++ Shipbuilding News ++

COSCO rolls out BCs

(http://www.asiasis.com/view_new.php?bbs_id=news&doc_num=17155)

The Board of Directors of COSCO Corporation (Singapore) Limited announced that subsidiaries of the Company's 51% owned COSCO Shipyard Group Co., Ltd have made the following deliveries: 1. COSCO (Dalian) Shipyard Co., Ltd has delivered one bulk carrier of 82,000 DWT, "ECOFAITH G.O.", to its European buyer. 2. COSCO (Zhoushan) Shipyard Co., Ltd has delivered one bulk carrier of 57,000 DWT, "ASIAN CHAMPION", to its Asian buyer. All the delivery documents were signed by and between the COSCO shipyards and the respective buyers in July 2012. The bulk carrier of 82,000 DWT measures 229 meters in LOA (length of all), 32.26 meters in breadth and 20.25 meters in depth. The bulk carrier of 57,000 DWT measures 189.99 meters in LOA (length of all), 32.26 meters in breadth and 18 meters in depth.

++ Shipping News ++

Supramax brokers say spot charter rates will decline in Atlantic

(http://www.lloydslist.com/ll/sector/dry-cargo/article402915.ece)

SUPRAMAX bulk carrier spot charter rates finally started to decline in the Atlantic basin this week, due to what one broker dubbed “the summer-holiday effect” as market participants headed out of the office for the northern hemisphere summer season. Even though cargo demand remained strong last week in the South Atlantic, brokers said the supply-demand balance here had definitely shifted to the advantage of the charterers. “It’s seen its peak, that’s for sure,” one London-based broker said, referring to the charter rates for ships open in the South Atlantic. Ports on the South American east coast continued to be plagued by congestion, with one broker reporting waiting times of up to three weeks in Santana for ships attempting to load grains. According to the broker, shipowners were trying to take advantage of the situation by negotiating higher daily rates in exchange for a lower bunker bonus, the fixed part of a ship’s charter payment. The Baltic Exchange’s benchmark west Africa to east Asia via east coast South America route reached $20,861 per day today. While the indicator has changed little over the last few days, brokers said that rates on specific routes in the South Atlantic had fallen by several thousand dollars compared to last week. One broker said shipowners were now being paid only $22,000 per day for sailings from west Africa to east Asia, while rates of $24,000 were still common a week ago.

Venezuelan crude oil imports into Jamnagar see longhaul tanker boost

(http://www.lloydslist.com/ll/sector/tankers/article402911.ece)

VENEZUELAN oil is not only boosting tanker employment on the much-talked-about very large crude carrier route to China but also into India, with exclusive Lloyd's List Intelligence data showing it accounts for over 40% of tonne-miles generated by shipments to the world's largest refining complex in Jamnagar. Already in the first half of this year, preliminary tanker tracking information shows Jamnagar's terminal at the refinery — owned by Indian giant Reliance Industries — has imported 50.8m barrels of crude oil, already surpassing the total 46m barrels it imported each year in 2010 and 2011. Although this only makes it the second-largest source of crude into Jamnagar, behind Saudi Arabian oil at almost 64.1m barrels so far in 2012, the tonne-mile demand generated by this longhaul trade is phenomenal. The first-half preliminary data shows total tonne-mile demand in 2012 is on track to more than quadruple on levels seen in 2008, when the second tranche of the refining complex was commissioned. Between January and June a total of at least 151.6bn tonne-miles have been generated by shipments to Jamnagar, up from a total 66.5bn in 2008. This increase is disproportionate to the total amount of oil that has been imported, which has climbed from a total of 176.5m barrels in 2008 to 270.3m barrels in the first half of 2012. On an annualised basis this would mean at least 540m barrels of crude could be discharged at the refinery's oil terminal, so only three times more than 2008 levels.

Expanding Asian refineries muscle out older western rivals

(http://www.lloydslist.com/ll/sector/tankers/article402909.ece)

ASIAN refineries are driving capacity growth in the refinery industry as facilities expand in India, China and Pakistan, the International Energy Agency said today. The development of larger Asian refineries is positive for the product tanker industry, say analysts, because refined oil products will increasingly be shipped on tankers on longhaul routes from Asia to Europe and the US. Longer voyages mean more tonne-mile demand and therefore more time spent earning. The significance of these longhaul trades is growing, experts say, as older European and US refineries close due to weak margins arising from overcapacity. The Paris-based energy watchdog highlighted these closures in its latest monthly oil report, saying that “restructuring of the refining industry gained pace” in 2012. The IEA noted that of the 1.7m barrels per day of refinery capacity added this year in countries that are not members of the Organisation for Economic Co-operation and Development, the largest share of the additions came from Asia.

Ezra gets busy

(http://www.tradewindsnews.com/offshore/280140/ezra-gets-busy)

Ezra Holdings of Singapore has clinched new vessel charter contracts and construction deals that will bring in revenue to the tune of $164 million. EMAS Marine, Ezra’s offshore support services division, has announced six contracts for platform supply vessels (PSV) and anchor handling, towing and supply vessels (SHTS). The vessels will be deployed in both Asia and West Africa and in total have a value of approximately $87m. Ezra did not disclose the details of each contract, saying only that the vessels would be operated by oil majors and oilfield services companies. Triyards, Ezra’s shipbuilding arm, has won a $77m order for a specialized offshore unit. No further details were provided.

++ Finance News ++

OSG share price slips after Standard & Poor’s downgrade

(http://www.lloydslist.com/ll/sector/tankers/article402944.ece)

OVERSEAS Shipholding Group’s share price dropped by about 4.5% in New York today on a bad morning for tanker stocks overall, after Standard & Poor’s Ratings Services handed the company a downgrade citing liquidity concerns. OSG’s share price was trading at $8.80 around lunchtime after hitting a low of $8.64, having closed on Wednesday at $9.23. OSG’s 52-week low is $7.86. Among the company’s tanker peers, Frontline was trading nearly 3% weaker at $4.02, Tsakos Energy Navigation was 2.5% weaker at $5.43 and Teekay Tankers was down 2.4% at $4.06. S&P lowered its long-term corporate credit rating on OSG to CCC+ from B- with a negative outlook, its second cut this year, on concerns that the company’s previously announced $900m credit facility that would replace an existing $1.5bn revolving facility in February next year could leave it short of cash. “The downgrade reflects our belief that OSG may not generate enough internal cashflow to meet debt maturities and capital commitments for new vessel deliveries in 2013,” S&P wrote. The service noted that OSG’s borrowings under the existing revolver as of March 31 this year exceeded the new $900m facility by $256.1m, and this gap could widen if the company drew down more debt.

Chinese economic growth slows to 7.6%

(http://www.ft.com/intl/cms/s/0/241b0dc8-cc90-11e1-839a-00144feabdc0.html#axzz20U7Eubad)

China's growth fell to 7.6 per cent in the second quarter, its slowest since early 2009, as a property market downturn and weak exports weighed on the world's second-biggest economy. Over the past two months, as evidence of the slowdown has mounted, the government has shifted its policy to a pro-growth stance, which analysts say is likely to bring about a recovery in the second half of the year. "The expectation for weakness in the second quarter was pretty strong. But the investment number is the surprise. There appears to have been a significant pick-up. That is policy beginning to work", said Ken Peng, an economist with BNP Paribas in Beijing. "We are looking for a small rebound in the third quarter and a bigger rebound in the fourth quarter." The year-to-date investment figure jumped to 20.4 per cent last month from 20.1 per cent in May, an indication that the increase in investment in June alone must have been considerably stronger, following on the heels of the government's moves to stimulate the economy. The Chinese central bank cut interest rates last week, the second time in less than a month. Premier Wen Jiabao has also said that the government will look to increase public investment in order to stabilise the economy. A steep drop in inflation, to just over 2 per cent from last year's high near 7 per cent, has cleared the way for more aggressive policy easing. Several measures have garnered attention after doing a good job of predicting the economy's slowdown at the end of 2008 and its subsequent recovery.