++ Shipbuilding News ++

Daewoo sails past target

(http://www.tradewindsnews.com/shipsales/284370/daewoo-sails-past-target)

Korea's Daewoo Shipbuilding & Marine Engineering (DSME) has hit its order mark for 2012. The yard's recent capture of contracts for four drillships from Transocean and one from Atwood, worth a combined $3.6bn, means it has inked deals worth $11.7bn this year. Its target for new business was $11bn. Other contracts include an FPSO, six offshore platforms, five drilships, four LNG carriers, four VLCCs and a products carrier. At the end of August, Daewoo said it had achieved 74%, or $8.1bn, of its target.

Unigas orders three LPG/ethylene carriers

(http://www.lloydslist.com/ll/sector/tankers/article408574.ece)

UNIGAS International, the Netherlands-based consortium that runs 40 liquefied petroleum gas carriers, has ordered three newbuilding LPG carriers with capacity to carry ethylene. The orders for three, 13,000 dwt, LPG/ethylene carriers at South Korean shipyard STX Shipbuilding were agreed at the price of $33m each. The price was largely in line with market levels and even represented a slight increase in prices for this type of ship, said newbuilding brokers. Increasingly, smaller LPG vessels of this size are being ordered with capacity to carry ethylene as well. Such vessels will be able to take advantage when the LPG market rises or when the ethylene market rises. Both types of cargo are used in the petrochemical industry to make plastics. China is investing in ethylene plants, spurring the popularity of these vessels for intra-Asia trades. As a result, there have been eight orders for LPG/ethylene carriers in the 5,000 cu m-20,000 cu m size range so far this year.

Petromin inks MR double

(http://www.tradewindsnews.com/tankers/284368/petromin-inks-mr-double)

Romania’s Santierul Naval Constanta (SNC) has clinched a new tanker order from compatriot owner Petromin. The 50,000-dwt chemical/oil carriers are the latest fuel-efficient Dream 50 design from SNC. Construction is expected to begin in early 2013. The tankers are likely to be costing upwards of $33m. The ships will be classed by Germanischer Lloyd (GL), which said they would be optimised for shallow draft, without compromising the steel content and scantlings.

++ Shipping News ++

Cargill leads multinational drive to reject inefficient chartered tonnage

(http://www.lloydslist.com/ll/sector/dry-cargo/article408562.ece)

CARGILL, one of the largest charterers in shipping, has begun to reject inefficient tonnage, using a benchmarking index to assess its ships' fuel performance and forcing its traders to reject the worst-performing tonnage. Cargill is part owner of vetting agent Rightship, which has developed ranking schemes for vessel types to assess the fuel performance of vessels. Rightship has assessed the values of 60,000 vessels using a scheme similar to one that becomes mandatory for newbuildings next year. The benchmarking makes it possible to compare a vessel's Co2 emissions to those of its nearest peers. The other shareholders in Rightship are multinational giants BHP Billiton and Rio Tinto. Cargill, along with Huntsman and the UK affiliate of United Petroleum and Chemicals Co, said they will no longer charter in the worst performing tonnage. The three businesses ship more than 350m tonnes of commodities annually, Huntsman and Unipec focusing on chemical and oil trades. Cargill Ocean Transportation environment and compliance engagement manager Jonathan Stoneley told Lloyd's List that some vessels had already been rejected for charter due to their low value on the Rightship index.

Small owners undermine big outfits' efforts to push up VLGC market

(http://www.lloydslist.com/ll/sector/tankers/article408570.ece)

FRICTION is developing between shipowners in the very large gas carrier spot market as small owners accept deals below market level, threatening to drag the market down for larger owners. The development comes amid concerns over the longer-term future for VLGCs amid a swelling orderbook and limited supply growth of liquefied petroleum gas, used as fuel for cooking and heating as well as a cheap feedstock to make plastics. Small owners, with VLGC fleets of only around two or three vessels, are taking the deals because they do not want to miss out on earnings of around $35,000 per day. Although these earnings are historically high, they are a drop from August's average of more than $50,000 per day, precisely because small owners are willing to accept lower rates. The deals are undermining the efforts of large owners such as BW Gas which are stepping back from the market to persuade charterers to raise their rate offers. Delays discharging cargoes in Asian ports are making small owners even more desperate to secure business where they can. Waiting time means they lose valuable earning days.

U.S. Natural Gas Gains a Fifth Day After Supply Forecasts

(http://www.bloomberg.com/news/2012-10-01/u-s-natural-gas-gains-a-fifth-day-after-supply-forecasts.html)

Natural gas futures advanced to the highest price in almost 10 months as forecasts for cooler Midwest weather signaled higher demand for heating fuel. Gas gained 4.8 percent as MDA EarthSat Weather in Gaithersburg, Maryland, predicted below-normal temperatures in the central U.S. over the next six to 10 days. Heating demand nationwide will be 78 percent above normal Oct. 7 through Oct. 11, data from Weather Derivatives in Belton, Missouri, show. "It's the first cold blast coming," said Dominick Chirichella, senior partner at the Energy Management Institute in New York. "It probably got rid of another layer of shorts in the market." Natural gas for November delivery rose 16 cents to $3.48 per million British thermal units on the New York Mercantile Exchange, the highest settlement price since Dec. 6. The futures have jumped 24 percent from an intraday low of $2.814 a week ago and are up 16 percent this year. November $3 puts, bets that prices will fall, were the most active gas options in electronic trading. They were down 2.2 cents to 2 cents on volume of 1,555 contracts at 3:332 p.m. Fund started snapping up gas futures "significantly" last week at around $3.10 and $3.20 in anticipation of winter and extended those gains today on revised forecasts for October, said John Woods, president of JJ Woods Associates and a Nymex floor trader. "The rest of the month we are looking for cooler- than-initially-anticipated weather. That's good for a pop."

Singapore plans 65m teu megahub at Tuas

(http://www.lloydslist.com/ll/sector/ports-and-logistics/article408576.ece)

SINGAPORE has set itself the long -term objective to consolidate its container activities into a single 65m teu capacity megahub at Tuas, on the west of the island. Singapore's transport minister Lui Tuck Yew told an industry audience: "I am pleased to announce that we will work towards consolidating all our container port activities at Tuas over the long term. "Tuas provides a suitable location because of its sheltered, deep waters and proximity to both our major industrial areas and international shipping routes. "We will plan for Tuas Port to be able to handle up to 65m teu per annum. This, we believe, will offer sufficient capacity for Singapore to meet the longer-term demands as a global hub port." PSA Singapore Terminals handled 29.4m teu of container equivalents in 2011. In February 2010, a key report by the Economic Strategies Committee concluded that Singapore's government should draw up a masterplan for the "progressive development of a new waterfront city at Tanjong Pagar". Unnamed maritime-industry sources have stressed the long-term horizon of the Singapore Port project, emphasising that any move would involve gradual phasing of capacity to Tuas over many years to ensure a smooth transfer of handling capacity.

++ Finance News ++

Golar LNG Partners completes $227m bond issue in Oslo

(http://www.lloydslist.com/ll/sector/tankers/article408564.ece)

GOLAR LNG Partners has completed a NKr1.3bn ($227m) bond issue in Oslo, earmarking the cash for paying off a shareholder loan from its progenitor Golar LNG Ltd. The stock-listed master limited partnership from the John Fredriksen group of companies said at the weekend that proceeds from the issue had been swapped to US dollars. The unsecured bond, which matures in October 2017, carries a fixed coupon of 6.5%. Interest will be paid in US dollars. "The net proceeds from the bond issue shall be used firstly for repayment of the existing approximately $222m shareholder loan from Golar LNG Ltd and secondly for general corporate purposes," Golar LNG Partners said. Golar LNG Partners' bond issue was completed a few hours after Teekay Corp put its own NKr700m bond issue to bed. Both companies join an already long list of blue-chip maritime and offshore issuers that have successfully raised debt financing from the Norwegian market at a time when funds elsewhere are scarce.

DP World Says It's Willing to Buy Assets in Latin America

(http://www.bloomberg.com/news/2012-10-01/dp-world-says-it-s-willing-to-buy-assets-in-latin-america-1-.html)

DP World Ltd. (DPW), the world's third- largest port operator, said it's ready to look at acquisitions in Latin America to meet demand from customers and has enough cash for investments without needing to sell assets. "If the customer says 'we need you there,' we'll be there," said Chairman Sultan Ahmed Bin Sulayem. "If the economics are good, why not. The Latin American market is very important to us." The operator of ports from China to Russia and Peru isn't looking at buying assets in the U.S. where acquisition costs are "prohibitive" and can serve the market from other ports in the region, he said today in an interview during a conference in Lima. DP World isn't pursuing deals in Latin America, he said. The company based in Dubai increased container volumes at its more than 60 terminals by 7.5 percent in the first half, with its Asia Pacific and Indian subcontinent operations driving growth. While trade is growing in Latin America, Africa and Asia, the company is cutting costs in Europe, where trade is "stagnant," Bin Sulayem said. "I don't see a reduction in trade but I don't see growth," he said. "Europe will come back. When the boom comes again, we'll be ready for it."

Atlantic Nav joins SGX

(http://www.tradewindsnews.com/offshore/284363/atlantic-nav-joins-sgx)

Atlantic Navigation has become the latest offshore vessel operator to list on the Singapore Stock Exchange (SGX). Its shares have been listed on the sponsor-supervised listing board Catalist, which is modeled on the London Stock Exchange's Alternative Investment Market (AIM). Catalist is designed to act as a fund raising platform for fast-growing companies and has been used by a number of offshore companies. The Dubai-based company, which has a fleet of thirteen ships, has gone public via a reverse takeover of Fastube, a loss-making Chinese steel piping solutions provider. As part of the exercise, Fastube was renamed as Atlantic Navigation and placed out 17m new shares at SGD0.64 each, raising SGD10.9m ($13.3m). Atlantic, which was set up in 1997, intends to use net proceeds from the fund raising to expand its fleet and for general working capital. It provides marine logistics services, ship repair and maintenance services to the marine and oil and gas sector in the Middle East.