

Capital Link Shipping Weekly Markets Report

Tuesday, September 3, 2013 (Week 36)



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CONTENT CONTRIBUTORS





5th Annual Capital Link Global Commodities - Energy - Freight Forum

Linking Derivatives & Physical Markets

Tuesday, September 17, 2013

The Metropolitan Club, One East 60th St., New York City

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Overview

This year's forum will kick off with a Dodd Frank Roundtable discussion on regulatory updates and the dramatic effect it has on the market this year. The forum will examine the underlying trends that shape the global commodity and energy markets and how these affect the freight markets. A review of the major trends, development and outlook in these three interconnected areas will provide participants with critical insight on the global economy and trade, as well as on how they impact the development of derivatives activity. Furthermore, the forum will debate on major developments in the legal and regulatory fronts in addition to challenges in trading, clearing, and financing.

Topics of Discussion

- Dodd Frank Roundtable
- Coal - Physical Markets and Derivatives
- Iron Ore and Steel- Physical Markets and Derivatives
- Volatility in the Fuel Oil Market
- The Container Market
- The Fuel Oil Market
- The Dry Bulk Freight Market
- The Wet Freight Market
- Trading, Settling and Financing Derivatives Trades
- Legal Challenges

Participating Companies

- | | | |
|-------------------------------------|-------------------------------------|---|
| • Aegean Marine Petroleum Network | • HSH Nordbank AG | • Platts |
| • Cargill Ocean Transport USA | • International Registries, Inc. | • PricewaterhouseCoopers LLP |
| • Clarkson Capital Markets | • INTL - FCStone | • Scorpio Tankers |
| • Cleartrade Exchange | • Jefferies & Co. | • Sidley Austin LLP |
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| • Euroseas Ltd. | • National Futures Association | • WesternBulk AS |
| • Global Petroleum LP | • Navios Maritime Holdings | • World Container Index |
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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.

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Capital Link Shipping Weekly Markets Report



Tuesday, September 3, 2013 (Week 36)

IN THE NEWS

Latest Company News

Monday, August 26, 2013

Diana Shipping Inc. Announces Delivery of the Panamax Dry Bulk Carrier m/v Artemis and Commencement of Time Charter Contract With Rio Tinto

Diana Shipping Inc. announced that the Company, through a separate wholly-owned subsidiary, took delivery of the m/v "Artemis" (formerly "Shoyo"), a 2006 built Panamax dry bulk carrier of 76,942 dwt that the Company entered into an agreement to purchase in May 2013. As previously announced, the m/v "Artemis" is time chartered to Rio Tinto Shipping Pty Ltd., Melbourne, Australia, at a gross charter rate of US\$9,375 per day, minus a 3.75% commission paid to third parties, for a period of minimum twenty-two (22) months to maximum twenty-six (26) months. The charter commenced today. This employment is anticipated to generate approximately US\$6.2 million of gross revenue for the minimum scheduled period of the charter.

Ardmore Shipping Corporation Announces Financial Results for Second Quarter 2013

Ardmore Shipping Corporation announced results for the three and six months ended June 30, 2013. The Company raised \$140 million of gross proceeds in its initial public offering ("IPO") of common stock, par value \$0.01, which closed on August 6, 2013. In connection with its IPO, the Company listed its common stock on the New York Stock Exchange and trading commenced on August 1, 2013. It signed contracts for the construction of ten newbuildings at yards in South Korea and Japan which are expected to be delivered in 2014 and 2015 for a total of \$319.8 million, increasing the Ardmore fleet to 20 ships consisting of eight vessels in operation and 12 vessels on order. It also reported adjusted EBITDA of \$3.0 million in the three months ended June 30, 2013, an increase of \$0.9 million from the three months ended June 30, 2012.

Teekay LNG Contemplates Norwegian Bond Issuance

Teekay LNG Partners L.P. announces that it intends to issue a minimum of 700 million NOK in new senior unsecured bonds in the Norwegian bond market that mature in September 2018 which, at current conversion rates, have an aggregate principal amount equivalent to approximately USD 115 million. The proceeds of the bonds are expected to be used for general partnership purposes. Teekay LNG expects to apply for listing of the bond on the Oslo Stock Exchange. A portion of the bonds may be offered in the United States to qualified institutional investors (or QIBs) as defined in Rule 144A of the U.S. Securities Act of 1933 (the Securities Act) concurrently with bonds offered outside of the United States pursuant to Regulation S of the Securities Act. DNB Markets, Nordea Markets and Swedbank First Securities have been appointed as Joint Lead Managers of the contemplated bond issuance.

KNOT Offshore Partners LP Announces Interim Results for the Period Ended June 30, 2013

KNOT Offshore Partners LP reported net income of \$4.0 million and operating income of \$7.4 million for the second quarter of 2013, as compared to net loss of \$2.5 million and operating income of \$3.8

million for the same period in the prior year. Adjusted EBITDA was \$12.7 million for the second quarter 2013. On August 1, 2013, KNOT Offshore Partners completed the acquisition of the company that owns and operates the offshore shuttle tanker "Carmen Knutsen" from Knutsen NYK Offshore Tankers AS ("KNOT") for \$145.0 million. It also declared distribution of \$0.3173 per unit with respect to the period ended June 30, 2013 (representing a prorated distribution for the period from closing date of the IPO on April 15, 2013 through June 30, 2013) KNOT Offshore Partners.

Tuesday, August 27, 2013

Star Bulk Carriers Corp. Reports Profits for the Second Quarter and First Half of 2013

Star Bulk Carriers Corp. announced its unaudited financial and operating results for the second quarter and first half of 2013. Net profit for the second quarter of 2013 was \$0.8 million compared to a loss of \$4.6 million during the same quarter in 2012. Net profit for the first half of 2013 was \$2.0 million compared to a loss of \$4.5 million during the same period of the previous year. Also for the second quarter of 2013, operating income amounted to \$2.7 million compared to operating loss of \$2.7 million for the second quarter of 2012. In July, Star Bulk completed successfully the backstopped equity rights offering, which resulted in gross proceeds of approximately \$80.1 million.

GasLog Ltd. To Host Investor Day

GasLog Ltd. and its subsidiaries ("GasLog" or "Group") (GLOG) announced that it will host an Investor Day on Tuesday, September 10. The Senior Management of GasLog will discuss the Company's strategy, operations, financial position, industry overview and market outlook.

Wednesday, August 28, 2013

Scorpio Tankers Inc. Announces a Commitment Letter and Letter of Intent for a \$429.6 Million Loan Facility, the Exercise of Underwriters' Over-Allotment Option to Purchase 3 Million Shares, and Two Time Charter-In Agreements

Scorpio Tankers Inc. announced that it has received (i) a Commitment Letter from a leading financial institution (the "Financial Institution") of \$129 million (the "Commercial Tranche") and (ii) a Letter of Intent ("LOI") from The Export-Import Bank of Korea ("KEXIM") of up to \$300.6 million (the KEXIM Tranche) for a loan facility of up to \$429.6 million (the "KEXIM Credit Facility") that is being arranged by the Financial Institution. The KEXIM Credit Facility would be used to finance up to 60% of the purchase price of newbuildings upon delivery. The Company has agreed to time charter-in two Handymax product tankers consisting of a Handymax product tanker (37,412 dwt, 2007 built) for one year at approximately \$12,500 per day, and a Handymax product tanker (37,455 dwt, 2007 built) for eighteen months at approximately \$12,500 per day.



Latest Company News

Globus Maritime Announces Results of Annual Meeting of Shareholders

Globus Maritime Limited announced the results of its annual meeting of shareholders, held earlier today in Glyfada, Greece. The following proposals were approved and adopted at the meeting: 1. The election of Mr. Georgios Feidakis and Mr. Amir Eilon as Class III Directors of the Company to serve until the 2016 Annual Meeting of Shareholders; and 2. the approval of the appointment of Ernst & Young (Hellas) Certified Auditors Accountants S.A., as the Company's independent auditors for the fiscal year ending December 31, 2013.

Tuesday, September 3, 2013

Navios Maritime Partners L.P. Announces Three-Year Time Charter at \$19,000 (Net) per Day for a Newbuilding Capesize Vessel

Navios Maritime Partners L.P. announced that it has chartered out the Navios Joy, a newbuilding Capesize vessel for three years. The Navios Joy has been chartered out to an investment grade counterparty for three years at a rate of \$19,000 net per day (\$20,000 gross). The charterer has been granted an option to extend the charter for two optional years, the first at \$22,325 (net) per day and the second at \$25,650 (net) per day. The vessel is expected to generate approximately \$4.6 million annual EBITDA or \$12.9 million aggregate EBITDA for the three years of the initial charter period. EBITDA estimates assume expenses approximating current operating costs and 360 revenue days per year. Navios Partners expects the vessel to be delivered within September 2013.

Navios Maritime Acquisition Corporation Announces Delivery of One Newbuilding MR2 Product Tanker Vessel With Employment

Navios Maritime Acquisition Corporation announced that the Nave Alderamin, a new building MR2 product tanker vessel of 49,998 dwt, was delivered today from a South Korean shipyard. Nave Alderamin has been chartered out to a high quality counterparty for six months at a rate of \$13,163 net per day plus 50% profit sharing based on a formula. The vessel is expected to generate approximately \$1.2 million of aggregate base EBITDA for the period of this charter assuming operating expense approximating current operating costs.

Ocean Rig UDW Inc. Announces Financing, Fleet and Contract Developments

Ocean Rig UDW Inc. announced that it has signed a supplemental agreement to amend certain provisions in its \$1.35b Senior Secured Facility dated February 28, 2013. Under the terms of the agreement, the existing dividend restriction of up to 50% of preceding fiscal year net income will be amended to apply on a cumulative basis from July 1, 2013 onwards and include a carve-out to pay additional dividends up to the higher of (i) \$150m and (ii) 5% of the Company's net tangible assets. The Company also announced that on August 20, 2013, it successfully took delivery of its newbuilding drillship the Ocean Rig Mylos which is the first in the series of three 7th Generation Ultra Deepwater Drillships the Company expects to take delivery in 2013. In addition, the Company also announced that it has signed a contract to construct a 7th generation ultra deepwater drillship at Samsung Heavy Industries, and Lukoil exercised its options for an additional two-well program under the previously announced Contract Award for the Company's semi-submersible drilling rig Eirik Raude.

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Star Bulk Reports Profits For Q2 And First Half Of 2013

Nasdaq listed Star Bulk Carriers Corp. (SBLK), reported a net profit for the second quarter of 2013 of \$0.8 million or \$0.15 per basic and diluted share compared to a loss of \$4.6 million or a loss of \$0.84 per share during the same quarter in 2012.



Spyros Capralos, President and Chief Executive Officer of Star Bulk, commented: "Star Bulk is a completely different company, following the successful equity raise of \$80.1 million this quarter. Not only its market capitalization has grown to over \$150 million today, as compared to about \$30 million prior to the offering, but the company has also implemented a growth strategy by ordering four newbuilding vessels and assumed the management of additional third party vessels.

"Our positive results were mainly attributed to our ability to reduce our operating expenses and utilize our operational and ship management capacity and know-how, as a response to the overall market weakness.

The company owned and operated an average of 13.1 vessels during the second quarter of 2013 which earned an average Time Charter Equivalent, or TCE, rate of \$14,273 per day.

For the first half of 2013, net profit was \$2.0 million or \$0.36 per basic and diluted share, compared to a loss of \$4.5 million or a loss of \$0.83 per share during the same period of the previous year.

Star Bulk owned and operated an average of 13.6 vessels during the first half of 2013, earning an average TCE rate of \$14,301 per day.

Simos Spyrou, Chief Financial Officer of Star Bulk, also commented: "We are pleased to announce adjusted net income of \$2.6 million at a time of historically low freight rates.

"Our net debt currently stands at approximately \$112 million following the completion of our equity rights offering and the down-payment of 30% of our CAPEX commitments for our 2 capesize newbuilding vessels. It is worth mentioning that we have no other CAPEX commitments related to these two vessels until their delivery in October 2015 and January 2016 respectively.

"Excluding non-cash items, our second quarter net daily G&A expenses stood at \$1,477 per vessel, 6% lower than the same period last year. We believe that we can further benefit from the management of third-party vessels through economies of scale and we intend to further grow our revenues from this activity.

"During the first half 2013 our daily operating expenses were \$5,596 per vessel, approximately 8% higher than the same period last year. If we exclude the effect of the tonnage tax, which did not exist during the same period last year, daily operating expenses during the first half of 2013 stood at \$5,449 per vessel almost unchanged from the first half of 2012.

"On the financing side, during the second quarter of 2013 and while the interest rate forward curve was near historically low levels, we entered into a swap agreement to fix forward our interest rate exposure. "Specifically, the swap agreement concerns one of our credit facilities for the period starting from the second half of 2014

up to the second half of 2018 and for a principal amount of \$55.5 million, which represents approximately 30% of our current outstanding debt."

Star Bulk also updated shareholders on its third party vessels under management.

Spyros Capralos, commented: "During this quarter, our strategic decision to utilize Star Bulk's ship management capabilities through third-party vessels management has started producing tangible results. Today, Star Bulk manages 6 third party dry bulk vessels and we offer management services to 7 third party product tankers. We have agreed to take under management another 3 dry bulk carriers within the following 2 months. As a result of the above arrangements, our estimated annual revenue from third party vessels management will be around \$3.2 million. This will bring the total number of owned and managed vessels in the dry bulk segment to 26.

On the dry bulk industry Spyros Capralos, commented: " We welcome the recent capesize market rise, as many market participants interpret this as the first sign of a market recovery. In this context, we feel optimistic concerning the timing of our agreements regarding the aforementioned newbuilding vessels.

We anticipate demand for dry bulk commodities from most developing countries to continue to grow and the freight market to start showing signs of improvement due to the lower orderbook, slow steaming and the scarcity of bank financing."



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CAPITAL MARKETS DATA

Select Dividend Paying Shipping Stocks

Stock Prices as of Aug 30, 2013

Company Name	Ticker	Quarterly Dividend	Annualized Dividend	Last Closing Price (August 30, 2013)	Annualized Dividend Yield (%)
Container					
Box Ships Inc	TEU	\$0.12	\$0.48	\$4.23	11.35%
Costamare Inc	CMRE	\$0.27	\$1.08	\$17.08	6.32%
Diana Containerships	DCIX	\$0.30	\$1.20	\$3.66	32.79%
Matson Inc	MATX	\$0.15	\$0.60	\$26.63	2.25%
Seaspan Corp	SSW	\$0.3125	\$1.25	\$21.33	5.86%
Dry Bulk					
Baltic Trading Limited	BALT	\$0.01	\$0.04	\$4.44	0.90%
Navios Maritime Holdings Inc.	NM	\$0.06	\$0.24	\$6.08	3.95%
Navios Maritime Partners L.P. ⁽¹⁾	NMM	\$0.4425	\$1.77	\$14.11	12.54%
Safe Bulkers Inc. ⁽²⁾	SB	\$0.05	\$0.20	\$6.45	3.10%
Tankers					
Capital Product Partners L.P.	CPLP	\$0.2325	\$0.93	\$8.86	10.50%
DHT Holdings, Inc.	DHT	\$0.02	\$0.08	\$4.05	1.98%
KNOT Offshore Partners L.P.	KNOP	\$0.3750	\$1.50	\$24.05	6.24%
Navios Maritime Acquisition Corp	NNA	\$0.05	\$0.20	\$3.80	5.26%
Nordic American Tankers Limited	NAT	\$0.16	\$0.64	\$7.69	8.32%
Scorpio Tankers Inc	STNG	\$0.025	\$0.10	\$9.43	1.06%
Teekay Corporation	TK	\$0.31625	\$1.265	\$39.95	3.17%
Teekay Offshore Partners L.P.	TOO	\$0.5253	\$2.1012	\$31.77	6.61%
Teekay Tankers Ltd	TNK	\$0.03	\$0.12	\$2.51	4.78%
Tsakos Energy Navigation Ltd ⁽³⁾	TNP	\$0.05	\$0.20	\$4.62	4.33%
Mixed Fleet					
Euroseas Ltd	ESEA	\$0.015	\$0.06	\$1.21	4.96%
Knightsbridge Tankers Limited	VLCCF	\$0.175	\$0.70	\$8.48	8.25%
Ship Finance International Limited	SFL	\$0.39	\$1.56	\$15.46	10.09%
LNG/LPG					
Gas Log Ltd	GLOG	\$0.11	\$0.44	\$13.73	3.20%
Glolar LNG	GLNG	\$0.450	\$1.80	\$37.37	4.82%
Glolar LNG Partners, L.P.	GMLP	\$0.515	\$2.06	\$32.50	6.34%
Teekay LNG Partners L.P.	TGP	\$0.675	\$2.70	\$42.08	6.42%
Maritime MLPs					
Capital Product Partners L.P.	CPLP	\$0.2325	\$0.93	\$8.86	10.50%
Glolar LNG Partners, L.P.	GMLP	\$0.515	\$2.06	\$32.50	6.34%
Navios Maritime Partners L.P.	NMM	\$0.4425	\$1.77	\$14.11	12.54%
Teekay LNG Partners L.P.	TGP	\$0.675	\$2.70	\$42.08	6.42%
Teekay Offshore Partners L.P.	TOO	\$0.5253	\$2.1012	\$31.77	6.61%
KNOT Offshore Partners L.P.	KNOP	\$0.3750	\$1.50	\$24.05	6.24%



Capital Link Shipping Weekly Markets Report



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CAPITAL MARKETS DATA

Preferred Shipping Stocks	Safe Bulkers Series B	Tsakos Energy Navigation Series B	Costamare Series B	Box Ships Series C	Seaspan Corp Series C	Seaspan Corp Series D	International Shipholding Series A	Teekay Offshore Series A
Ticker Symbol	SBPRB	TNPPRB	CMREPRB	TEUPRC	SSWPRC	SSWPRD	ISHPRA	TOOPRA
Fixed Annual Dividend ⁽⁴⁾	8.00%	8.00%	7.625%	9.00%	9.50%	7.95%	9.50%	7.25%
Liquidation Preference	\$25.00	\$25.00	\$25.00	\$24.00	\$27.15	\$25.00	\$100.00	\$25.00
Last Closing Price (08/30/13)	\$25.11	\$23.44	\$24.25	\$23.25	\$26.50	\$25.22	\$103.87	\$24.75

(1) 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.

(2) SB completed an offering of 800,000 shares of its 8.00% Series B Cumulative Redeemable Perpetual Preferred Shares at a price of \$25.00 per share. On June 19, 2013, the Series B Preferred Shares commenced trading on the New York Stock Exchange, under the symbol "SBPRB". On July 15, 2013, SB declared a cash dividend of \$0.26111 per share on the Series B Preferred Shares to be paid on July 30, 2013, to all Series B preferred shareholders of record as of July 25, 2013.

(3) TEN completed an offering of 2,000,000 preferred shares (Series B), priced at \$25 per share with an 8% dividend. On May 13, 2013, the Series B Preferred Shares commenced trading on the New York Stock Exchange, under the symbol "TNPPRB." On July 17, 2013, TEN declared a cash dividend of \$0.44444 per share on the Series B Preferred Shares to be paid on July 30, 2013, to all Series B preferred shareholders of record as of July 29, 2013.

(4) Annual dividend percentage based upon the liquidation preference of the preferred shares.

Capital Link Shipping

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

CapitalLinkShipping.com



Capital Link Shipping Weekly Markets Report



Tuesday, September 3, 2013 (Week 36)

CAPITAL MARKETS DATA

Currencies, Commodities & Indices

Week ending, Friday, Aug 30 2013

KEY CURRENCY RATES

Rate	Current Price	Price Last Week	% Change	YTD %Chg	52 Week High	52 Wk Low
3-Month LIBOR (USD)	\$0.2595	\$0.2621	-0.99%	-55.45%	\$0.4144	\$0.2594
10-Yr US Treasury Yield	\$2.7839	\$2.8146	-1.09%	40.81%	\$2.9344	\$1.5399
USD/CNY	\$6.1195	\$6.1220	-0.04%	-2.81%	\$6.3552	\$6.1101
USD/EUR	\$0.7564	\$0.7473	1.22%	-2.08%	\$0.8224	\$0.7320
USD/GBP	\$0.6451	\$0.6423	0.44%	0.77%	\$0.6712	\$0.6144
USD/JPY	\$98.2000	\$98.9500	-0.76%	28.10%	\$103.7400	\$77.1300

PRECIOUS METALS

	Current Price	Price Last Week	% Change	YTD %Chg	52 Week High	52 Wk Low
Copper	\$323.30	\$335.60	-3.67%	-6.68%	\$384.00	\$300.55
Gold	\$1,396.12	\$1,375.23	1.52%	-12.82%	\$1,796.05	\$1,180.50
Palladium	\$723.85	\$752.75	-3.84%	10.30%	\$771.90	\$633.15
Platinum	\$1,513.90	\$1,541.25	-1.77%	6.31%	\$1,741.99	\$1,294.60
Silver	\$23.67	\$23.14	2.30%	-19.46%	\$35.36	\$18.23

KEY AGRICULTURAL & CONSUMER COMMODITIES

	Current Price	Price Last Week	% Change	YTD %Chg	52 Week High	52 Wk Low
Cocoa	\$2,436.00	\$2,465.00	-1.18%	13.14%	\$2,725.00	\$2,071.00
Coffee	\$116.30	\$117.05	-0.64%	-50.63%	\$200.00	\$116.10
Corn	\$482.00	\$470.00	2.55%	-18.27%	\$665.00	\$445.75
Cotton	\$83.49	\$84.08	-0.70%	-8.94%	\$93.72	\$74.35
Soybeans	\$1,357.50	\$1,328.00	2.22%	11.34%	\$1,409.75	\$1,162.50
Sugar #11	\$16.34	\$16.47	-0.79%	-32.56%	\$21.83	\$15.93
Wheat	\$654.00	\$646.00	1.24%	-9.39%	\$913.00	\$635.50

KEY FUTURES

Commodities	Current Price	Price Last Week	% Change	YTD %Chg	52 Week High	52 Wk Low
Gas Oil Futures	\$969.25	\$943.00	2.78%	3.30%	\$985.50	\$835.50
Gasoline RBOB Future	\$289.01	\$287.07	0.68%	9.20%	\$298.21	\$246.68
Heating Oil Future	\$313.66	\$309.90	1.21%	3.08%	\$322.90	\$276.20
Natural Gas Future	\$3.58	\$3.49	2.75%	15.67%	\$4.44	\$2.65
WTI Crude Future	\$107.65	\$106.42	1.16%	5.10%	\$112.24	\$86.04



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CAPITAL MARKETS DATA

MAJOR INDICES

Index	Symbol	30-Aug-13	23-Aug-13	% Change	YTD % Change	2-Jan-13
Dow Jones	INDU	14,810.31	15,010.51	-1.33%	10.42%	13,412.55
Dow Jones Transp.	TRAN	6,249.88	6,479.85	-3.55%	14.98%	5,435.74
NASDAQ	CCMP	3,589.87	3,657.79	-1.86%	15.35%	3,112.26
NASDAQ Transp.	CTRN	2,620.20	2,685.95	-2.45%	12.43%	2,330.45
S&P 500	SPX	1,632.97	1,663.50	-1.84%	11.66%	1,462.42
Russell 2000 Index	RTY	1,010.90	1,038.24	-2.63%	15.74%	873.42
FTSE 100 Index	UKX	6,412.90	6,492.10	-1.22%	6.40%	6,027.40

CAPITAL LINK MARITIME INDICES

Index	Symbol	30-August-13	23-August-13	% Change	2-Jan-13	YTD % Change
Capital Link Maritime Index	CLMI	2,197.60	2,220.10	-1.01%	2,093.02	5.00%
Tanker Index	CLTI	2,307.24	2,281.02	1.15%	2,123.34	8.66%
Drybulk Index	CLDBI	773.79	802.33	-3.56%	609.62	26.93%
Container Index	CLCI	1,786.78	1,871.33	-4.52%	1,588.01	12.52%
LNG/LPG Index	CLLG	3,501.79	3,563.94	-1.74%	3,423.06	2.30%
Mixed Fleet Index	CLMFI	1,377.55	1,468.13	-6.17%	1,550.21	-11.14%
MLP Index	CLMLP	3,148.40	3,175.37	-0.85%	2,972.33	5.92%

BALTIC INDICES

Index	Symbol	30-August-13	23-August-13	% Change	2-Jan-13	YTD % Change
Baltic Dry Index	BDIY	1,132	1,165	-2.83%	698	62.18%
Baltic Capesize Index	BCIY	2,243	2,312	-2.98%	1,237	81.33%
Baltic Panamax Index	BPIY	907	903	0.44%	685	32.41%
Baltic Supramax Index	BSI	939	927	1.29%	737	27.41%
Baltic Handysize Index	BHSI	531	528	0.57%	446	19.06%
Baltic Dirty Tanker Index	BDTI	622	658	-5.47%	696	-10.63%
Baltic Clean Tanker Index	BCTI	604	591	2.20%	694	-12.97%



Shipping Equities: The Week in Review

SHIPPING EQUITIES OUTPERFORM THE BROADER MARKET TANKER EQUITIES 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 going down 1.01%, compared to the S&P 500 losing 1.84%, and the Dow Jones Industrial Average (DJII) declining 1.33%.

Tanker stocks were the best performers again during last week, with Capital Link Tanker Index rising 1.15%, followed by Capital Link MLP Index decreasing 0.85%. Mixed fleet equities were the least performer in last week, with Capital Link Mixed Fleet Index sliding 6.17%. The top three weekly gainers last week were Paragon Shipping (PRGN), Star Bulk Carriers (SBLK), and Globus Maritime Limited (GLBS), up 23.16%, 17.72%, and 12.84% respectively.

During last week, Dry Bulk shipping stocks underperformed the physical market, with Baltic Dry Index (BDI) declining 2.83%, compared to the Capital Link Dry Bulk Index losing 3.56%. Year-to-date, the BDI has gained 62.18%, compared to the Capital Link Dry Bulk Index went up 26.93%.

Crude tanker market remained weak during last week, with Baltic Dirty Tanker Index (BDTI) decreasing 5.47%, while Baltic Clean Tanker Index (BCTI) improving 2.20%. Capital Link Tanker Index increased by 1.15%. Year-to-date, the BDTI slid 10.63% and the BCTI plumbed 12.97%, while Capital Link Tanker Index gained 8.66%.

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 42 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 or www.MaritimeIndices.com. They can also be found through the Bloomberg page "CPLI" and Reuters.



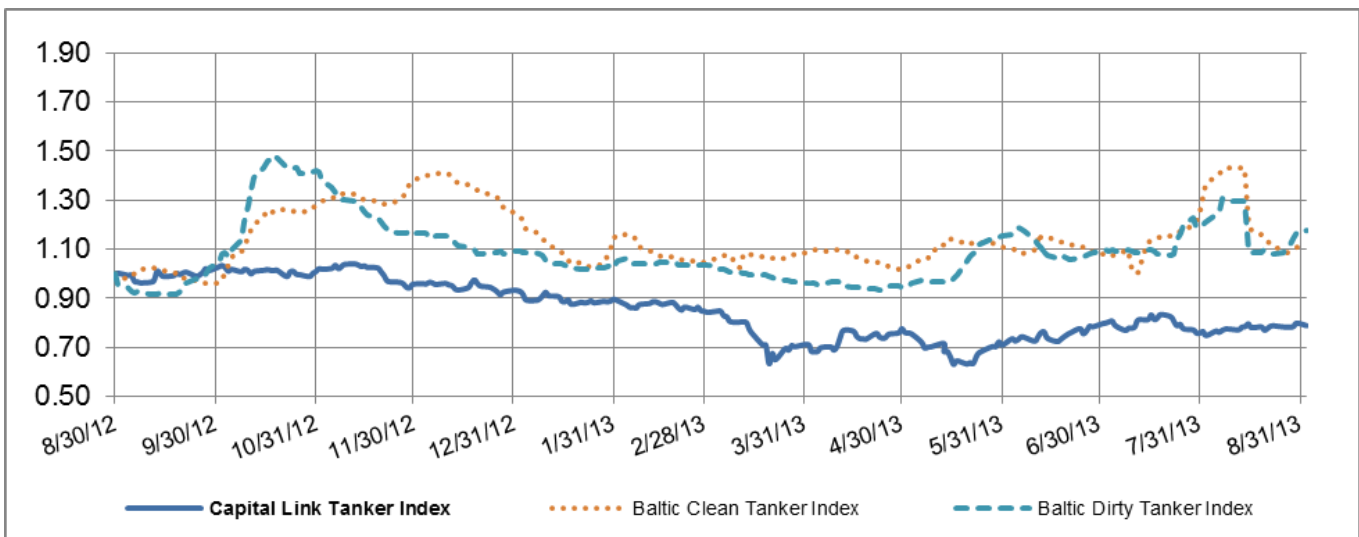
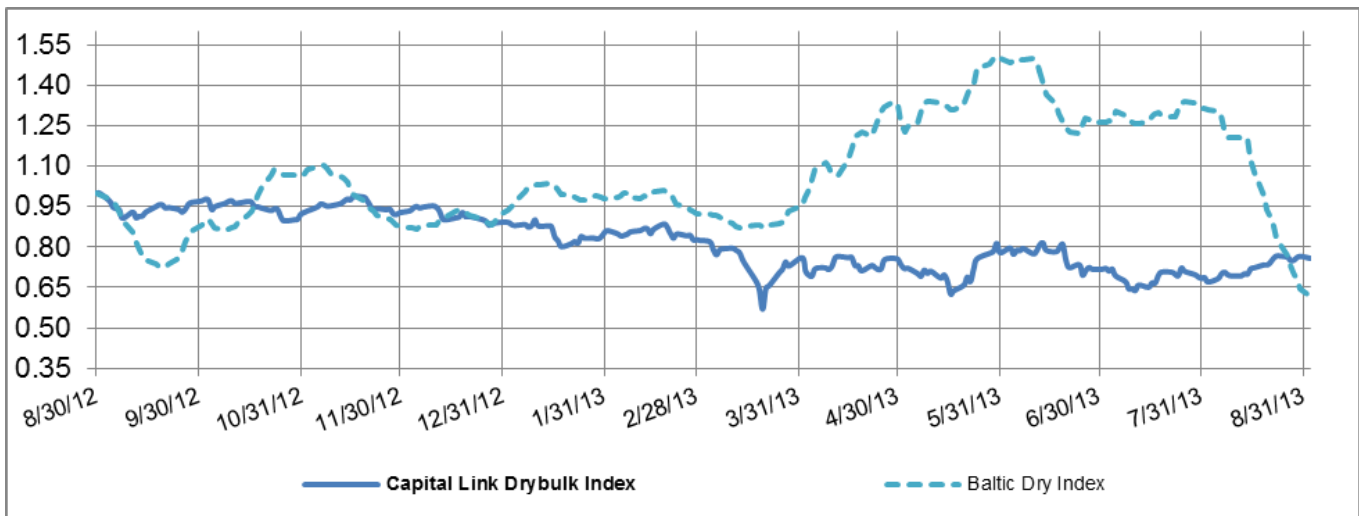
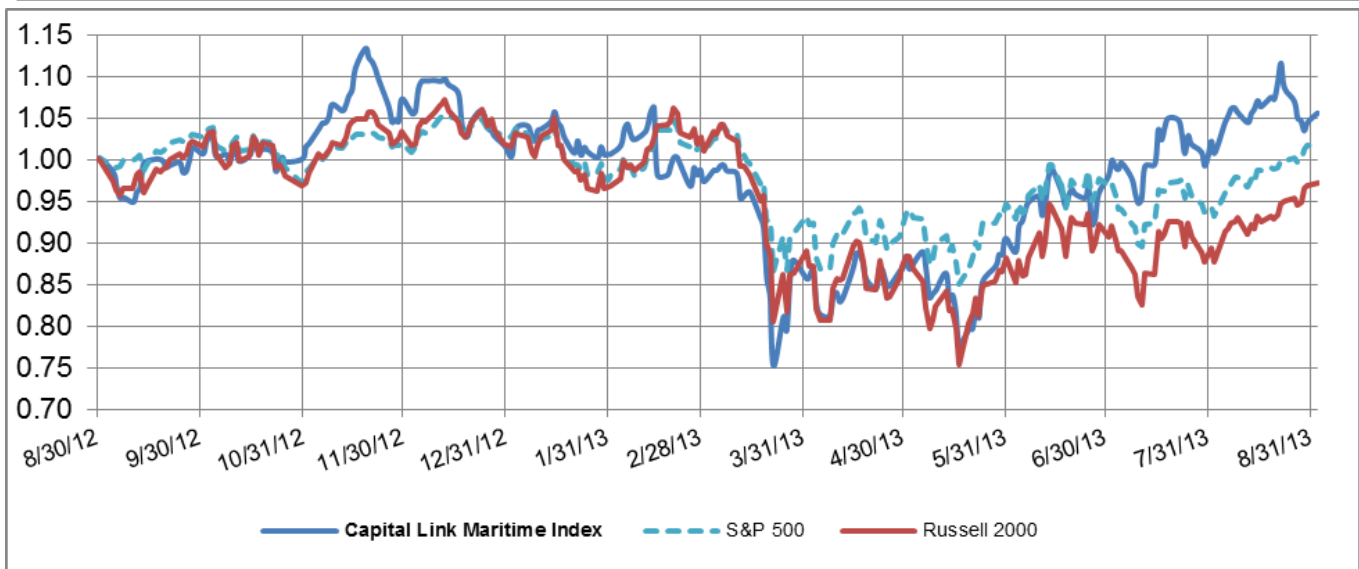
Capital Link Shipping Weekly Markets Report



Tuesday, September 3, 2013 (Week 36)

CAPITAL MARKETS DATA

MARITIME INDEX DAILY COMPARISON CHARTS (52 -WEEK)



*SOURCE: BLOOMBERG



Capital Link Shipping Weekly Markets Report



Tuesday, September 3, 2013 (Week 36)

SHIPPING MARKETS



Custom Statistics Prepared Weekly for Capital Link Shipping

BROAD MARKET

Percent Change of Major Indexes for the Week Ending Friday, Aug 30, 2013

Name	Symbol	Close	Net Gain	Percent Gain
Nasdaq-100 Index	NDX	3073.81	-50.46	-1.62%
Russell 1000 Index	RUI	909.2	-17.05	-1.84%
S&P 500 Index	SPX	1632.97	-30.53	-1.84%
Nasdaq Composite Index	COMPX	3589.87	-67.92	-1.86%
Russell 3000 Index	RUA	976.75	-18.96	-1.90%
Nasdaq Transportation Index	TRANX	2620.2	-65.75	-2.45%
Russell 2000 Index	RUT	1010.93	-27.31	-2.63%

SHIPPING INDUSTRY DATA (42 Companies)

Moving Averages

- 47.62% closed > 10D Moving Average.
- 54.76% closed > 50D Moving Average.
- 64.29% closed > 100D Moving Average.
- 69.05% 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
PRGN	7.18	23.16%	74.70%	FREE	0.19	0.00%	-67.80%
GNK	2.83	4.04%	91.22%	NEWL	0.11	0.00%	-52.17%
SBLK	8.17	17.72%	44.35%	DCIX	3.66	-6.15%	-23.59%
TOPS	2.15	-8.12%	48.28%	GASS	8.88	-0.45%	-15.59%
SB	6.45	3.20%	29.00%	DHT	4.05	-4.93%	-8.78%
DRYS	2.33	3.56%	31.64%	NAT	7.69	-7.35%	-1.03%
VLCCF	8.48	7.61%	36.77%	SHIP	1.44	6.67%	0.00%
NM	6.08	-2.25%	18.52%	SFL	15.46	-6.02%	1.44%
BALT	4.44	-6.33%	27.95%	TNK	2.51	-7.04%	-1.18%
GLBS	2.46	12.84%	28.12%	TEU	4.23	1.20%	7.63%

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	Up Streak
TK	39.95	3	ASC	13.66	-2
SSW	21.33	2	TNK	2.51	-2
			SHIP	1.44	-2
			PRGN	7.18	-2
			NAT	7.69	-2
			KNOP	24.05	-2
			GMLP	32.5	-2
			GLNG	37.37	-2
			TNP	4.62	-2
			DAC	4.41	-2



Capital Link Shipping Weekly Markets Report



Tuesday, September 3, 2013 (Week 36)

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>
PRGN	5.83	7.18	1.35	23.16%	FRO	2.82	2.42	-0.40	-14.18%
SBLK	6.94	8.17	1.23	17.72%	EGLE	4.09	3.57	-0.52	-12.71%
GLBS	2.18	2.46	0.28	12.84%	MATX	29.13	26.63	-2.50	-8.58%
VLCCF	7.88	8.48	0.60	7.61%	TOPS	2.34	2.15	-0.19	-8.12%
SHIP	1.35	1.44	0.09	6.67%	NAT	8.3	7.69	-0.61	-7.35%
GNK	2.72	2.83	0.11	4.04%	TNK	2.7	2.51	-0.19	-7.04%
DRYS	2.25	2.33	0.08	3.56%	TNP	4.96	4.62	-0.34	-6.85%
NNA	3.68	3.8	0.12	3.26%	BALT	4.74	4.44	-0.30	-6.33%
SB	6.25	6.45	0.20	3.20%	DCIX	3.9	3.66	-0.24	-6.15%
TK	38.84	39.95	1.11	2.86%	SFL	16.45	15.46	-0.99	-6.02%

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>
PRGN	4.05	7.18	3.13	77.28%	NAT	9.39	7.69	-1.70	-18.10%
SB	4.85	6.45	1.60	32.99%	NEWL	0.13	0.11	-0.02	-15.38%
SBLK	6.27	8.17	1.90	30.30%	FREE	0.22	0.19	-0.03	-13.64%
GNK	2.22	2.83	0.61	27.48%	GASS	10.15	8.88	-1.27	-12.51%
GLBS	2.09	2.46	0.37	17.70%	EGLE	4.07	3.57	-0.50	-12.29%
BALT	3.79	4.44	0.65	17.15%	DHT	4.47	4.05	-0.42	-9.40%
ESEA	1.05	1.21	0.16	15.24%	TNP	5.09	4.62	-0.47	-9.23%
DRYS	2.03	2.33	0.30	14.78%	TNK	2.75	2.51	-0.24	-8.73%
VLCCF	7.78	8.48	0.70	9.00%	DAC	4.81	4.41	-0.40	-8.32%
DSX	9.97	10.86	0.89	8.93%	DCIX	3.94	3.66	-0.28	-7.11%

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>
ASC	14.05	-2.78%	ASC	13.29	2.78%
TK	41.51	-3.76%	DCIX	3.54	3.52%
VLCCF	8.84	-4.07%	TNK	2.30	9.07%
NNA	4.00	-5.00%	NEWL	0.10	10.00%
TGP	44.70	-5.86%	NAT	6.89	11.57%
NMM	15.02	-6.08%	FREE	0.17	11.76%
KNOP	25.83	-6.89%	DHT	3.49	15.97%
CMRE	18.39	-7.11%	KNOP	20.41	17.83%
SB	6.95	-7.19%	SFL	13.07	18.30%
GLOG	14.80	-7.23%	TEU	3.51	20.51%



Capital Link Shipping Weekly Markets Report



Tuesday, September 3, 2013 (Week 36)

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>
PRGN	7.18	23.16%	4.5220
FREE	0.19	0.00%	3.8690
SHIP	1.44	6.67%	3.7664
SBLK	8.17	17.72%	3.0043
DRYS	2.33	3.56%	2.3602
ESEA	1.21	-1.63%	2.1168
FRO	2.42	-14.18%	1.8348
SB	6.45	3.20%	1.8291
DHT	4.05	-4.93%	1.7839
GNK	2.83	4.04%	1.7150

*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

<u>Top Year-To-Date Gainers</u>		<u>Top Year-To-Date Decliners</u>	
<u>Symbol</u>	<u>YTD Gain %</u>	<u>Symbol</u>	<u>YTD Decliners %</u>
PRGN	220.54%	FREE	-78.89%
EGLE	138.00%	NEWL	-72.50%
TOPS	128.72%	DCIX	-30.68%
SB	96.05%	FRO	-25.77%
NM	85.37%	GNK	-18.91%
VLCCF	73.06%	TNK	-10.36%
NNA	62.39%	NAT	-7.46%
DAC	60.36%	SFL	-4.74%
GSL	51.02%		
BALT	50.00%		

The following are the 42 members of this group: **Symbol - Name:** ASC – Ardmore Shipping Corp; 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; 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 - Seanyour 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.; VLCCF - Knightsbridge Tankers Ltd

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Capital Link Shipping Weekly Markets Report



Tuesday, September 3, 2013 (Week 36)

SHIPPING MARKETS

Weekly Market Report

Week Ending Aug 30, 2013



FREIGHT

Capesize 4TC Average

Volume: 3,055 lots

Contract		Average	Chg	Open	Close	Chg	Low	High
Sep	13	18007	-604	20100	17100	-3000	17100	20100
Oct	13	22073	na	21850	22250	400	21850	22500
Nov	13	23261	na	23350	23250	-100	23250	23350
Q4	13	21671	1180	22000	21800	-200	20900	22600
Cal	14	16889	497	17100	17000	-100	16650	17100
Cal	15	17065	260	17300	17200	-100	16800	17300

Panamax 4TC Average

Volume: 1,895 lots

Contract		Average	Chg	Open	Close	Chg	Low	High
Sep	13	8583	-6	9000	8350	-650	8300	9000
Oct	13	9900	na	9900	9900	0	9900	9900
Q4	13	9919	140	10100	10000	-100	9600	10100
Q1	14	8385	265	8400	8250	-150	8250	8450
Cal	14	8957	424	9000	8700	-300	8700	9000
Cal	15	9600	na	9600	9600	0	9600	9600

Supramax 6TC Average

Volume: 225 lots

Contract		Average	Chg	Open	Close	Chg	Low	High
Q4	13	10360	60	10400	10300	-100	10300	10400
Q1	14	8900	60	8900	8900	0	8900	8900
Cal	14	9875	na	9875	9875	0	9875	9875

IRON ORE

TSI Iron Ore 62% Fines

Volume: 14,930 lots

Contract		Average	Chg	Open	Close	Chg	Low	High
Sep	13	135.95	1.32	138.25	134.00	-4.25	133.50	138.25
Oct	13	132.81	1.08	134.00	132.00	-2.00	131.00	135.25
Nov	13	130.94	na	132.50	129.75	-2.75	129.75	132.50
Dec	13	129.14	na	130.50	128.50	-2.00	128.50	130.50
Q4	13	130.92	1.55	132.00	130.00	-2.00	130.00	132.00



Capital Link Shipping Weekly Markets Report



Tuesday, September 3, 2013 (Week 36)

SHIPPING MARKETS

FERTILIZER

Urea Nola

Volume: 45 lots

Contract		Average	Chg	Open	Close	Chg	Low	High
Sep	13	282.67	-7.33	285.00	280.00	-5.00	280.00	285.00
Oct	13	278.00	-5.88	284.00	275.00	-9.00	275.00	284.00

UAN Nola

Volume: 33 lots

Contract		Average	Chg	Open	Close	Chg	Low	High
Sep	13	227.00	na	227.00	227.00	0.00	227.00	227.00
Nov	13	227.00	na	227.00	227.00	0.00	227.00	227.00
Dec	13	226.00	na	226.00	226.00	0.00	226.00	226.00

DAP Tampa

Volume: 26 lots

Contract		Average	Chg	Open	Close	Chg	Low	High
Sep	13	410.00	na	410.00	410.00	0.00	410.00	410.00
Oct	13	379.50	na	389.00	370.00	-19.00	370.00	389.00

BUNKER FUEL

Singapore 380cst

Volume: 16,875 MT

Contract		Average	Chg	Open	Close	Chg	Low	High
Sep	13	610.03	-0.93	606.50	611.50	5.00	606.50	611.50
Oct	13	616.70	4.45	615.50	621.50	6.00	615.50	621.50
Nov	13	619.95	4.45	616.25	625.50	9.25	616.25	625.50
Dec	13	619.36	na	615.75	618.50	2.75	615.75	625.00
Q4	13	620.00	6.00	620.00	620.00	0.00	620.00	620.00

Rotterdam 3.5%

Volume: 10,800 MT

Contract		Average	Chg	Open	Close	Chg	Low	High
Oct	13	604.50	na	604.50	604.50	0.00	604.50	604.50
Nov	13	602.29	na	606.75	599.50	-7.25	599.50	606.75
Q1	14	598.00	na	598.00	598.00	0.00	598.00	598.00

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)	Different between the weekly Open and Close Price
Low	Lowest price of the week
High	Highest price of the week



Capital Link Shipping Weekly Markets Report



Tuesday, September 3, 2013 (Week 36)

SHIPPING MARKETS

First Watch: Stifel Shipping Weekly

Contributed by
Stifel Nicolaus & CO, Inc.

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NICOLAUS**

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<i>Rates in \$/Day</i> Vessel Category	Weekly Trend	8/30/2013	8/23/2013	% Change	2013 YTD
<i>Crude Tanker</i>					
VLCC	↓	\$4,942	\$7,338	(32.7%)	\$9,954
Suezmax	↓	\$9,241	\$11,249	(17.9%)	\$13,604
Aframax	↓	\$14,718	\$21,774	(32.4%)	\$13,478
<i>Product Tankers</i>					
Long Range	↑	\$12,453	\$12,266	1.5%	\$11,702
Medium Range	↑	\$11,147	\$8,988	24.0%	\$14,396
<i>Dry Bulk</i>					
Capesize	↓	\$15,084	\$18,093	(16.6%)	\$8,315
Panamax	↓	\$3,756	\$4,266	(12.0%)	\$5,066
Supramax	↑	\$9,698	\$8,742	10.9%	\$9,600
<i>Containers*</i>					
Panamax-4400 TEU	↑	\$8,900	\$8,800	1.1%	\$8,988
Sub-Panamax-2750 TEU	↑	\$7,100	\$7,000	1.4%	\$6,669
Handy-2000 TEU	↑	\$6,750	\$6,650	1.5%	\$6,456
LPG-82,000 cbm	↑	\$56,333	\$55,000	2.4%	\$33,500
LNG-138,000 cbm	↓	\$95,000	\$96,000	(1.0%)	\$105,500

*Monthly data was used

Source: *Clarksons Research & Astrup Feamley*

- Last week, we toured the General Dynamics' (GD) NASSCO Shipyard, which is currently one of only two yards in the U.S. building large commercial Jones Act Vessels. One of the primary takeaways from the tour was that despite strong demand from customers for ships as a result of growth in U.S. oil production, the average time charter duration available from major oil companies appears to have dropped from five years to three years. While it does not appear as though charter rates have contracted, the shorter contract durations are likely a result of several first movers having now made investments and also increased competition for the newbuilding slots by containership operators, resulting in a stronger competitive position for the oil majors.
- Dry bulk vessel deliveries are finally beginning to slow. In 2012, nearly 99 new vessels were delivered per month. During the first six months of 2013, that number fell to 71 per month and has been at 48 for the past two months. Despite the recent surge in ordering, the magnitude of new orders is still substantially below the previous pace during 2007 and 2008, and the orderbook to fleet ratio is currently just at 18%. Although, we estimate that scheduled deliveries in combination with a currently oversupplied fleet are likely to keep charter rates low for at least the next 12 months, the fall in deliveries provides some light at the end of the tunnel.



Capital Link Shipping Weekly Markets Report



Tuesday, September 3, 2013 (Week 36)

SHIPPING MARKETS

Dry Bulk Market – Weekly Highlights

After two consecutive weeks of straight gains the Dry Bulk market has pooled back a bit this past week, with the BDI nevertheless still holding above 1,100 points. Demand for Capes has eased off compared to the week before, especially in the Atlantic basin, where the drop in cargoes available was quite noticeable towards the end of the week. Activity in the Pacific basin on the other hand held a bit better with the rate for the trip back to the Continent/Med area noting the biggest increase. Rates for Panamax held their levels from the previous week, increasing slightly on some routes, with the most notable one being the North Pacific round voyage. Both the Supra and the Handysize markets remained fairly stable on a weekly comparison, with the average rate for Supras climbing higher and closer to \$ 10,000/day.

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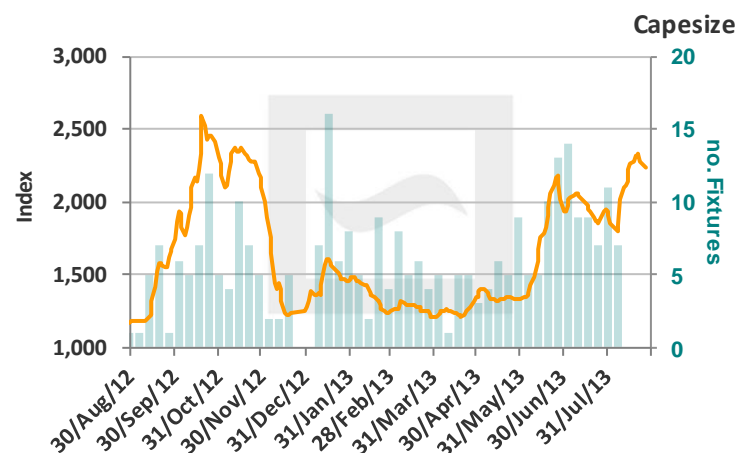
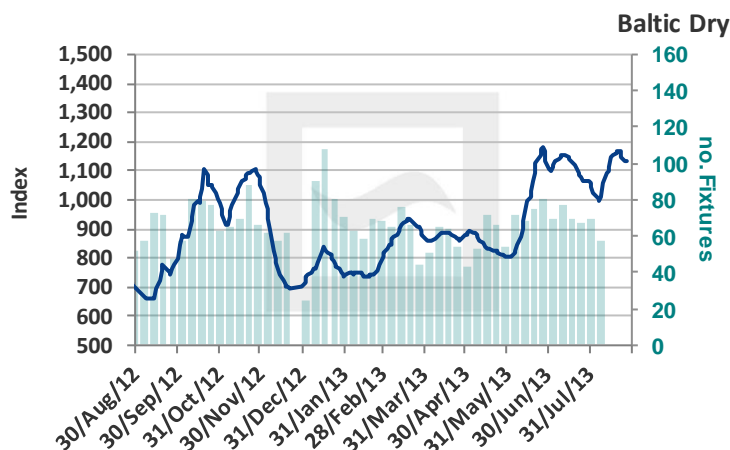
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Indices / Dry Bulk Spot Rates

	Week 35 30/08/2013		Week 34 23/08/2013		Point Diff	\$/day ±%	2013	2012
	Index	\$/day	Index	\$/day			Avg Index	Avg Index
BDI	1,132		1,165		-33		912	921
BCI	2,243	\$15,200	2,312	\$16,533	-69	-8.1%	1,554	1,571
BPI	907	\$7,241	903	\$7,207	4	0.5%	954	965
BSI	939	\$9,819	927	\$9,696	12	1.3%	856	906
BHSI	531	\$7,646	528	\$7,647	3	0.0%	512	518

With demand showing a sluggish pace for most dry commodities, it's no surprise that prices have been dropping lately. We have seen a significant slowdown in demand growth for iron ore, while coal has been hit by both a softening steel market and shifting energy production in the U.S. and Europe. It hasn't been all bad news however. With EU grain harvest expected to reach a Five-year high yield and emerging economies still driving global demand albeit at a slower pace, it looks as though things may start to look a little bit better over the next couple of months. Key point is the relatively better conditions noted with regards to fixtures activity throughout August, and with the autumn grain cargoes kicking in soon we should see things improve relatively quicker compared the past two autumns.

▼ The Baltic Dry Index closed on Friday the 30th of August at 1,132 points with a weekly loss of **-33** points or **-2.8%** over previous week's closing. (Last Friday's the 23rd of August closing value was recorded at 1,165 points).



CAPESIZE MARKET - ▼ The Baltic Cape Index closed on Friday the 30th of August at 2,243 points with a weekly loss of **-69** points. For this week we monitor a **-3.0%** change on a week-on-week comparison, as Last Friday's the 23rd of August closing value was 2,312 points). It is worth noting that the annual average of 2011 for the Cape Index is currently calculated at 1,554 points, while the average for the year 2010 was 1,571 points.



Capital Link Shipping Weekly Markets Report



Tuesday, September 3, 2013 (Week 36)

SHIPPING MARKETS

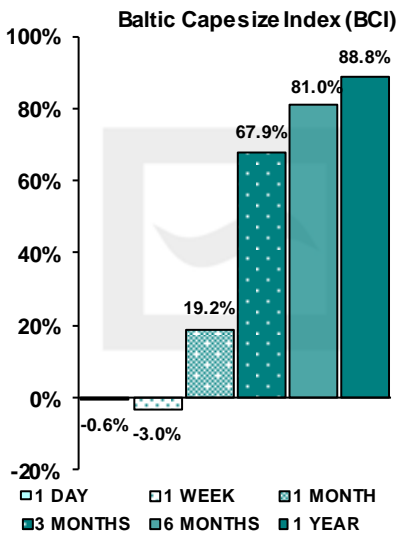
Dry Bulk Market – Weekly Highlights

For Week 35 we have recorded a total of 6 timecharter fixtures in the Capesize sector, 2 for period charter averaging \$18,500 per day, while 4 trip charters were reported this week with a daily average of \$19,125 per day.

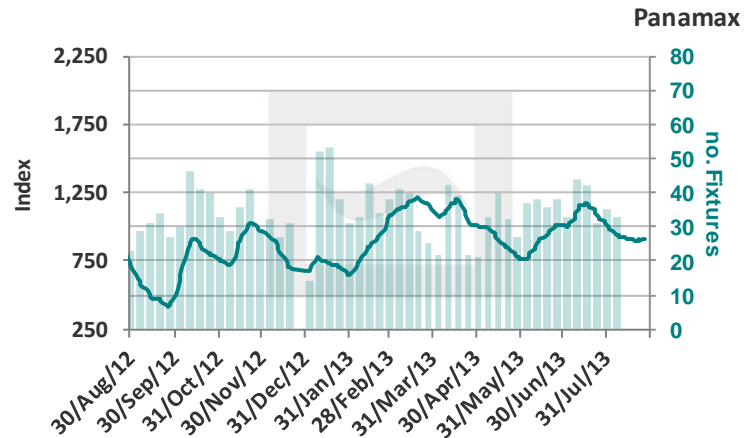
This week's fixture that received the lowest daily hire was the M/V "ABML GRACE", 172316 dwt, built 2002, dely Bayuquan spot, redely redelivery South China, \$17000, Korean Charterers, for a trip via Haypoint 7500\$ improved from last week, and the fixture with the highest daily hire was the M/V "ANANGEL GUARDIAN", 179701 dwt, built 2010, dely dely Pyongtaek spot, redely redely China, \$21000, Oldendorff, for a trip via Australia or NoPac, 11 on 36 laden / 12 on 32 ballast -9000\$ reduced from last week

Week	No. of Fixtures	Highest Fixture	Lowest Fixture
this week	6	\$21,000	\$17,000
last week	10	\$30,000	\$9,500

Week	Period Charter	Trip Charter
this week	\$18,500	\$19,125
last week	\$17,500	\$20,294



In the bar chart on the left we see that the BCI is showing a **-3.0%** loss on a weekly comparison, a **19.2%** rise on a 1 month basis, a **67.9%** rise on a 3 month basis, a **81.0%** rise on a 6 month basis and a **88.8%** rise on a 12 month basis.



PANAMAX MARKET - ▲ The Baltic Panamax Index closed on Friday the 30th of August at 907 points having gained **4** points on a weekly comparison. It is worth noting that last Friday's the 23rd of August saw the Panamax index close at 903 points. The week-on-week change for the Panamax index is calculated to be **0.4%**, while the yearly average for the Baltic Panamax Index for this running year is calculated at 954 points while the average for 2010 was 965 points.

Week	No. of Fixtures	Highest Fixture	Lowest Fixture
this week	24	\$23,000	\$7,000
last week	30	\$17,500	\$3,500

Week	Period Charter	Trip Charter
this week	\$9,563	\$10,626
last week	\$9,633	\$9,922

For Week 35 we have recorded a total of 24 timecharter fixtures in the Panamax sector, 4 for period charter averaging \$9,563 per day, while 20 trip charters were reported this week with a daily average of \$10,626 per day.

The daily earnings differential for the Panamax, 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 "FU DA", 70850 dwt, built 1997, dely Piombino 3/5 Sept, redely Stade, \$7000, Proline, for a trip via Kamsar 3500\$ improved from last week, and the fixture with the highest daily hire was the M/V "IRON BRADYN", 82769 dwt, built 2005, dely Klaipeda 2/3 Sept, redely Iran, \$23000, Chart Not Rep, for a trip via Baltic 5500\$ improved from last week.



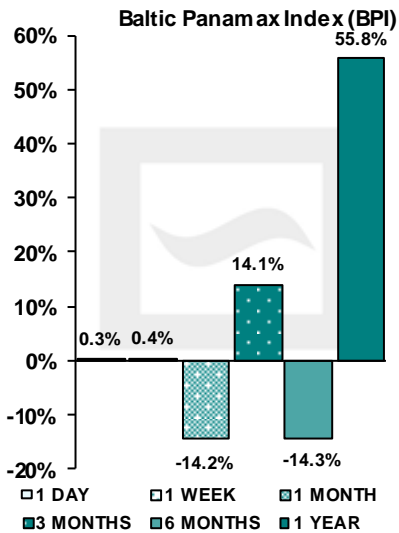
Capital Link Shipping Weekly Markets Report



Tuesday, September 3, 2013 (Week 36)

SHIPPING MARKETS

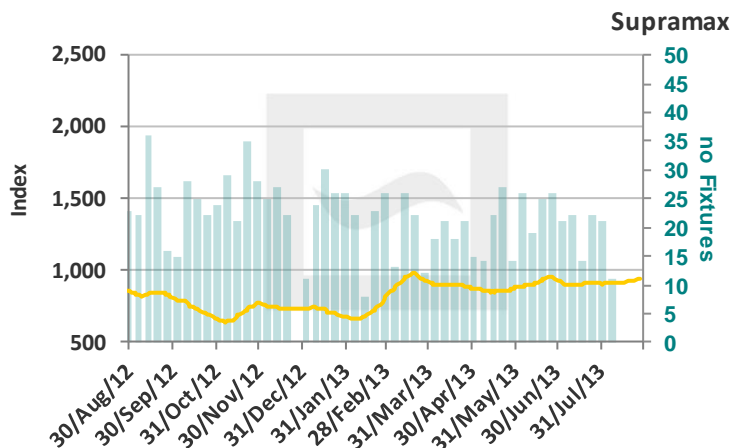
Dry Bulk Market – Weekly Highlights



In the bar chart on the left we see that the BPI is showing a **0.4%** rise on a weekly comparison, a **-14.2%** loss on a 1 month basis, a **14.1%** rise on a 3 month basis, a **-14.3%** loss on a 6 month basis and a **55.8%** rise on a 12 month basis.

For Week 35 we have recorded a total of 25 timecharter fixtures in the Supramax & Handymax sector, 8 for period charter averaging \$10,788 per day, while 17 trip charters were reported this week with a daily average of \$10,135 per day.

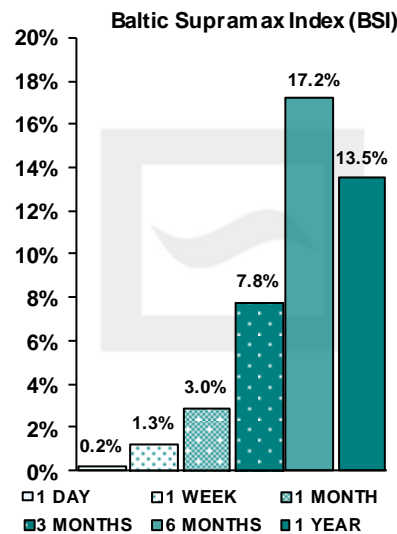
The minimum vs maximum daily rate differential as analyzed from our fixtures database was overall improved and from the reported fixtures we see that this week's fixture that received the lowest daily hire was the M/V "TARSUS", 53577 dwt, built 2008, dely Paradip 1/5 September, redely China intention iron ore, \$5400, Jaldhi, for a trip via EC India -1350\$ reduced from last week, and the fixture with the highest daily hire was the M/V "STAR DELTA", 52434 dwt, built 2000, dely aps USGulf early September, redely Singapore-Japan intention pet coke approx, \$18000, Norden, for a trip 1875\$ improved from last week



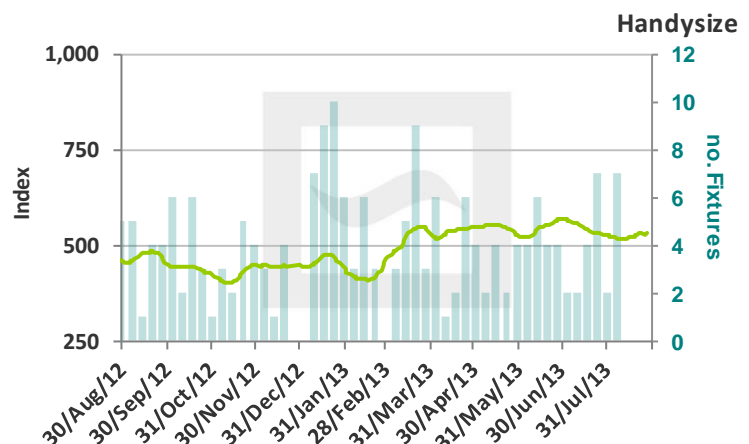
SUPRAMAX & HANDYMAX MARKET - ▲ The Baltic Supramax Index closed on Friday the 30th of August at 939 points up with a weekly gain of **12** point or **1.3%**. The Baltic Supramax index on a weekly comparison is with an upward trend as last Friday's the 23rd of August closing value was 927 points. The annual average of the BSI is recorded at 856 points while the average for 2010 was 906 points.

Week	No. of Fixtures	Highest Fixture	Lowest Fixture
this week	25	\$18,000	\$5,400
last week	20	\$16,125	\$6,750

Week	Period Charter	Trip Charter
this week	\$10,788	\$10,135
last week	\$9,270	\$9,542



In the bar chart on the left we see that the BSI is showing a **1.3%** rise on a weekly comparison, a **3.0%** rise on a 1 month basis, a **7.8%** rise on a 3 month basis, a **17.2%** rise on a 6 month basis and a **13.5%** rise on a 12 month basis.





Dry Bulk Market – Weekly Highlights

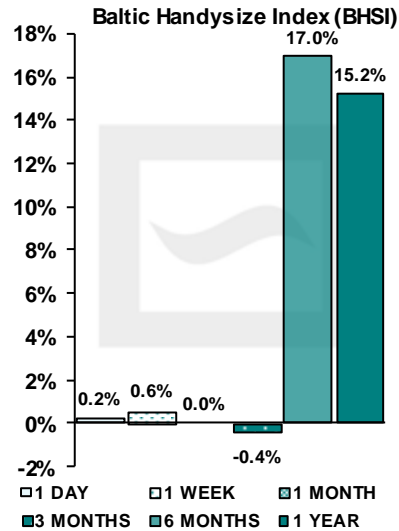
HANDYSIZE MARKET - ▲ The Baltic Handysize Index closed on Friday the 30th of August with an upward trend at 531 points with a weekly gain of **3** points and a percentage change of **0.6%**. It is noted that last Friday's the 23rd of August closing value was 528 points and the average for 2011 is calculated at 512 points while the average for 2010 was 518 points.

Week	No. of Fixtures	Highest Fixture	Lowest Fixture
this week	2	\$11,000	\$7,000
last week	4	\$13,000	\$9,300

Week	Period Charter	Trip Charter
this week	\$0	\$9,000
last week	\$9,300	\$12,000

For Week 35 we have recorded a total of 2 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 \$9,000 per day.

The minimum vs maximum daily rate differential as analyzed from our fixtures database was overall improved and this week's fixture that received the lowest daily hire was the M/V "FADELSIA", 35745 dwt, built 2011, dely Fujairah prompt, redely China, \$11000, Chart Not Rep, for a trip via Iran 1700\$ improved from last week and the fixture with the highest daily hire was the M/V "FADELSIA", 35745 dwt, built 2011, dely Fujairah prompt, redely China, \$11000, Chart Not Rep, for a trip via Iran -2000\$ reduced from last week



In the bar chart on the left we see that the BHI is showing a **0.6%** change on a weekly comparison, a **0.0%** on a 1 month basis, a **-0.4%** loss on a 3 month basis, a **17.0%** rise on a 6 month basis and a **15.2%** rise 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	-0.4%	-2.8%	6.6%	39.9%	43.5%	70.0%
BCI	-0.6%	-3.0%	19.2%	67.9%	81.0%	88.8%
BPI	0.3%	0.4%	-14.2%	14.1%	-14.3%	55.8%
BSI	0.2%	1.3%	3.0%	7.8%	17.2%	13.5%
BHI	0.2%	0.6%	0.0%	-0.4%	17.0%	15.2%



Capital Link Shipping Weekly Markets Report



Tuesday, September 3, 2013 (Week 36)

SHIPPING MARKETS

Weekly Freight Rate & Asset Trends

Tanker Spot Rates

Vessel	Routes	Week 35		Week 34		\$/day ±%	2013	2012
		WS points	\$/day	WS points	\$/day		\$/day	\$/day
VLCC	265k AG-JAPAN	31	4,566	32	9,254	-50.7%	9,069	21,835
	280k AG-USG	21	1,715	21	3,305	-48.1%	-1,338	1,604
	260k WAF-USG	40	18,235	40	20,235	-9.9%	14,635	31,457
Suezmax	130k MED-MED	57.5	9,967	60	13,253	-24.8%	10,918	22,121
	130k WAF-USAC	52.5	8,926	53	9,655	-7.6%	7,844	13,373
	130k AG-CHINA	55	8,965	58	12,352	-27.4%	10,918	22,121
Aframax	80k AG-EAST	82.5	11,821	83	12,447	-5.0%	7,456	14,182
	80k MED-MED	75	10,420	85	17,613	-40.8%	9,455	13,700
	80k UKC-UKC	100	17,267	130	43,013	-59.9%	10,618	18,517
Clean	70k CARIBS-USG	115	20,953	113	20,694	1.3%	9,539	12,325
	75k AG-JAPAN	105	20,260	110	23,029	-12.0%	7,872	11,258
	55k AG-JAPAN	120	17,334	120	18,069	-4.1%	8,304	10,867
Dirty	37K UKC-USAC	110	7,214	100	5,251	37.4%	9,902	9,251
	30K MED-MED	130	11,869	130	12,698	-6.5%	13,442	19,062
	55K UKC-USG	112.5	17,265	110	16,876	2.3%	10,828	16,571
Dirty	55K MED-USG	112.5	15,643	110	15,417	1.5%	9,037	14,735
	50k CARIBS-USAC	115	14,882	113	14,792	0.6%	10,421	13,028

Tanker Time Charter Rates

		\$/day	Week 35	Week 34	±%	Diff	2013	2012
VLCC	300k 1yr TC		18,200	18,200	0.0%	0	19,021	22,375
	300k 3yr TC		22,200	22,200	0.0%	0	23,814	27,195
Suezmax	150k 1yr TC		16,200	16,200	0.0%	0	16,279	17,606
	150k 3yr TC		17,700	17,700	0.0%	0	18,486	21,152
Aframax	110k 1yr TC		13,200	13,200	0.0%	0	13,443	13,889
	110k 3yr TC		14,950	14,950	0.0%	0	15,200	16,070
Panamax	75k 1yr TC		15,200	15,200	0.0%	0	15,000	13,245
	75k 3yr TC		15,700	15,700	0.0%	0	15,557	14,368
MR	52k 1yr TC		14,700	14,700	0.0%	0	14,364	13,764
	52k 3yr TC		15,700	15,700	0.0%	0	15,050	14,589
Handysize	36k 1yr TC		13,200	12,950	1.9%	250	13,100	12,567
	36k 3yr TC		13,700	13,700	0.0%	0	13,693	13,378

Dry Bulker Time Charter Rates

		\$/day	Week 35	Week 34	±%	Diff	2013	2012
Capesize	170K 6mnt TC		21,100	20,350	3.7%	750	13,496	13,549
	170K 1yr TC		18,350	19,950	-8.0%	-1,600	13,299	13,885
	170K 3yr TC		19,100	17,100	11.7%	2,000	14,457	15,282
Panamax	76K 6mnt TC		11,100	11,100	0.0%	0	10,409	11,003
	76K 1yr TC		9,475	9,475	0.0%	0	8,993	9,906
	76K 3yr TC		9,600	9,600	0.0%	0	9,489	10,888
Supramax	55K 6mnt TC		11,350	11,100	2.3%	250	10,704	11,176
	55K 1yr TC		9,850	9,850	0.0%	0	9,593	10,330
	55K 3yr TC		10,350	10,100	2.5%	250	9,971	11,195
Handymax	45k 6mnt TC		9,600	9,350	2.7%	250	8,979	9,375
	45k 1yr TC		8,600	8,600	0.0%	0	8,300	8,849
	45k 3yr TC		8,850	8,850	0.0%	0	8,900	9,575
Handysize	30K 6mnt TC		8,350	8,350	0.0%	0	7,600	8,255
	30K 1yr TC		8,100	8,100	0.0%	0	7,871	8,424
	30K 3yr TC		8,850	8,850	0.0%	0	8,736	9,450

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Secondhand Indicative Market Values (\$ Million) - Tankers

Vessel 5yrs old		Aug-13	Jul-13	±%	2013	2012	2011
VLCC	300KT DH	55.0	55.0	0.0%	55.8	62.9	77.6
Suezmax	150KT DH	38.2	40.0	-4.5%	40.0	44.9	54.4
Aframax	110KT DH	30.7	28.5	7.6%	28.8	31.2	39.1
Panamax	75KT DH	29.0	27.8	4.5%	26.8	26.7	35.2
MR	52KT DH	26.9	25.3	6.5%	24.7	24.6	28.4

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

Vessel 5yrs old		Aug-13	Jul-13	±%	2013	2012	2011
Capesize	180k	34.0	34.0	0.0%	33.9	34.6	43.5
Panamax	76K	21.0	22.0	-4.5%	20.0	22.7	31.3
Supramax	56k	21.5	21.5	0.0%	20.4	23.0	28.1
Handysize	30K	18.0	18.0	0.0%	17.7	18.2	23.5

New Building Indicative Market Prices (million\$)

Vessel		Week 35	Week 34	±%	2013	2012	2011
Bulkers	Capesize 180k	48.3	48.3	0.0%	46	47	53
	Panamax 77k	26.1	26.1	0.0%	25	27	33
	Supramax 58k	25.0	25.0	0.0%	24	26	30
	Handysize 35k	21.8	21.8	0.0%	21	22	25
	VLCC 300k	89.5	89.5	0.0%	89	96	102
Tankers	Suezmax 160k	55.5	55.5	0.0%	55	59	64
	Aframax 115k	48.5	48.5	0.0%	47	51	54
	LR1 75k	40.7	40.7	0.0%	40	43	45
	MR 52k	33.3	33.3	0.0%	33	35	36
Gas	LNG 150K	184.5	184.5	0.0%	181	186	187
	LGC LPG 80k	70.5	70.5	0.0%	69	72	73
	MGC LPG 52k	62.3	62.3	0.0%	61	63	64
	SGC LPG 23k	40.8	40.8	0.0%	40	44	46





Capital Link Shipping Weekly Markets Report



Tuesday, September 3, 2013 (Week 36)

SHIPPING MARKETS

Container Market – Weekly Highlights

Vessel (TEU/HMG)	Index	+/-
700/440TEU (GL) 17.5 k	3.44	▲ 0.16
1,043/660TEU (GL) 18 K Eco	4.74	▶ 0.00
1,100/715TEU (G) 19 k	7.67	▼ 0.33
1,700/1,125TEU (G) 19.5 k	8.98	▲ 0.12
1,740/1,300TEU (G) 20.5 k	8.98	▲ 0.12
1,714/1,250TEU (G) 19k Bkk Max	5.60	▲ 0.11
2,500/1,900TEU (G) 22 k	4.24	▶ 0.00
2,800/2,000TEU (GL) 22 k	3.70	▶ 0.00
3,500/2,500TEU (GL) 23 k	1.61	▶ 0.00
4,250/2,800TEU (GL) 24 k	2.58	▼ 0.02
5,500/4,200TEU (GL) 25 k	2.83	▶ 0.00
8,500/6,600 (GL) 25 k	4.06	▶ 0.00
Index Total	58.44	▲ 0.16

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similar unit also secured 12 months period for US\$7,500 this week, all be at the expense of a Singapore to Sydney ballast leg for delivery.

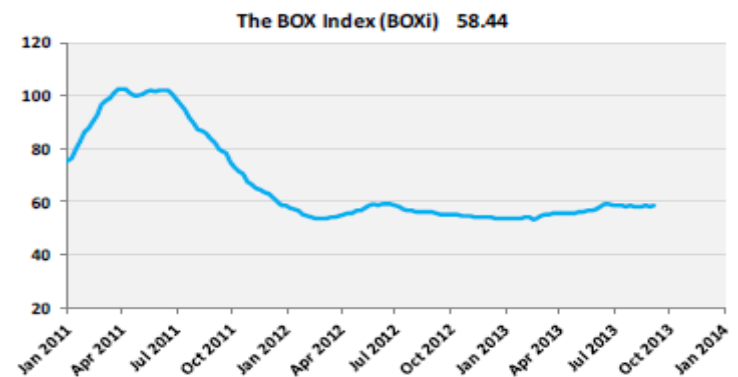
Conversely back with the new buildings, the latest 4,800 TEU widebeam panamax to hit the water has managed to secure a 9-12 months charter at US\$16,750. While they are not quite reaching the highs of May earlier this year when they were achieving US\$18,500 for the same period, this is certainly an improvement on the US\$14,000 achieved on two similar units at the beginning of the month.

The BOXi saw little change this week, with the majority of the sectors fixing in the same vein as recent deals while one or two more interesting fixtures were also concluded for modern new buildings and older tonnage alike.

Interest in the new economical 1700 TEU designs came to the fore again this week as we saw a rate in excess of US\$10,000 paid for the next in the series of so-called 'widebeam' 1700 TEU units being built for Greek owners at SPP in Korea. While this price on the face of it looks expensive against the mid to high US\$7k levels being commanded by standard 1700 TEU units currently, some simple calculations show this to still be an astute piece of business with bunker savings alone covering the excess hire, let alone the additional capacity on this widebeam variant.

Meanwhile the sharp end of the market, but for the wrong reasons, is still the panamax sector which continues to limp forward with excess supply from tramp owners and liner operators still present and limited demand. Reports at the end of last week of a 4800 TEU panamax-max fixing at low US\$6k levels for 12 months appear to be true, albeit with the vessel in question being a sublet position. We have also again this week seen some Owners recognising the importance of locking in period coverage to get their vessels out of the current slump, even at very sharp numbers, as one 3500 TEU gearless unit has been fixed for around 2 years period at US\$8,000 flat. Another

Latest economic data this week, including new housing sales, has looked a touch less optimistic than recent weeks but this should be balanced against talk of a gradual reduction in quantitative easing Stateside and thus a hopeful longer term return to normality. As we leave August and enter September one would hope that the container market is also in for the welcome dose of reality of a traditional peak season, the coming weeks will tell.



Representative Fixtures

Name	Dwt	Teu	14T	Bit	Spd	Cons	GR	Charterer	Dely	Date	Period	US\$/day
<i>Santa Paola</i>	66,900	5,047	3,323	2005	25.6	194.0	GL	Evergreen	UKC	Oct	6 mos	9,300
<i>Hs Shackleton</i>	57,500	4,771	3,610	2013	21.0	83.0	GL	Hapag Lloyd	NE Asia	Sep	9-12 mos	16,750
<i>Winter D</i>	44,985	3,586	2,501	2008	24.5	130.5	GL	CMA CGM	NE Asia	Aug	20-26 mos	8,000
<i>Guenther Schulte</i>	42,045	3,534	2,353	2008	24.0	122.0	GL	Hapag Lloyd	NE Asia	Sep	12 mos	7,500
<i>Bella</i>	35,600	2,674	2,090	2001	22.0	83.0	G	CMA CGM	SE Asia	Oct	7-9 mos	7,900
<i>Hansa Marburg</i>	23,600	1,760	1,295	2007	21.0	64.0	G	Marguisa	Med	Sep	9-12 mos	7,750
<i>Seamaster</i>	23,985	1,756	1,380	2013	19.0	47.1	G	Gold Sea Shipping	NE Asia	Oct	6-8 mos	10,300
<i>Ds Activity</i>	13,760	1,118	700	2008	19.0	41.5	GL	Sinokor	NE Asia	Sep	2-7 mos	5,250
<i>Istrian Express</i>	14,500	1,082	730	2011	19.0	39.0	GL	CSCL	NE Asia	Sep	5-6 mos	7,250



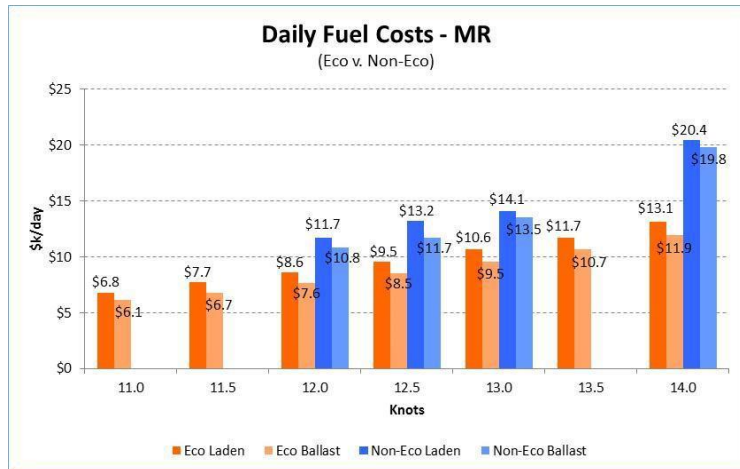
Weekly Tanker Market Opinion

Adding Fuel to the Eco Ship Fire

The historically weak freight environment continues to batter the earnings of tanker companies the world over. The high and low tides of revenue opportunities have introduced a persistent theme of cost control by bringing acute attention to the bottom line. At first, the tightening of the proverbial belt was a concern for charterers as it registered the possibility of slack maintenance – something has got to give, after all. However now, new technology in the form of eco ships provides a clean opportunity for shipowners to save money without to augment operational integrity.

The most significant voyage costs to shipowners operating in the spot market are bunkers. The continued high oil price environment makes for hefty fuel bills. Since the start of 2012, fuel costs equate to 60% of top line voyage revenue on the Trans-Atlantic MR trade from the UK Continent to the US Atlantic Coast. At today's prices of over \$600 per metric ton for heavy fuel oil and nearly \$1,000 per metric ton of marine diesel, the daily fuel tab for this trade is in the range of \$18,000 per day.

The chart below provides some general insight to the fuel cost savings for eco MRs. For our sample ships, the savings at 12.5 knots laden is \$3,660 per day.



Source: Poten & Partners

The evidence to support a shift to eco-type vessels becomes even more compelling at top speeds for these designs as the fuel savings could be higher still.

Below shows the time charter equivalent (TCE) for the MR Trans-Atlantic trade since the start of the year on the two designs (standard and eco) at 13.5 knots laden and 14.0 knots ballast. The average earnings differential is roughly \$8,000 per day.

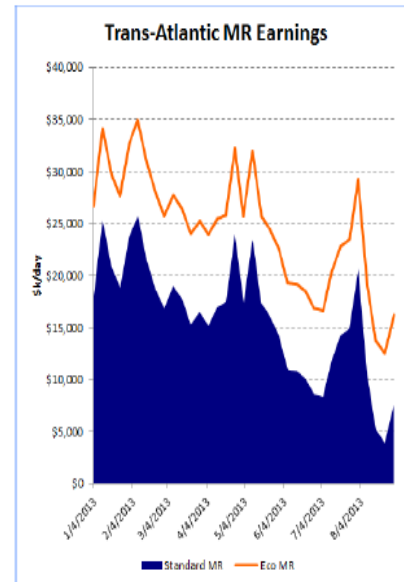
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Kts	Eco MR		Standard MR	
	Laden MT/Day	Ballast MT/Day	Laden MT/Day	Ballast MT/Day
11.0	11.3	10.2		
11.5	12.8	11.2		
12.0	14.3	12.7	19.5	18
12.5	15.9	14.2	22	19.5
13.0	17.7	15.9	23.5	22.5
13.5	19.5	17.8	34	
14.0	21.9	19.9		34

Source: Poten & Partners

At this rate, it is not surprising to see why eco vessels are effectively commanding a premium of a few thousand dollars per day in the time charter market. It is also interesting to note, however that the spot market Worldscale rates do not reflect a two-tiered market in any way. Under present conditions, the net benefits of the eco design are solely recognized by the shipowner in the form of direct fuel savings or the ability to bid more competitively on business.

While the move to eco vessels would seem like a no-brainer to any shipowner, a change in macro market conditions could bring some serious short-comings to bear. First, the discussion surrounding the ability of eco ships to perform at high speeds is far from over. Hull forms and other technical modifications are designed to be optimized at lower speed ranges. Although market conditions that would warrant faster speeds seem to be a distant memory, they should be a consideration when investing in the lifetime of a 25-year asset.

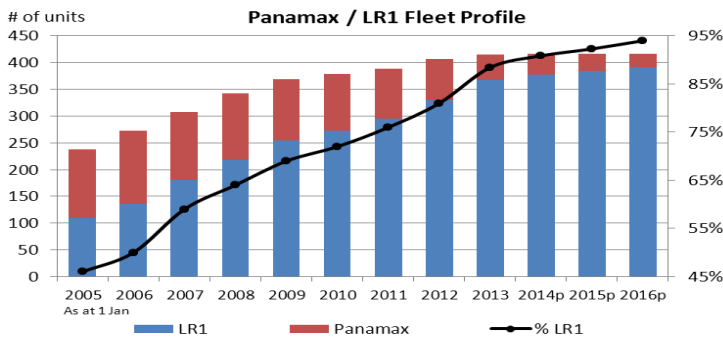


Weekly Tanker Market Opinion

Assessing the true LR1 fleet size

Fleet growth remains high but poised to moderate during 2014

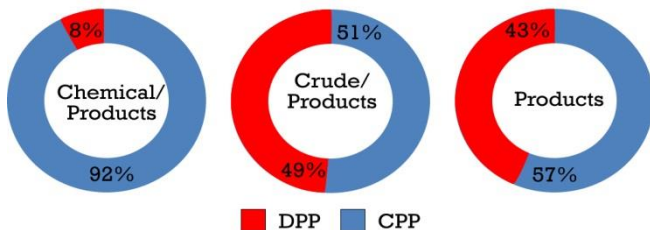
Despite moderate fleet growth rates for the combined Panamax/LR1 fleet, applying greater granularity to data shows LR1 fleet growth has been high. Between 2005 and 2013, while the Panamax tanker fleet contracted by 63%, the LR1 fleet expanded by 235%. During 2012 and 2013, observed and projected LR1 fleet growth rates remain over 10% (12% and 11%, respectively). Going forward, however, as orderbook figures dwindle and the class has largely avoided the ordering spree seen for MRs (and more recently LR2s), fleet growth is projected to moderate to 3% during 2014.



Sustained Panamax demand has seen large numbers of LR1s trade DPP

Panamaxes remain the class of choice for regional and inter-regional fuel oil trades, particularly in the US where shallow drafts complicate using larger tankers for many requirements. Against negative Panamax fleet growth, the supply gap has been filled by LR1s servicing DPP cargoes. At present, 49% of the combined fleet and 43% of the LR1 fleet are trading DPP cargoes. This underscores the excessive level of fleet growth for LR1s while highlighting ongoing demand for Panamaxes.

LR1 Trading Profile



Switching LR1s from DPP to CPP is not seamless

Cleaning up LR1 units following DPP trades to carry CPP is a relatively expensive and time-consuming undertaking. The process requires extra bunkers for tank washing, the disposal slops and consumes time, which erodes the earnings premium that such a switch could offer in the case of stronger CPP earnings. Moreover, the process does not assure that units will achieve the necessary approvals—further complicating a switch.

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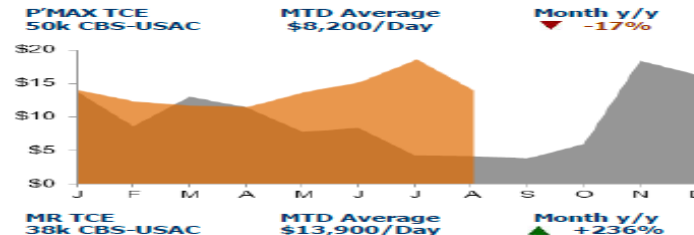
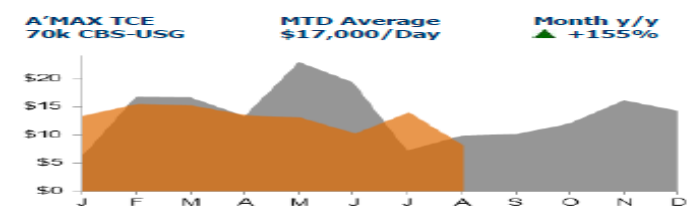
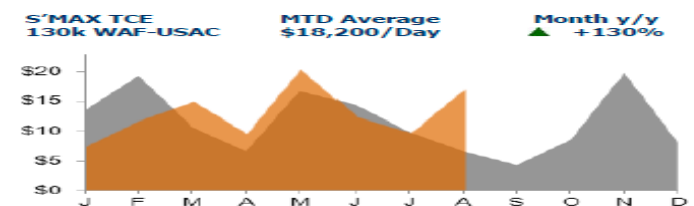
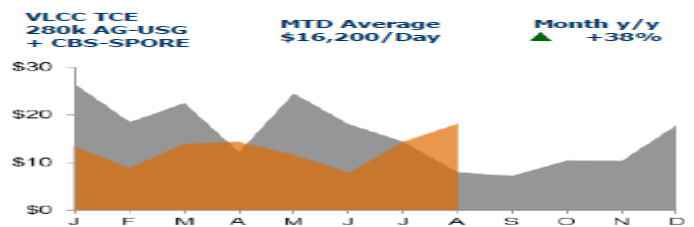
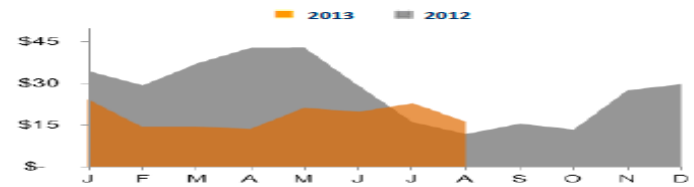


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However, in a scenario of sustained LR1 demand and elevated earnings for CPP trades with equally strong forward expectations, more LR1 units trading DPP cargoes could be incentivized to switch to CPP trades—especially those units undertaking dry docking.

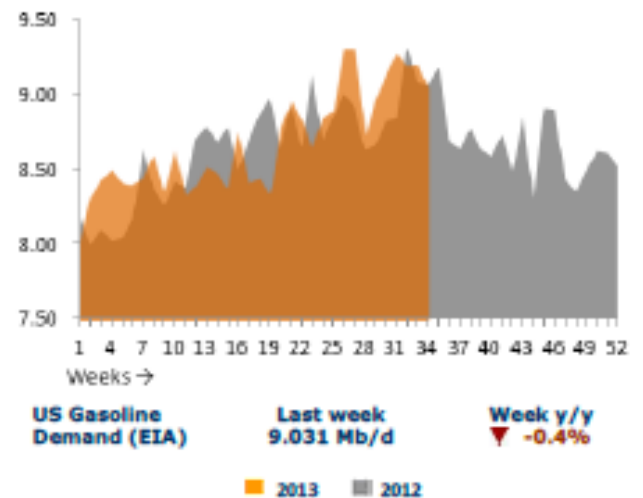
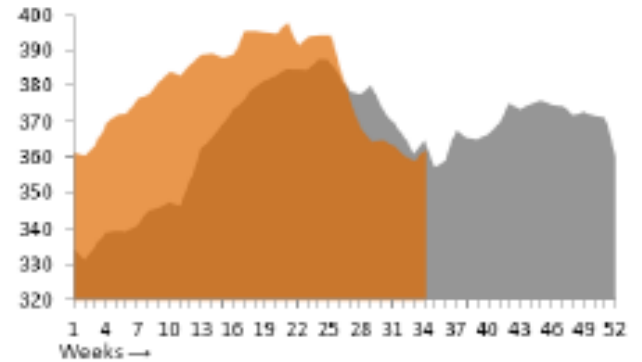
If earnings differentials between Panamaxes and LR1s diverge and LR1 earnings rally, the extent thereof could be limited if large numbers of the LR1s trading





Tanker Market – Weekly Highlights

Spot Market	WS	TCE \$/day	WS	TCE \$/day
VLCC	23-Aug		30-Aug	
AG>USG 280k (TD1)	21.0	\$(7,215)	20.5	\$(8,609)
AG>USG/CBS>SPORE/AG	--	\$15,497	--	\$14,265
AG>SPORE 270k (TD2)	32.0	\$7,756	31.0	\$5,727
AG>JPN 265k (TD3)	32.0	\$6,993	31.0	\$4,892
WAFR>USG 260k (TD4)	40.0	\$18,900	40.0	\$18,364
WAFR>CHINA 260k (TD15)	35.0	\$11,198	34.0	\$9,073
SUEZMAX				
WAFR>USAC 130k (TD5)	52.5	\$10,007	52.5	\$9,645
BSEA>MED 135k (TD6)	60.0	\$8,334	55.0	\$3,260
CBS>USG 130k	62.5	\$14,099	56.5	\$9,069
AFRAMAX				
N.SEA>UKC 80k (TD7)	125.0	\$42,473	100.0	\$22,519
AG>SPORE 70k (TD8)	85.0	\$15,114	85.0	\$14,825
BALT>UKC 100k (TD17)	72.5	\$20,071	77.5	\$24,088
CBS>USG 70k (TD9)	110.0	\$20,776	115.0	\$21,606
MED>MED 80k (TD19)	82.5	\$13,622	80.0	\$11,740
PANAMAX				
CBS>USG 50k	112.5	\$8,569	115.0	\$9,055
CONT>USG 55k (TD12)	110.0	\$12,966	110.0	\$12,659
ECU>USWC 50k	160.0	\$23,007	157.5	\$24,465
CPP				
CONT>USAC 37k (TC2)	105.0	\$5,935	110.0	\$6,943
USG>CONT 38k (TC14)	82.5	\$2,893	97.5	\$6,501
CONT>USAC/USG>CONT	--	\$11,444	--	\$15,963
CBS>USAC 38k (TC3)	120.0	\$11,241	127.5	\$12,923
AG>JPN 35k	95.0	\$20,341	115.0	\$8,176
SPORE>JPN 30k (TC4)	120.0	\$6,863	117.5	\$6,187
AG>JPN 75k (TC1)	95.0	\$20,341	107.5	\$26,152
AG>JPN 55k (TC5)	120.0	\$17,535	120.0	\$17,260



Time Charter Market \$/day (theoretical)	1 Year	3 Years
VLCC	\$18,000	\$21,000
Suezmax	\$15,750	\$18,250
Aframax	\$13,500	\$15,250
Panamax	\$14,000	\$15,500
MR	\$14,000	\$15,500



Tanker Market – Weekly Highlights

THE TANKER MARKETS VLCC

It proved to be another lackluster week in the Middle East VLCC market, as Charterers used the over abundant list to keep downward pressure on rates. Fresh inquiry was limited and as new cargoes entered the market charterers received offers from as many as ten owners, thus pushing TCEs further below daily operating costs. While many owners preferred to sit spot versus fixing at levels which failed to cover voyage OPEX, there proved to be enough competition around to drive eastbound TCE down to around the \$5,000/day level. While no turn-around is expected in the short term, the usual questions remain: How much lower can rates fall and are these levels sustainable?

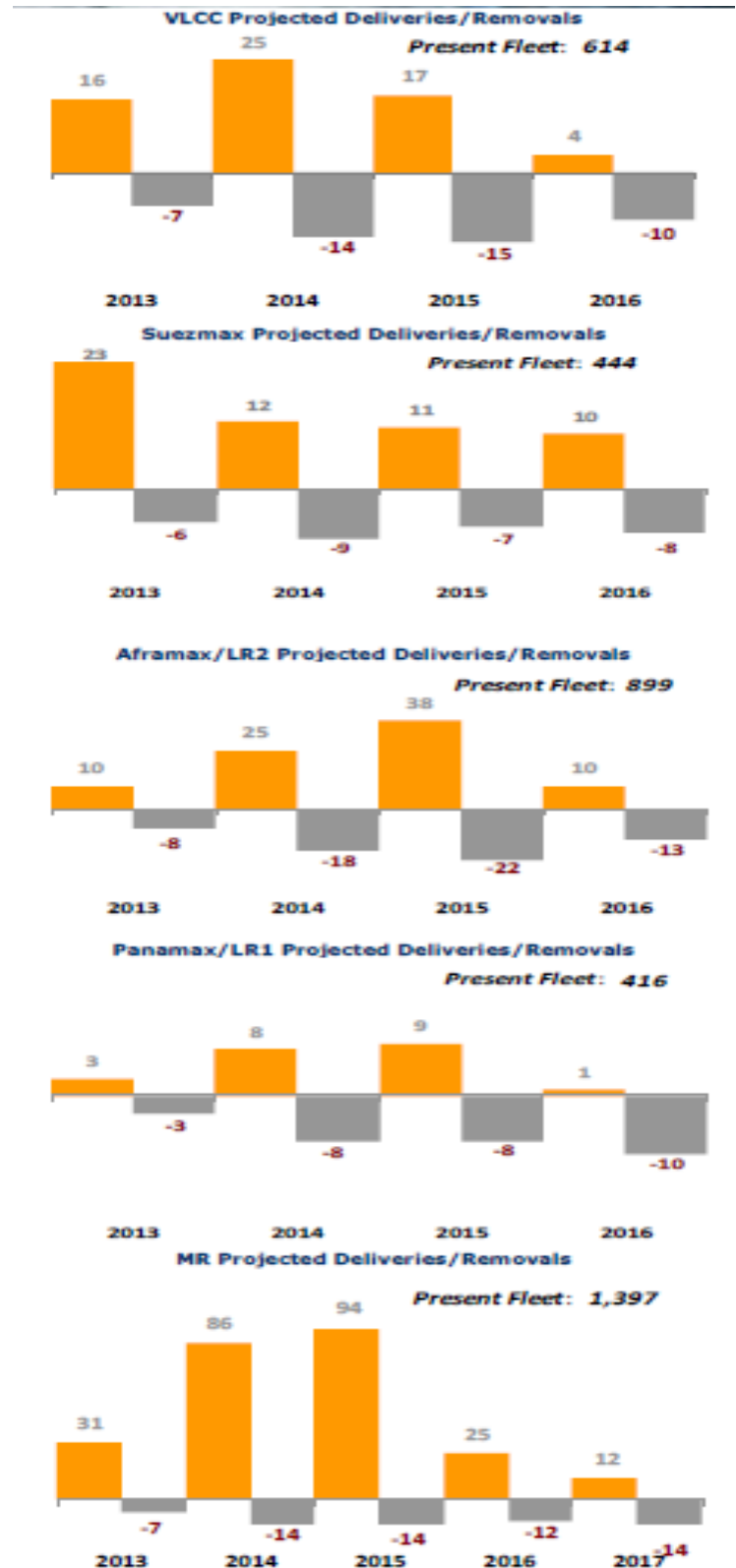
The VLCC market has not followed normal patterns this year as June and July have been the highest returning months. In fact they were the only two with eastbound TCEs above \$20,000/day at \$22,700/day and \$20,200/day, respectively. August has yielded a TCE of about \$8,400/day -- and the YTD average is ~\$13,650/day.

There were 26 fixtures reported in the Middle East market this week with a larger-than-usual 6 destined for the West, including one to the Red Sea. Rates to the USG via the cape softened slightly to ws20.5 with routing via the Suez Canal arguably two points less at ws18.5. Eastbound voyages were dominated by Korea and China discharge which accounted for eleven of the 20 eastbound fixtures. Rates to the east averaged ws31.5, a 0.5 point drop from last week's average.

To date, some 56 fixtures have been concluded for September leaving another 5 to 10 cargoes to go through the first half of next month. This compares to some 40 units available over that same period, leaving the supply-demand equation clearly in charterers' favor. Fundamentals point to lower rates ahead, but with returns already at such low levels it is definitely questionable if a further drop in rates is possible. Even the preferred, highest returning business, the triangulated routing of AG to USG followed by Caribbean to Singapore yields a TCE only just above daily operating costs. That being said, while downward sentiment will continue further rate erosion, if any, will be limited.

Atlantic Basin

The steady pace of activity continued this week in the Atlantic Basin as eastbound voyages from West Africa commanded the lion's share, accounting for six of the eleven fixtures. A softening Suezmax sector kept trans-Atlantic business out of play on the larger ships and a weak AG sector caused eastbound rates to drop 1 point on business from West Africa to ws34. West Africa to China yields a TCE of about \$9,200/day and is holding in-line with Middle East market returns, keeping just below daily operating costs. Eastbound rates from the Caribbean held at \$3.4m, the lowest levels seen this year and with the latest cargo on a voyage to India receiving 7 offers further downward pressure is anticipated.





Tanker Market – Weekly Highlights

Suezmax

Following last week's correcting of rates in the West Africa Suezmax market, rates were steadier this week. The WAFR-USAC route was unchanged at ws57.5 – though higher bunker prices pushed TCEs on the route down by 4% to ~\$9,645/day. Fixture activity gained 17% w/w to levels slightly above the YTD weekly average as voyages to points in the US more than doubled while those to Europe declined. With rates on the BSEA-MED route dropping 5 points to ws55 and corresponding TCEs off 61% to just ~\$3,260/day, more units competing for West Africa cargoes during the coming week could ultimately prompt fresh rate erosion in the West Africa market.

Aframax

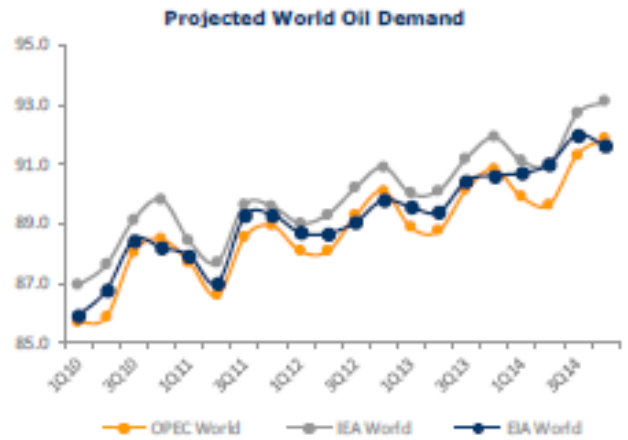
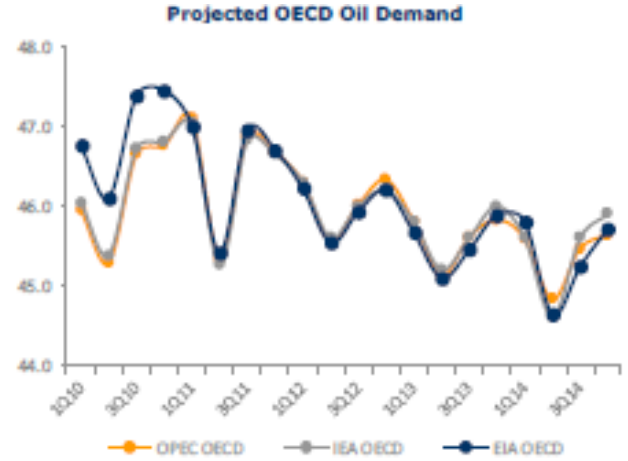
The Caribbean Aframax market saw fresh gains this week with rates on the CBS-USG route gaining 5 points to ws115. The stronger rates came despite a 11% decline of fixture activity as tonnage thinned and charterers sought units unlikely to experience delays, thus allowing those units with "clean itineraries" to command better rates. A normalization of market conditions in the Caribbean basin should see rates start to retreat during the upcoming week. Reports indicate that a storm in the western Caribbean could reach Mexico's East Coast by mid-week; however, with just a 20% chance of this weather system developing into a tropical depression, the likely impact on regional Aframax remains low.

Panamax

The Caribbean Panamax market saw rates post a small gain on sustained demand, with the CBS-USG route gaining 2.5 points to conclude at ws115. With little impetus for a change in rates in either direction, rates should hover around present levels through the start of the upcoming week.

CPP

The USG MR market saw further rate gains this week as available tonnage remained limited and a rise in inquiry for voyages to Europe gained. Total activity, however, was off by 4%, w/w, but remained in excess of the YTD weekly average. Rates on the USG-UKC route gained 15 points to conclude at ws97.5, reflecting stronger demand on the route against uncertain onward trading prospects from the Continent market, with owners seeking rates that offer similar triangulated returns as voyages to points Latin America. Though the market remains firm, a return from the US' holiday weekend could see more flexible positions limit further gains. Additionally, with PADD 3 (USG) refinery crude inputs off by 59,000 b/d during the week ending 8/23 while regional distillate inventories dropped 200,000 bbls and total US distillate demand continues to rise – gaining 228,000 b/d – USG distillate exports would appear poised stagnate around present levels or possibly decline. However, with European refiners operating at reduced rates and seasonal turnarounds looming while demand from Latin America remains strong, any decline could be limited and arbitrage opportunities could even see demand gains materialize.





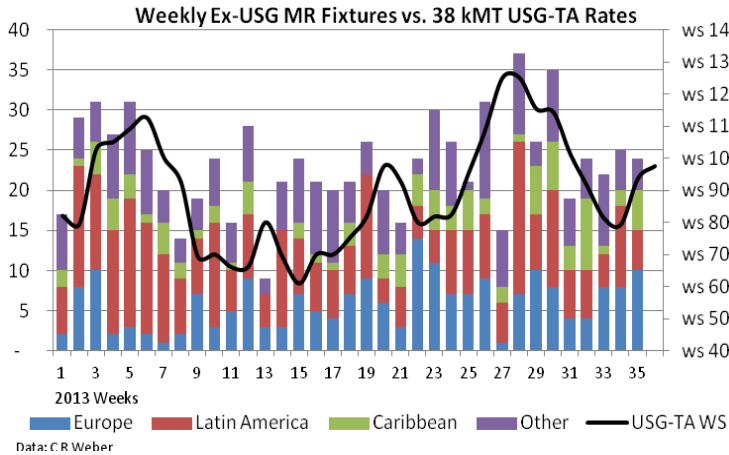
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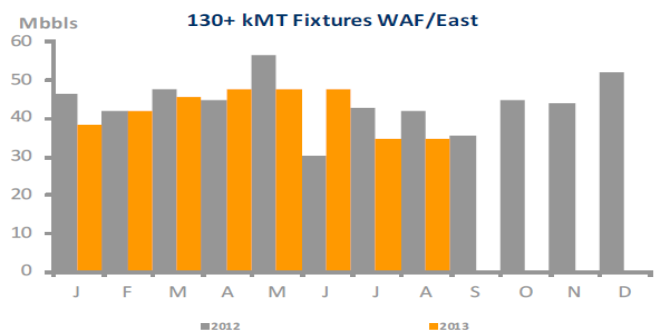
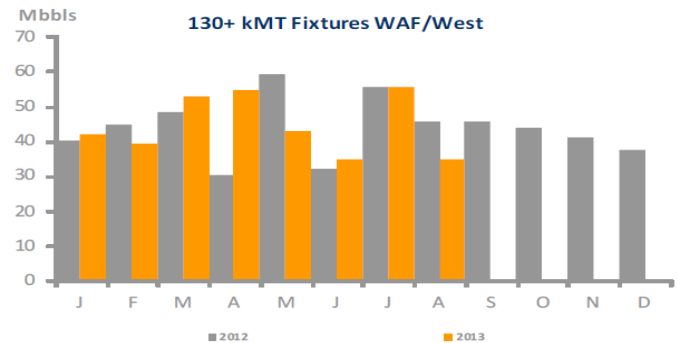
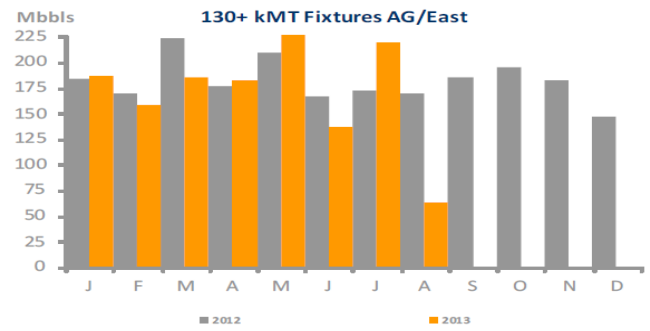
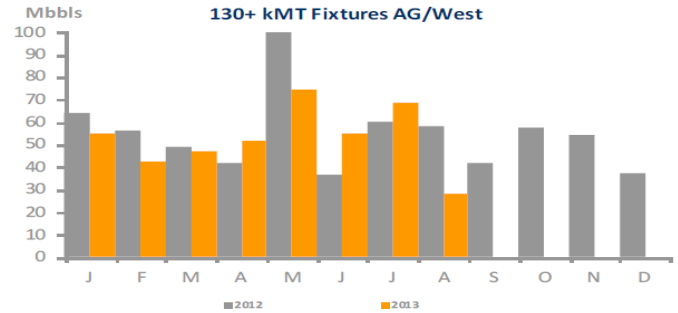
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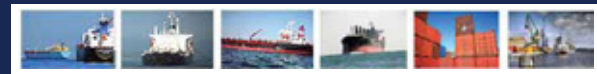
SHIPPING MARKETS

Tanker Market – Weekly Highlights



The Continent market saw rate gains this week on the back of a near doubling of fixtures on voyages to the US from last week. The demand gains came on the back of an earlier 70,000 b/d outage at Irving's Saint John, NB, refinery and a shutdown of a gasoline-oriented unit Delta Airlines' Trainer refinery, both of which contribute strongly to PADD1 (East Coast) gasoline supplies. Together with a third consecutive week of regional gasoline inventory draws (-200,000 b/d w/w, at 8/23), the developments encouraged stronger gasoline arbitrage trades, with the demand gains prompting rates on the CONT-USAC route to gain 5 points to ws110 this week. However, with production recovering at the Saint John refinery pushing gasoline prices lower at the close of the week, the arbitrage window effectively shut. Together with the fact that gasoline inventories – even following the recent draws – remained 7.7 Mbbls above year earlier levels while total US gasoline demand slipped back to a y/y decline last week, activity should trim and prompt rates on the route to correct during the upcoming week.





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