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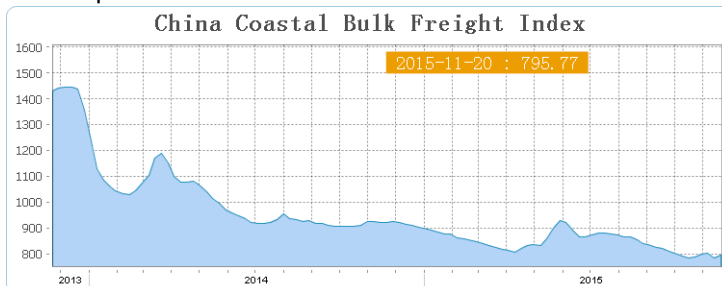
New York

Shanghai

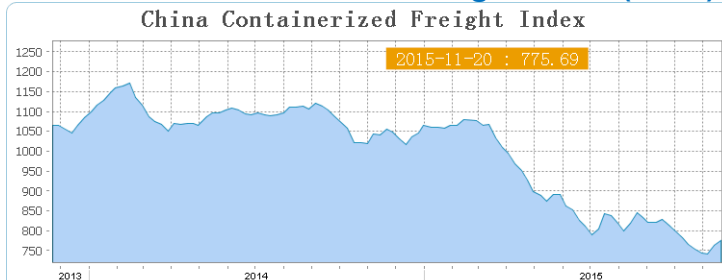
Freight Indices

• The China Coastal Bulk Freight Index (CBFI)

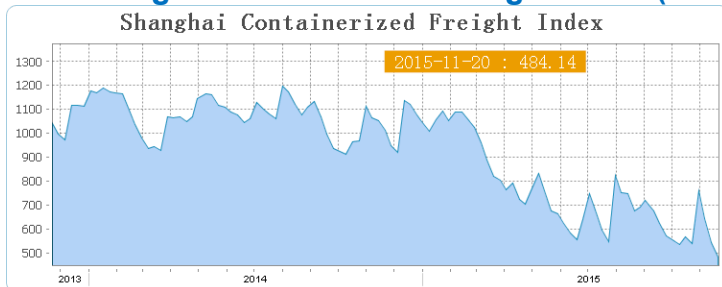
The last two weeks, metal ore decreased 7.63% to 632.09 points, coal rose 0.52% to 809.98 points, and grain reduced 2.46% to 596.41 points.



• The China Containerized Freight Index (CCFI)



• The Shanghai Containerized Freight Index (SCFI)



• Source: SSE

CHINA POLICY

China released the first white list for offshore shipyards. Seven state-owned yards, including CIMC Raffles, ZPMC, Cosco (Qidong) Offshore Engineering, Cosco Nantong Shipyard, Shanghai Waigaoqiao Shipbuilding, China Merchants Heavy Industry and Dalian Shipbuilding Industry Offshore won qualifications. They will enjoy favorable policies from government and banks. The government tries to use the list to optimize offshore building capacity and promote merger and acquisitions.

CHINA TRADE

- **China's fixed assets investment reaches RMB1.9trln (USD307bn) in the first ten months.** It approved 19 fixed asset projects including 2 transportation infrastructure projects in Oct..
- **China's industrial value-added output increased 5.6% y-o-y in Oct.** Its industrial value-added output in central China rose 7.7% y-o-y, with a 7.6% y-o-y expansion and 6.5% y-o-y increase in western China and eastern China.
- **China's outbound direct investment increased 14.3% y-o-y to USD 7.91bn in Oct.** In the first ten months, its ODI rose 16.3% y-o-y to USD 95.2bn.
- **China's PPI decreased 5.9% y-o-y in Oct.** Its prices in the mining sector and the ferrous metal materials/fuel sector dropped 20.8% y-o-y and 12.4% y-o-y, respectively.
- **China's CPI increased 1.3% y-o-y in Oct.** In the first ten months, its CPI rose 1.4% y-o-y. Its CPI in urban and rural areas expanded 1.3% y-o-y and 1.2% y-o-y, respectively.
- **China's railway cargo throughput decreased 16.3% y-o-y to 280m tons in Oct.** In the first ten months, its railway cargo throughput was 2.8 bn tons, down 11.9% y-o-y.
- **China's steel output increased 4.1% y-o-y to 65.29m tons in Oct.** Its crude steel output hit 50.30m tons, down 3.8% y-o-y. In first ten months, crude steel output totals 525.1m tons.
- **China imported 5.53m tons of soybean in Oct, decreased 23.83% m-o-m.** In the first ten months, its soybean imports increased 14.7% y-o-y to 65.18m tons. The import value totaled USD 28.31bn, down 14.4% y-o-y.
- **China imported 75.52m tons of iron ore in Oct, decreased 12.31% m-o-m.** In the first ten months, its iron ore imports dropped 0.5% y-o-y to 774.51m tons. The import value totaled USD 47.98bn, down 41.2% y-o-y.
- **China imported 13.96m tons of coal in Oct, decreased 21.44% m-o-m.** In the first ten months, its coal imports dropped 29.9% y-o-y to 170.31m tons. The import value totaled USD 10.36bn, down 45% y-o-y.
- **China imported 4.94m cu.m of log in Oct, decreased 15.41% m-o-m.** In the first ten months, its log imports dropped 8.3% y-o-y to 59m cu.m. The import value totaled USD 13.12bn, down 22% y-o-y.
- **China exported 9.02m tons of steel in Oct, decreased 19.82% m-o-m.** In the first ten months, its steel exports increased 24.7% y-o-y to 92.14m tons. The export value totaled USD 53.33bn, down 6.9% y-o-y.

• Ship Finance

• Newbuilding

• S&P

• Demolition

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CHINA SHIPPING FINANCE

- **Cosco Shipyard secured RMB20bn (USD3.23bn) financing from China Development Bank.** It will be disbursed over the next five years. These financing involves investments, bonds, leasing, securities and other financial products in the partnership. The loan of USD160m will be used to boost the liquidity of its Dalian-based shipyard.
- **German F.Laeisz signed a financing agreement with ICBC to support its newbuilding projects in China.** ICBC will provide USD65m buyer's credit financing for its two car carriers under construction at Cosco Dalian Shipyard.
- **China Merchants Group and Cosco Group completed acquisition of Kumport container Terminal in Turkey.** Cosco Pacific, a JV established by the two groups, will acquire about 65.8% equity shares in Kumport for USD939m. They believe in potential synergy between Kumport Terminal and its existing investment in Piraeus Container Terminal.
- **Peacebird Co. plans to acquire 100% stake of Yiyang Zhonghai Shipyard.** Peacebird is a public listed company focus on small yacht design, production and sale. The acquisition of Yiyang shipyard will helps its business development in steel vessel production. Peacebird intends to issue 14.04m shares to raise RMB170m(USD27.47m).
- **China Merchants Group might fully acquire Sinotrans & CSC and its subsidiaries.** Three listed subsidiaries of Sinotrans & CSC Group received a notice from the parent group that it is currently working on a potential restructuring deal and the controller of the group might be changed from the restructuring.
- **Wanjiang Logistics made false transactions with a number of metal traders in 2012 and 2013 adding false revenues of RMB9.2bn(USD1.49bn) in total.** It's a public listed company in Shanghai Stock Exchange, previously Wuhu Port group. The profits from the false transactions accounted for 51.36% and 64.64% of the company's annual profits in 2012 and 2013 respectively.
- **Courage Marine will issue 21,176,000 shares to raise about to HK84.7m(USD10.93m) to improve its financial strength.** The price is HK4(USD0.52) per share, about 17.53% discount compared with the latest closing price.

CHINA SHIPBUILDING

- **Taizhou Kouan Shipbuilding signed shipbuilding contracts for four 1,000teu container ships with Ningbo Ocean Shipping Company(NOSCO).** The vessels will be classified by CCS. The first one will be delivered in March 2017.NOSCO currently operates a fleet of 42 vessels with total capacity of 410,000dwt.
- **Jiangsu New Yangzijiang Shipbuilding inked contracts of two 1,688teu Bangkokmax container ships with Thailand RCL.** It has overall length of 172.2m, which is the maximum length allowed by Chao Praya River. The vessels will be delivered later 2017 for price of USD23m each. This is RCL's NB order since 2007 at Korean Dae sun.
- **Jiangsu New Hantong Ship Heavy Industry acquired shipbuilding orders of three 74,000dwt tankers from European Conti Co.** The vessels will be scheduled for delivery from Q4 of 2017. It will be designed by SDARI and meet HCSR regulation.
- **CSSC Huangpu Wenchong Shipyard signed shipbuilding contracts for three 4700dwt tugs with Guangzhou Salvage Bureau.** It has design length of 89.3m, design width of 19m, design depth of 9m, speed of 14 knots, cruising radius of 10,000 nautical miles, self-supportability of 45 days and capacity of 45 staffs.
- **Hubei Huahai shipyard inked contracts to build three 6,600dwt Eco general cargo vessel with New Nas(Hong Kong) International Ship Management Co.** It has LOA of 99.9m, design width of 16m, draft of 6.2m, fuel consumption of 3 tons at speed of 10.2 knot .The vessels will be delivered at the end of 2016.
- **Taizhou Kouan Shipbuilding signed shipbuilding contracts for two plus two product oil/ chemical tankers.** It has LOA of 156.5m, design width of 23.8m, depth of 13.8m, draft of 9.5m. The vessels are classed by DNV-GL. The first vessel will be scheduled for delivery in Feb. 2018.

CHINA SHIPOWNER

- **Sinotrans & CSC-affiliated Nanjing Tanker signed a cooperation agreement with China Huadian Green Energy Co. for LNG business development.** The cooperation will involve various areas in the LNG sector, including LNG terminal development, LNG shipping, LNG carrier construction and repair, Yangtze River and onshore LNG bunkering.
- **Taiwan TVL ordered two 1800teu feeder container ships at Korea Dae Sun shipyard.** The vessels will be scheduled for delivery in H1 of 2017. The price is around USD 25m.
- **Guangxi Xin Min Hang Shipping suspended its operations and struggled for restructure.** It is a Chinese domestic container shipping company owning 23 vessels. It recently cancelled a 15,000dwt newbuild vessel at Taizhou Shipyard due to its inability to make a payment.
- **Cosco Container Lines launched the new sailing, combining ANW1 and AAE1.** ANW1 will provide the container line route service between Southeast Asia or Northeast Asia to West Asia. AAE1 will provide the container line route service between Southeast Asia, Northeast Asia to East US.
- **HNA Group's subsidiary HNA Cruises will quit the cruise market.** Its only one cruise "Henna" will be listed for sale after the last voyage to Japan. Henna was built in 1986 and has deadweight of 47,700 tons.
- **Yang Ming Marine inked memorandum of understanding (MOU) with China Airlines.** They will establish strategic alliances in freight and passenger transport and electronic commerce field.

NEWBUILDING

Type	Dwt/Unit		Quantity		Price (\$m)	Owner/Manager
LPG		38,000cbm	1	Hyundai Mipo	23	Navigator
Container		1,800teu	2	Daesun	25	TVL
Container		1,668teu	2+2	Jiangsu New YZJ	23	RCL
Tanker	115,000		1	SWS	50	Eletson Corp

SECOND HAND S&P

Vessel Type		Vessel name	Dwt/Unit	Blt.	Yard	Price (\$m)
Tanker	IMO II/III	DONG-A TRITON*	50,000	2016	Hyundai	35
Tanker	Coated	RAINBOW QUEST	47,221	1999	Onomichi	10
Tanker	IMO III	COSMIC JEWEL	300,955	1997	Mitsubishi	30
Tanker	IMO II/III	GREEN OAK	13,044	2008	21st Century	12.5
Tanker		EXPLORER	105,715	1999	Namura	15.75
Tanker	IMO II/III	ARDMORE CALYPSO*	17,589	2010	Samho	19
Bulk	4x35t cr.	EGS WAVE*	35,921	2011	Hyundai Mipo	10.3
Bulk	4x30.5t cr.	DAUNTLESS	28,473	2002	Imabari	6
Bulk	3x30.5t cr.	TEAMWORTH NO. 1*	22,733	2011	Jiangsu	6.7
Bulk		MARIA D	180,000	2015	Sungdong	38.5
Bulk		C PROSPERITY	175,611	2011	Nantong Rongsheng	23
Bulk		AURORA VENUS	180,274	2009	KOYO	26
Bulk		NISSHIN TRADER	172,517	2001	NKK	9.25
Bulk		TIARE	83,688	2009	Sanoyas	14.8
Bulk		BRUNHILDE SALAMON	75,940	2001	Kanasashi	5.1
Bulk	4x30t cr.	STAR AQUARIUS	60,916	2015	Japan Marine	23
Bulk	4x30t cr.	BYRON*	51,201	2003	New Century	6.5
Bulk	4x30t cr.	GREAT DREAM	33,745	2004	Oshima	7.3

DEMOLITION

Type	Vessel Name	Blt	Dwt	Ldt	Buyer	\$/ldt
Bulk	MV Anangel Ambition	1991	161,526	19,215	as is Singapore	307
Container	Marinos	1993	23,571	6,735		332
Bulk	Ville d'Orion	1997	49,208	15,600	INDIA	328
Bulk	MV Giovanmni	1996	72,394	10,741	PAKISTAN	330
Bulk	MV New castle Max	1997	73,789	9,311	TURKEY	318

* En Bloc Sales, with average price listed under one