

Tomini eyes fat profit as it puts two more bulkers on the block

Dubai shipowner sheds older vessels ahead of delivery of newbuildings

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Dubai

Tomini Shipping wants to sell two of its older supramax bulkers.

The Dubai shipowner has placed the 57,000-dwt Tomini Ability and 56,700-dwt Tomini Infinity (both built 2010) on the sales block.

A sale would net Tomini a healthy profit, as both were acquired for \$7m each in late 2016. VesselsValue indicates that the Tomini Ability would be worth about \$10.7m today, while the Tomini Infinity could attract \$12.7m. Estimates from rival valuation service Maritime Strategies International are in the \$12.4m to \$14.3m range.

The duo is among seven bulkers that Tomini purchased in 2016, when prices were at rock-bottom levels. Since last year, it has been steadily selling them off at healthy profits.

Late last month, there were suggestions in shipbroking circles that the Tomini Ability was being sold to Chinese interests but TradeWinds understands that no deal was concluded.

The three vessels that have been confirmed as sold would have netted the company more than \$9m in profit, if prices reported by brokers at the time of their purchases and sales were correct.

Chief executive Nitin Mehta acknowledged that the company did well during the brief period it owned the ships. "We made some money out of trading them and have sold them at good profits," he told TradeWinds.

The sales proceeds will be used to part-finance the three ultramax



DRIVING FORCE: Tomini Shipping CEO Nitin Mehta at the wheel of a classic car owned by a Tomini subsidiary. Of the company's three latest confirmed ship sales, he said: 'We made some money out of trading them and have sold them at good profits' Photo: Jonathan Boonzaier

and three kamsarmax bulkers that the company ordered at Chinese yards last year. Tomini will start taking delivery of these at the beginning of next year.

It currently has 11 ships on the water, most of which are ultramax delivered from Chinese yards between 2015 and 2018.

Mehta said that while the dry bulk market has been doing well lately, the company is not in a buying frame of mind.

"Let's just say we are in a 'watch and wait' mood. We are waiting for six more ships to be delivered and

we are waiting to see what happens with the 2020 sulphur cap. While we are not saying no to any good deal that might come along, we are not actively looking," he said.

CONSIDERING SCRUBBERS

Tomini is considering putting scrubbers on its kamsarmax newbuildings but Mehta said it does not make economic sense to fit them on the supramaxes and ultramax until scrubber prices come down enough to justify their break-even costs.

Tomini, meanwhile, continues

to work on securing financing for its newbuildings.

"It is not a matter of finding financing, it is a matter of concentrating on the cost," Mehta said. "Now that we are established and [have] proven that we can run our ships well, we can bring down our financing costs."

"Banks are more willing to lend. We have been talking to a couple of European banks, a local UAE bank and a Chinese bank."

Privately owned Tomini's main shareholders are its chairman, Imtiaz Shaikh, and his family. The

company began more than 40 years ago as the shipping arm of the family's Pakistan-based cotton-trading business and has focused primarily on the dry cargo trades.

A subsidiary specialises in rare vintage cars, which can at times sell for almost as much as a secondhand bulker. The proceeds of the car sales have in the past been used to fund vessel purchases.

Tomini's ships are commercially managed out of Denmark by Alpina Chartering, which holds a 10% ownership stake in the vessels Tomini has ordered since 2013.

JP Morgan newbuild deal would be fruitful asset play

Trond Lillestolen

JP Morgan is said to have made a profitable asset play in the sale of two capesize bulker newbuildings to ArcelorMittal, the world's largest steel producer.

US brokers said the bank has sold the 180,000-dwt Hull No 1460 and Hull No 1461 for nearly \$49.3m each.

The ships are set for delivery in 2019 and have already been named

True Valor and True Virtue. They were ordered at Shanghai Waigaoqiao Shipbuilding for \$44.8m each.

VesselsValue estimates the ships are now worth between \$46.3m and \$46.6m each.

ArcelorMittal did not respond to requests for comment, and TradeWinds could not immediately obtain comment from JP Morgan.

The US bank has been an active player in the sale-and-purchase market. In January this year, it sold

the 55,000-dwt bulker Sage Pioneer (built 2008) to Lion Bulk Carriers of Greece for \$14m, having acquired it for \$10.9m in January 2017.

In May, the bank sold the 58,000-dwt bulker Sage Caledonia (built 2013) for \$18.5m to Glad Luck of Taiwan. It had bought the ship for \$14m in 2017.

In June, it sold the Dayang Shipbuilding-constructed, 63,000-dwt bulkers Sage Amazon and Sage Colorado (both built 2012) to Blue

Planet Shipping of Greece for \$19.5m each. It had purchased the duo from Setaf Saget for \$16m each in 2017.

JP Morgan is listed with a fleet of 16 bulkers from supramaxes to capesizes. Its ships are on average three years old.

For ArcelorMittal, the new vessels would become the largest ships in a fleet that now stands at nine bulkers of between 76,100 dwt and 93,200 dwt, according to

Clarksons. Some sources said ArcelorMittal also has bought the 81,800-dwt bulker Rich Wave (built 2017) from Japan's Fuyo Kaiun. The steel maker is understood to have agreed to a \$30m price for the ship.

TradeWinds requested comment from Fuyo Kaiun, which Clarksons ties to a diversified fleet of 20 vessels.

Eric Martin contributed to this story

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