

# Capital Link Shipping Weekly Markets Report



Monday, May 13, 2013 (Week 20)



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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.



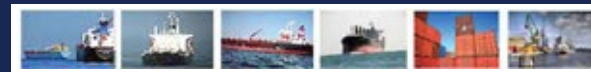
## www.MaritimeIndices.com

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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## Latest Company News

**Tuesday, May 7, 2013**

### **Seanergy Maritime Holdings Corp. Announces Receipt of Nasdaq Notice**

Seanergy Maritime Holdings Corp. announced that it has received written notification from the Nasdaq Capital Market ("Nasdaq or the "Capital Market"), dated May 1, 2013, indicating that the Company is not in compliance with the requirement to maintain a minimum of \$2.5 million in stockholders' equity for continued listing on the Capital Market, pursuant to Nasdaq Listing Rule 5550(b)(1). The Company reported stockholders' equity of (\$101,617,000) for the fiscal year ended December 31, 2012.

**Wednesday, May 8, 2013**

### **Interim Report for the First Quarter 2013**

In the first quarter of 2013, TORM realized a positive EBITDA of USD 36 million and a loss before tax of USD 16 million. "The seasonally strong first quarter in the product tanker segment was the best we have seen since the beginning of the financial crisis. TORM positioned itself well to take advantage of the market improvements, and we saw the positive effects of TORM's restructured time charter fleet and the cost program

### **Scorpio Tankers Inc. Announces Pricing of 36,144,578 Shares of Common Stock**

Scorpio Tankers Inc. announced that it has priced the offering of 36,144,578 shares of its common stock, par value \$0.01 per share, at a price of \$8.30 per share. The offering is expected to close on May 13, 2013.

### **Teekay Tankers Ltd. Declares Dividend**

Teekay Tankers Ltd. announced that its Board of Directors has voted to declare a cash dividend of \$0.03 per share for the quarter ended March 31, 2013. The cash dividend is payable on May 28, 2013 to all shareholders of record on May 20, 2013.

**Thursday, May 9, 2013**

### **Global Ship Lease Reports Results for the First Quarter of 2013**

Global Ship Lease, Inc., announced its unaudited results for the three months ended March 31, 2013. For the first quarter 2013, it reported revenue of \$35.2 million, net income of \$7.2 million, including a \$5.5 million non-cash mark-to-market gain from interest rate derivatives. Adjusted EBITDA for the first quarter 2013 was \$22.2 million.

### **Teekay Offshore Partners First Quarter Report**

Teekay Offshore GP LLC, reported the Partnership's results for the quarter ended March 31, 2013. It reported an adjusted net loss attributable to stockholders of Teekay of \$11.7 million, or \$0.17 per share, for the quarter ended March 31, 2013, compared to an adjusted net loss attributable to stockholders of Teekay of \$20.8 million, or \$0.30 per share, for the same period of the prior year. Net revenues for the first quarter of 2013 were \$424.7 million, compared to \$462.5 million for the same period of the prior year. The Company also declared a cash dividend on its common stock

of \$0.31625 per share for the quarter ended March 31, 2013.

### **Teekay Tankers Ltd. Reports First Quarter 2013 Results**

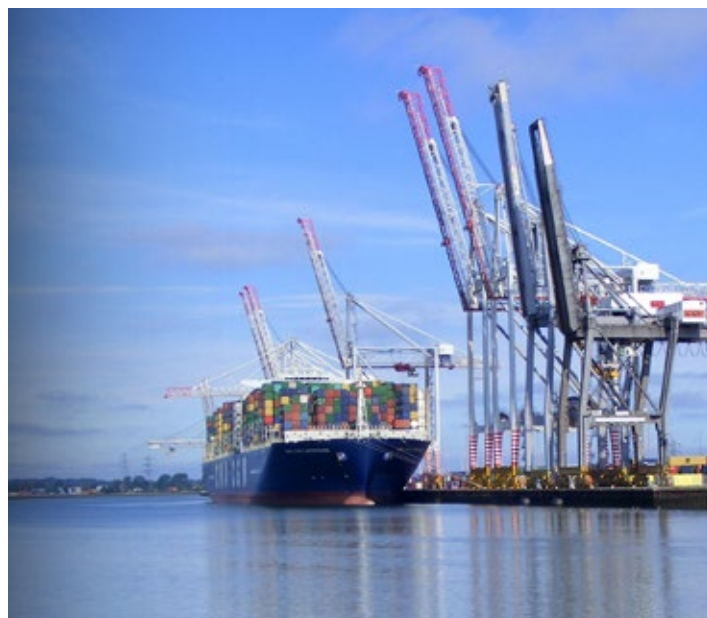
Teekay Tankers Ltd. (TNK) reported first quarter 2013 adjusted net loss attributable to shareholders of Teekay Tankers of \$3.5 million, or \$0.04 per share (excluding specific items which decreased GAAP net loss by \$1.6 million, or \$0.02 per share). It also declared a cash dividend of \$0.03 per share for the quarter ended March 31, 2013. It ordered four fuel-efficient Long Range 2 (LR2) product tanker newbuildings for delivery in late-2015 and early-2016, with fixed-price options for up to 12 additional vessels exercisable at certain times over the next 18 months. Strong fixed-rate charter coverage was 40 percent over the next 12 months.

### **Teekay LNG Partners Reports First Quarter Results**

Teekay GP L.L.C., the general partner of Teekay LNG Partners L.P. reported the Partnership's results for the quarter ended March 31, 2013. During the first quarter of 2013, the Partnership generated distributable cash flow of \$53.7 million, compared to \$50.8 million in the same quarter of the previous year. It also declared first quarter 2013 cash distribution of \$0.675 per unit. On February 12, 2013, completed the previously-announced 50/50 joint venture with Exmar NV which owns and charters-in 25 vessels in the LPG carrier segment.

### **Teekay Corporation Reports First Quarter Results**

Teekay Corporation reported an adjusted net loss attributable to stockholders of Teekay of \$11.7 million, or \$0.17 per share, for the quarter ended March 31, 2013, compared to an adjusted net loss attributable to stockholders of Teekay of \$20.8 million, or \$0.30 per share, for the same period of the prior year. Adjusted net loss attributable to stockholders of Teekay excludes a number of specific items that had the net effect of decreasing GAAP net loss by \$5.5 million, or \$0.08 per share, for the three months ended March 31, 2013 and increasing GAAP net income by \$21.9 million, or \$0.32 per share, for the same period of the prior year.







### Latest Company News

Friday, May 10, 2013

#### **Diana Shipping Inc. Announces Time Charter Contract for m/v Baltimore With RWE**

Diana Shipping Inc. announced that it has entered into a time charter contract with RWE Supply & Trading GmbH, Essen, Germany, through a separate wholly-owned subsidiary, for one of its Capesize dry bulk carriers, the m/v "Tamou" (to be renamed "Baltimore").

#### **Tsakos Energy Navigation Limited Formally Closes \$50 Million Offering of Its 8.00% Series B Cumulative Redeemable Perpetual Preferred Shares and Announces That the Series B Preferred Shares Will Trade on NYSE Under the Symbol TNPPRB**

Tsakos Energy Navigation Limited announced that it has raised gross proceeds of \$50 million, through its previously announced public offering of 2,000,000 shares of 8.00% Series B Cumulative Redeemable Perpetual Preferred Shares (the "Series B Preferred Shares") under its effective shelf registration statement at \$25.00 per share. The underwriters have an option to purchase up to 300,000 additional Series B Preferred Shares. Incapital and DNB

Markets acted as joint book-running managers for the offering and Incapital acted as the sole structuring agent. Clarkson Capital Markets and Brock Capital acted as co-managers. TEN intends to use the net proceeds from the offering for general corporate purposes, which may include making vessel acquisitions or investments. The Company also announced that on Monday, May 13, 2013, the Series B Preferred Shares will commence trading on the New York Stock Exchange, under the symbol "TNPPRB."

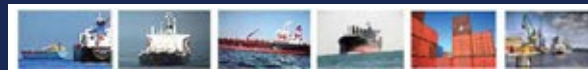
Monday, May 13, 2013

#### **Nordic American Tankers Limited Well Positioned for a Market Upswing; Payment of Dividend for 63 Consecutive Quarters**

Nordic American Tankers Limited acquired another Suezmax tanker during 1Q2013, built to top specifications and launched this year. It expects the ship to be delivered to us by June 15, bringing our total fleet to 21 ships. On April 1st, NAT completed an equity offering, with net proceeds of \$102.2 million. The same month, the Board declared a dividend of \$0.16 per share for 1Q2013, identical to the dividend for 4Q2012.

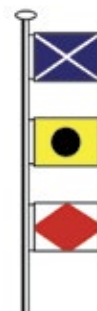
# Capital Link Shipping

Providing investors with information on shipping (maritime industry) and the listed companies, featuring latest news, industry reports, interviews, article, industry reports and a shipping blog.



## ***Tsakos Energy Navigation Ltd. Raises \$50 Million in Preferred Share Offering***

Tsakos Energy Navigation Ltd., trading on NYSE under the symbol TEN, announced that it has successfully raised gross proceeds of \$50 million, through a public offering of 2,000,000 shares of 8.00% Series B Cumulative Redeemable Perpetual Preferred Shares under its effective shelf registration statement at \$25.00 per share. The company said that it intends to use the net proceeds from the offering for general corporate purposes, which may include making vessel acquisitions or investments. The company also announced that on Monday, May 13, 2013, the Series B Preferred Shares will commence trading on the New York Stock Exchange, under the Symbol "TNPPRB."



**TEN LTD**  
**TSAKOS ENERGY**  
**NAVIGATION LTD**

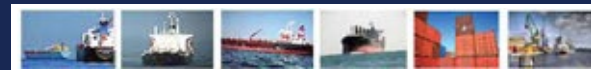
[www.tenn.gr](http://www.tenn.gr)

Also of note, the underwriters have an option to purchase up to 300,000 additional Series B Preferred Shares. Incapital and DNB Markets acted as joint book-running managers for the offering and Incapital acted as the sole structuring agent. Clarkson Capital Markets and Brock Capital acted as co-managers.

According to industry sources, preferred shares are an attractive alternative to a common share offering as it does not result in dilution of common shareholders. Since the Series B Preferred Share offering was announced on April 29, TEN's common stock priced has increased close to 4%.







## *d'Amico International Shipping S.A. - Best Quarterly Results in Four Years*

### Well Positioned in the Improving Product Tanker Market

**d'Amico International Shipping**, (listed on the Italian Stock Exchange: DIS), announced its financial results for the first quarter of 2013 on May 7<sup>th</sup> 2013. The Company achieved a net profit of \$7.6 million for the quarter, with strong EBITDA margins of 23% on its time charter equivalent (TCE) earnings of \$50.1 million, an increase of 10% over last year. Operating cash flows totaled \$16.1 million, largely attributed to its strong EBITDA and an improving trend in working capital. This is the second consecutive quarterly profit and the best results in almost four years for d'Amico.

The Company continues to benefit from an ongoing recovery in product tanker chartering rates. Average daily spot rates for MR product tankers have averaged \$16,300 per day in 2013,, nearly 60% higher than last year's average. Chartering activity for periods greater than one year has also picked up, signaling oil majors and traders' anticipation for higher rates to come. In fact, duringd,

the first quarter, d'Amico has renewed three time charter-out contracts for a period of two years with an oil major in March 2013, further implying the market's improved sentiment upon a charter rate recovery.

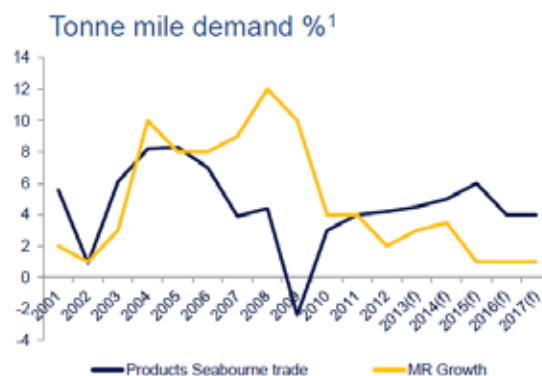
remainsfor the product tanker segment, and believes the d'Amico has a very positive outlook on the medium/long term market for the transport of oil products. With this in mind, the Company entered into contracts for the construction of two additional new "ECO" product/chemical tanker vessels, at the end of the first quarter. This deal represents the 8th vessel ordered by d'Amico in the last 6 months, reaffirming the Company's strategy to modernize its fleet through new buildings with eco innovative design. Thanks to this transaction, the Company has two additional options at Hyundai Mipo Dockyard Co. Ltd at very attractive prices. This new order is also in coherence with the clear objective of the 2012 share capital increase of maintaining d'Amico's strong financial structure, while implementing a significant investment and growth plan. These vessels will be extremely efficient in fuel consumption and technically advanced. The timing of the delivery of these new buildings perfectly matches our positive market outlook. During 2012, two of the new-building vessels were each fixed for five year time charters with one of the world's leading oil majors, upon which, their delivery from the yard will begin to generate profits for the Company, while increasing total fleet coverage.



*d'Amico*  
INTERNATIONAL SHIPPING S.A

As of today, d'Amico's fleet consists of 30 vessels, including 12 MR product tankers on fixed term contracts, 12 MRs and 6 Handy-size vessels currently employed on the spot market.

### SUPPLY/DEMAND BALANCE



### New Refinery capacity additions 2012-2017



Table 1: IEA, Broker, Company Estimates



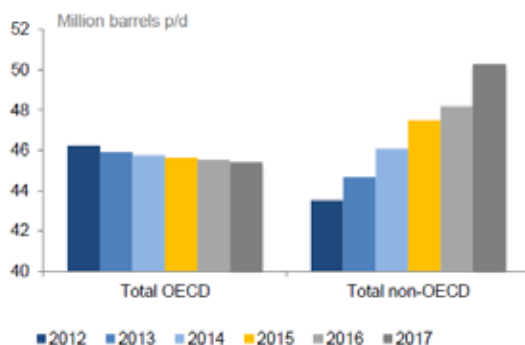
## d'Amico International Shipping S.A. - Best Quarterly Results in Four Years

d'Amico expects to see a continuing increase in the spot rates of product tanker market, leading to further upside potential in asset values. New refineries are moving closer to the wellhead, which is increasing the seaborne trade in products at the expense of crude. Refinery closures continue within OECD, with the possibility of an additional 2 mb/d under review for closure or sale. The tonne-mile increase is also being supported by the United States increasing its exports. Current exports of close to 3 mb/d are set to rise close to 4 mb/d by 2016.

Despite recent increase in orders for product Tankers (MR) the delta between tonne mile growth and fleet growth is still positive for product tanker demand. Older ships are being removed, and there are still ships that have to be removed under the Marpol phase out. With this in mind, the newer, more efficient and lower cost refinery capacity within Asia and the Middle East is forecast to exceed domestic demand, and should structurally support exports, which will be positive for Product Tanker utilization and positive tonne-mile growth.

### Demand Growth

Global Oil Demand<sup>1</sup> 2012 – 2017



Global Oil Demand Growth<sup>1</sup> 2000 - 2017

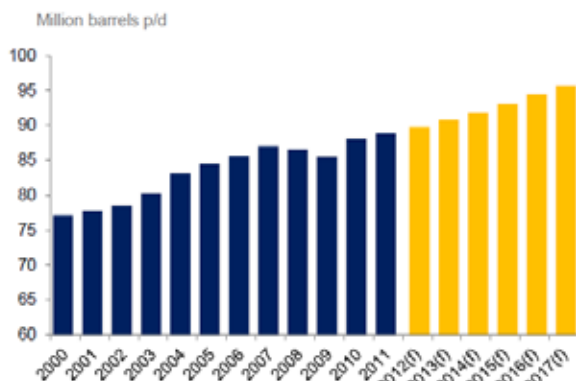


Table 2: IEA & Company Estimates

Regarding demand growth, estimates of global oil demand growth for 2013 is little changed (795,000 b/d), to 90.6 mb/d. A projected contraction in OECD demand of 480,000 b/d, led by a 340,000 b/d decline in Europe, partially offsets growth of 1.28 mb/d elsewhere. Importantly, emerging markets continue to provide the majority of the world's demand growth, with a Q1'13 estimate 1.4 mb/d up on the year earlier. As in 2012, gasoline led the growth.

A weak macroeconomic background, coupled with unexpectedly warm temperatures in February, dampened gasoil and kerosene demand in particular in OECD, resulting in a lower 1Q13 estimate of 45.8 mb/d

### The d'Amico Opportunity

- ✓ Favorable demand / supply balance resulting in solid Q1'13 financial results.
- ✓ Strong trend of refineries shifting towards oil production areas, especially in Asia and the Middle East, leading towards a strong increase in product tankers demand.
- ✓ Spot rates have improved over the past months and asset values expected to follow the same trend.
- ✓ Tonne-mile is increasing, absorbing supply of tonnage.
- ✓ Steady increase of world oil demand supported mainly by non-OECD countries (South America, sub-Saharan, China and India).
- ✓ Manageable supply of new-building and potential increase of scrapping of old tonnage.

d'Amico is a pure play product tanker owner and operator, and is well positioned in the improving products market to take advantage of current and future market opportunities. The Company confirms its positive outlook on the product Tankers market in the medium term with spot rates and asset values expected to improve.

### d'Amico Share Development vs. Baltic Clean Tanker Index (2012 – May 2013)



Table 3: Bloomberg



### ***Danaos Corporation: A Leader in Containerized Shipping***

On April 29, 2013, Danaos Corporation (NYSE: DAC) announced financial results for the first quarter of 2013 that were higher than analysts' projected estimates. Included in this, the Company announced operating revenues of \$146.1 million (an 8.9% increase over the first quarter of 2012), Adjusted EBITDA of \$108.6 million (an increase of 12.7%), and Adjusted net income of \$13.9 million, or \$0.13 per share.



Importantly, the remaining average charter duration of the fleet was 9.5 years as of March 31, 2013. Within these charters, total contracted operating revenues were \$4.8 billion, lasting through 2028. With respect to the fleet, the Company maintains charter coverage of 90% for the next 12 months in terms of contracted operating days and 98% in terms of operating revenues.

With strong, 98% contract coverage and only 2% of the current revenue stream at stake through re-chartering over the next 12 months, Danaos remains largely insulated from the effects of the weak charter market, while remaining EBITDA and free cash flow generation continues to be safeguarded. At the same time, Danaos remains one of the most cost competitive operators in the market with daily operating expenses being consistently below \$6,000 per day. In fact, vessel operating expenses decreased by 2.7% to \$29.3 million in the first quarter of 2013. The daily operating cost for the first quarter was \$5,912 per vessel per day, slightly lower than the \$5,945 average daily operating cost for the first quarter of 2012, indicative of the Company's determination and focus to control costs as these daily operating expense figures are one of the most competitive in the industry. The Company continues in its efforts to manage the fleet safely and efficiently.

The fundamentals of the containership market still remain weak as the Far-East Europe trade volumes remain flat having difficulty supporting the inflow of large containerships. This is also evidenced by lower freight rates in these routes compared to one year ago, while the liner companies are making yet another attempt to restore rates at healthier levels with announced General Rate Increases in May. The Pacific lanes show a much better picture which is the effect of the recovery in the US economy. Non-mainlane trade growth remains healthy and helps absorb capacity that is cascaded down from the mainlane routes but this adds pressure to the charter market, particularly on the mid-size containerships. As the Container shipping segment enters into the peak season, the Company stated that they expect some improvement in the market fundamentals, but all-in-all they do not anticipate spectacular changes.

#### **Investment Highlights**

- Capitalization on a leading industry presence
- Completion of our newbuilding program
- Young fleet age and significant charter length
- Slow steaming and fuel efficiency
- Solid revenue and EBITDA in the following years
- Low risk debt structure which enhances returns to shareholders
- Rapid deleveraging thanks to significant free cash flow

#### **Key Operational Highlights**

- One of the largest owners of modern large size container ships
- Long record of success with experienced owner-management team
- Long-term relationships with world's leading liner companies
- Operational excellence enhanced by technological innovation
- Business model yields steady cash flows
- Earnings and cash flow visibility

#### **Unlocking the Intrinsic Value of Danaos**

1. \$4.8 billion in contracted revenue
2. \$3.8 billion in contracted EBITDA
3. 8% of existing operating revenues at stake over the next 5 years.
4. Charter cover up to 15 years ahead and average charter duration of 9.5 years
5. Staggered re-chartering reduces risks
6. Re-chartering assumptions have limited weight on operating cash flow projections

#### **The Future is Bright for Danaos**

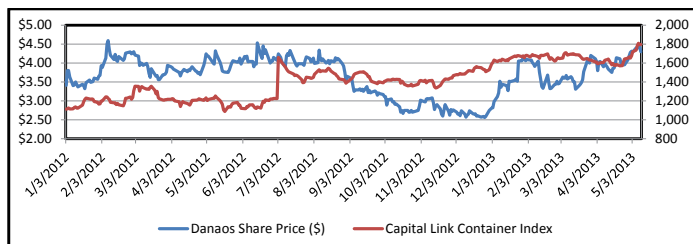
- The Company's new capital structure allows Danaos to profitably and prudently expand the Company.
- Long-term fixed rate charters provide long-term cash flow visibility.
- Excellent long-term customer relationships tested during the last crisis.
- Danaos is well positioned to participate in the next growth cycle and be an industry consolidator.
- Management retains significant shareholding interest in Danaos Corporation.





### *Danaos Corporation: A Leader in Containerized Shipping*

**Danaos Share Development vs. Capital Link Container Index\* (2012 – May 2013)**



Danaos Corporation is an international owner of containerships, chartering its vessels to many of the world's largest liner companies. The Company's current fleet of 61 containerships aggregating 353,836 TEUs ranks Danaos among the largest containership charter owners in the world based on total TEU capacity. Danaos is one of the largest US listed containership companies based on fleet size. The

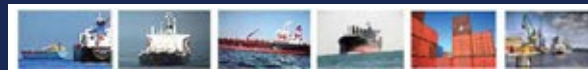
Company's shares trade on the New York Stock Exchange under the symbol "DAC."

\* 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.



# **danaos**

Danaos Corporation  
c/o Danaos Shipping Co. Ltd  
14 Akti Kondyli str., Piraeus 185 45, Greece  
t: +30 210 4196480, f: +30 210 4196489  
[www.danaos.com](http://www.danaos.com)



## Select Dividend Paying Shipping Stocks

Stock Prices as of May 10, 2013

Company Name	Ticker	Quarterly Dividend	Annualized Dividend	Last Closing Price (May 10, 2013)	Annualized Dividend Yield
<b>Containers</b>					
Costamare Inc	CMRE	\$0.27 *	\$1.08	\$16.83	6.42%
<b>Dry Bulk</b>					
Navios Maritime Holdings Inc	NM	\$0.06	\$0.24	\$4.73	5.07%
Navios Maritime Partners	NMM	\$0.4425**	\$1.77	\$14.98	11.82%
Safe Bulkers Inc	SB	\$0.05	\$0.20	\$5.12	3.91%
<b>Tankers</b>					
Capital Product Partners Lp	CPLP	\$0.2325	\$0.93	\$8.86	10.50%
Navios Maritime Acquisition Corp	NNA	\$0.05	\$0.20	\$3.53	5.67%
Tsakos Energy Navigation Ltd	TNP	\$0.05	\$0.20	\$3.84	5.21%
<b>Mixed Fleet</b>					
Euroseas Ltd	ESEA	\$0.015	\$0.06	\$1.12	5.36%

\*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, May 10, 2013

### KEY CURRENCY RATES

Rate	Current Price	Price Last Week	% Change	YTD %Chg	52 Week High	52 Wk Low
3-Month LIBOR (USD)	\$0.2751	\$0.2751	0.00%	-52.77%	\$0.5393	\$0.2844
10-Yr US Treasury Yield	\$1.8973	\$1.7382	9.15%	-4.04%	\$3.3190	\$2.3833
USD/CNY	\$6.1417	\$6.1556	-0.23%	-2.46%	\$6.3964	\$6.1307
USD/EUR	\$0.7698	\$0.7624	0.97%	-0.35%	\$1.5295	\$0.7294
USD/GBP	\$0.6511	\$0.6421	1.40%	1.70%	\$5.0050	\$0.6106
USD/JPY	\$101.6300	\$98.1000	3.60%	32.57%	\$102.2100	\$77.1300

### PRECIOUS METALS

	Current Price	Price Last Week	% Change	YTD %Chg	52 Week High	52 Wk Low
Copper	\$335.30	\$331.45	1.16%	-3.22%	\$384.15	\$304.25
Gold	\$1,436.55	\$1,482.15	-3.08%	-10.29%	\$1,796.05	\$1,321.95
Palladium	\$705.70	\$693.30	1.79%	7.54%	\$788.45	\$585.20
Platinum	\$1,489.45	\$1,516.85	-1.81%	4.60%	\$1,741.99	\$1,375.50
Silver	\$23.46	\$24.26	-3.30%	-20.19%	\$35.36	\$22.07

### KEY AGRICULTURAL & CONSUMER COMMODITIES

	Current Price	Price Last Week	% Change	YTD %Chg	52 Week High	52 Wk Low
Cocoa	\$2,300.00	\$2,416.00	-4.80%	6.83%	\$2,720.00	\$2,046.00
Coffee	\$144.45	\$140.90	2.52%	-38.68%	\$202.20	\$132.70
Corn	\$636.25	\$661.25	-3.78%	7.88%	\$824.00	\$531.50
Cotton	\$86.48	\$86.43	0.06%	-5.68%	\$94.20	\$69.95
Soybeans	\$1,399.00	\$1,387.25	0.85%	14.74%	\$1,605.75	\$1,217.75
Sugar #11	\$17.43	\$17.53	-0.57%	-28.06%	\$23.06	\$17.18
Wheat	\$704.25	\$721.00	-2.32%	-2.42%	\$900.00	\$664.75

### KEY FUTURES

Commodities	Current Price	Price Last Week	% Change	YTD %Chg	52 Week High	52 Wk Low
Gas Oil Futures	\$851.75	\$862.00	-1.19%	-9.22%	\$992.75	\$799.25
Gasoline RBOB	\$286.03	\$282.54	1.24%	8.08%	\$324.12	\$235.95
Heating Oil	\$290.62	\$288.44	0.76%	-4.50%	\$323.89	\$258.59
Natural Gas	\$3.91	\$4.04	-3.24%	26.29%	\$4.44	\$2.17
WTI Crude Future	\$96.04	\$95.61	0.45%	-6.24%	\$101.42	\$81.35





### Currencies, Commodities & Indices

#### MAJOR INDICES

Index	Symbol	10-May-13	3-May-13	% Change	YTD % Change	2-Jan-13
Dow Jones	INDU	15,118.49	14,973.96	0.97%	12.72%	13,412.55
Dow Jones Transp.	TRAN	6,375.52	6,218.90	2.52%	17.29%	5,435.74
NASDAQ	CCMP	3,436.58	3,378.63	1.72%	10.42%	3,112.26
NASDAQ Transp.	CTRN	2,541.09	2,523.00	0.72%	9.04%	2,330.45
S&P 500	SPX	1,633.70	1,614.42	1.19%	11.71%	1,462.42
Russell 2000 Index	RTY	975.16	954.42	-2.13%	11.65%	873.42
FTSE 100 Index	UKX	6,625.00	6,521.50	1.59%	9.91%	6,027.40

#### CAPITAL LINK MARITIME INDICES

Index	Symbol	10-May-13	3-May-13	% Change	2-Jan-13	YTD % Change
Capital Link Maritime Index	CLMI	2,235.92	2,177.81	2.67%	2,093.02	6.83%
Tanker Index	CLTI	2,311.02	2,289.11	0.96%	2,123.34	8.84%
Drybulk Index	CLDBI	760.77	749.24	1.54%	609.62	24.79%
Container Index	CLCI	1,796.20	1,719.88	4.44%	1,588.01	13.11%
LNG/LPG Index	CLLG	3,553.44	3,433.32	3.50%	3,423.06	3.81%
Mixed Fleet Index	CLMFI	1,465.45	1,417.16	3.41%	1,550.21	-5.47%
MLP Index	CLMLP	3,335.80	3,239.76	2.96%	2,972.33	12.23%

#### BALTIC INDICES

Index	Symbol	10-May-13	3-May-13	% Change	2-Jan-13	YTD % Change
Baltic Dry Index	BDIY	884	878	0.68%	698	26.65%
Baltic Capesize Index	BCIY	1,382	1,344	2.83%	1,237	11.72%
Baltic Panamax Index	BPIY	994	1,006	-1.19%	685	45.11%
Baltic Supramax Index	BSI	866	876	-1.14%	737	17.50%
Baltic Handysize Index	BHSI	551	546	0.92%	446	23.54%
Baltic Dirty Tanker Index	BDTI	617	622	-0.80%	696	-11.35%
Baltic Clean Tanker Index	BCTI	609	604	0.83%	694	-12.25%



## Shipping Equities: The Week in Review

### SHIPPING EQUITIES OUTPERFORM THE BROADER MARKET CONTAINER THE BEST PERFORMER

During last week, shipping equities outperformed the broader market, with the Capital Link Maritime Index (CLMI), a composite index of all US listed shipping stocks soaring 2.67%, compared to the S&P 500 rising 1.19%, and the Dow Jones Industrial Average (DJII) gaining 0.97%.

Container stocks were the best performers during last week, with Capital Link Container Index gaining 4.44%, followed by Capital Link LNG/LPG Index going up 3.50%. Tanker equities had the least gain in last week, with Capital Link Tanker Index going up 0.96%. The top three weekly gainers last week were TORM AS (TRMD), Star Bulk Carriers (SBLK), and Frontline (FRO), up 266.67%, 24.68%, and 8.84% respectively.

During last week, Dry Bulk shipping stocks outperformed the physical market, with Baltic Dry Index (BDI) inching up 0.68%, compared to the Capital Link Dry Bulk Index rising 1.54%. Year-to-date, the BDI has gained 26.65%, compared to the Capital Link Dry Bulk Index went up 24.79%.

Tanker shipping stocks outperformed the physical market as well during last week, with Capital Link Tanker Index increasing 0.96%, compared to Baltic Dirty Tanker Index (BDTI) losing 0.80%, and Baltic Clean Tanker Index (BCTI) increasing 0.83%. Year-to-date, the BDTI plumbed 11.35% and the BCTI went down 12.25%, while Capital Link Tanker Index gained 8.84%.

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.

Description	Ticker	Current Price	Current Date	Previous Price	Previous Date
1) CL Maritime Index	CLPMARI	2225.09	05/09/13	2240.47	05/08/13
2) CL Dry Bulk Index	CLDRBUL	741.25	05/09/13	744.76	05/08/13
3) CL Tanker Index	CLTANK	3326.07	05/09/13	3358.70	05/08/13
4) CL Container Index	CLCONT	1794.49	05/09/13	1808.98	05/08/13
5) CL LNG/LPG Index	CLMLNG	3517.17	05/09/13	3549.06	05/08/13
6) CL Mixed Fleet Index	CLMHDD	1458.26	05/09/13	1479.70	05/08/13
7) CL Maritime MLP Index	CLMLP1	3272.73	05/08/13	3261.90	05/07/13

There are seven indices in total; the Capital Link Maritime Index comprised of all 43 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](http://www.CapitalLinkShipping.com).

Our Indices can also be found through our dedicated page on all Bloomberg and Thomson Reuters terminals worldwide. For Bloomberg users, simply type CPLI. For Reuters users, please use the following codes:

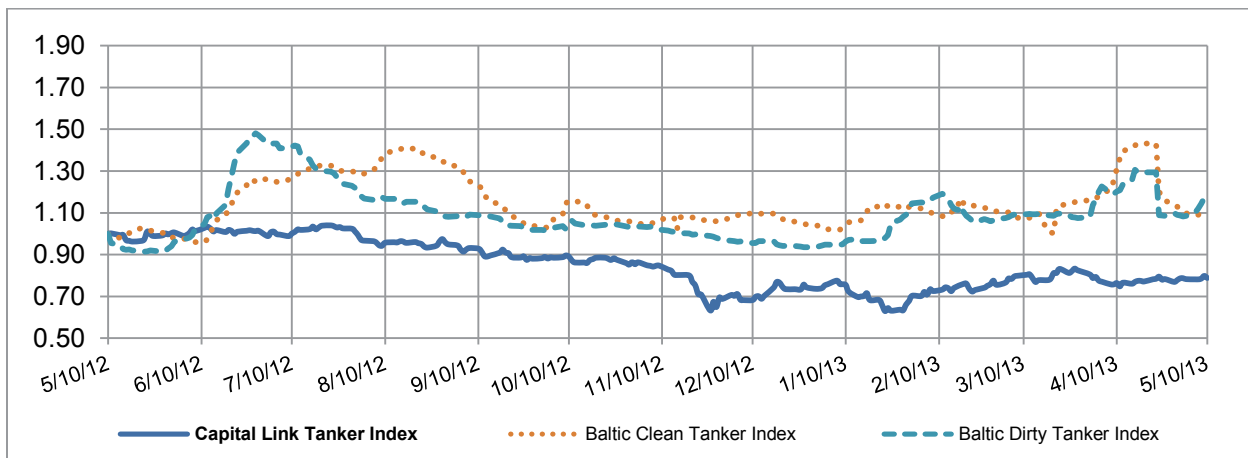
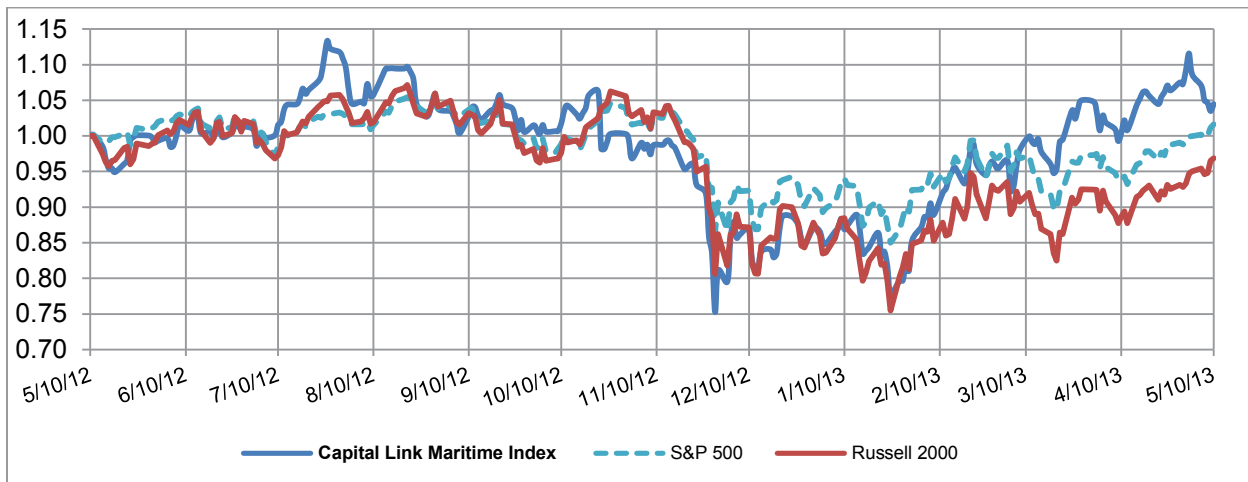
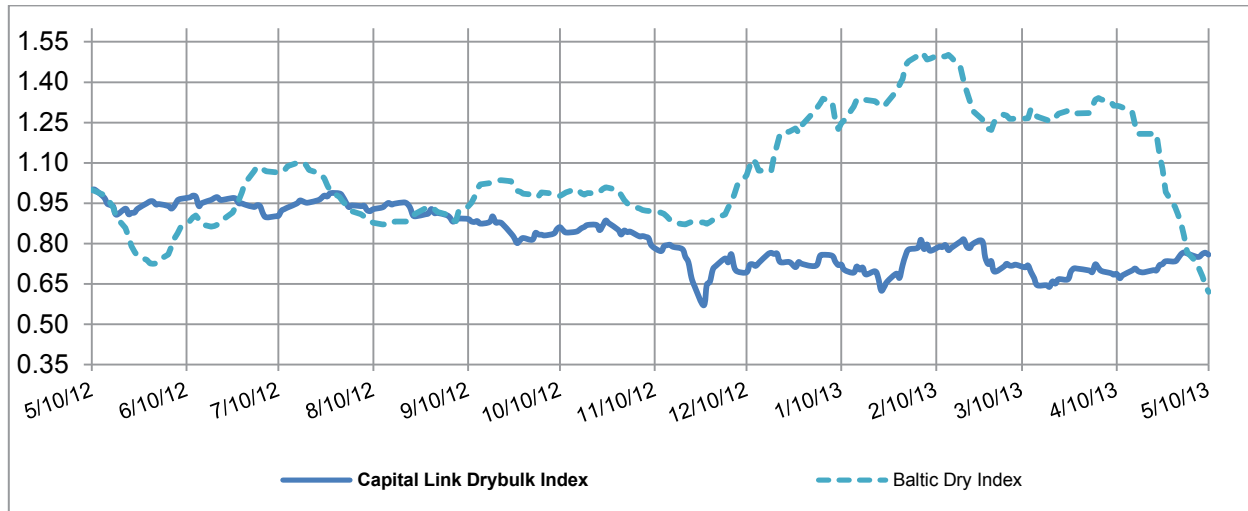
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Capital Link Maritime Index  
Capital Link Tanker Index  
Capital Link Dry bulk Index  
Capital Link Container Index  
Capital Link LNG LPG Index  
Capital Link Mixed Fleet Index  
Capital Link MLP Index



### Shipping Equities: The Week in Review

#### MARITIME INDEX DAILY COMPARISON CHARTS (52 -WEEK )



\*SOURCE: BLOOMBERG





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Knight is the leading source of off-exchange liquidity in U.S. equities and has a greater share volume than any U.S. exchange.

For additional information,  
please contact:

Sandy Reddin

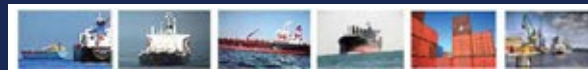
phone 212-455-9255

email [SReddin@knight.com](mailto:SReddin@knight.com)

[www.knight.com](http://www.knight.com)



# Capital Link Shipping Weekly Markets Report



Monday, May 13, 2013 (Week 20)

## SHIPPING MARKETS

Knight

### Descriptive Statistics

#### Custom Statistics Prepared Weekly for Capital Link Shipping

##### BROAD MARKET

##### Percent Change of Major Indexes for the Week Ending Friday, May 10, 2013

Name	Symbol	Close	Net Gain	Percent Gain
Russell 2000 Index	RUT	975.02	20.60	2.16%
Nasdaq Composite Index	COMPX	3436.58	57.95	1.72%
Russell 3000 Index	RUA	971.71	13.00	1.36%
Russell 1000 Index	RUI	906.89	11.55	1.29%
Nasdaq-100 Index	NDX	2981.02	36.43	1.24%
S&P 500 Index	SPX	1633.64	19.22	1.19%
Nasdaq Transportation Index	TRANX	2541.09	18.09	0.72%

##### SHIPPING INDUSTRY DATA (43 Companies)

##### Moving Averages

- 72.09% closed > 10D Moving Average.
- 62.79% closed > 50D Moving Average.
- 65.12% closed > 100D Moving Average.
- 62.79% 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
TRMD	4.4	266.67%	141.76%	NEWL	0.26	-7.14%	-63.89%
EGLE	3.57	1.71%	84.02%	GNK	1.26	-30.00%	-50.97%
PRGN	4.42	-3.91%	55.09%	FREE	0.68	-29.90%	-28.42%
TOPS	1.53	5.52%	68.13%	MATX	26.07	-21.33%	-25.66%
SBLK	7.73	24.68%	34.43%	FRO	1.97	8.84%	-3.43%
DAC	4.36	1.63%	26.38%	EXM	0.43	2.38%	-17.31%
GSL	4.62	3.12%	35.88%	TEU	4.35	-3.97%	-14.54%
SB	5.11	4.07%	29.37%	DCIX	5.47	-1.26%	-15.33%
NNA	3.53	6.01%	18.06%	TNK	2.47	1.23%	-0.40%
NM	4.71	5.13%	28.34%	SHIP	1.51	4.86%	-24.88%

\*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.

Top Consecutive Higher Closes			Top Consecutive Lower Closes		
Symbol	Close	Up Streak	Symbol	Close	Down Streak
DHT	4.51	7	DAC	4.36	-2
GMLP	34.18	6	KNOP	23.38	-2
SBLK	7.73	6	SSW	23.09	-2
TOO	31.92	6	TNK	2.47	-2
TGP	43.86	3	TEU	4.35	-3
CPLP	8.86	2	DRYS	1.86	-4
DSX	10.04	2			
NMM	14.95	2			
NNA	3.53	2			



# Capital Link Shipping Weekly Markets Report



Monday, May 13, 2013 (Week 20)

## SHIPPING MARKETS

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>
TRMD	1.2	4.4	3.20	266.67%	GNK	1.8	1.26	-0.54	-30.00%
SBLK	6.2	7.73	1.53	24.68%	FREE	0.97	0.68	-0.29	-29.90%
FRO	1.81	1.97	0.16	8.84%	MATX	33.14	26.07	-7.07	-21.33%
NNA	3.33	3.53	0.20	6.01%	NEWL	0.28	0.26	-0.02	-7.14%
VLCCF	7.26	7.67	0.41	5.65%	GLBS	2.49	2.32	-0.17	-6.83%
TOPS	1.45	1.53	0.08	5.52%	TEU	4.53	4.35	-0.18	-3.97%
GLNG	34.2	36.04	1.84	5.38%	PRGN	4.6	4.42	-0.18	-3.91%
NM	4.48	4.71	0.23	5.13%	DRYS	1.89	1.86	-0.03	-1.59%
GMLP	32.57	34.18	1.61	4.94%	DCIX	5.54	5.47	-0.07	-1.26%
SHIP	1.44	1.51	0.07	4.86%	GASS	10.55	10.46	-0.09	-0.85%

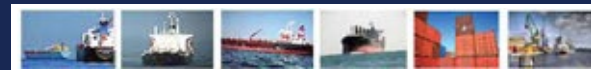
Top Largest Monthly Trading Gains (A month has been standardized to 20 trading days)					Top Largest Monthly Trading*Losses (A month has been standardized to 20 trading days)				
<u>Symbol</u>	<u>Prior Close</u>	<u>Friday Close</u>	<u>Net Change</u>	<u>% Change</u>	<u>Symbol</u>	<u>Prior Close</u>	<u>Friday Close</u>	<u>Net Change</u>	<u>% Change</u>
TRMD	1.29	4.4	3.11	241.09%	EXM	0.87	0.43	-0.44	-50.57%
SBLK	6.35	7.73	1.38	21.73%	FREE	1.31	0.68	-0.63	-48.09%
DAC	3.84	4.36	0.52	13.54%	GNK	2.29	1.26	-1.03	-44.98%
PRGN	3.9	4.42	0.52	13.33%	NEWL	0.47	0.26	-0.21	-44.68%
NM	4.19	4.71	0.52	12.41%	MATX	35.54	26.07	-9.47	-26.65%
EGLE	3.26	3.57	0.31	9.51%	SHIP	1.9	1.51	-0.39	-20.53%
GSL	4.22	4.62	0.40	9.48%	GLBS	2.82	2.32	-0.50	-17.73%
TGP	40.1	43.86	3.76	9.38%	GASS	11.69	10.46	-1.23	-10.52%
SSW	21.15	23.09	1.94	9.17%	NAT	9.56	8.62	-0.94	-9.83%
TK	34.61	37.57	2.96	8.55%	DHT	4.75	4.51	-0.24	-5.05%

Stocks Nearest to 52-Week Highs			Stocks Nearest To 52-Week Lows		
<u>Symbol</u>	<u>52W High</u>	<u>% Away</u>	<u>Symbol</u>	<u>52W Low</u>	<u>% Away</u>
CMRE	16.93	-0.59%	TNK	2.35	5.08%
GLOG	13.33	-1.49%	KNOP	21.35	9.51%
CPLP	9.00	-1.56%	MATX	23.18	12.45%
TK	38.20	-1.65%	NAT	7.66	12.48%
STNG	9.00	-1.78%	GNK	1.12	12.50%
SSW	23.52	-1.83%	FREE	0.60	13.33%
KNOP	24.00	-2.58%	FRO	1.71	15.20%
NNA	3.68	-4.08%	TEU	3.74	16.42%
SFL	17.90	-4.25%	DCIX	4.65	17.62%
GSL	4.87	-5.13%	GLNG	30.37	18.68%





# Capital Link Shipping Weekly Markets Report



Monday, May 13, 2013 (Week 20)

## SHIPPING MARKETS

### Top Stocks with Highest Weekly Volume Run Rate\* > 1

<u>Symbol</u>	<u>Close</u>	<u>Net % Change</u>	<u>Run Rate</u>
TRMD	4.4	266.67%	14.2054
SBLK	7.73	24.68%	5.4289
GNK	1.26	-30.00%	2.4947
FREE	0.68	-29.90%	1.7052
BALT	3.54	2.31%	1.6777
NNA	3.53	6.01%	1.6476
STNG	8.84	0.80%	1.4971
NMM	14.95	1.49%	1.3278
TK	37.57	4.80%	1.2879
GLOG	13.13	1.63%	1.2438

\*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	
<u>Symbol</u>	<u>YTD Gain %</u>	<u>Symbol</u>	<u>YTD Decline %</u>
EGLE	138.00%	GNK	-63.90%
PRGN	97.32%	FRO	-39.57%
TOPS	62.77%	NEWL	-35.00%
DAC	58.55%	FREE	-24.44%
GSL	57.14%	TNK	-13.94%
SB	53.92%	MATX	-10.44%
VLCCF	49.80%	DCIX	-5.20%
NNA	48.95%	GLNG	-2.01%
SSW	45.86%		
SHIP	45.19%		

The following are the 43 members of this group: **Symbol - Name:** **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; **GLOG** - GasLog Ltd.; **GMLP** - Golar LNG Partners; **GNK** - Genco Shipping & Trading Ltd; **GSL** - Global Ship Lease Inc; **KNOP** - KNOT Offshore Partners LP; **MATX** - Matson, 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; **PRGN** - Paragon Shipping Inc; **SB** - Safe Bulkers Inc; **SBLK** - Star Bulk Carriers Corp; **SFL** - Ship Finance International Ltd; **SHIP** - Seenergy Maritime Holdings Corp; **SSW** - Seaspan Corp; **STNG** - Scorpio Tankers Inc; **TEU** - Box Ships; **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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### Weekly Market Report

Week Ending May 10, 2013



#### FREIGHT

##### Capesize 4TC Average

Volume: 1,290 lots

Contract		Average	Chg	Open	Close	Chg	Low	High
May	13	6550	836	6700	6200	-500	6200	6800
Jun	13	7469	1069	7700	7000	-700	7000	7700
Q3	13	8221	na	8550	7700	-850	7700	8550
Q4	13	13175	5314	13400	12750	-650	12750	13400
Cal	14	12567	267	12725	12250	-475	12250	12725
Cal	15	14700	417	14700	14700	0	14700	14700

##### Panamax 4TC Average

Volume: 1,355 lots

Contract		Average	Chg	Open	Close	Chg	Low	High
May	13	7914	-386	8200	7750	-450	7650	8200
Jun	13	7329	-255	7400	7200	-200	7200	7500
Q3	13	6688	-1796	7000	6525	-475	6525	7000
Q4	13	7369	588	7500	7300	-200	7250	7500

##### Supramax 6TC Average

Volume: 265 lots

Contract		Average	Chg	Open	Close	Chg	Low	High
May, Jun	13	9000	-200	9000	9000	0	9000	9000
Q3	13	8010	-90	8050	8000	-50	8000	8050

#### IRON ORE

##### TSI Iron Ore 62% Fines

Volume: 3,734 lots

Contract		Average	Chg	Open	Close	Chg	Low	High
May	13	130.18	na	129.00	129.50	0.50	129.00	131.50
Jun	13	126.57	-4.69	125.00	126.00	1.00	124.00	127.50
Jul	13	121.02	-4.51	120.00	121.00	1.00	119.50	121.50
Q3	13	116.17	na	116.00	116.50	0.50	116.00	117.50
Q4	13	112.50	-5.56	112.50	112.50	0.00	112.50	112.50

#### FERTILIZER

##### Urea Nola

Volume: 33 lots

Contract	Average	Chg	Open	Close	Chg	Low	High
Jun 13	319.75	-40.25	325.00	317.00	-8.00	317.00	325.00
Jul 13	320.00	na	320.00	320.00	0.00	320.00	320.00
Aug 13	320.00	na	1.00	1.00	1.00	320.00	320.00



### Weekly Market Report

#### BUNKER FUEL

Singapore 180cst						Volume: 4,000 mt	
Contract	Average	Chg	Open	Close	Chg	Low	High
Jun 13	614	na	613.50	613.50	0.00	614	614

Singapore 380cst						Volume: 13,100 MT	
Contract	Average	Chg	Open	Close	Chg	Low	High
Jun 13	603.68	0.18	610.00	599.25	-10.75	599.00	610.00
Jul 13	615.00	18.67	615.00	615.00	0.00	615.00	615.00

Rotterdam 3.5%						Volume: 5,075 MT	
Contract	Average	Chg	Open	Close	Chg	Low	High
Jun 13	586.59	8.59	593.00	575.50	-17.50	575.50	593.00

#### Commentary

##### Freight

**Cape** - The week started with optimism as Capesize and Panamax saw support as increased demand from China for coal imports helped bolster demand. The curve was generally well supported till post index Thursday whereby prices started drifting down and traded in a tight range in the last day of the week.

**Pana** - Prices slipped across the curve at the start of the week with oversupply of tonnage kicking around in the East. Prices was generally traded in a tight range with the week ending a touch stronger on Panamax. Post index market was very quiet with more bids coming in towards the end pushing the market up on Friday.

##### Iron Ore

The iron ore market opened strongly for the week, however volumes are lower than what was seen last week as traders attempted to gauge the next directional move. The market was relatively quiet towards the end of the week with little physical news, but we see more buyers as sentiment began to shift slightly.

##### Fertilizer

Prices in the International Urea market continue to hold stable as participants gauge physical market direction and upcoming end user demand. We also saw some volume done on DAP Tampa contracts with highest done at 480, closing at 470 ending the week. Yuzhnyy Urea has been rather quiet this week, as participants are on a cautionary tone, awaiting signs from end user markets.

##### Bunker Fuel

Despite a growing appetite for fuel oil, power consumption in Japan's power sector is expected to decline this year which caused projected demand to dip 2 to 3% from last year. Japan is expected to restart more nuclear power plants and reduce the use of oil to generate electricity. Cash differentials for 380 cst fuel oil continued to plunge over the past week as there is lower demand from Chinese teapot refiners and utility providers after weeks of stock piling ahead of the Lunar New Year.

Legend	
Average	Weighted average price of the contract period for the week
Change (1)	Difference between the current week Average and the previous week Average
Open	Opening price of the week
Close	Closing price of the week
Change (2)	Difference between the weekly Open and Close Price
Low	Lowest price of the week
High	Highest price of the week





### Dry Bulk Market - Weekly Highlights

The Dry Bulk market ended the week slightly up with the Capesize segment being almost entirely responsible for this positive trend. As a matter of fact rates for Capes continued firming for a third week in a row on the back strengthening demand for coal in the Pacific basin, while things in the Atlantic also benefitted slightly from the overall tighter position lists. Rates kept decreasing for a second week in a row in the Panamax sector. The top performing segment so far for 2013, has witnessed further softening of freight rates this week, with the average currently being quoted below \$ 8,000/day. The Supramax market has resumed its negative movement from the week before, with rates for almost all main routes noting a decrease, most notable of which being that for cargoes ex WAF heading to Far East via ECSA. Rates for Handies held better, as slightly increased chartering activity set a positive tone all around.

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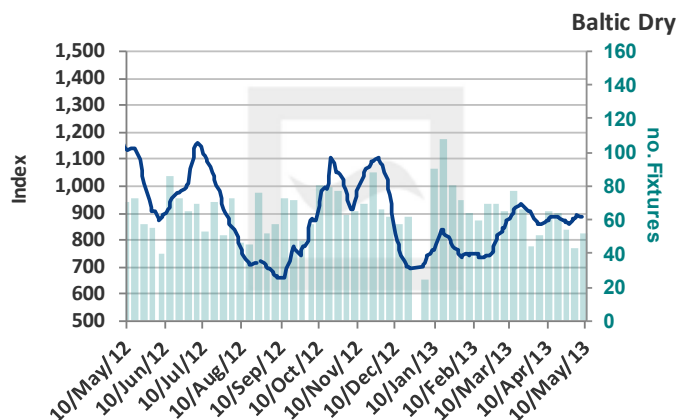
Intermodal Shipbrokers Co.  
17th km Ethniki Odos Athens-Lamia &3 Agrambelis Street,  
145 64 N. Kifisia,  
Athens - Greece

Phone: +30 210 6293300  
Website: [www.intermodal.gr](http://www.intermodal.gr)

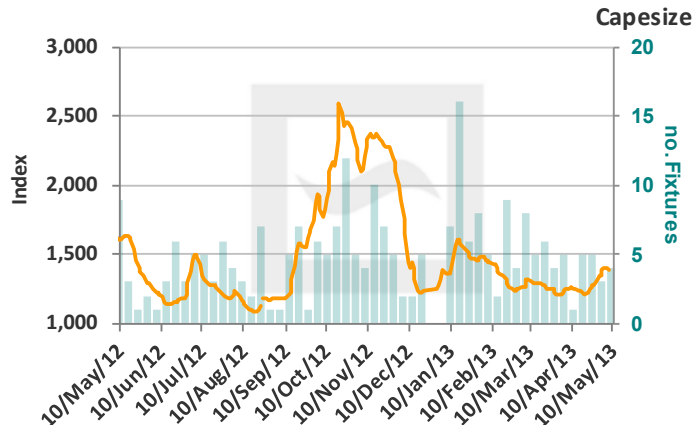
#### Indices / Dry Bulk Spot Rates

	Week 19 10/05/2013		Week 18 03/05/2013		Point Diff	\$/day ±%	2013	2012
	Index	\$/day	Index	\$/day			Avg Index	Avg Index
<b>BDI</b>	884		878		<b>6</b>		824	921
<b>BCI</b>	1,382	\$6,042	1,344	\$5,694	<b>38</b>	<b>6.1%</b>	1,339	1,571
<b>BPI</b>	994	\$7,930	1,006	\$8,037	<b>-12</b>	<b>-1.3%</b>	956	965
<b>BSI</b>	866	\$9,054	876	\$9,161	<b>-10</b>	<b>-1.2%</b>	815	906
<b>BHSI</b>	551	\$8,124	546	\$8,043	<b>5</b>	<b>1.0%</b>	487	518

A few weeks back, China's GDP figure announcement unnerved the markets a bit, as the idea of sustainable growth out of developing economies of the likes of China has been the main driver the industry had placed its hopes upon. Recent reports out of the world's second largest economy now reveal that coal production has slowed down as well when compared to the first quarter of last year, and despite the fact that the country's coal imports have shifted upwards, there is increasing concern as to what extent the slowdown in growth truly is. On the other hand, coal consumption is still on the rise and although slower growth in power consumption may be an indicator to slower growth economic activity, it may well be a temporary thing.



▲ The Baltic Dry Index closed on Friday the 10th of May at 884 points with a weekly gain of 6 points or 0.7% over previous week's closing. (Last Friday's the 3rd of May closing value was recorded at 878 points).



**CAPESIZE MARKET - ▲** The Baltic Cape Index closed on Friday the 10th of May at 1,382 points with a weekly gain of 38 points. For this week we monitor a 2.8% change on a week-on-week comparison, as Last Friday's the 3rd of May closing value was 1,344 points. It is worth noting that the annual average of 2011 for the Cape Index is currently calculated at 1,339 points, while the average for the year 2010 was 1,571 points.

Week	No. of Fixtures	Highest Fixture	Lowest Fixture
this week	4	\$15,000	\$7,000
last week	3	\$7,750	\$4,750

Week	Period Charter	Trip Charter
this week	\$15,000	\$8,417
last week	\$0	\$6,333

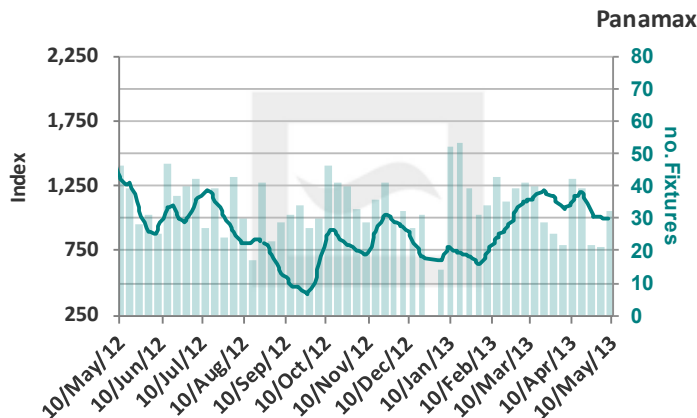


### Dry Bulk Market - Weekly Highlights

For Week 19 we have recorded a total of 4 timecharter fixtures in the Capesize sector, 1 for period charter averaging \$15,000 per day, while 3 trip charters were reported this week with a daily average of \$8,417 per day.

This week's fixture that received the lowest daily hire was the M/V "ANANGEL SEAFARER", 180000 dwt, built 2011, dely passing Cape Passero prompt, redely passing Cape of Good Hope, \$7000, Cargill, for a trip via Narvik, Gulf of Aden, AG 2250\$ improved from last week, and the fixture with the highest daily hire was the M/V "BALTMORE", 177243 dwt, built 2005, dely China 15/30 June 3 years trading, redely worldwide, \$15000, Chart Not Rep, for a 3 years trading, ex Tamou 7250\$ improved from last week.

The BCI is showing a **2.8%** increase on a weekly comparison, a **10.6%** increase on a 1 month basis, a **-5.4%** loss on a 3 month basis, a **-40.0%** loss on a 6 month basis and a **-15.0%** loss on a 12 month basis.



**PANAMAX MARKET - ▼** The Baltic Panamax Index closed on Friday the 10th of May at 994 points having lost **-12** points on a weekly comparison. It is worth noting that last Friday's the 3rd of May saw the Panamax index close at 1,006 points. The week-on-week change for the Panamax index is calculated to be **-1.2%**, while the yearly average for the Baltic Panamax Index for this running year is calculated at 956 points while the average for 2010 was 965 points.

Week	No. of Fixtures	Highest Fixture	Lowest Fixture
this week	32	\$16,500	\$7,000
last week	21	\$16,250	\$7,100

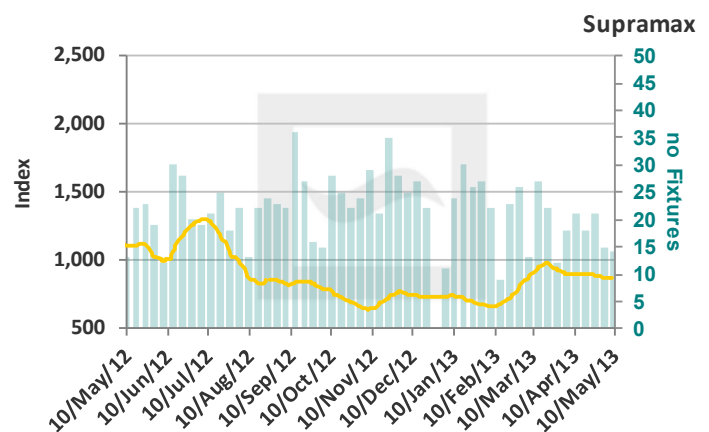
Week	Period Charter	Trip Charter
this week	\$8,867	\$9,995
last week	\$8,125	\$9,982

For Week 19 we have recorded a total of 32 timecharter fixtures in the Panamax sector, 3 for period charter averaging \$8,867 per day, while 29 trip charters were reported this week with a daily average of \$9,995 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 improved, and this week's fixture that received the lowest daily hire was the M/V "LADY MARIA LUISA", 76662 dwt, built 2007, dely Indonesia 15/20 May, redely S.China, \$7000, Raffles, for a trip, 100000 bb -100\$ reduced from last week, and the fixture with the highest daily hire was the M/V "MAVERICK GUARDIAN", 82740 dwt, built 2012, dely aps EC South America 22/23 May, redely Singapore-Japan, \$16500, STX Pan Ocean, for a trip, 650000 bb 250\$ improved from last week.

The BPI is showing a **-1.2%** loss on a weekly comparison, a **-8.0%** loss on a 1 month basis, a **37.5%** increase on a 3 month basis, a **29.8%** increase on a 6 month basis and a **-21.7%** loss on a 12 month basis.



**SUPRAMAX & HANDYMAX MARKET - ▼** The Baltic Supramax Index closed on Friday the 10th of May at 866 points down with a weekly loss of **-10** points or **-1.1%**. The Baltic Supramax index on a weekly comparison is with a downward trend as last Friday's the 3rd of May closing value was 876 points. The annual average of the BSI is recorded at 815 points while the average for 2010 was 906 points.

Week	No. of Fixtures	Highest Fixture	Lowest Fixture
this week	14	\$21,000	\$4,200
last week	15	\$20,500	\$9,000

Week	Period Charter	Trip Charter
this week	\$0	\$12,114
last week	\$11,000	\$15,214

For Week 19 we have recorded a total of 14 timecharter fixtures in the Supramax & Handymax sector, 0 for period charter averaging \$0 per day, while 14 trip charters were reported this week with a daily average of \$12,114 per day.

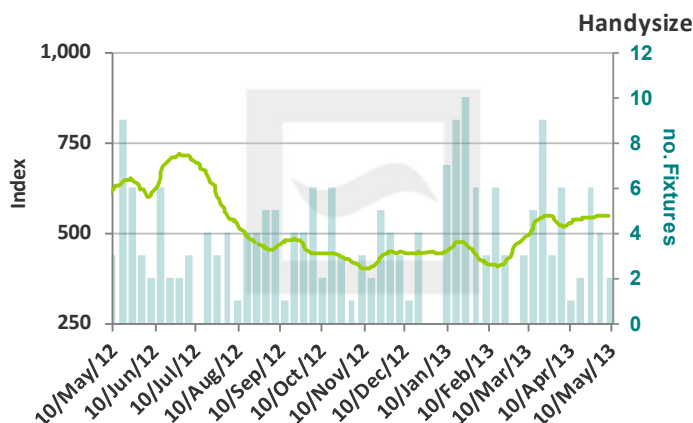
The minimum vs maximum daily rate differential as analyzed from our fixtures database was overall improved and from the reported fixtures we see that this week's fixture that received the lowest daily hire was the M/V "MARIE-PAULE", 53800 dwt, built 2009, dely Caofeidian spot, redely India, \$4200, PWSL, for a trip via Indonesia -4800\$ reduced from last week, and the fixture with the highest



### Dry Bulk Market - Weekly Highlights

daily hire was the M/V "STX QUEEN", 56907 dwt, built 2011, dely aps Atlantic Colombia prompt, redely north Spain, \$21000, ADM, for a trip via Santa Marta 500\$ improved from last week.

The BSI is showing a **-1.1%** loss on a weekly comparison, a **-3.8%** loss on a 1 month basis, a **29.4%** increase on a 3 month basis, a **29.4%** increase on a 6 month basis and a **-22.2%** loss on a 12 month basis.



**HANDYSIZE MARKET - ▲** The Baltic Handysize Index closed on Friday the 10th of May with an upward trend at 551 points with a weekly gain of **5** points and a percentage change of **0.9%**. It is noted that last Friday's the 3rd of May closing value was 546 points and the average for 2011 is calculated at 487 points while the average for 2010 was 518 points.

Week	No. of Fixtures	Highest Fixture	Lowest Fixture
this week	2	\$10,000	\$7,250
last week	4	\$17,500	\$10,000

Week	Period Charter	Trip Charter
this week	\$7,250	\$10,000
last week	\$0	\$13,875

For Week 19 we have recorded a total of 2 timecharter fixtures in the Handysize sector, 1 for period charter averaging \$7,250 per day, while 8 trip charters were reported this week with a daily average of \$10,000 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 "KATHERINE", 28716 dwt, built 1997, dely Qingdao spot, redely worldwide approx, \$7250, Chart Not Rep, for a 3/5 months trading -2750\$ reduced from last week and the fixture with the highest daily hire was the M/V "KATHERINE", 28716 dwt, built 1997, dely Qingdao spot, redely worldwide approx, \$7250, Chart Not Rep, for a 3/5 months trading -10250\$ reduced from last week.

In the bar chart on the left we see that the BHI is showing a **0.9%** change on a weekly comparison, a **6.4%** increase on a 1 month basis, a **30.9%** increase on a 3 month basis, a **30.6%** increase on a 6 month basis and a **-14.4%** loss on a 12 month basis.

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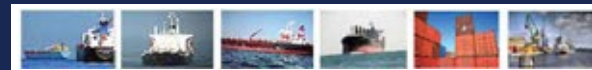
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### Weekly Tanker Market Opinion

#### Frequently Cited Oil Spread Moderates on Evolution of Transportation Options

The Brent-WTI spread's blowout in late 2010 through 2011 made and lost many a small fortune. The spread was largely a result of unforeseen increased production running into transportation bottlenecks, creating an opportunity for everyone from railroad to barge owners as traders and refiners sought out lower cost inland crude (LLS, on the other hand, has continued to track Brent relatively closely). The response to these opportunities, along with record crude oil inventory builds in the United States, has led to a tightening of the spread thus far in 2013 (though it should be noted that 2012 saw a similar move to date).

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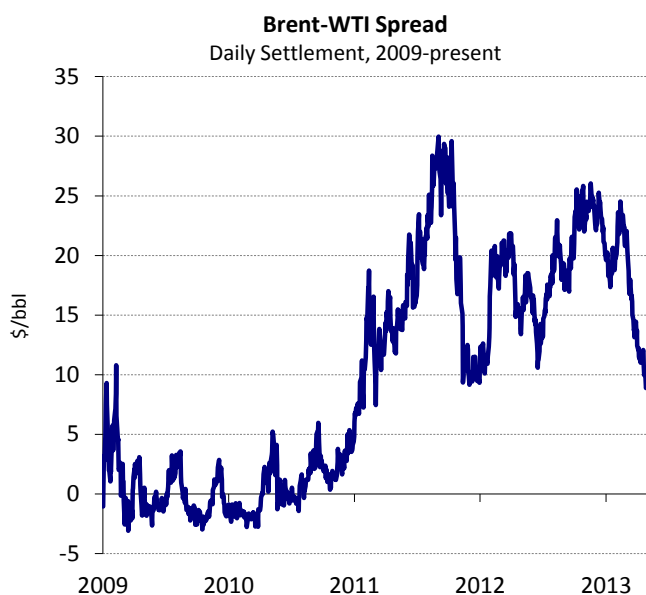
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805 Third Avenue  
New York, NY 10022

Phone: (212) 230-2000  
Website: [www.poten.com](http://www.poten.com)



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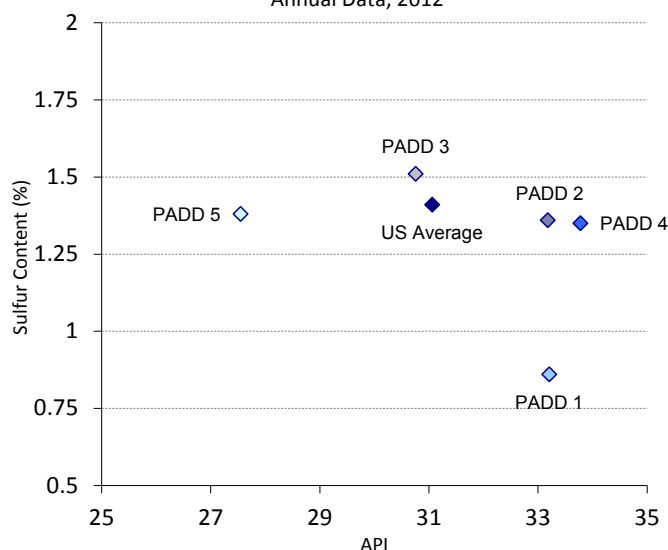


Source: Bloomberg

Much of the increased production in the US has been of a lighter, sweeter variety, which is most compatible with refineries on the East Coast. This has created a notable intra-US supply-refinery configuration imbalance. Although forward curves indicate market expectations of a sub \$10 spread through the end of 2016, a repeat widening on a further production glut or untenable storage levels could prompt domestic refiners to adjust processing grades. EIA noted in last week's *This Week in Petroleum* that, near-term, "refiners that switch from heavy to light crude may need to reduce their total volume of refinery runs given operating constraints that limit their ability to handle light fractions. Over time, these refineries may invest capital to increase the capability to run light crudes."

#### Crude Oil Attributes at US Refineries

Annual Data, 2012



Source: EIA

Indeed, lighter imported crudes are the ones being displaced, making up less of the US import mix as refiners have access to this cheaper domestic production.



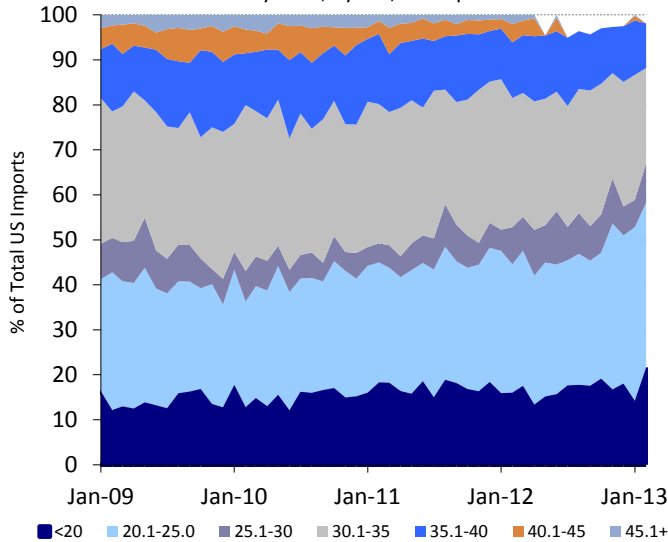




### Weekly Tanker Market Opinion

**US Crude Oil Imports**

Monthly Data, by API, 2009-present

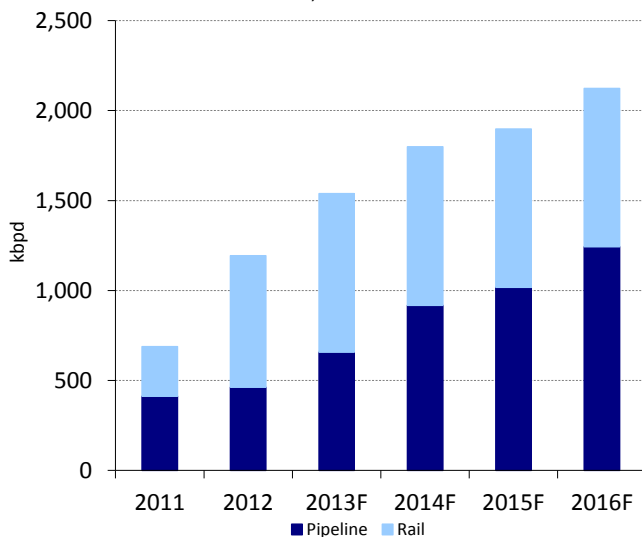


Source: EIA

In response to lower prices for domestically produced crude (benchmarks such as Bakken generally trade near WTI) and the resulting increase in domestic demand, rail owners are scrambling to produce additional transportation capacity. Although rail is generally more expensive than pipelines, it has shown an ability to scale more quickly. Take the Bakken region for instance:

**Bakken Regional Export Capacity**

Annual Data, Actual and Forecast

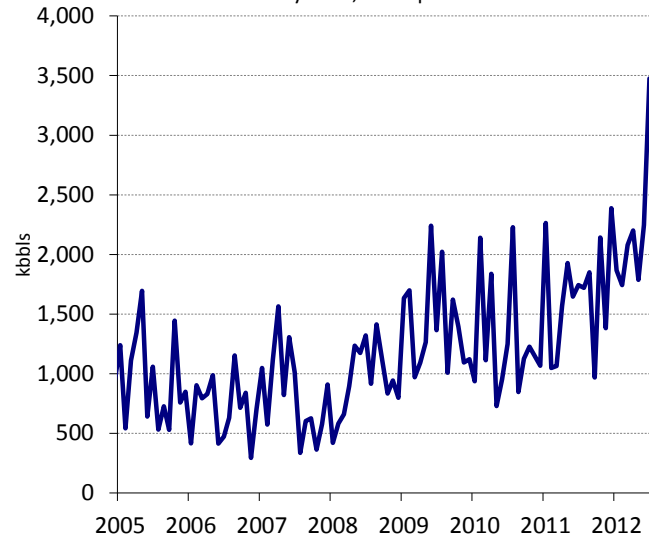


Source: Citi Research

The plethora of cheaper light sweet crude has also caused some traders to take advantage and export a limited amount of crude oil to Canada, a move for which export permits can be actually be obtained. This trend has taken off significantly in the first two months of 2013, the only months for which EIA has provided data thus far.

**US Crude Oil Exports**

Monthly Data, 2005-present



Source: EIA

Both the transportation and export developments have helped to narrow the spread between Brent and WTI from peaks that had approached \$30/bbl. On paper, this may suggest that foreign grades such as Bonny Light could become more competitive in the US again. Practically, though, this is not likely to happen. Some traders and refiners have already put forward contracts in place for US-produced crude oil, taking advantage of lower prices and limiting their need for spot cargoes. Furthermore, many forecasts suggest that North America's production growth is set to continue (USGS stated last week that Bakken and Three Forks have more oil than previously estimated, for instance), and transportation bottlenecks still remain. From a shipping perspective, while North American production growth has been fortuitous for owners of US-flagged tonnage, it is unlikely that the recent narrowing of the Brent-WTI spread is a precursor to an increase in demand for those crude oil imports into the US that have been displaced in the past few years. A sustained move towards parity between Brent and WTI should, however, improve European refinery margins selling into the US, creating increased demand for TC2 and similar moves (cargo counts for such a move have in fact been stronger of late).



### Weekly Freight Rate & Asset Trends

#### Tanker Spot Rates

Vessel	Routes	Week 19		Week 18		\$ / day ±%	2013 \$/day	2012 \$/day
		WS points	\$/day	WS points	\$/day			
VLCC	265k AG-JAPAN	40	23,111	34	10,710	115.8%	3,315	21,835
	280k AG-USG	24	17,566	19	-13,491	230.2%	-3,967	1,604
	260k WAF-USG	43	27,654	38	18,873	46.5%	7,811	31,457
Suezmax	130k MED-MED	65	17,809	65	18,383	-3.1%	7,422	22,121
	130k WAF-USAC	55	11,655	58	14,585	-20.1%	4,211	13,373
	130k AG-CHINA	60	14,506	65	19,698	-26.4%	7,422	22,121
Aframax	80k AG-EAST	75	9,004	75	9,171	-1.8%	3,709	14,182
	80k MED-MED	70	8,982	73	11,052	-18.7%	5,509	13,700
	80k UKC-UKC	80	4,055	80	7,373	-45.0%	6,314	18,517
	70k CARIBS-USG	105	17,674	105	18,051	-2.1%	4,713	12,325
Clean	75k AG-JAPAN	83	11,486	93	15,513	-26.0%	4,791	11,258
	55k AG-JAPAN	100	12,324	110	14,471	-14.8%	5,470	10,867
	37k UKC-USAC	165	20,002	145	15,951	25.4%	6,610	9,251
Dirty	30k MED-MED	140	17,038	143	18,428	-7.5%	8,773	19,062
	55k UKC-USG	105	14,851	110	17,604	-15.6%	5,940	16,571
	55k MED-USG	105	13,572	110	16,170	-16.1%	4,734	14,735
	50k CARIBS-USAC	118	16,741	118	17,247	-2.9%	5,596	13,028

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**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](http://www.intermodal.gr)

#### Secondhand Indicative Market Values (\$ Million) - Tankers

Vessel 5yrs old		May-13	Apr-13	±%	2013	2012	2011
VLCC	300KT DH	55.0	55.0	0.0%	56.3	62.9	77.6
Suezmax	150KT DH	40.0	40.0	0.0%	40.3	44.9	54.4
Aframax	110KT DH	29.5	27.9	5.8%	27.9	31.2	39.1
Panamax	75KT DH	27.0	26.0	3.8%	25.7	26.7	35.2
MR	52KT DH	25.0	25.0	0.0%	24.7	24.6	28.4

#### Tanker Time Charter Rates

\$/day		Week 19	Week 18	±%	Diff	2013	2012
VLCC	300k 1yr TC	18,200	18,200	0.0%	0	19,671	22,375
	300k 3yr TC	22,200	22,200	0.0%	0	25,174	27,195
Suezmax	150k 1yr TC	15,450	15,450	0.0%	0	16,474	17,606
	150k 3yr TC	17,200	17,200	0.0%	0	19,253	21,152
Aframax	110k 1yr TC	13,200	13,200	0.0%	0	13,605	13,889
	110k 3yr TC	14,950	14,950	0.0%	0	15,411	16,070
Panamax	75k 1yr TC	15,200	15,200	0.0%	0	14,895	13,245
	75k 3yr TC	15,700	15,700	0.0%	0	15,437	14,368
MR	52k 1yr TC	14,700	14,700	0.0%	0	14,250	13,764
	52k 3yr TC	14,950	14,950	0.0%	0	14,832	14,589
Handysize	36k 1yr TC	12,950	12,950	0.0%	0	13,079	12,567
	36k 3yr TC	13,700	13,700	0.0%	0	13,687	13,378

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

Vessel 5yrs old		May-13	Apr-13	±%	2013	2012	2011
Capesize	180k	33.0	33.0	0.0%	33.6	34.6	43.5
Panamax	76K	19.5	18.8	4.0%	18.8	22.7	31.3
Supramax	56k	20.3	19.1	5.9%	19.5	23.0	28.1
Handysize	30K	17.0	17.0	0.0%	17.2	18.2	23.5

#### Dry Bulker Time Charter Rates

\$/day		Week 19	Week 18	±%	Diff	2013	2012
Capesize	170K 6mnt TC	11,700	11,700	0.0%	0	11,457	13,549
	170K 1yr TC	12,200	12,200	0.0%	0	12,167	13,885
	170K 3yr TC	13,950	13,950	0.0%	0	13,726	15,282
Panamax	76K 6mnt TC	10,575	10,325	2.4%	250	10,487	11,003
	76K 1yr TC	9,200	9,325	-1.3%	-125	9,174	9,906
	76K 3yr TC	9,575	9,575	0.0%	0	9,424	10,888
Supramax	55K 6mnt TC	11,450	11,200	2.2%	250	10,536	11,176
	55K 1yr TC	9,700	9,700	0.0%	0	9,463	10,330
	55K 3yr TC	9,950	10,200	-2.5%	-250	9,950	11,195
Handymax	45k 6mnt TC	9,450	9,450	0.0%	0	8,832	9,375
	45k 1yr TC	8,450	8,450	0.0%	0	8,134	8,849
	45k 3yr TC	8,950	8,950	0.0%	0	8,871	9,575
Handysize	30K 6mnt TC	7,700	7,950	-3.1%	-250	7,345	8,255
	30K 1yr TC	8,200	8,200	0.0%	0	7,713	8,424
	30K 3yr TC	8,700	8,700	0.0%	0	8,700	9,450

#### New Building Indicative Market Prices (million\$)

Vessel		Week 19	Week 18	±%	2013	2012	2011
Bulkers	Capesize 180k	46.5	46.5	0.0%	45	47	53
	Panamax 77k	25.3	25.3	0.0%	25	27	33
	Supramax 58k	24.5	24.5	0.0%	24	26	30
	Handysize 35k	21.0	21.0	0.0%	21	22	25
	VLCC 300k	89.0	89.0	0.0%	89	96	102
Tankers	Suezmax 160k	55.3	55.3	0.0%	55	59	64
	Aframax 115k	46.5	46.5	0.0%	46	51	54
	LR1 75k	40.0	40.0	0.0%	40	43	45
	MR 52k	33.0	33.0	0.0%	33	35	36
	LNG 150K	184.5	184.5	0.0%	181	186	187
Gas	LGC LPG 80k	69.5	69.5	0.0%	69	72	73
	MGC LPG 52k	61.5	61.5	0.0%	61	63	64
	SGC LPG 23k	40.5	40.5	0.0%	40	44	46





### Container Market - Weekly Highlights

Vessel (TEU/HMG)	Index	+/-
700/440TEU (GL) 17.5 k	3.28	► 0.00
1,043/660TEU (GL) 18 K Eco	4.74	► 0.00
1,100/715TEU (G) 19 k	7.67	► 0.00
1,700/1,125TEU (G) 19.5 k	7.45	► 0.00
1,740/1,300TEU (G) 20.5 k	7.58	► 0.00
1,714/1,250TEU (G) 19k Bkk Max	5.00	► 0.00
2,500/1,900TEU (G) 22 k	4.46	► 0.00
2,800/2,000TEU (GL) 22 k	3.23	► 0.00
3,500/2,500TEU (GL) 23 k	1.59	► 0.00
4,250/2,800TEU (GL) 24 k	3.08	► 0.00
5,500/4,200TEU (GL) 25 k	3.48	► 0.00
8,500/6,600 (GL) 25 k	4.69	► 0.00
<b>Index Total</b>	<b>56.23</b>	<b>► 0.00</b>

Contributed by

**Braemar Seascope**

35 Cosway Street  
London NW1 5BT  
United Kingdom

Phone: +44 (0) 20 7535 2650  
Website: [www.braemarseascope.com](http://www.braemarseascope.com)



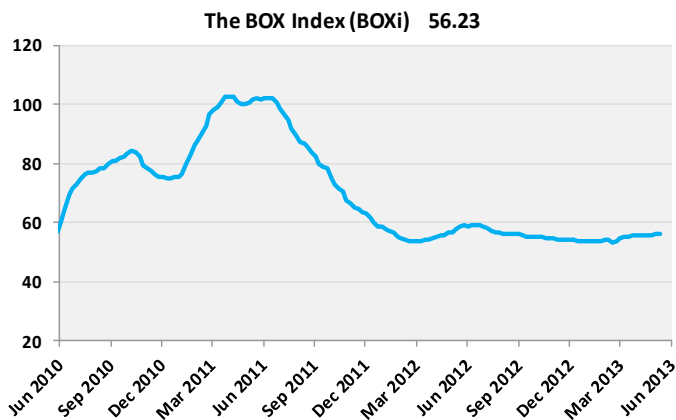
Indeed, the volume of tonnage still delivering from the yards means the majority of operators are having to work off very short time frames as services continually evolve and tonnage is re-deployed into different trades as they try as best they can to balance their fleets. This is not good news for the fleet sectors that are already under pressure or the tramp Owners of these ships as these vessels are the first ones out to accommodate Owned or long-term chartered tonnage within the system.

In week punctuated by public holidays once again, small improvements were realised in one or two sectors but on the whole this was more down to geographical premiums rather than improvements on an otherwise flat market, resulting in no further movement in the BOXi.

Prompt feeder positions, particularly in the 1700TEU sector, remain at a premium in both Asia and the Atlantic, but with only a limited number of orders in the market, rates have largely been unaffected, meaning if anything those who really need tonnage have had to look at taking on some sort of ballast, while others appear to be managing to reshuffle their options to cover their immediate requirements. However, the larger problem for this sector would appear to be in the future market; with relatively small numbers of ships being ordered so far in these sizes, as traditional feeder Owners struggle to raise capital for new projects, while record levels of scrapping continue, particularly in the sub panamax sector, charter rates in this sector could return faster than previously expected when a sustained market recovery does arrive.

Elsewhere, the panamax sector remains under the most pressure as it continues to take the brunt of the ongoing cascading and up-sizing initiatives. Even the recent activity in this sector from Evergreen and UASC has not unfortunately cleared out sufficient tonnage or kicked the sector into life sufficiently to have a positive affect on the rates.

The further influx of super-post panamax containerships continues unabated and the cascading of ever-larger ships below is once again putting a huge strain on the prospects of further profitability within the rest of the year. As the lines wrestle with the problem of trying to reduce capacity on the main haul routes while further tonnage delivers at the other end of the chain it would appear we could well be heading for another unhealthy and potentially damaging rate war as a number of operators slash their rates, inevitably meaning others will have to follow suit.



#### Representative Fixtures

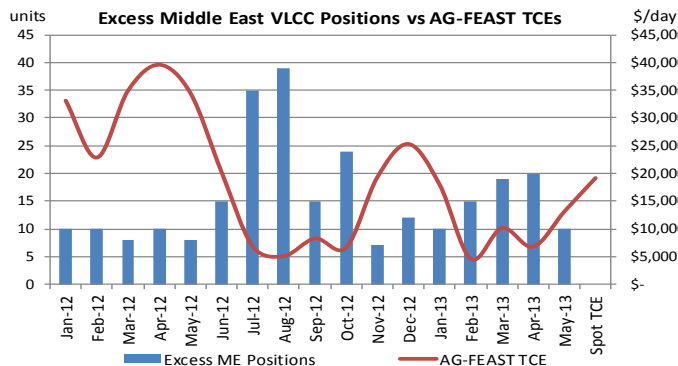
Name	Dwt	Teu	14T	Blt	Spd	Cons	GR	Charterer	Dely	Date	Period	US\$/day
<i>Santa Rufina</i>	52,800	4,112	2,857	2002	25.8	217.0	GL	Simatech	NE Asia	Jun	4-6 mos	9,625
<i>Praia</i>	41,000	3,534	2,355	2009	22.2	126.3	GL	CMA CGM	UK Cont	May	9-11 mos	7,100
<i>Lutetia</i>	42,300	3,091	2,473	2005	22.0	105.0	G	CMA CGM	UK Cont	May	12 mos	9,000
<i>Cape</i>	34,900	2,908	2,030	1997	22.0	90.0	GL	TS Lines	NE Asia	May	3-6 mos	6,500
<i>Westerham</i>	30,600	2,072	1,650	1998	21.5	73.0	G	CMA CGM	UK Cont	May	8-10 mos	6,950
<i>Gluecksburg</i>	23,579	1,740	1,295	2008	20.5	60.0	G	Maersk	Med	Jun	2-4 mos	6,975
<i>Sagittarius</i>	23,051	1,730	1,156	2001	19.0	54.0	G	MCC	SE Asia	May	3-6 mos	6,500
<i>Amanda</i>	22,900	1,728	1,120	2000	19.0	48.0	G	Melfi	Med	May	10-12 mos	7,000
<i>Marinos</i>	23,596	1,597	1,148	1993	18.0	45.0	G	Sea Consortium	NE Asia	Jun	2-6 mos	6,250



### Tanker Market - Weekly Highlights

#### VLCC market rallies; further gains to come?

The VLCC market was markedly stronger this week on the back of further fresh activity gains in the Middle East, where the weekly fixture count accelerated to a six-month high. Demand gains in the Middle East market were led by a rise in fixtures bound for points in Asia, also at a six-month high. Fixture activity bound for the US was also relatively strong, representing a 60% gain against the YTD weekly average. Though excess units remain overcapacity has been reduced by this week's fixtures. Combined with a robust pace of fresh inquiry, owners were able to command successive rate gains over the course of the week, and by the conclusion of the week, rates to both the US Gulf Coast and to the Far East rose to highs last observed in early January – and the AG-USG rate was just 1.2 points shy of the YTD high (recorded on 9 January). Overall, average earnings gained ~\$4,200/day to conclude the week at ~\$19,803/day.



The unexpected Middle East demand gains followed reports this week that Saudi Arabia boosted production rates during April by 150,000 b/d from March's rate to 9.3 Mb/d. Given the usual lag time between production hikes and exports, a presumed greater crude supply during the second half of May likely forms a component in regional VLCC demand observed this week. Though the April production rate represents the highest level since November, it was still 3.8% below the 2012 average. Also likely factoring into this week's demand gains are stronger refining runs in the US, where PADD 3 (US Gulf Coast) crude inputs gained 2.4% last week according to the EIA, likely boosting heavy crude purchases from the Middle East. Improving global financial markets also likely factored into the gains, as does fresh data from China showing that crude imports rose to 5.65 Mb/d during April, paring two consecutive months of declines and representing a 3.7% y/y gain. The import gains come on the back of a drawdown of oil inventories ahead of China's summer driving season and on the back of further stimulus-driven manufacturing and infrastructure-building demand.

Though this week's gains represent a welcomed development by owners, near-term uncertainties remain. With only as many as 8 May Middle East cargoes now reasonably expected to remain, the pace of fresh activity could be slower early during the week ahead as charterers pause before progressing into June dates. Combined with the likelihood that any remaining "hidden" positions will appear to capture the higher prevailing rates, rates could pare some of this week's gains. Thereafter, however, rates will be heavily subject to the pace of fresh activity as charterers move into the June program – and the pace of fresh activity at that time will largely dictate rate progression during the remainder of Q2.

We note that an estimated 10 units will carryover from May dates into

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](http://www.crweber.com)



the June program, representing the lowest level since January and on par with the average observed during 1H12, when earnings averaged \$31,665/day. The lower number of carryover units from January to February was underpinned by the fact that the February program was ultimately the smallest since October '10. However, if the level of fixture activity being observed for the second half of the May program remains through June, the June cargo tally could rise to a YTD high, which would likely see rates rally further later this month and through to mid-June, before a seasonal lull prevails through Q3.

Spot Market	WS	TCE \$/day	WS	TCE \$/day
<b>VLCC</b>	<b>3-May</b>		<b>10-May</b>	
AG>USG 280k (TD1)	18.0	\$(12,000)	23.5	\$(3,200)
AG>USG/CBS>SPORE/ AG		\$15,400		\$22,400
AG>SPORE 270k (TD2)	34.0	\$9,900	40.0	\$19,300
AG>JPN 265k (TD3)	34.0	\$9,200	40.0	\$19,000
WAFR>USG 260k (TD4)	37.5	\$15,400	40.0	\$18,800
WAFR>CHINA 260k (TD15)	36.0	\$13,000	40.0	\$19,000
<b>SUEZMAX</b>				
WAFR>USAC 130k (TD5)	57.5	\$13,900	55.0	\$11,800
BSEA>MED 135k (TD6)	66.5	\$14,600	66.5	\$14,400
CBS>USG 130k	60.0	\$12,300	60.0	\$12,100
<b>AFRAMAX</b>				
N.SEA>UKC 80k (TD7)	80.0	\$7,800	80.0	\$7,600
AG>SPORE 70k (TD8)	75.0	\$10,000	75.0	\$10,000
BALT>UKC 100k (TD17)	57.5	\$7,800	57.5	\$7,600
CBS>USG 70k (TD9)	105.0	\$18,100	105.0	\$17,900
MED>MED 80k (TD19)	72.5	\$7,700	72.5	\$7,600
<b>PANAMAX</b>				
CBS>USG 50k (TD10)	120.0	\$12,200	120.0	\$12,000
CONT>USG 55k (TD12)	107.5	\$12,600	105.0	\$11,500
ECU>USWC 50k	160.0	\$27,200	160.0	\$27,300
<b>CPP</b>				
CONT>USAC 37k (TC2)	145.0	\$15,700	170.0	\$21,600
USG>CONT 38k (TC14)	77.5	\$1,700	85.0	\$3,500
CONT>USAC/ USG>CONT		\$16,900		\$21,600
CBS>USAC 38k (TC3)	125.0	\$12,600	125.0	\$12,400





### Tanker Market - Weekly Highlights

AG>JPN 35k	120.0	\$9,100	105.0	\$5,700
SPOR>JPN 30k (TC4)	151.0	\$12,800	135.0	\$9,500
AG>JPN 75k (TC1)	95.0	\$19,800	86.5	\$15,600
AG>JPN 55k (TC5)	114.0	\$14,800	100.0	\$9,800

Time Charter Market \$/day (theoretical)	1 Year	3 Years
<b>VLCC</b>	\$18,000	\$22,000
<b>Suezmax</b>	\$15,750	\$18,250
<b>Aframax</b>	\$13,500	\$15,250
<b>Panamax</b>	\$14,500	\$15,500
<b>MR</b>	\$14,000	\$15,000

Suezmaxes, which made the smaller tankers more attractive and also limited VLCC activity in the region. With the weekly fixture count falling to its lowest level since early April, rates on the WAFR-USAC route eased 2.5 points to ws55. At the close of the week, rates appear flat at this level and limited change is expected during the start of the week ahead.

The Caribbean Suezmax market was flat with rates on the CBS-USG route unchanged at the ws60 level – largely on the back of a stable rate environment for regional Aframax.

#### Aframax

The Caribbean Aframax market was steady this week, holding on to highs reached last week. Sustained activity for voyages and lightering remained as USG-area refinery crude inputs rose, allowing the CBS-USG route to hold at the ws105 level. With regional TCE earnings hovering around a \$10,300/day premium to those in European markets, European positions could ballast towards the region in hopes of achieving stronger returns. Otherwise, little change in either direction is eminently expected.

#### Panamax

The Caribbean Panamax market was again volatile, with rates ranging widely, though the assessed rate on the CBS-USG route ultimately concluded unchanged from last week's close at ws120. Sustained activity should see rates remain at this level, especially with the larger Aframax class remaining firmly out of play as an alternative.

#### CPP

Strong gains were recorded in the European MR market with the CONT-USAC route gaining 25 points to ws170 over the course of the week. Stronger activity levels there against an earlier rate lull which incentivized owners to ballast units coming free off the USAC towards the USG saw a more closely aligned supply/demand position materialize, forming the basis of this week's rate gains. However, with activity easing towards the end of the week, upward pressure appears to be easing and a modest reversal could materialize during the start of the upcoming week.

The USG MR market also experienced upward pressure on rates this week as fresh fixture activity rose to a seven week high. While Latin America-bound fixtures led the discharge profile, representing half of this week's fixtures, fixture activity for voyages to Europe were also high with the tally being some 80% above the YTD average. The USG-CONT route gained 7.5 points to conclude at ws85. With the potential remaining for further gains on the back of rising refining runs, rates could potentially see further modest gains during the upcoming week.



## THE TANKER MARKETS

### VLCC

#### Middle East

There were 34 fresh fixtures concluded in the Middle East market this week. Rates to the Far East gained 2.7 points w/w to an average of ws35.4 and reached ws40 by the close of the week. Corresponding TCEs averaged ~\$12,067/day, representing a gain of ~\$4,065/day, w/w. At the present assessment, TCEs to the Far East are ~\$19,543/day. Rates to the USG (via the Cape) gained 5 points, w/w, to an average of ws23. The present assessment is ws23.5. Triangulated Westbound trade earnings averaged ~\$21,607/day – a gain of ~\$5,890/day.

With 110 May cargoes now covered, we estimate that up to 15 cargoes remain outstanding. Against this, 25 units presently populate the position list, representing a much smaller number of excess units than have been present through much of 2013. During the week ahead, a slower pace of fresh activity is expected as charterers work through a smaller number of remaining May cargoes, which could see rates ease as remaining units become more competitive to fix.

#### Atlantic Basin

Activity in the Atlantic basin was markedly slower this week with just 5 fresh fixtures reported. Only one fixture was concluded for an ex-West Africa voyage higher as a wider rate differential between co-freight VLCCs and single Suezmax cargoes incentivized greater use of the smaller tankers. Rates on the WAFR-FEAST route averaged ws37.8, representing a w/w gain of 2.7 points; the market is presently trading at ws40. TCEs on the route averaged ~\$15,266/day. The Caribbean market saw just one fixture concluded, on a CBS-WCIND voyage. Rates on the benchmark CBS-SPORE route remained unchanged at the \$3.8m level as availabilities off normal dates remain tight.

#### Suezmax

The West Africa Suezmax market saw limited activity this week despite a wider differential between VLCC co-load freights and



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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](mailto:shipping@capitalink.com)  
[www.capitalink.com](http://www.capitalink.com) - [www.CapitalLinkShipping.com](http://www.CapitalLinkShipping.com)

## Content Contributors



**Cleartrade**  
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