

COMPASS MARITIME WEEKLY REPORT



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April 3rd 2020 / Week 14

THE VIEW FROM THE BRIDGE

The head spinning roller coaster of the VLCC tanker chartering market has dominated the shipping headlines this week as spot market rates reached (and passed) the historical highs of 2008. The Oil Contango has fueled a surge in time charters with over 40 VLCC's fixed on period in the last couple of weeks and the majority have been for storage.

Then on Thursday it was reported that an alliance of oil producers led by Saudi Arabia and Russia is set to debate production cuts of at least 6 mill. barrels a day next week and is consider inviting U.S. producers to participate. This caused the price of oil to shoot up over 30% and VLCC rates to pause.

VLCC rates:

Spot: March 6 \$30,000/day, April 3 \$200-250,000/day

Period: March 6 \$30,000/day, April 3 \$60-70,000/day)

Factors:

Chartering volume (Some 230+ VLCC fixtures in March compared with 130+ in March 2019)

Oil Demand (collapse due to economic effects of Covid-19)

Oil Supply (surge due to Saudi vs. Russia oil production increases since March 8th)

Oil prices (\$28+/barrel on April 3, \$19.48/barrel on March 30th, \$53/barrel on Feb 23)

Storage (40+ VLCC's fixed on T/C in the last couple of weeks, and an additional 30+ VLCC's fixed in just the first 2 days of April)

Unprecedented Oil Contango (where the futures price of a commodity is higher than the spot price. Contango usually occurs when an asset price is expected to rise over time. This results in an upward sloping forward curve).

Tanker Equities volatility (VLCC owner DHT Holdings for example):

January 6 - \$8.40

March 6 - \$5.15 (almost 36% drop)

March 13 - \$6.60 (almost 29% gain)

March 18 - \$5.34 (almost 20% drop)

March 30 - \$7.95 (almost 49% gain)

April 3 - \$5.61 low for the day (almost 33% drop)

DHT time chartered 6 of their VLCC's this week for 12 months T/C's averaging \$67,300/day so they now have 10 of their 27 VLCC's on period T/C.

Have a good weekend and stay healthy.

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TANKERS

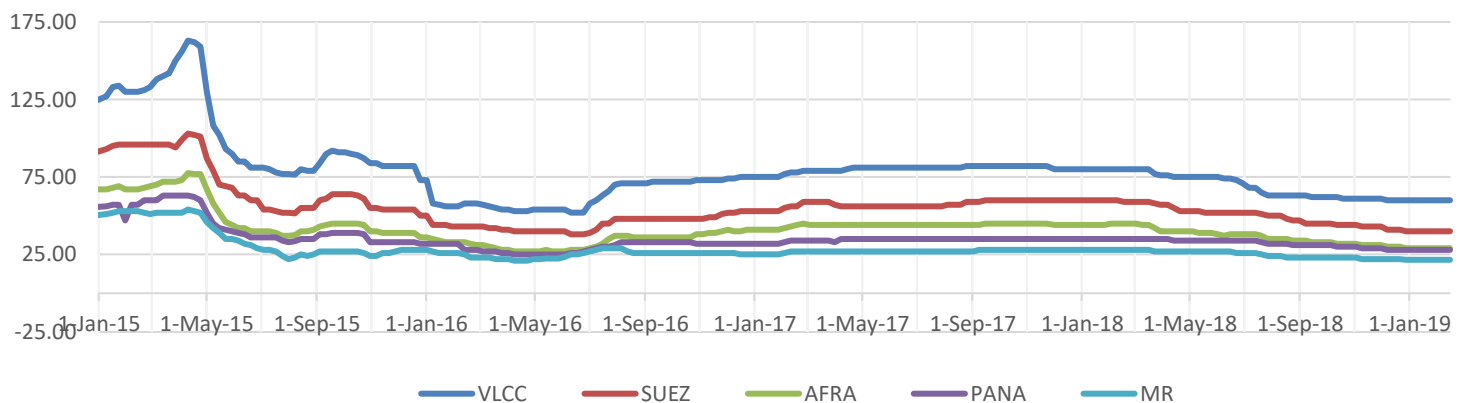
TANKER SALES REPORTED THIS WEEK

Vessel Name	DWT	Year	Built	Engine	Additional Info	Price (\$ Mill.)	Buyer
YUGAWASAN	302,481	2005	Mitsubishi	Mitsubishi	45.112 ldt	\$33.0	Greek
GRINGO	300,361	1996	Mitsubishi	Mitsubishi	48.100 ldt	\$21.25	Singapore
NOBLE SPIRIT	45,282	2001	Minami-Nippon	B&W	Zinc Coated; 9,980 ldt	\$7.0	China

COMPASS MARITIME TANKER VALUES

ASSET CLASS	NB CONTRACT	NB PROMPT DELIVERY	5 YEAR	10 YEAR	20 YEAR	
TANKERS	SIZE (DWT)	<i>(All Numbers in US \$ Millions)</i>				
VLCC	300,000	91	102	75	50	23
SUEZMAX	160,000	61	70	52	35	12
AFRAMAX	115,000	51	55	40	28	10
PANAMAX - LRI	70,000	43	43	32	19	7
MR TANKER	51,000	37	39	29.5	18	6

COMPASS MARITIME TANKER VALUES (5YRS OLD)



COMPASS MARITIME WEEKLY REPORT

BULK CARRIERS

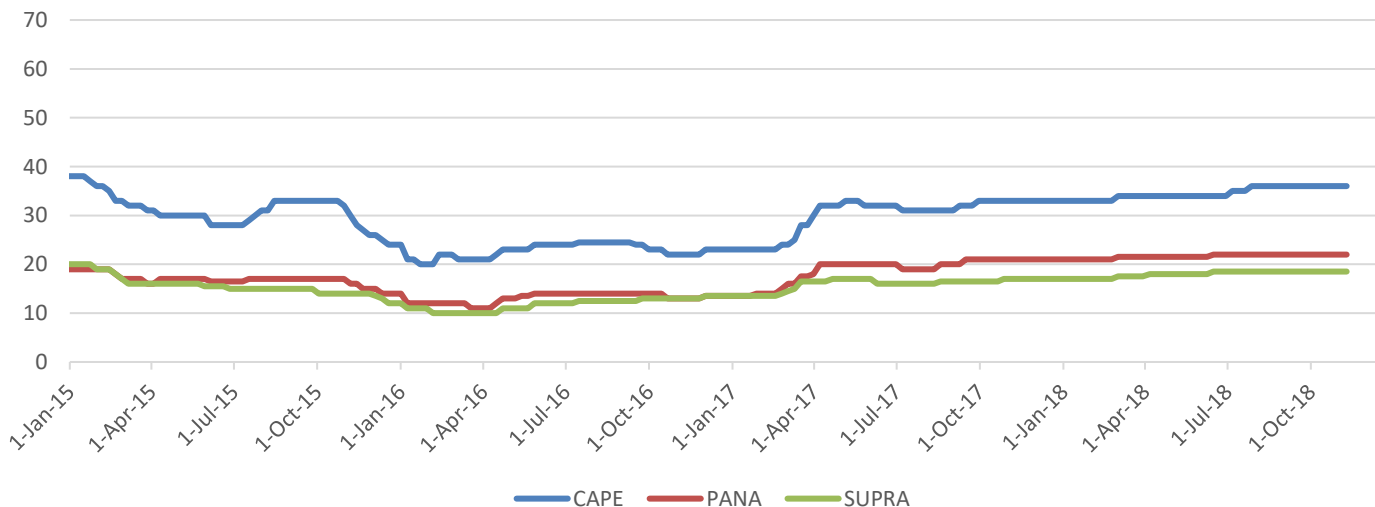
BULK CARRIERS SALES REPORTED THIS WEEK

Vessel Name	DWT	Year	Built	Engine	H/H	GEAR	Additional Info	Price (\$ Mill.)	Buyer
AFRICAN KINGFISHER	55,476	2009	Kawasaki	Man B&W	5/5	4x30tc	8,947 ldt	\$10.0	Indonesia
ORIENT ALLIANCE	33,755	2012	DSME	Man B&W	5/5	4x35tc		\$7.0	UK
PACIFIC HURON	29,975	2010	Yangzhou	Wartsila	6/6	3x30tc		\$6.1	China

COMPASS MARITIME BULK CARRIER VALUES

ASSET CLASS		NB CONTRACT	NB PROMPT DELIVERY	5 YEAR	10 YEAR	20 YEAR
BULK	SIZE (DWT)	<i>(All Numbers in US \$ Millions)</i>				
CAPE	180,000	49	50	30	19	10
KAMSARMAX	82,000	29	30	21	12	7
SUPRAMAX	56,000	26	27	16	11	5
HANDY	38,000	23	22	15	8	3

COMPASS MARITIME BULKER VALUES (5YRS OLD)



COMPASS MARITIME WEEKLY REPORT

NEWBUILDINGS

NEWBUILDING ACTIVITY REPORTED THIS WEEK

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

NEWBUILDING STATISTICS - TANKERS

ASSET CLASS	2020	2021	2022	TOTAL
VLCC (200k+ dwt)	29	27	3	59
SUEZMAX (125k-199k dwt)	26	24	15	65
AFRAMAX (85k-125k dwt)	19	51	15	85
PANAMAX (55k-85k dwt)	13	6	3	22
HANDY TANKER (10k-55k dwt)	136	81	20	237

NEWBUILDING STATISTICS - BULKERS

ASSET CLASS	2020	2021	2022	TOTAL
CAPE SIZE (100k+ dwt)	97	65	15	177
PAN/KAM (65k-99k dwt)	139	82	12	233
SUPRAMAX (40k-64k dwt)	121	76	18	215
HANDYSIZE (10k - 39k dwt)	74	49	5	128

CHARTERING MARKET SNAPSHOT

TANKERS

BALTIC EXCHANGE TANKER FREIGHT INDICES

	CURRENT WEEK	LAST WEEK	LAST YEAR
BDTI	1383	1230	617
BCTI	874	855	614

TANKER 12 MONTHS T/C RATES

	DWT	CURRENT WEEK	LAST WEEK
VLCC	300,000	70,000	70,000
Suezmax	150,000	48,000	40,000
Aframax	110,000	36,500	30,000
LR1	80,000	21,500	20,500
MR	47,000	15,000	14,500

BULKERS

BALTIC EXCHANGE BULKER FREIGHT INDICES

	CURRENT WEEK	LAST WEEK	LAST YEAR
BDI	616	556	711
BCI	319	-97	276
BPI	797	729	1114
BSI	495	641	742

BULKER 12 MONTHS T/C RATES

	DWT	CURRENT WEEK	LAST WEEK
CAPE	180,000	12,000	11,500
PANAMAX	75,000	9,000	9,250
SUPRAMAX	52,000	8,500	9,000

COMPASS MARITIME WEEKLY REPORT

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
MV Fuxing	42,203	1991	6,447	Old Sale	\$343
MV Minxi	37,092	1983	7,885		Unknown

Misc.

NAME	DWT	YEAR	LDT	ADDITIONAL INFORMATION	PRICE/ LDT
No Sales to Report					

RECYCLING STATISTICS

ASSET CLASS	THIS DATE 2020	THIS DATE 2019	2019 TOTAL	2018 TOTAL
ULCC/VLCC	0	2	9	35
SUEZMAX	0	2	8	27
AFRAMAX	2	2	5	52
PANAMAX TANKER	0	0	6	12
CAPE/COMBO (80K DWT +)	23	16	32	19
PANAMAX BULKER	3	2	8	2
POST PANAMAX BULKER	2	0	0	0

ESTIMATED RECYCLING PRICES (US \$ / LDT)

LOCATION	TANKERS 15-20,000 LDT	TANKERS 6-10,000 LDT	BULK CARRIERS 9-20,000 LDT	BULK CARRIERS 5-9,000 LDT
PAKISTAN	348	347	343	342
INDIA	354	352	347	346
BANGLADESH	354	351	349	345

UPCOMING BEACHING TIDES

LOCATION		
INDIA	April 6, 2020 – April 13,2020	April 22, 2020 – April 28, 2020
BANGLADESH	April 9, 2020 – April 11,2020	April 24, 2020 – April 26, 2020

Please note, all three subcontinent recycling countries are on lock-down. Ships for recycling are not permitted to enter. Crew change/repatriation is not possible. It is unknown when each port will re-open to accept recycling tonnage. The current lock-down periods as below but all subject to further extensions:
 Bangladesh; Current lock-down until April 11, 2020 India; Current lock-down until April 14, 2020 Pakistan; Current lock-down until further notice

COMPASS MARITIME WEEKLY REPORT

MISCELLANEOUS VESSELS

CONTAINERSHIPS SALES REPORTED THIS WEEK

Vessel Name	DWT	Year	Built	TEU	Engine	GEAR	Additional Info	Price (\$ Mill)	Buyer

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
380CST	156.50	190.00	187.00
180CST	320.00	350.00	345.00
MGO	285.50	434.50	272.00

Compass Maritime Services, LLC is Member of:

The Association of Ship Brokers & Agents (USA) Inc. (ASBA),

The Baltic Exchange



Panel Member of

The Baltic Exchange Sale & Purchase Assessment (BSPA Index)

The Baltic Ship Recycling Assessment (BSRA Index)

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