

## **CASS TECHNAVA DAILY NEWS**

### **++ Shipbuilding News ++**

#### **STX Dalian wins 207K BC**

([http://www.asiasis.com/view\\_new.php?bbs\\_id=news&doc\\_num=17343](http://www.asiasis.com/view_new.php?bbs_id=news&doc_num=17343))

Polaris Shipping of Korea has ordered a 207,000-dwt Newcastlemax bulker with one more option at STX Offshore & Shipbuilding's Dalian facility in China. Newbuilding prices is said to be near \$50m per ship for delivery in September 2014. The vessel is to be deployed into a long-term contract of affreightment with Korea Electric Power. This is the first time for the shipowner to place a newbuilding order.

#### **d'Amico books two 40,000 dwt tankers**

(<http://www.loydslist.com/ll/sector/tankers/article403908.ece>)

Milan-listed d'Amico International Shipping has booked two 40,000 dwt tankers that can carry oil and chemical products at Hyundai Mipo Dockyard, betting on a market recovery in the medium to long run.

The company said in a statement that this latest order, signed via its Ireland-based operating arm d'Amico Tankers, includes two firm orders and two optional ones at nearly \$30.7m each. Those double-hulled vessels, due to be delivered in early 2014, are already leased to an oil major under five-year charter contracts. "We are very happy to announce this deal since the timing of the delivery of these two new vessels perfectly matches our positive market outlook on the medium and long term," d'Amico International Shipping chief executive Marco Fiori said.

### **++ Shipping News ++**

#### **China slows down**

(<http://www.tradewindsnews.com/liner/280899/china-slows-down>)

Further signs that China's economic growth is slowing down emerged this week as officials revealed that cargo volumes in the country's ports grew less

during the first half of this year. Statistics from the Ministry of Transport show that turnover of cargo in Chinese ports between January and the end of June increased 7.2% year on year to 4.74bn tonnes. The increase in volume was 6.1 percentage points lower than growth rates during the first half of 2011. Container traffic expanded by 8.8% to 84.59m TEUs, 4.3 percentage points lower than the same period in 2011. China's economic growth cooled to 7.6% during the second quarter, the lowest reading since the third quarter of 2009. Sluggish exports, the cooling domestic property market and China's self-geared slowdown of fixed-asset investment are fingered as the main causes of the low growth.

### **Supramaxes have lost 10 Indonesia ore cargoes a month since export ban**

(<http://www.lloydslist.com/ll/sector/dry-cargo/article403890.ece>)

INDONESIAN government data has shown that the country's nickel and bauxite trade, good for more than 10 loadings every month, virtually disappeared overnight in May after new export regulations were introduced. The statistics confirm what brokers had long suspected: that the effective ban of exports of unprocessed Indonesian ores is doing untold damage to the local supramax market. One Singapore-based broker, who had seen the trade disappear from his screen, said nickel ore and bauxite from Indonesia were "definitely very important to give support to the market", which had now disappeared. The government introduced the new policy for ore exports two months ago in an attempt to stimulate foreign investment in local ore processing. According to data released by the country's ministry of trade at the beginning of the week, nickel exports fell to 0.6m tonnes in June, down from nearly five times as much the month before.

### **Aframax tonnage surplus may not be as bad as expected this year**

(<http://www.lloydslist.com/ll/sector/tankers/article403887.ece>)

THE aframax tanker market could see less tonnage delivered than expected this year, cushioning the blow of a projected drop in demand for the tanker vessels. This prediction comes from Clarkson Research Services' monthly Oil and Tanker trade outlook, released yesterday. The research arm of shipbroker Clarksons changed its guidance for this year's supply-demand difference, or vessel surplus, from 7m dwt in last month's report to a less extreme 5m dwt. The supply-demand is an aggregate figure composed of expected development of the global fleet and cargo demand, both expressed in annual shifts of millions of dwt. Like many researchers, Clarksons draws on forecasts from major energy organisations such as the International Energy Agency, US Energy Information Administration and Organisation of

the Petroleum Exporting Countries for its demand estimates. Earlier this month, the EIA adjusted its global oil forecasts downward by 130,000 barrels per day to 670,000 bpd, citing worsening global economic conditions.

## **Oil Gains Fourth Day On Speculation Economic Prospects Improving**

(<http://www.bloomberg.com/news/2012-07-27/oil-trades-near-week-high-on-euro-pledge-u-s-economic-outlook.html>)

Oil rose for a fourth day in New York after reports signaled improving economic prospects in the U.S. and China and the head of the European Central Bank predicted the euro will survive. Futures rose as much 0.8 percent, trimming this week's decline to 1.5 percent. Profits at industrial companies in China fell at a slower rate than previous months while U.S. reports showed bookings for durable goods climbed more than projected and fewer Americans than forecast filed first-time unemployment claims. ECB President Mario Draghi said policy makers will do whatever is needed to preserve the European currency. "The big thing for risk markets generally was Mario Draghi's statement," said Ric Spooner, a chief market analyst at CMC Markets in Sydney. "The implications of that for commodities like oil are that if we can restore some confidence in the markets, then that is a positive for demand." Oil for September delivery rose as much as 69 cents to \$90.08 a barrel in electronic trading on the New York Mercantile Exchange and was at \$90.06 at 2:35 p.m. Singapore time. The contract climbed 0.5 percent yesterday to \$89.39, the highest close since July 20. Prices are 8.8 percent lower this year.

## **++ Finance News ++**

### **BG Group buoyed by LNG shipping success**

(<http://www.loydslist.com/ll/sector/tankers/article403874.ece>)

PROFITS at BG Group's liquefied natural gas shipping division increased by 13% in the second quarter compared to the same period of 2011, driven by strong demand for cargoes, particularly by Japan, and highlighted the importance of future US exports to the LNG shipping market. The UK-headquartered natural gas producer, which runs a fleet of 12 LNG carriers, said the rise in its fleet's fortunes was the driving force behind the group's overall LNG division posting a 7% rise in operating profit for the second quarter. Aside from shipping, the other aspects of its LNG business include liquefaction. Analysts said strong daily rates for LNG carriers are keeping LNG shipping companies such as BG Group buoyant. According to the latest

broker reports, LNG rates for spot and short-term contracts are creeping towards \$150,000 per day. There are even forecasts they could top \$180,000 per day by winter. BG Group, which has made no secret of its intention to take advantage of opportunities presented by the LNG market and LNG shipping, said continued favourable market conditions and strong demand for cargoes from the Pacific trading region, particularly Japan, boosted profits for its shipping business in the second quarter.

### **Precious Shipping in big profit drop in second quarter**

(<http://www.loydslist.com/ll/sector/dry-cargo/article403910.ece>)

Thailand's Precious Shipping took a big hit to profits for the second quarter, posting Baht14.1m (\$445,852) versus Baht401.3m in the same period last year. Results for the first half put the company in the red to Baht26.3m, compared to a profit in the year-earlier period of Baht511.3m. The reason underlying the Bangkok-based dry bulk operator's tough quarter was the same mix afflicting most dry bulk operators, a cruel drop in average rates and higher fuel prices and other costs. Average earnings per day per vessel amounted to \$9,130 for the second quarter compared to \$12,782 in the same period of 2011. Meanwhile total operating costs increased 85% to Baht563.1m. Of that, bunker costs almost tripled to Baht185.3m in the second quarter. The increase of total costs was also due to the larger size of Precious Shipping's fleet, which consisted of 30 vessels on June 30, versus 21 ships the year before. Precious points out that average vessel operating expense per day per vessel – including depreciation, amortization, drydocking and special survey expenses – increased slightly to \$4,575 in the second quarter 2012 from \$4,545 a year ago.

### **Shell Profit Falls More Than Expected As Oil Prices Drop**

(<http://www.bloomberg.com/news/2012-07-26/shell-profit-drops-with-oil-as-maintenance-limits-production.html>)

Royal Dutch Shell Plc (RDSA), Europe's biggest oil company, reported a larger decline than expected in second-quarter earnings as crude prices dropped and maintenance work on fields held back production. Profit fell 13 percent, excluding one-time items and inventory changes, to \$5.7 billion, The Hague-based Shell said today in a statement. That missed the \$6.3 billion average estimate of 10 analysts surveyed by Bloomberg. Benchmark Brent crude futures slid 7 percent from a year earlier to average \$108.76 a barrel on slowing global economic growth. "I am concerned that the economy slows down," and "it's a patchy picture at the moment," Chief Executive Officer Peter Voser said in a Bloomberg Television interview. "But I take a much longer, longer view on the three-to-five year time horizon and I see

demand coming back strongly." Shell Class A shares fell 2.3 percent to 2,137.5 pence in London.