

# Capital Link Shipping Weekly Markets Report



Monday, May 19, 2014 (Week 20)



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## SHIPPING MARKETS

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## CONTENT CONTRIBUTORS





# 4<sup>th</sup> Posidonia

Analyst & Investor Day  
Capital Link Shipping Forum  
Monday, June 2, 2014 - Athens, Greece



## IN COOPERATION WITH



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## PROGRAM LINKS

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*Registration is by invitation only and reserved to analysts, investors, bankers, and industry participants visiting Greece for Posidonia.*

## MORE INFORMATION CONTACT



**Capital Link, Inc.**  
NEW YORK · LONDON · ATHENS · OSLO

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

230 Park Avenue  
Suite 1536

New York, NY 10169

T: +(212) 661-7566

F: +(212)661-7526

E: [forum@capitallink.com](mailto:forum@capitallink.com)

## EVENT DETAILS

**Date:** Monday, June 2, 2014

**Time:** 9:00 AM – 3:00 PM (Followed by a Networking Buffet Luncheon)

**Venue:** Astir Palace Hotel, Vouliagameni, Athens, Greece

### OVERVIEW

Every two years, Capital Link's forum brings together public and private shipping company executives, investors, analysts, financiers, and other industry participants who are visiting Athens for the Posidonia event from all over the world. Attendees come together to exchange views on the shipping, financial, and capital markets, as well as investor attitudes towards shipping.

The Forum is organized in cooperation with NYSE Euronext and NASDAQ OMX. It features **sector roundtable discussions** dedicated to the dry bulk, tanker/LNG, container and offshore sectors. Comprised of senior industry executives who debate the developments and outlook of each respective sector, each of these panels consist of 35 to 40 minutes. They are also completely **discussion-based; there are no company presentations.**

This is a small-scale, highly exclusive event. The Posidonia Analyst & Investor Day provides attendees with the unique opportunity to share information, insight, and perspectives, and additionally serves as a networking platform for industry players.

### PANEL DISCUSSIONS:

- LNG Sector
- Business & Investment Opportunities Across Shipping & Offshore Sectors
- Tanker Sector
- Dry Bulk Sector
- Container Sector
- Capital Markets
- Growth Opportunities in the Dry Bulk Sector

### PARTICIPATING COMPANIES:

- ABN AMRO Bank
- Capital Product Partners L.P.
- Clarkson Capital Markets
- Danaos Corporation
- DHT Holdings, Inc.
- DryShips Inc.
- DVB Group Merchant Bank (Asia)
- Dynagas LNG Partners LP
- Euroseas Ltd.
- EY
- Gaslog
- Globus Maritime Limited
- Goldenport Holdings Inc.
- Hellenic Carriers Limited
- International Registries, Inc.
- Lloyds List
- Maran Gas Maritime Inc.
- Maxim Group
- Morgan Stanley
- Navios Corporation
- Prime Marine
- Reed Smith
- RS Platou Markets AS
- Safe Bulkers, Inc.
- Seaborne Capital Advisors Ltd.
- Seenergy Maritime Holdings Corp.
- Star Bulk Carriers Corp.
- Technomar Shipping
- Thomson Reuters
- TMS Cardiff Gas
- Tsakos Energy Navigation Ltd.

# This Event Is Fully Booked

# Capital Link Shipping

...Linking Shipping and Investors Across the Globe

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



## Investor Relations & Financial Advisory

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

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



## www.CapitalLinkShipping.com

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



## Capital Link Shipping Weekly Markets Report

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



## www.CapitalLinkWebinars.com

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



## Capital Link Investor Shipping Forums

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



## www.MaritimeIndices.com

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

Capital Link - New York - London - Athens

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

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# Capital Link Shipping Weekly Markets Report



Monday, May 19, 2014 (Week 20)

IN THE NEWS

## Latest Company News

Monday, May 12, 2014

### **Diana Shipping Inc. Announces Delivery of Dry Bulk Carrier and Entry Into Time Charter Agreement**

Diana Shipping Inc. announced that, through a separate wholly-owned subsidiary, it took delivery of the newly built m/v "Atalandi," an Ice Class Panamax dry bulk vessel of 77,529 dwt that was contracted in March 2012. The Company also announced that, through the aforementioned subsidiary, it has entered into a time charter contract with Glencore Grain B.V., Rotterdam, for the newly delivered "Atalandi" at a gross charter rate of US\$13,500 per day, minus a 5% commission paid to third parties, for a period of minimum eleven (11) months to maximum fourteen (14) months. The charter is expected to commence tomorrow.

### **Nordic American Tankers Announces First Quarter Financial Results**

Nordic American Tankers announced its financial results for the first quarter ended March 31, 2014. The Company declared a cash dividend of \$0.23 on April 2, 2014, which is expected to be paid on or about May 27, 2014 to shareholders of record as of May 15, 2014. Earnings per share in 1Q2014 was \$0.05, compared with -\$0.31 in 4Q2013 and -\$0.59 in 1Q2013. The Company's net operating cash flow in 1Q2014 was \$27.1m, compared with \$1.9m in 4Q2013 and -\$4.9m in 1Q2013.

### **GasLog Partners LP Announces Closing of its Initial Public Offering**

GasLog Partners LP announced the closing of its initial public offering of 9,660,000 common units representing limited partner interests (the "common units"), including 1,260,000 common units issued upon the exercise in full by the underwriters of their option to purchase additional units. The public offering price was \$21.00 per common unit. The net proceeds from the offering, after deducting underwriting discounts and other offering expenses, were approximately \$186 million. The proceeds from the offering were used principally to reduce indebtedness and for general partnership purposes, with the remainder distributed to GasLog Ltd.

### **Box Ships Inc. Reports Financial Results For The Quarter Ended March 31, 2014**

Box Ships Inc. announced its results for the quarter ended March 31, 2014. The Net Loss and Adjusted Net Income during the first quarter of 2014 was (\$1.5) million and \$0.3 million, respectively, resulting in basic loss per share of (\$0.08) and basic adjusted loss per share of (\$0.01). EBITDA and Adjusted EBITDA for the first quarter of 2014 was \$4.1 million and \$5.9 million, respectively.

Tuesday, May 13, 2014

### **Ardmore Shipping Corporation Announces Financial Results for First Quarter 2014**

Ardmore Shipping Corporation announced results for the three months ended March 31, 2014. It reported EBITDA of \$4.0 million for the three months ended March 31, 2014, an increase of \$1.4 million from \$2.6 million for the three months ended March 31, 2013. The Company reported a net loss of \$0.40 million for the three months ended March 31, 2014, or \$0.021 basic and diluted net loss

per share, as compared to a net loss of \$0.04 million, or \$0.005 basic and diluted net loss per share, for the three months ended March 31, 2013. It declared a cash dividend of \$0.10 per share for the quarter ended March 31, 2014.

### **Diana Containerships Inc. Reports Financial Results for the First Quarter Ended March 31, 2014**

Diana Containerships Inc. reported net income of \$0.3 million for the first quarter of 2014, compared to a net loss of \$31.8 million for the respective period of 2013. During the first quarter of 2014, the Company incurred losses arising from the disposal of the vessel "Sardonyx", amounting to \$0.7 million, without which the net income for the first quarter of 2014 would have been \$1.0 million and the earnings per share, basic and diluted, would have been \$0.03 for that quarter. Time charter revenues, net of prepaid charter revenue amortization, were \$13.5 million for the first quarter of 2014, compared to \$15.1 million for the same period of 2013. The Company has declared a cash dividend on its common stock of \$0.05 per share with respect to the first quarter of 2014.

Wednesday, May 14, 2014

### **Diana Shipping Inc. Reports Financial Results for the Quarter Ended March 31, 2014**

Diana Shipping Inc. reported a net loss of \$6.0 million and net loss available to common stockholders of \$6.8 million for the first quarter of 2014, compared to a net loss and net loss available to common stockholders of \$3.2 million reported in the first quarter of 2013. Time charter revenues were \$41.1 million for the first quarter of 2014, compared to \$42.6 million for the same period of 2013, mainly due to reduced time charter rates. The decrease in time charter revenues was partly offset by revenues derived from the increase in ownership days resulting from the enlargement of its fleet.

### **GasLog Ltd. Reports Financial Results for the Quarter Ended March 31, 2014**

GasLog Ltd. and its subsidiaries reported its financial results for the quarter ended March 31, 2014. It announced the acquisition of three on-the-water vessels from a subsidiary of BG Group plc ("BG") for \$468 million, with time charters back for an average of 6 years. The vessels were delivered after quarter end. EBITDA was \$31.1 million, or earnings per share of \$0.09, and profit was \$6.3 million for the first quarter. Adjusted EBITDA was \$34.3 million. It also declared a quarterly dividend of \$0.12 per common share payable on June 11, 2014.

### **Knot Offshore Partners LP Earnings Release - Interim Results for the Period Ended March 31, 2014**

KNOT Offshore Partners reported net income of \$6.4 million and operating income of \$9.4 million for the first quarter of 2014, as compared to a net loss of \$3.2 million and operating income of \$3.2 million for the same period in the prior year. All vessels operated well throughout the quarter with 99.0 percent utilization (2.7 days offhire). Operating income increased by \$6.2 million and finance expense decreased by \$0.5 million in the first quarter of 2014 compared to the first quarter of 2013. It also expects to pay a cash distribution of \$0.4350 per unit with respect to the quarter ended March 31, 2014.



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## IN THE NEWS

### **Navios Maritime Acquisition Corporation Reports Financial Results for the First Quarter Ended March 31, 2014**

Navios Maritime Acquisition Corporation reported its financial results today for the first quarter ended March 31, 2014. Revenue for the three month period ended March 31, 2014 increased by \$16.8 million or 38.0% to \$61.0 million, as compared to \$44.2 million for the same period in 2013. Net loss for the three month period ended March 31, 2014, amounting to \$12.8 million, was adversely affected by a \$10.7 million non-cash impairment loss recognized for one of our VLCCs sold in May 2014, a \$1.0 million non-cash impairment loss related to a receivable, a \$1.2 million non-cash fair value loss related to other assets, and a \$1.4 million non-cash share based compensation expense. It also declared a cash distribution of \$0.05 per share.

Thursday, May 15, 2014

### **Teekay LNG Partners Reports First Quarter 2014 Results**

Teekay GP L.L.C. reported the Partnership's results for the quarter ended March 31, 2014. During the first quarter of 2014, the Partnership generated distributable cash flow of \$60.1 million, compared to \$53.7 million in the same quarter of the previous year. The increase in distributable cash flow was primarily due to the Partnership's February 2013 acquisition of a 50 percent interest in Exmar LPG BVBA (Exmar LPG), a liquefied petroleum gas (LPG) carrier joint venture with Exmar N.V. (Exmar), and the Partnership's acquisition and charter-back of two liquefied natural gas (LNG) carriers from Awilco LNG ASA (Awilco) in September and November 2013. On April 9, 2014, the Partnership declared a cash distribution of \$0.6918 per unit for the quarter ended March 31, 2014. The cash distribution was paid on May 9, 2014 to all unitholders of record on April 25, 2014.

### **Teekay Offshore Partners Reports First Quarter 2014 Results**

Teekay Offshore GP LLC, the general partner of Teekay Offshore Partners L.P. reported the Partnership's results for the quarter ended March 31, 2014. During the first quarter of 2014, the Partnership generated distributable cash flow of \$51.1 million, compared to \$41.8 million in the same period of the prior year. Adjusted net income attributable to the partners was \$31.2 million for the quarter ended March 31, 2014, compared to \$18.9 million for the same period of the prior year. It also declared a cash distribution of \$0.5384 per common unit was declared for the quarter ended March 31, 2014. The cash distribution was paid on May 9, 2014 to all unitholders of record on April 25, 2014.

### **Teekay Corporation Reports First Quarter 2014 Results**

Teekay Corporation reported adjusted net income attributable to stockholders of Teekay of \$3.5 million, or \$0.05 per share, for the quarter ended March 31, 2014, compared to adjusted net loss attributable to stockholders of Teekay of \$11.7 million, or \$0.17 per share, for the same period of the prior year. Adjusted net income (loss) attributable to stockholders of Teekay excludes a number of specific items that had the net effect of decreasing GAAP net income by \$4.0 million, or \$0.06 per share, for the three months ended March 31, 2014 and decreasing GAAP net loss by \$5.5 million, or \$0.08 per share, for the same period of the prior year.

The Company also declared a cash dividend on its common stock of \$0.31625 per share for the quarter ended March 31, 2014.

### **Teekay Tankers Ltd. Reports First Quarter 2014 Results**

Teekay Tankers Ltd. reported adjusted net income attributable to shareholders of Teekay Tankers of \$16.9 million, or \$0.20 per share, for the quarter ended March 31, 2014, compared to adjusted net loss attributable to shareholders of Teekay Tankers of \$3.5 million, or \$0.04 per share, for the same period in the prior year. During the first quarter of 2014, the Company generated \$30.1 million, or \$0.36 per share, of Cash Available for Distribution. On April 4, 2014, Teekay Tankers declared a dividend of \$0.03 per share for the first quarter of 2014.

### **NewLead Holdings Ltd. Announces 1-for-50 Reverse Split of Common Shares**

NewLead Holdings Ltd. announced that a 1-for-50 reverse stock split of its common shares has been approved by the Company's Board of Directors and by written consent of a majority of NewLead's shareholders, in order for the Company to maintain its compliance with the minimum bid price requirement of \$1.00 per share for continued listing on the NASDAQ Global Select Market ("NASDAQ"). The reverse split will be effective upon the commencement of trading today, on May 15, 2014.

### **Dynagas LNG Partners L.P. Reports First Quarter 2014 Results**

Dynagas LNG Partners LP announced results for the three months ended March 31, 2014. The Partnership reported net income attributable to unitholders of \$11.0 million for the three months ended March 31, 2014, or \$0.37 per basic and diluted unit, as compared to \$11.2 million, or \$0.52 per basic and diluted unit, in the corresponding period of 2013. Operating income for the first quarter of 2014 was \$12.8 million, compared to \$13.5 million in the corresponding period of 2013. Adjusted EBITDA for the first quarter of 2014 was \$16.3 million compared to \$16.9 million for the first quarter of 2013. The Partnership also declared a cash distribution for the first quarter of 2014 of \$0.365 per unit. The cash distribution was paid on May 12, 2014, to all unitholders of record as of May 5, 2014.

Friday, May 16, 2014

### **Tsakos Energy Navigation Reports Profits for the First Quarter of 2014 and Declares Dividend**

Tsakos Energy Navigation Limited reported results for the first quarter ended March 31, 2014. For the first quarter 2014, TEN achieved net income of \$14.6 million compared to \$1.0 million in the first quarter of 2013, producing its best quarterly result since the first quarter of 2010. The Company achieved earnings per share of \$0.19 for the first quarter 2014 compared to \$0.02 for the first quarter 2013. Revenues, net of commissions and voyage expenses, amounted to \$91.3 million in the first quarter of 2014, a 31.5% improvement over the first quarter of 2013. The Company will pay a dividend of \$0.05 per common share on May 22, 2014 to shareholders of record as of May 19, 2014. The Company's Board of Directors has also declared an additional dividend of \$0.05 per share of common stock outstanding to be paid on August 14, 2014 to shareholders of record as of August 11, 2014.



# Capital Link Shipping Weekly Markets Report



Monday, May 19, 2014 (Week 20)

IN THE NEWS

## Crystal balls, capsize bulkers, and iron ore- more Alice in Wonderland

It's a busy season with client meetings, full of eager investors all wondering which direction the shipping markets are heading. I finally found a good prop, in a dusty junk shop- a crystal ball looking thing (maybe from a Christmas tree?) that I painted little cracks on. So when the question comes up, I can pull the little ornament out of my backpack and say, "My crystal ball broke a few years ago." But fortunately, we do have useful indicators to point to; my role, many times, is to point investors toward some of these indicators. Though I've been busy with tankers, one of the clients wanted some insights into the drybulk side of things- my old stomping grounds.

At this point in time, almost all of the "spot" drybulk markets are in a weakened condition, however forward indicators- what owners and charterers are doing in the marketplace, present a brighter picture, albeit not a great picture- at least for now. Much of what happens, or not, in drybulk, is really about China, and, more specifically, happens in the iron ore business.

I'm not an extreme China-watcher, but lately, the news from the iron market has not been good. Of the 1.2 billion tons that comprise deepsea trades, about 800 million tons, or around 2/3, go to China. The ore price has nearly hit a two year low, breaking to the downside below the all-important \$100/tonne- down from approximately \$140/tonne at the turn of the year. Yet Chinese mills continue to make steel, and more importantly, the big miners are in an expansion phase.

The forward pricing curve for freight swaps (also known as Forward Freight Agreements, or FFA's) is throwing off positive vibes. The trade to watch is the time charter composite- an averaging of daily hires on four routes with worldwide coverage, which gives a useful approximation of what a Capesize vessel is worth in spot trades. Last week, the spot quote, from the Baltic Exchange in London, was \$11,205/day. For comparison, the settle price assessed by the Baltic on swaps reflecting Q3 2014 was just shy of \$22,000/day- a level where every owner will make money. For Q4, typically an active time for moves of iron ore from Brazil and Australia in China, the assessment (based on bids and asked in trading) is just under \$29,000/day- nice cash flow for owners. For 2015, not as actively traded, the quarterly assessments were around \$25,100/ day and \$28,900/day.

The forward physical market (period time charters) exudes caution in terms of activity (but optimism for expectations); there have not been more than a handful of Capesize vessel leases reported with durations of more than a year. Going back to late April, Cargill- one of the most active drybulk traders, took the "C. Summit", an aging Capesize bulker (therefore, worthy of a discount compared to more modern tonnage) for \$19,000 / day, on a one year period deal. Presently, this vessel is in the coal trades. Swiss Marine, a ship operator (steered by ex Cargill folks) did a five year deal on the 2011 built "Trinity Star", at \$25,250/day. Savvy operators are placing a bet (that's all it is, unless they backstop it with cargoes they've taken in) that vessel hires will be above the charter in level over the period- extending out to 2019. And finally, I found a

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.

transaction booked by K-Line, a big Japanese owner, taking the 2005 built and Greek registered "Aquabella" for 5 to 8 months, with a rate tied to the aforementioned time charter composite (currently at \$11,205), but giving the owner a minimum of \$15,000/day. Just guessing here, but K-Line likely took the vessel in against commitments it has to deliver cargoes- with freight rates maybe tied to the same numeraire. Possibly, it's an instant arbitrage profit on freight. My buddies at K-Line's local outpost are not big fans of freight swaps, so, I reiterate- it's only an educated guess.

So, why this dichotomy between a deteriorating ore market, and healthy expectations for vessels largely dependent on ore? One school of thought is that lower ore prices- partly attributable to dramatic increases in output from the big miners, will force Chinese mines to shut down. Perversely, this would lead to increased importing of ore into China. One widely blasted forecast, from Goldman Sachs, suggests that ore prices be \$80/ton in 2015. It would seem that ship operators like Cargill and its spawn are not the only gamblers here- the mining companies (behaving much like the huge containership operators- who we'll save for another column) are in a race to Armageddon- towards lowest cost at all cost. In the Alice in Wonderland world of bulk shipping- this race might actually generate a healthy flow of cargoes. If the world moves more into recovery mode- well....even better. Then I can put that silly crystal ball away and find some other jokes to tell at meetings!



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provide feedback

We want to hear from you!

Have any thoughts or suggestions for the newsletter? Please feel free to email us at [shipping@capitallink.com](mailto:shipping@capitallink.com) or click on the below button to provide feedback.

Any feedback or remarks are welcome!

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# Capital Link Shipping Weekly Markets Report



Monday, May 19, 2014 (Week 20)

IN THE NEWS

## *Dynagas Posts Solid First Quarter*

Nasdaq-listed Dynagas posted a profit of \$11m for 1Q.

Operating income for the first quarter of 2014 was \$12.8 million

Adjusted EBITDA for the first quarter of 2014 was \$16.3 million.

Dynagas reported distributable cash flow of \$12.3m or \$0.41 per share during the first quarter, which offers a total coverage of 1.1x.

Net revenue of \$20.6m came in line with estimates, while vessel expenses were marginally below analysts' forecast.

### **Fleet news**

DLNG extended the charter with Gazprom on its ice class 150k cbm LNG carrier "Clean Force" by another 13 years. The charter that was expiring in 2015 will now extend until 2028 at a higher rate of ~\$70kpd (~\$20m EBITDA) from \$65kpd currently.

The Partnership's new 13-year Gazprom contract for the Clean Force increases the Partnership's average contract duration from approximately three years to approximately seven years

Distribution is expected to increase in 2Q as DLNG announced its first dropdown.

In April, DLNG announced an agreement to buy the 2013-built 155k cbm "Arctic Aurora" from its parent company for \$235m. The vessel is chartered to Statoil until July 2018 at a rate that offers an annual EBITDA of nearly 23.5m, suggesting a 10x acquisition multiple.

DLNG has already secured a new \$340m credit facility that will refinance the \$214m debt and use the \$138 equity offering to fund the remaining balance of the dropdown price. Upon completion of the dropdown, DLNG intends to raise its quarterly distribution by \$0.0225-0.0275 from \$0.365 currently, offering an annualized distribution of \$1.55-1.57 (-6.8 yield).



## DYNAGAS LNG Partners LP

The Partnership expects to finance the acquisition with the net proceeds of a public offering of its common units and a portion of the borrowings under a new \$340 million senior secured revolving credit facility. The Arctic Aurora is currently operating under a time charter with Statoil ASA ("Statoil") with an initial term of five years that expires in July 2018. Statoil has the right to extend the charter for consecutive additional one-year periods following the initial charter period.

DLNG's sponsor still owns 6 additional newbuild vessels of which 3 have secured long-term contracts.

### **About Dynagas LNG Partners LP**

Dynagas LNG Partners LP is a growth-oriented partnership formed by Dynagas Holding Ltd. to own, and operate liquefied natural gas carriers employed on multi-year charters. The current fleet of Dynagas LNG Partners consists of three LNG carriers, each of which has a carrying capacity of approximately 150,000 cbm.





### *Tsakos Energy Navigation Profits Surge*

Last week Tsakos Energy Navigation reported results for the first quarter.

The company reported that its net income attributable for the Q1 2014 increased to \$14.6M or \$0.19 a share from \$1.0M or \$0.0

2 per share in the first quarter of 2013, producing its best quarterly result since the first quarter of 2010.

EBITDA amounted to \$48.9 million in the first quarter of 2014, 43.5% higher than the \$34.1 million of the previous year first quarter. Apart from two vessels, one of which was undergoing dry-docking, all the vessels generated positive EBITDA in the first quarter of 2014. Voyage revenues for the quarter grew to \$130.29 million from the prior year's \$97.69 million.

TEN's liquidity and leverage position has much improved since the first quarter of 2013. Total cash and liquid investments amounted to \$204 million at March 31, 2014. This does not include the public offering completed on April 29th, 2014 in which the company raised \$80.3 million which excludes the underwriters. Total indebtedness at March 31, 2014 amounted to \$1,354 million, some \$82 million lower than the March 31, 2013 balance.

The company also recently declared a quarterly dividend, which is scheduled for payment, August 14th. Investors of record on Monday, August 11th will be given a dividend of \$0.05 per share. This represents a \$0.20 dividend on an annualized basis and an annualized yield of 2.88%. The ex-dividend date of this dividend is Thursday, August 7th.

"We are pleased to report increased profits which are the result of our chartering strategy taking advantage of a healthier market environment," stated Mr. Nikolas P. Tsakos, President & Chief Executive Officer of TEN. "TEN's strong operational capabilities make it a partner of choice in the crude, product, LNG and shuttle tanker sectors and as a result allow us to look to the future with both confidence and anticipation," Mr. Tsakos concluded.

The first quarter 2014 exhibited signs of the levels that crude cargo spot rates may reach when market fundamentals are favourable. This spike highlighted the significant impact that a substantial crude carrying capacity may have on the bottom line of shipping companies with significant involvement in this space, such as TEN.

The diversity and versatility of TEN's fleet enabled the Company to take advantage of this market strength as 12 out of the 26 product tankers in the fleet were engaged in crude operations resulting in 33 vessels in total (out of 48 on the water today) carrying crude.



This exposure to the crude sector will further increase through the introduction of two modern suezmax tankers the Company has agreed to acquire for \$121 million en bloc from affiliated companies and are expected to join TEN's fleet in the second and third quarter of this year. These vessels are fixed for a remaining period of nine and eight years respectively to a major Far Eastern operator on base rate contracts with profit sharing provisions.

Despite the spot market subsequently recalibrating to more moderate levels, TEN feels that the crude markets will continue to present improving opportunities for those with modern and versatile tonnage. Market fundamentals and the orderbook in particular (10.4% of the crude fleet) are in much better balance coupled with sustained firm demand from China and India. This demand, driven by urbanization and the building of strategic and commercial oil reserves in those two countries, is at very favorable levels.

Tsakos Energy Navigation Ltd. surged 3.73% to close at \$6.95 on Friday with the overall traded volume of 1.06 million shares. Its total outstanding shares are 83.04 million shares with the market capitalization of \$577.14 million.

The company said it will continue to assess market conditions and trading patterns and employ vessels, particularly those operating spot, in the "most optimal trading routes available."

We are pleased to report increased profits which are the result of our chartering strategy taking advantage of a healthier market environment," said CEO Nikolas Tsakos.

The company's operational capability, financial capacity and overall track record has created opportunities for the formation of additional strategic alliances with major end-users similar to the ones established with Statoil of Norway. In this market environment, particularly now with the shrinkage of the wider tanker peer group, TEN's management is confident that further such partnerships will be made in the near future.

#### **About Tsakos Energy Navigation**

To date, TEN's fleet, including the two suezmax acquisitions, the LNG carrier Maria Energy and nine Aframax crude oil tankers under construction, consists of 60 double-hull vessels, a mix of crude carriers, product tankers and LNG carriers, totalling 6.2 million dwt.





# Capital Link Shipping Weekly Markets Report



Monday, May 19, 2014 (Week 20)

CAPITAL MARKETS DATA

## Select Dividend Paying Shipping Stocks

Stock Prices as of May 16, 2014

Company Name	Ticker	Quarterly Dividend	Annualized Dividend	Last Closing Price (May 16, 2014)	Annualized Dividend Yield (%)
<b>Container</b>					
Costamare Inc	CMRE	\$0.28	\$1.12	\$21.52	5.20%
Diana Containerships	DCIX	\$0.05	\$0.20	\$3.07	6.51%
Matson Inc	MATX	\$0.16	\$0.64	\$23.58	2.71%
Seaspan Corp	SSW	\$0.345	\$1.38	\$21.81	6.33%
<b>Dry Bulk</b>					
Baltic Trading Limited	BALT	\$0.01	\$0.04	\$6.32	0.63%
Knightsbridge Tankers Limited	VLCCF	\$0.20	\$0.80	\$13.66	5.86%
Navios Maritime Holdings Inc.	NM	\$0.06	\$0.24	\$8.31	2.89%
Navios Maritime Partners L.P. <sup>(1)</sup>	NMM	\$0.4425	\$1.77	\$18.27	9.69%
Safe Bulkers Inc. <sup>(2)</sup>	SB	\$0.06	\$0.24	\$8.09	2.97%
<b>Tankers</b>					
Ardmore Shipping Corp.	ASC	\$0.10	\$0.40	\$13.01	3.07%
Capital Product Partners L.P.	CPLP	\$0.2325	\$0.93	\$10.75	8.65%
DHT Holdings, Inc.	DHT	\$0.02	\$0.08	\$7.30	1.10%
KNOT Offshore Partners L.P.	KNOP	\$0.4350	\$1.74	\$27.45	6.34%
Navios Maritime Acquisition Corp	NNA	\$0.05	\$0.20	\$3.58	5.59%
Nordic American Tankers Limited	NAT	\$0.23	\$0.92	\$8.30	11.08%
Scorpio Tankers Inc	STNG	\$0.09	\$0.36	\$8.89	4.05%
Teekay Corporation	TK	\$0.31625	\$1.265	\$58.39	2.17%
Teekay Offshore Partners L.P.	TOO	\$0.5384	\$2.1536	\$35.30	6.10%
Teekay Tankers Ltd	TNK	\$0.03	\$0.12	\$3.37	3.56%
Tsakos Energy Navigation Ltd <sup>(3)</sup>	TNP	\$0.05	\$0.20	\$6.95	2.88%
<b>Mixed Fleet</b>					
Ship Finance International Limited	SFL	\$0.40	\$1.60	\$17.51	9.14%
<b>LNG/LPG</b>					
Dynagas LNG Partners L.P.	DLNG	\$0.3650	\$1.46	\$22.80	6.40%
Gas Log Ltd	GLOG	\$0.12	\$0.48	\$24.20	1.98%
Glolar LNG	GLNG	\$0.45	\$1.80	\$43.71	4.12%
Glolar LNG Partners, L.P	GMLP	\$0.5225	\$2.09	\$31.35	6.67%
Teekay LNG Partners L.P.	TGP	\$0.6918	\$2.7672	\$43.42	6.37%
<b>Maritime MLPs</b>					
Capital Product Partners L.P.	CPLP	\$0.2325	\$0.93	\$10.75	8.65%
Dynagas LNG Partners L.P.	DLNG	\$0.3650	\$1.46	\$22.80	6.40%
Glolar LNG Partners, L.P.	GMLP	\$0.5225	\$2.09	\$31.35	6.67%
Navios Maritime Partners L.P.	NMM	\$0.4425	\$1.77	\$18.27	9.69%
Teekay LNG Partners L.P.	TGP	\$0.6918	\$2.7672	\$43.42	6.37%
Teekay Offshore Partners L.P.	TOO	\$0.5384	\$2.1536	\$35.30	6.10%
KNOT Offshore Partners L.P.	KNOP	\$0.4350	\$1.74	\$27.45	6.34%
<b>Offshore Drilling</b>					
Ocean Rig UDW	ORIG	\$0.19	\$0.76	\$16.50	4.61%



# Capital Link Shipping Weekly Markets Report



Monday, May 19, 2014 (Week 20)

## CAPITAL MARKETS DATA

Preferred Shipping Stocks	Safe Bulkers Series B	Safe Bulkers Series C	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	SBPRC	TNPPRB	TNPPRC	CMREPRB	CMREPRC	DSXPRB	TEUPRC	NMPRG	SSWPRC	SSWPRD	SSWPRE	ISHPRA	TOOPRA
Fixed Annual Dividend <sup>(4)</sup>	8.00%	8.00%	8.00%	8 <sup>7</sup> / <sub>8</sub> %	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	\$25.00	\$24.00	\$25.00	\$25.00	\$25.00	\$25.00	\$100.00	\$25.00
Last Closing Price (5/16/14)	\$26.05	\$25.35	\$24.34	\$25.07	\$24.89	\$25.64	\$26.09	\$23.70	\$25.55	\$27.57	\$25.85	\$25.81	\$107.00	\$25.52

- 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 April 14, 2014, SB declared a cash dividend of \$0.50 per share on the Series B Preferred Shares for the period from January 30, 2014 to April 29, 2014. The dividend will be paid on April 30, 2014 to all Series B preferred shareholders of record as of April 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 <sup>7</sup>/<sub>8</sub>% 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, May 19, 2014 (Week 20)

CAPITAL MARKETS DATA

## Currencies, Commodities & Indices

Week ending, Friday, May 16, 2014

### KEY CURRENCY RATES

Rate	Current Price	Price Last Week	% Change	YTD %Chg	52 Week High	52 Wk Low
3-Month LIBOR (USD)	\$0.2286	\$0.2241	2.01%	-5.87%	\$0.2768	\$0.2229
10-Yr US Treasury Yield	\$2.5231	\$2.6233	-3.82%	-15.59%	\$3.0516	\$1.8863
USD/CNY	\$6.2341	\$6.2285	0.09%	3.03%	\$6.2682	\$6.0377
USD/EUR	\$0.7303	\$0.7267	0.50%	-0.15%	\$0.7838	\$0.7148
USD/GBP	\$0.5947	\$0.5934	0.22%	-2.16%	\$0.6749	\$0.5884
USD/JPY	\$101.4000	\$101.7200	-0.31%	-3.79%	\$105.4700	\$93.6400

### PRECIOUS METALS

	Current Price	Price Last Week	% Change	YTD %Chg	52 Week High	52 Wk Low
Copper	\$314.70	\$308.30	2.08%	-6.93%	\$345.70	\$287.20
Gold	\$1,294.39	\$1,290.77	0.28%	5.96%	\$1,433.83	\$1,180.50
Palladium	\$815.00	\$799.75	1.91%	11.61%	\$829.20	\$690.00
Platinum	\$1,465.50	\$1,430.75	2.43%	5.30%	\$1,555.00	\$1,294.60
Silver	\$19.38	\$19.23	0.76%	-3.23%	\$25.11	\$18.23

### KEY AGRICULTURAL & CONSUMER COMMODITIES

	Current Price	Price Last Week	% Change	YTD %Chg	52 Week High	52 Wk Low
Cocoa	\$2,917.00	\$2,864.00	1.85%	10.66%	\$3,047.00	\$2,177.00
Coffee	\$185.05	\$183.90	0.63%	66.11%	\$219.00	\$108.80
Corn	\$483.50	\$507.50	-4.73%	14.98%	\$595.25	\$421.75
Cotton	\$89.82	\$92.36	-2.75%	6.88%	\$96.76	\$77.74
Soybeans	\$1,465.00	\$1,487.00	-1.48%	15.35%	\$1,521.00	\$1,180.00
Sugar #11	\$17.91	\$17.20	4.13%	9.94%	\$19.26	\$15.24
Wheat	\$674.25	\$722.50	-6.68%	12.94%	\$771.00	\$557.25

### KEY FUTURES

Commodities	Current Price	Price Last Week	% Change	YTD %Chg	52 Week High	52 Wk Low
Gas Oil Futures	\$916.25	\$901.75	1.61%	-0.73%	\$943.50	\$837.25
Gasoline RBOB Future	\$297.35	\$289.60	2.68%	10.33%	\$306.10	\$265.00
Heating Oil Future	\$295.36	\$290.68	1.61%	-1.11%	\$306.77	\$279.10
Natural Gas Future	\$4.41	\$4.53	-2.60%	2.13%	\$6.49	\$3.13
WTI Crude Future	\$102.02	\$99.99	2.03%	6.89%	\$104.10	\$88.01





# Capital Link Shipping Weekly Markets Report



Monday, May 19, 2014 (Week 20)

## CAPITAL MARKETS DATA

### MAJOR INDICES

Index	Symbol	16-May-14	9-May-14	% Change	YTD % Change	2-Jan-14
Dow Jones	INDU	16,491.31	16,583.34	-0.55%	0.30%	16,441.35
Dow Jones Transp.	TRAN	7,845.85	7,719.30	1.64%	7.66%	7,287.87
NASDAQ	CCMP	4,090.59	4,071.87	0.46%	-1.27%	4,143.07
NASDAQ Transp.	CTRN	3,185.70	3,149.13	1.16%	8.43%	2,938.03
S&P 500	SPX	1,877.86	1,878.48	-0.03%	2.50%	1,831.98
Russell 2000 Index	RTY	1,102.91	1,107.22	-0.39%	-4.15%	1,156.09
FTSE 100 Index	UKX	6,855.81	6,814.57	0.61%	2.05%	6,730.70

### CAPITAL LINK MARITIME INDICES

Index	Symbol	16-May-14	9-May-14	% Change	2-Jan-14	YTD % Change
Capital Link Maritime Index	CLMI	2,580.94	2,610.00	-1.11%	2,250.12	14.70%
Tanker Index	CLTI	3,006.75	2,985.71	0.70%	2,521.85	19.23%
Drybulk Index	CLDBI	988.76	965.28	2.43%	1,020.38	-3.10%
Container Index	CLCI	1,879.58	1,873.96	0.30%	1,814.70	3.58%
LNG/LPG Index	CLLG	3,506.38	3,550.96	-1.26%	3,212.34	9.15%
Mixed Fleet Index	CLMFI	1,686.32	1,682.87	0.20%	1,437.01	17.35%
MLP Index	CLMLP	3,201.64	3,240.48	-1.20%	3,062.97	4.53%

\*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	16-May-14	9-May-14	% Change	2-Jan-14	YTD % Change
Baltic Dry Index	BDIY	1,027	997	3.01%	2,113	-51.40%
Baltic Capesize Index	BCIY	1,530	1,541	-0.71%	3,733	-59.01%
Baltic Panamax Index	BPIY	1,041	898	15.92%	1,780	-41.52%
Baltic Supramax Index	BSI	899	909	-1.10%	1,330	-32.41%
Baltic Handysize Index	BHSI	485	506	-4.15%	773	-37.26%
Baltic Dirty Tanker Index	BDTI	656	665	-1.35%	1,021	-35.75%
Baltic Clean Tanker Index	BCTI	532	534	-0.37%	612	-13.07%



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

#### **SHIPPING EQUITIES UNDERPERFORM THE BROADER MARKET DRY BULK THE BEST PERFORMER**

During last week, shipping equities underperformed the broader market, with the Capital Link Maritime Index (CLMI), a composite index of all US listed shipping stocks sliding 1.11%, compared to the Dow Jones Industrial Average (DJII) going down 0.55%, and the S&P 500 retreating 0.03%.

Dry bulk stocks were the best performers during last week, with Capital Link Dry Bulk Index rising 2.43%, followed by Capital Link Tanker Index increasing 0.70%. LNG/LPG equities were the least performer in last week, with Capital Link LNG/LPG Index declining 1.26%.

During last week, dry bulk shipping stocks underperformed the physical market, with Baltic Dry Index (BDI) gaining 3.01%, compared to the Capital Link Dry Bulk Index rising 2.43%. Year-to-date, the BDI has dropped 51.40%, while the Capital Link Dry Bulk Index went down 3.10%.

During last week, tanker shipping stocks outperformed the physical market, with Baltic Dirty Tanker Index (BDTI) tumbling 1.35% and Baltic Clean Tanker Index (BCTI) losing 0.37%, compared to Capital Link Tanker Index went up 0.70%. Year-to-date, the BDTI dropped 35.75% and the BCTI went down 13.07%, compared to Capital Link Tanker Index increasing 19.23%.

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 43 listed shipping stocks, and six Sector Indices, the CL Dry Bulk Index, the CL Tanker Index, the CL Container Index, the CL LNG / LPG Index, the CL Mixed Fleet Index and the CL Maritime MLP Index.

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



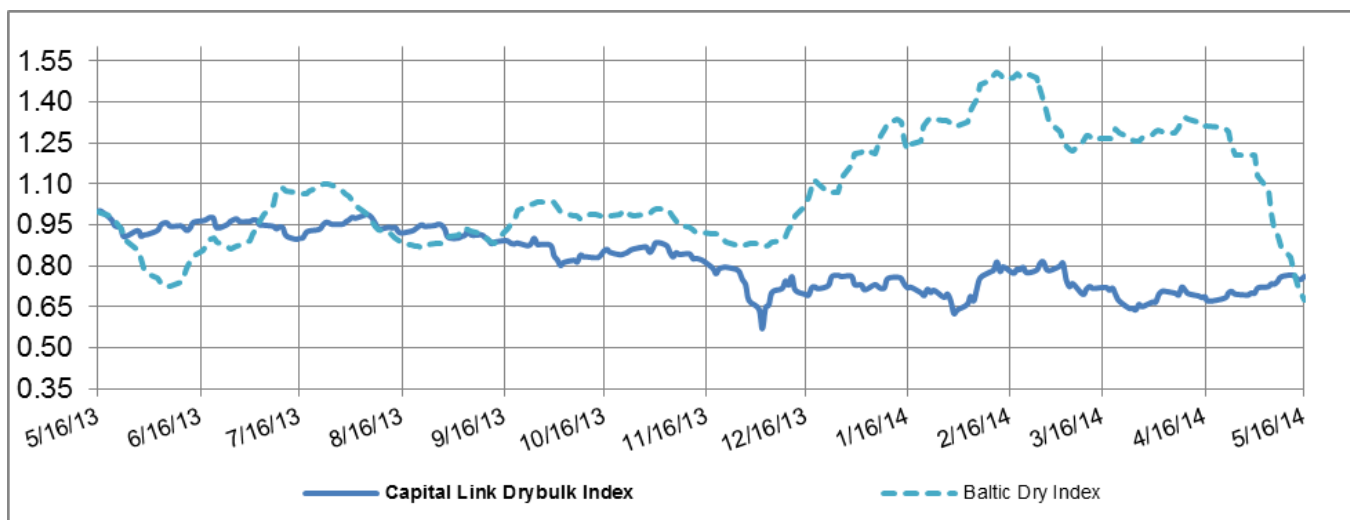
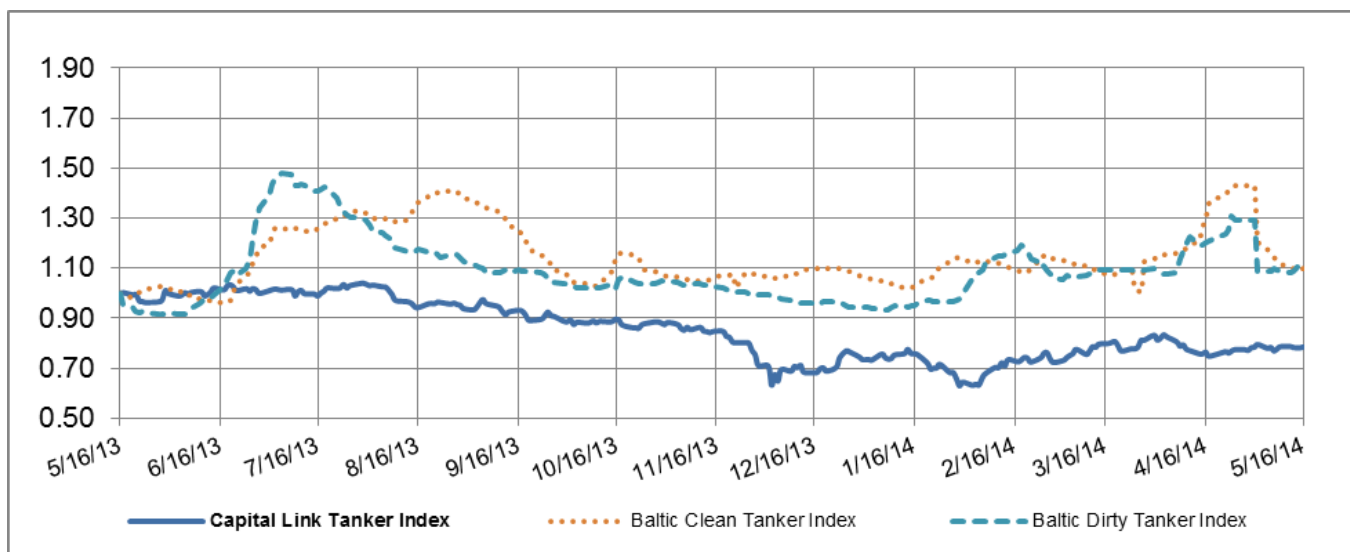
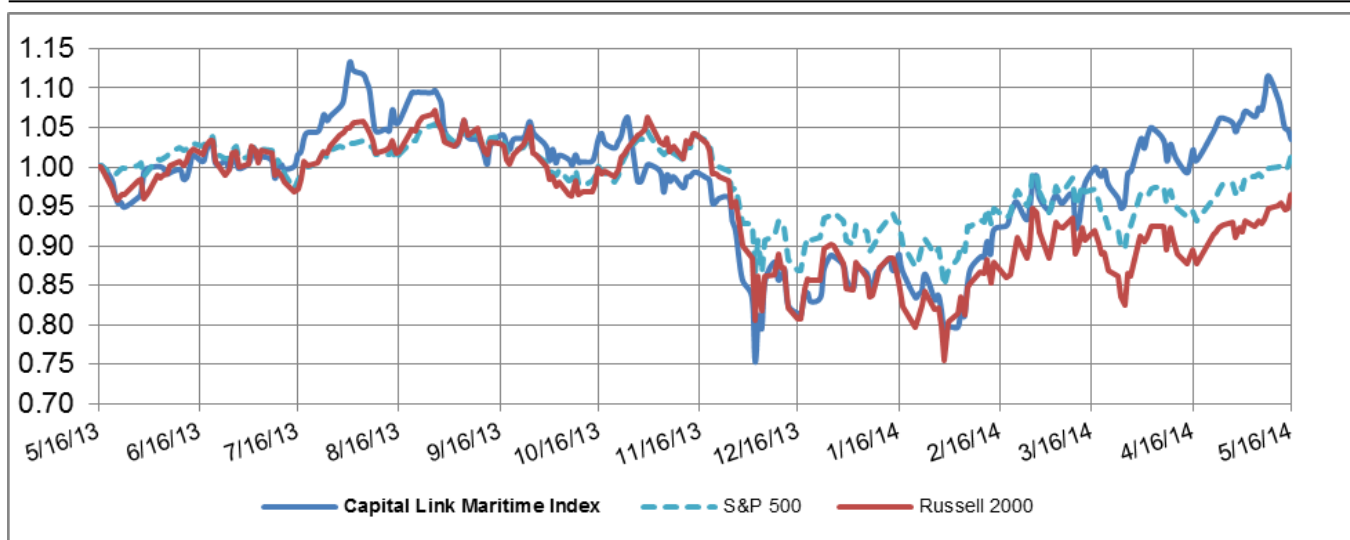
# Capital Link Shipping Weekly Markets Report



Monday, May 19, 2014 (Week 20)

CAPITAL MARKETS DATA

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



\*SOURCE: BLOOMBERG





# Capital Link Shipping Weekly Markets Report



Monday, May 19, 2014 (Week 20)

## SHIPPING MARKETS



### Custom Statistics Prepared Weekly for Capital Link Shipping

#### BROAD MARKET

##### Percent Change of Major Indexes for the Week Ending Friday, May 16, 2014

<u>Name</u>	<u>Symbol</u>	<u>Close</u>	<u>Net Gain</u>	<u>Percent Gain</u>
Nasdaq-100 Index	NDX	3587.2	31.50	0.89%
Nasdaq Composite Index	COMPX	4090.59	18.72	0.46%
S&P 500 Index	SPX	1877.86	-0.62	-0.03%
Russell 1000 Index	RUI	1046.9	-0.28	-0.03%
Russell 3000 Index	RUA	1119.96	-0.62	-0.06%
Russell 2000 Index	RUT	1102.85	-4.37	-0.39%

#### SHIPPING INDUSTRY DATA (42 Companies)

##### Moving Averages

- 40.91% closed > 10D Moving Average.
- 22.73% closed > 50D Moving Average.
- 36.36% closed > 100D Moving Average.
- 47.73% 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*)			
<u>Symbol</u>	<u>Close</u>	<u>Weekly % Change</u>	<u>50-Day % Change</u>	<u>Symbol</u>	<u>Close</u>	<u>Weekly % Change</u>	<u>50-Day % Change</u>
VLCCF	13.66	5.73%	22.40%	TOPS	4.51	-13.27%	-53.98%
GLOG	24.2	-6.17%	8.28%	TEU	1.5	1.35%	-48.45%
GLNG	43.71	-2.32%	10.43%	FREE	1.14	2.70%	-44.12%
TOO	35.3	-2.62%	12.49%	FRO	2.93	-0.34%	-32.95%
CMRE	21.52	0.28%	4.98%	DCIX	3.07	-17.25%	-23.25%
DAC	6.2	-0.96%	-2.97%	SHIP	1.35	-6.90%	-25.00%
TK	58.39	1.41%	-0.05%	SB	8.09	-0.25%	-26.72%
GMLP	31.35	-0.16%	6.38%	GSL	4.03	0.50%	-25.09%
TNP	6.95	3.12%	-1.00%	NM	8.31	3.36%	-27.23%
TGP	43.42	-0.14%	6.84%	DRYS	3.03	1.68%	-24.63%
*Momentum: (100D % change) + 1.5*(50D % change) + 2.0*(10D % change) for each stock then sort group in descending order and report the top 10.				*Momentum: (100D % change) + 1.5*(50D % change) + 2.0*(10D % change) for each stock - sort names that have a negative value in ascending order - report the top 10.			

Top Consecutive Higher Closes			Top Consecutive Lower Closes		
<u>Symbol</u>	<u>Close</u>	<u>Up Streak</u>	<u>Symbol</u>	<u>Close</u>	<u>Up Streak</u>
CPLP	10.75	2	NM	8.31	-2
DAC	6.2	2	DLNG	22.8	-2
FRO	2.93	2	SSW	21.81	-2
NEWL	0.63	2	GASS	10.03	-2
SALT	8.76	2	NMM	18.27	-2
TEU	1.5	2	SHIP	1.35	-3
			SBLK	11.19	-3
			TOPS	4.51	-3
			NAT	8.3	-3
			FREE	1.14	-3



# Capital Link Shipping Weekly Markets Report



Monday, May 19, 2014 (Week 20)

## SHIPPING MARKETS

Top Largest Weekly Trading Gains					Top Largest Weekly Trading Losses				
<u>Symbol</u>	<u>Close One Week Ago</u>	<u>Friday Close</u>	<u>Net Change</u>	<u>% Change</u>	<u>Symbol</u>	<u>Close One Week Ago</u>	<u>Friday Close</u>	<u>Net Change</u>	<u>% Change</u>
NEWL	0.06	0.63	0.57	950.00%	DCIX	3.71	3.07	-0.64	-17.25%
PRGN	5.07	5.91	0.84	16.57%	TOPS	5.2	4.51	-0.69	-13.27%
VLCCF	12.92	13.66	0.74	5.73%	SHIP	1.45	1.35	-0.10	-6.90%
BALT	6.06	6.32	0.26	4.29%	GLOG	25.79	24.2	-1.59	-6.17%
EGLE	3.12	3.25	0.13	4.17%	NVGS	26.49	25.35	-1.14	-4.30%
NAT	7.99	8.3	0.31	3.88%	SBLK	11.67	11.19	-0.48	-4.11%
NM	8.04	8.31	0.27	3.36%	TOO	36.25	35.3	-0.95	-2.62%
TNP	6.74	6.95	0.21	3.12%	GLNG	44.75	43.71	-1.04	-2.32%
SALT	8.51	8.76	0.25	2.94%	TNK	3.45	3.37	-0.08	-2.32%
FREE	1.11	1.14	0.03	2.70%	DAC	6.26	6.2	-0.06	-0.96%

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>
NEWL	0.26	0.63	0.37	142.31%	TOPS	8.75	4.51	-4.24	-48.46%
VLCCF	12.51	13.66	1.15	9.19%	FRO	3.69	2.93	-0.76	-20.60%
NVGS	23.74	25.35	1.61	6.78%	DCIX	3.76	3.07	-0.69	-18.35%
DLNG	21.48	22.8	1.32	6.15%	TEU	1.79	1.5	-0.29	-16.20%
TK	55.49	58.39	2.90	5.23%	SHIP	1.61	1.35	-0.26	-16.15%
ASC	12.53	13.01	0.48	3.83%	GLOG	28.04	24.2	-3.84	-13.69%
GMLP	30.27	31.35	1.08	3.57%	FREE	1.3	1.14	-0.16	-12.31%
CMRE	20.8	21.52	0.72	3.46%	SBLK	12.54	11.19	-1.35	-10.77%
TOO	34.21	35.3	1.09	3.19%	TNK	3.75	3.37	-0.38	-10.13%
GSL	3.91	4.03	0.12	3.07%	GASS	11.01	10.03	-0.98	-8.90%

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>
TGP	44.19	-1.74%	SALT	8.30	5.54%
TK	60.08	-2.81%	MATX	22.22	6.14%
CPLP	11.06	-2.82%	TEU	1.40	7.14%
CMRE	22.26	-3.30%	STNG	8.08	9.97%
TOO	36.74	-3.92%	GSL	3.50	15.14%
DLNG	23.90	-4.60%	DSX	9.38	16.42%
NMM	19.43	-5.96%	SSW	18.64	17.01%
GLNG	46.70	-6.40%	ASC	11.10	17.17%
KNOP	29.36	-6.51%	TGP	36.93	17.59%
GMLP	33.65	-6.83%	GMLP	26.61	17.80%



# Capital Link Shipping Weekly Markets Report



Monday, May 19, 2014 (Week 20)

## SHIPPING MARKETS

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

<u>Symbol</u>	<u>Close</u>	<u>Net % Change</u>	<u>Run Rate</u>
NEWL	0.63	950.00%	5.0420
DCIX	3.07	-17.25%	3.7887
KNOP	27.45	1.10%	1.8756
GLOG	24.2	-6.17%	1.3901
NAT	8.3	3.88%	1.3628
TEU	1.5	1.35%	1.2571
ASC	13.01	-0.46%	1.1625
TOPS	4.51	-13.27%	1.1307
TNK	3.37	-2.32%	1.1038
STNG	8.89	1.72%	1.0349

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

<u>Top Year-To-Date Gainers</u>		<u>Top Year-To-Date Decliners</u>	
<u>Symbol</u>	<u>YTD Gain %</u>	<u>Symbol</u>	<u>YTD Decliners %</u>
VLCCF	51.27%	NEWL	-96.44%
GLOG	42.35%	TOPS	-64.21%
DAC	26.53%	TEU	-54.41%
TK	23.06%	FREE	-52.10%
GLNG	21.82%	DRYS	-35.53%
CMRE	21.10%	GSL	-32.95%
TNP	16.42%	SHIP	-32.84%
TOO	10.21%	EGLE	-29.19%
SFL	9.23%	NM	-25.07%
CPLP	7.39%	STNG	-24.02%

The following are the 44 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; **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, May 19, 2014 (Week 20)

SHIPPING MARKETS

## Weekly Market Report

Week Ending May 16, 2014



### FREIGHT

#### Capesize 4TC Average

Volume: 1,945 lots

Contract	Average	Chg	Open	Close	Chg	Low	High
May 14	11927	-764	11250	12400	1150	11250	12400
Jun 14	15803	-1122	14650	15500	850	14650	16500
Q3 14	21810	-248	20750	22000	1250	20750	22750
Q4 14	29179	-364	28750	29000	250	28750	29750
Cal 15	22675	77	22750	22600	-150	22600	22750
Cal 16	20550	96	20500	20600	100	20500	20600

#### Panamax 4TC Average

Volume: 1,900 lots

Contract	Average	Chg	Open	Close	Chg	Low	High
May 14	7944	-187	7950	7900	-50	7700	8100
Jun 14	9799	481	9400	9900	500	9400	10100
Q3 14	11287	489	10850	11500	650	10850	11500
Q4 14	13843	297	13650	13700	50	13650	14000
Q3 & Q4 14	12267	na	12200	12300	100	12200	12300
Cal 15	12663	146	12850	12600	-250	12600	12850
Cal 16	12450	188	12600	12400	-200	12400	12600

#### Supramax 6TC Average

Volume: 225 lots

Contract	Average	Chg	Open	Close	Chg	Low	High
Jul 14	11383	na	11450	11250	-200	11250	11450
Q3 14	11607	-116	11650	11600	-50	11600	11650

### IRON ORE

#### TSI Iron Ore 62% Fines

Volume: 3,453,500 mt

Contract	Average	Chg	Open	Close	Chg	Low	High
May 14	103.25	-1.33	103.25	101.50	-1.75	101.50	104.50
Jun 14	101.89	-0.68	101.50	99.00	-2.50	98.50	104.25
Jul 14	100.40	-1.48	102.60	98.00	-4.60	97.75	103.00
Q3 14	100.72	-1.43	100.50	98.15	-2.35	98.00	103.00
Q4 14	100.10	-0.37	100.00	98.00	-2.00	98.00	102.25
Cal 15	98.88	-1.94	100.75	98.20	-2.55	98.20	100.75



# Capital Link Shipping Weekly Markets Report



Monday, May 19, 2014 (Week 20)

## SHIPPING MARKETS

### FERTILIZER

#### Urea Nola

Volume: 27 lots

Contract	Average	Chg	Open	Close	Chg	Low	High
Jul 14	292.50	8.50	292.00	293.00	1.00	292.00	293.00
Aug 14	288.33	4.33	280.00	293.00	13.00	280.00	293.00

#### UAN Nola

Volume: 27 lots

Contract	Average	Chg	Open	Close	Chg	Low	High
Jul 14	226.00	na	228.00	223.00	-5.00	223.00	228.00
Aug 14	226.00	na	228.00	223.00	-5.00	223.00	228.00

#### DAP Nola

Volume: 9 lots

Contract	Average	Chg	Open	Close	Chg	Low	High
May 14	440.00	0.00	440.00	440.00	0.00	440.00	440.00
Aug 14	434.56	na	440.00	433.00	-7.00	430.00	440.00

### BUNKER FUEL

#### Singapore 180cst

14,000 mt

Contract	Average	Chg	Open	Close	Chg	Low	High
Jul 14	601.52	na	600.00	604.25	4.25	600.00	604.25

#### Singapore 380cst

Volume: 43,000 mt

Contract	Average	Chg	Open	Close	Chg	Low	High
Jun 14	592.52	na	592.50	592.75	0.25	592.50	592.75

#### Rotterdam 3.5%

Volume: 14,200 mt

Contract	Average	Chg	Open	Close	Chg	Low	High
Jul 14	575.38	na	572.75	578.00	5.25	572.75	578.00

### Legend

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



# Capital Link Shipping Weekly Markets Report



Monday, May 19, 2014 (Week 20)

## SHIPPING MARKETS

### First Watch: Stifel Shipping Weekly

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

**STIFEL  
NICOLAUS**

Stifel  
One Financial Plaza,  
501 North Broadway  
St. Louis, MO 63102

Phone: (314) 342-2000  
Website: [www.stifel.com](http://www.stifel.com)

<i>Rates in \$/Day</i> <b>Vessel Category</b>	<b>Weekly Trend</b>	<b>5/16/2014</b>	<b>5/9/2014</b>	<b>% Change</b>	<b>2014 YTD</b>
<i>Crude Tanker</i>					
VLCC	↓	\$9,082	\$12,812	(29.1%)	\$24,349
Suezmax	↓	\$10,021	\$10,197	(1.7%)	\$24,053
Aframax	↑	\$13,921	\$13,338	4.4%	\$24,335
<i>Product Tankers</i>					
Long Range	↑	\$15,708	\$14,796	6.2%	\$20,361
Medium Range	↓	\$8,244	\$8,878	(7.1%)	\$9,870
<i>Dry Bulk</i>					
Capesize	↓	\$9,884	\$10,495	(5.8%)	\$15,667
Panamax	↑	\$5,379	\$4,905	9.7%	\$6,641
Supramax	↓	\$9,240	\$9,468	(2.4%)	\$11,643
<i>Containers*</i>					
Panamax-4400 TEU	→	\$7,500	\$7,500	0.0%	\$7,350
Sub-Panamax-2750 TEU	→	\$6,800	\$6,800	0.0%	\$6,875
Handy-2000 TEU	→	\$7,100	\$7,100	0.0%	\$6,925
LPG-82,000 cbm	↓	\$61,667	\$76,667	(19.6%)	\$60,417
LNG-138,000 cbm	↓	\$49,000	\$53,000	(7.5%)	\$67,000

\*Monthly data was used

Source: Clarkson Research & Astrup Fearnley

The larger refined product tankers experienced steady improvements in rates over the past several weeks on the back of a larger number of cargo loading from the Middle East to Asia. However, the medium sized vessels have continued to languish in the Atlantic. The primary cause for the lack of improvement is the slow return of U.S. refineries following the normal spring maintenance season. In fact, while PADD3 utilization has remained above 90% for the past month, there are a number of outages in Texas and Louisiana keeping utilization from reaching the typical peak season run rates of 95%-96%. As a result, U.S. refined product exports which have risen by nearly three million barrels per day over the past three years are off about 700,000 per day since the middle of March. This also reflects some refined product inventory building. However, as inventories fill and refinery utilization creeps up to normal levels we would expect the Atlantic market to tighten. Should the Pacific trade continue to firm, any tightening in the Atlantic would likely drive a material increase in rates as it would eliminate pockets of regional weakness. Furthermore, the fuel oil trade has remained tight throughout the year with rates in that trade substantially outperforming the clean market for the balance of the year.





# Capital Link Shipping Weekly Markets Report



Monday, May 19, 2014 (Week 20)

## SHIPPING MARKETS

### Global Shipping Fleet & Orderbook Statistics

Cargo	Category	Fleet Size (DWT)	Orderbook (DWT)	OB/Fleet %	Average Age	% Greater than 20 yrs.
Crude	VLCC	193,522,175	27,492,944	14.2%	8.2	2.3%
	Suezmax	76,402,885	6,383,185	8.4%	8.5	4.8%
	Aframax	68,741,650	4,462,858	6.5%	9.1	5.8%
Product	LR2	26,455,640	8,407,218	31.8%	7.8	2.6%
	LR1	23,753,659	2,128,998	9.0%	7.2	2.5%
	MR	71,487,479	13,668,812	19.1%	9.0	7.2%
	Handy	5,150,932	166,856	3.2%	18.6	52.2%
Dry Bulk	Capesize	298,719,153	67,618,459	22.6%	7.5	11.1%
	Panamax	190,910,877	34,967,835	18.3%	8.7	10.4%
	Supramax	160,616,362	43,147,078	26.9%	8.3	8.3%
	Handymax	87,789,385	16,312,483	18.6%	11.7	20.9%
Containers		(TEU)	(TEU)			
	Post Panamax	9,702,646	3,422,283	35.3%	6.5	0.1%
	Panamax	3,650,399	23,482	0.6%	8.5	5.6%
	Handy-Feeder	3,378,917	238,164	7.0%	10.7	9.4%
Gas		(CBM)	(CBM)			
	LPG	21,454,441	8,746,210	40.8%	16.1	21.8%
	LNG	53,354,150	16,888,280	31.7%	10.9	12.2%

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

Source: Clarkson Research

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# Capital Link Shipping Weekly Markets Report



Monday, May 19, 2014 (Week 20)

## SHIPPING MARKETS

### Dry Bulk Market – Weekly Highlights

The Dry Bulk market moved sideways this past week, and despite the fact that the BDI closed slightly up week on week, this made no difference to market sentiment. With the exception of the BPI, the rest of the Dry Indices moved down, while even the positive movement of the Panamax market has merely brought any big smiles, as the segment has been the one worst battered during the latest bottoming of the market. The Atlantic Capesize witnessed limited business with past week, while enquiry in the Pacific was slightly bettered, with rates moving overall sideways and improving slightly towards the end of the week. At the same time the Panamax market found support in Atlantic with business ex-ECSA warming up a bit for a second week in a

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**Intermodal**

**Intermodal**

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

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

#### Indices / Dry Bulk Spot Rates

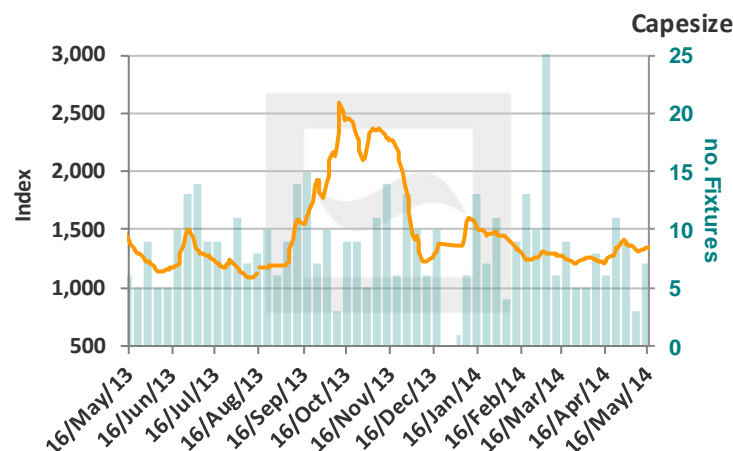
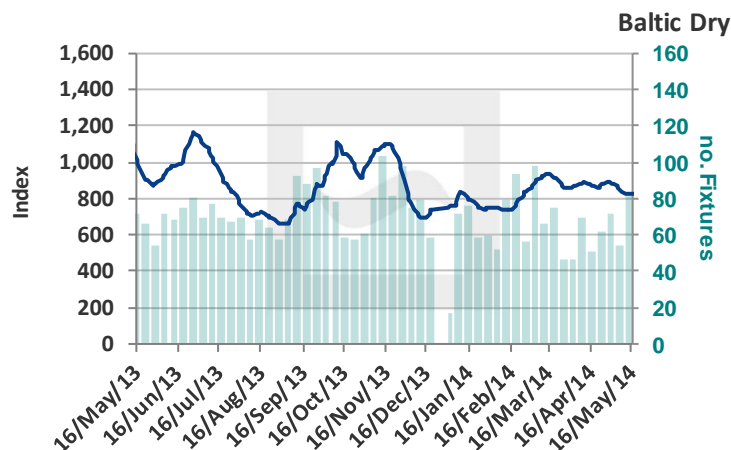
	Week 20 16/05/2014		Week 19 09/05/2014		Point Diff	\$/day ±%	2014	2013
	Index	\$/day	Index	\$/day			Avg Index	Avg Index
<b>BDI</b>	1,027		997		<b>30</b>		1,250	1,205
<b>BCI</b>	1,530	\$11,205	1,541	\$10,998	<b>-11</b>	<b>1.9%</b>	2,058	2,106
<b>BPI</b>	1,041	\$8,328	898	\$7,207	<b>143</b>	<b>15.6%</b>	1,146	1,186
<b>BSI</b>	899	\$9,395	909	\$9,500	<b>-10</b>	<b>-1.1%</b>	1,049	983
<b>BHSI</b>	485	\$7,195	506	\$7,514	<b>-21</b>	<b>-4.2%</b>	635	562

row, pushing the average rate for the segment north of \$8,000/day, while fresh Indonesian cargoes allowed for some slightly improvement in activity in the Pacific basin as well. The USG region is still forbidding Handy/Supra tonnage to enjoy better rates, as the region is still witnessing oversupply of tonnage that quickly absorbs any new business, while both Handies and Supras are still dealing with a fairly quite Pacific, with rates for the former noting the biggest decline across the board.

While most dry bulk commodities are still dealing with questionable demand as far as the summer is concerned, it seems that coal has not only kept its popularity in the energy arena but is actually witnessing increased demand globally. The popularity of coal had been in the spotlight prior the financial crisis due to its high carbon dioxide emissions nature, but it seems that while global economies are still dealing with anemic growth, the more expensive “green” energy resources had been pushed aside by demand for the much

cheaper coal. On the grains trade, reports show that India's output this year will exceed expectations as record crops of both rice and wheat are now expected from the market and with no comeback for export restrictions in sight we expect the trade to SE Asia to strengthen.

▲ The Baltic Dry Index closed on Friday the 16th of May at 1,027 points with a weekly gain of **30** points or **3.0%** over previous week's closing. (Last Friday's the 9th of May closing value was recorded at 997 points).



▼ **CAPE SIZE MARKET** - The Baltic Cape Index closed on Friday the 16th of May at 1,530 points with a weekly loss of **-11** points. For this week we monitor a **-0.7%** change on a week-on-week comparison, as Last Friday's the 9th of May closing value was 1,541 points). It is worth noting that the annual average of 2011 for the Cape Index is currently calculated at 2,058 points, while the average for the year 2010 was 2,106 points.



# Capital Link Shipping Weekly Markets Report



Monday, May 19, 2014 (Week 20)

## SHIPPING MARKETS

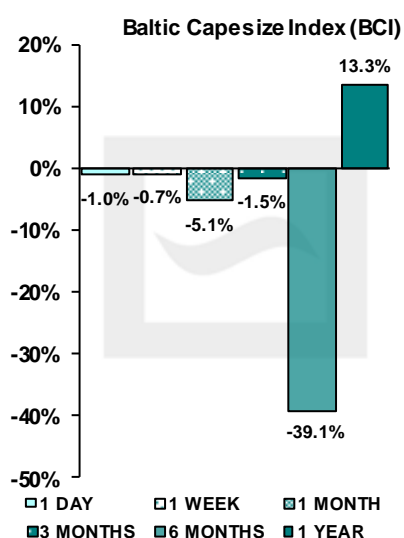
### Dry Bulk Market – Weekly Highlights

For Week 20 we have recorded a total of 7 timecharter fixtures in the Capesize sector, 1 for period charter averaging \$15,000 per day, while 6 trip charters were reported this week with a daily average of \$10,742 per day.

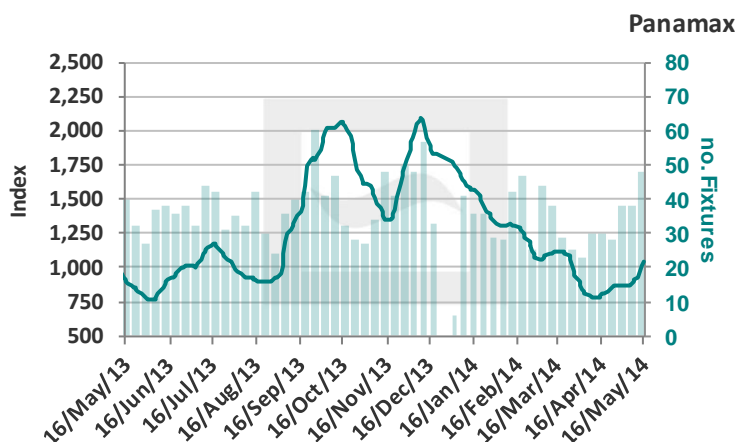
This week's fixture that received the lowest daily hire was the M/V "FRONTIER PHOENIX", 181356 dwt, built 2011, dely S. China prompt, redely Singapore-Japan, \$8500, Cargill, for a trip via Australia 1500\$ improved from last week, and the fixture with the highest daily hire was the M/V "AQUABELLA", 177000 dwt, built 2005, dely Qingdao 16/17 May, redely worldwide, rate based 106% BCI 4 timecharter with floor of, \$15000, KLine, for a 5/8 months trading -7000\$ reduced from last week.

Week	No. of Fixtures	Highest Fixture	Lowest Fixture
this week	7	\$15,000	\$8,500
last week	3	\$22,000	\$7,000

Week	Period Charter	Trip Charter
this week	\$15,000	\$10,742
last week	\$0	\$13,333



In the bar chart on the left we see that the BCI is showing a **-0.7%** fall on a weekly comparison, a **-5.1%** fall on a 1 month basis, a **-1.5%** fall on a 3 month basis, a **-39.1%** fall on a 6 month basis and a **13.3%** rise on a 12 month basis.



**PANAMAX MARKET - ▲** The Baltic Panamax Index closed on Friday the 16th of May at 1,041 points having gained **143** points on a weekly comparison. It is worth noting that last Friday's the 9th of May saw the Panamax index close at 898 points. The week-on-week change for the Panamax index is calculated to be **15.9%**, while the yearly average for the Baltic Panamax Index for this running year is calculated at 1,146 points while the average for 2010 was 1,186 points.

Week	No. of Fixtures	Highest Fixture	Lowest Fixture
this week	48	\$16,000	\$5,750
last week	38	\$15,500	\$7,000

Week	Period Charter	Trip Charter
this week	\$12,563	\$11,519
last week	\$11,860	\$11,002

For Week 20 we have recorded a total of 48 timecharter fixtures in the Panamax sector, 4 for period charter averaging \$12,563 per day, while 44 trip charters were reported this week with a daily average of \$11,519 per day.

The daily earnings differential for the Panamaxes, that we calculate from all this week's reported fixtures, i.e. the difference between the lowest and highest reported fixture for this week was improved, and this week's fixture that received the lowest daily hire was the M/V "NAVIOS FELICITY", 73867 dwt, built 1997, dely Cape Passero 15/20 May, redely San Ciprian, \$5750, Cargill, for a trip via Kamsar -1250\$ reduced from last week, and the fixture with the highest daily hire was the M/V "KESARIA", 81932 dwt, built 2009, dely aps EC South America 01/10 Jun, redely Singapore-Japan intention grain, \$16000, Cargill, for a trip, 600000 bb -3000\$ reduced from last week.





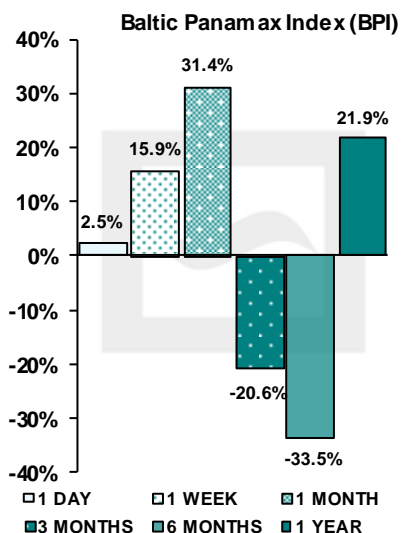
# Capital Link Shipping Weekly Markets Report



Monday, May 19, 2014 (Week 20)

## SHIPPING MARKETS

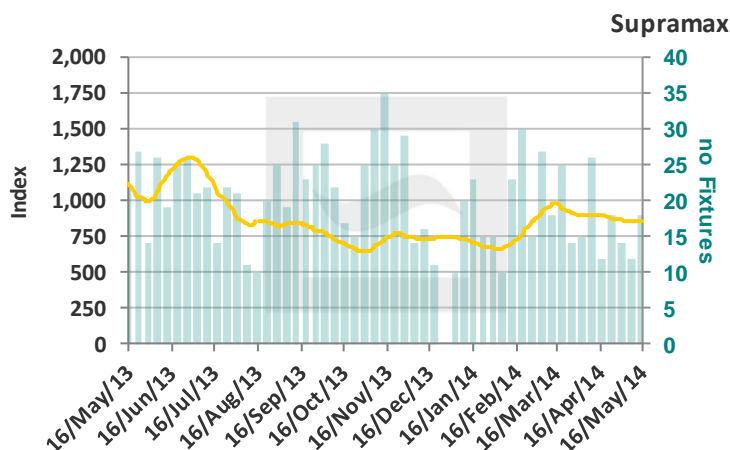
### Dry Bulk Market – Weekly Highlights



In the bar chart on the left we see that the BPI is showing a **15.9%** rise on a weekly comparison, a **31.4%** rise on a 1 month basis, a **-20.6%** fall on a 3 month basis, a **-33.5%** fall on a 6 month basis and a **21.9%** rise on a 12 month basis.

For Week 20 we have recorded a total of 18 timecharter fixtures in the Supramax & Handymax sector, 3 for period charter averaging \$14,167 per day, while 15 trip charters were reported this week with a daily average of \$12,163 per day.

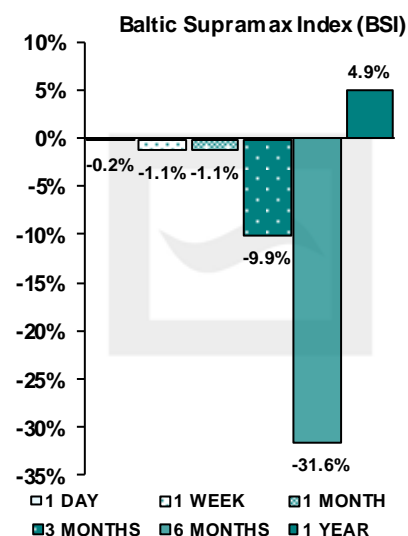
The minimum vs maximum daily rate differential as analyzed from our fixtures database was overall reduced and from the reported fixtures we see that this week's fixture that received the lowest daily hire was the M/V "GLOBETROTTER", 48911 dwt, built 2001, dely S Brazil prompt, redely USGulf approx, \$10000, Chart Not Rep, for a trip 2000\$ improved from last week, and the fixture with the highest daily hire was the M/V "BULK HONDURAS", 57959 dwt, built 2012, dely Houston 25/30 May, redely Singapore-Japan, \$18000, Chart Not Rep, for a 3/5 months trading 3500\$ improved from last week.



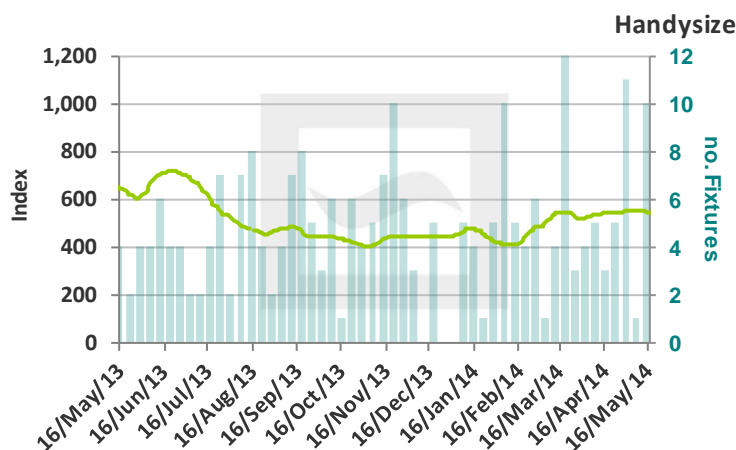
**SUPRAMAX & HANDYMAX MARKET - ▼** The Baltic Supramax Index closed on Friday the 16th of May at 899 points down with a weekly loss of **-10** point or **-1.1%**. The Baltic Supramax index on a weekly comparison is with a downward trend as last Friday's the 9th of May closing value was 909 points. The annual average of the BSI is recorded at 1,049 points while the average for 2010 was 983 points.

Week	No. of Fixtures	Highest Fixture	Lowest Fixture
this week	18	\$18,000	\$10,000
last week	12	\$19,000	\$8,000

Week	Period Charter	Trip Charter
this week	\$14,167	\$12,163
last week	\$0	\$11,271



In the bar chart on the left we see that the BSI is showing a **-1.1%** fall on a weekly comparison, a **-1.1%** fall on a 1 month basis, a **-9.9%** fall on a 3 month basis, a **-31.6%** fall on a 6 month basis and a **4.9%** rise on a 12 month basis.







# Capital Link Shipping Weekly Markets Report



Monday, May 19, 2014 (Week 20)

## SHIPPING MARKETS

### Dry Bulk Market – Weekly Highlights

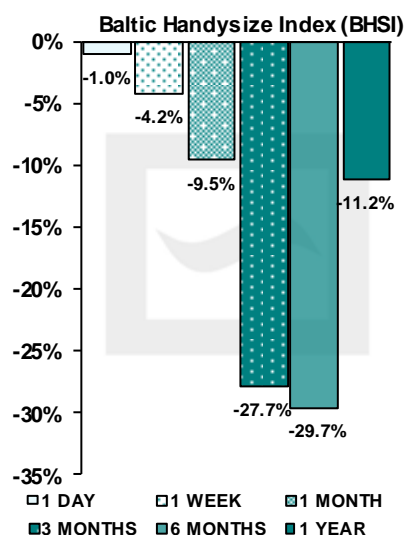
**HANDYSIZE MARKET – ▼** The Baltic Handysize Index closed on Friday the 16th of May with a downward trend at 485 points with a weekly loss of **-21** points and a percentage change of **-4.2%**. It is noted that last Friday's the 9th of May closing value was 506 points and the average for 2011 is calculated at 635 points while the average for 2010 was 562 points.

Week	No. of Fixtures	Highest Fixture	Lowest Fixture
this week	10	\$10,500	\$5,750
last week	1	\$8,000	\$8,000

Week	Period Charter	Trip Charter
this week	\$10,250	\$8,075
last week	\$0	\$8,000

For Week 20 we have recorded a total of 10 timecharter fixtures in the Handysize sector, 1 for period charter averaging \$10,250 per day, while 8 trip charters were reported this week with a daily average of \$8,075 per day.

The minimum vs maximum daily rate differential as analyzed from our fixtures database was overall improved and this week's fixture that received the lowest daily hire was the M/V "LAUREL ISLAND", 28556 dwt, built 2005, dely Singapore prompt, redely China, \$5750, Chart Not Rep, for a trip via Indonesia -2250\$ reduced from last week and the fixture with the highest daily hire was the M/V "ANTAEUS", 33261 dwt, built 2009, dely Montoir prompt, redely ECIndia-Japan, \$10500, Oldendorff, for a trip via Baltic and gulf of Aden 2500\$ improved from last week.



In the bar chart above we see that the BHI is showing a **-4.2%** change on a weekly comparison, a **-9.5%** on a 1 month basis, a **-27.7%** fall on a 3 month basis, a **-29.7%** fall on a 6 month basis and a **-11.2%** fall on a 12 month basis.

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

INDEX	1 DAY	1 WEEK	1 MONTH	3 MONTHS	6 MONTHS	1 YEAR
BDI	0.6%	3.0%	9.7%	-7.1%	-35.0%	24.3%
BCI	-1.0%	-0.7%	-5.1%	-1.5%	-39.1%	13.3%
BPI	2.5%	15.9%	31.4%	-20.6%	-33.5%	21.9%
BSI	-0.2%	-1.1%	-1.1%	-9.9%	-31.6%	4.9%
BHI	-1.0%	-4.2%	-9.5%	-27.7%	-29.7%	-11.2%



# Capital Link Shipping Weekly Markets Report



Monday, May 19, 2014 (Week 20)

## SHIPPING MARKETS

### Weekly Freight Rate & Asset Trends

Tanker Spot Rates								
Vessel	Routes	Week 20		Week 19		\$/day ±%	2014 \$/day	2013 \$/day
		WS points	\$/day	WS points	\$/day			
VLCC	265k MEG-JAPAN	34	7,506	37	12,275	-38.9%	28,436	21,133
	280k MEG-USG	24	5,823	25.5	8,411	-30.8%	19,432	7,132
	260k WAF-USG	45	21,932	48	25,942	-15.5%	39,863	26,890
Suez max	130k MED-MED	60	11,710	60	11,729	-0.2%	28,534	17,714
	130k WAF-USAC	55	8,842	55	9,176	-3.6%	19,597	13,756
	130k BSEA-MED	55	9,618	55	9,799	-1.8%	28,534	17,714
Aframax	80k MEG-EAST	100	19,913	90	15,778	26.2%	16,625	11,945
	80k MED-MED	80	11,304	75	8,598	31.5%	28,389	13,622
	80k UKC-UKC	92.5	6,685	92.5	6,982	-4.3%	36,929	18,604
	70k CARIBS-US	115	19,316	125	23,170	-16.6%	27,874	16,381
Clean	75k MEG-JAPAN	100	16,913	92	14,197	19.1%	10,805	12,011
	55k MEG-JAPAN	118	15,280	108	12,727	20.1%	10,302	12,117
	37K UKC-USAC	110	6,741	110	6,763	-0.3%	9,848	11,048
	30K MED-MED	115	17,952	115	16,037	11.9%	19,060	17,645
Dirty	55K UKC-USG	120	19,519	120	19,662	-0.7%	25,625	14,941
	55K MED-USG	112.5	15,821	115	17,502	-9.6%	23,789	12,642
	50k CARIBS-USAC	145	25,711	130	20,021	28.4%	28,947	15,083

Contributed by  
**Intermodal**

**Intermodal**

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

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

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

Vessel 5yrs old		May-14	Apr-14	±%	2014	2013	2012
VLCC	300KT DH	75.0	73.8	1.7%	70.9	56.2	62.9
Suezmax	150KT DH	50.0	50.0	0.0%	48.2	40.1	44.9
Aframax	110KT DH	38.0	38.0	0.0%	36.5	29.2	31.2
Panamax	75KT DH	35.0	34.3	2.2%	33.0	28.0	26.7
MR	52KT DH	29.0	29.0	0.0%	29.5	24.7	24.6

#### Tanker Time Charter Rates

\$/day		Week 20	Week 19	±%	Diff	2014	2013
VLCC	300k 1yr TC	25,250	25,500	-1.0%	-250	26,300	20,087
	300k 3yr TC	27,750	27,750	0.0%	0	26,950	23,594
Suez max	150k 1yr TC	19,250	19,250	0.0%	0	20,375	16,264
	150k 3yr TC	23,250	23,250	0.0%	0	21,925	18,296
Aframax	110k 1yr TC	15,500	15,500	0.0%	0	15,788	13,534
	110k 3yr TC	17,250	17,250	0.0%	0	17,075	15,248
Panamax	75k 1yr TC	15,500	15,500	0.0%	0	15,550	15,221
	75k 3yr TC	16,500	16,500	0.0%	0	16,313	15,729
MR	52k 1yr TC	15,000	15,000	0.0%	0	15,288	14,591
	52k 3yr TC	15,750	16,000	-1.6%	-250	16,100	15,263
Handysize	36k 1yr TC	14,500	14,500	0.0%	0	14,675	13,298
	36k 3yr TC	15,500	15,500	0.0%	0	15,425	13,907

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

Vessel 5 yrs old		May-14	Apr-14	±%	2014	2013	2012
Capesize	180k	52.5	52.3	0.5%	48.9	35.8	34.6
Panamax	76K	27.0	27.8	-2.7%	27.1	21.3	22.7
Supramax	56k	26.7	27.0	-1.2%	26.6	21.5	23.0
Handysize	30K	20.5	20.8	-1.2%	20.8	18.2	18.2

#### Dry Bulker Time Charter Rates

\$/day		Week 20	Week 19	±%	Diff	2014	2013
Capesize	170K 6mnt TC	27,000	27,000	0.0%	0	25,244	17,625
	170K 1yr TC	24,750	25,750	-3.9%	-1,000	26,313	15,959
	170K 3yr TC	24,250	25,250	-4.0%	-1,000	24,063	16,599
Panamax	76K 6mnt TC	12,750	13,000	-1.9%	-250	15,181	12,224
	76K 1yr TC	13,500	13,600	-0.7%	-100	14,503	10,300
	76K 3yr TC	14,500	14,500	0.0%	0	14,440	10,317
Supramax	55K 6mnt TC	12,500	12,500	0.0%	0	13,563	11,565
	55K 1yr TC	12,500	12,500	0.0%	0	12,900	10,234
	55K 3yr TC	12,750	12,750	0.0%	0	12,763	10,482
Handysize	45k 6mnt TC	10,750	10,750	0.0%	0	11,663	9,771
	45k 1yr TC	10,750	10,750	0.0%	0	11,063	8,852
	45k 3yr TC	11,000	11,000	0.0%	0	11,025	9,237
Handysize	30K 6mnt TC	9,750	9,750	0.0%	0	10,213	8,244
	30K 1yr TC	10,000	10,000	0.0%	0	10,055	8,309
	30K 3yr TC	10,250	10,250	0.0%	0	10,188	8,926

#### Indicative Newbuilding Prices (million\$)

Vessel		Week 19	Week 18	±%	2014	2013	2012
Bulkers	Capesize 180k	57.5	57.5	0.0%	56.1	49	47
	Kamsarmax 82k	30.8	30.8	0.0%	30.5	27	28
	Panamax 77k	29.5	29.5	0.0%	29.1	26	27
	Supramax 58k	27.5	27.5	0.0%	27	25	25
	Handysize 35k	23.5	23.5	0.0%	23	21	22
Tankers	VLCC 300k	101.0	101.0	0.0%	98.4	91	96
	Suezmax 160k	66.0	65.0	1.5%	64	56	58
	Aframax 115k	55.0	55.0	0.0%	54	48	50
	LR1 75k	46.5	46.5	0.0%	45.8	41	42
	MR 52k	37.0	37.0	0.0%	36.8	34	34
Gas	LNG 150K	186.0	186.0	0.0%	185.6	185	186
	LGC LPG 80k	79.0	79.0	0.0%	76.9	71	71
	MGC LPG 52k	67.0	67.0	0.0%	65.7	63	62
	SGC LPG 23k	44.0	44.0	0.0%	43.6	41	44



# Capital Link Shipping Weekly Markets Report



Monday, May 19, 2014 (Week 20)

## SHIPPING MARKETS

### 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	5.27	► 0.00
1,100/715TEU (G) 19 k	7.80	► 0.00
1,700/1,125TEU (G) 19.5 k	8.86	► 0.00
1,740/1,300TEU (G) 20.5 k	8.87	► 0.00
1,714/1,250TEU (G) 19k Bkk Max	6.43	▲ 0.14
2,500/1,900TEU (G) 22 k	3.92	▼ 0.05
2,800/2,000TEU (GL) 22 k	3.63	▲ 0.13
3,500/2,500TEU (GL) 23 k	1.75	► 0.00
4,250/2,800TEU (GL) 24 k	2.70	▲ 0.12
5,500/4,200TEU (GL) 25 k	2.58	▲ 0.08
8,500/6,600 (GL) 25 k	3.75	► 0.00
<b>Index Total</b>	<b>59.08</b>	<b>▲ 0.42</b>

In spite of a moderate level of enquiry, the actual number of fixtures concluded this week has been relatively low and our BOXi has responded accordingly with just a small gain.

If there was a sector of note, it would have to be that of the Panamax, which has seen a slight change in fortunes in recent weeks to the extent that rates are finally moving convincingly in the right direction as far as owners are concerned, with one 5,000 TEU unit reportedly achieving USD9,700/day, although the majority have still been well below this and there is still a long way to go for this, until only recently beleaguered, segment.

The remainder of the market showed few signs of note and it's becoming increasingly likely that we will enter the summer without a

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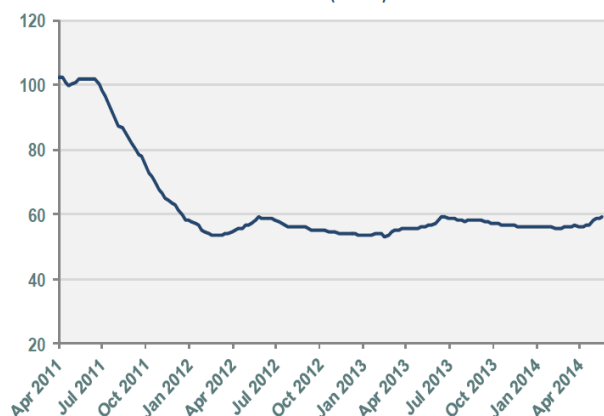
35 Cosway Street  
London NW1 5BT  
United Kingdom

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



significant spring pickup having occurred. However in the medium to longer term, the demand side does look encouraging as generally positive macroeconomic results continue to occupy the business headlines and, in spite of the well documented list of behemoths in the container order book, a sustained global recovery still has the potential to nullify this oversupply.

The BOX Index (BOXi) 59.08



#### Representative Fixtures

Name	Dwt	Teu	14T	Bit	Spd	Cons	GR	Charterer	Dely	Date	Period	US\$/day
<i>Santa Priscilla</i>	66,800	5,042	3,320	2005	25.0	165.0	GL	CMA CGM	NE Asia	May-14	6-12 mos	7,950
<i>Stadt Coburg</i>	54,327	4,380	2,850	2009	24.0	143.0	GL	Maersk Line	NE Asia	May-14	1-3 mos	8,000
<i>Thuringia</i>	50,500	4,253	2,810	2003	20.0	91.0	GL	NDAL	SE Asia	May-14	7-9 mos	8,150
<i>Nagoya Tower</i>	53,000	4,253	2,810	2003	17.5	63.0	GL	PIL	SE Asia	May-14	10-12 mos	8,350
<i>HS Onore</i>	38,250	2,778	2,005	2006	23.0	117.0	GL	Sea Consortium	SE Asia	May-14	1-3 mos	7,050
<i>Seoul Tower</i>	34,500	2,578	1,806	2009	22.0	83.5	G	PIL	SE Asia	May-14	5-9 mos	7,100
<i>William Strait</i>	23,600	1,283	1,283	2009	19.0	51.0	G	MOL	SE Asia	May-14	4-6 mos	7,500
<i>Hansa Oldenburg</i>	23,508	1,740	1,330	2002	20.5	50.0	G	Maersk Line	Med	Jun-14	1-4 mos	7,000
<i>Olivia</i>	20,416	1,452	1,010	1995	19.0	46.0	G	Italia Maritima	Med	Jun-14	4-5 mos	7,250
<i>Bomar Regent</i>	17,350	1,294	925	2007	20.0	52.0	G	RCL	NE Asia	May-14	6 mos	7,000
<i>Stadt Ravensburg</i>	8,400	698	436	2006	17.0	28.5	GL	MELL	NE Asia	May-14	4-6 mos	4,700
<i>Kappeln</i>	8,330	657	390	2004	17.5	27.0	G	Nirint	USG	May-14	50-60 days	6,100



# Capital Link Shipping Weekly Markets Report



Monday, May 19, 2014 (Week 20)

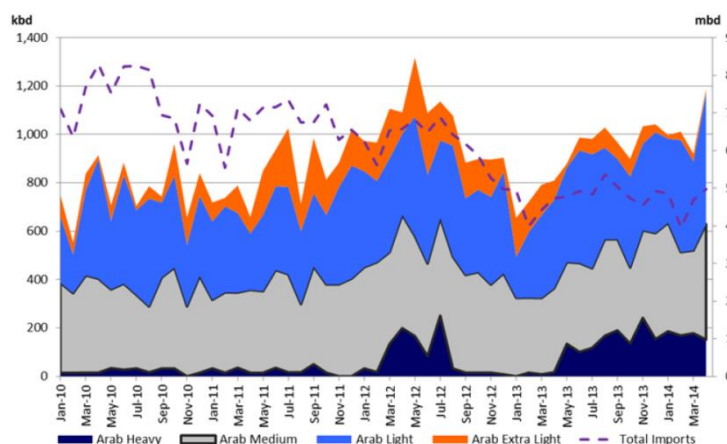
## SHIPPING MARKETS

### Weekly Tanker Market Opinion

#### A Shaking of the US Gulf Coast Crude Oil Cocktail And what it means to you:

The increase in domestic crude oil production is widely reported to have flipped US import requirements on their heads. While this holds true for light/sweet crude oil producers, there appears to be even more dependence on heavier/sourer crude oil suppliers in spite of the shale oil boom. With traditional light/sweet suppliers like West Africa and Europe out of the fray, it is easier to observe the net results of forces that dictate from where the US sources its imports. Investments and longterm relationships will support long-haul trade to the US, benefitting VLCC ton-mile demand. However, Canada's position as a supplier to the US Gulf Coast presents looming competition to such seaborne imports.

oil and other grades, shown here as Dubai and Mars (see Fig. 1), identifies the relative price strength of Saudi-sourced barrels to US and Asian end-users. While baseline supply commitments are generally stable and established through term sales contracts, price discounts can indicate where above-the-baseline crude oil production may be marketed. Since the end of 2011, Arab Medium price discounts have tended to favor the US market (when the differential is below \$0). This was likely the result of two factors: required crude oil stocking in anticipation of Aramco's joint-venture Motiva refinery Q1 2012 expansion and the calibration of US domestic crude oil prices with the introduction of new and competitive grades. Transportation inefficiencies and physical constraints had thus far restricted the flow of domestic crude oil to thirsty Gulf Coast refiners causing these grades to trade at a steep discount compared to seaborne alternatives.



Source: Poten & Partners

Although there is, what appears to be, continued improvement in Canadian and US crude oil transportation efficiency (pipelines, waterborne trade, etc.) improving the flow of local crude oil to the US Gulf coast, until new projects come to fruition, demand for incremental Saudi barrels could increase.

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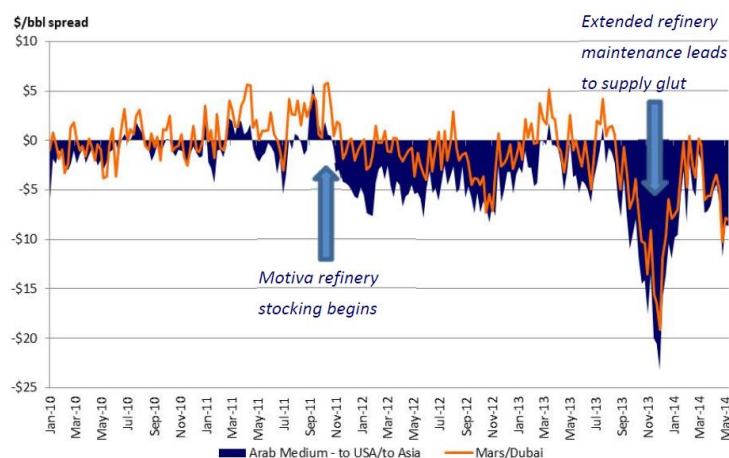
805 Third Avenue  
New York, NY 10022

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



The strengthening of ties between Caribbean producers, such as Venezuela and Colombia, and China has limited supplies of short-haul heavy/sour crude oil in the US Gulf. As a result, Saudi Arabia has become a larger percentage of the overall picture. Saudi Arabian crude oil now accounts for approximately 25% of total imports, which marks a significant increase from the 9-11% range that was experienced as recently as 2010 (see Fig 2.)

Fig. 1 Crude Oil Price Differentials



Source: Poten & Partners

Further supporting VLCC ton-mile demand, it is likely that the Caribbean to Far East trade flow will only strengthen as Chinese credit offered in exchange for oil supplies has the makings of a long-term symbiotic relationship for many producer nations. In fact, recent news cites that Chinese companies are investing in becoming producers in Mexico, as the country works to open its doors to foreign participants.

In the future, the US Gulf could require an arguably higher proportion of heavy crude to mix with domestically-produced light inputs. Although Canada will undoubtedly play a larger role in the supply mix over time, dwindling Caribbean supplies of heavy/sour crude oil will likely strengthen the US's reliance on Saudi Arabian crude oil. With the US Gulf Coast expected to become more dependent on Saudi Arabian crude oil, more westbound cargoes could be afoot.





# Capital Link Shipping Weekly Markets Report



Monday, May 19, 2014 (Week 20)

## SHIPPING MARKETS

### Tanker Market – Weekly Highlights

#### Suezmaxes set to benefit from Panama Canal expansion?

With Suezmaxes making up the largest tanker size class capable of transiting through the Panama Canal's new set of locks, much attention has been afforded to the prospect for new trading patterns to emerge.

Not all Suezmaxes stand to benefit from the expansion; we note that 15% of the existing fleet will be incapable of transiting the canal due to the maximum beam restriction of 49.0m while we estimate that 20% of the fleet will see its laden cargo capacity limited to less than 130,000 MT (a typical Suezmax cargo stem) due to maximum draft restrictions.

Though no units will be capable of transiting while fully laden, the remaining 65% of the fleet will be capable of transiting with a cargo of at least 130,000 MT. For this segment of the fleet, the potential for new demand to emerge given possible time savings is mixed and in many cases the high cost associated with transiting the canal could mitigate time savings from a voyage costs perspective. Based on the Panama Canal Authority's present toll assessment structure, we estimate that an average Suezmax unit would pay ~\$408,413 to transit the Canal. However, as canal toll are expected to rise to cover the cost of constructing the new locks (presently estimated at \$6.8bn – a 31% rise over original estimates) we expect a further toll hike coinciding with the project's completion will likely match the 15.5% increase observed over the past two years. This would boost toll fees for Suezmaxes to ~\$471,717.

On the CBS-FEAST routes, which have posted strong demand growth during recent years, cargo transit time savings can be achieved through utilization of Suezmaxes via the Panama Canal for voyages to points north of the Malacca Straits. On a Puerto la Cruz-Ningbo run, voyages via the Canal shave off 12.5 days relative to voyages via the Cape of Good Hope. However, factoring for toll costs and reduced economies of scale, we note that voyage costs alone for Suezmaxes on the route could amount to ~\$2.15/bbl. This stands 65% above the ~\$1.30/bbl associated with VLCCs trading on the same route via the Cape. Though freight rate differentials could in some cases offset in higher voyage costs, given that cargo trades on the route are more heavily term-contract oriented, absent tight oil markets charterers may have little incentive for time savings.

	VLCC PLC-Ningbo Voyage Costs	Suezmax PLC-Ningbo Voyage Costs via Cape Good Hope	Suezmax PLC-Ningbo Voyage Costs via Panama Canal
Bunkers	\$1,934,777	\$1,435,993	\$1,074,907
Port Costs	\$530,000	\$318,000	\$318,000
Panama Canal Toll	--	--	\$471,717
Total Voyage Costs	\$2,464,777	\$1,753,993	\$1,955,037
Voyage Costs \$/bbl	\$1.30	\$1.93	\$2.15

For other trades, the incentives could be much greater. While VLCC voyage costs on a AG-USWC run stand at \$1.62/bbl, a WAFR-USWC run on a Suezmax via the Canal are projected is projected amount to ~\$1.60/bbl – with a time savings of 10.8 days.

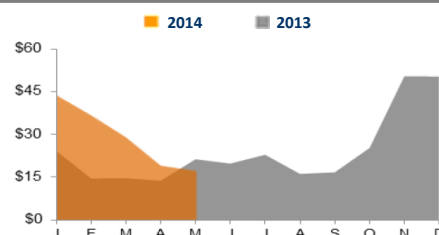
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Greenwich Office Park One,  
Greenwich, CT 06831

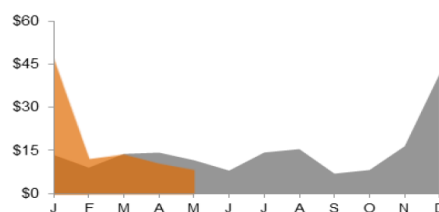
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VLCC TCE  
AG-USG /  
CBS-SPORE/AG

MTD Average  
\$17,300/Day

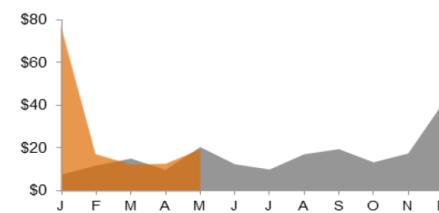
Month y/y  
▼ -19%



S' MAX TCE  
130k WAF-USAC

MTD Average  
\$8,800/Day

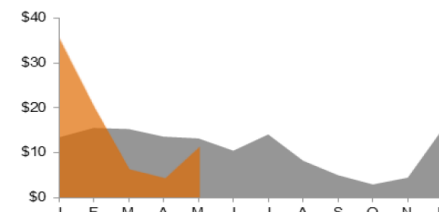
Month y/y  
▼ -24%



A' MAX TCE  
70k CBS-USG

MTD Average  
\$19,600/Day

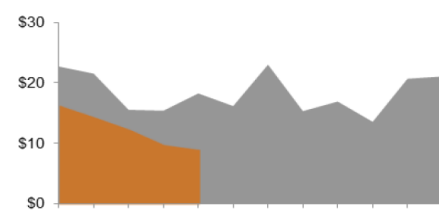
Month y/y  
▼ -4%



P' MAX TCE  
50k CBS-USAC

MTD Average  
\$11,250/Day

Month y/y  
▼ -15%



MR TCE  
USG-UKC/  
UKC-USAC/USG

MTD Average  
\$9,000/Day

Month y/y  
▼ -51%



# Capital Link Shipping Weekly Markets Report



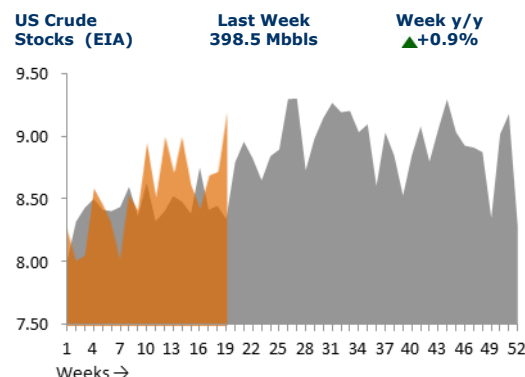
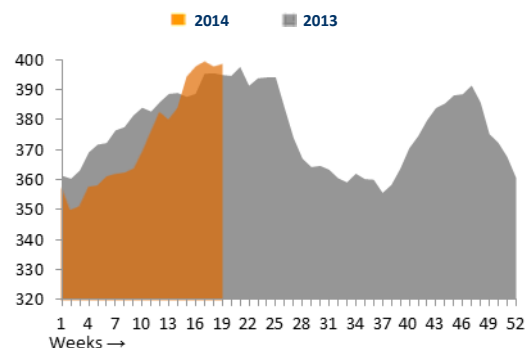
Monday, May 19, 2014 (Week 20)

## SHIPPING MARKETS

### Tanker Market – Weekly Highlights

	VLCC Ras Tanura-Los Angeles Voyage Costs	Suezmax O/S Bonny-Los Angeles Voyage Costs via Panama Canal
Bunkers	\$3,109,903	\$948,367
Port Costs	\$74,156	\$39,600
Panama Canal Toll	--	\$471,717
Total Voyage Costs	\$3,184,059	\$1,459,684
Voyage Costs \$/bbl	\$1.62	\$1.60

Spot Market	WS/LS	TCE \$/day	WS/LS	TCE \$/day
<b>VLCC</b> (12 Kts L/11.5 Kts B)	<b>9-May</b>		<b>16-May</b>	
AG>USG 280k (TD1)	25.5	\$(599)	25.0	\$(1,337)
AG>USG/CBS>SPORE/AG	--	\$17,590	--	\$16,748
AG>SPORE 270k (TD2)	36.0	\$13,485	33.0	\$9,304
AG>JPN 265k (TD3)	36.0	\$12,755	33.0	\$8,459
WAFR>USG 260k (TD4)	45.0	\$22,304	45.0	\$22,246
WAFR>CHINA 260k (TD15)	40.0	\$15,664	40.0	\$15,606
CBS>SPORE/AG 270k	\$3.45m	\$18,126	\$3.425m	\$17,632
<b>SUEZMAX</b> (12 Kts L/11.5 Kts B)				
WAFR>USAC 130k (TD5)	52.5	\$8,198	55.0	\$9,783
BSEA>MED 140k (TD6)	55.0	\$6,365	55.0	\$4,850
CBS>USG 150k	55.0	\$4,888	57.5	\$14,746
<b>AFRAMAX</b> (12.5 Kts L/B)				
N.SEA>UKC 80k (TD7)	92.5	\$17,507	92.5	\$17,476
AG>SPORE 70k (TD8)	95.0	\$17,180	105.0	\$21,258
BALT>UKC 100k (TD17)	67.5	\$10,083	67.5	\$10,048
CBS>USG 70k (TD9)	122.5	\$22,736	115.0	\$19,301
MED>MED 80k (TD19)	80.0	\$9,543	80.0	\$9,507
<b>PANAMAX</b> (12.5 Kts L/B)				
CBS>USAC 50k (TD10)	137.5	\$12,624	140.0	\$13,308
CBS>USG 50k	137.5	\$18,976	140.0	\$19,817
CONT>USG 55k (TD12)	120.0	\$10,602	120.0	\$10,562
ECU>USWC 50k	155.0	\$16,620	152.5	\$15,505
<b>CPP</b> (13.5 Kts L/B)				
CONT>USAC 37k (TC2)	105.0	\$4,733	97.5	\$2,981
CONT>WAFR 37k	120.0	\$7,331	112.5	\$5,591
USG>CONT 38k (TC14)	77.5	\$679	70.0	\$(1,158)
USG>CONT/CONT>USAC/USG	--	\$9,855	--	\$7,449
USG>P.COLORADOS 38k	\$465k	\$11,062	\$410k	\$7,221
CBS>USAC 38k (TC3)	95.0	\$4,363	95.0	\$4,340
AG>JPN 35k	110.0	\$6,068	112.5	\$6,538
SPORE>JPN 30k (TC4)	109.0	\$4,107	112.5	\$4,745
AG>JPN 75k (TC1)	90.0	\$15,613	97.5	\$18,959
AG>JPN 55k (TC5)	102.0	\$8,206	115.0	\$12,477



Time Charter Market \$/day (theoretical)	1 Year	3 Years
<b>VLCC</b>	\$22,500	\$26,750
<b>Suezmax</b>	\$18,000	\$22,000
<b>Aframax</b>	\$14,750	\$17,000
<b>Panamax</b>	\$14,750	\$16,500
<b>MR</b>	\$14,250	\$15,500



# Capital Link Shipping Weekly Markets Report



Monday, May 19, 2014 (Week 20)

## SHIPPING MARKETS

### Tanker Market – Weekly Highlights

#### THE TANKER MARKETS

##### VLCC

Activity in the VLCC market picked up this week as charterers progressed through the bulk of their outstanding May Middle East requirements; however, with activity falling short of what had been expected, the pace of rate erosion accelerated leading to strong w/w losses. Earlier estimates for the month's Middle East cargo tally to conclude at 115 were already low in comparison with recent month's levels and based on the pace observed this week and expectations that charterers have neared completion, the program now appears likely to conclude with around 110 – which would represent a 15 month low. Together with stagnant demand for Middle East positions to service West Africa cargoes, overcapacity remained evident and allowed charterers to erode owners' confidence. Moreover, with 106 May cargoes and 6 June cargoes covered (primarily on May positions), we note a May surplus VLCC supply in the Middle East of 22 – which compares with an average of 14 during the preceding twelve months.

Uncertainty prevails over the extent to which China's crude imports are impacting Middle East cargo programs; implied oil demand declined 0.6% during Q1 on a y/y basis and the April figure is even worse, showing a 0.9% decline on a m/m basis while imports during April reached a record high of 6.8 Mb/d, likely due to inventory building and product exports. If inventory building activities are now scaling back amidst peak refinery maintenance, it could explain VLCC demand slump being observed in the Middle East and Caribbean markets. In the former, we count 33 China-bound cargoes through the May program to date – which is well below the 41 observed through the first four months of 2014. While the June program could thus usher in a recovery of China-bound cargoes on progression from maintenance or further inventory building and contribute to a healthier ton-mile demand environment, uncertain forward end-use demand could undermine the extent thereof.

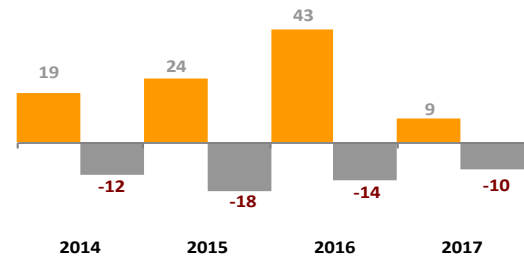
##### Middle East

AG-FEAST rates lost 2.7 points w/w to an average of ws35.5 and conclude the week at ws33. Corresponding TCEs shed ~\$3,918/day w/w to an average of ~\$12,334/day while the closing assessment yields ~\$9,048/day. Rates to the USG via the Cape lost one point to an average of ws24.5. Triangulated Westbound trade earnings averaged ~\$16,306/day, representing a w/w loss of ~\$1,193/day.

With 20 May positions remaining unfixed and just 4 May cargoes reasonably expected to remain uncovered, the resulting 16 uncovered units against the fact that 6 June cargoes have already been covered will likely continue to weigh heavily on rates during the upcoming week as chartering activity is likely to prove softer. The extent of rate downside on Eastbound voyages, however, could be limited by the fact that AG-FEAST earnings are now firmly below daily OPEX levels. We suggest that more units will likely vie for voyages to the USG in hopes of capturing triangulated earnings, which stand at ~\$16,748/day (some 85% above AG-FEAST earnings) over a longer period, which could see AG-USG rates show greater downside.

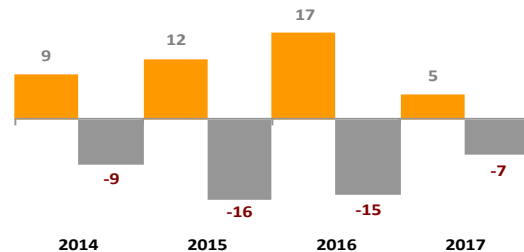
#### VLCC Projected Deliveries/Removals

Present Fleet: 611



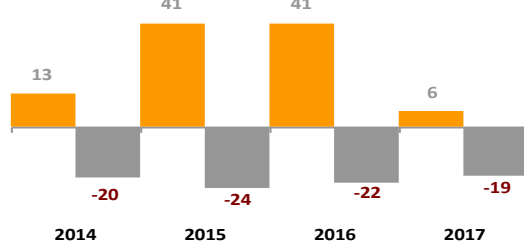
#### Suezmax Projected Deliveries/Removals

Present Fleet: 441



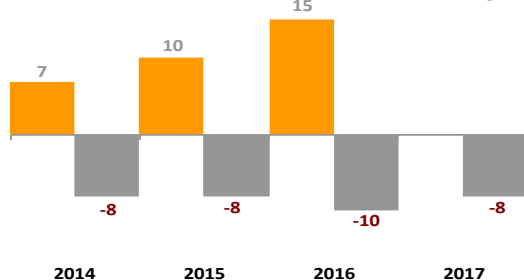
#### Aframax/LR2 Projected Deliveries/Removals

Present Fleet: 875



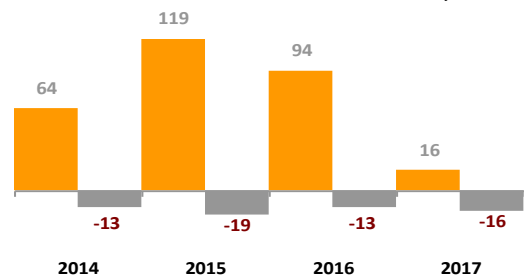
#### Panamax/LR1 Projected Deliveries/Removals

Present Fleet: 418



#### MR Projected Deliveries/Removals

Present Fleet: 1,203





# Capital Link Shipping Weekly Markets Report



Monday, May 19, 2014 (Week 20)

## SHIPPING MARKETS

### Tanker Market – Weekly Highlights

#### Atlantic Basin

Demand in the West Africa market remained stagnant this week despite an improvement of regional Suezmax demand. Rates on the WAFR-FEAST route averaged ws38.5 this week, representing a w/w loss of 1.6 points. Corresponding TCEs averaged ~\$13,596/day – off ~\$2,470/day from last week's average.

Demand in the Caribbean market was modestly more active on the conclusion of the May program and progression to June dates. Rates on the CBS-SPORE route added a modest \$30,000 to an average of \$3.44m lump sum, but could weaken during the upcoming week on expected USG arrivals.

#### Suezmax

The West Africa Suezmax market was markedly more active this week on the conclusion of the May program and a strong progression into the June dates. This followed stronger earlier demand by European refineries to cover import requirements in the absence of a resumption of volumes from Libya and coinciding with field maintenance reducing the supply of competing volumes in the North Sea – a situation which favors Suezmaxes over VLCCs for regional cargo stems. Total fixtures rose 46% w/w to 19. The stronger demand allowed owners to modest rate gains and the WAFR-USAC route added 2.5 points to conclude at ws55. As charterers paused before progressing into the second-decade June program, however, demand levels cooled and halted the upward rate momentum. As remainder of the June program appears to be well subscribed and a large portion of cargoes likely to be bound for Europe, regional Suezmax demand should remain elevated on an eventual progression into the second-decade. Simultaneously, stronger earnings in the Caribbean market during recent weeks have limited the number of units returning to the West Africa market. Collectively, these factors should help to keep rates stable through the start of the week and may allow for further rate gains thereafter.

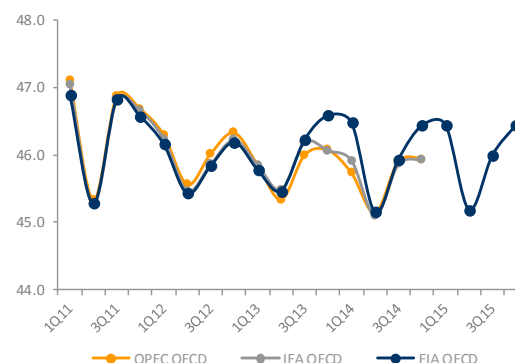
#### Aframax

Rates in the Caribbean Aframax market commenced the week poised for a correction from recent highs. Following a replacement cargo, which ultimately fixed at levels near last week's highs, rates for normal requirements retreated as overall demand had turned sluggish and supply was relatively adequate. A total of just 10 regional fixtures materialized over the course of the week, representing a 33% w/w decline – and the lowest number in 5 weeks. The CBS-USG route ultimately shed 7.5 points to conclude at ws115. Given the prevailing supply/demand positioning, failing a surprise uptick in demand during the upcoming week, rates could experience further softening and settle in the low ws110s.

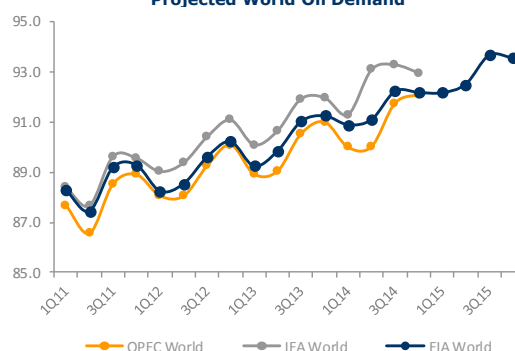
#### Panamax

The Caribbean Panamax market remained active this week on steady activity to service heated crude cargoes from East Coast Mexico. Following a degree of volatility, the CBS-USG route ultimately concluded with a further 2.5 points gain on last week's close at ws140. As regional Aframax rates have cooled and cargo grade sensitivity becomes less of an issue, rates could experience a correction during the upcoming week.

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





# Capital Link Shipping Weekly Markets Report



Monday, May 19, 2014 (Week 20)

## SHIPPING MARKETS

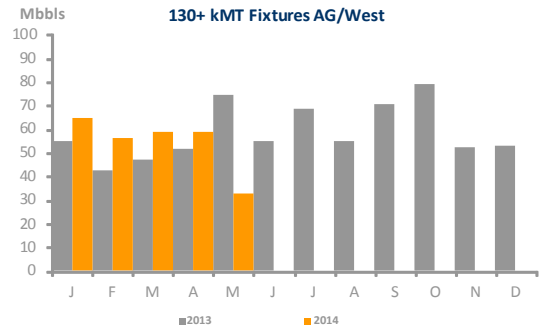
### Tanker Market – Weekly Highlights

#### CPP

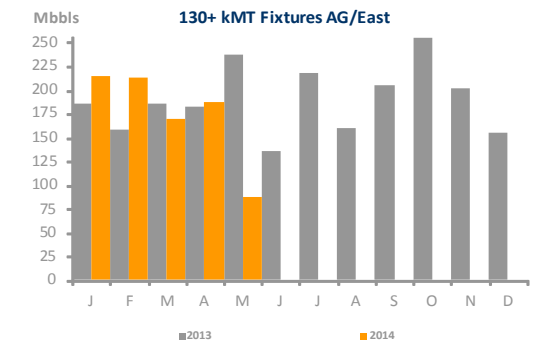
Activity in the USG MR market remained relatively robust this week with a total of 33 fixtures materializing, representing a 22% increase on the number of fixtures concluded last week. Voyages bound for points in Europe rose to eight while those to Latin America were largely stable, with 12. Despite the activity gains, regional rates were markedly weaker across all routes as an ongoing oversupply situation undermined owners' ability to accelerate or at least maintain the slow rate growth which had prevailed during recent weeks. Rates on the USG-UKC route lost 7.5 points over the course of the week to a closing assessment of ws70. A simultaneous 7.5 points decline on the UKC-USAC route to ws97.5 pushed triangulated USG-UKC/UKC-USAC/USG trade earnings to ~\$7,449/day, off 24% w/w. Given limited near-term upside potential for the UKC market and expectations for a sustained improvement of USG rates from June, more owners looked to trade on short-haul voyages to avoid locking into longer triangulated earnings. This pushed rates on the USG-POZOS route, a gauge of short-haul regional voyages, down by \$55,000 to an assessed rate of \$410,000 (lump sum), at which level earnings largely match those for triangulated trades at ~\$7,221/day.

Guarded optimism remains that as a greater share of voyages in the Atlantic market shift to the USG market headed into the summer regional rates will improve, as evidenced by forward TC14 FFA assessments (June indications are ws86.38 while Q3 and Q4 are ws98.91 and ws108.70, respectively). However, given general oversupply in the market following net fleet growth of 6% and YTD net growth of 2% (with the majority vying for trades in the Atlantic markets) and the fact that short-haul voyages from the USG have failed to reduce regional positions, the prospect of near-term gains appears complicated. We note that a shift of the discharge profile from Latin America to Europe has failed to materialize as it had around this time a year ago, which allowed rates to gain. Limiting the extent of downside, a two week forward view of USG availability shows 46 positions – which is an improvement from the 50+ observed earlier during the week. The extent of additional positions appearing following the weekend will likely dictate the direction rates will take during the upcoming week; if the number remains below 50 rates could show a modest improvement given our expectation that activity will remain level. Failing that, rates could remain stagnant around present levels.

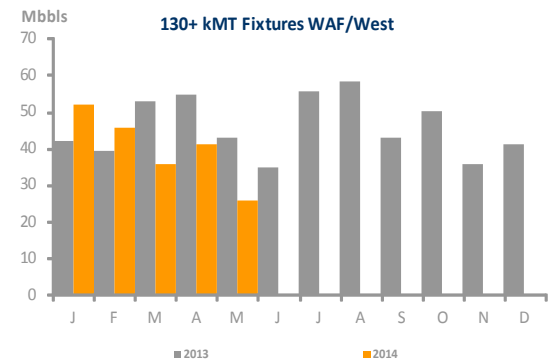
130+ kMT Fixtures AG/West



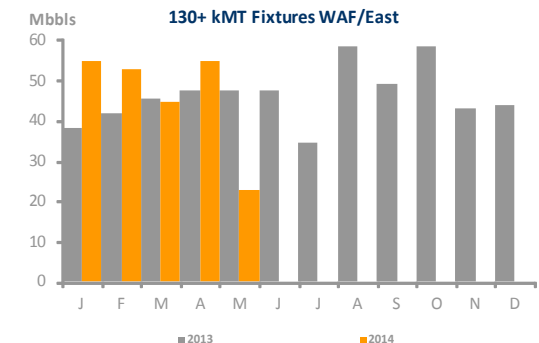
130+ kMT Fixtures AG/East



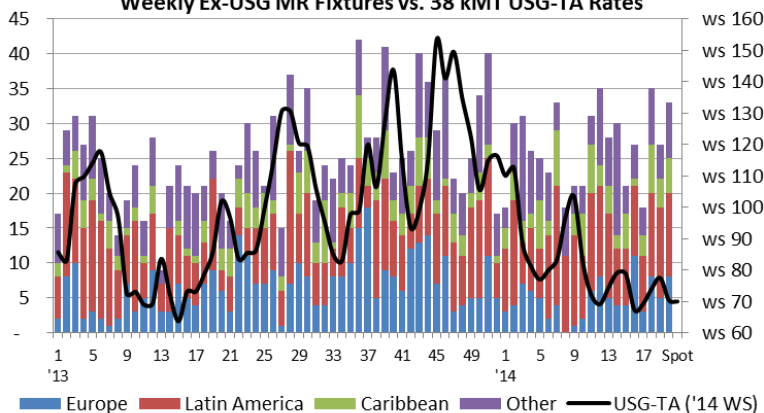
130+ kMT Fixtures WAF/West



130+ kMT Fixtures WAF/East



Weekly Ex-USG MR Fixtures vs. 38 kMT USG-TA Rates





### Tanker Market – Weekly Highlights

#### Aframax

The Caribbean Aframax market rallied on the back of tight availability at the start of the week to service the remainder of the May's first decade cargo program due to stronger recent demand and intermittent weather and ullage delays which caused a number of early replacement fixtures. The replacement fixtures included one for which there was only one suitable unit available and concluded at ws125 on the CBS-USG route. Though a return to more normalized requirements prevailed by mid-week, owners remained largely bullish and succeeded at preventing a correction of rates. The route concludes at ws122.5 – a 12.5 points gain on last week's closing value. Given a generally more flexible supply of regional units prevailing at the close of the week, rates should start to correct during the start of the upcoming week, failing a surge in demand. Looking further forward, with PADD 3 refineries moving past earlier seasonal maintenance as remaining off stream capacity returns, stronger inputs should support Aframax demand through the remainder of May and early June. This should help to limit the extent of Aframax rate downside and hold rates generally around the ws110 level during the coming weeks following a correction from present levels.

#### Panamax

The Caribbean Panamax market was markedly more active this week as a number of crude cargoes augmented a modestly improved demand for units to service DPP and replacement cargoes. The trend partly resulted from a strong rate differential between Panamaxes and Aframaxes early during the week which prompted more charterers to look to Panamaxes to service cargo requirements. Rates on the CBS-USG route posted strong gains, adding as much as 32.5 points from last week's close to the ws140 level by mid-week. An evaporation of fresh demand thereafter halted the positive bias and ultimately the week concluded at ws137.5. A further correction is likely during the upcoming week, though the extent thereof could be

limited by the possibility of more replacement fixtures as well as the fact that charterers have moved to working dates further forward than usual.

#### CPP

Chartering activity in the USG MR market scaled back from last week with total fixtures declining by 17% to 29. Voyages to Europe dropped to six from a revised total of eight a week ago (eleven had been provisionally fixed last week, but three failed), while voyages to Latin America held steady at a total of twelve. Though regional rates had concluded last week on an upward trend, the impact of failed fixtures combined with a number of units reappearing on position lists from earlier short-haul voyages hindered owners' ability to command further gains. By mid-week, a two-week forward count of regional availability had risen by 18% to over 50 units and while no further expansion materialized through the remainder of the week, rate sentiment remained soft and by the close of the week rates had retested lower. The USG-UKC route, which had remained around the ws80 level through most of the week, concluded at ws72.5.

Though fixtures to Europe were fewer, this week's tally of six remains above the YTD average of five (which includes a number of weeks during Q1 when extreme cold in the US depleted heating oil inventories and kept the trans-Atlantic arbitrage firmly shut). Rising PADD 3 refinery inputs distillate inventories suggest that diesel exports could generally trend higher over the coming weeks. However, sustained demand for voyages on the UKC-USAC route resulting from the fact that PADD 1 gasoline inventories were 11% below year-ago levels will likely continue to limit the extent of any potential USG market rate gains in the near term though heading further into Q3 we continue to expect that seasonal forces will help to support more substantive gains.

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# Capital Link Shipping Weekly Markets Report



Monday, May 19, 2014 (Week 20)

## SHIPPING MARKETS

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

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

↓ Secondhand – ↓ Newbuilding – Demolition —

WEEKLY S&P ACTIVITY							
VESSELTYPE	SECOND HAND		DEMOLITION		TOTAL	%w-o-w	
	Units	(\$ Invested Capital	Units	in DWT		SH	DEMO
Bulkcarriers	4	99.500.000	6	360.814	10	-33%	50%
Tankers	6	134.850.000	2	35.659	8	20%	-50%
Gas Tankers	0	0	1	4.998	1	-100%	
General Cargo	2	1.550.000	2	11.292	4		-50%
Containers	7	57.150.000	4	177.814	11	0%	33%
Reefers	0	0	1	10601	1		
Passenger / Cruise	0	0	0	0	0		
Ro - Ro	0	0	1	4.476	1		0%
Car Carrier	0	0	0	0	0		
Combined	0	0	0	0	0		
Special Projects	0	0	0	0	0		-100%
<b>TTL VSLS/Demo</b>	<b>19</b>	<b>293.050.000</b>	<b>17</b>	<b>605.654</b>	<b>36</b>	<b>0%</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.

Contributed by

**Golden Destiny S.A.**

57 Akti Miaouli Street, Piraeus, 185 36  
Greece

Phone: +30 210 4295000

Website: www.goldendestiny.gr



#### NEWBUILDING MARKET

#### WEEKLY NEWBUILDING MARKET

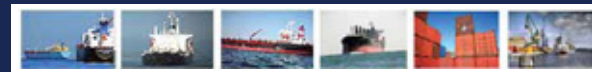
WEEKLY NEWBUILDING ACTIVITY					
Vessel Type	Units	in DWT	Invested Capital	P&C	%w-o-w
Bulkcarriers	4	287.000	N/A	4	-79%
Tankers	1	19.950	N/A	1	-75%
Gas Tankers	15	386.000	774.000.000	5	114%
General Cargo	2	25.100	N/A	2	
Containers	2	24.000	N/A	2	-60%
Reefers	0	0	0	0	
Passenger / Cruise	2	15.000	1.320.000.000	1	
Ro - Ro	0	0	0	0	
Car Carrier	4	92.000	297.000.000	0	
Combined	0	0	0	0	
Special Projects	10	18.000	2.555.900.000	6	25%
<b>TOTAL</b>	<b>40</b>	<b>867.050</b>	<b>4.946.900.000</b>	<b>21</b>	<b>-7%</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)

#### NEWBUILDING MARKET – ORDERS

Vessel Type	Sub-type	Units	Dwt	Contractor	Country	Builder	Country	USD mil/Unit	Dely
Bulker		2 + 1	82.000	Reuben Brothers	UK Based	Sungdong	SKR	N/A	6-2016
Bulker		2	61.500	COSCO Jiangsu Ocean	PRC	Nantong COSCO	PRC	N/A	10/12-2016
Tanker	Chemical	1	19.950	NV CBM SA	BLG	Kitanihon	JPN	N/A	12-2017
LNG		2 + 2	110.000	Gaslog LNG	GR	Samsung	SKR	210.000.000	3/6-2017
LNG		2		Petronas	MAL	Hyundai HI	SKR	N/A	2h2016
LPG		2		Eastern Pacific	SPORE	Hyundai Mipo	SKR	51.500.000	2016
LPG		3	23.000	Ultranav Naviera	CHILE	STX	SKR	N/A	2015
LPG/Ethy		4	22.500	Petreddec SAM	MON	Jinagnan	PRC	TOTAL xs 220.000.000	from 2016
LPG		2	3.500	B-Gas	DEN	Kitanihon	JPN	15.000.000	2015
General Cargo	Heavylift	2	12.550	Krey Schiffahrts GmbH	GER	Jiangsu Hongqiang	PRC	N/A	1/3-2016
Container		2 + 2	1.400 TEU	Nordic Hamburg	GER	Undisclosed	N/A	N/A	6/12-2016
Passenger	Crewboat	1		Windwave Workboats	UK	Damen Shipyards	NTH	N/A	12-2014
Passenger		1	15.000	Royal Caribbean	USA	STX France	FR	1.320.000.000	6-2018
Car Carrier	PCTC	4	7.500 CEU	Hyundai Glovis	SKR	Hyundai HI	SKR	74.250.000	2015-2016
Special Proj.	Jack-up	2 + 4		Blue Ocean Drilling	USA	Shanghai Waigaoqiao	PRC	N/A	6/12-2016
Special Proj.	Jack-up	2		Shandong Offshore	PRC	Shanghai Waigaoqiao	PRC	N/A	4/9-2016
Special Proj.	Drillship	2		Ocean Rig	GR	Samsung HI	SKR	N/A	2/6-2017
Special Proj.	Offshore Liftboat	1 + 1		Atlantic Offshore	SPORE	Undisclosed	PRC	46.000.000	12-2015
Special Proj.	Constraction Ship	1		Plovput Doo	CR	Brodosplit	CR	9.900.000	11-2015
Special Proj.	Icebreakers	1	9.000	Rosatom	RUS	Baltiskiy Zavod	RUS	1.300.000.000	2020
Special Proj.	Icebreakers	1	9.000	Rosatom	RUS	Baltiskiy Zavod	RUS	1.200.000.000	2019

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



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

E-mail: [shipping@capitallink.com](mailto:shipping@capitallink.com)  
[www.capitallink.com](http://www.capitallink.com) - [www.CapitalLinkShipping.com](http://www.CapitalLinkShipping.com)

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