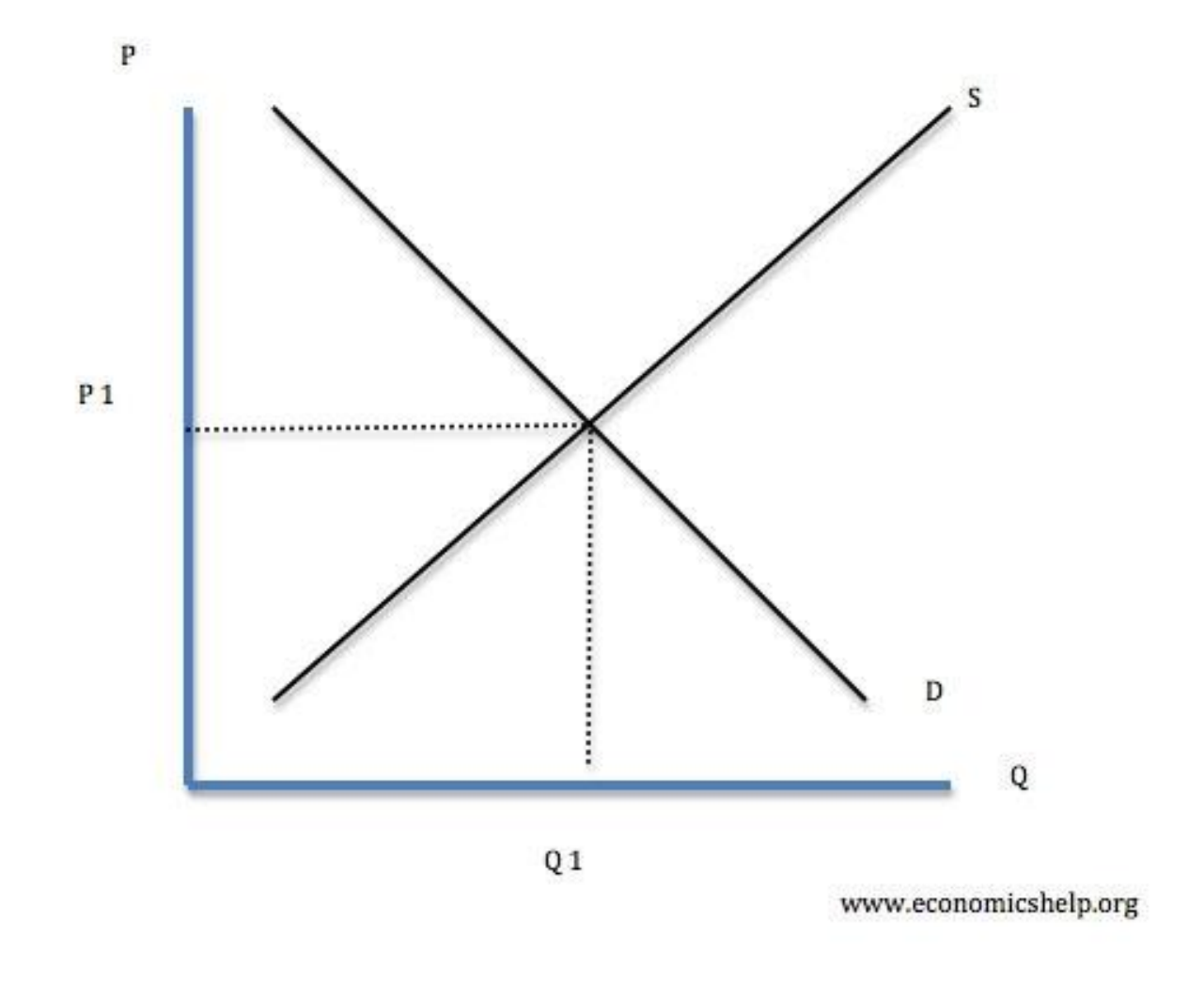
Simon Ward

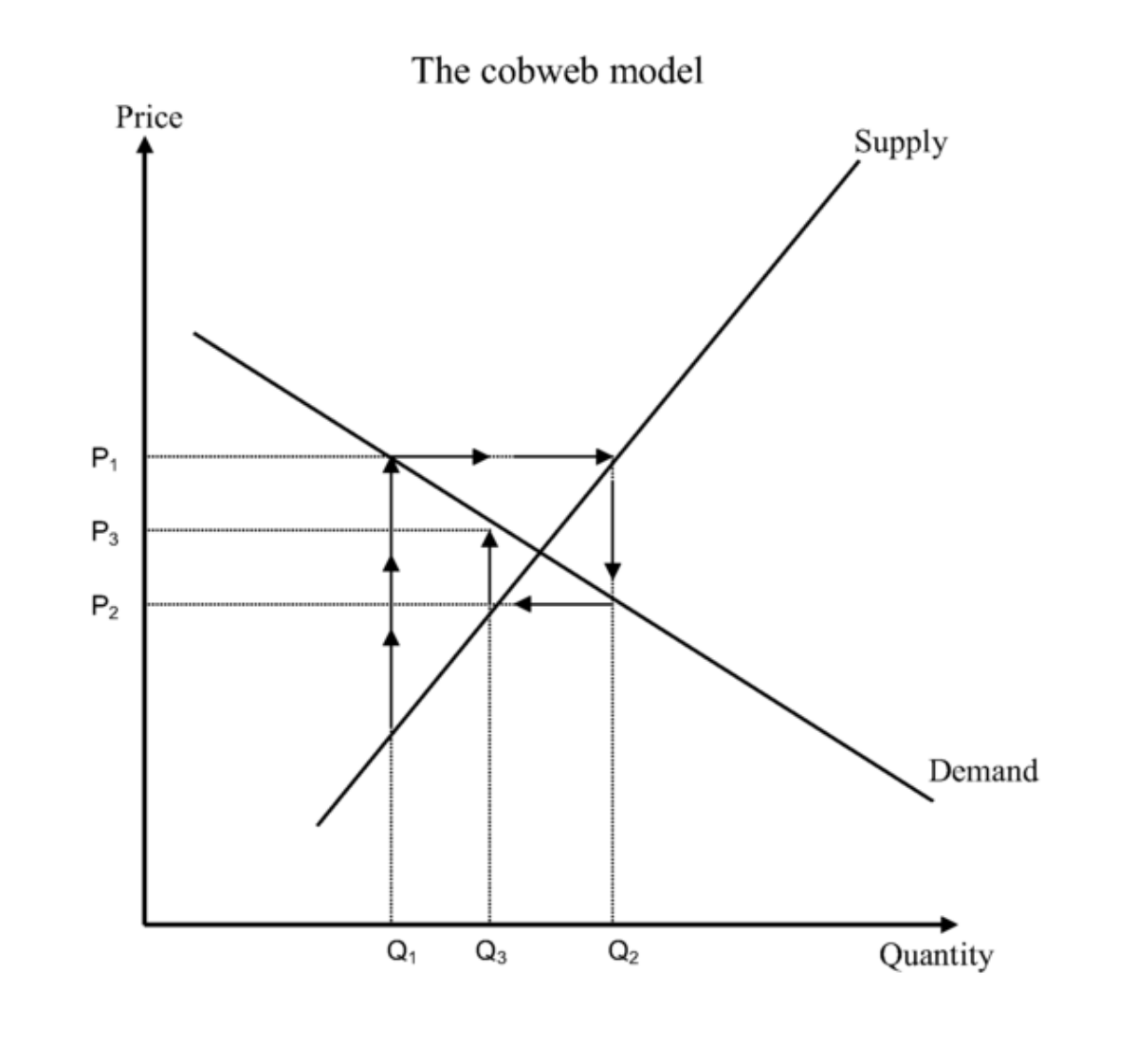
Ursa Shipbrokers

Ship Sale and Purchase: The Real Futures Market

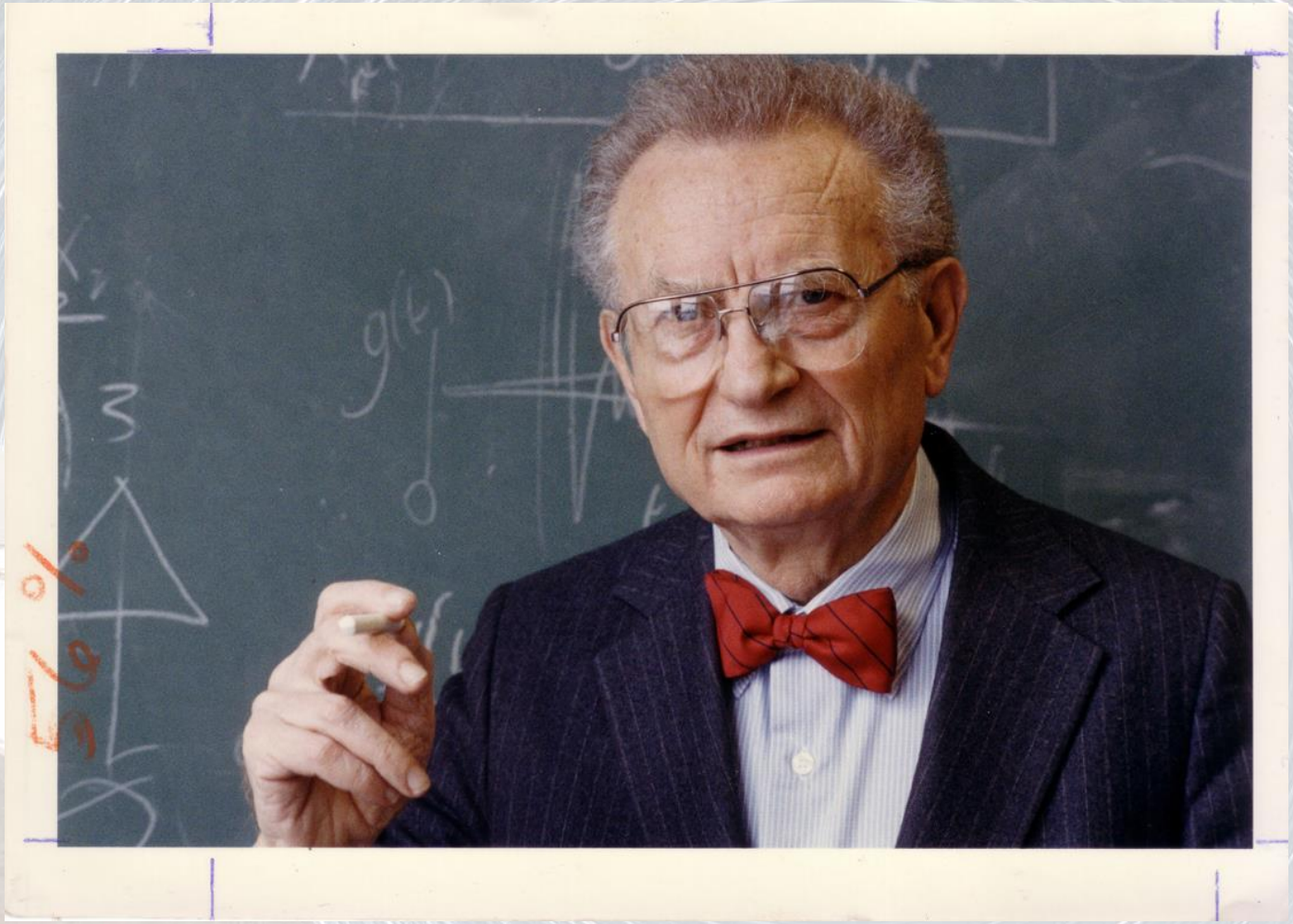
Supply and Demand



The cobweb Model



Paul A Samuelson



Efficient Market Hypothesis

$$R = \frac{P_{t+1} - P_t + C}{P_t} \quad (7) \qquad R^e = \frac{P_{t+1}^e - P_t + C}{P_t}$$

- Expectations equal to optimal forecasts implies

$$P_{t+1}^{\mathrm{e}} = P_{t+1}^{\mathrm{of}} \Rightarrow R^{\mathrm{e}} = R^{\mathrm{of}} \quad (8)$$

Market equilibrium

$$R^{\mathrm{e}} = R^{*} \quad (9)$$

Put (8) and (9) together: ***efficient market hypothesis***

$$R^{\mathrm{of}} = R^{*} \quad (10)$$

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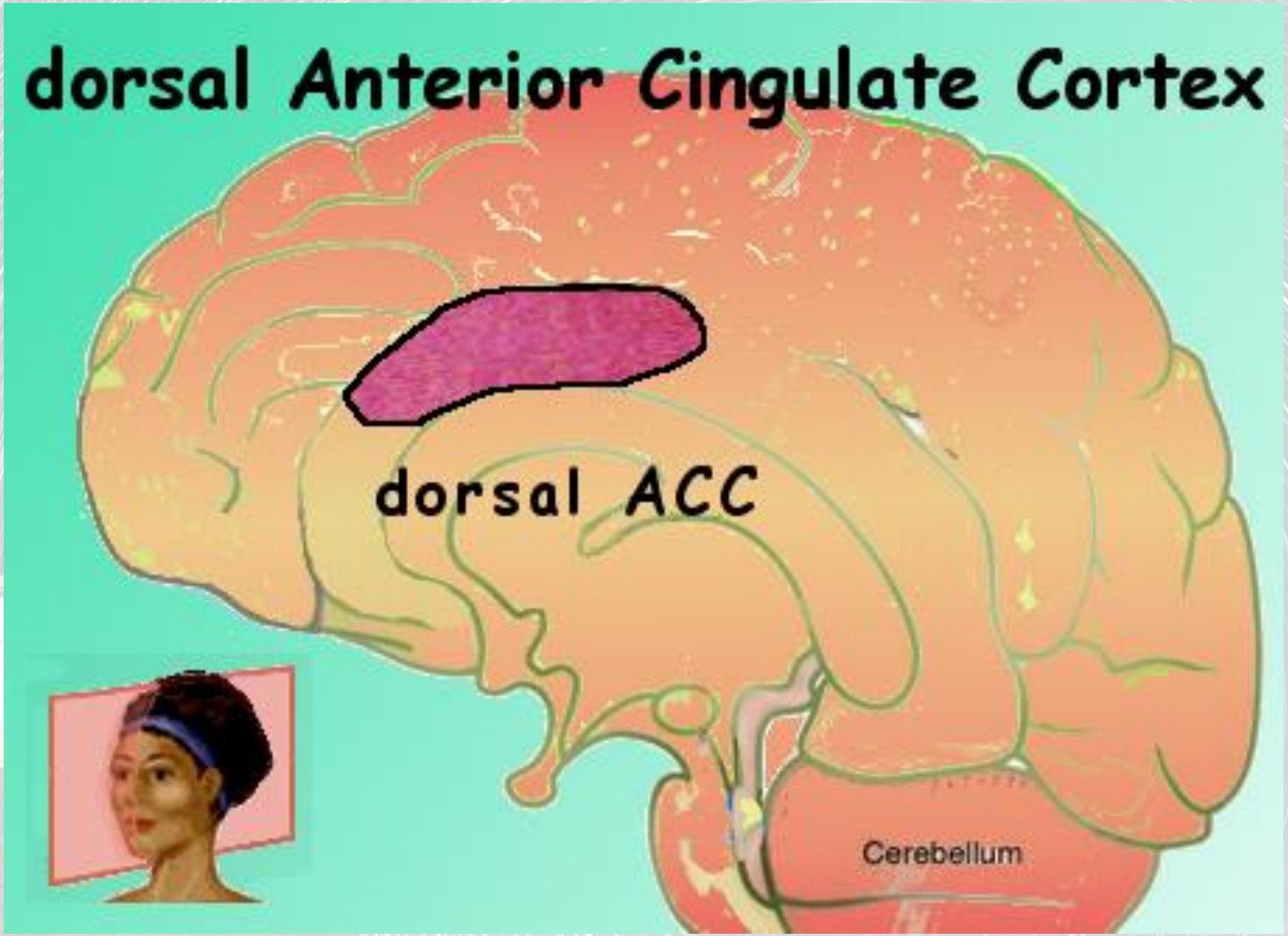
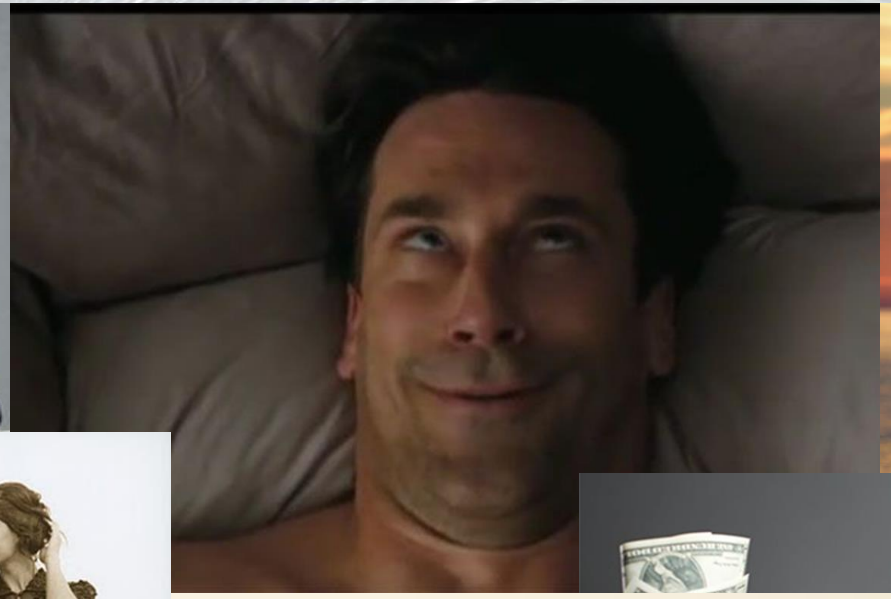
The Wisdom of Crowds

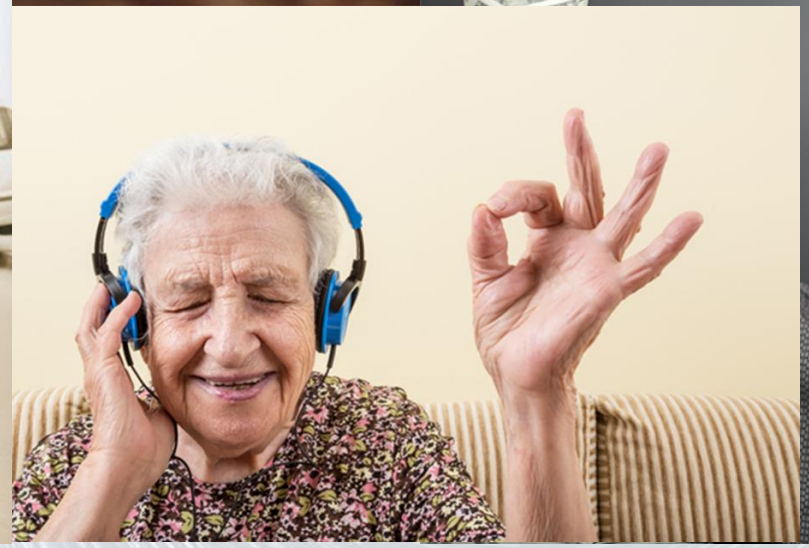
FEAR

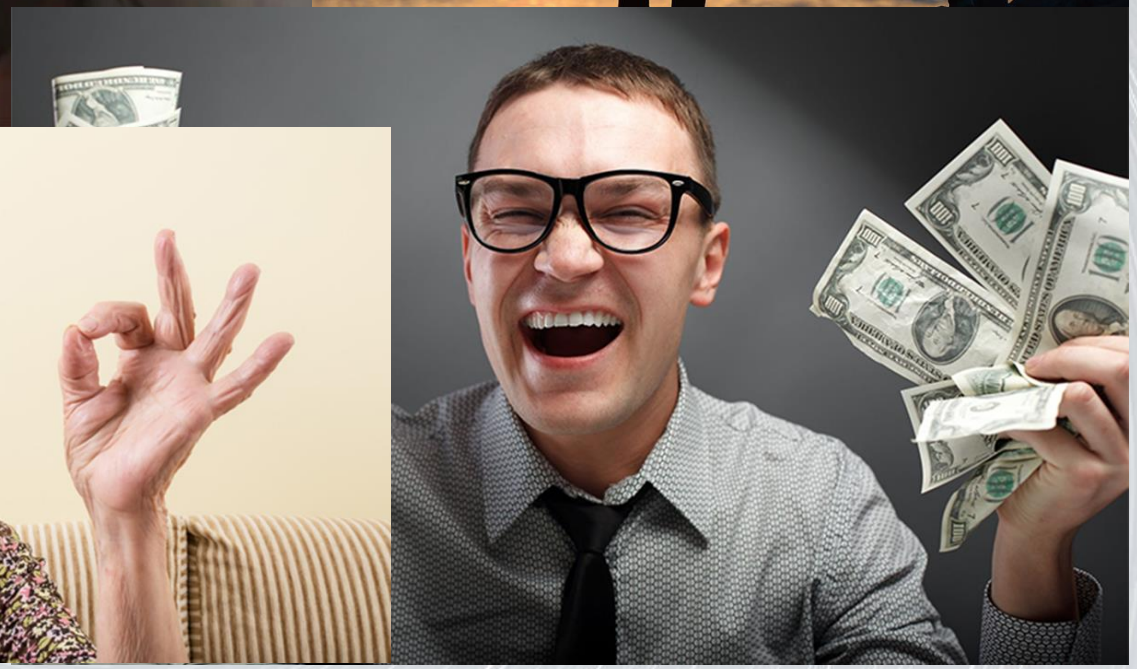
PAIN

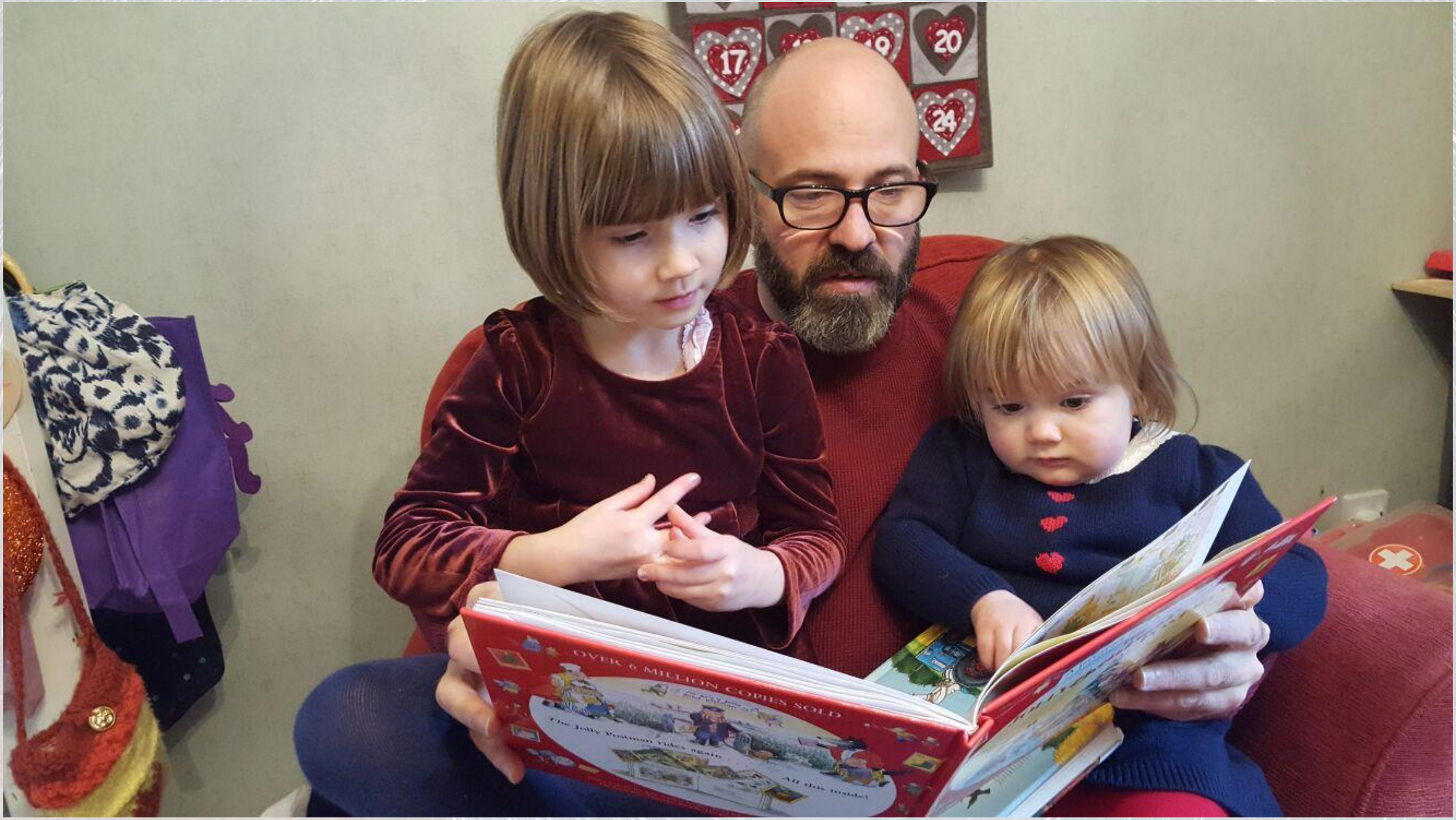

dorsal Anterior Cingulate Cortex
dorsal ACC
Cerebellum

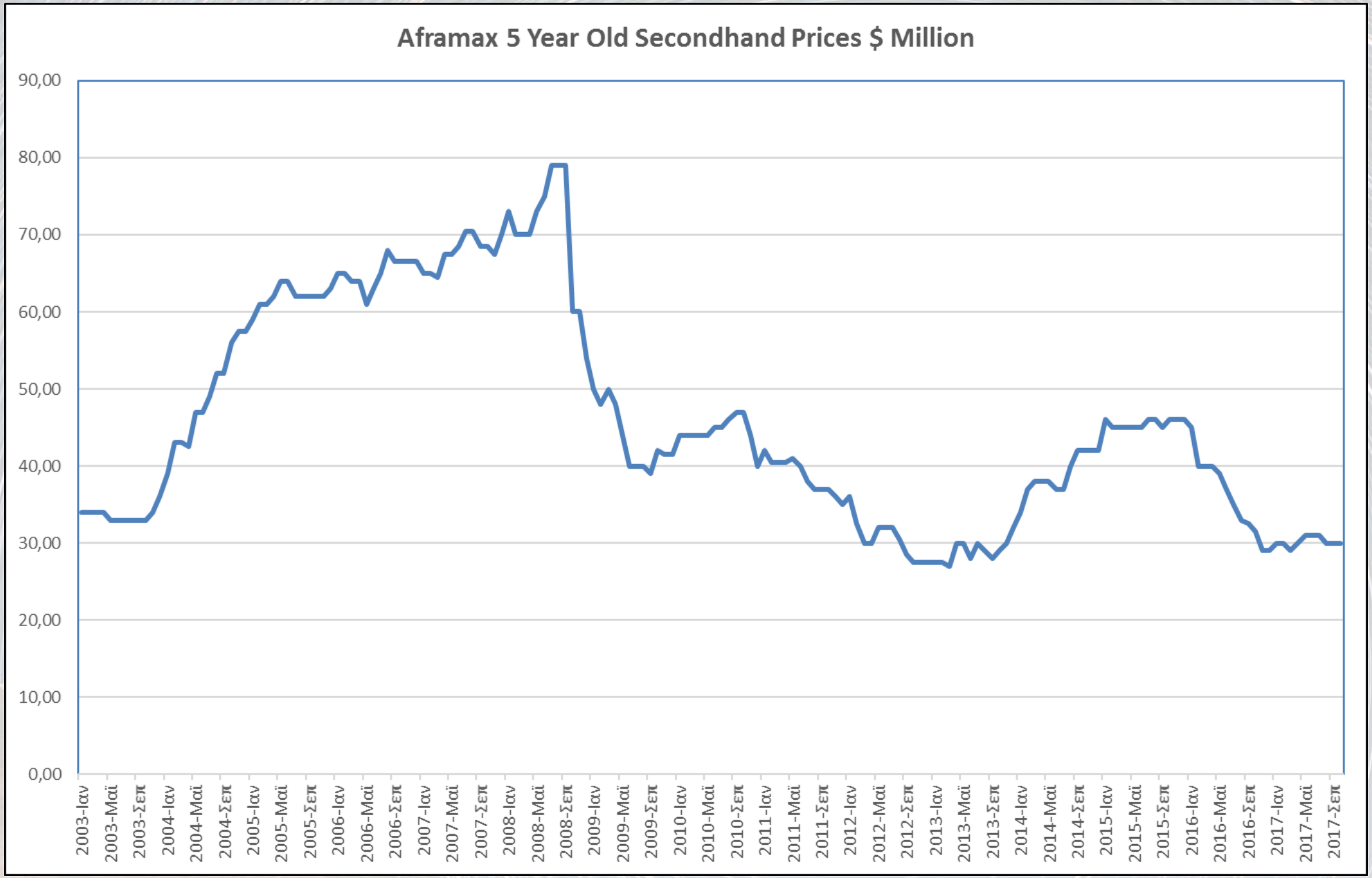
PLEASURE








17
20
24
OVER 6 MILLION COPIES SOLD


Aframax 5 Year Old Secondhand Prices $ Million
90,00
80,00
70,00
60,00
50,00
40,00
30,00
20,00
10,00
0,00
2003-Ιαν
2003-Μαϊ
2003-Σεπ
2004-Ιαν
2004-Μαϊ
2004-Σεπ
2005-Ιαν
2005-Μαϊ
2005-Σεπ
2006-Ιαν
2006-Μαϊ
2006-Σεπ
2007-Ιαν
2007-Μαϊ
2007-Σεπ
2008-Ιαν
2008-Μαϊ
2008-Σεπ
2009-Ιαν
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2009-Σεπ
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2010-Σεπ
2011-Ιαν
2011-Μαϊ
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2012-Ιαν
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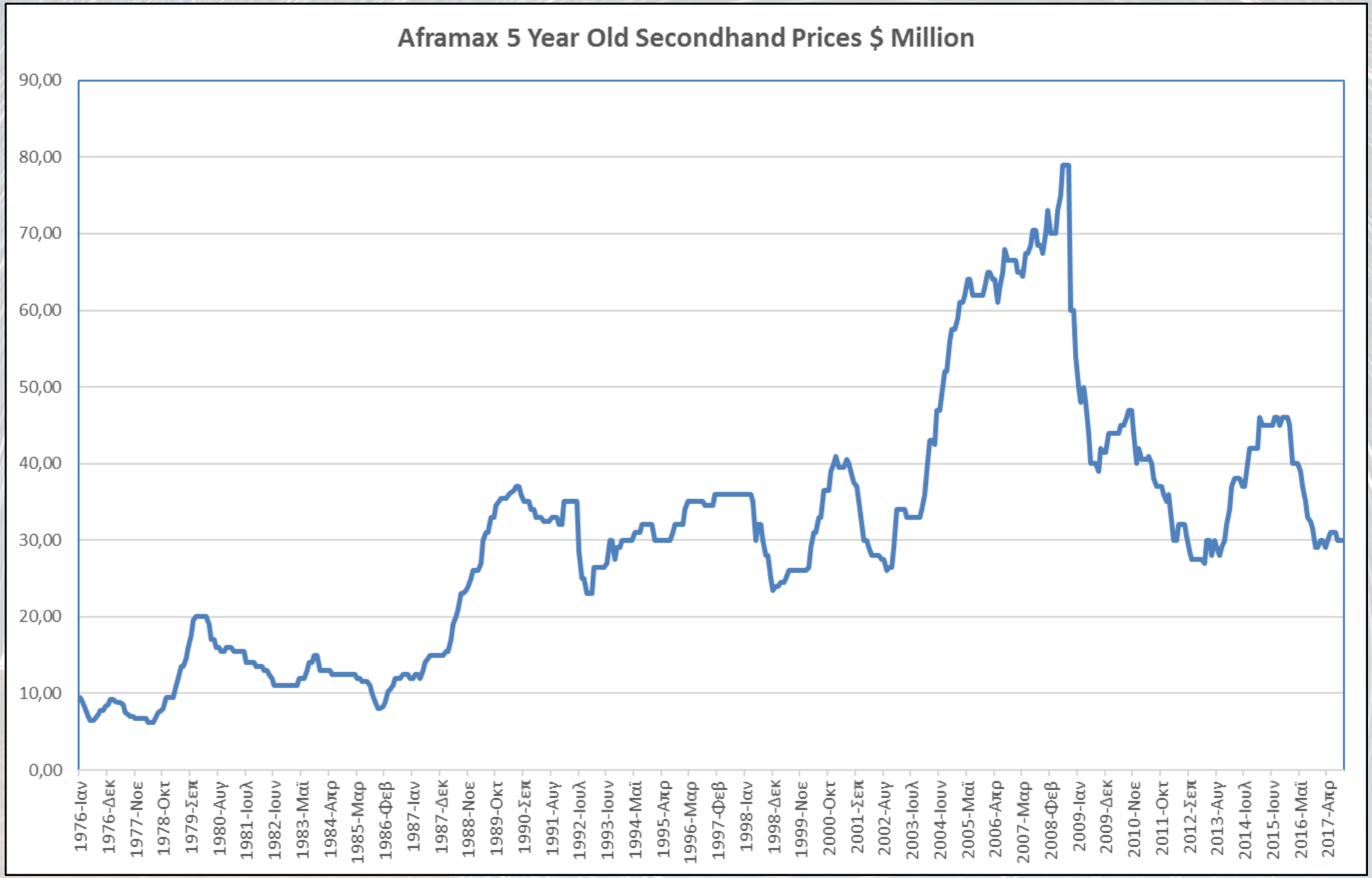
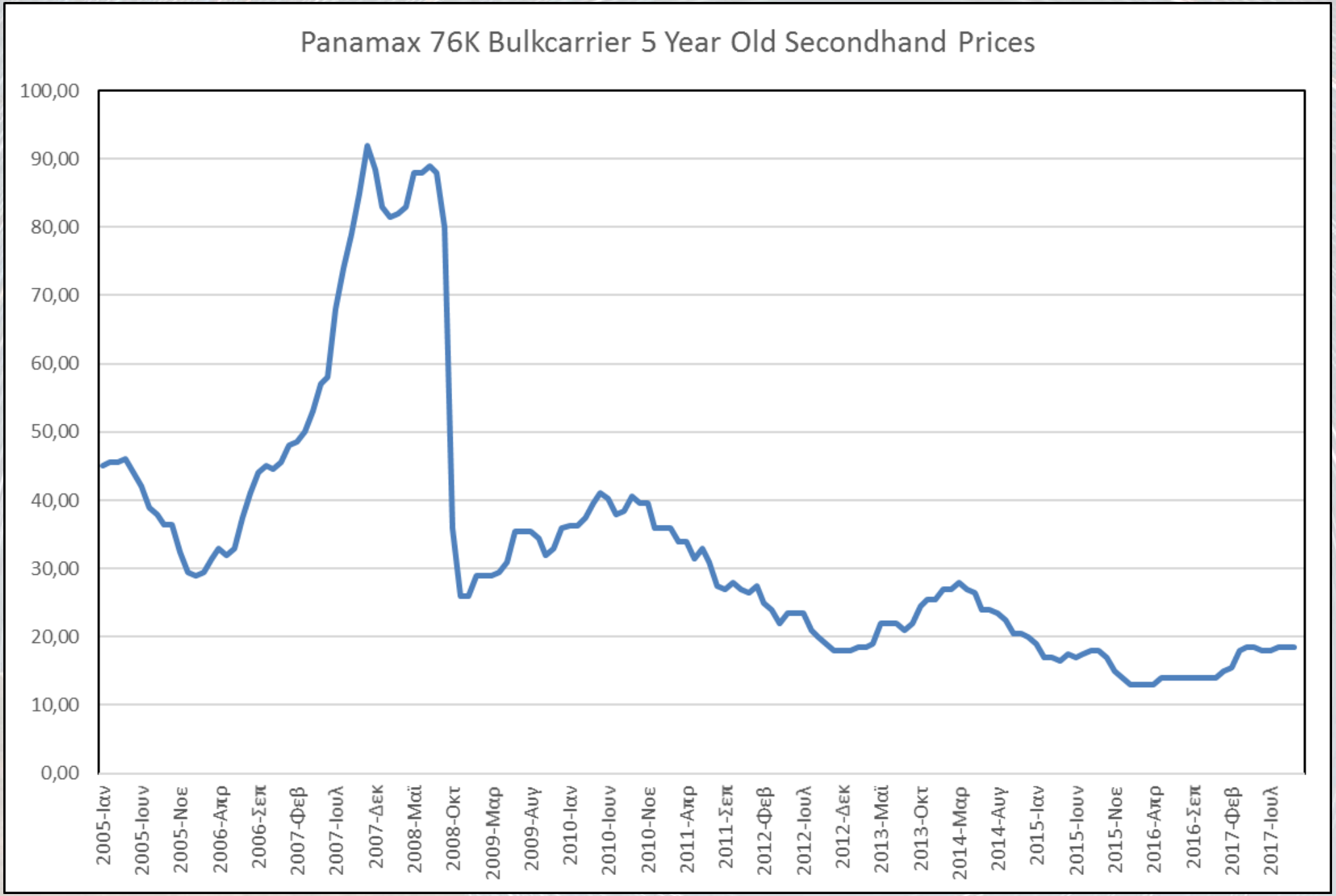
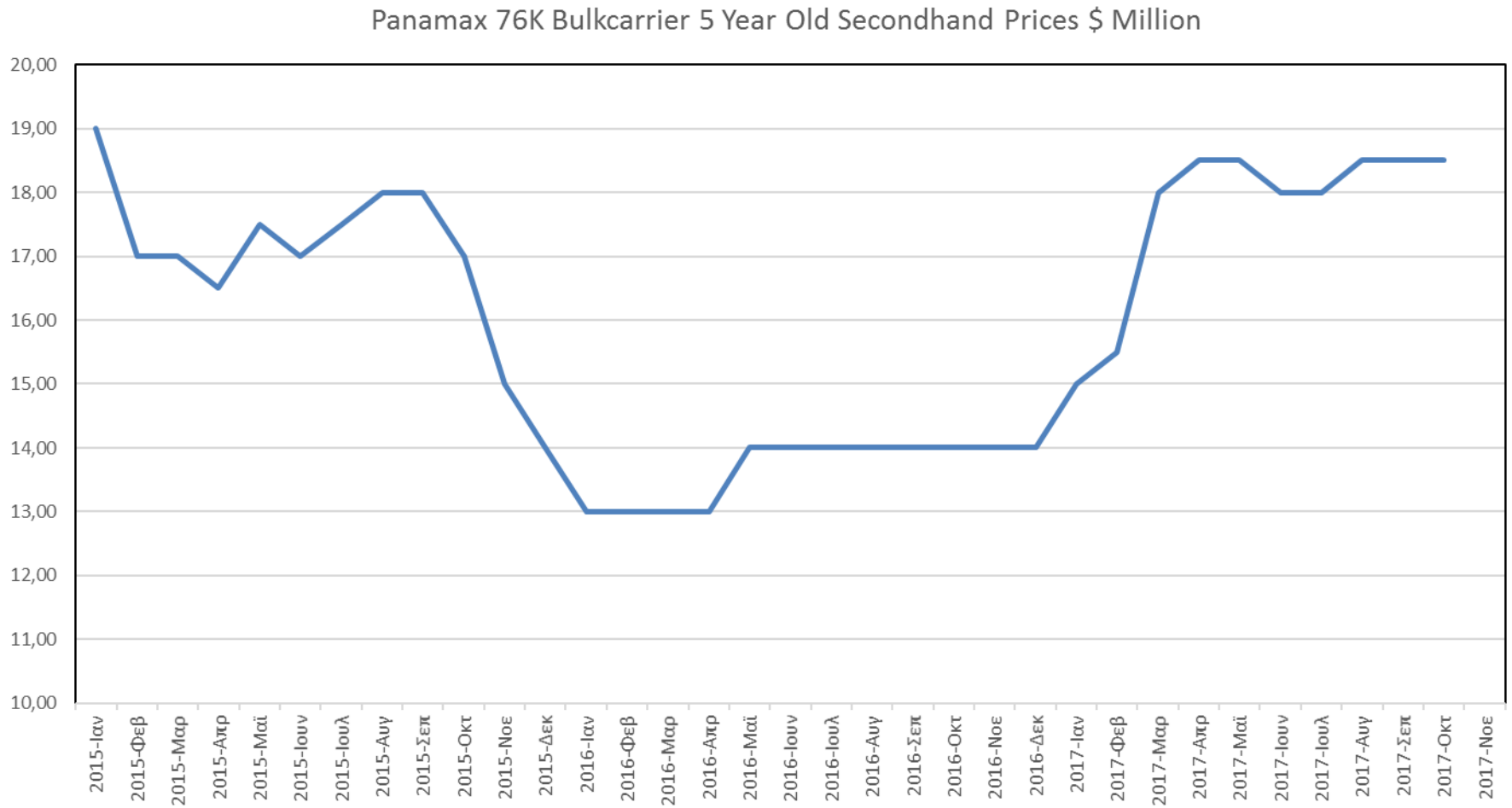
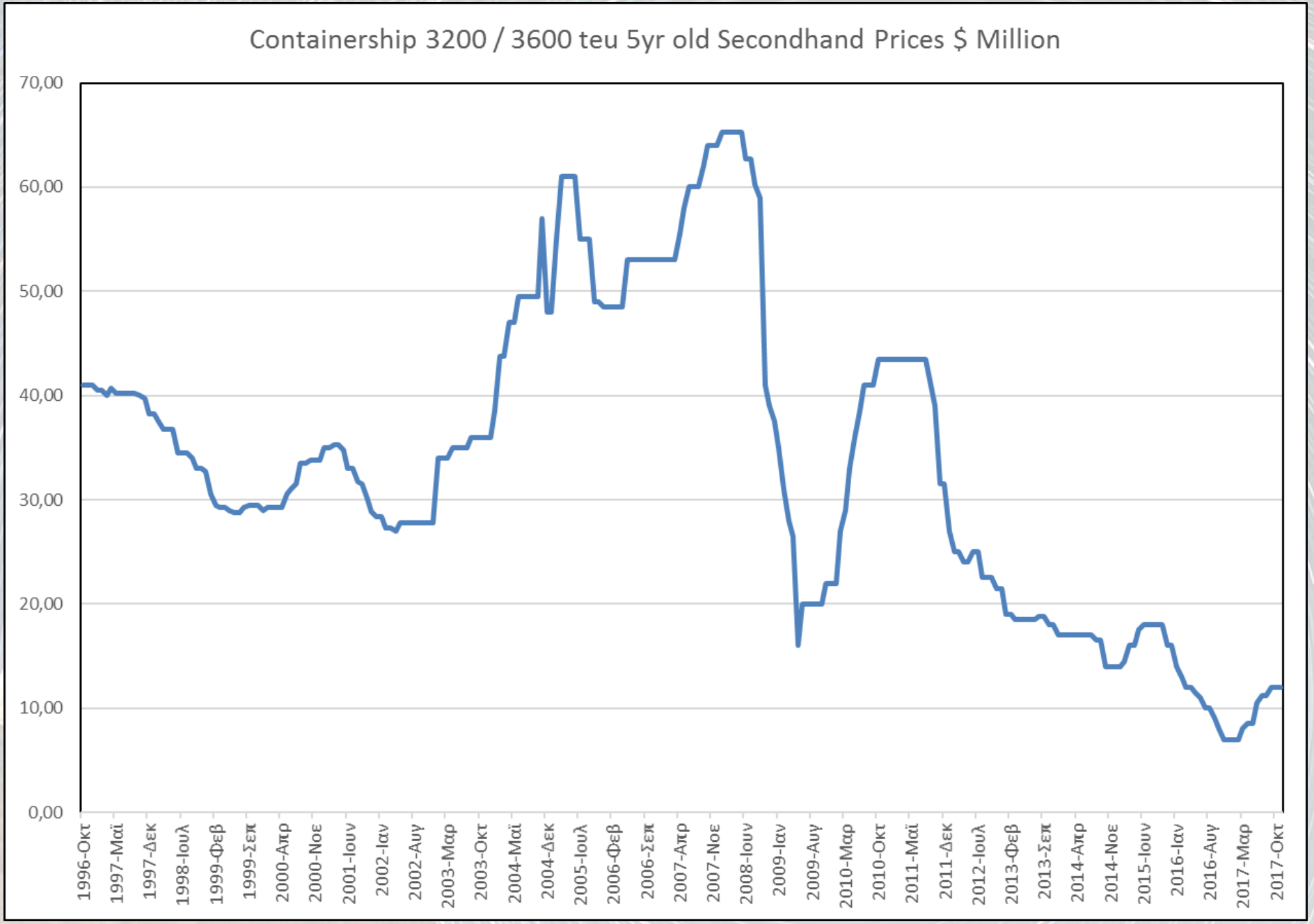
2012-Σεπ
2013-Ιαν
2013-Μαϊ
2013-Σεπ
2014-Ιαν
2014-Μαϊ
2014-Σεπ
2015-Ιαν
2015-Μαϊ
2015-Σεπ
2016-Ιαν
2016-Μαϊ
2016-Σεπ
2017-Ιαν
2017-Μαϊ
2017-Σεπ


Aframax 5 Year Old Secondhand Prices $ Million
90,00
80,00
70,00
60,00
50,00
40,00
30,00
20,00
10,00
0,00
1976-Ιαν
1976-Δεκ
1977-Νοε
1978-Οκτ
1979-Σεπ
1980-Αυγ
1981-Ιουλ
1982-Ιουν
1983-Μαϊ
1984-Απρ
1985-Μαρ
1986-Φεβ
1987-Ιαν
1987-Δεκ
1988-Νοε
1989-Οκτ
1990-Σεπ
1991-Αυγ
1992-Ιουλ
1993-Ιουν
1994-Μαϊ
1995-Απρ
1996-Μαρ
1997-Φεβ
1998-Ιαν
1998-Δεκ
1999-Νοε
2000-Οκτ
2001-Σεπ
2002-Αυγ
2003-Ιουλ
2004-Ιουν
2005-Μαϊ
2006-Απρ
2007-Μαρ
2008-Φεβ
2009-Ιαν
2009-Δεκ
2010-Νοε
2011-Οκτ
2012-Σεπ
2013-Αυγ
2014-Ιουλ
2015-Ιουν
2016-Μαϊ
2017-Απρ


Panamax 76K Bulkcarrier 5 Year Old Secondhand Prices
100,00
90,00
80,00
70,00
60,00
50,00
40,00
30,00
20,00
10,00
0,00
2005-Ιαν
2005-Ιουν
2005-Νοε
2006-Απρ
2006-Σεπ
2007-Φεβ
2007-Ιουλ
2007-Δεκ
2008-Μαϊ
2008-Οκτ
2009-Μαρ
2009-Αυγ
2010-Ιαν
2010-Ιουν
2010-Νοε
2011-Απρ
2011-Σεπ
2012-Φεβ
2012-Ιουλ
2012-Δεκ
2013-Μαϊ
2013-Οκτ
2014-Μαρ
2014-Αυγ
2015-Ιαν
2015-Ιουν
2015-Νοε
2016-Απρ
2016-Σεπ
2017-Φεβ
2017-Ιουλ


Panamax 76K Bulkcarrier 5 Year Old Secondhand Prices $ Million
20,00
19,00
18,00
17,00
16,00
15,00
14,00
13,00
12,00
11,00
10,00
2015-Ιαν
2015-Φεβ
2015-Μαρ
2015-Απρ
2015-Μαϊ
2015-Ιουν
2015-Ιουλ
2015-Αυγ
2015-Σεπ
2015-Οκτ
2015-Νοε
2015-Δεκ
2016-Ιαν
2016-Φεβ
2016-Μαρ
2016-Απρ
2016-Μαϊ
2016-Ιουν
2016-Ιουλ
2016-Αυγ
2016-Σεπ
2016-Οκτ
2016-Νοε
2016-Δεκ
2017-Ιαν
2017-Φεβ
2017-Μαρ
2017-Απρ
2017-Μαϊ
2017-Ιουν
2017-Ιουλ
2017-Αυγ
2017-Σεπ
2017-Οκτ
2017-Νοε


Containership 3200 / 3600 teu 5yr old Secondhand Prices $ Million
70,00
60,00
50,00
40,00
30,00
20,00
10,00
0,00
1996-Οκτ
1997-Μαϊ
1997-Δεκ
1998-Ιουλ
1999-Φεβ
1999-Σεπ
2000-Απρ
2000-Νοε
2001-Ιουν
2002-Ιαν
2002-Αυγ
2003-Μαρ
2003-Οκτ
2004-Μαϊ
2004-Δεκ
2005-Ιουλ
2006-Φεβ
2006-Σεπ
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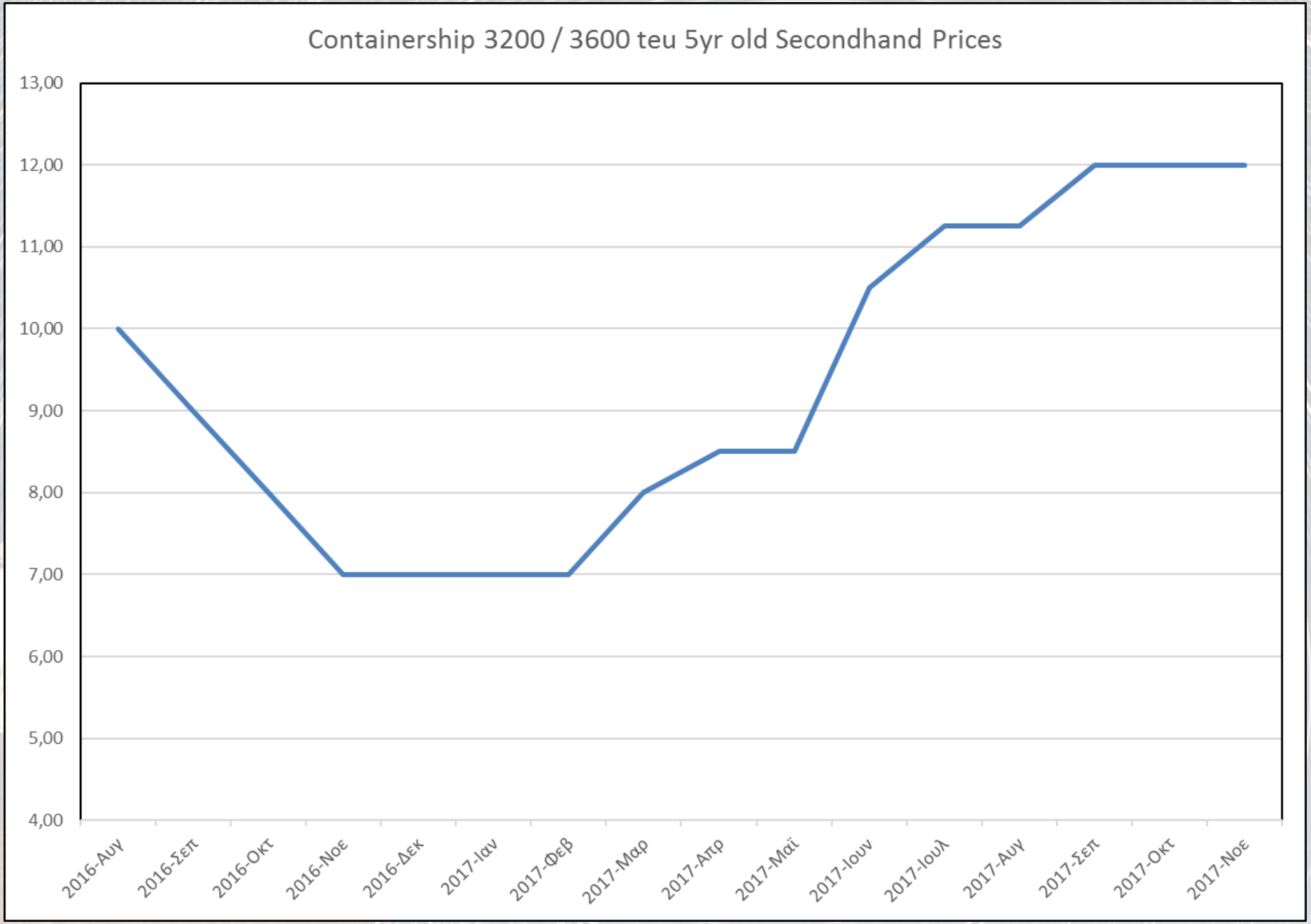
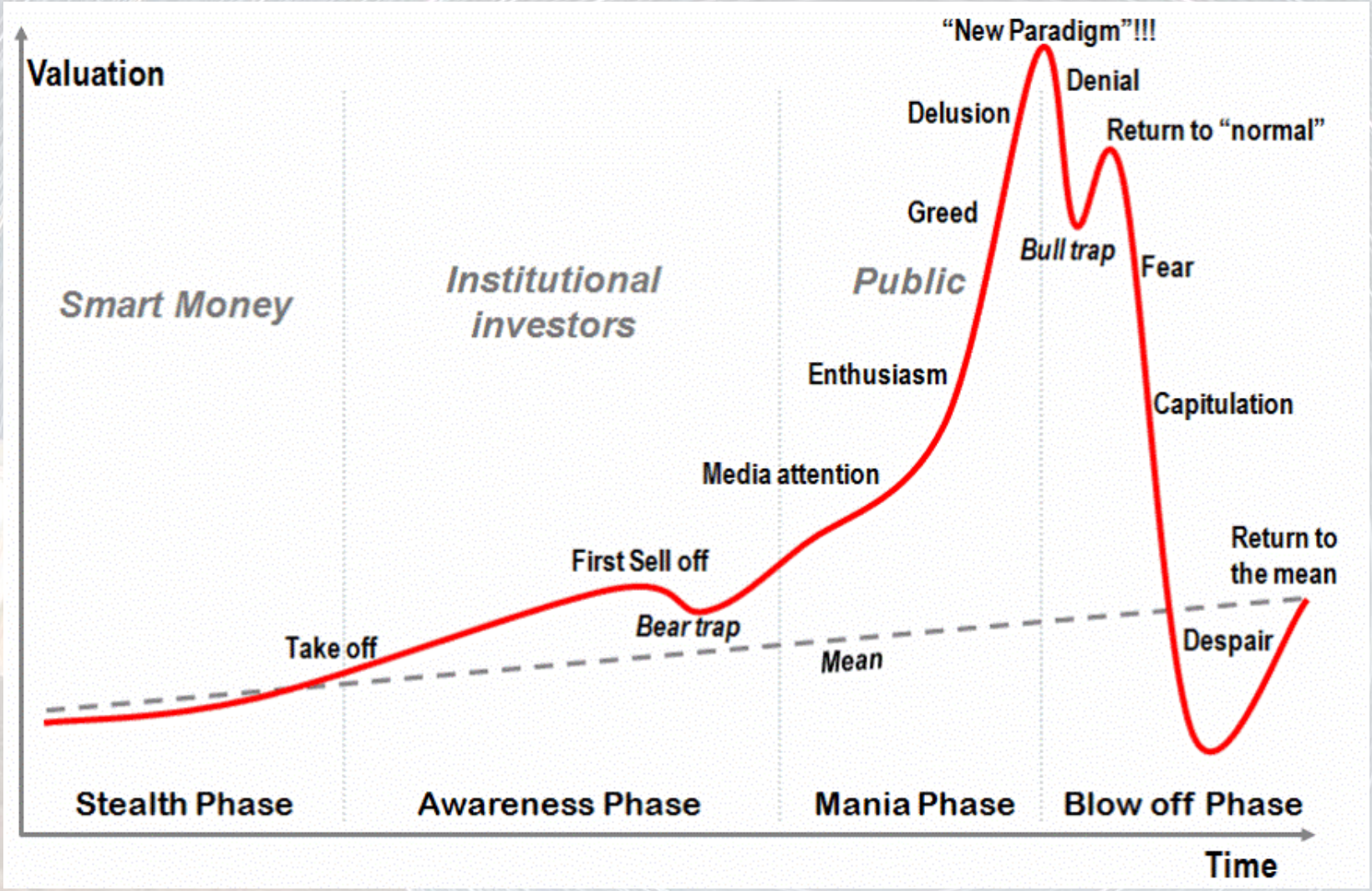
2011-Μαϊ
2011-Δεκ
2012-Ιουλ
2013-Φεβ
2013-Σεπ
2014-Απρ
2014-Νοε
2015-Ιουν
2016-Ιαν
2016-Αυγ
2017-Μαρ
2017-Οκτ


Containership 3200 / 3600 teu 5yr old Secondhand Prices
13,00
12,00
11,00
10,00
9,00
8,00
7,00
6,00
5,00
4,00
2016-Αυγ
2016-Σεπ
2016-Οκτ
2016-Νοε
2016-Δεκ
2017-Ιαν
2017-Φεβ
2017-Μαρ
2017-Απρ
2017-Μαϊ
2017-Ιουν
2017-Ιουλ
2017-Αυγ
2017-Σεπ
2017-Οκτ
2017-Νοε

Jean-Paul Rodrigue



Howard Marks

"Seeds for a Boom":

- A benign environment
- A grain of truth
- Early success
- More money than ideas
- Willing suspension of disbelief
- Rejection of valuation norms
- The pursuit of the new
- The virtuous cycle
- Fear of missing out

John Boyd

"If it works, it is obsolete.

Yesterday's rules won't work today."

Orient, observe, decide, act

S&P market is the real futures market , combining:

- Health of the freight market, and future prospects
- Ship specification, age, etc
- Where and when the ship is being delivered
- Supply and demand of ships, both totally, and within the S&P market at the time
- Availability of finance
- Availability of cash
- Economic risks/prospects
- Political risks/prospects

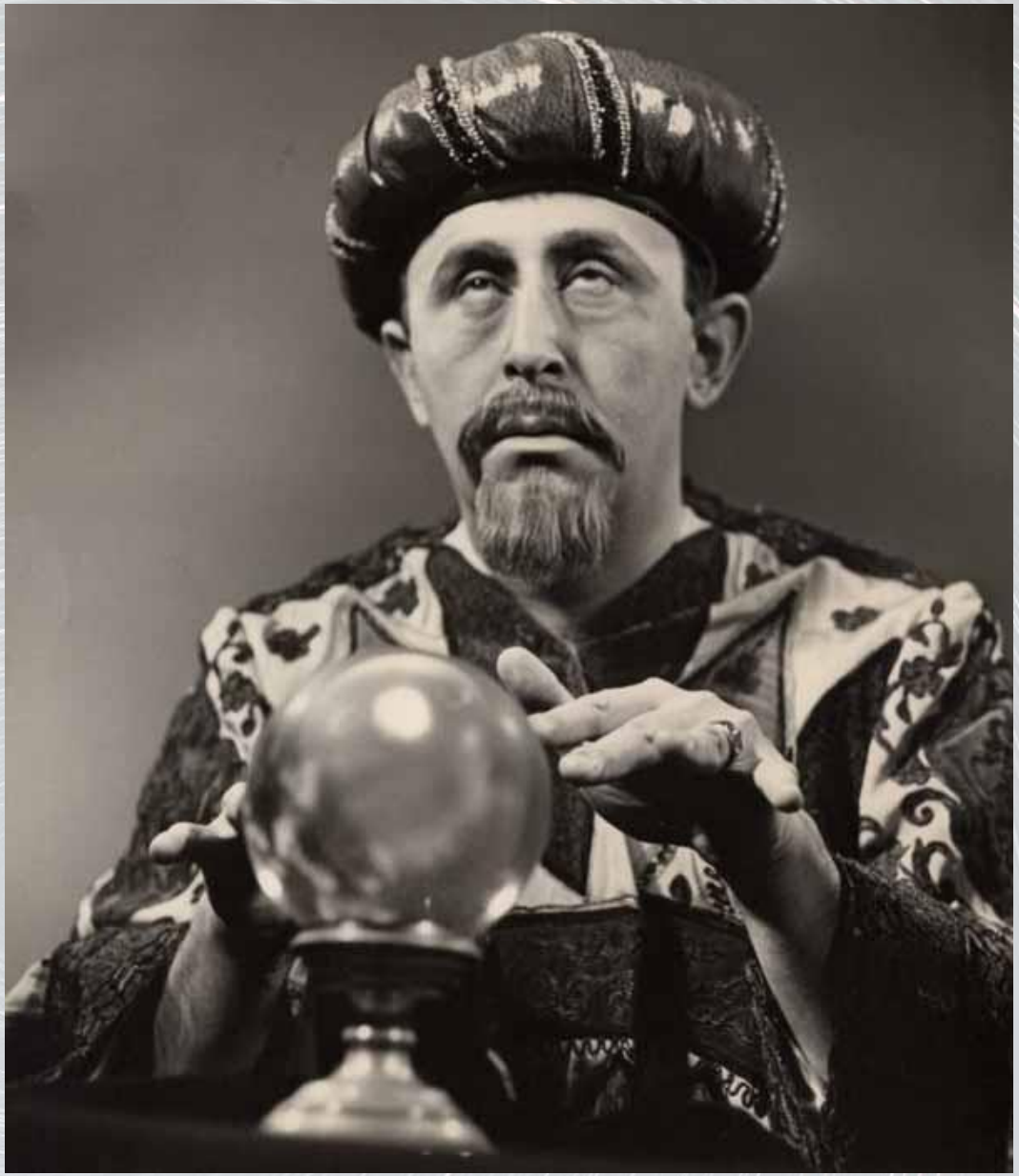
PREDICTIONS:

Dry: HOLD

Wet: BUY

Gas: BUY

Containers: SELL large, BUY (selectively) SMALL



Low Sulphur

“Life can only be understood backwards; but it must be lived forwards.”

Søren Kierkegaard

Good Luck!
Thank you