were sold. The total starting price was ¥202.12m, and the total transaction price was ¥110.54m. In terms of commercial auctions, there were 21 ships auctioned, of which 7 were sold. The total starting price was ¥303.32m, the total transaction price was ¥73.89m. Market freight rates were complicated, and shipowners held negative attitude about the future, with both judicial and commercial auction showing a downward trend.

Followed are some specific auctions. In terms of bulk carriers, "MINGZHOU 68" sold at ¥32.30m; "TIANYU 2" sold at ¥14.82m; In terms of tankers, "CHEM LUCK" sold at \$3.28m; In terms of other ships, there were more fishery ships sold this month, with 11 ships sold of ¥81.41m. Among them, Xiamen Maritime Court has auctioned 5 squid angling boats named after "HANRONG" with the total price of ¥62.50m; 1 engineering ship sold of ¥2.46m; 1 ro-ro passenger ship sold of ¥1.27m.

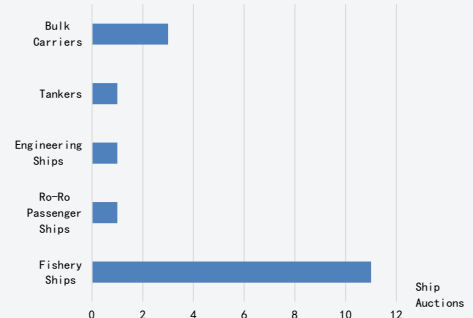
Total of the Ship Auction



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	Shipyards	Starting Price	Transaction Price	Bids
1	MINGZHOU 68	Unrestricted navigation	69950	1989	Japan	¥ 24.05M	¥ 32.30M	83
2	TIANYU 2	Coastal	22300	1989	Japan	¥ 9.5M	¥ 14.82M	119

Chemicals & Tankers								
NO.	Ship Name	Sailing Area	DWT/ Reference capacity	Year Built	Shipyards	Starting Price	Transaction Price	Bids
1	CHEM LUCK	Unrestricted navigation	11564	1997	Japan	\$3.28M	\$3.28M	1

Engineering Ships								
NO.	Ship Name	Sailing Area	DWT/ Reference capacity	Year Built	Shipyards	Starting Price	Transaction Price	Bids
1	ZHEPUTUO 39	Coastal	-	1989	GuangZhou	¥ 1.68M	¥ 2.46M	42

Preview of Ship Auctions

Bulk Carriers						
NO.	Ship Name	Sailing Area	DWT/ Reference capacity	Year Built	Shipyards	Starting Price
1	DONGFANGSHENG	Unrestricted navigation	67703	1990	Japan	¥ 29M
2	CHANGFUXIANG	Coastal	6847	2020	HuBei	¥ 16.88M
3	GOLDEN MAGPIE	Unrestricted navigation	34527.4	2014	LiaoNing	\$16.89M

Chemicals & Tankers						
NO.	Ship Name	Sailing Area	DWT/ Reference capacity	Year Built	Shipyards	Starting Price
1	DH DILIGENCY	Unrestricted navigation	8716.2	2019	JiangSu	\$20M
2	TZ GLORY	Unrestricted navigation	18187.5	2022	ZheJiang	\$15.8M

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