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China Shipbuilding

Monthly snapshot (August 2026): Large containership demand returns

Infrastructure, Industrials & Transport

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We remain constructive on China shipbuilding. In a separate report published alongside this monthly, we upgraded Yangzijiang to OW from Neutral, joining Songfa/Hengli and China CSSC Holdings at OW. **Three developments support our broader view: (1) large-containership demand has returned much more strongly than expected** despite an already heavy orderbook; **(2) demand continues to rotate, with tankers leading 8M26 contracting and bulk carriers offering the clearest replacement runway**; and **(3) all three shipbuilders are preparing to increase effective capacity against existing or prospective orders, indicating confidence** beyond their current backlogs. Newbuild prices remain broadly stable, deliveries are rising and low steel prices continue to support margins. The key risk is therefore shifting further out: yards must eventually refill their incremental 2029–30 capacity without weakening prices, payment terms or vessel quality.

- **Post-Panamax demand changes the outlook:** Recent 17,000-TEU+ order prints include COSCO Shipping's latest order for 12 x 21,700-TEU LNG dual-fuel containerships from CSSC, following its 12 x 18,000-TEU order at CSSC in January, and MSC's 22 x 22,000-TEU containerships from Songfa/Hengli. These orders are already recorded in Clarksons. Songfa/Hengli said additional orders placed by other major liners are not yet reflected, while Yangzijiang has seen a material increase in Post-Panamax inquiries and placements. This stronger-than-expected recovery is a central reason for our separate upgrade of Yangzijiang to OW.
- **Ordering is broadening rather than peaking together:** Global contracting increased 61% YoY in 8M26, led by 395% growth in tankers. Bulk-carrier contracting increased 68%, while its orderbook remains only 14.7% of the fleet, leaving the clearest replacement-driven runway.
- **Capacity plans indicate confidence beyond the backlog:** CSSC is increasing dock turnover, Hengli is incorporating Phase 4 into order planning and Yangzijiang expects Hongyuan to add 15–20% capacity from 2027 while considering Hongda. Much of the initial capacity is already being matched against orders.
- **Pricing and earnings visibility remain resilient:** The Clarksons Newbuilding Price Index was flat YoY in August. Rising deliveries, higher-priced contracts entering revenue and steel prices approximately 14% below their eight-year average should support earnings through 2027–28 despite the stronger Rmb.
- **The key test moves to 2029–30:** We see limited evidence of current price competition. Discounting, weaker payment terms or deteriorating vessel mix as yards refill incremental capacity would signal a genuine cycle turn.

Also read:

Yangzijiang Shipbuilding Holdings Ltd: Confidence up, upside on deck — Upgrade to OW (8 Sep)

See page 12 for analyst certification and important disclosures, including non-US analyst disclosures.

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Sector dashboard

- **Freight:** Freight indices increased 27–173% YoY across the major vessel classes in August, supporting shipping cash flow and replacement demand.
- **Contracting:** Global contracting increased 61% YoY in 8M26, led by tankers at 395%, LNG carriers at 246%, LPG carriers at 322% and bulk carriers at 68%. Containership contracting declined 3%.
- **Pricing:** The Clarksons Newbuilding Price Index declined 2% YoY in 8M26 but was flat YoY in August. Tanker and bulk-carrier prices remained firm, while large-containership and LNG-carrier price declines stayed at low single digits.
- **Deliveries:** Global deliveries increased 15% YoY in 8M26, led by tankers and LPG carriers. Hengli, CSSC and Yangzijiang all reported higher deliveries.

Figure 1: Global shipbuilding dashboard — Demand broadens while pricing remains resilient

	(in units specified)	8M26	8M25	YoY	Aug-26	YoY
Freight Index						
Container: SCFI Index	(index)	2,302	1,694	36%	3,350	**126%**
Crude Tanker: BDTI Index	(index)	2,376	968	146%	2,767	173%
Product Tanker: BCTI Index	(index)	1,377	665	**107%**	1,360	**115%**
LNG Carrier: BLNG Index	(index)	7,942	2,895	174%	4,769	27%
LPG Carriers: BLPG Index	(index)	13,493	5,231	158%	18,257	**126%**
Bulkcarriers: BDI Index	(index)	2,505			2,971	49%
New order intake						
Total contracting	**(CGT)**	**59,718,724**	**37,188,940**	**61%**	**4,204,525**	**-24%**
Tankers	**(DWT)**	**84,151,936**	**17,004,242**	**395%**	**4,617,700**	**162%**
- VLCC	(DWT)	52,067,812	8,132,424	540%	2,157,000	**248%**
- Others	(DWT)	32,084,124	8,871,818	**262%**	2,460,700	115%
LNG Carrier	(Cu. M.)	10,998,700	3,178,400	**246%**	356,000	-72%
LPG Carriers	(Cu. M.)	7,951,000	1,886,000	**322%**	504,000	404%
Bulkcarriers	(DWT)	40,512,980	24,146,583	68%	2,002,000	-25%
Containerships	**(TEU)**	**3,358,158**	**3,472,904**	**-3%**	**403,296**	**-20%**
- 8000 TEU+	(TEU)	1,996,080	2,572,300	-22%	352,400	47%
- 3000-8000 TEU	(TEU)	1,010,616	561,566	80%	42,600	-78%
- <3000 TEU	(TEU)	351,462	339,038	4%	8,296	-88%
Newbuild vessel price						
Clarksons Newbuilding Price Index	**(index)**	**184**	**187**	**-2%**	**186**	**0%**
- VLCC	(USD mn)	130	126	3%	131	4%
- Containership 13,000/14,000 TEU	(USD mn)	172	179	-4%	173	-2%
- Newcastlemax	(USD mn)	78	77	1%	79	**3%**
- LNG Carrier 174k cbm	(USD mn)	248	253	-2%	249	-1%
5Y secondhand premium to newbuild						
VLCC (5Y)					20%	
Suezmax tanker (5Y)					20%	
Aframax tanker (5Y)					13%	
Handymax bulkcarrier (5Y)					8%	
Containership 1,800/2,100 TEU (5Y)					10%	

Source: Clarksons Research

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Contracting and orderbook

Tankers lead; large containerships return

Tanker contracting increased 395% YoY in 8M26, including 540% growth in VLCC orders. The more important recent change was within containerships: orders above 8,000 TEU increased 47% YoY in August despite declining 22% YTD. Bulk-carrier contracting increased 68% YTD and could provide the next source of demand as later delivery slots open.

Figure 2: Global contracting — Demand rotates across vessel classes

[in units specified]			8M26	8M25	YoY	8M26 as % of 2025
Crude Tankers	VLCC 200,000+ dwt	DWT	52,067,812	8,132,424	540%	223%
	Suezmax 125-199,999 dwt	DWT	14,149,080	5,482,258	158%	117%
	Aframax (Crude)85-124,999 dwt	DWT	1,377,600	228,400	503%	109%
	Total Crude Oil Tanker		**67,594,492**	**13,843,082**	**388%**	**184%**
Product Tankers	Aframax (LR2) 85-124,999 dwt	DWT	8,223,300	1,139,800	621%	151%
	Panamax (LR1) 55-84,999 dwt	DWT	1,264,000	148,000	754%	221%
	Product Tankers 10-54,999 dwt tonnes	DWT	7,070,144	1,873,360	277%	193%
	Product Tankers	**DWT**	**16,557,444**	**3,161,160**	**424%**	**171%**
Total Oil Tankers	**Total Oil Tankers**	**DWT**	**84,151,936**	**17,004,242**	**395%**	**182%**
Chemical Tankers	**Total Chemical Tanker**	**DWT**	**2,310,996**	**1,940,000**	**19%**	**83%**
LNG Carriers	LNG Carrier 140K + Cu. M.	Cu. M.	10,862,000	2,808,000	287%	177%
	LNG Carrier <40K Cu. M.	Cu. M.	136,700	370,400	-63%	29%
	Total LNG Carriers	**Cu. M.**	**10,998,700**	**3,178,400**	**246%**	**167%**
LPG Carriers	VLGC 65,000+ cu. m.	Cu. M.	4,127,000	784,000	426%	473%
	VLEC 65,000+ cu. m.	Cu. M.	700,000	396,000	77%	177%
	VLAC 65,000+ cu. m.	Cu. M.	2,618,000	186,000	1308%	704%
	LPG Carrier 55-64,999 Cu. M.	Cu. M.	240,000	-		
	LPG Carrier 30-54,999 Cu. M.	Cu. M.	120,000	393,000	-69%	31%
	LPG Carrier 5-14,999 Cu. M.	Cu. M.	146,000	110,000	33%	90%
	Total LPG Carriers	**Cu. M.**	**7,951,000**	**1,886,000**	**322%**	**359%**
Bulkcarriers	Capesize Bulker 100,000+ dwt	DWT	21,887,250	12,619,100	73%	76%
	Panamax Bulker 70-99,999 dwt	DWT	6,704,530	4,241,943	58%	60%
	Handymax Bulker 45-69,999 dwt	DWT	9,399,600	4,537,533	107%	84%
	Handysize Bulker 10-44,999 dwt	DWT	2,521,600	2,748,007	-8%	56%
	Total Bulkcarriers	**DWT**	**40,512,980**	**24,146,583**	**68%**	**73%**
Containerships	Post-Panamax Containership 17,000+ TEU	TEU	1,109,200	1,753,000	-37%	59%
	Post-Panamax Containership 15,000-17,000 TEU	TEU	95,400	192,000	-50%	31%
	Neo-Panamax Containership 12,000-15,000 TEU	TEU	319,680	79,400	303%	65%
	Neo-Panamax Containership 8,000-12,000 TEU	TEU	471,800	547,900	-14%	47%
	Intermediate Containership 6,000-8,000 TEU	TEU	611,366	24,214	2425%	307%
	Intermediate Containership 3,000-6,000 TEU	TEU	399,250	537,352	-26%	45%
	Feeder Containership 2,000-2,999 TEU	TEU	122,963	135,873	-10%	55%
	Feeder Containership 1,000-1,999 TEU	TEU	217,395	191,449	14%	71%
	Feeder Containership 100-999 TEU	TEU	11,104	11,716	-5%	71%
	Total Containership	**TEU**	**3,358,158**	**3,472,904**	**-3%**	**63%**
MPP	**MPP**	**DWT**	**2,789,100**	**1,068,414**	**161%**	**132%**
RoRo	**RoRo**	**DWT**	**156,840**	**11,510**	**1263%**	**140%**
By region	South Korea	CGT	9,379,441	6,074,589	54%	78%
	P.R. China	CGT	45,386,668	23,222,128	95%	105%
	Japan	CGT	1,180,525	3,172,554	-63%	26%
	World	**CGT**	**59,718,724**	**37,188,940**	**61%**	**89%**
	South Korea	US$ mn	9,379,441	6,074,589	54%	78%
	P.R. China	US$ mn	45,386,668	23,222,128	95%	105%
	Japan	US$ mn	1,180,525	3,172,554	-63%	26%
	World	**US$ mn**	**59,718,724**	**37,188,940**	**61%**	**89%**

Source: Clarksons Research

The forward supply picture differs materially by vessel class. The orderbook represents 25.6% of the tanker fleet, 37.2% of the LNG-carrier fleet, 41.0% of the LPG-carrier fleet and only 14.7% of the bulk-carrier fleet.

The containership orderbook stands at 22.2% overall but reaches 91.1% for vessels above 17,000 TEU, 38.4% for 12,000–16,999 TEU and 35.7% for 8,000–11,999 TEU. Continued large-containership ordering is therefore being driven by more than a simple

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fleet-shortage calculation.

Figure 3: Orderbook as a percentage of the existing fleet

Orderbook as % of existing fleet		Aug-26	Aug-25	Dec-25	YoY	YTD
VLCC	↑	32.4	12.7	17.0	19.7ppt	15.4ppt
Suezmax	↑	29.9	18.5	22.2	**11.4ppt**	7.7ppt
Crude Aframax	↑	7.6	6.9	7.1	0.7ppt	0.5ppt
Crude Tanker	↑	**27.8**	**13.1**	**16.6**	**14.7ppt**	**11.2ppt**
Product Tanker 10k+ dwt	↑	21.3	18.9	18.7	2.4ppt	2.6ppt
Total Tanker	↑	**25.6**	**15.3**	**17.6**	**10.3ppt**	**8.0ppt**
Chemical Tanker	↓	23.1	23.8	23.5	(0.7ppt)	(0.5ppt)
LNG	↓	37.2	42.4	38.6	(5.3ppt)	(1.4ppt)
LPG	↑	41.0	40.1	36.9	0.9ppt	4.1ppt
Capesize	↑	17.6	10.5	11.0	7.1ppt	6.6ppt
Handymax	↑	14.0	12.8	12.7	1.2ppt	1.3ppt
Handysize	↓	8.5	10.2	9.6	(1.7ppt)	(1.1ppt)
Bulkcarrier	↑	**14.7**	**12.3**	**12.3**	**2.4ppt**	**2.4ppt**
Containership 17,000+ TEU	↑	91.1	81.0	83.5	10.1ppt	7.6ppt
Containership 12,000-16,999 TEU	↓	38.4	42.6	42.6	(4.2ppt)	(4.1ppt)
Containership 8,000-11,999 TEU	↑	35.7	29.3	29.2	6.3ppt	6.5ppt
Containership 3-7,999 TEU	↑	29.7	9.7	17.3	20.0ppt	**12.4ppt**
Containership <3,000 TEU	↑	18.4	8.4	12.4	10.0ppt	6.0ppt
Containership	↑	**40.9**	**32.0**	**34.9**	**9.0ppt**	**6.0ppt**
World Fleet	↑	**22.2**	**16.8**	**17.8**	**5.5ppt**	**4.4ppt**

Source: Clarksons Research

Chinese shipbuilders

Hengli leads orders and deliveries

Hengli's adjusted order wins increased 695% YoY in CGT terms in 8M26, compared with 137% for China CSSC Holdings and 91% for Yangzijiang. Hengli secured 80 containership orders YTD, including 22 post-Panamax vessels, versus 49 for CSSC and 31 for Yangzijiang excluding YAMIC.

Deliveries increased 576% YoY for Hengli, 37% for CSSC and 23% for Yangzijiang in 8M26, supporting the transition from orderbook growth to revenue recognition.

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Figure 4: Chinese shipbuilder dashboard — Hengli leads order wins and delivery growth

	(in units specified)	8M26	8M25	YoY	Aug-26	YoY
Deliveries						
Total deliveries	**(CGT)**	**33,063,329**	**28,749,012**	**15%**	**3,868,045**	**9%**
Tankers	(DWT)	28,421,292	12,753,947	123%	2,373,999	67%
LNG Carrier	(Cu. M.)	10,219,021	8,459,614	21%	523,000	-58%
LPG Carriers	(Cu. M.)	4,477,953	1,487,000	201%	651,953	113%
Bulkcarriers	(DWT)	29,378,906	24,244,670	21%	3,383,034	12%
Containerships	(TEU)	944,791	1,491,197	-37%	58,534	-70%
Shipbuilder order wins						
Hengli (Songfa) (603268.CH)**	(CGT)	10,260,310	1,290,822	695%	1,007,855	
China CSSC Holdings (600150.CH)	(CGT)	8,529,836	3,592,825	137%	1,836,092	388%
Yangzijiang (YZJSGD.SP)	(CGT)	1,063,079	555,372	91%	-	-100%
CIMC Enric (3899.HK)	(CGT)	172,482	176,912	-3%	10,830	
Shipbuilder deliveries						
Hengli (Songfa)**	(CGT)	1,516,727	203,757	576%	311,864	1209%
China CSSC Holdings (600150.CH)	(CGT)	4,002,278	2,920,428	37%	411,653	12%
Yangzijiang	(CGT)	1,088,797	882,618	23%	254,968	127%
CIMC Enric	(CGT)	134,960	110,604	22%	7,048	-10%
Cost						
China steel price	(Rmb/tonne)	3,419	3,456	-1%	3,458	-3%
USD/CNY	(fx rate)	6.8	7.2	-5%	6.8	-6%

Source: *Methodology: Clarksons' monthly data can be affected by reporting lags. Songfa/Hengli's figures have therefore been adjusted to align with company-announced contracts. CSSC data refer to China CSSC Holdings' consolidated operations. We recommend focusing primarily on YTD trends rather than individual monthly prints.*
Source: Clarksons Research

Pricing and secondhand values

Newbuild prices were broadly stable MoM in August. Tanker, gas-carrier and bulk-carrier prices were generally unchanged or up 1%, while large-containership prices declined by around 1–2%. The limited movement despite volatile monthly contracting indicates that delivery timing, vessel specifications and payment terms continue to support pricing.

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Figure 5: Newbuild prices — Tankers remain firm; containership prices stabilize

Vessel newbuild prices (USD mn)		Aug-26	YoY%	MoM%	2023	2024	2025	2026-ytd
Crude oil tankers	VLCC 315-320K DWT	131	4%	0%	125	129	126	130
	Suezmax 156-158K dwt	90	5%	1%	83	89	87	88
	Aframax113-115K dwt	76	5%	1%	67	73	73	74
Product oil tankers	Aframax (LR2)113-115K DWT	79	5%	1%	69	76	76	77
	Panamax (LR1)73-75K DWT	62	5%	1%	56	61	60	61
	Product Tanker47-51K DWT	52	7%	1%	46	51	49	51
	Product Tanker 37/41K DWT	48	5%	1%	44	48	46	47
Chemical tankers	Chemical Tanker 25-26K DWT	46	5%	0%			45	45
LNG carriers	LNG Carrier (Long Run Historical Series)	249	-1%	0%	259	263	253	248
	LNG Carrier 174k cbm	249	-1%	0%	259	263	253	248
LPG carriers	VLAC88-93k cbm	116	-3%	1%		121	120	114
	VLGC 88-91k cbm	115	-3%	1%	105	120	119	113
	LPG Carrier 60k cbm	85	-1%	1%	85	93	86	84
	LPG Carrier 45k cbm	74	6%	1%	63	69	69	73
	LPG Carrier 23-25k cbm	61	2%	1%	56	61	60	60
Bulkcarrier	Newcastlemax 210-212k dwt	79	3%	0%	66	77	77	78
	Capesize 180-182k dwt	76	3%	0%	63	73	74	75
	Capesize115-120k dwt	59	2%	0%	52	58	58	58
	Panamax93-96k dwt	42	-9%	0%	41	45	46	41
	Kamsarmax82-84k dwt	39	5%	1%	34	37	37	37
	Handymax 61-64.5k dwt	36	6%	1%	33	34	34	34
	Handysize 38-42K dwt	31	5%	0%	30	30	30	30
	Handysize 25-30K dwt	28	5%	0%	27	27	27	27
Containership	Containership 22,000/24,000 TEU	254	-6%	-2%	224	270	271	260
	Containership 15,000/16,500 TEU	194	-3%	-1%	161	199	201	194
	Containership 13,000/14,000 TEU	173	-2%	0%	143	178	179	172
	Containership 10,000/11,500 TEU	145	1%	1%	130	158	146	143
	Containership 8,500/9,500 TEU	131	0%	0%	91	123	130	129
	Containership 5,500/6,000 TEU	84	6%	1%	75	79	79	81
	Containership 4,000/4,500 TEU	62	2%	1%	55	59	61	61
	Containership 3,100/3,300 TEU	48	6%	1%			45	46
	Containership 2,700/3,000 TEU	46	5%	1%	42	42	43	44
	Containership 1,800/2,100 TEU	34	5%	2%	31	31	32	33
	Containership 1,000/1,200 TEU	25	3%	0%	24	24	25	25
	Containership 700/750 TEU	19	3%	0%	18	18	18	18
	Containership 285/315 TEU	12	3%	0%	11	11	11	11

Source: Clarksons Research

Five-year-old VLCCs and Suezmaxes traded at approximately 20% premiums to equivalent newbuild prices, while Aframaxes traded at a 13% premium. Near-term tanker capacity therefore remains scarce despite the heavier forward orderbook. Most large containership classes remained below newbuild parity, while 1 vessels traded at a 10% premium.

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Figure 6: Secondhand values — Immediate tanker availability remains valuable

Secondhand prices of 5 year old vessel		Aug-26	% diff vs newbuilt	YoY%	Historical annual averages 2022	2023	2024	2025	2026-ytd
Tankers	VLCC 315-320K DWT	157	20%	34%	81	100	114	116	141
	Suezmax 156-158K dwt	108	20%	42%	55	72	82	77	94
	Aframax113-115K dwt	85	13%	36%	51	65	72	64	78
Product oil tankers	Aframax (LR2)113-115K DWT	88	11%	35%	54	68	74	66	80
	Panamax (LR1)73-75K DWT	49	-21%	17%	35	42	46	41	48
	Product Tanker47-51K DWT	49	-6%	17%	35	42	46	41	48
	Product Tanker 37/41K DWT	45	-6%	29%	30	36	41	36	45
Chemical tankers	Chemical Tanker 25-26K DWT	46	0%	2%				46	46
LNG carriers	LNG Carrier 174k cbm	205	-18%	-2%	197	247	231	208	203
LPG carriers	VLGC 88-91k cbm	104	-9%	20%	74	84	91	89	96
Bulkcarrier	Newcastlemax 210-212k dwt	80	1%	18%		52	66	68	77
	Capesize 180-182k dwt	73	-5%	17%	49	49	62	63	70
	Kamsarmax82-84k dwt	41	6%	28%	34	32	37	32	38
	Handymax 61-64.5k dwt	39	8%	22%	32	30	35	31	37
	Handysize 38-42K dwt	31	0%	17%	27	25	28	26	29
Containership	Containership 15,000/16,500 TEU	131	-32%	1%				125	131
	Containership 13,000/14,000 TEU	118	-32%	1%	159	92	91	114	118
	Containership 10,000/11,500 TEU	111	-23%	1%	163	95	100	107	111
	Containership 8,500/9,500 TEU	99	-24%	0%	157	87	91	98	99
	Containership 5,500/6,000 TEU	71	-15%	0%	95	50	59	70	71
	Containership 4,000/4,500 TEU	51	-17%	0%	83	41	44	50	51
	Containership 2,700/3,000 TEU	46	1%	10%	49	30	32	40	45
	Containership 1,800/2,100 TEU	37	10%	16%	39	22	23	31	35
	Containership 1,000/1,200 TEU	22	-13%	0%	25	16	17	21	22
	Containership 700/750 TEU	16	-14%	0%	19	13	12	15	16
	Containership 285/315 TEU	9	-18%	2%	10	8	8	9	9

Source: Clarksons Research

Deliveries and costs

Global deliveries increased 15% YoY in 8M26, including 123% growth for tankers, 201% for LPG carriers and 21% for both LNG carriers and bulk carriers. Containership deliveries declined 37%. Rising output at the covered Chinese yards should support continued earnings realization.

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Figure 7: Global deliveries — Backlog conversion supports earnings

Deliveries (CGT)			8M26	8M25	YoY	8M26 as % of 2025
Crude oil tankers	VLCC 200,000+ dwt	DWT	8,069,666	907,302	789%	438%
	Suezmax 125-199,999 dwt	DWT	5,961,159	3,144,874	90%	140%
	Aframax (Crude) 85-124,999 dwt	DWT	809,130	229,765	252%	235%
	Total Crude Oil Tanker	**DWT**	**14,839,955**	**4,281,941**	**247%**	**231%**
Product tankers	Aframax (LR2) 85-124,999 dwt	DWT	5,940,355	4,343,855	37%	96%
	Panamax (LR1) 55-84,999 dwt	DWT	1,322,030	224,873	488%	221%
	Product Tankers 10-54,999 dwt tonnes	DWT	3,984,985	2,926,152	36%	87%
	Product Tankers	**DWT**	**11,247,370**	**7,494,880**	**50%**	**99%**
Total Oil Tankers		**DWT**	**26,087,325**	**11,776,821**	**122%**	**147%**
Chemical tankers	Total Chemical Tanker	DWT	2,333,967	977,126	139%	137%
LNG carriers	LNG Carrier 140K + Cu. M.	Cu. M.	10,215,431	8,444,514	21%	74%
	LNG Carrier <40K Cu. M.	Cu. M.	3,590	15,100	-76%	13%
	Total LNG Carriers	**Cu. M.**	**10,219,021**	**8,459,614**	**21%**	**74%**
LPG carriers	VLGC 65,000+ cu. m.	Cu. M.	1,588,953	699,000	127%	152%
	VLEC 65,000+ cu. m.	Cu. M.	1,292,000	495,000	161%	119%
	VLAC 65,000+ cu. m.	Cu. M.	828,000	2,000	41300%	20700%
	LPG Carrier 30-54,999 Cu. M.	Cu. M.	608,000	207,000	194%	162%
	LPG Carrier 15-29,999 Cu. M.	Cu. M.	91,000	15,000	507%	607%
	LPG Carrier 5-14,999 Cu. M.	Cu. M.	69,000	59,000	17%	63%
	LPG Carrier <5,000 Cu. M.	Cu. M.	1,000	10,000	-90%	10%
	Total LPG Carriers	**Cu. M.**	**4,477,953**	**1,487,000**	**201%**	**169%**
Bulkcarriers	Capesize Bulker 100,000+ dwt	DWT	5,524,919	5,067,669	9%	76%
	Panamax Bulker 70-99,999 dwt	DWT	11,313,421	6,625,231	71%	101%
	Handymax Bulker 45-69,999 dwt	DWT	8,762,825	8,599,158	2%	73%
	Handysize Bulker 10-44,999 dwt	DWT	3,777,741	3,952,612	-4%	66%
	Total Bulkcarriers	**DWT**	**29,378,906**	**24,244,670**	**21%**	**81%**
Containerships	Post-Panamax Containership 17,000+ TEU	TEU	113,440	194,830	-42%	41%
	Post-Panamax Containership 15,000-17,000 TEU	TEU	253,624	593,245	-57%	29%
	Neo-Panamax Containership 12,000-15,000 TEU	TEU	202,798	300,042	-32%	55%
	Neo-Panamax Containership 8,000-12,000 TEU	TEU	177,230	179,888	-1%	46%
	Intermediate Containership 6,000-8,000 TEU	TEU	67,667	74,440	-9%	84%
	Intermediate Containership 3,000-6,000 TEU	TEU	78,232	68,324	15%	86%
	Feeder Containership 2,000-2,999 TEU	TEU	9,092	24,083	-62%	25%
	Feeder Containership 1,000-1,999 TEU	TEU	30,064	46,632	-36%	42%
	Feeder Containership 100-999 TEU	TEU	12,644	9,713	30%	81%
	Total Containership	**TEU**	**944,791**	**1,491,197**	**-37%**	**43%**
Total	**World Total**	**CGT**	**33,063,329**	**28,749,012**	**15%**	**75%**

Source: Clarksons Research

What we heard post-1H26

Confidence extends beyond the backlog

Our post-results discussions with Yangzijiang, Songfa/Hengli and CSSC conveyed a consistent message: management confidence extends beyond earnings from the existing backlog to the next round of contracting. Large-containership demand has returned more strongly than expected, bulk carriers could provide the next ordering wave and all three shipbuilders are preparing to increase effective capacity. Management also said pricing remains rational and indicated that much of the initial capacity increase is already supported by existing or prospective orders.

- **Large-containership demand has returned more strongly than expected:** Yangzijiang initially expected containership contracting to remain concentrated in small and midsize vessels but has since seen a material increase in large-vessel inquiries and placements. Songfa/Hengli said several major liners have already placed orders that are not yet fully captured in Clarksons' orderbook.
- **Yangzijiang expects more orders to convert in 2H26:** Yangzijiang expects its large-containership pipeline to convert during the second half and remains confident of meeting or exceeding its FY26 order target. Management said LOIs generally take three to six months to finalize and are normally exclusive after the bidding process, although customers can still defer or cancel an order.
- **Liner competition remains an important demand driver:** Yangzijiang said major liners remain cash-rich and continue ordering to protect market share. Once one operator expands, competitors face pressure to follow. Management also cited decarbonization requirements, port congestion, geopolitical disruption and longer voyages as factors supporting vessel demand.
- **Demand is rotating across vessel classes:** Yangzijiang described tanker demand as already strong and said it had secured multiple tanker orders in 2026. The return of large-containership demand has added another source of contracting, while Yangzijiang and Songfa/Hengli both expect bulk-carrier activity to strengthen as the fleet ages and 2030 delivery positions fill.
- **All three companies are preparing to increase effective capacity:** CSSC is adding gantry cranes, shortening dock cycles and increasing annual production batches. Songfa/Hengli is already incorporating Phase 4 into new-order planning and could begin commissioning part of the capacity from 2027. Yangzijiang expects Hongyuan's full integration in 2027 to add approximately 15–20% capacity and is considering Hongda as its next physical expansion.
- **The initial capacity additions have order visibility:** Songfa/Hengli said it has already considered Phase 4 capacity when accepting new orders, including major-liner orders not yet fully reflected in Clarksons. Yangzijiang said Hongyuan's capacity is allocated through 2029 and does not expect a revenue gap that year. CSSC said productivity gains could create selected 2028–29 delivery positions even though its consolidated orderbook extends through 2029–30.
- **Delivery certainty remains more important than small price differences:** Yangzijiang identified available delivery slots as customers' principal concern and said there is no meaningful price war among leading yards. CSSC similarly said customer decisions reflect delivery timing and the contracting strategies of individual yards. Songfa/Hengli believes its shorter construction cycle and additional capacity provide an earlier-delivery advantage.
- **Pricing discipline remains intact:** Yangzijiang continues to avoid discounted orders and said its recent contracts remain broadly as profitable as earlier orders. Songfa/Hengli said its market-entry discount in 2023–24 has ended, with pricing broadly matching the market since 2025 and selected earlier delivery positions achieving better terms. CSSC said it has not observed materially greater pricing pressure from Songfa/Hengli and continues to prioritize higher-quality orders.
- **Margins should remain elevated beyond 2026:** Yangzijiang said gross margin could remain above 35% through 2028 and reach approximately 37% if FX and steel prices remain stable. Songfa/Hengli expects further margin improvement in 2H26 and into 1H27, led by vessel mix, followed by vertical integration and scale. CSSC expects a gradual margin recovery as higher-priced 2023–24 orders enter revenue

and productivity improves, but did not provide a numerical target.

- **FX, steel and equipment are the main cost variables:** Yangzijiang identified FX and steel as its principal margin sensitivities and said labor represents approximately 15% of costs and should remain manageable. It also said main-engine prices have increased by more than 20% over two years, although the entry of Chinese suppliers should gradually ease reliance on Korean manufacturers.
- **LNG carriers remain a longer-term opportunity:** Yangzijiang has demonstrated its LNG-carrier construction capability but currently prioritizes containerships because they offer better dock utilization and profitability. Songfa/Hengli said it has obtained GTT authorization, recruited Korean specialists and is pursuing its first LNG-carrier order. Management discussions pointed to more meaningful LNG-carrier demand as Middle Eastern and East African projects approach production from around 2028.
- **Retrofits could provide another source of yard demand:** Yangzijiang said major liner customers are seeking capacity for dual-fuel conversions and are struggling to find suitable facilities. Its planned repair and retrofit operation is intended partly to address this demand.
- **Follow-on orders are management's principal longer-term focus:** Yangzijiang said its new capacity is allocated through 2029 and that it is already discussing 2030 delivery positions. Songfa/Hengli is considering Phase 4 capacity when accepting orders, while CSSC expects productivity gains to release selected earlier slots. All three companies said current pricing remains rational and did not indicate an imminent deterioration in ordering.

Newsflow

- **CSSC secured more than US$1bn of PCTC orders (3 Sep):** Guangzhou Shipyard International signed contracts for 10 x 8,200-car LNG dual-fuel PCTCs, with deliveries scheduled for 2029–31.
- **CSSC won a legacy offshore arbitration (3 Sep):** Waigaoqiao can retain the US $18.1mn advance payment and related interest from an undelivered jack-up drilling rig. CSSC expects to recognize an approximately Rmb98.9mn pretax gain in 3Q26.
- **CSSC signed an MOU for a potential 2+3 cruise-ship project:** The proposed vessels would each be 84,000 gross tons. No formal shipbuilding contract, price or delivery schedule has been agreed, and the project is not included in the orderbook.
- **Hengli delivered 11 vessels in August (31 Aug):** Deliveries included a 114,000-dwt LR2 product/crude tanker and an 82,000-dwt Kamsarmax bulk carrier on August 31, equivalent to approximately one vessel every three days during the month.
- **COSCO placed a US$2.7bn Post-Panamax order at CSSC (28 Aug):** COSCO Shipping contracted Waigaoqiao and China Shipbuilding Trading to build 12 x 21,700-TEU LNG dual-fuel containerships for US$224m each, or US$2.688bn in aggregate, for delivery in 2028–30. This follows COSCO's 12 x 18,000-TEU order at CSSC in January. COSCO said Waigaoqiao offered earlier delivery and stronger technical capabilities, while its pricing was around the middle of competing quotations but still broadly comparable with the lowest bids.

Also read:

- Yangzijiang Shipbuilding Holdings Ltd: Takeaways from management 4Q26 outlook call: >30% GPM, even on MR tankers; another capacity expansion back on the table (3 Sep)
- China CSSC Holdings - A: 2Q26 earnings review: margin resilience strengthens earnings visibility; post-1H orders broaden upside (31 Aug)
- Guangdong Songfa - A: 1H26 results review: Raising estimates; bigger upgrade still ahead? PT raised to Rmb230 (24 Aug)
- Yangzijiang Shipbuilding Holdings Ltd: Closing the valuation gap, waiting on the orders — raise PT; maintain Neutral (19 Aug)
- Yangzijiang Shipbuilding Holdings Ltd: 1H26 earnings beat: Strong execution offsets FX headwinds (6 Aug)
- China Shipbuilding: Monthly snapshot (July 2026): Rotation continues as the cycle broadens (6 Aug)
- China CSSC Holdings - A: Positive profit alert reinforces our earnings thesis; recent pullback offers an attractive entry point (14 Jul)
- China Shipbuilding: Multi-year earnings visibility; initiate on Songfa and CSSC at OW; assume coverage of YZJ at N (9 Jul)