

Capital Link Shipping Weekly Markets Report



Monday, October 22, 2012 (Week 43)



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Capital Link Shipping

...Linking Shipping and Investors Across the Globe

Capital Link is a New York-based Advisory, Investor Relations and Financial Communications firm. Capitalizing on our in-depth knowledge of the shipping industry and capital markets, Capital Link has made a strategic commitment to the shipping industry becoming the largest provider of Investor Relations and Financial Communications services to international shipping companies listed on the US and European Exchanges. Capital Link's headquarters are in New York with a presence in London and Athens.



Investor Relations & Financial Advisory

Operating more like a boutique investment bank rather than a traditional Investor Relations firm, our objective is to assist our clients enhance long term shareholder value and achieve proper valuation through their positioning in the investment community. We assist them to determine their objectives, establish the proper investor outreach strategies, generate a recurring information flow, identify the proper investor and analyst target groups and gather investor and analyst feedback and related market intelligence information while keeping track of their peer group. Also, to enhance their profile in the financial and trade media.

In our effort to enhance the information flow to the investment community and contribute to improving investor knowledge of shipping, Capital Link has undertaken a series of initiatives beyond the traditional scope of its investor relations activity, such as:



www.CapitalLinkShipping.com

A web based resource that provides information on the major shipping and stock market indices, as well as on all shipping stocks. It also features an earnings and conference call calendar, industry reports from major industry participants and interviews with CEOs, analysts and other market participants.



Capital Link Shipping Weekly Markets Report

Weekly distribution to an extensive audience in the US & European shipping, financial and investment communities with updates on the shipping markets, the stock market and listed company news.



www.CapitalLinkWebinars.com

Sector Forums & Webinars: Regularly, we organize panel discussions among CEOs, analysts, bankers and shipping industry participants on the developments in the various shipping sectors (containers, dry bulk, tankers) and on other topics of interest (such as Raising Equity in Shipping Today, Scrapping, etc).



Capital Link Investor Shipping Forums

In New York, Athens and London bringing together investors, bankers, financial advisors, listed companies CEOs, analysts, and shipping industry participants.



www.MaritimeIndices.com

Capital Link Maritime Indices: Capital Link developed and maintains a series of stock market maritime indices which track the performance of U.S. listed shipping stocks (CL maritime Index, CL Dry Bulk Index, CL Tanker Index, CL Container Index, CL LNG/LPG Index, CL Mixed Fleet Index, CL Shipping MLP Index – Bloomberg page: CPLI. The Indices are also distributed through the Reuters Newswires and are available on Factset.

Capital Link - New York - London - Athens

New York - 230 Park Avenue, Suite 1536, New York, NY, 10169 Tel.: +1 212 661 7566 Fax: +1 212 661 7526
London - Longcroft House, 2-8 Victoria Avenue, London, EC2M 4NS, U.K Tel. +44(0) 203 206 1320 Fax. +44(0) 203 206 1321
Athens - 40, Agiou Konstantinou Str, Suite A 5, 151-24 Athens, Greece Tel. +30 210 6109 800 Fax +30 210 6109 801

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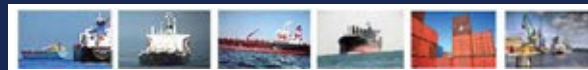
www.maritimecsr.com



A permanent web-based resource, **www.maritimecsr.com** not only centralizes information on corporate social responsibility (CSR) in the shipping and offshore industries, but it also identifies, showcases, and publicizes initiatives and practices by governmental and non-governmental organizations, industry associations, and especially companies.



Athens:: +30 2106 109800 | New York: +1 (212) 661-7566 | London: +44(0) 20 3206 1322
Email: forum@capitallink.com



Latest Company News

Monday, October 15, 2012

Ocean Rig UDW Inc. Announces Order of 7th Generation UDW Drillship

Ocean Rig UDW Inc., announced that it has signed a contract to construct a 7th Generation Ultra Deepwater Drillship at Samsung Heavy Industries. This 7th Generation drillship is a sister ship to the three currently under construction at Samsung, and is scheduled to be delivered to the company in January 2015.

Costamare Inc. Announces Public Offering of Common Stock

Costamare Inc. announced that it plans to offer 7,000,000 shares of its common stock. Members of the Konstantakopoulos family, who in the aggregate own a majority of the common stock of the Company, have indicated their intention to purchase up to 700,000 shares in the offering. In connection with the offering, the Company intends to grant the underwriters a 30-day option to purchase up to 1,050,000 additional shares of its common stock.

Tuesday, October 16, 2012

Seanergy Maritime Holdings Corp. Announces Sale of Handysize Vessel

Seanergy Maritime Holdings Corp. announced the sale of the Clipper Grace, a 30,548 dwt Handysize drybulk vessel, built in 2007, at a gross price of US\$11.25 million. The vessel was delivered to its new owners on October 15, 2012. The Company will use the sale proceeds to reduce debt and for working capital purposes. Following the completion of sale of the Clipper Grace, the Company's fleet consists of two Capesize, three Panamax, two Supramax and nine Handysize dry bulk carriers with an average age of 14.4 years.

Thursday, October 18, 2012

Navios Maritime Partners L.P. Announces Cash Distribution of \$0.4425 per Unit

Navios Maritime Partners L.P. announced that its Board of Directors has declared a cash distribution of \$0.4425 per unit for the quarter ended September 30, 2012. This distribution represents an annualized distribution of \$1.77 per unit. The cash distribution will be payable on November 13, 2012 to unit holders of record as of November 8, 2012.

Seaspan Declares Dividend on its 9.5% Series C Preferred Shares

Seaspan Corporation announced that the Company's Board of Directors has declared a quarterly dividend of \$0.59375 per share on its 9.5% Series C preferred shares for the period from July 30, 2012 to October 29, 2012. The dividend will be paid on October 30, 2012 to all 9.5% Series C preferred shareholders of record as of October 29, 2012.

Monday, October 22, 2012

Nordic American Tankers Limited (NYSE: NAT) - Refinanced Credit Facility up to the Autumn of 2017

Nordic American Tankers announced that it has agreed with banks to establish a credit facility that will extend until the Autumn of 2017. As stated in the investor telephone conference, September 25 2012, we have been assessing various alternatives and amounts for the total financial requirements. The new non amortizing facility will total \$430 million. The final documentation is expected to be completed shortly. The banking group consists of the leading Scandinavian banks DNB, Nordea and Skandinaviska Enskilda Banken. Today we have drawn \$250 million of the current credit facility and have about \$80 million in cash.



The Marshall Islands Registry



Select Dividend Paying Shipping Stocks

Stock Prices as of October 19, 2012

Company Name	Ticker	Quarterly Dividend	Annualized Dividend	Last Closing Price (Oct. 19, 2012)	Annualized Dividend Yield
Containers					
Costamare Inc	CMRE	\$0.27 *	\$1.08	\$13.56	7.96%
Dry Bulk					
Navios Maritime Holdings Inc	NM	\$0.06	\$0.24	\$3.80	6.32%
Navios Maritime Partners	NMM	\$0.4425**	\$1.77	\$15.11	11.71%
Safe Bulkers Inc	SB	\$0.15	\$0.60	\$5.87	10.22%
Star Bulk Carriers Corp	SBLK	\$0.015	\$0.06	\$7.99	0.75%
Tankers					
Capital Product Partners Lp	CPLP	\$0.2325	\$0.93	\$8.11	11.47%
Navios Maritime Acquisition Corp	NNA	\$0.05	\$0.20	\$2.90	6.90%
Tsakos Energy Navigation Ltd	TNP	\$0.15	\$0.60	\$4.84	12.40%
Mixed Fleet					
Euroseas Ltd	ESEA	\$0.02	\$0.08	\$1.14	7.02%

*Board approved an eight percent (8%) dividend increase, beginning with the third quarter 2011 dividend, raising the quarterly dividend from \$0.25 to \$0.27 per common share.

** Board approved a 0.57% dividend increase, beginning with the second quarter 2012 dividend, raising the quarterly dividend from \$0.44 to \$0.4425 per unit.

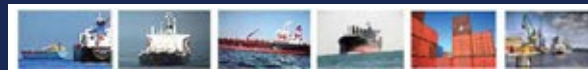
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Currencies, Commodities & Indices

Week ending Friday, October 19, 2012

KEY CURRENCY RATES

Rate	Current Price	Price Last Week	% Change	YTD %Chg	52 Week High	52 Wk Low
3-Month LIBOR (USD)	\$0.3173	\$0.3343	-5.09%	-45.54%	\$0.5393	\$0.2844
10-Yr US Treasury Yield	\$1.7633	\$1.6560	6.48%	-10.81%	\$3.3190	\$2.3833
USD/CNY	\$6.2538	\$6.2672	-0.21%	-0.68%	\$6.3964	\$6.2455
USD/EUR	\$0.7680	\$0.7720	-0.52%	-0.58%	\$0.8303	\$0.7019
USD/GBP	\$0.6250	\$0.6224	0.42%	-2.37%	\$0.6563	\$0.6132
USD/JPY	\$79.2400	\$78.4500	1.01%	3.37%	\$84.1900	\$75.3800

PRECIOUS METALS

	Current Price	Price Last Week	% Change	YTD %Chg	52 Week High	52 Wk Low
Copper	\$363.75	\$370.30	-1.77%	4.99%	\$402.00	\$326.25
Gold	\$1,734.60	\$1,768.05	-1.89%	8.32%	\$1,802.93	\$1,522.65
Palladium	\$623.00	\$639.05	-2.51%	-5.07%	\$727.40	\$558.75
Platinum	\$1,632.24	\$1,673.24	-2.45%	14.62%	\$1,737.25	\$1,344.25
Silver	\$32.38	\$33.88	-4.43%	10.18%	\$37.47	\$26.16

KEY AGRICULTURAL & CONSUMER COMMODITIES

	Current Price	Price Last Week	% Change	YTD %Chg	52 Week High	52 Wk Low
Cocoa	\$2,489.00	\$2,366.00	5.20%	15.61%	\$2,833.00	\$2,050.00
Coffee	\$161.65	\$161.70	-0.03%	-31.37%	\$253.40	\$153.70
Corn	\$761.50	\$752.75	1.16%	29.12%	\$849.00	\$499.00
Cotton	\$76.88	\$71.36	7.74%	-16.15%	\$97.99	\$64.61
Soybeans	\$1,536.50	\$1,522.00	0.95%	26.02%	\$1,781.50	\$1,126.75
Sugar #11	\$20.23	\$20.05	0.90%	-16.51%	\$25.30	\$19.48
Wheat	\$872.50	\$856.75	1.84%	20.89%	\$953.25	\$629.50

KEY FUTURES

Commodities	Current Price	Price Last Week	% Change	YTD %Chg	52 Week High	52 Wk Low
Gas Oil Futures	\$980.75	\$988.00	-0.73%	4.53%	\$1,040.25	\$798.00
Gasoline RBOB	\$269.63	\$289.28	-6.79%	1.88%	\$299.29	\$218.15
Heating Oil	\$313.45	\$322.39	-2.77%	3.01%	\$333.89	\$253.35
Natural Gas	\$3.62	\$3.61	0.17%	16.83%	\$3.98	\$1.90
WTI Crude Future	\$90.05	\$91.86	-1.97%	-12.09%	\$109.89	\$78.73



Currencies, Commodities & Indices

MAJOR INDICES

Index	Symbol	Close	Last Week	% Change	YTD % Change	4-Jan-12
Dow Jones	INDU	13,343.51	13,328.85	0.11%	7.63%	12,397.38
Dow Jones Transp.	TRAN	5,082.16	5,044.63	0.74%	0.32%	5,065.71
NASDAQ	CCMP	3,005.62	3,044.11	-1.26%	13.47%	2,648.72
NASDAQ Transp.	CTRN	2,171.16	2,156.45	0.68%	-0.78%	2,188.13
S&P 500	SPX	1,433.19	1,428.59	0.32%	12.23%	1,277.06
Russell 2000 Index	RTY	821.00	823.09	-0.25%	9.13%	12,397.38
FTSE 100 Index	UKX	5,896.10	5,793.30	1.77%	3.44%	5,065.71

CAPITAL LINK MARITIME INDICES

Index	Symbol	19 -October-12	12 -October-12	% Change	4-Jan-12	YTD % Change
Capital Link Maritime Index	CLMI	2,045.16	2,044.92	0.01%	2,185.20	-6.41%
Tanker Index	CLTI	2,057.51	2,105.22	-2.27%	2,184.88	-5.83%
Drybulk Index	CLDBI	688.07	652.99	5.37%	661.81	3.97%
Container Index	CLCI	1,374.85	1,428.62	-3.76%	1,112.58	23.57%
LNG/LPG Index	CLLG	3,421.57	3,395.49	0.77%	3,810.14	-10.20%
Mixed Fleet Index	CLMFI	1,408.20	1,355.36	3.90%	1,030.58	36.64%
MLP Index	CLMLP	2,914.39	2,938.07	-0.81%	2,755.12	5.78%

BALTIC INDICES

Index	Symbol	19 -October-12	12 -October-12	% Change	4-Jan-12	YTD % Change
Baltic Dry Index	BDIY	1,010	926	9.07%	1,624	-37.81%
Baltic Capesize Index	BCIY	2,217	1,914	15.83%	2,955	-24.97%
Baltic Panamax Index	BPIY	879	871	0.92%	1,619	-45.71%
Baltic Supramax Index	BSI	732	776	-5.67%	1,158	-36.79%
Baltic Handysize Index	BHSI	445	444	0.23%	570	-21.93%
Baltic Dirty Tanker Index	BDTI	676	667	1.35%	783	-13.67%
Baltic Clean Tanker Index	BCTI	655	619	5.82%	762	-14.04%



Shipping Equities: The Week in Review

SHIPPING EQUITIES UNDERPERFORM THE BROADER MARKET DRY BULK THE BEST PERFORMER

During last week, shipping equities underperformed the broader market, with the Capital Link Maritime Index (CLMI), a composite index of all US listed shipping stocks inching up 0.01%, compared to the S&P 500 rising 0.32%, and the Dow Jones Industrial Average (DJII) increasing 0.11%.

Dry bulk stocks are the best performers last week, with Capital Link Dry Bulk Index gaining 5.37%, followed by Capital Link Mixed Fleet Index slightly up 3.90%. Container equities were the worst in last week, with Capital Link Dry Bulk Index losing 3.76%. The three biggest winners of shipping stocks are Navios Acquisition (NNA), Global Ship Lease (GSL), and Diana Shipping (DSX), up 10.69%, 7.81%, and 7.65%, respectively.

During last week, Dry Bulk shipping stocks underperformed the physical market, with Baltic Dry Index (BDI) soaring 9.07%, compared to the Capital Link Dry Bulk Index climbing 5.37%. Year-to-date, the BDI is now losing 37.81%, compared to the Capital Link Dry Bulk Index gaining 3.97%.

Tanker shipping stocks underperformed the physical market last week, with Baltic Dirty Tanker Index (BDTI) going up 1.35% and Baltic Clean Tanker Index (BCTI) leaping 5.82%, compared to Capital Link Tanker Index sliding 2.27%. Year-to-date, the BDTI lost 13.67% and the BCTI slipped 14.04%, while Capital Link Tanker Index went down 5.83%.

The Trading Statistics supplied by Knight Capital provide details of the trading performance of each shipping stock and analyze the market's trading momentum and trends for the week and year-to-date.

The objective of the Capital Link Maritime Indices is to enable investors, as well as all shipping market participants, to better track the performance of listed shipping stocks individually, by sector or as an industry. Performance can be compared to other individual shipping stocks, to their sector, to the broader market, as well as to the physical underlying shipping markets or other commodities. The Indices currently focus only on companies listed on US Exchanges providing a homogeneous universe. They are calculated daily and are based on the market capitalization weighting of the stocks in each index. In terms of historical data, the indices go back to January 1, 2005, thereby providing investors with significant historical performance.

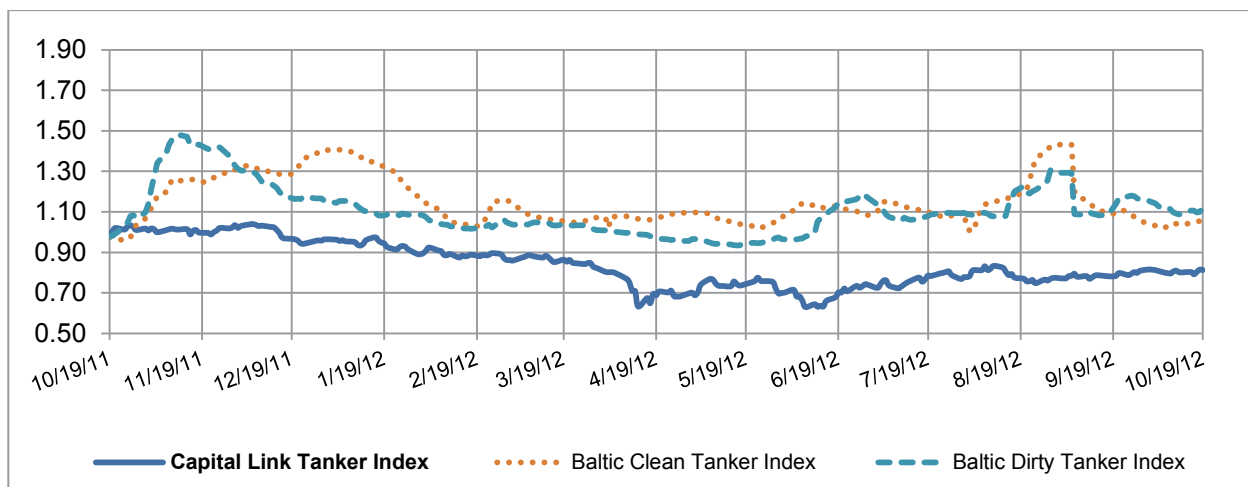
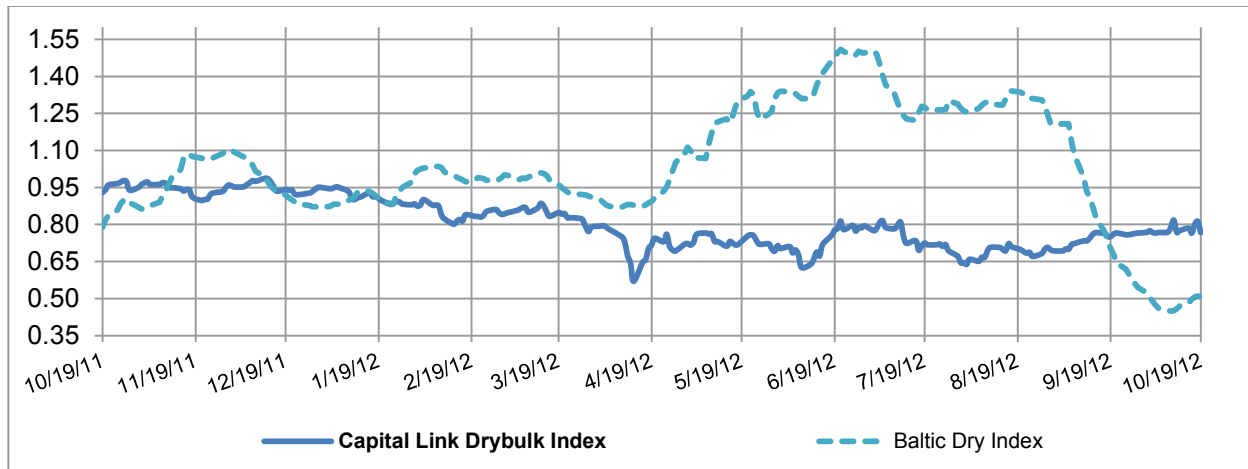
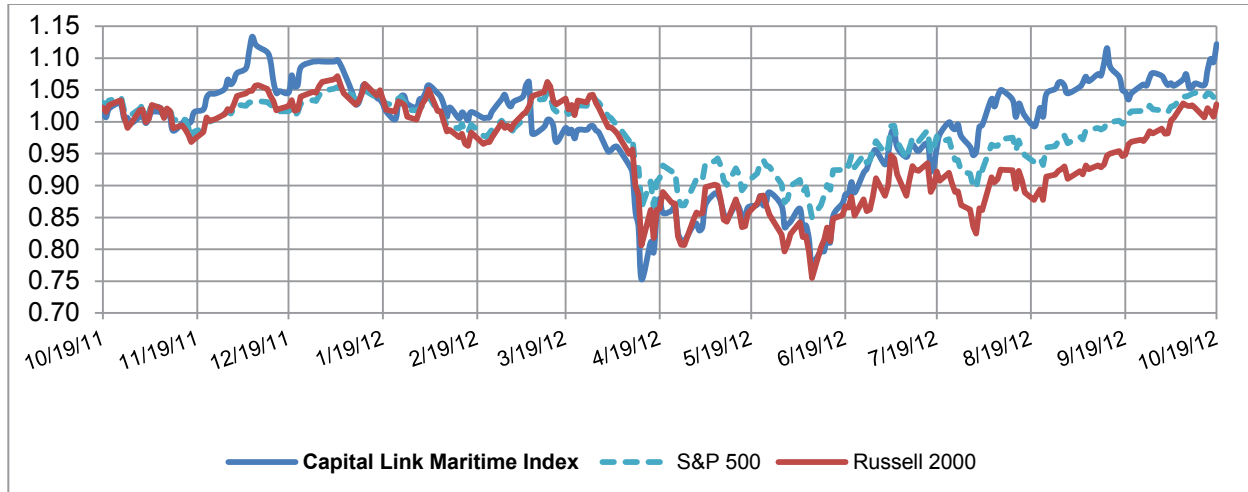
There are seven indices in total; the Capital Link Maritime Index comprised of all 45 listed shipping stocks, and six Sector Indices, the CL Dry Bulk Index, the CL Tanker Index, the CL Container Index, the CL LNG / LPG Index, the CL Mixed Fleet Index and the CL Maritime MLP Index.

The Index values are updated daily after the market close and can be accessed at www.CapitalLinkShipping.com or at www.MaritimeIndices.com. They can also be found through the Bloomberg page "CPLI" and Reuters.



Shipping Equities: The Week in Review

MARITIME INDEX DAILY COMPARISON CHARTS (52 -WEEK)



*SOURCE: BLOOMBERG

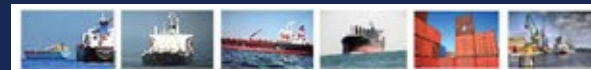
360 DEGREES OF SHIPPING

Fried Frank is one of the world's most active corporate law firms with a presence in principal financial centers across the US, Europe and Asia.

Growing with our clients' businesses, we regularly represent companies in each stage of development. Our approach is to understand the essential commercial elements of our clients' objectives and in turn, deploy tailored attorney teams with the experience and expertise to achieve their goals. The Firm's breadth across practices and offices allow us to align the right resources to address our clients' business opportunities and challenges both effectively and efficiently.



FRIED FRANK



Weekly Trading Statistics

Knight

Descriptive Statistics

Custom Statistics Prepared Weekly for Capital Link Shipping

BROAD MARKET

Percent Change of Major Indexes for the Week Ending Friday, October 19, 2012

Name	Symbol	Close	Net Gain	Percent Gain
Nasdaq Transportation Index	TRANX	2171.16	14.71	0.68%
Russell 1000 Index	RUI	790.33	3.15	0.40%
Russell 3000 Index	RUA	844.64	2.95	0.35%
S&P 500 Index	SPX	1433.19	4.60	0.32%
Russell 2000 Index	RUT	821	-2.09	-0.25%
Phlx Semiconductor Sector Index	SOX	364.93	-1.78	-0.49%
Nasdaq Composite Index	COMPX	3005.62	-38.49	-1.26%
Nasdaq-100 Index	NDX	2678.32	-41.82	-1.54%

SHIPPING INDUSTRY DATA (50 Companies)

Moving Averages

- ☐ 43.18% closed > 10D Moving Average.
- ☐ 29.55% closed > 50D Moving Average.
- ☐ 43.18% closed > 100D Moving Average.
- ☐ 25.00% closed > 200D Moving Average.

Top Upside Momentum (Issues with the greatest 100 day upside momentum*)				Top Downside Momentum (Issues with the greatest 100 day downward momentum*)			
Symbol	Close	Weekly % Change	50-Day % Change	Symbol	Close	Weekly % Change	50-Day % Change
GASS	7.23	6.95%	20.70%	OSG	3.25	-36.02%	-50.68%
GSL	3.45	7.81%	7.81%	NEWL	0.44	-8.33%	-56.00%
NM	3.8	7.04%	2.98%	FREE	0.19	-9.52%	-45.71%
NNA	2.9	10.69%	-1.69%	EXM	0.42	-14.29%	-16.00%
CPLP	8.11	0.12%	6.15%	DAC	2.75	-5.82%	-32.27%
NMM	15.11	2.65%	6.04%	NAT	8.95	-3.87%	-28.63%
SFL	15.59	3.79%	3.73%	VLCCF	6.3	0.00%	-24.28%
TRMD	0.48	-23.81%	-20.00%	PRGN	0.41	-4.65%	-18.00%
GLNG	38.89	2.86%	-3.50%	FRO	3.37	-2.60%	-9.41%
DRYS	2.38	4.85%	0.00%	TOPS	1.1	-0.90%	-18.52%
Momentum: (100D % change) + 1.5(50D % change) + 2.0*(10D % change) for each stock then sort group in descending order and report the top 10.				*Momentum: (100D % change) + 1.5*(50D % change) + 2.0*(10D % change) for each stock - sort names that have a negative value in ascending order - report the top 10.			

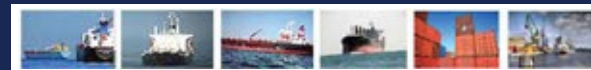


Weekly Trading Statistics

Top Consecutive Higher Closes			Top Consecutive Lower Closes		
<u>Symbol</u>	<u>Close</u>	<u>Up Streak</u>	<u>Symbol</u>	<u>Close</u>	<u>Down Streak</u>
BALT	3.4	7	CMRE	13.56	-2
NM	3.8	5	TNK	3.49	-2
GNK	3.58	3	TK	30	-2
SHIP	1.64	2	TGP	37.67	-2
TEU	5.42	2	STNG	5.57	-2
			NNA	2.9	-2
			MATX	20.61	-2
			GLOG	11.8	-2
			FRO	3.37	-2
			EGL	3.08	-2

Top Largest Weekly Trading Gains					Top Largest Weekly Trading Losses				
<u>Symbol</u>	<u>Close One Week Ago</u>	<u>Friday Close</u>	<u>Net Change</u>	<u>% Change</u>	<u>Symbol</u>	<u>Close One Week Ago</u>	<u>Friday Close</u>	<u>Net Change</u>	<u>% Change</u>
NNA	2.62	2.9	0.28	10.69%	OSG	5.08	3.25	-1.83	-36.02%
GSL	3.2	3.45	0.25	7.81%	MATX	27.54	20.61	-6.93	-25.16%
DSX	6.67	7.18	0.51	7.65%	TRMD	0.63	0.48	-0.15	-23.81%
NM	3.55	3.8	0.25	7.04%	EXM	0.49	0.42	-0.07	-14.29%
GASS	6.76	7.23	0.47	6.95%	FREE	0.21	0.19	-0.02	-9.52%
TNP	4.56	4.84	0.28	6.14%	CMRE	14.91	13.56	-1.35	-9.05%
GLBS	2.21	2.33	0.12	5.43%	NEWL	0.48	0.44	-0.04	-8.33%
TEU	5.16	5.42	0.26	5.04%	SBLK	8.7	7.99	-0.71	-8.16%
BALT	3.24	3.4	0.16	4.94%	DHT	6	5.62	-0.38	-6.33%
DRYS	2.27	2.38	0.11	4.85%	DAC	2.92	2.75	-0.17	-5.82%

Top Largest Monthly Trading Gains (A month has been standardized to 20 trading days)					Top Largest Monthly Trading*Losses (A month has been standardized to 20 trading days)				
<u>Symbol</u>	<u>Prior Close</u>	<u>Friday Close</u>	<u>Net Change</u>	<u>% Change</u>	<u>Symbol</u>	<u>Prior Close</u>	<u>Friday Close</u>	<u>Net Change</u>	<u>% Change</u>
GASS	6.87	7.23	0.36	5.24%	OSG	7.32	3.25	-4.07	-55.60%
GLBS	2.22	2.33	0.11	4.95%	NEWL	0.68	0.44	-0.24	-35.29%
GLOG	11.4	11.8	0.40	3.51%	EXM	0.64	0.42	-0.22	-34.38%
DSX	6.95	7.18	0.23	3.31%	MATX	29.53	20.61	-8.92	-30.21%
CPLP	7.97	8.11	0.14	1.76%	SHIP	2.18	1.64	-0.54	-24.77%
NMM	14.95	15.11	0.16	1.07%	EGL	3.97	3.08	-0.89	-22.42%
SFL	15.57	15.59	0.02	0.13%	FREE	0.24	0.19	-0.05	-20.83%
					DHT	6.74	5.62	-1.12	-16.62%
					TEU	6.42	5.42	-1.00	-15.58%
					SBLK	9.45	7.99	-1.46	-15.45%



Weekly Trading Statistics

Stocks Nearest to 52-Week Highs			Stocks Nearest To 52-Week Lows		
Symbol	52W High	% Away	Symbol	52W Low	% Away
GASS	7.38	-2.03%	PRGN	0.40	2.50%
CPLP	8.30	-2.29%	OSG	3.13	3.83%
NMM	15.88	-4.82%	DHT	5.36	4.85%
TOO	29.27	-6.40%	EXM	0.40	5.00%
TGP	41.54	-9.33%	TEU	5.15	5.24%
NM	4.29	-11.36%	FREE	0.18	5.56%
GLOG	13.34	-11.54%	SB	5.52	6.42%
GSL	3.95	-12.66%	VLCCF	5.91	6.60%
SFL	17.94	-13.10%	SHIP	1.53	7.19%
CMRE	15.82	-14.28%	TNP	4.43	9.26%

Top Stocks with Highest Weekly Volume Run Rate* > 1

Symbol	Close	Net % Change	Run Rate
SBLK	7.99	-8.16%	13.4430
CMRE	13.56	-9.05%	7.0540
OSG	3.25	-36.02%	4.9007
GASS	7.23	6.95%	2.6328
NNA	2.9	10.69%	2.5000
PRGN	0.41	-4.65%	2.2030
GSL	3.45	7.81%	2.0877
DAC	2.75	-5.82%	1.6829
DHT	5.62	-6.33%	1.5931
EXM	0.42	-14.29%	1.5198

*The Volume Run Rate is calculated by dividing the current week's volume by the average volume over the last 20 weeks. For example, a run rate of 2.0 means the stock traded twice its average volume.

Top Year-To-Date Gainers		Top Year-To-Date Decliners	
Symbol	YTD Gain %	Symbol	YTD Decline %
GSL	90.61%	EXM	-71.03%
GASS	87.31%	OSG	-70.27%
SFL	79.20%	FREE	-55.81%
ANW	46.80%	VLCCF	-49.40%
CPLP	44.56%	ESEA	-48.18%
SSW	23.80%	GNK	-47.04%
TGP	19.55%	TOPS	-38.55%
DRYS	19.00%	SBLK	-36.13%
TK	17.10%	PRGN	-35.94%
DCIX	15.95%	DHT	-30.45%

The following are the 43 members of this group: **Symbol – Name:** **ALEX** - Alexander & Baldwin Inc; **ANW** - Aegean Marine Petroleum Network Inc; **BALT** - Baltic Trading Ltd; **CPLP** - Capital Product Partners LP; **CMRE** - Costamare, Inc.; **DAC** - Danaos Corp; **DCIX** - Diana Containerships; **DHT** - DHT Maritime Inc; **DRYS** - DryShips Inc; **DSX** - Diana Shipping Inc; **EGLE** - Eagle Bulk Shipping Inc; **ESEA** - Euroseas Ltd; **EXM** - Excel Maritime Carriers Ltd; **FREE** - FreeSeas; **FRO** - Frontline Ltd; **GASS** - StealthGas Inc; **GLBS** - Globus Maritime Limited; **GLNG** - Golar LNG Ltd; **GMLP** - Golar LNG Partners; **GNK** - Genco Shipping & Trading Ltd; **GSL** - Global Ship Lease Inc; **NAT** - Nordic American Tanker Shipping; **NEWL** - NewLead Holdings Ltd; **NM** - Navios Maritime Holdings Inc; **NMM** - Navios Maritime Partners LP; **NNA** - Navios Maritime Acquisition Corp; **OSG** - Overseas Shipholding Group Inc; **PRGN** - Paragon Shipping Inc; **SB** - Safe Bulkers Inc; **SBLK** - Star Bulk Carriers Corp; **SFL** - Ship Finance International Ltd; **SHIP** - Seaneary Maritime Holdings Corp; **SSW** - Seaspan Corp; **STNG** - Scorpio Tankers Inc; **TGP** - Teekay LNG Partners LP; **TK** - Teekay Corp; **TNK** - Teekay Tankers Ltd; **TNP** - Tsakos Energy Navigation Ltd; **TOO** - Teekay Offshore Partners LP; **TOPS** - TOP Ships Inc; **TRMD** - D/S Torm A/S; **VLCCF** - Knightsbridge Tankers Ltd

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Capital Link Shipping Weekly Markets Report



Monday, October 22, 2012 (Week 43)

CAPITAL MARKETS DATA

Shipping Bonds

Contributed by **Knight**

Shipping Relative Value Analysis										
Issuer	Coupon	Issue	Maturity	Amount Out	Issue Rating	As of 10/19/12			Next Call	
						Price	YTW	STW	Date	Price
Shipping										
American Commercial (ACLI)										
	12.500%	Sr Sec Nts	07/15/17	\$200	B2 / BB-	112.00	4.09%	380 bps	07/15/13	106.25
American Petroleum Tankers (AMPETR)										
	10.250%	Sr Sec Nts	05/01/15	\$258	B1 / B+	105.36	4.63%	433 bps	11/19/12	105.13
Berlian Laju Tanker (BLTAIJ)										
	7.500%	Sr Un Nts	05/15/14	\$400	NR/ CCC-	21.25	150.23%	14993 bps	11/19/12	103.75
	12.000%	Sr Un Nts	02/10/15	\$125	NR/ NR	19.88	1,369.17%	136888 bps	nc	nc
CMA CGM (CMACG)										
	8.500%	Sr Un Nts	04/15/17	\$396	Caa2 / CCC- /*-	74.88	16.69%	1594 bps	04/15/14	104.25
	8.875%	Sr Un Nts	04/15/19	\$286	Caa2 / CCC- /*-	76.66	14.56%	1447 bps	04/15/15	104.44
Golden State Petro (GOLDEN)										
	8.040%	Sr Sec Nts	02/01/19	\$92	Caa1 / B	NA	NA	NA	nc	nc
Great Lakes Dredge & Dock (GLDD)										
	7.375%	Sr Un Nts	02/01/19	\$250	B3 / B	107.38	5.40%	466 bps	02/01/15	103.69
DryShips (DRYS)										
	5.000%	Conv Nts	12/01/14	\$700	NR/ NR	82.50	15.00%	1471 bps	nc	nc
Excel Maritime (EXM)										
	1.875%	Conv Nts	10/15/27	\$150	NR/ NR	NA	NA	NA	10/22/14	100.00
Horizon Lines (HRZ)										
	11.000%	Sr Sec Nts	10/15/16	\$223	NR/ NR	99.00	11.32%	1057 bps	11/19/12	101.50
Marquette Transportation (MARTRA)										
	10.875%	Sr Sec Nts	01/15/17	\$250	B3 / B-	105.75	8.78%	803 bps	01/15/13	108.16
Navios Maritime Acquisition (NNA)										
	8.625%	Sr Sec Nts	11/01/17	\$505	B3 / B	96.38	9.55%	880 bps	11/01/13	104.31
Navios Maritime (NM)										
	8.875%	Sr Sec Nts	11/01/17	\$400	Ba3 / BB-	103.00	7.74%	734 bps	11/01/13	104.44
	8.125%	Sr Un Nts	02/15/19	\$350	B3 / B+	90.88	10.11%	835 bps	02/15/15	104.06
	9.250%	Sr Un Nts	04/15/19	\$191	B3 / B+	99.15	9.43%	766 bps	04/15/14	106.94
Overseas Shipholding (OSG)										
	8.750%	Sr Un Nts	12/01/13	\$64	Caa2 / CCC+	78.50	33.59%	3330 bps	nc	nc
	8.125%	Sr Un Nts	03/30/18	\$300	Caa2 / CCC+	50.00	25.68%	2494 bps	nc	nc
	7.500%	Sr Un Nts	02/15/24	\$146	Caa2 / CCC+	43.80	20.38%	1861 bps	nc	nc
Royal Caribbean (RCL)										
	7.000%	Sr Un Nts	06/15/13	\$550	Ba1 / BB	103.63	1.30%	101 bps	nc	nc
	6.875%	Sr Un Nts	12/01/13	\$350	Ba1 / BB	105.75	1.59%	130 bps	nc	nc
	5.625%	Sr Un Nts	01/27/14	\$745	Ba1 / BB	103.88	2.45%	242 bps	nc	nc
	11.875%	Sr Un Nts	07/15/15	\$300	Ba1 / BB	122.88	3.06%	266 bps	nc	nc
	7.250%	Sr Un Nts	06/15/16	\$350	Ba1 / BB	113.00	3.42%	267 bps	nc	nc
	7.250%	Sr Un Nts	03/15/18	\$150	Ba1 / BB	112.00	4.70%	396 bps	nc	nc
	7.500%	Sr Un Nts	10/15/27	\$300	Ba1 / BB	107.13	6.74%	382 bps	nc	nc
Ship Finance (SFL)										
	8.500%	Sr Un Nts	12/15/13	\$274	B3 / B+	100.62	(0.43%)	-59 bps	11/19/12	100.00
	5.950%	Sr Un Nts	04/07/14	\$437	NR/ NR	NA	NA	NA	10/07/13	100.50
	3.750%	Sr Un Nts	02/10/16	\$125	NR/ NR	84.80	9.40%	844 bps	nc	nc
Stena AB (STENA)										
	7.000%	Sr Un Nts	12/01/16	\$129	B2 / BB	99.50	7.14%	639 bps	11/19/12	101.17
	6.125%	Sr Un Nts	02/01/17	\$300	B2 / BB	103.65	5.16%	479 bps	nc	nc
	5.875%	Sr Un Nts	02/01/19	\$102	B2 / BB	97.91	6.28%	594 bps	nc	nc
	7.875%	Sr Un Nts	03/15/20	\$200	B2 / BB	103.51	7.25%	629 bps	nc	nc
Teekay Corp (TK)										
	8.500%	Sr Un Nts	01/15/20	\$450	B2 / BB-	105.75	7.45%	569 bps	nc	nc
Trailer Bridge (TRBR)										
	9.250%	Sr Sec Nts	11/15/11	\$83	WR / NR	NA	NA	NA	nc	nc
Windsor Petroleum (WINPET)										
	7.840%	Sr Sec Nts	01/15/21	\$211	Caa2 / CCC+	NA	NA	NA	nc	nc



Shipping Bonds

Supply Vessels										
Gulfmark Offshore (GMRK)										
6.375%	Sr Un Nts	03/15/22	\$300	B1 / BB-	103.50	5.79%	402 bps	03/15/17	103.19	
Hornbeck Offshore Services (HOS)										
8.000%	Sr Un Nts	09/01/17	\$250	Ba3 / BB-	108.01	3.07%	278 bps	09/01/13	104.00	
1.625%	Conv Nts	11/15/26	\$250	NR/ BB-	101.75	(0.03%)	-32 bps	11/15/13	100.00	
Seacor Holdings (CKH)										
7.375%	Sr Un Nts	10/01/19	\$234	Ba1 / BB	110.25	5.57%	381 bps	nc	nc	

Capital Link Shipping



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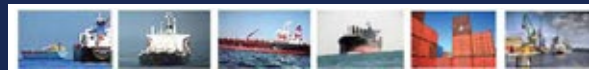
For additional information,
please contact:

Sandy Reddin

phone 212-455-9255

email SReddin@knight.com

www.knight.com



Dry Bulk Market - Weekly Highlights

The Dry Bulk market continued to firm for yet another week, this time propelled by the strong conditions witnessed in the capesize market. The significant amount of fresh inquiries emerging in both basins coupled with the still tight position lists due to the mass ixing that has been going on over the past month meant that only direction freight levels could go was north. Panamaxes on the other hand seemed to have seen a slowdown in activity this week and in effect a more modest sentiment amongst owners who seemed to be happy for the time being with the level freight rates have now reached. The conditions are still favorable for further gains, however we will need to see a stronger demand from charterers before the next wave of freight rate increases in noted. Supras continued on a downward path for yet another week as there seemed to be limited interest holding in the Pacific basin, while the Atlantic was in no position to pick up the excess slack. Handies witnessed a marginal improvement in freight levels. This was on the back of increasing numbers of stems emerging in the market and helping reduce the number of open vessels in most regions.

Contributed by

Intermodal



Intermodal Shipbrokers Co.
17th km Ethniki Odos Athens-Lamia & 3 Agrambelis Street,
145 64 N. Kifisia,
Athens - Greece

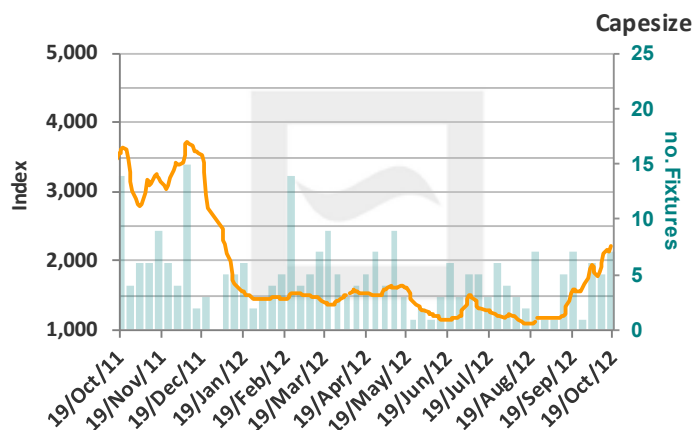
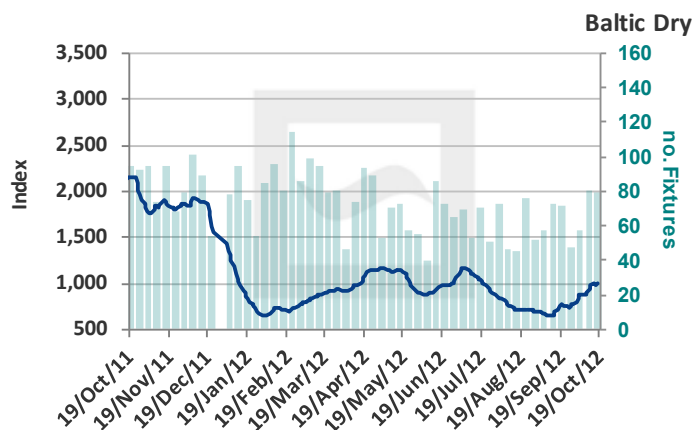
Phone: +30 210 6293300
Website: www.intermodal.gr

Indices / Dry Bulk Spot Rates

	Week 42 19/10/12		Week 41 12/10/12		±%	Point Diff	2012	2011
	Index	\$/day	Index	\$/day			Avg Index	Avg Index
BDI	1,010		926		9.1%	84	910	1,549
BCI	2,217	\$14,380	1,914	\$11,074	15.8%	303	1,460	2,237
BPI	879	\$7,020	871	\$6,937	0.9%	8	990	1,749
BSI	732	\$7,652	776	\$8,110	-5.7%	-44	949	1,377
BHSI	445	\$6,555	444	\$6,536	0.2%	1	537	718

On the demand side of things, we are still seeing bearish signs for most dry bulk commodities. Prices for iron ore, metallurgical coal and thermal coal have been at close to their lowest levels for this year. There has been a recent rise in demand as a lot of the developing nations have taken up this opportunity to restock, nevertheless there is still a lot of uncertainty and with economic growth seemingly slowing down, and there are many who worry that this increased demand is only temporary. As such much hope has been placed on the recent stimulus packages planned by the Chinese government which could possibly provide the spark needed to restart investment in infrastructure as well as demand for energy.

▲ The Baltic Dry Index closed on Friday the 19th of October at 1,010 points with a weekly gain of 84 points or 9.1% over previous week's closing. (Last Friday's the 12th of October closing value was recorded at 926 points).



CAPE SIZE MARKET - ▲ The Baltic Cape Index closed on Friday the 19th of October at 2,217 points with a weekly gain of 303 points. For this week we monitor a 15.8% change on a week-on-week comparison, as Last Friday's the 12th of October closing value was 1,914 points). It is worth noting that the annual average of 2011 for the Cape Index is currently calculated at 1,460 points, while the average for the year 2010 was 2,237 points.



Dry Bulk Market - Weekly Highlights

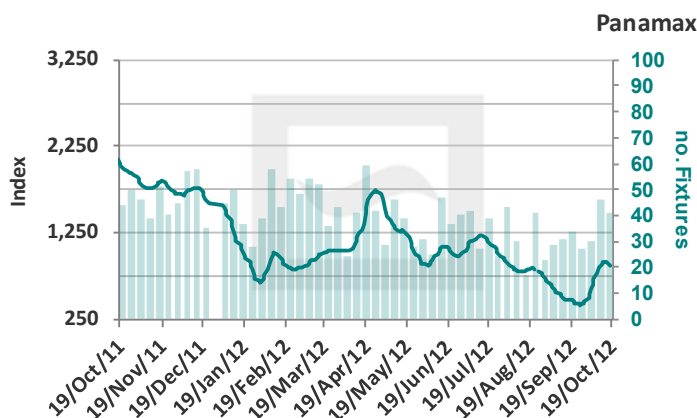
Week	No. of Fixtures	Highest Fixture	Lowest Fixture
this week	7	\$31,000	\$7,400
last week	5	\$15,500	\$8,500

Week	Period Charter	Trip Charter
this week	\$17,500	\$18,467
last week	\$0	\$11,450

For Week 42 we have recorded a total of 7 timecharter fixtures in the Capesize sector, 4 for period charter averaging \$17,500 per day, while 3 trip charters were reported this week with a daily average of \$18,467 per day.

This week's fixture that received the lowest daily hire was the M/V "BAO JIN HAI", 167315 dwt, built 1989, dely Bayuquan ppt, redely China, \$7400, Winning, for a trip via Indonesia -1100\$ reduced from last week, and the fixture with the highest daily hire was the M/V "JOHN OLDENDORFF", 169000 dwt, built 2001, dely Black Sea end Oct, redely Far East, \$31000, Vista, for a trip 15500\$ improved from last week.

The BCI is showing a **15.8%** rise on a weekly comparison, a **56.0%** rise on a 1 month basis, a **73.7%** rise on a 3 month basis, a **45.5%** rise on a 6 month basis and a **-29.2%** loss on a 12 month basis.



PANAMAX MARKET - ▲ The Baltic Panamax Index closed on Friday the 19th of October with a gain at 879 points having gained 8 points on a weekly comparison. It is worth noting that last Friday's the 12th of October saw the Panamax index close at 871 points. The week-on-week change for the Panamax index is calculated to be **0.9%**, while the yearly average for the Baltic Panamax Index for this running year is calculated at 990 points while the average for 2010 was 1,749 points.

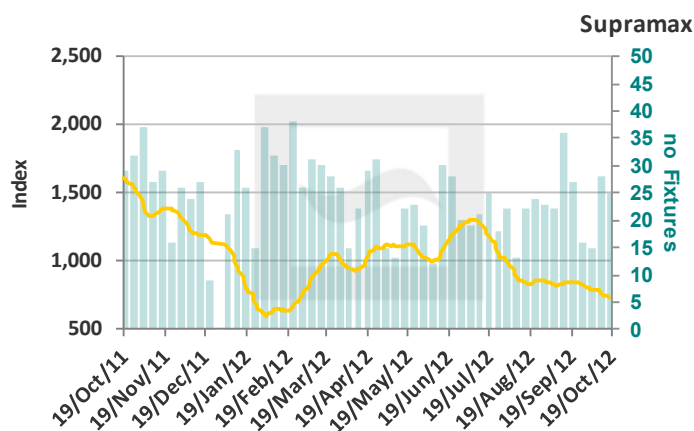
Week	No. of Fixtures	Highest Fixture	Lowest Fixture
this week	41	\$17,500	\$5,000
last week	46	\$18,000	\$1,500

Week	Period Charter	Trip Charter
this week	\$8,125	\$9,172
last week	\$7,936	\$8,556

For Week 42 we have recorded a total of 41 timecharter fixtures in the Panamax sector, 2 for period charter averaging \$8,125 per day, while 39 trip charters were reported this week with a daily average of \$9,172 per day.

The daily earnings differential for the Panamaxes, that we calculate from all this week's reported fixtures, i.e. the difference between the lowest and highest reported fixture for this week was reduced, and this week's fixture that received the lowest daily hire was the M/V "GIA HUA", 73747 dwt, built 2000, dely Krishnapatnam 9/13 Oct, redely India, \$5000, Sivabulk, for a trip via EC Australia 3500\$ improved from last week, and the fixture with the highest daily hire was the M/V "TIAN ZHU FENG", 74201 dwt, built 2000, dely Immingham spot, redely Singapore-Japan via Cape of Good Hope, \$17500, Hudson, for a trip via USEC option St. Lawrence -500\$ reduced from last week.

The BPI is showing a **0.9%** rise on a weekly comparison, a **87.8%** rise on a 1 month basis, a **-24.0%** loss on a 3 month basis, a **-43.4%** loss on a 6 month basis and a **-54.5%** loss on a 12 month basis.



SUPRAMAX & HANDYMAX MARKET - ▼ The Baltic Supramax Index closed on Friday the 19th of October at 732 points down with a weekly loss of -44 points or -5.7%. The Baltic Supramax index on a weekly comparison is with a downward trend as last Friday's the 12th of October closing value was 776 points. The annual average of the BSI is recorded at 949 points while the average for 2010 was 1,377 points.

Week	No. of Fixtures	Highest Fixture	Lowest Fixture
this week	25	\$18,500	\$3,250
last week	28	\$18,600	\$6,000

Week	Period Charter	Trip Charter
this week	\$9,250	\$9,960
last week	\$8,667	\$10,614

For Week 42 we have recorded a total of 25 timecharter fixtures in the Supramax & Handymax sector, 2 for period charter averaging

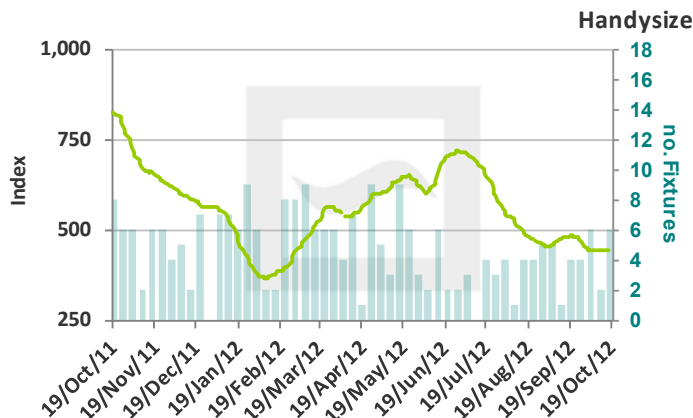


Dry Bulk Market - Weekly Highlights

\$9,250 per day, while 23 trip charters were reported this week with a daily average of \$9,960 per day.

The minimum vs maximum daily rate differential as analyzed from our fixtures database was overall improved and from the reported fixtures we see that this week's fixture that received the lowest daily hire was the M/V "JOSCO TAICANG", 58670 dwt, built 2012, dely CJK 18/21 October, redely USGulf approx, \$3250, Chart Not Rep, for a trip, 3250 daily 1st 65 days approx 9250 daily thereafter -2750\$ reduced from last week, and the fixture with the highest daily hire was the M/V "OCEAN PRINCESS", 52382 dwt, built 2002, dely USGulf early November, redely Singapore-Japan approx, \$18500, STX Pan Ocean, for a trip -100\$ reduced from last week.

The BSI is showing a **-5.7%** loss on a weekly comparison, a **-13.4%** loss on a 1 month basis, a **-38.6%** loss on a 3 month basis, a **-29.9%** loss on a 6 month basis and a **-52.2%** loss on a 12 month basis.



HANDYSIZE MARKET - ▲ The Baltic Handysize Index closed on Friday the 19th of October with an upward **trend** at 445 points with a weekly gain of **1** points and a percentage change of **0.2%**. It is noted that last Friday's the 12th of October closing value was 444 points and the average for 2011 is calculated at 537 points while the average for 2010 was 718 points.

Week	No. of Fixtures	Highest Fixture	Lowest Fixture
this week	6	\$11,500	\$7,500
last week	2	\$11,750	\$7,000

Week	Period Charter	Trip Charter
this week	\$0	\$8,825
last week	\$0	\$9,375

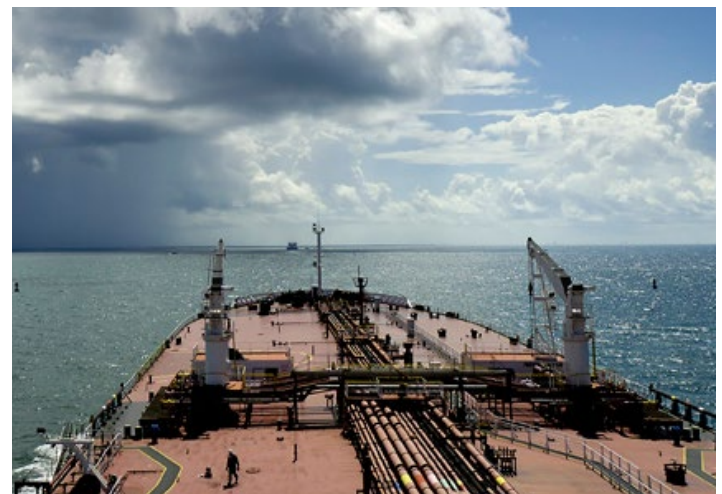
For Week 42 we have recorded a total of 6 timecharter fixtures in the Handysize sector, 0 for period charter averaging \$0 per day, while 8 trip charters were reported this week with a daily average of \$8,825 per day.

The minimum vs maximum daily rate differential as analyzed from our fixtures database was overall reduced and this week's fixture that received the lowest daily hire was the M/V "KEN GOH", 31939 dwt, built 2001, dely aps US east coast 20/25 Oct, redely Continent approx, \$7500, Pacbasin, for a trip int woodpellets 500\$ improved from last week and the fixture with the highest daily hire was the M/V "YANGZTE FLOURISH", 32613 dwt, built 2012, dely aps Recalada early Nov, redely WC South America, \$11500, STX Pan Ocean, for a trip 4500\$ improved from last week.

The BHI is showing a **0.2%** change on a weekly comparison, a **-7.3%** loss on a 1 month basis, a **-32.3%** loss on a 3 month basis, a **-21.4%** loss on a 6 month basis and a **-42.9%** loss on a 12 month basis.

All Baltic Dry Indices, 1 day, 1week, 1 month, 3 months, 6 months and 12 months % changes based on last Friday's closing figures.

INDEX	1 DAY	1 WEEK	1 MONTH	3 MONTHS	6 MONTHS	1 YEAR
BDI	2.1%	9.1%	39.9%	-2.6%	-7.3%	-48.6%
BCI	3.8%	15.8%	56.0%	73.7%	45.5%	-29.2%
BPI	-1.8%	0.9%	87.8%	-24.0%	-43.4%	-54.5%
BSI	-1.1%	-5.7%	-13.4%	-38.6%	-29.9%	-52.2%
BHI	0.2%	0.2%	-7.3%	-32.3%	-21.4%	-42.9%



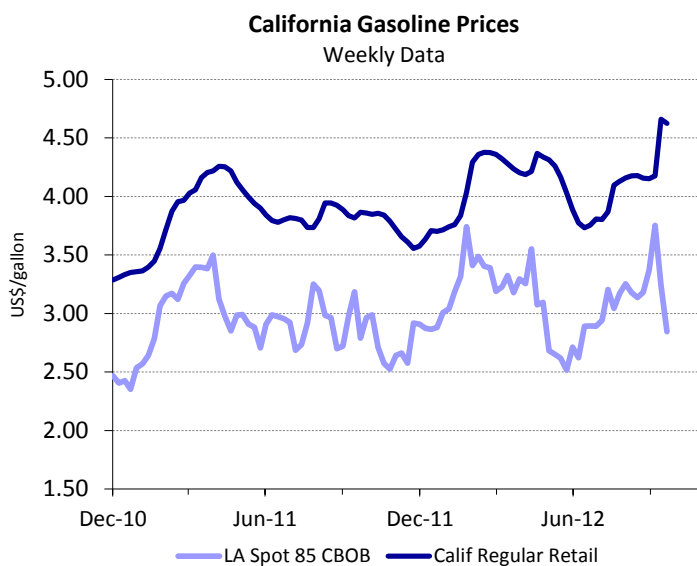


Weekly Tanker Market Opinion

California Gasoline Situation Stabilises

Following a 50-cent per gallon spike that sent California retail gasoline prices to record levels and as high as \$5/gallon in some areas, gasoline supply is finally stabilising in the region. An upset at ExxonMobil's 149.5 kbpd Torrance refinery on October 1, following a prolonged outage at Chevron's 257 kbpd Richmond refinery that began in August, sparked a short burst of panic buying and led to closures of petrol stations that were unable to secure supplies. The consumer outcry at the magnitude of the gasoline price surge and legislators' impassioned calls for regulatory investigation were inevitable, but the entire episode served as a reminder of the isolated geography of that market and its dependency on local refining.

The price event was sudden and violent, leaving car-loving California motorists stunned, as the average price for regular gasoline rose to \$4.69/gal, according to EIA data, consistent with other price surveys. As shown in the chart below, retail prices had ticked lower in the EIA mid-week data, with some surveys now indicating \$4.55/gal.



Sources: EIA, Bloomberg

The chart also illustrates the \$0.50/gal spike in wholesale gasoline prices, which fed the retail price jump, but now revealing the downward stickiness of retail prices, as spot gasoline prices have reversed and crashed below \$3.00/gal.

The drama began with a power outage at ExxonMobil's 149.5 kbpd Torrance refinery on Monday, October 1 that forced the shutdown of several units and tightened local product supply. The refinery was back on line and at full production by the end of that week, but a number of other factors contributed to the market response that sent Los Angeles gasoline crack spreads against Alaska North Slope (ANS) crude soaring to \$50/bbl, as shown in the chart below.

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Poten & Partners, Inc.

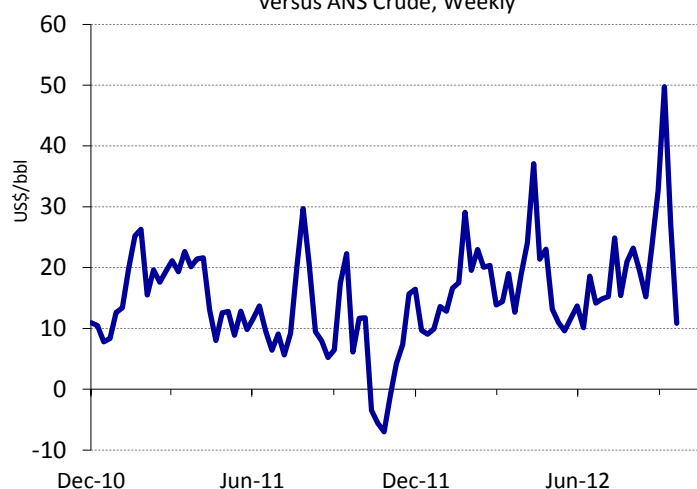
805 Third Avenue
New York, NY 10022

Phone: (212) 230-2000
Website: www.poten.com



Los Angeles Gasoline Crack Spread

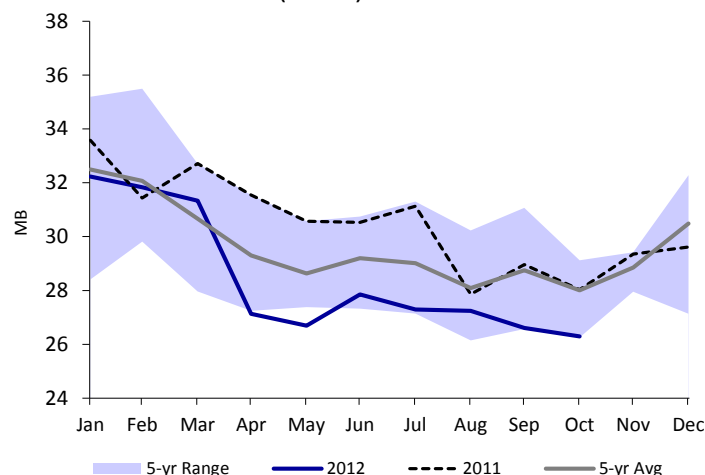
versus ANS Crude, Weekly



Source: Bloomberg

Historically-low gasoline inventories occurring at the time of the seasonal switch-over from summer grade to winter grade gasoline was a major culprit, as shown below.

USWC (PADD5) Gasoline Inventories



Source: EIA



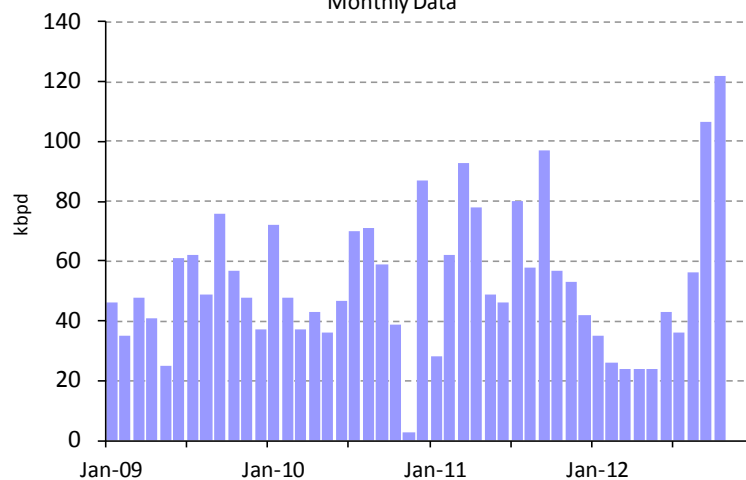
Weekly Tanker Market Opinion

EIA data indicates that last week, USWC (PADD5) gasoline inventories slipped to 26.3 MB, a decline of 0.3 MB since the end of September, just prior to the Torrance mishap. These low stock levels are occurring during the seasonal low in gasoline inventories, as refiners typically draw down stock of summer-grade gasoline, before building inventories of winter grade. Although the weak macro-economic environment in California has pushed PADD5 gasoline demand 1.9% lower year-over-year (yoy) for 2012 to date, inventory levels were also low in terms of days of forward gasoline demand. Current total gasoline stocks represent 18.0 days of demand, very close to the 17.6-17.9 day minimum levels witnessed during the past several years. Some industry observers have remarked that the price spike was the natural outcome of tighter inventory management in a constrained and geographically-isolated refining environment such as California.

Although the price spike could be attributed to bad luck in refining mishaps -- or something more nefarious in Senate sub-committee hearings -- the regional refiners have actually adjusted to the loss of distillation capacity in a rational manner.

As we suggested in August, PADD5 refiners have been able to boost gasoline output and yields by importing additional heavy vacuum gasoil (HVGO) as a cracker feedstock. Both the hydrocracker and fluid catalytic cracking units at its Richmond refinery are still operating, despite the loss of distillation capacity. As shown in the chart below, PADD5 imports of HVGO have surged since the Richmond incident, with imports hitting 122 kbpd during the first two weeks of October.

USWC (PADD5) HVGO Imports
Monthly Data



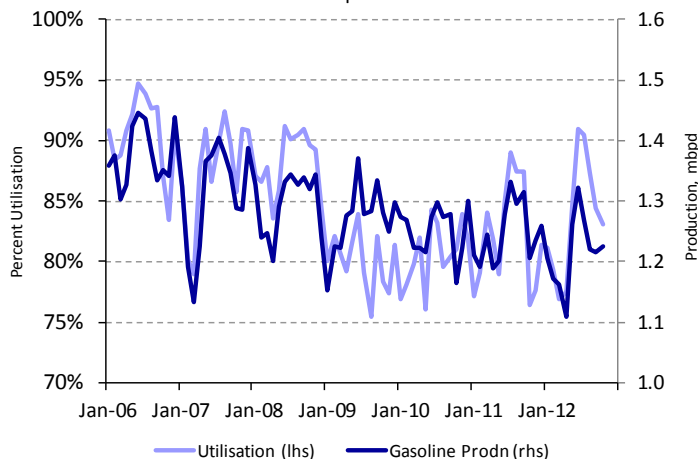
Source: EIA

This import arrival pattern would be consistent with the delay inherent in securing HVGO cargoes from traditional HVGO sources in the Caribbean and Algeria, following the early-August shutdown at Richmond. This burst of import demand would also help to explain the relative strength in dirty Panamax earnings, particularly on trans-Atlantic routes.

Meanwhile, the loss of refinery capacity and the subsequent gasoline price spike have not created any parallel drama in the clean tanker markets. Despite the large size of the California and PADD5 gasoline market, the regional gasoline balance has been manageable since the financial crisis. Since peaking at 1.63 mbpd in 2006, PADD5 gasoline demand has fallen at a 1.5% average annual pace through 2011 and is poised to decline another 1.6-1.8% in 2012. This collapse in demand, from weak macroeconomic fundamentals in California, as well as structural issues surrounding car fleet fuel economy and demographics, has brought consumption levels below 1.5 mbpd. At this point, the local refining system can meet these gasoline demand levels with utilizations in the 83-84% level, even allowing for the occasional refinery mishap.

With a more relaxed gasoline balance, PADD5 gasoline import needs have diminished. As shown in the chart below, the international gasoline balance for PADD5 has reversed since 2007, when the district imported a net 93 kbpd of finished gasoline and blendstocks, to exporting a net 22 kbpd of gasoline during 1h12.

USWC (PADD5) Refinery Utilisation
Gasoline Output vs Utilisation



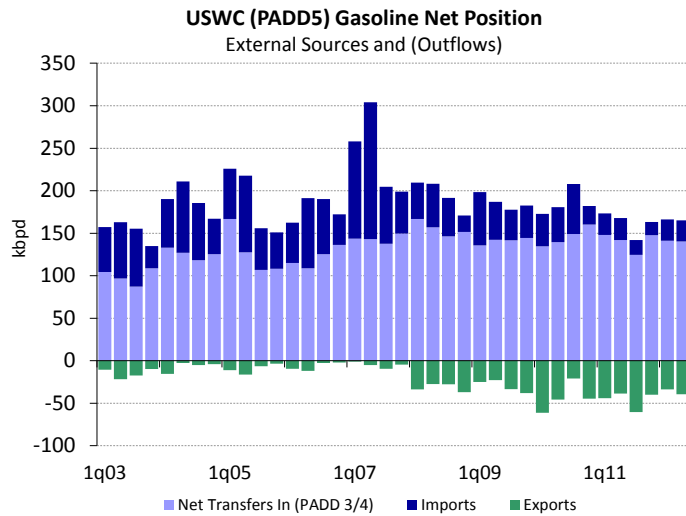
Source: EIA

As shown in the above chart, this summer, PADD5 refiners had been running their units at the highest level of utilizations since 2008, helping to boost their level of gasoil exports, principally to Latin America. Then, in early August, the shutdown of Chevron's 257 kbpd Richmond refinery removed 8.5% of PADD5 operable distillation capacity. Regional utilizations dropped from 90.5% in July to 87.3% in August, and then to 84.4% in September. The 6% drop in utilizations between July and September suggests that other refiners were able to increase throughput to offset the loss of Richmond partially. Meanwhile, the five-day loss of the Torrance refinery, representing 4.9% of PADD5 operable capacity, only produced a one percentage point decline in utilizations in early October, as other regional refiners were happy to increase throughput and take advantage of the \$50/bbl gasoline crack spread.

Although refinery gasoline output fell sharply from June levels of 1.32 mbpd (0.30 mbpd of finished gasoline and 1.02 mbpd of blendstocks), gasoline production has stabilised near 1.22 mbpd since the Richmond mishap, despite the drop in utilizations.

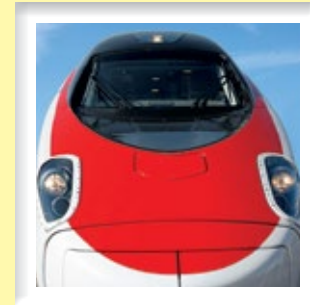
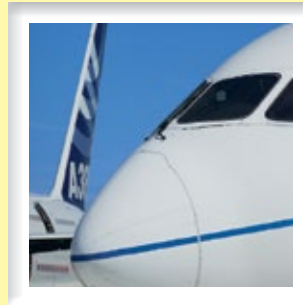
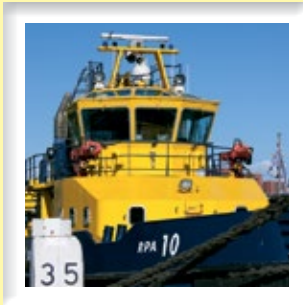
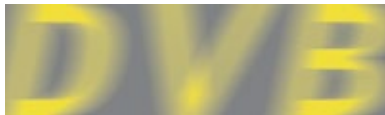


Weekly Tanker Market Opinion



The region is still reliant, however, on transfers in of gasoline from adjacent PADDs, which have averaged 144 kbpd during the past two years. The district also relies on another 130-150 kbpd of ethanol transfers from the other PADDs, not shown in the above chart, while its external trade in ethanol has not been material. In contrast to PADD1 on the US East Coast, which relies on inter-PADD transfers for 70% of its gasoline needs and net imports for another 20-25%, PADD5 depends upon its local refining system to provide 80-85% of its gasoline needs. For this reason, the region remains isolated and vulnerable to refinery upsets, and this month's Torrance episode will remain a vivid reminder of this reality.

Source: EIA



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Weekly Freight Rate & Asset Trends

Tanker Spot Rates

Vessel	Routes	Week 42		Week 41		±%	2012		2011
		WS points	\$/day	WS points	\$/day		\$/day	\$/day	
VLCC	265k AG-JAPAN	37	6,265	36	3,190	4%	21,665	18,217	
	280k AG-USG	23	-10,330	25	-8,769	-6%	1,841	2,504	
	260k WAF-USG	45	21,996	45	20,624	0%	32,179	25,714	
Suezmax	130k MED-MED	63	13,572	60	11,305	4%	22,912	25,125	
	130k WAF-USAC	63	9,906	58	5,125	9%	14,021	13,373	
	130k AG-CHINA	73	19,449	78	23,043	-6%	22,877	14,815	
Aframax	80k AG-EAST	95	14,237	100	16,093	-5%	14,425	12,726	
	80k MED-MED	73	7,081	73	7,081	0%	14,174	13,577	
	80k UKC-UKC	85	13,950	85	13,634	0%	18,551	18,604	
Clean	70k CARIBS-USG	93	8,621	88	5,789	5%	11,935	8,240	
	75k AG-JAPAN	110	17,536	105	14,900	5%	8,594	10,467	
	55k AG-JAPAN	130	16,145	114	10,274	14%	8,526	7,768	
Dirty	37K UKC-USAC	118	6,012	125	7,336	-6%	8,903	11,022	
	30K MED-MED	200	33,166	170	24,645	18%	17,185	18,458	
	55K UKC-USG	128	19,011	133	20,295	-4%	15,687	11,266	
Dirty	55K MED-USG	128	17,266	138	20,465	-7%	13,890	9,676	
	50k CARIBS-USAC	113	10,168	110	8,804	2%	13,193	10,700	

Contributed by

Intermodal



Intermodal Shipbrokers Co.
17th km Ethniki Odos Athens-Lamia & 3 Agrambelis Street,
145 64 N. Kifisia,
Athens - Greece

Phone: +30 210 6293300
Website: www.intermodal.gr

Secondhand Indicative Market Values (\$ Million) - Tankers

Vessel 5yrs old		Oct-12	Sep-12	±%	2012	2011	2010
VLCC	300KT DH	61.3	62.3	-1.5%	64.1	77.6	87.2
Suezmax	150KT DH	42.7	44.0	-3.0%	45.9	54.4	62.6
Aframax	105KT DH	27.8	29.8	-6.4%	32.0	39.1	44.7
Panamax	70KT DH	24.3	26.0	-6.4%	27.2	35.2	38.8
MR	45KT DH	22.3	24.0	-6.9%	25.0	28.4	26.5

Tanker Time Charter Rates

\$/day		Week 42	Week 41	±%	Diff	2012	2011
VLCC	300k 1yr TC	22,000	22,500	-2.2%	-500	22,548	25,197
	300k 3yr TC	27,000	27,000	0.0%	0	27,313	31,681
Suezmax	150k 1yr TC	17,000	17,500	-2.9%	-500	17,679	19,837
	150k 3yr TC	21,500	22,000	-2.3%	-500	21,069	23,830
Aframax	105k 1yr TC	14,000	14,000	0.0%	0	13,827	15,707
	105k 3yr TC	16,250	16,250	0.0%	0	16,111	18,335
Panamax	70k 1yr TC	13,250	13,000	1.9%	250	13,012	14,995
	70k 3yr TC	14,500	14,500	0.0%	0	14,277	16,263
MR	45k 1yr TC	13,000	13,000	0.0%	0	13,857	13,918
	45k 3yr TC	14,500	14,500	0.0%	0	14,670	14,738
Handysize	36k 1yr TC	12,750	12,750	0.0%	0	12,560	12,471
	36k 3yr TC	13,750	13,750	0.0%	0	13,361	13,412

Secondhand Indicative Market Values (\$ Million) - Bulk Carriers

Vessel 5yrs old		Oct-12	Sep-12	±%	2012	2011	2010
Capesize	170k	32.5	32.4	0.4%	35.0	43.5	57.4
Panamax	73K	19.3	20.5	-5.7%	23.6	31.3	39.0
Supramax	52k	19.0	19.6	-3.2%	21.8	25.6	30.2
Handysize	29K	16.0	16.0	0.0%	18.6	23.5	26.2

Dry Bulker Time Charter Rates

\$/day		Week 42	Week 41	±%	Diff	2012	2011
Capesize	170K 6mnt TC	17,750	15,500	15%	2,250	13,227	18,474
	170K 1yr TC	14,500	14,250	2%	250	14,126	17,138
	170K 3yr TC	14,500	13,500	7%	1,000	15,611	17,599
Panamax	70K 6mnt TC	9,625	9,625	0%	0	11,483	17,238
	70K 1yr TC	9,000	8,750	3%	250	10,283	14,863
	70K 3yr TC	10,000	10,425	-4%	-425	11,296	14,500
Supramax	52K 6mnt TC	10,000	10,000	0%	0	11,629	15,587
	52K 1yr TC	9,500	9,500	0%	0	10,676	14,308
	52K 3yr TC	10,500	10,500	0%	0	11,492	14,046
Handymax	45k 6mnt TC	8,250	8,250	0%	0	9,760	13,416
	45k 1yr TC	8,250	8,250	0%	0	9,140	12,450
	45k 3yr TC	9,000	9,000	0%	0	9,843	12,403
Handysize	30K 6mnt TC	8,250	8,250	0%	0	8,495	11,712
	30K 1yr TC	8,500	8,500	0%	0	8,607	11,787
	30K 3yr TC	9,250	9,250	0%	0	9,629	12,044

New Building Indicative Market Prices (million\$)

Vessel			Week 42	Week 41	±%	2012	2011	2010
Bulkers	Capesize	170k	45.5	45.5	0.0%	46	53	58
	Panamax	75k	25.3	25.3	0.0%	27	33	35
	Supramax	57k	24.3	24.3	0.0%	25	30	31
	Handysize	30k	20.6	20.6	0.0%	22	25	27
Tankers	VLCC	300k	94.5	94.5	0.0%	94	102	103
	Suezmax	150k	57.0	57.0	0.0%	58	64	66
	Aframax	110k	48.5	48.5	0.0%	49	54	55
	LR1	70k	41.5	42.0	-1.2%	42	45	46
Gas	MR	47k	33.5	33.5	0.0%	33	36	36
	LPG M3	80k	70.0	70.0	0.0%	70	73	72
	LPG M3	52k	61.5	61.5	0.0%	61	64	65
	LPG M3	23k	41.5	41.5	0.0%	43	46	46





Tanker Market - Weekly Highlights

Aframax supply/demand positioning eyes continued incremental improvements

The Aframax spot market has continued to witness incremental demand gains through 2012 against a moderating level of net fleet growth. The cumulative effect has been a 78% year-on-year rise in average spot market earnings to \$14,255/day, YTD. Though still far from ideal (especially for units ordered at peak NB markets which face an estimated breakeven level of \$35,000/day, including debt servicing and other provisions), 2012 is likely to mark the year at which the Aframax class commenced its sustained recovery. The basis for expecting incremental demand gains in excess of net supply growth stems from the size flexibility the class offers to service emerging supply areas and the growth to corresponding regional trades.

Demand

Modest year-on-year demand gains have been posted in key Aframax markets through the first three quarters. In the Caribbean market, Aframax fixtures rose by 2.4% -- despite both a 52.1% rise in total spot market volumes on the Caribbean-East routes serviced by the larger VLCCs and Suezmaxes AND a 49% rise in Suezmax fixtures on the CBS-Up crude trades traditionally serviced almost exclusively by the Aframax class. In the Mediterranean market, the return of Libyan exports and growing exports of Iraq crude via Ceyhan has seen fixtures rise by 78.7%.

In the Baltic Sea market, rising pipeline volumes have already boosted Aframax volumes by 80%. The rise has come as Russian progressed into the test phase of Phase 1 of the Baltic Pipeline System Two (BPS-2) in March and recent inauguration of the Ust-Luga terminal in the Gulf of Finland. During the first months of the test phase some 7.5m MT of crude have been shipped and a total of 15m MT of crude is expected to have been handled by the end of 2012 and by the end of Phase 2 in December 2013 the system is intended to handle 50m MT of crude per year.

The BPS-2 system highlights the support Aframax receive from pipelines globally and the prospect for further gains thereof. Indeed, during 2012 some 4.5 Mb/d of tanker-served pipeline capacity has been added, bringing the worldwide total to over 20 Mb/d, with Aframax serving the lions share of this. With up to a further 10 Mb/d of future capacity worldwide presently planned, the Aframax sector appears well positioned to see this years earnings gains extend.



Contributed by

Charles R. Weber Company, Inc.

Charles R. Weber Company, Inc.
Greenwich Office Park One,
Greenwich CT 06831

Phone: 203 629-2300
Website: www.crweber.com



Supply

Net fleet growth has moderated to 1.9% YTD from 3.8% during 2011 as the bulk of the orderbook built prior to the 2008 financial crisis has now been worked through. Moreover, with the class being spared the newbuilding interest afforded to VLCCs and Suezmaxes during the false recovery of 2010, just 7% of the current fleet is presently on order. By contrast, in the VLCC, Suezmax and MR classes, 13% of the combined fleet is presently on order.

Spot Market	WS	TCE	WS	TCE
VLCC	10/12		10/19	
AG>USG 280 KMT	23.25	\$(9,600)	23.0	\$(9,500)
AG>SPORE 270 KMT	36.0	\$6,100	36.0	\$6,500
AG>JPN 265 KMT	36.0	\$5,400	36.0	\$5,800
WAFR>USG 260 KMT	42.5	\$14,500	42.5	\$14,900
WAFR>CHINA 260 KMT	40.0	\$10,600	41.0	\$12,500
SUEZMAX				
WAFR>USAC 130 KMT	57.5	\$8,300	62.5	\$12,100
B.SEA>MED 135 KMT	60.0	\$4,100	60.0	\$4,400
CBS>USG 130 KMT	60.0	\$6,800	60.0	\$7,100
AFRAMAX				
N.SEA>UKC 80 KMT	85.0	\$11,500	85.0	\$11,800
AG>SPORE 70 KMT	97.5	\$15,600	95.0	\$14,800
CBS>USG 70 KMT	90.0	\$6,300	97.5	\$9,700
MED>MED 80 KMT	77.5	\$6,100	75.0	\$4,800

PANAMAX				
CBS>USAC 50 KMT	112.5	\$10,300	112.5	\$10,500
CONT>TA 55 KMT	130.0	\$17,800	132.5	\$18,900
ECU>USWC 50 KMT	160.0	\$22,900	160.0	\$22,500
CPP				
CONT>TA 37 KMT	125.0	\$6,900	117.5	\$5,400
CBS>USAC 38 KMT	115.0	\$6,300	110.0	\$5,400
USG>TA 38 KMT	80.0	\$(700)	70.0	\$(2,900)
AG>JPN 35 KMT	142.0	\$10,300	145.0	\$11,100
SPOR>JPN 30 KMT	141.0	\$7,300	152.0	\$9,500
AG>JPN 75 KMT	103.0	\$18,200	110.0	\$21,500
AG>JPN 55 KMT	110.0	\$11,000	125.0	\$16,200



Tanker Market - Weekly Highlights

Time Charter Market \$/day (theoretical)	1 Year	3 Years
VLCC	\$19,500	\$23,000
Suezmax	\$16,250	\$19,500
Aframax	\$13,750	\$16,000
Panamax	\$13,000	\$14,250
MR	\$12,750	\$14,250

THE TANKER MARKETS

VLCC

With the Middle East market remaining uneventful this week, rates across most markets showed little movement through the majority of the week. Though various load regions in the Atlantic basin have remained generally active in recent weeks, the continued surplus of units on position lists in the Middle East market has proven a stumbling block for positive rate progression given the ability for these units to trade both Middle East and West Africa cargoes – though early signs of a slight departure from the close correlation of the two areas did emerge this week.

While the Middle East market has, in recent weeks, seen an ostensible improvement to the supply/demand ratio, in each instance where rates may have been poised to post gains the sudden appearance of previously hidden units continues to prevent this from transpiring. Going forward, the market continues to eye how prevalent these hidden positions are for first decade November programs to determine the direction rates will take through the remainder of 2012. The Caribbean market has emerged this week as a markedly more active region. Some 6 fixtures were concluded on the CBS-East routes – nearly double the YTD weekly average. On this basis the firmer undertones which had materialized through the first half of the week saw owners successfully achieve a 9% gain to the \$3.7m level and rates are likely to extend this week's gains during the upcoming week given a relatively tight list of natural positions.

Middle East

There were 19 fresh fixtures reported in the Middle East market this week, including 17 to the East and 2 to the West. Rates to the Far East shed half a point, w/w, to an average of ws35.73. TCEs on the route averaged ~\$6,200/day, representing a modest loss of ~\$200/day, w/w. Rates on the AG-USG scaled back last week's gains, losing 0.25 points, w/w, to an average of ws23. Triangulated Westbound trade earnings gained ~900/day, w/w, to an average of ~\$14,600/day.

With 120 October Middle East cargoes having now been covered and with 14 November cargoes having been covered the October program looks likely to be somewhat shorter than initially expected with 5-10 remaining cargoes likely. With rates in the Atlantic basin having become firmer toward the end of the week, sustained activity in West Africa continuing to draw ballast units from the East should help the Middle East supply/demand positioning. As owners shore up the remainder of the October program and progress further into the November program, further downside is unlikely and modest

gains could materialize, subject to the pace of fresh activity.

Atlantic Basin

The Atlantic basin remained busy this week with 11 fresh fixtures reported, with Eastbound activity accounting for all of these. A strong Caribbean market saw Caribbean-East rates post gains by mid-week with the CBS-Spore rate rising to \$3.7m and the CBS-WCIND rate rising to \$3.4m. In the West Africa market, steady activity against rising rates on the Suezmax class saw owners become more bullish which positively impacted assessments at the close of the week. The WAFR-USG route rose into the low/ mid ws40s and WAFR-FAEST rates to ws42.5. All Atlantic basin market remain firm and against a limited list of natural positions and expectations for eventual seasonal gains in the Middle East market, rates appear likely to remain firm during the week ahead.

Suezmax

Fundamentals in the Atlantic Suezmax market improved this week as charterers progressed into the November program. With the more active October program helping to clear much of the excess tonnage and reports this week indicating continued strength through to the December program, owners were more bullish. The WAFR-USAC route broke above the ws60 level for the first time since July, rising 5 points to settle at the ws62.5 level. Further gains were offset by a quieter end to the week, but strong inquiry during at the start of the week ahead could see rates retest moderately higher.

Aframax

The Caribbean Aframax market saw upward pressure this week as the combination of sustained inquiry and delays gave owners the ability to achieve rate gains. The CBS-USG route rose 7.5 points to conclude at ws97.5 – a high not observed since early August. With further delays likely and coinciding with seasonal demand gains during the week ahead, rates are likely to remain firm.

In the European markets, oversupply remained an issue and rates were moderately soft or unchanged. The NSea-UKC market was flat at the ws85 level whilst Med-Med rates shed 2.5 points to conclude at ws75 and are likely to retest at ws72.5 during the upcoming week. The AG-East market stabilized this week as a number of cargoes from the Middle East, Indonesia and Australia placed a floor on rates and saw the route close at ws95.

Panamax

The Caribbean Panamax market was stable this week with rates on the CBS-USG route unchanged at ws112.5. Some initial weakness was halted after Petrobras was rumored to have fixed a number of ships above the ws110 level; though details on this report remain uncertain, it ultimately proved enough to see owners hold gains. The European market was stronger this week on the back of a rise in inquiry, allowing rates to pare an earlier drop and conclude with a 2.5 points gain at ws132.5 on the Cont-USAC route.



Tanker Market - Weekly Highlights

CPP

The Caribbean MR market was softer this week, with the CBS-USAC route easing 5 points to ws110 on the back of a lengthier list of units available at the USG. Rates on the USG-TA route were under stronger negative pressure, dropping 10 points to ws70, despite greater resistance by owners around midweek. Towards the end of the week, a USG-Japan arbitrage window opened, stoking inquiry for that route but failing to improve USG rates. Charterers are likely to push for lower rates during the week ahead, which against rising availability could see a rates post further modest declines.

Generally low US distillate inventories could hinder exports, though new low-sulfur heating fuel requirements in New York could boost HS diesel exports from the USAC – and indeed some such fixtures did materialize.

An abundance of available units in the European market saw rates on the Cont-USAC route trend markedly softer, dropping 7.5 points to conclude at ws117.5. The trans-Atlantic arbitrage remained shut at the close of the week, likely preventing a pickup in demand and thus making further negative pressure.

Capital Link

2nd Annual Shipping & Offshore CSR Forum

Wednesday, October 31, 2012 - London





Container Market - Weekly Highlights

Vessel (Teu/Hmg)	Index	+/-
510/285 teu (GL) 15.5 k	3.61	► 0.00
700/440 teu (GL) 17.5 k	4.00	► 0.00
750/415 teu (G) 16 k	4.71	► 0.00
1,000/650 teu (G) 17.5 k	5.00	► 0.00
1,100/715 teu (G) 19 k	5.94	► 0.00
1,350/925 teu (G) 20 k	4.19	► 0.00
1,600/1,150 teu (GL) 18 k	5.19	► 0.00
1,700/1,125 teu (G) 19.5 k	4.69	► 0.00
1,740/1,300 teu (G) 20.5 k	4.84	► 0.00
2,000/1,600 teu (G) 21 k	1.87	▼ 0.04
2,500/1,900 teu (G) 22 k	3.28	▼ 0.12
2,800/2,000 teu (GL) 22 k	2.93	▼ 0.09
3,500/2,500 teu (GL) 23 k	2.31	► 0.00
4,250/2,800 teu (GL) 24 k	2.08	► 0.00
Index Total	54.65	▼ 0.25

This week has continued along much the same as last, resulting in a minimal 0.25 point drop in our BOXi.

With subs lifted on a further three 8,500TEU units this week, the supply of large ships available on the charter market has tightened further. With a few relet positions beginning to come out of the woodwork it will be interesting to see if they can command the same as last done.

The panamax market has broken the US\$10,000 watermark with a couple of flexible periods being concluded at a reported US\$9,850/day and US\$9,250/day.

At the time of writing, similar vessels are beginning to rate new business somewhat below this figure in the hope of enticing an operator to fix the vessel into 2013. Predictably, the 2,800TEU market has seen rates continue to slide, with reports of vessels now fixing as low as US\$6,250 on flexible, operator friendly terms. However, with OPEX costs in mind, it is difficult to see rates falling much further in this size, with layup being the preferred option for many and with the slot cost starting to look like a bargain for charterers in comparison to the sizes

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Braemar Seascope

35 Cosway Street
London NW1 5BT
United Kingdom

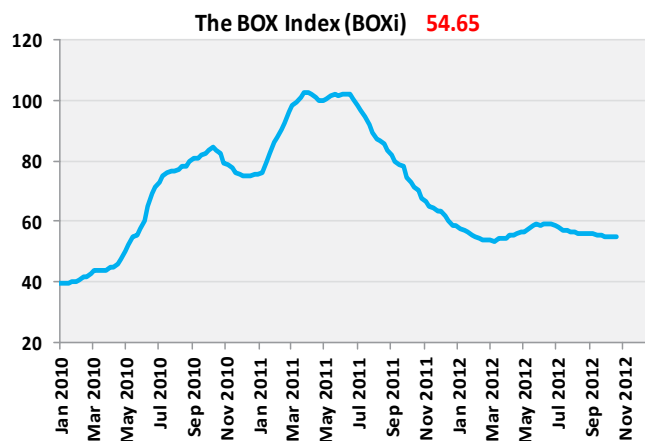
Phone: +44 (0) 20 7535 2650
Website: www.braemarseascope.com



immediately above and below.

Turnover in the 1,700TEU midsizes remains respectable and the market still has a stable air to it for now. There is a slight softness creeping into the 1,000-1,100TEU market in South East Asia with a few vessels having to fix short business in the very low US\$5,000s. Conversely, the Caribbean remains relatively firm, although the small availability of both tonnage and requirements means rates can vary significantly depending on which party is in the driving seat.

The charter market is somewhat of a mixed bag at the moment, but with 1,700TEU market showing resistance against further declines, it does put down something of a floor as to how tough we can expect the 2,800-4,500TEU market to be for the closing months of the year.



Representative Fixtures

Name	Dwt	Teu	14T	Blt	Spd	Cons	GR	Charterer	Dely	Date	Period	US\$/day
SCT Vietnam	67,025	5,029	3,347	2005	24.0	165.2	GL	MCC	SE Asia	Oct	3-6 mos	10,400
E.R. Kingston	50,500	4,253	2,805	2003	24.5	145.0	GL	OOCL	NE Asia	Oct	3-7 mos	9,850
SC Rotterdam	50,500	4,250	2,805	2002	22.6	122.7	GL	Yang Ming	NE Asia	Oct	3-8 mos	9,250
Cape Mollini	37,800	2,742	2,115	2006	22.0	88.0	GL	KMTC	NE Asia	Oct	30 days	6,500
Heike P	39,100	2,708	2,200	2000	22.0	86.0	GL	MCC	SE Asia	Oct	3-9 mos	6,200
Wehr Bille	33,650	2,546	1,874	2002	21.7	74.0	G	Maersk	SE Asia	Oct	1-6 mos	6,350
SAG Westfalen	30,450	2,207	1,725	2003	21.5	94.0	G	Evergreen	Caribs	Nov	6 mos	7,200
Wehr Flottbek	23,040	1,730	1,120	1999	19.5	54.5	G	ZISS	Caribs	Oct	1-5 mos	6,650
Ernst Rickmers	15,300	1,216	840	2000	22.0	66.0	GL	Hapag-Lloyd	Med	Oct	02-Mar	5,700
Vega Aquila	12,015	966	604	2009	18.8	37.0	GL	Maersk Line	Med	Nov	3-6 mos	5,400
Megellan Comet	7,970	735	400	2002	18.0	38.0	GL	Unifeeder	UK Cont	Oct	3-6 mos	3,000 €
Greetsiel	5,500	511	275	2000	13.5	16.0	G	CFS	US Gulf	Nov	1-3 mos	5,350



S&P Secondhand, Newbuilding & Demolition Markets

TOTAL WEEKLY S&P ACTIVITY					
VESSELTYPE	SECOND HAND		DEMOLITION		TOTAL
	Units	Invested Capital	Units	in DWT	
Bulkcarriers	4	16.100.000	9	528.612	13
Tankers *	11	57.150.000	2	42.612	13
Gas Tankers **	1	10.600.000	0	0	1
Liners ***	2	10.000.000	1	22.351	3
Containers	1	1.600.000	2	58.140	3
Reefers	0	0	0	0	0
Passenger / Cruise	0	0	1	25	1
Ro - Ro ****	0	0	2	6.820	2
Car Carrier	0	0	0	0	0
Combined *****	0	0	0	0	0
Special Projects *****	0	0	0	0	0
TTL VSLS/Demo	19	95.450.000	17	658.560	36

7 deals reported sold on private terms

Key: (*) Incl. Crude Oil, Clean & Dirty Products, Chemical, Asphalt & Veg. Oil, (**) incl. LPG, LNG, (***) incl. Multi-purpose and Tweendeckers, (****) incl. Bulk-Ore, Ore-Oil and Bulk-Oil carriers, (***** incl. Ro-Ro Cargo, Ro-Ro Passenger, (***** incl. Oil & Drilling Rigs, Tugs, Livestock, Trawlers, Cable/Exploration/Navy/ Support Vessels

The third week of October ends with an intense secondhand purchasing activity in the tanker segment from previous week, lower newbuilding volume in the offshore segment and stronger bulk carrier newbuildings, while bulk carriers scrapping activity keeps its high pace with Indian ship recyclers holding their dominance.

Overall, 36 transactions reported worldwide in the secondhand and demolition market, down by 16% week on week with a 14% decline in secondhand purchases and 56% fall in newbuilding volume of orders. At similar week in 2011, the total S&P activity was standing at 36% lower levels than today, when 15 transactions had been reported with secondhand buying appetite standing at 58% lower levels than newbuilding. Last year, 34 secondhand vessel purchases had been reported against 36 newbuildings, while at the current week secondhand buying levels surpasses the newbuilding volume with strong purchases in the tanker segment.

SECONDHAND MARKET

Tanker purchases have grasped the lion share of total S&P activity for two consecutive weeks. An aframax tanker M/T "GENMAR AJAX" of 96,183dwt built 1996 South Korea reported sold for \$7,5 mil, when in September 2012, a 95,420dwt tanker unit built 1995 South Korean had been reported sold for about \$17,2mil.

A downward pressure in asset values is also noticeable in the LPG segment for very gas tanker units as freight rates is said to have fallen at levels of less than \$25,000/day during the last week. LPG carrier M/T "GAS LEO" of about 78,000cbm built 1990 Japan reported sold for a price in the region of \$10mil, when in July, M/T "PACIFIC HARMONY" of about 74,000cbm built 1990 Japan sold for a price in the region of \$19,5 mil.

Overall, 19 vessels reported to have changed hands this week at a total invested capital in the region of US\$ 95,45 mil, 7 deals reported at an undisclosed sale price, with bulk carriers and tankers holding 21% and 58% respectively of the total S&P activity. In terms of the reported number of transactions, the S&P activity is down by 14% from last week's activity with a 27% decline in tanker purchases, while is 27% up from previous year's weekly S&P activity, when 15 vessels induced buyers' interest at a total invested capital of about \$270,2 mil, 6 bulk carriers and 6 tankers had been reported sold. In terms of invested capital, the tanker segment attracted about 60%

Contributed by

Golden Destiny S.A.

Golden Destiny S.A.
57 Akti Miaouli, Piraeus, 18536,
Greece

Phone: +30 210 4295000
Website: www.goldendestiny.gr



of the total amount invested in the secondhand market with 11 total purchases at more than \$57mil and bulkers 17% with total 4 S&P transactions at about \$16mil.

NEWBUILDING MARKET

WEEKLY NEWBUILDING ACTIVITY					
Vessel Type	Units	in DWT	Invested Capital	P&C	% W-O-W
Bulkcarriers	6	320.000	56.000.000	4	0%
Tankers	0	0	0	0	-100%
Gas Tankers	0	0	0	0	-100%
Liners	1	5.000	0	1	-67%
Containers	0	0	0	0	-100%
Reefers	0	0	0	0	n/a
Passenger / Cruise	3	0	919.000.000	2	n/a
Ro - Ro	0	0	0	0	-100%
Car Carrier	4	0	0	4	300%
Combined	0	0	0	0	n/a
Special Projects	2	60.150	0	2	-87%
TOTAL	16	385.150	975.000.000	13	-56%

Key:/ * The total invested capital does not include deals reported with undisclosed contract price ** Deals reported as private and confidential (not revealed contract price)

In the newbuilding market, slower contracting activity recorded this week with bulk carriers showing a strong presence by grasping the lion share, 38% of the total number of units ordered. The offshore segment shows 87% weekly decline with only 2 units reported, while no activity reported in the tanker and container segments.

Overall, the week closed with 16 fresh orders reported worldwide at a total deadweight of 385,150 tons, posting a 56% decline from previous week, with an activity again in the car carrier segment from a Japanese player NYK. At similar week closing in 2011, the newbuilding business was 125% higher than the current weekly levels, when 11 bulk carriers, 8 tankers, 4 gas tankers, 2 Ro-Ro and 11 special projects had been reported. In terms of invested capital, the total amount of money invested is estimated at region more than \$975 mil with 13 orders reported at an undisclosed contract price. In terms of invested capital, the passenger segment appears the most overweight with an order by Norwegian Cruise Lines for a 163,000gt, 4,200-passenger at a price of €700M (\$919M).

In the bulk carrier segment, French player Unishipping is said to have placed an order for four 39,000dwt handysize newbuildings at China's Zhejaing Yangfan Group for delivery between the fourth quarter of 2014 and first quarter of 2015 to expand its dry bulk fleet. The contract price has not been revealed but sources suggest that the total contract value is around \$96mil. In the kamsarmax segment, Norwegian owner, Norse Management is said to have placed an order for two 82,000dwt units at Shanghai Waigaoqiao for delivery in the second half of 2014 at a price of \$28mil each with



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eco friendly design. The contract includes an option for three more similar units to be declared before the end of the year.

In the tanker segment, Greek owner Tsakos confirms its discussions with South Korean Sungdong Shipbuilding and Marine Engineering for a pair of suezmax shuttle tanker newbuildings for delivery at the end of 2014 to be chartered to Brazilian energy player Petrobras.

In the passenger/cruise segment, Norwegian Cruise Line announced a firm contract at Germany's Meyer Werft for a 163,000gt, 4,200-passenger newbuilding scheduled for delivery in October 2015. The cruise ship is priced at €700M (\$919M), with NCL obtaining export credit financing arranged and underwritten by Germany's KfW IPEX-Bank. Norwegian Cruise Line has also an option for one more sister ship, which if exercised, would be delivered in spring 2017.

In the car carrier segment, Japanese player NYK ordered four pure car and truck carriers, two of them to be built by Imabari Shipbuilding and the other two by Shin Kurushima Dockyard for delivery in 2014-2015. Each carrier on order will have 200 metres LOA with a capacity of about 7,000 vehicles. A company statement said: "NYK expects the worldwide demand for PCTC transport to steadily expand, and these four new vessels will be the post-Panamax vessels capable of transiting the Panama Canal when the third lane of locks, larger than the current two, becomes operational in the autumn of 2014=2E" The vessels will be 2-3m wider than current PCTCs and will be equipped with the latest energy-saving technology, improving fuel performance by about 30% per ship."

In the offshore segment, South Korea's Samsung HI won a deal to build its fourth drill ship for its Norwegian client Ocean Rig for delivery in 2015 at an undisclosed contract price. The 7th Generation Ultra Deepwater Drillship is a sister ship to three other 60,150dwt drill ships currently under construction at Samsung's yard to be delivered in 2013. The fourth drill ship ordered will expand the company's fleet of ultra deepwater drilling units to 10.

DEMOLITION MARKET

In the demolition market, India leads the game with continued firm scrap price levels at more than \$400/ldt for dry/general and tanker units, while Pakistan tries hard to compete and win business at also firm attractive levels with Bangladesh being far behind in the Indian subcontinent region and China widening its gap at levels of \$300/ldt for dry and \$320/ldt for tanker units.

The week ended with 17 vessels reported to have been headed to the scrap yards of total deadweight 658,560 tons. In terms of the reported number of transactions, the demolition activity is down by 19% from previous week's business due to a 31% lower scrapping activity in the bulk carrier segment. In terms of total deadweight sent for scrap, there has been a decline of 44% with India winning 11 demolition transactions. In terms of scrap price levels, the highest rate was paid by India for a MR tanker M/T "BOW LION" of 39,423dwt with 9,689/ldt built 1987 at \$468/ldt, including 70tons solid stainless steel, while dry bulk carrier M/V "NEW OJ PIONEER" of 46,832 with 9,320/ldt built 1994 reported for scrap in India at \$430/ldt.

At a similar week in 2011, demolition activity was 53% lower than today's levels, in terms of the reported number of transactions, when 8 vessels had been reported for scrap of total deadweight 249,561 tons with 4 total bulk carriers and 2 tankers' disposals. Scrap prices were floating at stronger levels with India and Pakistan



offering \$480/ldt for dry and \$510/ldt for wet cargo.

GREEK PRESENCE

Greek owners slowed their secondhand purchases this week, while they are absent from newbuilding arena for three consecutive weeks. In the secondhand market, they purchased a tanker unit of 34,999dwt built 1999 China for \$8.5mil and a very large LPG carrier of about 78,000cum built 1990 Japan for a price in the region of \$10.6mil. In the newbuilding market, Tsakos group is said to be under discussions for a pair of shuttle suezmax newbuildings in Sungdong of South Korea, but the deal is not yet finalized.

NEWBUILDING MARKET – ORDERS

BULK CARRIERS –82,000 DWT 2 units ordered by Norse Management (NOR) at Shanghai Waigaoqiao Shipbuilding (PRC). Price usd \$ 28 mil each. Dely 2h/2014 (Option for 3 more. Eco friendly design). 39,000 DWT 4 units ordered by Unishipping (FR) at Zhejiang Yangfan Group (PRC). Price undisclosed. Dely 4q/2014 – 1q/2015 (enbloc price is believed to be \$ 96 mil)

LINERS –5,000 DWT MPP 1 unit ordered by Ploynesienne Maritime (French Ply based) at Shandong Huanghai (PRC). Price undisclosed. Dely 7/2014 (with passenger capacity)

PASSENGER/CRUISE – Fast Ferry Catamaran 2 units ordered by undisclosed U.S. owner (USA) at Midship Marine (USA). Price undisclosed. Dely 2014 (built to Incat Crowther Pty, Australia design. Classed to USCG Subcharter Krules.203 passenger capacity. Powered by Caterpillar C32 Acert main engines). 163,000gt Passenger vessel 1 unit ordered by Norwegian Cruise Lines (NOR) at Meyer Werft (GER). Price usd \$ 919 mil (euro 700mil). Dely 10/2015 (4200passenger capacity. Option for one more.Breakaway Plus class)

CAR CARRIER –7,000 car capacity 2 units ordered by NYK (JPN) at Imabari (JPN). Price undisclosed. Dely 2014-2015. 7,000 car capacity 2 units ordered by NYK (JPN) at Shin Kurushima (JPN). Price undisclosed. Dely 2014-2015

SPECIAL PROJECTS - 60,150 DWT Ultra Deepwater Drillship 1 unit ordered by Ocean Rig (NOR) at Samsung (SKR) Price undisclosed. Dely 2015 (Four now on order). ANCHOR HANDLING- 1 unit ordered by Pertamina Hulu Energi Offshore North West Java (INDO) at SCOMI Group (MAL) Price undisclosed. Dely 2014)

Key: GER: Germany, PRC: China, JPN: Japan, SWD: Sweden, SKR: South Korea, NOR: Norway, ISR: Israel, BRZ: Brazil, NTH: Netherlands, SPORE: Singapore, Dely: Delivery



2012 - Q3 Conference Call Calendar

	Exchange	Ticker	Sector	Results		Conference Call	
Company				Date	Time	Date	Time (ET)
Navios Maritime Partners L.P.	NYSE	NMM	Drybulk	Tue., October 23, 2012	BMO	Tue., October 23, 2012	08:30 AM
Costamare Inc.	NYSE	CMRE	Containers	Tue., October 23, 2012	AMC	Wed., October 24, 2012	08:30 AM
Capital Product Partners	NASDAQ	CPLP	Tankers	Wed., October 31, 2012	BMO	Wed., October 31, 2012	10:00 AM
Genco Shipping	NYSE	GNK	Drybulk	Wed., October 31, 2012	AMC	Thu., November 01, 2012	08:30 AM
Baltic Trading Limited	NYSE	BALT	Drybulk	Wed., October 31, 2012	AMC	Thu., November 01, 2012	10:00 AM
Diana Containerships Inc.	NASDAQ	DCIX	Containers	Mon., November 19, 2012	BMO	Mon., November 19, 2012	09:00 AM
Diana Shipping	NYSE	DSX	Drybulk	Tue., November 20, 2012	BMO	Tue., November 20, 2012	09:00 AM





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230 Park Avenue - Suite 1536
New York, N.Y. 10169 - USA



Phone +1-212-661-7566
Fax +1-212-661-7526

E-mail: shipping@capitalink.com
www.capitalink.com - www.CapitalLinkShipping.com

Content Contributors

