SECTOR
UPDATE

2026. 02. 24

Industrial Team

Youngsoo Han
Team Leader
han.youngsoo@samsung.com

Scan to go to
Research Center report database

Shipbuilding/Machinery Weekly

LNG carrier demand recovery

- The Clarksons Newbuilding Price Index remained close to 183 last week, though it edged lower at the decimal level for a seventh consecutive week. In contrast, the Secondhand Price Index moved higher for a seventh week running, this time by 1pt w-w.
- The ClarkSea Index, which represents vessels' earnings, reached USD34,058/day this week, up 2.8% w-w, driven by a surge in tanker rates.
- In this report, we check on: 1) the recent recovery in LNG carrier orders; and 2) the risk associated with China's expanding market share.

WHAT'S THE STORY?

LNG carrier demand recovery; risk of China's rising market share

Global LNG carrier (LNGC) orders are recovering rapidly. So far this year, orders have been placed for 23 large LNGCs, equating to 61% of 2025's full-year total (38). Additional order-related headlines continue to emerge. Last week, media reports indicated that ExxonMobil is preparing to place orders for 20-30 large LNGCs. French LNG cargo containment system designer GTT estimates that 150 new vessels will be required for LNG projects that reached final investment decisions (FID) in 2025.

The recovery in LNGC demand—and the resulting benefits for Korean shipbuilders—has been a consensus view since last year, and this expectation is now materializing earlier than anticipated. For investors, this reduces uncertainty. However, despite the demand recovery, Korean shipbuilding stocks have underperformed other industrial sectors this year. This is partly due to concerns among some investors about intensifying competition from China. For reference, China's share of LNGC orders placed this year stands at 57%, surpassing Korea's. However, we believe these concerns are overblown for the following two key reasons. First, despite rising demand, the LNGC market remains seller-driven. Only two Chinese shipyards—Hudong Zhonghua and Jiangnan SY—have won LNGC orders in 2026. Hudong, however, entered the LNGC market as early as 2008, and is therefore not a new entrant. Moreover, recent LNGC orders secured by Korean shipbuilders have been priced above both the market average and the prices of orders won by Chinese shipbuilders. That Korean shipbuilders have not cut prices despite the weaker won suggests the market remains seller-driven.

(Continued on the next page)

Performance

(%)	1W	3M	YTD
KSOE	12.3	7.0	9.9
HD Hyundai Heavy	9.9	9.1	16.7
Samsung Heavy	5.9	16.6	21.7
Hanwha Ocean	14.5	26.1	31.0
HD Hyundai Marine Solution	4.0	-11.6	-6.8
HD Hyundai Electric	4.9	33.4	28.8
HD CE	2.4	60.0	47.0
HD Hyundai	14.2	46.0	55.8
Doosan Bobcat	1.5	21.5	14.2
KAI	0.1	69.0	55.1
LIG Nex1	6.5	22.4	15.1
Hanwha Aerospace	12.4	43.8	31.4
Hyosung Heavy	10.1	39.7	46.8
LS Electric	3.9	57.3	48.0

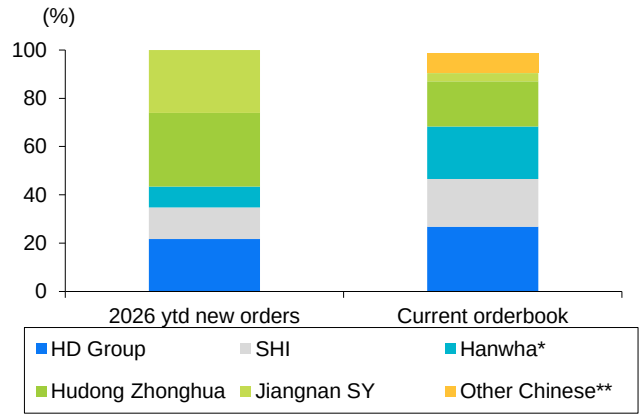
Valuation summary

(x, %)	P/B	P/E	ROE
KSOE	2.1	9.9	23.9
HD Hyundai Heavy	5.7	22.7	31.3
Samsung Heavy	5.1	24.0	23.0
Hanwha Ocean	6.2	33.4	20.6
HD Hyundai Marine Solution	8.0	21.7	39.2
HD Hyundai Electric	13.4	35.1	43.9
HD CE	1.6	15.7	14.4
HD Hyundai	2.2	16.7	13.5
Doosan Bobcat	0.8	12.1	7.2
KAI	8.2	44.0	19.9
LIG Nex1	6.5	32.2	21.8
Hanwha Aerospace	5.6	30.6	nm
Hyosung Heavy	7.8	30.6	28.9
LS Electric	8.4	40.1	23.0

Note: 2025 estimates
Source: Samsung Securities estimates

Second, the increase in China's market share at the beginning of the year may prove to be a temporary phenomenon resulting from strategic decisions by Korean shipbuilders. As the year progresses, the proportion of LNG projects from North America is expected to rise, and Korean shipbuilders are likely to hold a competitive advantage in bidding for these. Chinese shipyards' available delivery slots are also being filled quickly due to early-year orders. In particular, slots for 2029—a year preferred by many shipowners—are being filled rapidly. Korean shipbuilders may not have had strong incentives to rush into contracts, and it would be more rational for them to raise prices and secure orders in 2H26. We believe investors should focus more on the overall increase in LNGC demand than on market-share competition.

LNGC market shares: 2026 ytd orders vs orderbook



Note: *Including Hanwha Philly shipyard;
**Dalian, Jiangsu Yixiang, Yangzi Xinfu, and CMHI
Source: Clarksons

LNGC delivery schedule based on current orderbooks

(Vessels)	2027E	2028E	2029E	2030E	2031E
HD Group	27	19	8	0	0
Samsung Heavy	19	20	2	0	0
Hanwha*	17	13	5	0	0
Hudong Zhonghua	8	10	13	9	6
Jiangnan SY	0	3	3	0	0
Total	71	65	31	9	6

Note: *Including Hanwha Philly shipyard
Source: Clarksons

Industry news

Samsung Heavy Industries secures LNGC order: Samsung Heavy Industries (SHI) has won an order for one LNGC from an Oceania-based shipowner. The vessel is priced at USD255m, exceeding the current market rate of USD248m. Although the ship is slightly larger than standard LNGCs, delivery is scheduled for 2028, a year that is not particularly preferred by shipowners. Despite this, the price is considered favorable. This order brings SHI's ytd total to USD1.9b, which is 14% of its full-year target.

Korea signs support letter for Canadian submarine project: Korea's Defense Acquisition Program Administration (DAPA) held a signing ceremony on Feb 20 to reaffirm the Korean government's support for and commitment to industrial and technological benefits for Korean shipbuilders participating in the Canadian Patrol Submarine Project (CPSP). Canada will reportedly accept final proposals in early March and select a preferred bidder in 1H26.

ExxonMobil considering large-scale LNGC orders: US energy giant ExxonMobil is evaluating the possibility of placing a large order for LNGCs, according to media reports. It is claimed the firm may order between 20 and 30 vessels, with negotiations potentially beginning as early as 3Q26. These vessels would be scheduled for 2029 delivery and are linked to: 1) an LNG project in Mozambique; and 2) the Golden Pass LNG project in the US.

GTT forecasts strong demand for LNGCs: Executives at French LNGC cargo containment systems specialist GTT have expressed a positive outlook for LNGC demand. During a recent earnings call, the company noted that final investment decisions for LNG projects in 2025 were more than 3x the historical average. This surge in project approvals translates to demand for around 150 LNGCs. When factoring in projects in the planning stages and replacement demand for aging vessels, total LNGC demand could reach 450 vessels.

The US retains anti-dumping duties on Korean high-voltage transformers: The US Department of Commerce has issued preliminary findings in its annual review of anti-dumping duties on high-voltage transformers from Korea. The review covers exports from Aug 2023 to Jul 2024. HD Hyundai Electric remains exempt from anti-dumping duties, with the US maintaining a 0% tariff rate for its products. LS Electric's duty rate of 16.87% remains unchanged. Meanwhile, Hyosung Heavy Industries' US-bound exports are now subject to 4.32% anti-dumping duties vs 0% previously.

Japan begins review of lethal-weapons export regulations: Japan's ruling Liberal Democratic Party (LDP) is reportedly preparing to propose a policy shift that would allow the export of lethal weapons. According to local media, the LDP has approved a plan to review current weapons export restrictions and expand the scope of permissible exports.

Cochin Shipyard in India wins LNG-powered containership order: India's Cochin Shipyard has signed a USD360m contract with French shipping giant CMA CGM to build six 1,700-TEU LNG-powered containerships. While the vessels will be constructed at the Indian shipyard, the design and equipment will be supported by Korean partner companies. Notably, Cochin Shipyard, which is state-owned, signed an MOU with HD Hyundai in 2025 to enhance cooperation in the shipbuilding industry.

Government considering participation in indirect support program for Ukraine: Korean media reports suggest the government is reviewing Korea's participation in NATO's Prioritized Ukraine Requirements List (PURL) program. Among non-NATO countries, Australia and New Zealand are part of the program to support Ukraine indirectly. Japan is also reportedly considering whether to join the initiative.

Shipbuilding weekly indices

	This week	A week ago		Vs end-2024	
	Feb 20, 2025	Feb 13, 2025	Chg (%)	End-2025	Chg (%)
New building prices (USDm)					
Overall (indexed)	182.7	183.1	-0.2	184.7	-1.1
Bulkers (Capesize)	75.0	75.0	0.0	75.0	0.0
Tankers (VLCC)	128.5	128.5	0.0	128.0	0.4
Tankers (51,000 DWT PCs)	49.5	49.5	0.0	49.0	1.0
Containerships (22,000 TEU)	234.0	234.0	0.0	235.0	-0.4
Containerships (13,000 TEU)	145.5	145.5	0.0	145.5	0.0
LNG carriers (174,000m³)	248.0	248.0	0.0	248.0	0.0
Secondhand prices (USDm)*					
Overall	199.0	198.0	0.5	191.1	4.2
Bulkers (Capesize)	68.5	68.5	0.0	3.0	3.8
Tankers (VLCC)	135.0	130.0	3.8	120.0	12.5
Tankers (51,000 DWT PCs)	45.0	45.0	0.0	43.0	4.7
Daily charter rates (USD)**					
Bulkers (Capesize, eco)	33,050	31,500	4.9	24,850	33.0
Bulkers (Capesize, non-eco)	29,800	28,000	6.4	23,850	24.9
Tankers (VLCC, eco)	100,000	78,250	27.8	65,500	52.7
Tankers (VLCC, non-eco)	92,500	72,000	28.5	58,000	59.5
Freight rate index					
ClarkSea Index (USD/day)	34,058	33,120	2.8	29,856	14.1
BDI	2,043	2,083	-1.9	1,877	8.8
WS (based on Saudi route)	158	138	14.5	58	173.9
CCFI	1,088	1,088	0.0	1,147	-5.1
SCFI	1,251	1,251	0.0	1,656	-24.4
Energy prices***					
Natural gas (USD/mil BTU)	3.2	3.2	-2.8	2.1	-21.1
Oil (USD/bbl)	66.4	62.9	5.6	61.7	15.6
MGO-HSFO (USD/tonne)	245.5	236.8	3.7	262.8	-6.6
VLSFO-HSFO (USD/tonne)	52.8	46.5	13.4	71.8	-26.5

Note: *Based on 5-year-old vessels;
**1-year charters;
***Based on WTI spot (oil) and Henry Hub (natural gas) prices
Source: Clarksons, Bloomberg, Samsung Securities

Share performances and valuations

Shipbuilding: Share performance and valuations

(%)	Share performance				2026 valuation		
	1 week	1 month	3 months	Ytd	P/B (x)	P/E (x)	ROE
HD KSOE*	12.3	3.9	7.0	9.9	2.1	9.9	23.9
HD Hyundai Heavy Industries*	9.9	-5.2	9.1	16.7	5.7	22.7	31.3
Samsung Heavy Industries*	5.9	-4.2	16.6	21.7	5.1	24.0	23.0
Hanwha Ocean*	14.5	4.3	26.1	31.0	6.2	33.4	20.6
HD Hyundai Marine Solution*	4.0	-3.5	-11.6	-6.8	8.0	21.7	39.2
Yangzijiang	8.7	8.1	11.3	7.2	2.1	8.6	26.5
CSSC Holdings	0.0	3.1	6.1	9.3	2.3	15.5	18.6
CSSC Offshore	0.0	13.7	19.8	26.5	n/a	33.0	7.6
ST Engineering	1.7	6.4	20.9	20.9	10.3	31.9	33.9
Seatrium	2.9	1.4	3.8	0.0	1.0	15.4	7.0
Mitsubishi	-1.3	3.5	28.8	29.3	6.4	61.6	10.8
Kawasaki	1.2	24.4	79.2	72.6	3.9	35.1	11.4

Note: *Samsung Securities estimates
Source: Bloomberg, Samsung Securities estimates

Machinery: Share performance and valuations

(%)	Share performance				2026 valuation		
	1 week	1 month	3 months	Ytd	P/B (x)	P/E (x)	ROE
HD Hyundai Electric*	4.9	11.6	33.4	28.8	13.4	35.1	43.9
HD Construction Equipment*	2.4	29.1	60.0	47.0	1.6	15.7	14.4
HD Hyundai*	14.2	13.8	46.0	55.8	2.2	16.7	13.5
Doosan Bobcat*	1.5	10.4	21.5	14.2	0.8	12.1	7.2
KAI*	0.1	7.1	69.0	55.1	8.2	44.0	19.9
LIG Nex1*	6.5	-10.9	22.4	15.1	6.5	32.2	21.8
Hanwha Aerospace*	12.4	-5.2	43.8	31.4	5.6	30.6	nm
Hyosung Heavy*	10.1	12.6	39.7	46.8	7.8	30.6	28.9
LS Electric*	3.9	35.6	57.3	48.0	8.4	40.1	23.0
Lockheed Martin	0.9	12.3	42.9	36.1	8.7	46.1	20.1
Raytheon	2.4	3.8	20.8	11.7	17.2	22.1	85.8
Siemens	-2.4	-3.1	11.9	2.5	4.0	30.1	13.7
Caterpillar	-1.9	17.7	38.0	32.6	2.9	22.7	13.5
Komatsu	-2.2	36.3	49.1	50.8	16.3	33.5	55.1
Kubota	-2.9	28.1	43.1	37.4	2.1	19.0	11.1

Note: *Samsung Securities estimates
Source: Bloomberg, Samsung Securities estimates

Compliance notice

-As of Feb 23, 2026, Samsung Securities shared group affiliation with Samsung Heavy Industries.
-As of Feb 23, 2026, the covering analyst(s) did not own any shares, or debt instruments convertible into shares, of any company covered in this report.
-As of Feb 23, 2026, Samsung Securities' holdings of shares and debt instruments convertible into shares of each company covered in this report would not, if such debt instruments were converted, exceed 1% of each company's outstanding shares.
-This report has been prepared without any undue external influence or interference, and accurately reflects the views of the analyst(s)covering the company or companies herein.
-All material presented in this report, unless specifically indicated otherwise, is under copyright to Samsung Securities.
-Neither the material nor its content (including copies) may be altered in any form, or by any means transmitted, copied, or distributed to another party, without prior express written permission from Samsung Securities.
-This memorandum is based upon information available to the public. While we have taken all reasonable care to ensure its reliability, we do not guarantee its accuracy or completeness. This memorandum is not intended to be an offer, or a solicitation of any offer, to buy or sell the securities mentioned herein. Samsung Securities shall not be liable whatsoever for any loss, direct or consequential, arising from the use of this memorandum or its contents. Statements made regarding affiliates of Samsung Securities are also based upon publicly available information and do not necessarily represent the views of management at such affiliates.
-This material has not been distributed to institutional investors or other third parties prior to its publication.

Global Disclosures & Disclaimers

General

This research report is for information purposes only. It is not and should not be construed as an offer or solicitation of an offer to purchase or sell any securities or other financial instruments or to participate in any trading strategy. This report does not provide individually tailored investment advice. This report does not take into account individual client circumstances, objectives, or needs and is not intended as recommendations of particular securities, financial instruments or strategies to any particular client. The securities and other financial instruments discussed in this report may not be suitable for all investors. The recipient of this report must make its own independent decisions regarding any securities or financial instruments mentioned herein and investors should seek the advice of a financial adviser.

This report may not be altered, reproduced, distributed, transmitted or published in whole or in part for any purpose. References to "Samsung Securities" are references to any company in the Samsung Securities, Co., Ltd. group of companies.

Samsung Securities and/or other affiliated companies, its and their directors, officers, representatives, or employees may have long or short positions in any of the securities or other financial instruments mentioned in this report or of issuers described herein and may purchase and/or sell, or offer to purchase and/or sell, at any time, such securities or other financial instruments in the open market or otherwise, as either a principal or agent. Any pricing of securities or other financial instrument contained herein is as of the close of market for such day, unless otherwise stated. Opinions and estimates contained herein constitute our judgment as of the date of this report and are subject to change without notice.

The information provided in this report is provided "AS IS". Although the information contained herein has been obtained from sources believed to be reliable, no representation or warranty, either expressed or implied, is provided by Samsung Securities in relation to the accuracy, completeness or reliability of such information or that such information was provided for any particular purpose and Samsung Securities expressly disclaims any warranties of merchantability or fitness for a particular purpose. Furthermore, this report is not intended to be a complete statement or summary of the securities, markets or developments referred to herein.

Samsung Securities does not undertake that investors will obtain any profits, nor will it share with investors any investment profits. Samsung Securities, its affiliates, or any of its and their affiliates, directors, officers, employees or agents disclaim any and all responsibility or liability whatsoever for any loss (direct or consequential) or damage arising out of the use of all or any part of this report or its contents or otherwise arising in connection therewith. Information and opinions contained herein are subject to change without notice. Past performance is not indicative of future results. Foreign currency rates of exchange may adversely affect the value, price or income of any security or financial instrument mentioned in this report. For investment advice, trade execution or other enquiries, clients should contact their local sales representative. Any opinions expressed in this report are subject to change without notice and may differ or be contrary to opinions expressed by other business areas or groups of Samsung Securities. Any analysis contained herein is based on numerous assumptions. Different assumptions may result in materially different results. Samsung Securities is under no obligation to update or keep current the information contained herein. Samsung Securities relies on information barriers to control the flow of information contained in one or more areas or groups within Samsung Securities into other areas or groups of Samsung Securities. Any prices stated in this report are for information purposes only and do not represent valuations for individual securities or other financial instruments. Samsung Securities makes no representation that any transaction can or could have been effected at those prices and any prices contained herein may not reflect Samsung Securities' internal books and records or theoretical model-based valuations and may be based on certain assumptions. Different assumptions by Samsung Securities or any other source may yield substantially different results. Additional information is available upon request.

For reports to be distributed to US:

Securities research is prepared, issued and exclusively distributed by Samsung Securities Co., Ltd., an organization licensed with the Financial Supervisory Service of South Korea. This research may be distributed in the United States only to major institutional investors as defined in Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended, and may not be circulated to any other person otherwise. All transactions by U.S. investors involving securities discussed in this report must be effected through Samsung Securities (America) Inc., a broker-dealer registered with the U.S. Securities & Exchange Commission and a member of the Financial Industry Regulatory Authority/SIPC, and not through any non-U.S. affiliate thereof. The analysts listed [on the front of this report] are employees of Samsung Securities Co., Ltd., or a non-U.S. affiliate thereof, and are not registered/qualified as research analysts under applicable U.S. rules and regulations and may not be subject to U.S. restrictions on communications with covered companies, public appearances, and trading securities held by a research analyst account.

For reports to be distributed to UK:

This report is not an invitation nor is it intended to be an inducement to engage in investment activity for the purpose of section 21 of the Financial Services and Markets Act 2000 of the United Kingdom ("FSMA"). To the extent that this report does constitute such an invitation or inducement, it is directed only at (i) persons who are investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2001 (as amended) of the United Kingdom (the "Financial Promotion Order"); (ii) persons who fall within Articles 49(2)(a) to (d) ("high-net-worth companies, unincorporated associations etc.") of the Financial Promotion Order; and (iii) any other persons to whom this report can, for the purposes of section 21 of FSMA, otherwise lawfully be made (all such persons together being referred to as "relevant persons").

Any investment or investment activity to which this report relates is available only to relevant persons and will be engaged in only with relevant persons. Persons who are not relevant persons must not act or rely on this report.

For reports to be distributed to Korea:

This report is for private circulation only, not for sale, and is issued and distributed only to persons permitted under the laws and regulations of Korea.

For reports to be distributed to Singapore:

This report is provided pursuant to the financial advisory licensing exemption under Regulation 27(1)(e) of the Financial Advisers Regulation of Singapore and accordingly may only be provided to persons in Singapore who are "institutional investors" as defined in Section 4A of the Securities and Futures Act, Chapter 289 of Singapore. This report is intended only for the person to whom Samsung Securities has provided this report and such person may not send, forward or transmit in any way this report or any copy of this report to any other person.

Analyst certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issuers and no part of the compensation of such analyst(s) was, is, or will be directly or indirectly related to the inclusion of specific recommendations or views in this research report. The analyst(s) principally responsible for the preparation of this research report receives compensation based on determination by research management and senior management (not including investment banking), based on the overall revenues, including investment banking revenues of Samsung Securities Co., Ltd. and its related entities and has taken reasonable care to achieve and maintain independence and objectivity in making any recommendations.

Copyright © 2010 Samsung Securities Co., Ltd. All rights reserved. This report or any portion hereof may not be reprinted, sold or redistributed without the prior written consent of Samsung Securities America Inc

Samsung Securities

SAMSUNG SECURITIES

Samsung Electronics Bldg., 11, 74-gil,
Seochodae-ro, Seocho-gu, Seoul, Korea 06620
Tel: 02 2020 8000 / www.samsungpop.com

Family Center: 1588 2323

Voice Of Customer: 080 911 0900

For more information,
please call our sales representatives:

LONDON

Samsung Securities Europe Limited
1st Floor, 30 Gresham Street, London EC2V 7PG UK
Tel. 44-207-776-4311
Fax. 44-203-837-9219

NEW YORK

Samsung Securities America Limited
1330 Avenue of the Americas. 10th Floor. New York,
NY 10019
Tel: 1-212-972-2454
Fax: 1-212-972-2704

HONG KONG

Samsung Securities (Asia) Limited
Suite 4511, Two International Finance Center,
8 Finance Street, Central, Hong Kong
Tel: 852-3411-3608
Fax: 852-2114-0290

BEIJING

Samsung Securities Beijing Representative Office
Rm. 910, The Exchange Building No 118 JianGuo Lu, Chao
Yang District, Beijing, China
Tel: 86-10-6522-1855 (extension 7891)
Fax: 86-10-6522-1855 (extension 7889)

TOKYO

Samsung Securities Tokyo Representative Office
#106-8532 19F, Roppongi T-Cube 3-1-1,
Roppongi Minato-ku Tokyo, Japan
Tel: 81-3-6333-2952
Fax: 81-3-6333-2953

Member of
Dow Jones
Sustainability Indices
Powered by the S&P Global CSA