

# Capital Link Shipping Weekly Markets Report



Monday, March 31, 2014 (Week 13)



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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](http://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](http://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](http://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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## Latest Company News

Monday, March 24, 2014

### Star Bulk Announces Availability of Its 2013 Annual Report on Form 20-F

Star Bulk Carriers Corp. announced that the Company's annual report on Form 20-F that contains the Company's audited financial statements for the fiscal year ended December 31, 2013 was filed with the Securities and Exchange Commission on March 21, 2014, on the Commission's website at [www.sec.gov](http://www.sec.gov) and may be found on the Company's website at [www.starbulk.com](http://www.starbulk.com).

Tuesday, March 25, 2014

### Dynagas LNG Partners L.P. Announces Filing of 2013 Annual Report on Form 20-F

Dynagas LNG Partners L.P. announced that it has filed its 2013 Annual Report on Form 20-F with the U.S. Securities and Exchange Commission (the "SEC"). The 2013 Annual Report on Form 20-F is available through the Company's website, [www.dynagaspartners.com](http://www.dynagaspartners.com). Alternatively, shareholders may also receive a hard copy of the 2013 Annual Report on Form 20-F, free of charge, by request to Capital Link, Inc.

Wednesday, March 26, 2014

### Navios Maritime Partners L.P. Announces Availability of Its Form 20-F for the Year Ended December 31, 2013

Navios Maritime Partners L.P. announced that its Annual Report on Form 20-F for the year ended December 31, 2013 has been filed with the SEC and can be accessed on Navios Partners' website [www.navios-mlp.com](http://www.navios-mlp.com) under the "Investors" section.

### Navios Maritime Acquisition Corporation Announces Availability of Its Form 20-F for the Year Ended December 31, 2013

Navios Maritime Acquisition Corporation announced that its Annual Report on Form 20-F for the year ended December 31, 2013 has been filed with the SEC and can be accessed on Navios Acquisition's website [www.navios-acquisition.com](http://www.navios-acquisition.com) under the "Investors" section.

### Safe Bulkers, Inc. Announces Collection of \$36.3 Million Arbitration Award Proceeds in Relation to a Cancelled Capesize Vessel

Safe Bulkers, Inc. announced that following an arbitration award issued in January 2014 in favor of the Company by a London arbitration tribunal, in relation to the cancelled Capesize class vessel with Hull number J0131, the Company has now collected the full amount of advances paid to the shipyard of \$31.8 million and interest of \$4.5 million, calculated with a rate of 5% from the receipt of the relevant installments by the shipyard until the refund of such installments. The amount of \$31.8 million was already recorded within accounts receivable on the balance sheet of the Company as of December 31, 2013. The amount of \$4.5 million will be recorded in the income statement of the Company for the first quarter 2014, net of capitalized expenses related to the vessel's construction and legal expenses related to the cancellation.

### Scorpio Bulkers Inc. Announces Agreements to Purchase Five Dry Bulk Vessels for an Aggregate of \$306 Million and Time Charter-In Agreements for Seven Dry Bulk Vessels

Scorpio Bulkers Inc. announced that it has entered into agreements to purchase four Capesize dry bulk vessels currently under construction at Daehan Shipbuilding Co., Ltd. in South Korea and to construct an additional Capesize dry bulk vessel at Sungdong Shipbuilding & Marine Engineering Co., Ltd. (also South Korea). The transaction concerning the four Daehan vessels remains subject to customary closing conditions. In addition, the Company has agreed to time charter-in seven dry bulk vessels.

### Ocean Rig UDW Inc. Announces Closing of Offering of \$500 Million of 7.25% Senior Notes Due 2019

Ocean Rig UDW Inc. announced the closing of the offering of \$500.0 million in aggregate principal amount of 7.25% senior notes due 2019 (the "Notes"). The Notes were sold in a private offering within the United States to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended (the "Securities Act"), and to certain other persons outside of the United States in reliance on Regulation S under the Securities Act. The Company will use the net proceeds from the offering of the Notes together with other available funds to fund the repurchase or redemption of its 9.5% Senior Unsecured Notes due 2016, for which it is conducting a concurrent tender offer, and to pay related fees and expenses. As of 5:00 p.m., New York City time, on March 21, 2014, approximately 92.5% (or \$462.3 million in aggregate principal amount) of the 9.5% Senior Unsecured Notes due 2016 had been tendered in the tender offer. The tender offer will expire at 12:01 a.m., New York City time, on April 7, 2014, unless extended or earlier terminated by the Company.

Thursday, March 27, 2014

### Seanergy Maritime Holdings Corp. Reports Financial Results for the Fourth Quarter and Twelve Months Ended December 31, 2013

Seanergy Maritime Holdings Corp. announced its financial results for the fourth quarter and twelve months ended December 31, 2013. For the fourth quarter of 2013, net income amounted to \$7.5 million or \$0.62 earnings per basic and diluted share, compared to a net loss of \$117.0 million or \$9.79 loss per basic and diluted share in the same quarter of 2012. EBITDA was \$9.1 million for the fourth quarter of 2013, as compared to negative EBITDA of \$110.7 million for the fourth quarter of 2012. For 2013, net income was equal to \$10.9 million or \$0.91 earnings per basic and diluted share. This compares to a net loss of \$193.8 million or \$16.74 loss per basic and diluted share, for 2012, based on weighted average common shares outstanding of 11,958,140 and 11,959,276 basic and diluted for 2013 and 11,576,576 basic and diluted for 2012, respectively.

### Seaspan Announces Pricing of \$300 Million Public Offering of 6.375% Senior Notes

Seaspan Corporation announced that it has priced its previously announced \$300 million public offering of senior unsecured notes due 2019 (the "Notes"). The Notes will mature on April 30, 2019 and will bear interest at a rate of 6.375% per year, payable quarterly on



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IN THE NEWS

## Latest Company News

each January 30, April 30, July 30 and October 30, beginning on July 30, 2014. Seaspan has granted the underwriters of the offering a 30-day option to purchase up to an additional \$45 million of the Notes on the same terms and conditions. The offering is expected to close on April 3, 2014.

**Friday, March 28, 2014**

### **Navios Maritime Holdings Inc. Declares Quarterly Dividend on Its Series G Preferred Stock**

Navios Maritime Holdings Inc. announced that the Company has declared a cash dividend of \$46.788 per share on its 8.75% Series G Cumulative Redeemable Perpetual Preferred Stock (the "Series G Preferred Stock"), equivalent to a cash dividend of \$0.46788 per American Depositary Share, each of which represents 1/100th of a share of the Series G Preferred Stock (the "American Depositary

Shares"), for the period from January 28, 2014 to April 14, 2014. The dividend will be paid on April 15, 2014 to holders of record of the American Depositary Shares as of April 8, 2014. The American Depositary Shares are currently listed on the New York Stock Exchange under the symbol "NMPRG."

### **Golar LNG Limited Announces Completion of Sale of Golar Igloo**

Golar LNG Limited announced that it has completed its sale of the company that owns and operates the FSRU Golar Igloo to Golar LNG Partners L.P. ("the Partnership") for a price of approximately \$310.0 million. As consideration, the Partnership will assume \$161.3 million of outstanding debt obligations in respect of the Golar Igloo and pay Golar the balance of \$148.7 million in cash using the proceeds of its recent public equity offering, which closed on December 5, 2013.

# Capital Link Shipping



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## Interview with George Economou, Chairman & CEO Of DryShips (NASDAQ:DRYS)



### “Lower Iron Ore Prices To Boost Chinese Imports - Dry Bulk Shipping Fundamentals Unchanged”

Interview by Barry Parker of BDP1 Consulting

Tuesday, March 25, 2014



**Barry Parker:** Hi George, it's nice to catch up after an extremely busy week.

**Recent news of an expected slowdown in Chinese GDP growth, coupled with high steel stock piles, decreasing iron ore prices and lower cape freight rates, have added to the skepticism for a dry bulk recovery. These topics were debated extensively at recent conferences. What are your views?**

**George Economou:** The notion of a Chinese slowdown and its potential implications have been blown out of proportion. Even if Chinese GDP growth slows to an annual rate of 6.5-7% for the next 2-3 years, as most experts predict, it is still a robust growth rate, especially when compared to the rest of the world. And, we believe, that at this level of GDP growth demand for dry bulk commodities will continue to increase in absolute volume terms.

All indications are that infrastructure developments in China still have a long way before they reach their peak and even with a moderate economic slowdown, these projects will still come to fruition.

**Barry Parker:** China accounts for about 70% of the world's iron ore imports, which are the leading item in the drybulk trade. Why would iron ore imports continue to increase despite a moderate slowdown in Chinese GDP and steel production growth?

**George Economou:** Steel production in China continues to grow but at a more modest pace. This means that demand for iron ore will also continue to grow. Recent data show that Chinese steel production increased by approximately 7.5% year-on-year. Overall, steel production has been above last year's levels, even though steel prices and steel stockpiles have been at high levels. All this is encouraging.

Over time, Chinese iron ore demand is expected to grow from 820 million tonnes in 2013 to about 900 million tonnes in 2014 and closer to one billion tonnes in 2015. And, even if Chinese steel production growth this year is below the 7.5% rate of 2013, iron ore imports are expected to increase as they will replace more and

more of the domestic production. Lower iron ore prices can actually accelerate this trend because the domestic production is very expensive.

This can be the real game changer. In 2013, domestic iron ore production accounted for 1,424 tonnes and imports for 820 tonnes. Chinese iron ore averages only 21.5% in iron content, whereas imported iron ore often exceeds 50%. Also, imported iron ore pollutes the environment much less than the Chinese domestic iron ore.

Environmental pollution has become a much more publicized and sensitive issue in China and the government has been cracking down on environmental neglect. Consuming a larger amount of higher quality, less polluting iron ore can help steel mills to maintain industrial production and employment levels, issues of critical importance for the Chinese government and the Chinese economy.

**Barry Parker:** What will be the impact of lower iron ore prices on Chinese iron ore demand?

**George Economou:** With Chinese iron stock piles at a seasonal high point, the spot price for iron ore with 62% fc content retreated from nearly \$140 per tonne in December 2013 to about \$US105 a couple of weeks ago and recovered back to \$110.70 last Friday.

However, as we have seen in the past, lower iron ore prices can increase China's reliance on imported iron ore. A recent report by Fitch showed that when prices were at their lowest in 2013 during the May-July period, Chinese iron ore production grew only by 2% to 3% while iron ore imports which grew by 13%. This reflects what I just mentioned, that domestic iron ore production costs are much higher due to the poorer grade compared to imported iron ore.

Smaller Chinese iron ore producers need prices of about \$120 per tonne to make a profit whereas Australian mines can do so at only around \$60. Lower iron ore prices will drive weaker Chinese mines out of the market, as they will not be able to sustain profitability, modernize and expand.



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So, over time, Chinese steel mills will replace domestic iron ore consumption with more and more Australian and to a smaller extent Brazilian imports. A testament to this is that despite the recent decrease in iron ore prices, Australian mines have pledged to maintain current production levels and planned capacity expansions. More iron ore imports translate to higher demand for shipping.

**Barry Parker: How is the shipping market digesting all this? Cape rates have retreated recently and the market is rather nervous. What is the outlook?**

**George Economou:** Let's not let short term volatility, which will always exist in the commodity and shipping markets, cloud the longer term fundamentals of the industry, which in our opinion remain unchanged.

The Cape market has temporarily weakened, but we expect a stronger freight market as the result of the factors we discussed. But let's put things in perspective. During the first eight months of 2013 spot Capesize freight rates averaged \$8,000 per day. During the last four months of 2013, they averaged \$28,000 per day. Year-to-date in 2014 Cape rates averaged \$16,000 per day as compared to \$6,000 per day during the first quarter of 2013.

With planned mining capacity expansion, industry experts expect that an additional 120 to 140 million tonnes of Australian and Brazilian iron ore cargoes will come to the market this year.

As I mentioned, overall Chinese iron ore demand is expected to continue to grow and an additional boost to demand will come from the trend to replace domestic iron ore with imports. And, lower iron ore prices can actually accelerate this trend.

All this means additional demand for ships, especially Capesize vessels. But a stronger Cape market ultimately lifts the other segments as well. Also, newbuilding deliveries are slowing during this year as well as into 2015 thus tightening the supply demand balance. Even if Chinese demand slows temporarily, as buyers wait for prices to fall further, this does not reverse the longer term trend.

There is more demand for one and two year employment from major charterers, at levels well above the current spot rates. We have seen period fixtures at the mid-thirty thousand plus per day, which indicates the expectation for a stronger market ahead. Also, the majority of shipping analysts seem to point to the same conclusion.

And by the way, the dry bulk market is also expected to benefit from demand for coal, grain and other bulk commodities.

**Barry Parker: Given your market outlook, how are you positioning DryShips in terms of fleet deployment?**

**George Economou:** Given our market outlook, we have positioned our fleet mainly in the spot market, so that we can take full advantage of the eventual market recovery. In this context, 64% of our fleet days are open for 2014, 79% for 2015 and 85% for 2016.

No one has a crystal ball, but we have every reason to believe that the fundamentals for the dry bulk market are quite clear and point to a stronger market ahead.

**Barry Parker: Concluding our interview, can you give us a summary of your thoughts?**

**George Economou:** Of course. As I mentioned, no one has a crystal ball. But here are my thoughts on the market.

- I expect global demand for iron ore to increase by about 110 million tonnes in 2014 and similarly in 2015.
- This increase implies the need for 110 additional Capesize vessels in 2014 and another 110 additional Capesize vessels in 2015. (Every Capesize vessel carries approximately 1 million tonnes per year.)
- The expected deliveries of Capesize vessels are about 90 vessels in 2014 and a similar number in 2015 and thus there should be a shortage of Capesize vessels to transport iron ore alone. These numbers include slippage assumption of 33% which is the average over the last three years.
- We anticipate the freight market to be hot over the next three months. It may experience a temporary slowdown in the summer months and should again be red hot in Q4 2014 following its seasonal pattern. As for 2015, I expect it to explode.

**George Economou:** Time to celebrate after a six year downturn in the shipping markets.

**Barry Parker:** Thank you; I look forward to celebrating with you.

## About DryShips

DryShips Inc. is an owner of drybulk carriers and tankers that operate worldwide. Through its majority owned subsidiary, Ocean Rig UDW Inc., DryShips owns and operates 11 offshore ultra deepwater drilling units, comprising of 2 ultra deepwater semisubmersible drilling rigs and 9 ultra deepwater drillships, one of which is scheduled to be delivered to the Company during 2014 and two of which are scheduled to be delivered during 2015. DryShips owns a fleet of 42 drybulk carriers (including newbuildings), comprising 12 Capesize, 28 Panamax and 2 Supramax, with a combined deadweight tonnage of about 4.4 million tons, and 10 tankers, comprising 6 Suezmax and 4 Aframax, with a combined deadweight tonnage of over 1.3 million tons.

DryShips' common stock is listed on the Nasdaq Global Select Market where it trades under the symbol "DRYS."

Visit the Company's website at [www.dryships.com](http://www.dryships.com).

## About Barry Parker

Barry Parker is a financial writer and analyst. His articles appear in a number of prominent maritime periodicals including Lloyds List, Fairplay, Seatrade, and Maritime Executive and Capital Link Shipping.



## **Interview with Spyros Capralos, President & CEO of Star Bulk Carriers Corp. (NASDAQ: SBLK)**



**Spyros Capralos**, *President & Chief Executive Officer* of Star Bulk Carriers Corp. was interviewed recently by Barry Parker of BDP1 Consulting, discussing his company's latest developments.

The audio interview can be accessed by pasting the following link on your web browser

<http://marine-transportation.capitallink.com/interviews/index.html?articleID=2ZI2RxtzJurEm3t>

Interview Date: Thursday, March 27, 2014



# 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



### Then and Now

A friend of mine, known on Twitter as DeepCBroker (in real life, a Belgian shipbroker named Jean-Paul) found a great article from the archives of the New York Times. Going back to 1983, this article "[The World's Idle Cargo Fleets](#)" is worth a look, if only to compare the dire market conditions of that era with those today.

Hindsight makes market pundits look like geniuses; what we know NOW is that the business stayed down for far longer than even the most pessimistic of those early 1980s observers would have imagined. In those days, there was no Chapter 11 for shipping- where vessels kept chugging along, in spite of the many U.S. offices dubbed "agency". Banks actually foreclosed on vessels; the article talks at great length about banks becoming shipowners. At that time, the pages of Lloyds List or Fairplay (there was no internet, and neither I-H-S nor the greenish colored Norwegian pub existed) were filled with notices of ships being sold at auction, by the banks that had taken them over.

Foreshadowing the utterances of bankers at conferences, circa 2014, this 31 year old article contrasts a legacy shipping bank (which tended to lend to bigger clients, and did not fare too badly) with a tourist bank (which got whacked big time on loans made in the strong market of 1980- 1981). Indeed, the travails of the small land-locked bank form a central thrust of the article- that unwary participants seduced into opportunistic shipping transactions may pay the ultimate price; this smallish bank was subsequently absorbed into a larger institution.

Ship owning is not really an option for today's banks. In the litigious times that we live in, the banks have found friendly clients, who've purchased vessels from beleaguered owners, buttressed by bank money. And, now, we have that new creature- Private Equity (PE), which was not an organized force, at least in shipping, back then.

In retrospect, the shipping markets stayed down until late 1987, nearly five years after the article appeared. Numbers of tankers on order were equal to the size of the overall fleet. This unhappy state of affairs begot Majestic Shipping- shipping's ultimate private equity distressed investing deal- actually brokered by one of the deal-makers quoted in the NY Times article. The investors, in this case-Loews Corporation, sold out to a strategic buyer just prior to the OPA 90 legislation, in another slick move, just after the Exxon Valdez grounding in Alaska. OPA 90, which in retrospect sowed seeds of a stronger market later in the decade (due to regulatory deadlines for scrapping single hulled ships), was the first volley, and it was a huge one, in what observers regard as a regulatory barrage.

So, where are we now? Actually, after a similar number of rough years- post 2008, prospects for shipping are brightening up now- at the recent Capital Link "Invest in Shipping" conference, the word "runway", in banker talk- a timeframe for a cash bleeding company to swing around towards positive flows, was only used once. At conferences two and three years ago, heavy jumbo jets were sitting

Contributed by

**Barry Parker**



Barry Parker is a financial writer and analyst. His articles appear in a number of prominent maritime periodicals including Lloyds List, Fairplay, Seatrade, and Maritime Executive and Capital Link Shipping.

in the tarmac without a way to gain altitude, if the bankers were to have been believed.

This time around, maybe two or three cycles after that 1983 NY Times article, overbuilding and the industry's tendency towards overcapacity remain problematic. But, the bigger problems- maybe, are on the cost side, closely inter-twined with the regulatory burdens. Speakers at technical conferences talk about likely fuel prices forecast for later in the decade at above \$1,000/tonne, versus around \$600 now. At present, finance capacity of European banks, some still viewed pejoratively as "tourists", has still been permanently cut back; but at least Norwegian bond investors, along with Asian banks and ECAs have stepped into the fray.

And then we have the PE sector, a source of continuing fascination for me and for other observers. Loews Corp has moved on- though it still maintains a presence in the offshore drilling sector. As an aside- you have to love these shipping guys; last week, I saw not one, but multiple articles where well established shipowners are now warning of an overabundance of PE money- which could fund speculative newbuilds. Point taken. But, this left me longing for the bad old days of 2009 – 2011, when there was no financing available.

On a more serious note, at the Capital Link conference, we did hear from PE investors who revealed to the crowd that concerns about the quality of shipping partners (and the apparent move upward in the market cycles) have made them more selective about where to invest. Such attitudes are surely a good thing, along with observations, for example from Jim Furnivall at Alterna Capital, who cautioned that "generic" assets such as MR tankers and Supramax drybulk carriers may not give the same returns as sectors where ordering has been restrained -a 20% return hurdle was mentioned by one of the other panelists.

Back in 1983, for perspective, it was actually the container business that came out of the slump first, in an apparent contrast to our present situation- where analysts cannot muster much in the way of positive sentiment. The venerable Alex Brown and Co- briefly a shipping powerhouse investment bank, was recommending shares of APL (later absorbed into Neptune Orient Lines), just as trans-Pacific box trades were exploding- and vessels of 4,500 TEU represented "economies of scale". Majestic Shipping's tankers were bought a few years later, still two years in advance of the cycle turning. Then, as now, investors who looked around carefully for opportunities, came out OK, in spite of the dreary backdrop. Some things change, others not so much.





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CAPITAL MARKETS DATA

## Select Dividend Paying Shipping Stocks

Stock Prices as of March 28, 2014

Company Name	Ticker	Quarterly Dividend	Annualized Dividend	Last Closing Price (Mar. 28, 2014)	Annualized Dividend Yield (%)
<b>Container</b>					
Box Ships Inc	TEU	\$0.06	\$0.24	\$2.45	9.80%
Costamare Inc	CMRE	\$0.27	\$1.08	\$21.15	5.11%
Diana Containerships	DCIX	\$0.15	\$0.60	\$3.84	15.63%
Matson Inc	MATX	\$0.16	\$0.64	\$23.76	2.69%
Seaspan Corp	SSW	\$0.345	\$1.38	\$21.88	6.31%
<b>Dry Bulk</b>					
Baltic Trading Limited	BALT	\$0.01	\$0.04	\$6.16	1.95%
Navios Maritime Holdings Inc.	NM	\$0.06	\$0.24	\$9.65	2.49%
Navios Maritime Partners L.P. <sup>(1)</sup>	NMM	\$0.4425	\$1.77	\$19.76	8.96%
Safe Bulkers Inc. <sup>(2)</sup>	SB	\$0.06	\$0.24	\$9.26	2.59%
<b>Tankers</b>					
Ardmore Shipping Corp.	ASC	\$0.10	\$0.40	\$13.14	3.04%
Capital Product Partners L.P.	CPLP	\$0.2325	\$0.93	\$10.64	8.74%
DHT Holdings, Inc.	DHT	\$0.02	\$0.08	\$7.74	1.03%
KNOT Offshore Partners L.P.	KNOP	\$0.4350	\$1.74	\$28.31	6.15%
Navios Maritime Acquisition Corp	NNA	\$0.05	\$0.20	\$3.67	5.45%
Nordic American Tankers Limited	NAT	\$0.12	\$0.48	\$10.05	4.78%
Scorpio Tankers Inc	STNG	\$0.08	\$0.32	\$9.62	3.33%
Teekay Corporation	TK	\$0.31625	\$1.265	\$55.79	2.27%
Teekay Offshore Partners L.P.	TOO	\$0.5384	\$2.1536	\$32.33	6.66%
Teekay Tankers Ltd	TNK	\$0.03	\$0.12	\$3.81	3.15%
Tsakos Energy Navigation Ltd <sup>(3)</sup>	TNP	\$0.05	\$0.20	\$7.59	2.64%
<b>Mixed Fleet</b>					
Knightsbridge Tankers Limited	VLCCF	\$0.175	\$0.70	\$13.65	5.13%
Ship Finance International Limited	SFL	\$0.40	\$1.60	\$18.08	8.85%
<b>LNG/LPG</b>					
Dynagas LNG Partners L.P.	DLNG	\$0.1746	\$1.46	\$21.67	6.74%
Gas Log Ltd	GLOG	\$0.12	\$0.48	\$23.38	2.05%
Golar LNG	GLNG	\$0.45	\$1.80	\$41.79	4.31%
Golar LNG Partners, L.P	GMLP	\$0.5225	\$2.09	\$30.00	6.97%
Teekay LNG Partners L.P.	TGP	\$0.6918	\$2.7672	\$40.83	6.78%
<b>Maritime MLPs</b>					
Capital Product Partners L.P.	CPLP	\$0.2325	\$0.93	\$10.64	8.74%
Dynagas LNG Partners L.P.	DLNG	\$0.1746	\$1.46	\$21.67	6.74%
Golar LNG Partners, L.P.	GMLP	\$0.5225	\$2.09	\$30.00	6.97%
Navios Maritime Partners L.P.	NMM	\$0.4425	\$1.77	\$19.76	8.96%
Teekay LNG Partners L.P.	TGP	\$0.6918	\$2.7672	\$40.83	6.78%
Teekay Offshore Partners L.P.	TOO	\$0.5384	\$2.1536	\$32.33	6.66%
KNOT Offshore Partners L.P.	KNOP	\$0.4350	\$1.74	\$28.31	6.15%



# Capital Link Shipping Weekly Markets Report



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CAPITAL MARKETS DATA

Preferred Shipping Stocks	Safe Bulkers Series B	Tsakos Energy Series B	Tsakos Energy Series C	Costamare Series B	Costamare Series C	Diana Shipping Series B	Box Ships Series C	Navios Series G	Seaspan Series C	Seaspan Series D	Seaspan Series E	International Shipholding Series A	Teekay Offshore Series A
Ticker	SBPRB	TNPPRB	TNPPRB	CMREPRB	CMREPRC	DSXPRB	TEUPRC	NMPRG	SSWPRC	SSWPRD	SSWPRE	ISHPRA	TOOPRA
Fixed Annual Dividend <sup>(4)</sup>	8.00%	8.00%	8 7/8 %	7.625%	8.50%	8.875%	9.00%	8.75%	9.50%	7.95%	8.25%	9.50%	7.25%
Liquidation Preference	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$24.00	\$25.00	\$25.00	\$25.00	\$25.00	\$100.00	\$25.00
Last Closing Price (3/28/14)	\$26.42	\$23.64	\$24.65	\$24.30	\$25.08	\$25.30	\$23.60	\$25.09	\$27.67	\$25.25	\$25.49	\$108.24	\$25.42

(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 January 13, 2014, SB declared a cash dividend of \$0.50 per share on the Series B Preferred Shares for the period from October 30, 2013 to January 29, 2014. The dividend will be paid on January 30, 2014, to all Series B preferred shareholders of record as of January 24, 2014.

(3) On May 13, 2013, TEN's 8.00% Series B Cumulative Redeemable Perpetual Preferred Shares commenced trading on the New York Stock Exchange at \$25.00 per share, under the symbol "TNPPRB." On September 30, 2013, TEN successfully closed its \$50 million offering of 8 7/8% Series C Cumulative Redeemable Perpetual Preferred Shares in a public offering under its effective shelf registration statement at \$25.00 per share. On January 14, 2014, the Board of Directors declared regular quarterly cash dividends of \$0.50 per share for the Series B Preferred Shares and \$0.73958 per share for the Series C Preferred Shares.

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

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# Capital Link Shipping Weekly Markets Report



Monday, March 31, 2014 (Week 13)

CAPITAL MARKETS DATA

## Currencies, Commodities & Indices

Week ending, Friday, March 28, 2014

### KEY CURRENCY RATES

Rate	Current Price	Price Last Week	% Change	YTD %Chg	52 Week High	52 Wk Low
3-Month LIBOR (USD)	\$0.2334	\$0.2329	0.21%	-3.91%	\$0.2821	\$0.2306
10-Yr US Treasury Yield	\$2.7208	\$2.7426	-0.79%	-8.97%	\$3.0516	\$1.6120
USD/CNY	\$6.2122	\$6.2271	-0.24%	2.66%	\$6.2347	\$6.0377
USD/EUR	\$0.7272	\$0.7250	0.30%	-0.57%	\$0.7844	\$0.7161
USD/GBP	\$0.6010	\$0.6066	-0.92%	-1.12%	\$0.6749	\$0.5946
USD/JPY	\$102.3800	\$102.2800	0.10%	-2.86%	\$105.4700	\$92.5700

### PRECIOUS METALS

	Current Price	Price Last Week	% Change	YTD %Chg	52 Week High	52 Wk Low
Copper	\$304.15	\$295.05	3.08%	-10.05%	\$353.25	\$287.70
Gold	\$1,296.23	\$1,341.19	-3.35%	6.12%	\$1,603.88	\$1,180.50
Palladium	\$773.70	\$789.30	-1.98%	5.95%	\$802.45	\$690.00
Platinum	\$1,403.75	\$1,444.63	-2.83%	0.86%	\$1,598.50	\$1,294.60
Silver	\$19.81	\$20.52	-3.46%	-1.05%	\$28.38	\$18.23

### KEY AGRICULTURAL & CONSUMER COMMODITIES

	Current Price	Price Last Week	% Change	YTD %Chg	52 Week High	52 Wk Low
Cocoa	\$2,983.00	\$2,957.00	0.88%	13.16%	\$3,039.00	\$2,156.00
Coffee	\$180.60	\$171.15	5.52%	62.12%	\$209.75	\$106.35
Corn	\$492.00	\$479.00	2.71%	17.00%	\$589.50	\$414.50
Cotton	\$93.74	\$93.31	0.46%	11.54%	\$97.35	\$77.18
Soybeans	\$1,436.50	\$1,408.75	1.97%	13.11%	\$1,460.00	\$1,175.50
Sugar #11	\$17.98	\$16.83	6.83%	10.37%	\$19.67	\$14.92
Wheat	\$695.50	\$693.25	0.32%	16.50%	\$773.75	\$553.50

### KEY FUTURES

Commodities	Current Price	Price Last Week	% Change	YTD %Chg	52 Week High	52 Wk Low
Gas Oil Futures	\$903.00	\$901.00	0.22%	-2.17%	\$947.00	\$840.50
Gasoline RBOB Future	\$293.75	\$290.79	1.02%	9.00%	\$305.38	\$263.37
Heating Oil Future	\$295.79	\$292.01	1.29%	-0.96%	\$313.24	\$278.00
Natural Gas Future	\$4.49	\$4.31	3.99%	3.80%	\$6.49	\$3.13
WTI Crude Future	\$101.67	\$99.46	2.22%	6.53%	\$104.48	\$87.66



# Capital Link Shipping Weekly Markets Report



Monday, March 31, 2014 (Week 13)

## CAPITAL MARKETS DATA

### MAJOR INDICES

Index	Symbol	28-March-14	21-March-14	% Change	YTD % Change	2-Jan-14
Dow Jones	INDU	16,323.06	16,302.70	0.12%	-0.72%	16,441.35
Dow Jones Transp.	TRAN	7,451.36	7,515.12	-0.85%	2.24%	7,287.87
NASDAQ	CCMP	4,155.76	4,276.79	-2.83%	0.31%	4,143.07
NASDAQ Transp.	CTRN	3,010.16	3,055.65	-1.49%	2.46%	2,938.03
S&P 500	SPX	1,857.62	1,866.63	-0.48%	1.40%	1,831.98
Russell 2000 Index	RTY	1,151.81	1,193.65	-3.51%	0.09%	1,156.09
FTSE 100 Index	UKX	6,615.58	6,557.17	0.89%	-1.52%	6,730.70

### CAPITAL LINK MARITIME INDICES

Index	Symbol	28-March-14	21-March-14	% Change	2-Jan-14	YTD % Change
Capital Link Maritime Index	CLMI	2,448.40	2,419.88	1.18%	2,250.12	8.81%
Tanker Index	CLTI	2,806.75	2,753.90	1.92%	2,521.85	11.30%
Drybulk Index	CLDBI	1,066.99	1,064.39	0.24%	1,020.38	4.57%
Container Index	CLCI	1,849.59	1,855.78	-0.33%	1,814.70	1.92%
LNG/LPG Index	CLLG	3,349.83	3,358.96	-0.27%	3,212.34	4.28%
Mixed Fleet Index	CLMFI	1,724.63	1,660.74	3.85%	1,437.01	20.01%
MLP Index	CLMLP	3,013.27	2,934.04	2.70%	3,062.97	-1.62%

\*The Capital Link Maritime Indices were updated recently to adjust for industry changes. Navigator Holding Ltd (NYSE:NVGS) became a member of Capital Link LNG/LPG Index and Scorpio Bulkers (NYSE:SALT) became a member of Capital Link Dry Bulk Index.

### BALTIC INDICES

Index	Symbol	28-March-14	21-March-14	% Change	2-Jan-14	YTD % Change
Baltic Dry Index	BDIY	1,373	1,599	-14.13%	2,113	-35.02%
Baltic Capesize Index	BCIY	2,557	3,036	-15.78%	3,733	-31.50%
Baltic Panamax Index	BPIY	978	1,112	-12.05%	1,780	-45.06%
Baltic Supramax Index	BSI	1,115	1,209	-7.78%	1,330	-16.17%
Baltic Handysize Index	BHSI	649	674	-3.71%	773	-16.04%
Baltic Dirty Tanker Index	BDTI	705	712	-0.98%	1,021	-30.95%
Baltic Clean Tanker Index	BCTI	614	610	0.66%	612	0.33%



### *Shipping Equities: The Week in Review*

#### **SHIPPING EQUITIES OUTPERFORM THE BROADER MARKET MIXED FLEET 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 rising 1.18%, compared to the Dow Jones Industrial Average (DJII) improving 0.12%, and the S&P 500 retreating 0.48%.

Mixed fleet stocks were the best performers during last week, with Capital Link Mixed Fleet Index soaring 3.85%, followed by Capital Link MLP Index advancing 2.70%. Container equities were the least performer in last week, with Capital Link Container Index losing 0.33%. The top three weekly gainers last week were Genco Shipping (GNK), Seenergy Maritime (SHIP), and Ship Finance (SFL), up 9.74%, 4.97%, and 3.85%, respectively.

During last week, dry bulk shipping stocks outperformed the physical market, with Baltic Dry Index (BDI) losing 14.13%, compared to the Capital Link Dry Bulk Index improving 0.24%. Year-to-date, the BDI has dropped 35.02%, while the Capital Link Dry Bulk Index went up 4.57%.

Tanker shipping stocks outperformed the physical market as well during last week, with Baltic Dirty Tanker Index (BDTI) declining 0.98%, and Baltic Clean Tanker Index (BCTI) inching up 0.66%, compared to Capital Link Tanker Index rising 1.92%. Year-to-date, the BDTI dropped 30.95% and the BCTI went up 0.33%, compared to Capital Link Tanker Index increasing 11.30%.

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

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

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

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



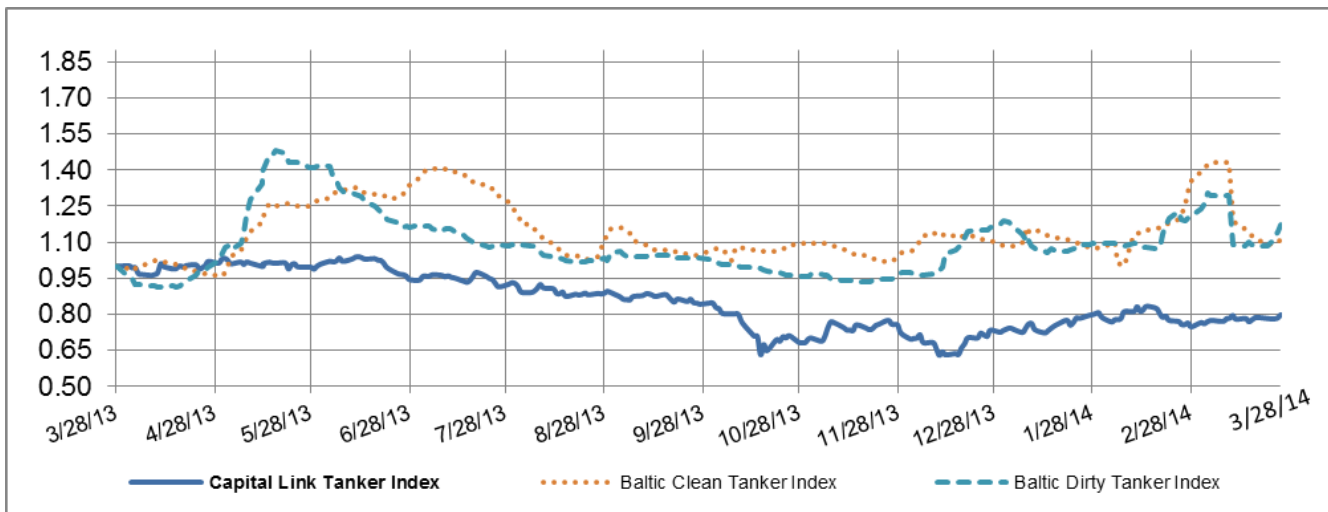
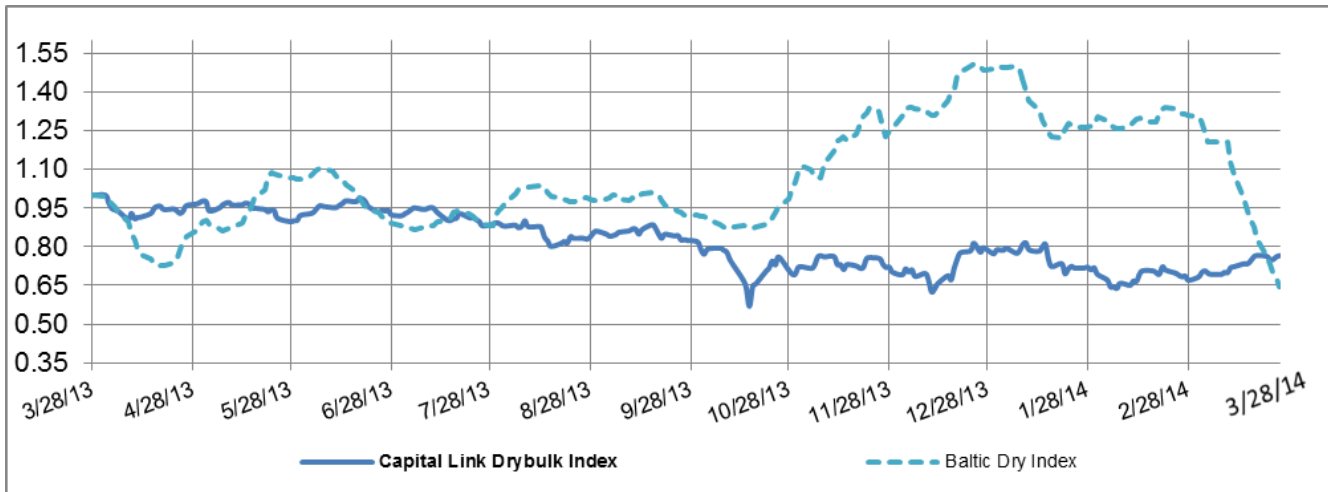
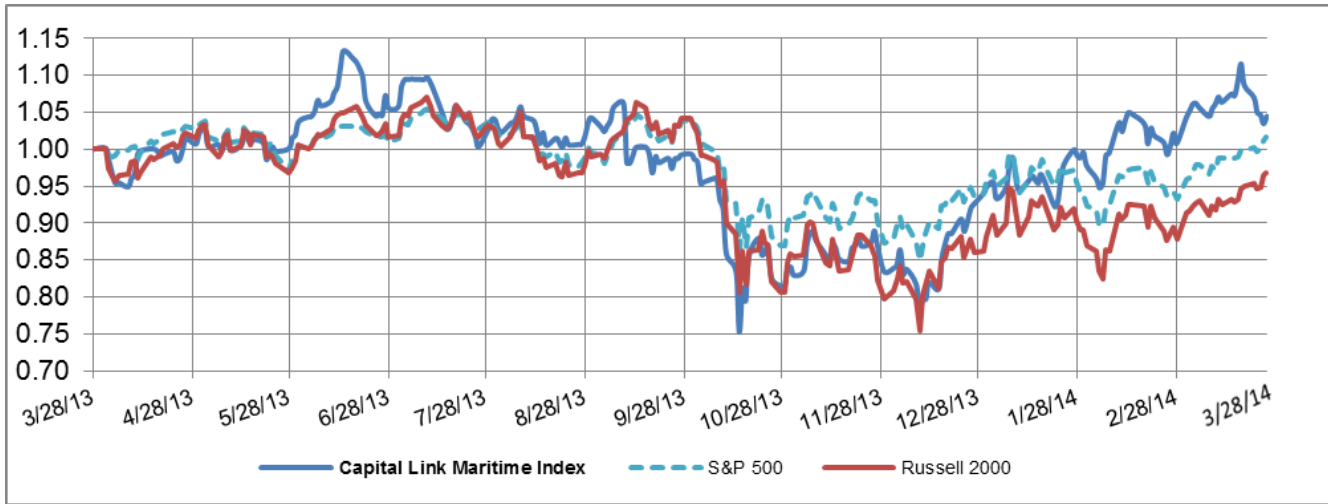
# Capital Link Shipping Weekly Markets Report



Monday, March 31, 2014 (Week 13)

## CAPITAL MARKETS DATA

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



\*SOURCE: BLOOMBERG



# Capital Link Shipping Weekly Markets Report



Monday, March 31, 2014 (Week 13)

## SHIPPING MARKETS



### Custom Statistics Prepared Weekly for Capital Link Shipping

#### BROAD MARKET

#### Percent Change of Major Indexes for the Week Ending Friday, March 28, 2014

Name	Symbol	Close	Net Gain	Percent Gain
S&P 500 Index	SPX	1857.62	-8.90	-0.48%
Russell 1000 Index	RUI	1037.41	-6.66	-0.64%
Russell 3000 Index	RUA	1114.38	-9.77	-0.87%
Nasdaq-100 Index	NDX	3571.48	-81.59	-2.23%
Nasdaq Composite Index	COMPX	4155.76	-121.03	-2.83%
Russell 2000 Index	RUT	1151.88	-41.85	-3.51%

#### SHIPPING INDUSTRY DATA (42 Companies)

##### Moving Averages

- 35.56% closed > 10D Moving Average.
- 42.22% closed > 50D Moving Average.
- 57.78% closed > 100D Moving Average.
- 64.44% 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
VLCCF	13.65	-2.29%	45.52%	NEWL	1.67	-20.10%	-89.23%
GLOG	23.38	-3.79%	33.83%	FREE	1.61	-9.55%	-30.00%
GLBS	4.11	-3.29%	17.09%	GSL	4.2	-8.50%	-24.19%
DAC	7.1	1.43%	2.75%	GNK	1.69	9.74%	-35.50%
SHIP	1.9	4.97%	6.15%	EGLE	4.04	-6.91%	-8.39%
SBLK	14	-3.45%	7.53%	STNG	9.62	-6.33%	-14.79%
TNP	7.59	-1.17%	7.51%	TEU	2.45	-9.26%	-19.41%
GLNG	41.79	-2.90%	19.16%	NVGS	26	-3.35%	-1.40%
NMM	19.76	1.86%	6.52%	NNA	3.67	-3.93%	-18.26%
CMRE	21.15	2.87%	14.26%	MATX	23.76	0.25%	-8.86%

\*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
BALT	6.16	2	GLOG	23.38	-3
NMM	19.76	2	NEWL	1.67	-10
SALT	9.89	2			
SB	9.26	2			
SBLK	14	2			
SFL	18.08	2			
TEU	2.45	2			
TGP	40.83	2			
TK	55.79	2			
NM	9.65	2			



# Capital Link Shipping Weekly Markets Report



Monday, March 31, 2014 (Week 13)

## 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>
GNK	1.54	1.69	0.15	9.74%	NEWL	2.09	1.67	-0.42	-20.10%
SHIP	1.81	1.9	0.09	4.97%	FREE	1.78	1.61	-0.17	-9.55%
SFL	17.41	18.08	0.67	3.85%	TEU	2.7	2.45	-0.25	-9.26%
TOO	31.16	32.33	1.17	3.75%	GSL	4.59	4.2	-0.39	-8.50%
TGP	39.65	40.83	1.18	2.98%	PRGN	7.26	6.71	-0.55	-7.58%
CMRE	20.56	21.15	0.59	2.87%	EGLE	4.34	4.04	-0.30	-6.91%
NMM	19.4	19.76	0.36	1.86%	DRYS	3.48	3.25	-0.23	-6.61%
GASS	11.31	11.51	0.20	1.77%	BALT	6.59	6.16	-0.43	-6.53%
DAC	7	7.1	0.10	1.43%	TNK	4.07	3.81	-0.26	-6.39%
TOPS	1.45	1.47	0.02	1.38%	STNG	10.27	9.62	-0.65	-6.33%

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>
VLCCF	10.36	13.65	3.29	31.76%	NEWL	6.5	1.67	-4.83	-74.31%
NMM	17.1	19.76	2.66	15.56%	GSL	5.31	4.2	-1.11	-20.90%
GLNG	36.19	41.79	5.60	15.47%	TNK	4.7	3.81	-0.89	-18.94%
DAC	6.18	7.1	0.92	14.89%	FRO	4.41	3.75	-0.66	-14.97%
SHIP	1.66	1.9	0.24	14.46%	FREE	1.89	1.61	-0.28	-14.81%
SBLK	12.35	14	1.65	13.36%	EGLE	4.74	4.04	-0.70	-14.77%
GLBS	3.64	4.11	0.47	12.91%	DRYS	3.68	3.25	-0.43	-11.68%
GLOG	21.06	23.38	2.32	11.02%	BALT	6.85	6.16	-0.69	-10.07%
TNP	6.9	7.59	0.69	10.00%	SB	10.18	9.26	-0.92	-9.04%
GASS	10.51	11.51	1.00	9.51%	TEU	2.68	2.45	-0.23	-8.58%

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	21.66	-2.35%	NEWL	1.61	3.73%
KNOP	29.58	-4.29%	TEU	2.26	8.41%
SFL	18.93	-4.51%	SALT	9.04	9.40%
GLNG	43.94	-4.89%	GMLP	27.07	10.83%
CPLP	11.25	-5.42%	GSL	3.75	12.00%
TOO	34.39	-5.99%	MATX	21.11	12.55%
GLOG	24.95	-6.29%	DCIX	3.41	12.62%
TGP	43.93	-7.06%	TGP	35.90	13.74%
TNP	8.17	-7.10%	SSW	18.68	17.13%
TK	60.42	-7.66%	ASC	11.19	17.45%





# Capital Link Shipping Weekly Markets Report



Monday, March 31, 2014 (Week 13)

## SHIPPING MARKETS

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

Symbol	Close	Net % Change	Run Rate
SHIP	1.9	4.97%	4.6306
NEWL	1.67	-20.10%	3.6649
NNA	3.67	-3.93%	1.3825
GASS	11.51	1.77%	1.3299
SALT	9.89	0.51%	1.3156
DHT	7.74	-3.13%	1.2538
VLCCF	13.65	-2.29%	1.2497
GNK	1.69	9.74%	1.0982
GLOG	23.38	-3.79%	1.0973
SHIP	1.9	4.97%	4.6306

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

Top Year-To-Date Gainers		Top Year-To-Date Decliners	
Symbol	YTD Gain %	Symbol	YTD Decliners %
VLCCF	51.16%	NEWL	-90.56%
DAC	44.90%	GNK	-32.40%
GLOG	36.81%	FREE	-32.35%
TNP	26.29%	DRYS	-30.85%
CMRE	17.43%	GSL	-30.12%
TK	16.91%	TEU	-25.53%
GLNG	16.47%	STNG	-18.41%
DHT	13.49%	TOPS	-18.33%
GASS	12.95%	NNA	-15.44%
SFL	12.79%	ASC	-14.95%

The following are the 45 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; **DNLG** - Dynagas LNG Partners LP; **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; **NVGS** - Navigator Holdings Ltd.; **PRGN** - Paragon Shipping Inc; **SALT** – Scorpio Bulkers; **SB** - Safe Bulkers Inc; **SBLK** - Star Bulk Carriers Corp; **SFL** - Ship Finance International Ltd; **SHIP** - Seenergy Maritime Holdings Corp; **SSW** - Seaspans 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



Monday, March 31, 2014 (Week 13)

SHIPPING MARKETS

## Weekly Market Report

Week Ending March 28, 2014



### FREIGHT

#### Capesize 4TC Average

Volume: 4,020 lots

Contract		Average	Chg	Open	Close	Chg	Low	High
Apr	14	21117	-4109	24500	21500	-3000	18500	24500
Q2	14	21990	-3328	25500	23250	-2250	19500	25500
Q3	14	25815	-1617	25900	27000	1100	25150	27000
Q4	14	31042	-1569	31500	31000	-500	30400	31500
Cal	15	23900	-549	24000	24000	0	23250	24250
Cal	16	21221	344	21250	21350	100	21000	21350

#### Panamax 4TC Average

Volume: 2,726 lots

Contract		Average	Chg	Open	Close	Chg	Low	High
Apr	14	9834	-1968	10800	9350	-1450	9200	10800
Q2	14	11212	-1725	12300	11000	-1300	10600	12300
Q3	14	12336	-741	12500	12500	0	11900	12600
Q4	14	14138	-779	14500	14500	0	13900	14500
Cal	15	13138	-655	13500	13050	-450	13000	13500
Cal	16	12650	-319	12650	12650	0	12650	12650

#### Supramax 6TC Average

Volume: 860 lots

Contract		Average	Chg	Open	Close	Chg	Low	High
Apr	14	12375	na	12500	12000	-500	12000	12500
Q2	14	12571	-1233	13450	12200	-1250	11950	13450
Q3	14	12700	-1050	13200	12200	-1000	12200	13200
Q4	14	13844	-881	14000	13800	-200	13800	14000

### IRON ORE

#### TSI Iron Ore 62% Fines

Volume: 2,593,000 mt

Contract		Average	Chg	Open	Close	Chg	Low	High
Apr	14	113.52	4.23	110.00	115.00	5.00	110.00	115.50
May	14	111.62	3.77	107.25	113.25	6.00	107.25	113.50
Jun	14	109.11	na	107.00	111.50	4.50	107.00	111.75
Q2	14	111.20	3.33	107.50	113.00	5.50	107.50	113.00
Q3	14	107.50	1.30	105.00	110.00	5.00	105.00	110.00
Q4	14	106.33	-0.23	105.00	107.00	2.00	105.00	107.00



# Capital Link Shipping Weekly Markets Report



Monday, March 31, 2014 (Week 13)

## SHIPPING MARKETS

### FERTILIZER

#### Urea Nola

Volume: 42 lots

Contract	Average	Chg	Open	Close	Chg	Low	High
Apr 14	401.67	7.87	399.00	405.00	6.00	399.00	406.00
May 14	359.80	-1.20	365.00	360.00	-5.00	353.00	365.00

#### DAP NOLA

Volume: 24 lots

Contract	Average	Chg	Open	Close	Chg	Low	High
Apr 14	480.00	na	481.00	478.00	-3.00	478.00	481.00

### BUNKER FUEL

#### Singapore 180cst

Volume: 40,000 MT

Contract	Average	Chg	Open	Close	Chg	Low	High
Apr 14	603.83	na	601.50	605.00	3.50	601.50	605.00
May 14	605.10	na	605.00	605.25	0.25	605.00	605.25

#### Singapore 380cst

Volume: 10,000 MT

Contract	Average	Chg	Open	Close	Chg	Low	High
Jul 14	594.30	na	594.75	594.00	-0.75	594.00	594.75

### 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



Monday, March 31, 2014 (Week 13)

## SHIPPING MARKETS

### First Watch: Stifel Shipping Weekly

Contributed by  
**Stifel Nicolaus & CO, Inc.**

**STIFEL  
NICOLAUS**

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Website: www.stifel.com

<i>Rates in \$/Day</i> <b>Vessel Category</b>	<b>Weekly Trend</b>	<b>3/28/2014</b>	<b>3/21/2014</b>	<b>% Change</b>	<b>2014 YTD</b>
<i>Crude Tanker</i>					
VLCC	↓	\$13,106	\$14,495	(9.6%)	\$29,373
Suezmax	↕	\$17,207	\$13,434	28.1%	\$31,041
Aframax	↓	\$15,375	\$18,972	(19.0%)	\$29,249
<i>Product Tankers</i>					
Long Range	↓	\$13,356	\$14,333	(6.8%)	\$23,988
Medium Range	↑	\$10,042	\$9,525	5.4%	\$10,338
<i>Dry Bulk</i>					
Capesize	↓	\$22,595	\$28,827	(21.6%)	\$18,060
Panamax	↓	\$6,232	\$7,217	(13.6%)	\$7,557
Supramax	↓	\$12,732	\$12,915	(1.4%)	\$12,623
<i>Containers*</i>					
Panamax-4400 TEU	↔	\$7,250	\$7,250	0.0%	\$7,250
Sub-Panamax-2750 TEU	↔	\$6,900	\$6,900	0.0%	\$6,900
Handy-2000 TEU	↔	\$7,000	\$7,000	0.0%	\$7,000
LPG-82,000 cbm	↑	\$60,000	\$53,000	13.2%	\$38,750
LNG-138,000 cbm	↓	\$55,000	\$56,000	(1.8%)	\$70,000

\*Monthly data was used

Source: Clarkson Research & Astrup Fearnley

This week, we are investigating the potential impact on shipping as a result of ramifications related to the Russia/Ukraine situation. First of all, we do not expect large scale disruption in global trade, however we do believe there could be more several implications in the longer term. 1) Russia is the largest provider of marine fuel making up over 50% of global supply. In particular Western Europe may seek to become less reliant on Russian sources of marine fuel which could cause fuel prices to rise and increase demand for longer-distance voyages to Europe from other regions and away from Russia to Asia, which would be good for the tanker sector. Areas already less dependent on Russian cargoes such as the Middle East and Americas could see improved relative economics. 2) There is likely to be even greater emphasis on energy optionality in Europe driving demand for new LNG regasification units and imports. This could increase the push for U.S. exports and also drive further growth in Australia and East Africa. While this impact is likely to take many years to materialize, we do believe it provides positive momentum. Secondarily LPG should also benefit from a similar dynamic.



# Capital Link Shipping Weekly Markets Report



Monday, March 31, 2014 (Week 13)

## SHIPPING MARKETS

### Global Shipping Fleet & Orderbook Statistics

Cargo	Category	Fleet	Orderbook	OB/Fleet	Average	% Greater
		Size (DWT)	(DWT)	%	Age	than 20 yrs.
Crude	VLCC	191,222,575	27,131,631	14.2%	7.3	2.3%
	Suezmax	76,418,172	7,320,185	9.6%	7.5	4.5%
	Aframax	69,751,450	3,868,558	5.5%	8.3	6.7%
Product	LR2	26,654,110	7,947,416	29.8%	6.9	2.9%
	LR1	23,753,659	1,832,998	7.7%	6.2	2.2%
	MR	71,373,996	15,255,888	21.4%	8.1	7.3%
	Handy	5,162,559	196,612	3.8%	17.7	51.6%
Dry Bulk	Capesize	295,744,699	65,260,457	22.1%	6.7	10.8%
	Panamax	188,303,295	34,320,295	18.2%	7.8	10.3%
	Supramax	158,659,488	39,419,671	24.8%	7.5	8.5%
	Handymax	86,659,475	14,986,764	17.3%	11.1	21.6%
Containers		<b>(TEU)</b>	<b>(TEU)</b>			
	Post Panamax	9,424,680	3,515,296	37.3%	5.7	0.2%
	Panamax	3,667,075	27,128	0.7%	8.6	5.5%
	Handy-Feeder	1,673,973	101,005	6.0%	10.7	7.0%
Gas		<b>(CBM)</b>	<b>(CBM)</b>			
	LPG	21,356,684	7,695,711	36.0%	15.3	22.1%
	LNG	55,617,846	17,717,710	31.9%	11.2	12.8%

DWT: Dead Weight Tons, TEU: Twenty Equivalent Units, CBM: Cubic Meters  
Source: Clarkson Research

Contributed by Stifel Nicolaus & Co, Inc.

# 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



Monday, March 31, 2014 (Week 13)

## SHIPPING MARKETS

### Dry Bulk Market – Weekly Highlights

The Dry Bulk market was on a downward slide last week with losses noted across the board as demand softened and sentiment proved to be shakier than was previously believed. The impact from the recent fears arising over the slowdown in Chinese economic growth continues to take its toll, while demand from this Far East economic powerhouse is waning for the time being as stockpiles at ports remains relatively high. This was reflected more so in the Capesize sector where we had another drop in iron ore activity from both S.America and Australia, while at the same time there seemed to be a considerable position list being formed as more ballasters start to flock back to both these areas. Panamax followed closely on this downward

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#### Indices / Dry Bulk Spot Rates

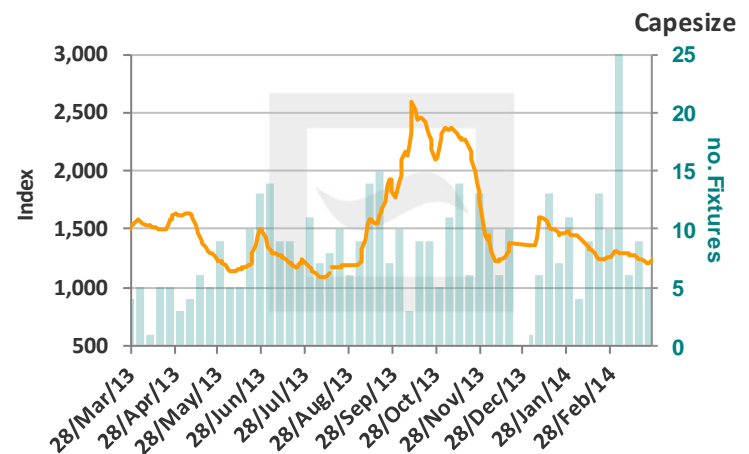
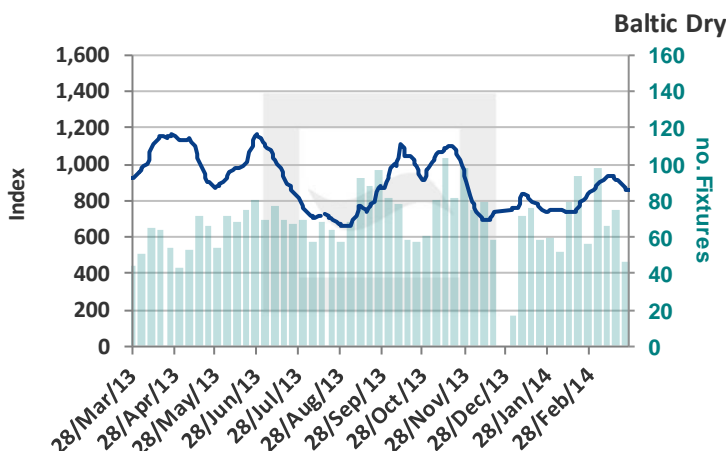
	Week 13 28/03/2014		Week 12 21/03/2014		Point Diff	\$/day ±%	2014	2013
	Index	\$/day	Index	\$/day			Avg Index	Avg Index
<b>BDI</b>	1,373		1,599		<b>-226</b>		1,371	1,205
<b>BCI</b>	2,557	\$19,211	3,036	\$24,835	<b>-479</b>	<b>-22.6%</b>	2,206	2,106
<b>BPI</b>	978	\$7,888	1,112	\$8,956	<b>-134</b>	<b>-11.9%</b>	1,308	1,186
<b>BSI</b>	1,115	\$11,659	1,209	\$12,643	<b>-94</b>	<b>-7.8%</b>	1,113	983
<b>BHSI</b>	649	\$9,644	674	\$9,937	<b>-25</b>	<b>-2.9%</b>	689	562

spiral, as there was little resistance from owners, leaving the panamax index to drop below the psychological barrier of 1,000 points for the first time this year. The Supra and Handysize were not seeing anything better on their side, let down by a softening Atlantic basin while the Pacific was not able to pull up the slack and showed signs of deteriorating conditions early on in the week.

With port inventories for several dry bulk commodities being at peak level, there has been a strong case for pessimistic outlook for the dry bulk market these past couple of weeks. Demand for these commodities has dipped, with it forcing a slow but steady decline in the dry bulk freight index this past week, which has left a market with minimal activity and a lot of uncertainty. However as prices continue to drop for commodities such as iron ore and coal, and with inventories now starting to show signs of slowly retreating, there is hope that we may see a comeback in the market or at least a new found stability from which another rally in the market could

commence. This however, seems to be further down the line, with all things pointing to softer demand over the next couple of days at least.

▼ The Baltic Dry Index closed on Friday the 28th of March at 1,373 points with a weekly loss of **-226** points or **-14.1%** over previous week's closing. (Last Friday's the 21st of March closing value was recorded at 1,599 points).



**CAPE SIZE MARKET** - ▼ The Baltic Cape Index closed on Friday the 28th of March at 2,557 points with a weekly loss of **-479** points. For this week we monitor a **-15.8%** change on a week-on-week comparison, as Last Friday's the 21st of March closing value was 3,036 points). It is worth noting that the annual average of 2011 for the Cape Index is currently calculated at 2,206 points, while the average for the year 2010 was 2,106 points.



# Capital Link Shipping Weekly Markets Report



Monday, March 31, 2014 (Week 13)

## SHIPPING MARKETS

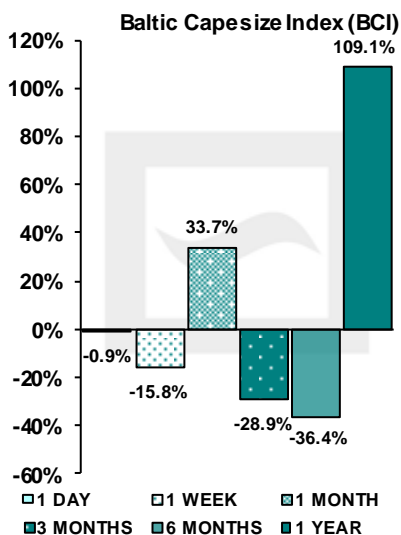
### Dry Bulk Market – Weekly Highlights

For Week 13 we have recorded a total of 5 timecharter fixtures in the Capesize sector, 1 for period charter averaging \$26,000 per day, while 4 trip charters were reported this week with a daily average of \$18,600 per day.

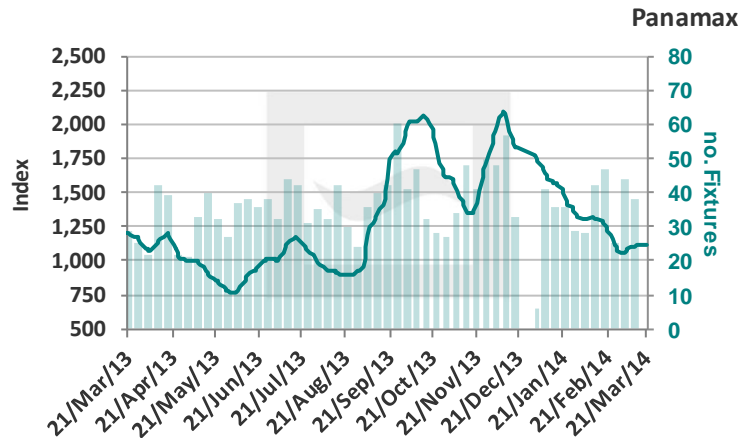
This week's fixture that received the lowest daily hire was the M/V "N LOIRE", 372212 dwt, built 2013, dely aps Panama City early Apr, redely Continent, \$12400, Lauritzen, for a trip -9100\$ reduced from last week, and the fixture with the highest daily hire was the M/V "TANGO", 160013 dwt, built 1997, dely Wenzhou 1/3 Apr, redely worldwide, \$26000, Mercuria, for a 6/8 months trading -14000\$ reduced from last week.

Week	No. of Fixtures	Highest Fixture	Lowest Fixture
this week	5	\$26,000	\$12,400
last week	9	\$40,000	\$21,500

Week	Period Charter	Trip Charter
this week	\$26,000	\$18,600
last week	\$26,000	\$25,750



In the bar chart on the left we see that the BCI is showing a **-15.8%** loss on a weekly comparison, a **33.7%** increase on a 1 month basis, a **-28.9%** loss on a 3 month basis, a **-36.4%** loss on a 6 month basis and a **109.1%** increase on a 12 month basis.



**PANAMAX MARKET** - ▼ The Baltic Panamax Index closed on Friday the 28th of March at 978 points having lost **-134** points on a weekly comparison. It is worth noting that last Friday's the 21st of March saw the Panamax index close at 1,112 points. The week-on-week change for the Panamax index is calculated to be **-12.1%**, while the yearly average for the Baltic Panamax Index for this running year is calculated at 1,308 points while the average for 2010 was 1,186 points.

Week	No. of Fixtures	Highest Fixture	Lowest Fixture
this week	25	\$16,500	\$9,500
last week	29	\$19,750	\$7,000

Week	Period Charter	Trip Charter
this week	\$13,917	\$12,168
last week	\$13,940	\$13,490

For Week 13 we have recorded a total of 25 timecharter fixtures in the Panamax sector, 3 for period charter averaging \$13,917 per day, while 22 trip charters were reported this week with a daily average of \$12,168 per day.

The daily earnings differential for the Panamaxes, that we calculate from all this week's reported fixtures, i.e. the difference between the lowest and highest reported fixture for this week was reduced, and this week's fixture that received the lowest daily hire was the M/V "AGIA VALENTINI", 80388 dwt, built 2011, dely Gibraltar 21/24 Mar, redely Skaw-Gibraltar, \$9500, Chart Not Rep, for a trip via Morocco 2500\$ improved from last week, and the fixture with the highest daily hire was the M/V "CONTI SERPENTIN", 75000 dwt, built 2011, dely EC South America 20/30 Apr, redely Singapore-Japan, \$16500, Chart Not Rep, for a trip, 650000 bb -3250\$ reduced from last week.



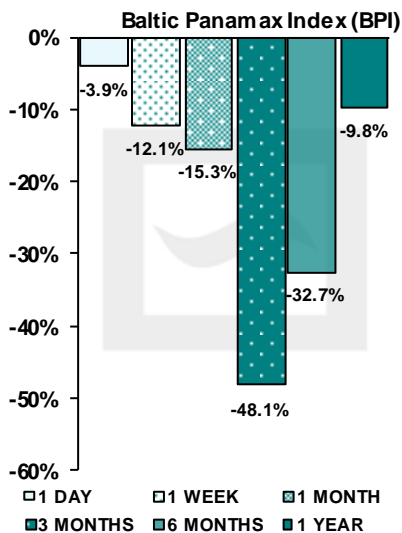
# Capital Link Shipping Weekly Markets Report



Monday, March 31, 2014 (Week 13)

## SHIPPING MARKETS

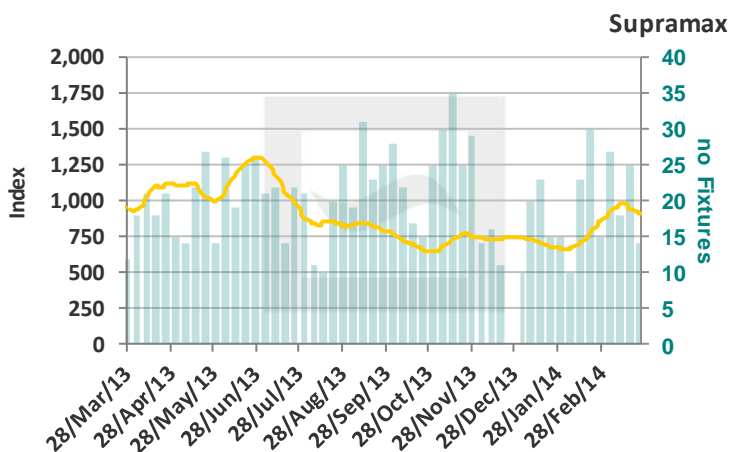
### Dry Bulk Market – Weekly Highlights



In the bar chart on the left we see that the BPI is showing a **-12.1%** loss on a weekly comparison, a **-15.3%** loss on a 1 month basis, a **-48.1%** loss on a 3 month basis, a **-32.7%** loss on a 6 month basis and a **-9.8%** loss on a 12 month basis.

For Week 13 we have recorded a total of 14 timecharter fixtures in the Supramax & Handymax sector, 2 for period charter averaging \$14,250 per day, while 12 trip charters were reported this week with a daily average of \$13,188 per day.

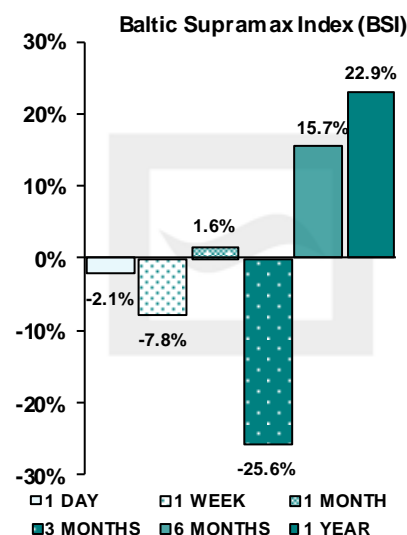
The minimum vs maximum daily rate differential as analyzed from our fixtures database was overall reduced and from the reported fixtures we see that this week's fixture that received the lowest daily hire was the M/V "BYRON", 51201 dwt, built 2003, dely Karaikal prompt, redely EC India, \$7000, Norvic Shipping, for a trip via Indonesia -1000\$ reduced from last week, and the fixture with the highest daily hire was the M/V "THOR BREEZE", 53464 dwt, built 2013, dely aps Vila do Conde end March, redely India, \$20000, MUR, for a trip -5000\$ reduced from last week.



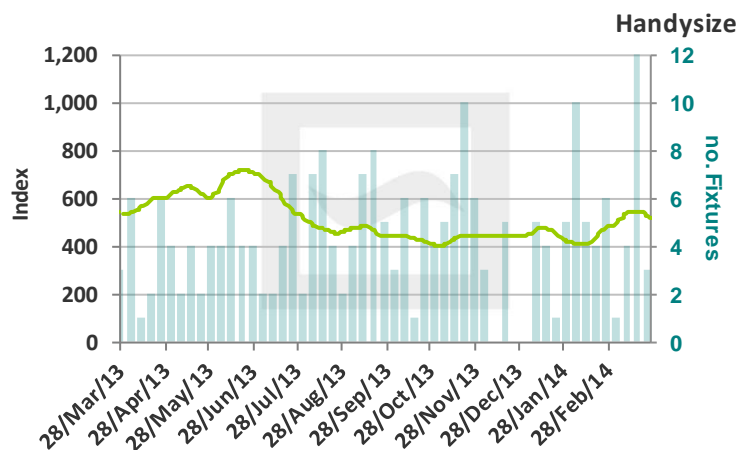
**SUPRAMAX & HANDYMAX MARKET** - ▼ The Baltic Supramax Index closed on Friday the 28th of March at 1,115 points down with a weekly loss of **-94** point or **-7.8%**. The Baltic Supramax index on a weekly comparison is with a downward trend as last Friday's the 21st of March closing value was 1,209 points. The annual average of the BSI is recorded at 1,113 points while the average for 2010 was 983 points.

Week	No. of Fixtures	Highest Fixture	Lowest Fixture
this week	14	\$20,000	\$7,000
last week	25	\$25,000	\$8,000

Week	Period Charter	Trip Charter
this week	\$14,250	\$13,188
last week	\$13,467	\$16,377



In the bar chart on the left we see that the BSI is showing a **-7.8%** loss on a weekly comparison, a **1.6%** increase on a 1 month basis, a **-25.6%** loss on a 3 month basis, a **15.7%** increase on a 6 month basis and a **22.9%** increase on a 12 month basis.







### Dry Bulk Market – Weekly Highlights

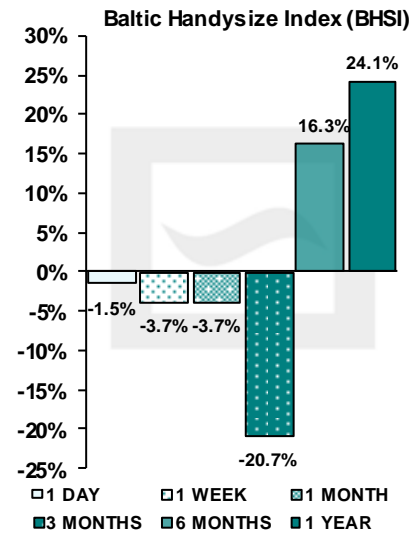
**HANDYSIZE MARKET – ▼** The Baltic Handysize Index closed on Friday the 28th of March with a downward trend at 649 points with a weekly loss of **-25** points and a percentage change of **-3.7%**. It is noted that last Friday's the 21st of March closing value was 674 points and the average for 2011 is calculated at 689 points while the average for 2010 was 562 points.

Week	No. of Fixtures	Highest Fixture	Lowest Fixture
this week	3	\$15,000	\$8,000
last week	12	\$16,000	\$4,000

Week	Period Charter	Trip Charter
this week	\$0	\$11,500
last week	\$11,500	\$10,795

For Week 13 we have recorded a total of 3 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 \$11,500 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 "ROYAL JUSTICE", 36976 dwt, built 2012, dely aps US Gulf prompt, redely north Brazil, \$8000, ADML, for a trip 4000\$ improved from last week and the fixture with the highest daily hire was the M/V "BALTIC ID", 28450 dwt, built 1997, dely Tilbury 1/2 Apr, redely east Mediterranean, \$15000, Chart Not Rep, for a trip via Continent -1000\$ reduced from last week.



In the bar chart above we see that the BHI is showing a **-3.7%** change on a weekly comparison, a **-3.7%** on a 1 month basis, a **-20.7%** loss on a 3 month basis, a **16.3%** increase on a 6 month basis and a **24.1%** increase on a 12 month basis.

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

INDEX	1 DAY	1 WEEK	1 MONTH	3 MONTHS	6 MONTHS	1 YEAR
BDI	-2.8%	-14.1%	12.4%	-35.7%	-27.9%	60.0%
BCI	-0.9%	-15.8%	33.7%	-28.9%	-36.4%	109.1%
BPI	-3.9%	-12.1%	-15.3%	-48.1%	-32.7%	-9.8%
BSI	-2.1%	-7.8%	1.6%	-25.6%	15.7%	22.9%
BHI	-1.5%	-3.7%	-3.7%	-20.7%	16.3%	24.1%



# Capital Link Shipping Weekly Markets Report



Monday, March 31, 2014 (Week 13)

SHIPPING MARKETS

## Weekly Freight Rate & Asset Trends

### Tanker Spot Rates

Vessel	Routes	Week 13		Week 12		\$/day ±%	2014 \$/day	2013 \$/day
		WS points	\$/day	WS points	\$/day			
VLCC	265k AG-JAPAN	37	12,147	38	14,932	-18.7%	35,160	21,133
	280k AG-USG	27.0	11,029	28	11,861	-7.0%	23,683	7,132
	260k WAF-USG	48	25,341	50	28,359	-10.6%	46,685	26,890
Suezmax	130k MED-MED	70	19,810	65	15,746	25.8%	37,577	17,714
	130k WAF-USAC	65	15,015	60.0	11,532	-30.2%	24,526	13,756
Aframax	130k AG-CHINA	70	23,376	60.0	14,247	64.1%	37,577	17,714
Aframax	80k AG-EAST	90.0	15,213	92.5	16,007	-5.0%	17,699	11,945
	80k MED-MED	97.5	19,650	98	19,634	0.1%	34,111	13,622
	80k UKC-UKC	95	8,550	115.0	22,240	-61.6%	48,399	18,604
Aframax	70k CARIBS-USG	99	13,768	100.0	14,219	-3.2%	34,086	16,381
Clean	75k AG-JAPAN	958	14,864	89.0	12,720	16.9%	9,319	12,011
	55k AG-JAPAN	109	12,712	109	12,712	0.0%	10,265	12,117
	37k UKC-USAC	130	10,862	125.0	9,900	9.7%	11,617	11,048
Dirty	30K MED-MED	165	17,952	170	16,037	11.9%	24,775	17,645
Dirty	55K UKC-USG	128	22,726	125	21,823	4.1%	28,751	14,941
	55K MED-USG	117.5	17,525	117.5	17,542	-0.1%	27,341	12,642
	50k CARIBS-USAC	105.0	10,890	117.5	15,783	-31.0%	36,473	15,083

### Tanker Time Charter Rates

	\$/day	Week 13	Week 12	±%	Diff	2014	2013
VLCC	300k 1yr TC	26,250	26,250	0.0%	0	26,596	20,087
	300k 3yr TC	27,750	27,750	0.0%	0	26,546	23,594
Suezmax	150k 1yr TC	20,250	20,250	0.0%	0	20,750	16,264
	150k 3yr TC	22,250	22,250	0.0%	0	21,315	18,296
Aframax	110k 1yr TC	15,500	15,500	0.0%	0	15,942	13,534
	110k 3yr TC	17,250	17,250	0.0%	0	17,008	15,248
Panamax	75k 1yr TC	15,750	15,750	0.0%	0	15,500	15,221
	75k 3yr TC	16,500	16,500	0.0%	0	16,238	15,729
MR	52k 1yr TC	15,250	15,250	0.0%	0	15,327	14,591
	52k 3yr TC	16,250	16,250	0.0%	0	16,162	15,263
Handysize	36k 1yr TC	14,750	14,750	0.0%	0	14,712	13,298
	36k 3yr TC	15,500	15,500	0.0%	0	15,412	13,907

### Dry Bulker Time Charter Rates

	\$/day	Week 13	Week 12	±%	Diff	2014	2013
Capesize	170K 6mnt TC	27,750	33,250	-16.5%	-5,500	24,671	17,625
	170K 1yr TC	29,750	31,500	-5.6%	-1,750	26,162	15,959
	170K 3yr TC	24,750	24,750	0.0%	0	23,700	16,599
Panamax	76K 6mnt TC	15,100	15,500	-2.6%	-400	16,362	12,224
	76K 1yr TC	15,100	15,500	-2.6%	-400	15,015	10,300
	76K 3yr TC	15,100	15,100	0.0%	0	14,512	10,317
Supramax	55K 6mnt TC	14,000	14,750	-5.1%	-750	14,181	11,565
	55K 1yr TC	13,750	14,000	-1.8%	-250	13,104	10,234
	55K 3yr TC	13,500	13,750	-1.8%	-250	12,835	10,482
Handysize	45k 6mnt TC	12,250	12,750	-3.9%	-500	12,162	9,771
	45k 1yr TC	11,750	11,750	0.0%	0	11,219	8,852
	45k 3yr TC	11,750	11,750	0.0%	0	11,046	9,237
Handysize	30K 6mnt TC	10,750	10,750	0.0%	0	10,373	8,244
	30K 1yr TC	10,250	10,500	-2.4%	-250	10,073	8,309
	30K 3yr TC	10,500	10,500	0.0%	0	10,162	8,926

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

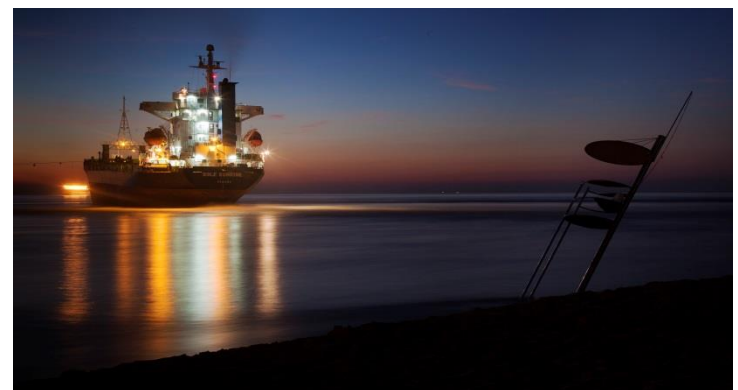
Vessel 5yrs old		Mar-14	Feb-14	±%	2014	2013	2012
VLCC	300KT DH	72.3	69.1	4.5%	69.1	56.2	62.9
Suezmax	150KT DH	49.5	47.5	4.2%	47.2	40.1	44.9
Aframax	110KT DH	37.8	35.8	5.6%	35.7	29.2	31.2
Panamax	75KT DH	32.3	32.0	0.8%	32.1	28.0	26.7
MR	52KT DH	29.0	29.6	-2.1%	29.7	24.7	24.6

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

Vessel 5yrs old		Mar-14	Feb-14	±%	2014	2013	2012
Capesize	180k	49.5	46.9	5.6%	47.0	35.8	34.6
Panamax	76K	27.3	27.0	0.9%	26.9	21.3	22.7
Supramax	56k	27.0	27.0	0.0%	26.5	21.5	23.0
Handysize	30K	21.0	21.0	0.0%	20.8	18.2	18.2

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

Vessel		Week 13	Week 12	±%	2014	2013	2012
Bulkers	Capesize 180k	56.5	56.5	0.0%	55.4	49	47
	Panamax 77k	30.8	30.8	0.0%	30.3	27	28
	Supramax 58k	29.5	29.5	0.0%	28.9	26	27
	Handysize 35k	27.5	27.5	0.0%	27	25	25
Tankers	VLCC 300k	23.5	23.5	0.0%	23	21	22
	Suezmax 160k	99.5	99.0	0.5%	97.2	91	96
	Aframax 115k	65.0	65.0	0.0%	63	56	58
	LR1 75k	55.0	55.0	0.0%	54	48	50
Gas	MR 52k	47.0	47.0	0.0%	45.2	41	42
	LNG 150k	37.0	37.3	-0.8%	36.7	34	34
	LGC LPG 80k	186.0	186.0	0.0%	185.3	185	186
	MGC LPG 52k	77.0	77.0	0.0%	76.2	71	71
SGC LPG 23k	66.0	66.0	0.0%	65.3	63	62	





### Container Market – Weekly Highlights

#### Chartering

Vessel (TEU/HOM)	Index	+/-
700/440TEU (GL) 17.5 k	3.52	▶ 0.00
1,043/660TEU (GL) 18 K Eco	5.05	▶ 0.00
1,100/715TEU (G) 19 k	7.93	▶ 0.00
1,700/1,125TEU (G) 19.5 k	8.98	▶ 0.00
1,740/1,300TEU (G) 20.5 k	8.98	▶ 0.00
1,714/1,250TEU (G) 19k Bkk Max	5.91	▶ 0.00
2,500/1,900TEU (G) 22 k	4.05	▶ 0.00
2,800/2,000TEU (GL) 22 k	3.63	▶ 0.00
3,500/2,500TEU (GL) 23 k	1.70	▶ 0.00
4,250/2,800TEU (GL) 24 k	2.45	▼ 0.08
5,500/4,200TEU (GL) 25 k	2.08	▶ 0.00
8,500/6,600 (GL) 25 k	2.13	▶ 0.00
<b>Index Total</b>	<b>56.43</b>	<b>▼ 0.08</b>

It would have been hoped by now, the end of the first quarter, that the high tides of spring would have translated into a much needed positive shift in the market. Alas any hope of a return to seasonality appears to have waned with our index once again failing to ignite with the only minor change coming from a slight softening in the Panamax sector. The generally consistent liquidity of fixtures and extensions has been maintained as ships enter this busy redelivery window but the status quo of caution and stabilisation rather than expansion amongst the lines continues to dictate the market's rather tedious pace.

After a brief flurry of activity last week, the post-Panamax sector has been more subdued. Fixtures and discussions in the larger echelons of this sector are few and far between, which is not only in part a reflection of a general lack of demand on the lines' behalf at the moment but also a far smaller supply pool with lines choosing to deploy rather than sublet those units that earlier in the year had not only been deemed surplus to requirement but also a catalyst that contributed to a fall in their charter values.

The woes of the Panamax sector have been well documented and news this week that a major line has succeeded in sweeping up a brace of 4,900 TEU units for 12 months at only USD6,000/day, will

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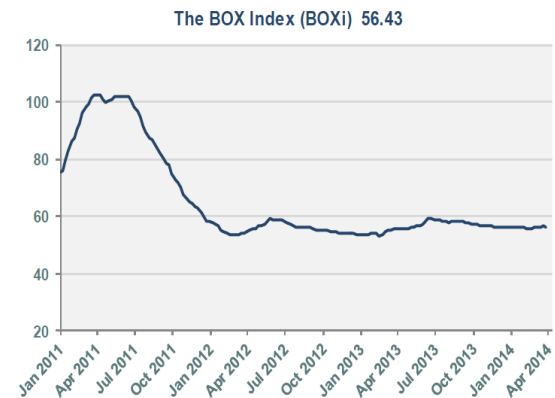
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not fill the Panamax glass with any cheer. Perhaps this was inevitable given the imbalance within the sector and some may well construe such deals as necessary dents to the bottom line to help clear out the oversupply rather than reset an already unsustainable benchmark.

It was business as usual for the feeder sectors with fixture levels generally hovering either side of those last done – a symptom of regional and isolated adjustments more than anything else. Regardless of region or vessel design however, feeder rates are still not moving significantly enough in either direction to suggest a seismic shift is imminent and until we see a much needed flood of enquiry from the lines, something one would traditionally attribute to this time of year, it is inevitable that we will continue on this plain into the summer months.



Name	Dwt	Teu	14T	Blt	Spd	Cons	GR	Charterer	Dely	Date	Period	US\$/day
Wehr Hong Kong	67,800	5,089	3,370	2006	21.0	104.5	GL	NYK	SE Asia	May	4-6 mos	7,900
HS Livingstone	66,762	4,992	3,331	2004	24.0	150.0	GL	MSC	SE Asia	Mar	12 mos	6,000
Praha	5,800	4,367	2,972	2001	24.0	161.5	GL	MSC	NE Asia	May	5-7 mos	6,200
Gerorg Schulte	42,057	3,534	2,353	2008	24.0	122.0	GL	MSC	Med	Apr	6-8 mos	7,250
Cape Mondego	37,800	2,742	2,115	2006	20.0	65.0	GL	Heung-A	SE Asia	Apr	3-6 mos	7,250
Messini	34,600	2,458	1,894	1997	17.0	38.0	G	Evergreen	Med	Apr	6 mos	7,500
Northern Endurance	33,900	2,452	1,890	2001	21.0	82.0	G	PIL	NE Asia	Apr	6 mos	7,400
Hansa Fresenburg	23,579	1,740	1,295	2013	20.0	58.0	G	RCL	NE Asia	Apr	5-7 mos	7,500
SFL Europa	22,900	1,730	1,136	2003	19.0	45.0	G	PIL	SE Asia	Apr	50-150 days	7,250
Cape Norvegia	24,116	1,510	1,145	1998	19.0	44.0	GL	Evergreen	SE Asia	Mar	5-7 mos	7,650
Arsos	18,480	1,298	957	2007	19.6	45.0	G	Maersk Line	USG	Apr	1-3 mos	7,500
Caribbean Voyager	13,760	1,118	700	2008	19.6	41.5	G	MSC	USG	Apr	12 mos	6,750

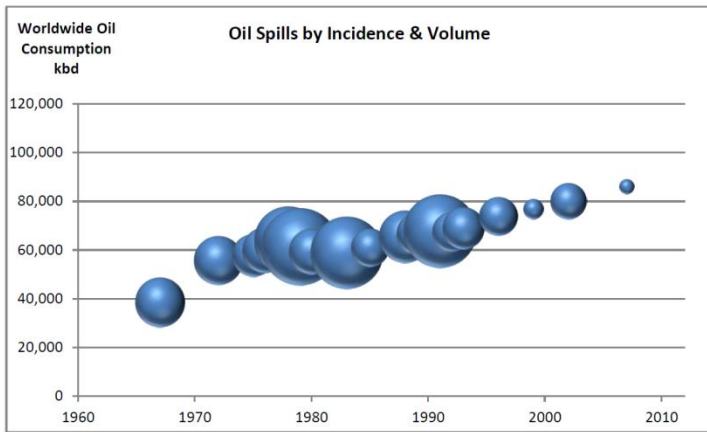


### Weekly Tanker Market Opinion

#### Quoth the Raven: Exxon Valdez

This week marks the 25th anniversary of the infamous Exxon Valdez oil spill, an accident that would forever shape the marine industry. While the oil industry at large is no stranger to public scrutiny, misinformation and/or media hype, it could be argued that the tanker industry has it particularly tough. In fact, it could be concluded after the Exxon Valdez had an impact disproportionate to the actual magnitude of the spill. Thankfully, the improvements in procedures, vetting standards and operational safety, many of which were initiated by the Exxon Valdez spill, ensure that nearly all of the 50 some-odd million barrels transported by sea daily are delivered without incident.

Since seaborne transportation is an inescapable component of global trade and all ships carry oil, safety is paramount. The short-term focus on day-to-day transportation requirements can often distract the size of our total market. Since 1989, worldwide oil consumption has increased by 37%, from 65 million barrels per day to 93.1 million barrels per day. The largest increases over that time period have come from nations like China and South Korea: two countries that are largely dependent on seaborne imports.



SOURCE: ITOPF, BP Statistics

With that in mind, a look at oil spill statistics can be quite striking. The previous chart shows the incidence of worldwide oil spills by volume versus total worldwide consumption.

Compiled from statistics by the International Tanker Owners Pollution Federation Limited (ITOPF), the chart shows the top 20 major oil spills that have occurred since the Torrey Canyon in 1967. For reference, the Exxon Valdez, at 37,000 metric tons, does not rank amongst these data points. That said, its impact has had an indelible effect on oil transportation ever since.

To summarize, the most positive results from the Exxon Valdez oil spill were widespread improvements in oil tanker safety. Acting swiftly, the U.S. Congress introduced the Oil Pollution Act (OPA) expanding the federal government's purview of oil spill response and funding by creating the Oil Spill Liability Trust Fund, which can provide up to \$1

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billion per spill incident. Additionally, regulatory changes would now hold cargo owners moving oil in single-hull vessels after December 31, 2010 responsible, not just vessel owners, opening the limits on liability.

One of the other key developments was the emergence of the vetting department as a dominant voice. Now, a sophisticated set of criteria dictated whether or not a ship was eligible to perform the voyage, not simply whether it was the most competitive on freight.

Abroad, the International Maritime Organization (IMO) followed suit after the Erika disaster in 1999 to phase-out single hulled tonnage between 2010 and 2015 world wide. Although general health of the freight markets warranted these removals ahead of the official deadline, a two-tiered caste system for shipowners and charterers existed for most of the late 2000's.

On a micro level, the Prince William Sound can be now considered as one of the safest waterways in the world. Numerous changes have been made to update and improve the U.S. Coast Guard vessel traffic service by monitoring and providing traffic advisories and radar guidance to in and outbound tankers. Escort tugs are mandatory as well as a number of other requirements. However, in the world beyond, a new level of awareness to marine transportation was awakened. While there is no guarantee that a similar accident will not take place, in the tanker industry, both shipowners and charterers alike are generally more in tune with the consequences of their actions forevermore.





# Capital Link Shipping Weekly Markets Report



Monday, March 31, 2014 (Week 13)

## SHIPPING MARKETS

### Tanker Market – Weekly Highlights

#### Assessing the Chilean product sector

Since 2009, spot tanker serviced CPP cargo volumes to Chile from points in the US have grown at an average annual rate of 31%. With 99% of the total cargo serviced by MRs, the implications of Chile's product demand growth have proven highly supportive of ton-mile development – particularly given Chile's relative geographic isolation. While spot market statistics give a general picture, we have examined Chile's product sector as a whole to provide a clearer view of the market as a whole.



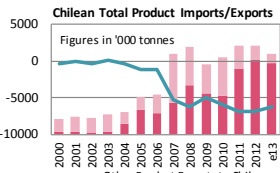
#### Chilean Product Ports

Port key for max vessel size, total port calls 2013

Port	Max Vessel Size	Total Port Calls 2013
● (Pink)	LR2 80-120kMT	>=80
○ (Pink)	LR2 80-120kMT	<80
● (Yellow)	LR1 52-80kMT	>=80
○ (Yellow)	LR1 52-80kMT	<80
● (Blue)	MR 38-52kMT	>=80
○ (Blue)	MR 38-52kMT	<80

In 2013, there were 1045 product tanker port calls (30.8MnDwt). Puerto Ventanas, Quintero and San Vicente are by far the most important product ports accounting for 66% of calls by Dwt. Only 73 vessels were involved in the trade indicating the large number of shuttle calls made by small tankers. The largest vessel was 74933Dwt, The average size vessel was 29518Dwt.

730 (70%) of port calls were made by Chilean flag vessels. However, the number of small vessels under the Chilean flag means that this category accounted for just 42% of calls by Dwt. Chilean owners dominate the trade. The largest, Sonacol, was responsible for 164 calls, equivalent to 35% of the trade by Dwt.



#### Chilean refineries

Chile has three refineries: Aconcagua (104Kbd), Bio Bio (116Kbd), and Gregorio (16Kbd), all of which are principally dedicated to serving the domestic market. The state company ENAP controls all three. Chile produces around 7Mta of products with gasoline and gasoil/diesel dominating. It imports a further 7Mta with gasoil/diesel dominating. Exports are negligible.

An acceleration in GDP growth since the mid 2000s meant that Chile rapidly moved from trade balance to becoming a net importer (see chart above). As imports started to rise, Chile's imports were sourced initially from a wide range of countries (including Japan, Peru and South Korea), but from 2011 US has become the dominant exporter.

The prospects for further growth in US product exports to Chile are mixed. On the downside, with 90% market share already, there is little scope to squeeze out other exporters. Therefore, the US must hope that the absence of a domestic refinery building programme, rising GDP and population growth (UN forecast growth from 17.6 million in 2013 to 20.8Mn in 2050) will enable its exports to Chile to continue to grow.

Data: C R Weber, Global Trade Atlas, ENAP Company data, industry sources

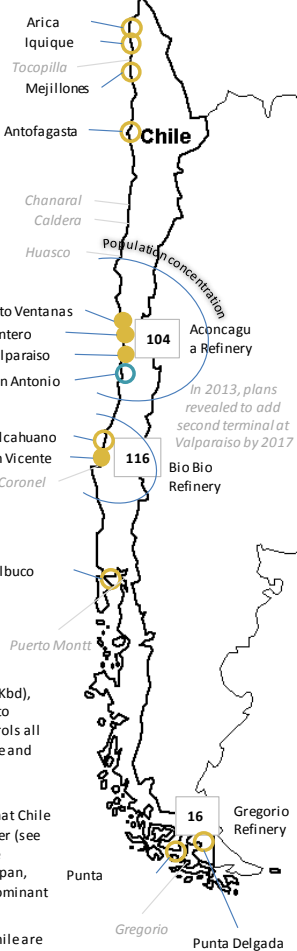
#### Chilean petroleum product profile 2012

Figures in million tonnes



Data: JODI, Cloud

Port names in *italic* indicate product ports where port calls are infrequent



In 2013, plans revealed to add second terminal at Valparaiso by 2017

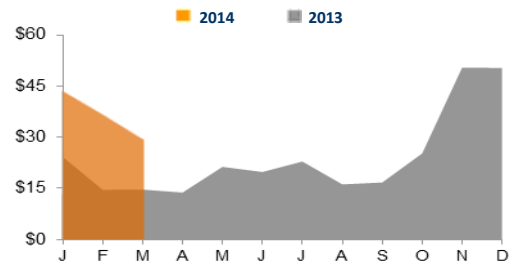
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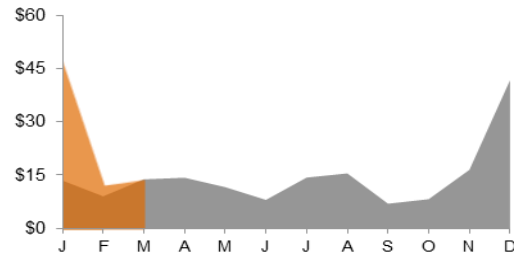
Phone: (203) 629 - 2300  
Website: www.crweber.com



**VLCC TCE**  
280k AG-USG  
+ CBS-SPORE

MTD Average  
\$29,000/Day

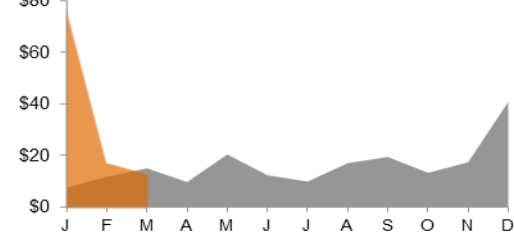
Month y/y  
▲ +98%



**S'MAX TCE**  
130k WAF-USAC

MTD Average  
\$14,000/Day

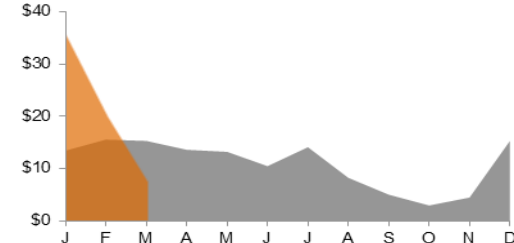
Month y/y  
▲ +1%



**A'MAX TCE**  
70k CBS-USG

MTD Average  
\$12,500/Day

Month y/y  
▼ -17%



**P'MAX TCE**  
50k CBS-USAC

MTD Average  
\$6,200/Day

Month y/y  
▼ -59%



# Capital Link Shipping Weekly Markets Report

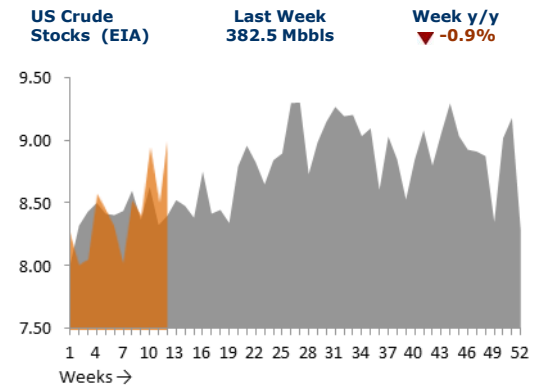
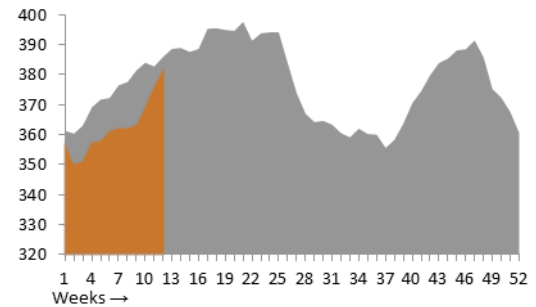
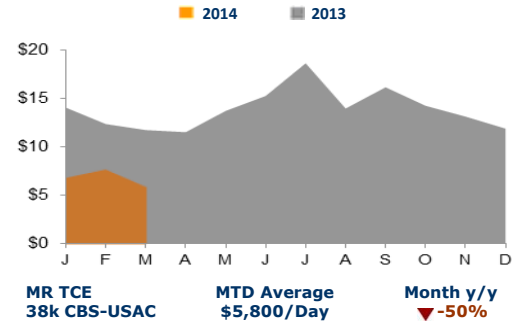


Monday, March 31, 2014 (Week 13)

## SHIPPING MARKETS

### Tanker Market – Weekly Highlights

Spot Market	WS/LS	TCE \$/day	WS/LS	TCE \$/day
<b>VLCC</b> (12 Kts L/11.5 Kts B)	<b>21-Mar</b>		<b>28-Mar</b>	
AG>USG 280k (TD1)	27.5	\$2,333	27.0	\$1,611
AG>USG/CBS>SPORE/AG	--	\$21,360	--	\$21,168
AG>SPORE 270k (TD2)	38.5	\$16,423	37.5	\$15,067
AG>JPN 265k (TD3)	38.5	\$15,781	37.5	\$14,387
WAFR>USG 260k (TD4)	47.5	\$25,676	50.0	\$28,813
WAFR>CHINA 260k (TD15)	42.5	\$19,243	41.5	\$17,845
CBS>SPORE/AG 270k	\$3.60m	\$20,963	\$3.65m	\$21,766
<b>SUEZMAX</b> (12 Kts L/11.5 Kts B)				
WAFR>USAC 130k (TD5)	62.5	\$14,830	62.5	\$14,815
BSEA>MED 135k (TD6)	62.5	\$9,770	72.5	\$18,398
CBS>USG 150k	57.5	\$14,888	62.5	\$19,161
<b>AFRAMAX</b> (12.5 Kts L/B)				
N.SEA>UKC 80k (TD7)	115.0	\$36,668	97.5	\$21,858
AG>SPORE 70k (TD8)	97.5	\$17,976	95.0	\$16,869
BALT>UKC 100k (TD17)	85.0	\$23,911	70.0	\$12,163
CBS>USG 70k (TD9)	98.75	\$12,108	100.0	\$14,355
MED>MED 80k (TD19)	97.5	\$20,225	100.0	\$21,694
<b>PANAMAX</b> (12.5 Kts L/B)				
CBS>USAC 50k	107.5	\$4,077	100.0	\$1,921
CONT>USG 55k (TD12)	125.0	\$12,337	125.0	\$12,345
ECU>USWC 50k	175.0	\$21,416	165.0	\$19,558
<b>CPP</b> (13.5 Kts L/B)				
CONT>USAC 37k (TC2)	122.5	\$8,809	127.5	\$9,986
CONT>WAFR 37k	140.0	\$11,993	145.0	\$13,122
USG>CONT 38k (TC14)	67.5	\$(1,663)	80.0	\$1,361
USG>CONT/CONT>USAC/USG	--	\$10,192	--	\$13,241
USG>P.COLORADOS 38k	\$400k	\$6,616	\$430k	\$8,699
CBS>USAC 38k (TC3)	90.0	\$3,224	97.5	\$5,034
AG>JPN 35k	113.0	\$6,484	115.0	\$6,902
SPORE>JPN 30k (TC4)	113.0	\$4,699	115.0	\$5,091
AG>JPN 75k (TC1)	89.0	\$14,842	95.0	\$17,581
AG>JPN 55k (TC5)	109.0	\$10,221	108.5	\$10,054



Time Charter Market \$/day (theoretical)	1 Year	3 Years
<b>VLCC</b>	\$24,500	\$26,500
<b>Suezmax</b>	\$19,000	\$22,000
<b>Aframax</b>	\$14,500	\$17,000
<b>Panamax</b>	\$14,750	\$16,500
<b>MR</b>	\$14,750	\$16,000



### Tanker Market – Weekly Highlights

#### THE TANKER MARKETS

##### VLCC

VLCC demand in the key Middle East and West Africa markets was modestly softer this week with fixture activity declining 18% and 20%, respectively, on last week. In the Middle East market, charterers progressed into the April program at a slow pace, prompting each fresh requirement to receive several offers as supply remained elevated after the short March program left 17 units unfixated as carryover units. Rates on the AG-JPN benchmark route fell from ws38.5 to ws37.5 while similar losses on other ex-AG and ex-WAFR routes prompted average spot market earnings to decline to ~\$17,169/day by the close of the week—the lowest in 22 weeks.

The near-term outlook shows limited signs of improvement. Fixture activity this month on the long-haul WAFR-FEAST route has declined by 38% from averages observed during January and February and 25% from the average during 2013. Though the difference in absolute terms is small, given that small differences in excess Middle East positions have had a large bearing on rate development we view this development as a negative. Moreover, based on cargo volumes observed through the first decade of the month, the April program appears likely to yield a total of 115-120 cargoes; while greater than the 113 observed during the March program, it remains well below the 130+ estimated as required to restore a sufficient supply/demand balance to elevate rates.

##### Middle East

Rates to the Far East shed 3.2 points, w/w, to an average of ws38.0. Corresponding TCEs lost ~\$4,360/day, or 22%, to an average ~\$15,561/day. The route concludes with an assessment of ws37.5, which yields ~\$14,875/day. Rates to the USG via the Cape were untested with an average assessment of ws27.4, representing a w/w loss of 1.1 point. Triangulated Westbound trade earnings declined by ~\$4,147/day, or 16%, w/w to an average of ~\$21,619/day.

With 42 April cargoes covered to-date, a further 18 are expected to materialize through mid-month. Against this, some 33 units presently appear on position lists as available through the same space of time, implying a surplus of 15 units. This represents a slight narrowing of excess supply from the 17 units which remained at the conclusion of the March program, but likely remains sufficiently high to extend the prevailing market sentiment.

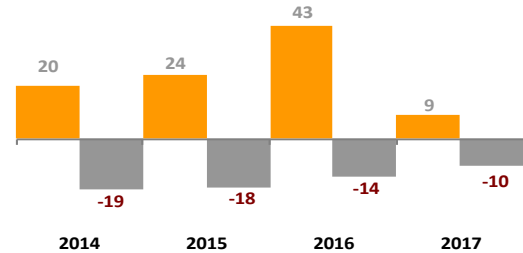
##### Atlantic Basin

Ex-West Africa rates largely followed the direction of the Middle East market, though a stronger Suezmax rate environment prompted isolated rate assessment gains on the WAFR-USG route (the route has not been tested since mid-January). The WAFR-FEAST route averaged ws41.5, representing a 1.25 point loss, w/w. Corresponding TCEs shed ~\$1,618/day, or 8.3%, w/w, to ~\$17,846/day.

Rates in the Caribbean market were largely steady this week with the CBS-SPORE route holding around the \$3.6m level (lump sum). Slow rates of activity in the region combined with an amply populated position list are likely to see rates retest lower during the upcoming week. Illustrating the extent of oversupply, at least one unit freeing off the USG this week opted to ballast to West Africa, the first such occurrence in a number of months.

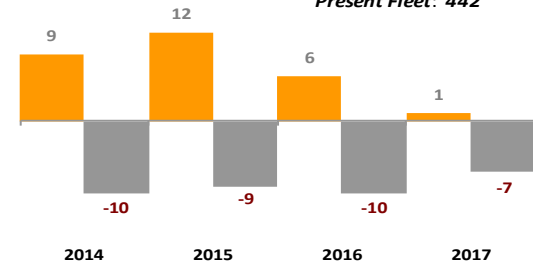
VLCC Projected Deliveries/Removals

Present Fleet: 617



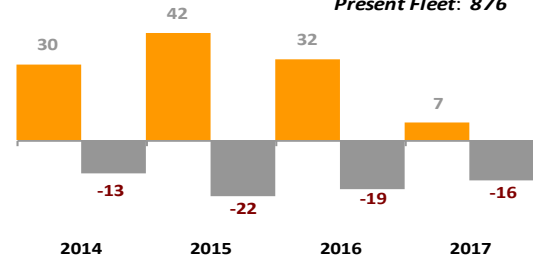
Suezmax Projected Deliveries/Removals

Present Fleet: 442



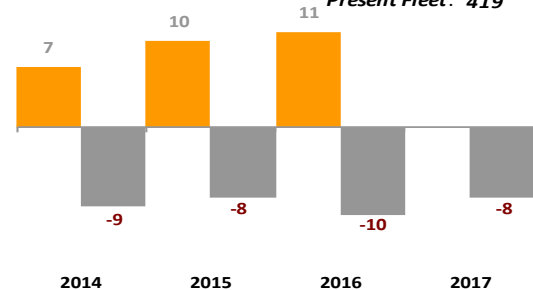
Aframax/LR2 Projected Deliveries/Removals

Present Fleet: 876



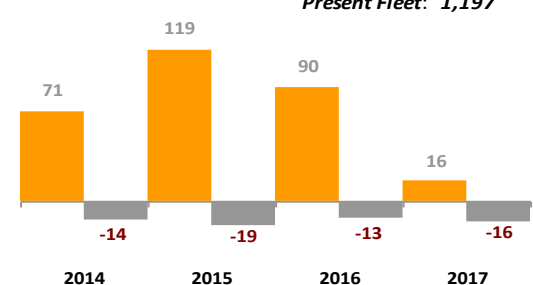
Panamax/LR1 Projected Deliveries/Removals

Present Fleet: 419



MR Projected Deliveries/Removals

Present Fleet: 1,197





### Tanker Market – Weekly Highlights

#### Suezmax

Fixture activity in the West Africa Suezmax market was softer this week with the fixture tally declining 21%, w/w, to 11. Rates remained level, however, as position replenishment has moderated following stronger demand in recent weeks for Suezmaxes in the Caribbean market, limiting trans-Atlantic ballasting, while a tighter Black Sea market raised sentiment in West Africa. The WAFR-USAC route was steady at ws62.5. Rate gains in the Black Sea market, where the BSEA-MED route gained 10 points to ws72.5, could carryover to the West Africa market, possibly adding to the potential for rate gains as charterers progress into the April program. Further forward, preliminary May West Africa schedules show a significantly slower May program with Nigerian exports appearing set to decline to a five-year low due to recent oil theft and lower Asian demand. The slowdown would likely prove a negative for rate progression during the upcoming month.

#### Aframamax

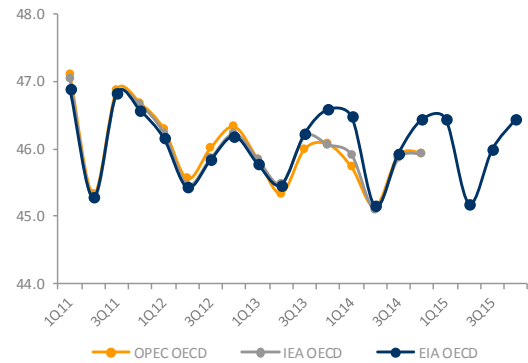
The Caribbean Aframax market commenced with owner optimism that a weekend spill in the Houston ship channel would keep the waterway closed to traffic long enough to delay inbound units and force market-boosting replacement fixtures. With the channel being partially reopened by Tuesday, this scenario didn't pan out; however, strong demand throughout the week helped to keep rates buoyant throughout the week. Regional fixtures gained 60%, w/w, to a total of 16 while rates on the CBS-USG route traded in a band between ws98.75 and ws100 throughout the majority of the week before concluding at ws103.75 as the demand gains, combined with incidences of fog and ullage delays had a late affect on sentiment.

While this week's inventory buildup at PADD 3 could suggest a headwind for regional Aframax demand, the buildup comes on the back of further draws at Cushing as volumes continue to find their way south and a reduction of offline refining capacity at refineries on the USG could support a replenishment of heavier crude inventories to meet rising demand. Accordingly, Aframax demand could remain elevated through the upcoming week which could build further upon this week's let sentiment improvement.

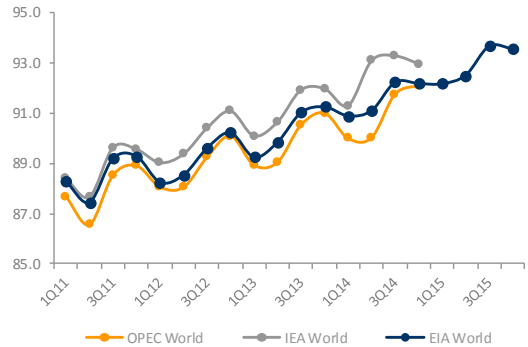
#### Panamamax

The Caribbean Panamax market was slower this week with a simultaneous building up of available positions causing further negative pressure on rates. Owners hopes that delays caused by this week's early closure of the Houston ship channel failed to stem downward pressure though by the close of the week a busier end saw rates reach a bottom with market sentiment turning more positive. The CBS-USG route fell from ws107.5 to ws100 by the close of the week. As owners seize on the late week demand gains, rates should improve – especially given erosion of TCE earnings following this week's rate losses.

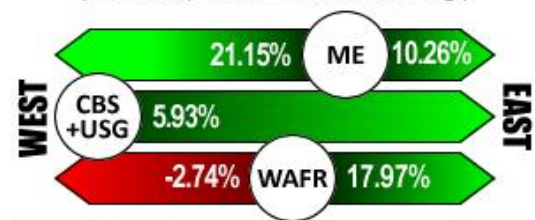
Projected OECD Oil Demand



Projected World Oil Demand



130 + kMT Fixtures, 2014 YTD, y/y Percentage Change (Middle East, West Africa & CBS+USG liftings)



Charles R. Weber Company



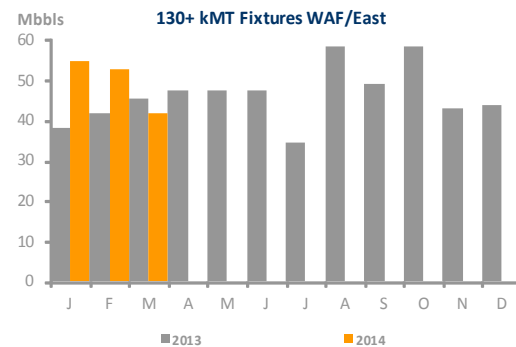
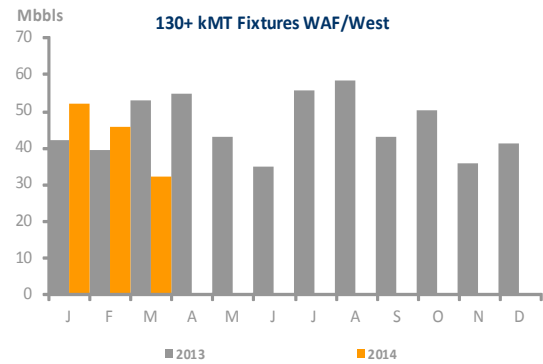
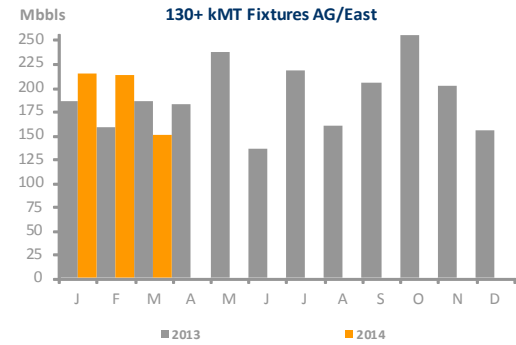
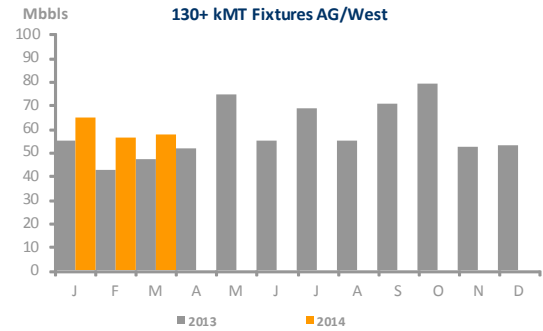
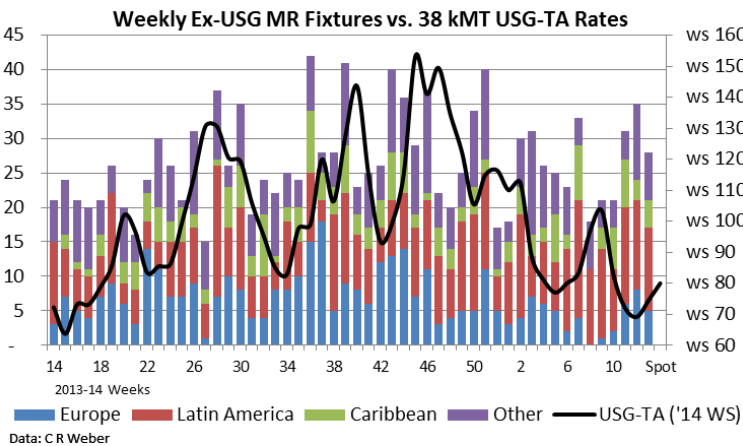


### Tanker Market – Weekly Highlights

#### CPP

Chartering activity in the USG MR market remained strong this week with reported fixtures tallying 7% above the YTD and 2013 average, despite a w/w decline of 20%. Voyages to Latin America continued to dominate the discharge profile while those to Europe dropped 38%, w/w, as at least three trans-Atlantic LR1 cargoes materialized and ate into MR demand while a rare USAC-MED ULSD MR cargo further reduced demand in the USG. The USAC ULSD cargo followed a loftier Mediterranean diesel premium over Northwest Europe – the highest in over two years – as a progression into refinery maintenance at several Mediterranean refineries tightened supply. Due to tighter US heating fuel markets during this winter's cold front, attractive arbitrage opportunities prompted rare UKC-TA ULSD cargoes and reduced supplies bound for the Mediterranean. As that feature corrects, it contributes prospects for larger trans-Atlantic diesel cargo volumes to materialize during April as USG refineries ramp up production following turnarounds.

Rates on the USG-UKC MR route pared losses of the previous two weeks, gaining 12.5 points to ws80. Sustained demand of recent weeks and the reemergence of trans-Atlantic demand have helped to reduce regional availabilities. Moreover, sustained demand and further rate gains in the UKC market continue to attract ballast units from the USAC, further reducing the position replacement rate in the USG. On this basis we believe that sustained demand through the coming week should continue to apply pressure on ex-USG rates; during the upcoming week these gains will likely be modest as positions remain in excess of demand (albeit at a lesser extent than a week ago) while more substantial gains could be likely once charterers progress further forward into mid-April dates.





# Capital Link Shipping Weekly Markets Report



Monday, March 31, 2014 (Week 13)

## SHIPPING MARKETS

### S&P Secondhand, Newbuilding & Demolition Markets

#### S&P MARKET TRENDS DURING MARCH:

↑ Secondhand – ↑ Newbuilding – Demolition ↓

#### WEEKLY S&P ACTIVITY

VESSELTYP	SECOND HAND		DEMOLITION		TOTAL	%w-o-w	
	Units	(\$) Invested Capital	Units	in DWT		SH	DEMO
Bulkcarriers	10	231.200.000	4	283.962	14	-50%	100%
Tankers	23	881.400.000	1	44.138	24	28%	-50%
Gas Tankers	0	0	1	8.136	1		
General Cargo	2	11.900.000	3	55.726	5	0%	0%
Containers	3	28.600.000	2	48.150	5	-40%	-33%
Reefers	0	0	0	0	0		
Passenger / Cruise	0	0	0	0	0		
Ro - Ro	0	0	1	27.267	1		0%
Car Carrier	0	0	0	0	0		
Combined	0	0	0	0	0		
Special Projects	0	0	0	0	0	-100%	-100%
<b>TTL VSLS/Demo</b>	<b>38</b>	<b>1.153.100.000</b>	<b>12</b>	<b>467.379</b>	<b>50</b>	<b>-19%</b>	<b>0%</b>

2 S&P deals reported at an undisclosed sale price

- ✓ The estimated invested capital does not include deals reported at an undisclosed secondhand sale price.
- ✓ P&C: deals reported as private and confidential with no disclosed details for the secondhand sale price.

The last week of March ends with a significant slowdown in newbuilding business with secondhand buying appetite surpassing for the first time the ordering volume. At the current week, 50 transactions reported worldwide in the secondhand and demolition market, down by 15% week-on-week with 19% decrease in secondhand purchases and no change scrapping volumes from the activity reported in the last week.

The highest activity is recorded in the secondhand market- **38 new orders** –with intense ordering appetite for tankers.

Compared with newbuilding investments, this week's secondhand purchasing activity is 41% up and demolition 56% down.

At **similar week in 2013**, the total S&P activity in the secondhand / demolition market was standing at 22% lower levels, when 39 transactions had been reported and secondhand ship purchasing was standing 55% lower than the levels of newbuilding orders. The ordering appetite was strong for bulkers and gas tankers. (40 total new orders, 14 bulkers, 1 tanker, 12 gas tankers, 2 containers, 6 passenger/cruise, 1 Ro-Ro and 4 special projects).

**Secondhand:** 38S&P deals –47 S&P deals **last week**–18S&P deals in the fourth week of **March 2013**

**Newbuilding:** 27 new orders -27 new orders **last week**– 40 new orders in the fourth week of **March 2013**

**Demolition:** 12 disposals -12 disposals **last week**– 21 disposals in the fourth week of **March 2013**

**S&P Transactions:** 38 vessels reported to have changed hands–total invested capital region \$1,15 bn, 2 S&P deals reported at an undisclosed sale price. (10 bulkers, 23 tankers, 2 general cargoes and 3 containers).

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#### Average age of vessels sold –3yrs old built 2011

**S&P activity:** 19% down from last week and 111% up year-on-year. At **similar week in 2013**, 18 vessels induced buyers' interest at a total invested capital of about \$171,55 mil. (9 S&P deals in the bulk carrier segment, 6 in the tanker and 3 in the liner).

Tankers held the lion share of this week's S&P activity -61% share, bulkers 26% share, liners 5% and containers 8% share, while no S&P deal reported in the gas tanker segment. The highest invested capital is reported in the tanker segment for region \$882 mil, due to intense S&P activity reported for handysize stainless steel tankers-newbuilding resales. Overall, there was a strong resale buying activity for bulkers and tankers that decreased the average age of vessels sold to 4yrs.

#### Per vessel type:

–**Bulk Carriers** : 10 S&P deals, down by 50% week-on-week and up by 11% year-on-year. (9 S&P deals at similar week in 2013)

**Total Invested Capital:** region \$231,2 mil - **Average age of vessels sold -4yrs old built 2011.** (The largest S&P activity reported for modern/newbuilding tonnage mainly built China).

**Kamsarmax-** 4 S&P deals: 82,000dwt built 2016 China for about \$29,5 each. 79,600dwt built 2013-2014 China for about \$23,65mil.

**Ultramax–** 3 S&P deals: 64,000dwt vessel built 2015 Japan for about \$32mil. 64,000dwt vessel built 2015 China for about \$29,7mil.

**Supramax-** 2 S&P deals: 52,000dwt vessel built 2005 Japan for about \$22,5mil.

**Handy-** 1 S&P deals: 45,190dwt vessel built 1996 China for about \$11mil.

↑ **Tankers:** 23 S&P deals, up by 28% week-on-week and up by 238% year-on-year. (6 S&P deals at similar week in 2013).

**Total Invested Capital:** region \$881,4 mil. **Average age of vessels sold –1yrs old built 2013.** Strong S&P activity reported in the handy/MR tanker segment for vessels built South Korea and China.



# Capital Link Shipping Weekly Markets Report



Monday, March 31, 2014 (Week 13)

## SHIPPING MARKETS

**VLCC-** 1 S&P deal –315,000dwt built 2000 Japan for about \$29,5mil.

**MR** – 1 enbloc S&P deal: for ten 50,000dwt newbuilding resales built South Korea for about \$38mil each..

**Handysize-** 11 S&P deals: 1 enbloc deal for ten 25,000dwt stainless steel newbuilding resales for about \$40mil each. 19,900dwt vessel built 2012 China for about \$27,5mil.

**Small tankers** – 1 S&P deal: for a 4,653dwt vessel built 2006 Turkey for about \$4,4mil.

↓ **Gas Tankers** : zero S&P reported deal, the same as last week. (zero S&P deals reported at similar week in 2013).

—**Containers:** 3 S&P deals this week, down by 60% week-on-week. (zero S&P deal reported at similar week in 2013). **Average age of vessels sold 10yrs old–built 2004.**

**Handy-** 1 S&P deal: for 1,294 TEU vessel built 2007 China with cranes 2x40 tons for about \$8,6mil at auction.

**Sub-panamax-** 1 S&P deal: for 2,824 TEU vessel built 2005 South Korea.

**Post-panamax** – 1 S&P deal: for 5,641 TEU vessel built 2004 South Korea for about \$20mil.

### NEWBUILDING MARKET

#### WEEKLY NEWBUILDING ACTIVITY

Vessel Type	Units	in DWT	Invested Capital	P&C	%w-o-w
<b>Bulkcarriers</b>	11	1.227.400	429.000.000	4	-68%
<b>Tankers</b>	2	50.000	N/A	2	-75%
<b>Gas Tankers</b>	1	51.100	N/A	1	-75%
<b>General Cargo</b>	8	82.400	114.000.000	2	300%
<b>Containers</b>	0	0	0	0	-100%
<b>Reefers</b>	0	0	1	0	
<b>Passenger / Cruise</b>	0	0	2	0	
<b>Ro - Ro</b>	0	0	3	0	
<b>Car Carrier</b>	0	0	4	0	-100%
<b>Combined</b>	0	0	5	0	
<b>Special Projects</b>	5	6.000	N/A	5	67%
<b>TOTAL</b>	<b>27</b>	<b>1.416.900</b>	<b>543.000.015</b>	<b>14</b>	<b>-57%</b>

- ✓ The estimated invested capital does not include deals reported with undisclosed newbuilding price
- ✓ P&C: deals reported as private and confidential (not revealed contract price)

**No of new orders:** 27 vessels– total deadweight: 1,416,900 tons, 14 transactions reported at an undisclosed contract price – The invested capital revealed is about \$543 mil for 13 new orders. (11 bulkers, 2 tankers, 1 gas tanker, 8 liners and 5 special projects).

**Newbuilding activity:** 57% down week-on-week and down by 33% up year-on-year. The largest volume of newbuilding activity is reported in the bulker/liner segment, while only 2 contracts are reported in tanker and 1 in the gas tanker segment. Bulkers held 41% share of this week's ordering activity; tankers 7% share, gas tankers 4% share, liners 30% share and special projects 19% share, while no

activity is reported for containers.

At **similar week in 2013**, 40 fresh orders had been reported with focus on bulkers/gas tankers. (40 total new orders -14 bulkers, 1 tanker, 12 gas tankers, 2 containers, 6 passenger/cruise, 1 Ro-Ro and 4 special projects).

Compared with previous week's levels, a large of 300% is recorded in the liner segment (8 new orders from 2 last week) and 67% in the volume of new orders for special projects (5new orders from 3 in the last week.)A weekly decrease of 68% is recorded in the bulker segment (11 new orders from 34 in the last week) and 75% in the tanker segment (2 new orders from 8 last week).

**No contracting activity reported at South Korean yards.**

**No. of units ordered at Chinese yards:** 23 new orders, 11 bulkers, 8 tankers and 4 special projects (85% share of this week's ordering activity)

**No of units ordered at Japanese yards:** 3 new orders, 2 tankers and 1 gas tanker (11% share of this week's ordering activity)

**Per vessel type:**

↑ **Bulk Carriers** : 11 new orders, 68% down week-on-week and 21% down year-on-year. (14 new orders reported at similar week in 2013). All contracting activity reported at Chinese yards.

• <b>VLOC–2</b> new orders:					
2	250.000	Berge Bulk	US	CSSC Guangzhou Longue	PRC
• <b>Capesize–2</b> new orders:					
2	206.000	Trafigura	SWITZ	Qingdao Yangfan	PRC
• <b>Ultramax–2</b> new orders:					
2	61.000	Am Nomikos	GR	Nantong COSCO	PRC
• <b>Handy–5</b> new orders:					
3	38.800	Marine Capital	UK	Hua Tai H.I.	PRC
2	38.500	Dalian Tiger	PRC	Shanhaiguan	PRC

↓ **Tankers:** 2 new orders reported, down by 75% week-on-week and up by 100% year-on-year. (1 new order reported at similar week in 2013).

• <b>Handy–2</b> new orders:					
2	25.000	Navig7	SPORE	Fukuoka	JPN

↓ **Gas Tankers** -: 1 new orders reported this week in the LPG segment for large gas carriers, 75% down week-on-week and 100% down year-on-year. (12 new orders reported at similar week in 2013).

• <b>LPG:</b>					
1	83.000cbm	Astomos Energy	JPN	Mitsubishi HI	JPN

—**Containers:** 0 new orders reported from 10 last week. (2 new orders reported at similar week in 2013).

### DOMOLITION MARKET

↓ **Bulk Carriers**— Tankers ↓ **Containers**



# Capital Link Shipping Weekly Markets Report



Monday, March 31, 2014 (Week 13)

## SHIPPING MARKETS

BC		week 1	week 2	week 3	week 4
	March	Mar-7	Mar-14	Mar-21	Mar-28
	Units	2	5	2	4
	February	Feb-7	Feb-14	Feb-21	Feb-28
Units	3	5	2	7	

TNK		week 1	week 2	week 3	week 4
	March	Mar-7	Mar-14	Mar-21	Mar-28
	Units	2	6	2	1
	February	Feb-7	Feb-14	Feb-21	Feb-28
Units	2	4	2	2	

CONT		week 1	week 2	week 3	week 4
	March	Mar-7	Mar-14	Mar-21	Mar-28
	Units	3	1	3	2
	February	Feb-7	Feb-14	Feb-21	Feb-28
Units	4	6	11	2	

Average No of bulkers reported demo per week  
3

Average No of bulkers reported demo per week  
4

Average No of tankers reported demo per week  
3

Average No of tankers reported demo per week  
3

Average No of containers reported demo per week  
2

Average No of containers reported demo per week  
6

The first quarter of the year ends with an increasing trend in scrap prices offered in the Indian subcontinent region and China lagging behind after the end of Chinese New Year. India still leads the game in the Indian subcontinent region with firm container disposals leading to excessive scrap prices seen from February as market fundamentals (steady currency / local steel prices) for Alang shipbreakers supported such levels offered of above \$450/ldt. During the last days of March, Bangladesh also emerged very competitive for securing new tonnage for bulkers at levels of nearing to \$470/ldt for vessels included sufficient amount of bunkers.

**No of demolition: 12 disposals –total deadweight: 467,379 tons- 4 bulkers, 1 tanker, 3 liners, 2 containers and 1 Ro-Ro.**

**Demolition activity (in terms of reported number of transactions):** no change week-on-week with minimal reported activity in all vessel categories.

In terms of deadweight sent for scrap, there has been 1% weekly increase with sustained weak reported activity for disposals in large vessel sizes. (only 1 capesize bulker reported for disposal).

India is reportedly to have won 6 of the 12 demolition transactions, Bangladesh 3, Pakistan 0, China 1 and 2 reported vessel disposals at undisclosed demo country.

Benchmark scrap prices in the Indian subcontinent region: \$420-435/ldt for dry and \$450-\$465/ldt for wet cargo. Scrap prices in China hover at \$320/ldt for dry and \$330/ldt for wet cargo.

**Notable demolition transactions:** Reported in the container segment, M/V "JOLLY" 2,098 teu with 11,197 Ldt built 1992 fetched \$500/ldt in India due to extra heavy propeller.

At a **similar week in 2013**, demolition activity was up by 75%, in terms of the reported number of transactions, when 21 vessels had been reported for scrap of total deadweight 1,104,001 tons with 9 disposals for bulkers, 4 tankers, 1 liner, 2 containers, 4 reefers and 1 Ro-Ro. Ship-breakers in Indian subcontinent region had been

offering lower levels of the current year, \$405-415/ldt for dry and \$430-\$445/ldt for wet cargo.

**Per vessel type:**

**Bulk Carriers- number of disposals per vessel size:** 1 in the cape, 2 in the handymax and 1 handy.

**Tankers- number of disposals per vessel size:** 1 reported deals in the MR segment.

**Containers- number of disposals per vessel size:** 3, 1 in the handy/sub-panamax segment.

**Per Demo Country:**

**India:** 6 reported deals –1 gas tanker, 3 liners, 2 containers.

**Bangladesh:** 3 bulkers.

**China:** 1 capesize bulker.

**Pakistan:** no reported deal.

**GREEK PRESENCE**

**Investment trends during March:** SH ↑ - NB ↓

The fourth week of March ends with silent newbuilding appetite from Greek shipping players, while they appear very active in the secondhand market with strong acquisitions for newbuilding resales for stainless steel tankers.

**At the current week:**

**Second-hand purchasing activity:** up by 40% week-on-week. 14 vessel purchases for and invested capital region \$476,8mil – 2 bulkers in the panamax), 11 tankers-1 in the VLCC, 2 in the suezmax and 1 in the aframax size)

**Newbuilding Market-** No of new orders: 2 new orders from highs of 21 last week:

*Aframax-Ultramax					
2	61.000	AMNomikos	GR	Nantong COSCO	PRC



# Capital Link Shipping Weekly Markets Report



Monday, March 31, 2014 (Week 13)

## SHIPPING MARKETS

S&P		week 1	week 2	week 3	week 4
	March	Mar-7	Mar-14	Mar-21	Mar-28
	Units	3	12	10	14
	February	Feb-7	Feb-14	Feb-21	Feb-28
	Units	7	3	10	5

Average No of vessel purchases per week

10

Average No of vessel purchases per week

6

NB		week 1	week 2	week 3	week 4
	March	Mar-7	Mar-14	Mar-21	Mar-28
	Units	4	0	21	2
	February	Feb-7	Feb-14	Feb-21	Feb-28
	Units	15	9	6	13

Average No of new orders per week

7

Average No of new orders per week

11

### NEWBUILDING MARKET – ORDERS

Vessel Type	Sub-type	Units	Dwt	Contractor	Country	Builder	Country	USD mil/Unit	Dely
Bulker		2	250.000	Berge Bulk	US	CSSC Guangzhou Longue	PRC	N/A	2016-2017
Bulker		2	206.000	Trafigura	SWITZ	Qingdao Yangfan	PRC	55.000.000	2016-2017
Bulker		2	61.000	AM Nomikos	GR	Nantong COSCO	PRC	N/A	11/12-2015
Bulker		3	38.800	Marine Capital	UK	Hua Tai H.I.	PRC	25.000.000	2016
Bulker		2	38.500	Dalian Tiger	PRC	Shanhaiguan	PRC	N/A	6/8-2016
Tanker		2	25.000	Navig8	SPORE	Fukuoka	JPN	N/A	2017
LPG	VLGC	1	51.100	Astomos Energy	JPN	Mitsubishi HI	JPN	N/A	6-2016
General cargo		6	12.500	Zeaborn GmbH	GER	Sainty Shipyard	PRC	19.000.000	2017-2018
General cargo		2 + 1	3.700	Pia Shipping	SKR	Yangzhou Ryuwa	PRC	N/A	6/9-2015
Special Proj.	Harbour Tug	2		KSP Towage	MAL	Keppel Nantong	PRC	N/A	8/9-2014
Special Proj.	PSV	2	1.700	Nortrans Offshore	SPORE	Yangfan Group	PRC	N/A	6/8-2015
Special Proj.	OSV	1	2.600	Awaritse Nigeria	NIG	Scheepswerf De Hoop	NTH	N/A	12-2014

Key: GR: Greece, PRC: China, NOR: Norway, JPN: Japan, DEN: Denmark, CAN: Canada, SWD: Sweden, GER: Germany, TRK: Turkey, NIG: Nigeria, SKR: South Korea, SPORE: Singapore, CYP: Cyprus, Dely: Delivery

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