

# Capital Link Shipping Weekly Markets Report



Monday, June 2, 2014 (Week 22)



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# Capital Link Shipping

...Linking Shipping and Investors Across the Globe

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

## Investor Relations & Financial Advisory

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



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



## [www.CapitalLinkShipping.com](http://www.CapitalLinkShipping.com)

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



## Capital Link Shipping Weekly Markets Report

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



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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).



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



## [www.MaritimeIndices.com](http://www.MaritimeIndices.com)

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### Latest Company News

Tuesday, May 27, 2014

#### **Ardmore Shipping Announces Acquisition of Eco-design MR Tanker**

Ardmore Shipping Corporation announced the acquisition of a 49,997 Dwt Eco-design product and chemical tanker built in July 2013 at STX Offshore & Shipbuilding Co. Ltd., South Korea, for a purchase price of \$36 million. The vessel is expected to deliver to Ardmore between July 1st and August 31st 2014, and is intended to be employed either in the spot market or on a one-year time charter. Upon delivery, Ardmore's fleet will stand at 22 vessels, with 12 in operation and 10 Eco-design product and chemical tankers scheduled to be delivered by the fourth quarter of 2015, the next two of which are scheduled to deliver six months from now, in November 2014.

#### **Ship Finance International Limited Reports First Quarter 2014 Financial Results**

Ship Finance International Limited announced its preliminary financial results for the quarter ended March 31, 2014. The Company reported total U.S. GAAP operating revenues on a consolidated basis of \$82.7 million, or \$0.89 per share, in the first quarter of 2014. This number excludes \$11.2 million of revenues classified as 'repayment of investments in finance lease', and also excludes \$67.1 million of charter revenues earned by assets classified as 'investment in associate'. The Board of Directors has declared an increased quarterly cash dividend of \$0.41 per share, and Ship Finance has now declared dividends for 41 consecutive quarters. The dividend will be paid on or about June 30, 2014 to shareholders of record as of June 12, 2014.

Wednesday, May 28, 2014

#### **FreeSeas Announces Approximately \$37 Million of Debt Owed to Credit Suisse**

FreeSeas Inc. announced the closing of its previously announced \$25 million offering of Series D Convertible Preferred Stock and Series C Warrants pursuant to a placement agent agreement with Dawson James Securities, Inc. entered into on May 21, 2014. The securities were sold in 250,000 units, at a purchase price of \$100 per unit, with each unit consisting of one share of the Company's Series D Convertible Preferred Stock and 184 Series C Warrants, exercisable for five years at an initial price of \$1.42 per share. Each share of Series D Preferred Stock has a stated value of \$100 and is initially convertible into a number of shares of common stock equal to \$100 divided by \$1.09.

#### **Safe Bulkers, Inc. Reports First Quarter 2014 Results and Declares Quarterly Dividend on Common Stock**

Safe Bulkers, Inc. announced its unaudited financial results for the quarter ended March 31, 2014. Net revenue was \$41.3 million, net income was \$11.2 million, and adjusted net was \$8.6 million for the first quarter of 2014. EBITDA for the first quarter of 2014 decreased by 14% to \$23.7 million from \$27.5 million during the same period in 2013. The Board of Directors of the Company also declared a quarterly dividend of \$0.06 per share of common stock for the first quarter of 2014.

#### **Tsakos Energy Navigation Ltd. Announces Closing of Common Share Issuance Under Underwriters' Option to Purchase Additional Shares**

Tsakos Energy Navigation Ltd. announced the closing of the sale of 1,650,000 common shares as a result of the underwriters' exercise in full of the option granted to them by the Company to purchase additional common shares at a price of \$7.30 per share, less underwriting discounts and commissions, bringing the total to 12,650,000 shares sold in the previously announced public offering, resulting in total proceeds of \$92.3 million. The Company plans to use the net proceeds to finance the expansion and modernization of its fleet through its vessel acquisition program, including installment payments on its existing crude oil carrier newbuilding program pursuant to its strategic partnership with a well-known oil major, and for general corporate purposes.

#### **Teekay Tankers Announces New CEO**

Teekay Tankers Ltd. announced the appointment of Mr. Kevin J. Mackay as Chief Executive Officer (CEO) of Teekay Tankers, effective June 20, 2014.

#### **Global Ship Lease Files Universal Shelf Registration to Replace Expiring F-3 Registration Statement**

Global Ship Lease, Inc. announced that it has filed a universal shelf registration statement on Form F-3 with the United States Securities and Exchange Commission ("SEC"). The registration statement will replace a similar Form F-3 that was previously filed with the SEC in February 2011 which has expired. In addition, the shelf registration, when declared effective, will permit certain principal shareholders of Global Ship Lease to offer and sell up to 10,737,004 previously issued, outstanding shares. At present, neither the Company nor the principal shareholders have any specific plans to issue or sell securities under the registration statement.

#### **Golar LNG Reports Results for Period Ended March 31 2014**

Golar LNG reported a first quarter 2014 net income of \$13.0 million. EBITDA generated in the quarter amounts to \$33.1 million. Operating revenue at \$21.0 million was up on fourth quarter 2013 operating revenue of \$18.0 million. The Board maintains a dividend at \$0.45 for the quarter.

Thursday, May 29, 2014

#### **Globus Maritime Limited Reports Financial Results for the Three Month Period Ended March 31st, 2014**

Globus Maritime Limited reported its unaudited consolidated operating and financial results for the three month period ended March 31st, 2014. Total comprehensive income for the first quarter of the year 2014 amounted to \$1.1 million or \$0.11 basic earnings per share based on 10,228,137 weighted average number of shares. Revenue reached \$7.4 million for both the three month periods ended March 31, 2014 and 2013.

#### **Star Bulk Carriers Corp. Reports Financial Results for the First Quarter Ended March 31, 2014**

Star Bulk Carriers Corp. announced its unaudited financial and



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operating results for the first quarter ended March 31, 2014. For the first quarter of 2014, total voyage revenues amounted to \$19.4 million compared to \$18.2 million for the first quarter of 2013. For the first quarter of 2014, operating income amounted to \$0.6 million. Net income for the first quarter of 2013 amounted to \$1.2 million, or \$0.21 earnings per basic and diluted share, based on 5,406,306 and 5,406,373 weighted average number of shares, respectively.

**Friday, May 30, 2014**

## **Scorpio Tankers Inc. Announces Agreement to Acquire 7.5 Million of Its Own Common Shares**

Scorpio Tankers Inc. announced that it has entered into an agreement whereby the Company will purchase from an existing shareholder 7,500,000 common shares of the Company in exchange for the sale to said shareholder of 3,422,665 common shares the Company currently owns in Dorian LPG Ltd ("Dorian") in a privately negotiated transaction. As a result of the disposal of the 3,422,665 Dorian shares, the Company will recognize a gain of approximately \$11.0 million and its ownership in Dorian will be reduced to 9.4 million shares. This transaction is subject to the execution of definitive agreements and satisfaction of customary closing conditions and is expected to close in June 2014.

## **Seaspan Accepts Delivery of Second 10000 TEU SAVER Containership**

Seaspan Corporation announced that it accepted delivery of a 10000 TEU containership, the Hanjin Namu. The new containership, which was constructed at Jiangsu New Yangzi Shipbuilding Co., Ltd. using Seaspan's fuel-efficient SAVER design, is Seaspan's second of five 10000 TEU SAVER design containerships scheduled for delivery in 2014. The Hanjin Namu will commence a ten-year, fixed-rate time charter with Hanjin Shipping Co. Ltd. ("Hanjin"). The ship is the second of a total of three vessels to be chartered by Seaspan to Hanjin, and expands the Company's operating fleet to 73 vessels.

## **Euroseas Ltd. Announces Date for the 2014 Annual General Meeting of Shareholders**

Euroseas Ltd. announced that the Annual General Meeting of Shareholders will be held at the offices of Seward & Kissel LLP, One Battery Park Plaza, Ground Floor, New York, New York 10004 on Friday, June 20, 2014 at 10:30 a.m. E.D.T. Shareholders of the Company as of the close of business on Friday, May 23, 2014, the "record date," will be entitled to vote at the Annual Meeting or any adjournment thereof.

# Capital Link Shipping

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

[CapitalLinkShipping.com](http://CapitalLinkShipping.com)



### Ship spotters guide to LNG tankers

This week's report starts with bad news and good news- the bad news is that I can't get over to Greece for Posidonia, which will be covered elsewhere in Capital Link's newsletter. The other side of the coin- good news I guess, is that my consulting business has taken me to the other side of the world, to financial centers in Asia. In Singapore, I got very lucky, with a hotel room overlooking the Straits- where some large percentage of the world's shipping must travel. The biggest eye opener, as I spent my free time watching all the action going by (and even taking digital pictures and then putting them out on Twitter under my nom de plume) were the LNG carriers. The vessels are distinctive looking, whether Moss (spherical tanks) or Membrane type (massive ships, even when fully laden), sometimes saying "LNG" very clearly on their sides.

Several news items related to the gas trades have been in the news recently. First is the massive deal announced recently where Gazprom, a big Russian company, will supply China with gas; the second item has been a fresh set of rumblings at the U.S. Department of Energy regarding approvals of export projects going forward. Both pieces of news seemed to be relevant to questions regarding future flows of LNG. Investors in listed players, like Golar Gas, Teekay Gas Partners, Gas Log, Dynagas and Hoegh will no doubt be calculating over time to figure out implications and future flows.

First, in a deal that was widely reported, the Russians have agreed to provide China with humongous amounts of natural gas, moving from gathering stations, yet to be built, in Siberia, through a pipeline also out there in the future. As described in the press, volumes would start in 2018 at 38 billion cubic meters/ year (bcf) of gas, with the number ramping up to 60 bcf a few years later. Does this mean that LNG moving on vessels (like those I've seen from the hotel window) won't be making the journey to China? We can't say with certainty, any predictions about China must be heavily dis-claimed. However, we can point to forecasts from the U.S. Department of Energy in the States- which has forecast Chinese LNG imports of around 120 bcf in 2020, and closer to 200 bcf in 2030. Other forecasters, including the Chinese National Petroleum Corporation (CNPC) and the International Energy Agency (IEA), have estimated levels closer to 150 bcf in 2020- which is about as far forward as I would look.

My forecasting friends who've looked at LNG flowing into China see demand, ie the levels above, greatly exceeding announced supply-meaning known commitments for moving gas into China (mainly by pipeline). From a logistics point of view, China has tried hard to diversify its energy supplies, and, where possible, to shift away

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.

from movements through the Straits of Malacca (and through Singapore). A quick look at China's import matrix shows that present gas imports of around 40 bcf, are evenly split between pipeline (from Russia) and LNG- from Australia and the Middle East. Seaborne trade is forecast to be rapidly eclipsed by pipeline flows from Russia and FSU suppliers. At least one LNG shipping deal, where gas would flow from Yamal, in North Russia, into China, was signed late last year by Novatek (a Russian seller that competes with GazProm). As LNG imports into China grow, don't look for incremental molecules to come from the Middle East.

Over the past few years, the forecasts of likely Chinese imports are increasing- so there's room for plenty of seaborne gas, in absolute terms, even if the relative seaborne piece is declining. With the coming widening of the Panama Canal, LNG moving from the U.S. Gulf out to Asia (maybe on Q-Flex tankers of the type delivered after the mid 2000s building boom) is much discussed. The way the numbers shake out, gas from Alaska (including an existing terminal at Kenai, and a big mega-project way out in the future) would provide the cheapest seaborne source into North China.

Reading the tea leaves at the U.S. Department of Energy is always challenging, but they are not shutting down approvals of export projects any time soon. Last week, there was a flurry of reports, concerning a communication (on a blog, apparently) from a top US DOE executive, suggesting a change in policy. The U.S. government, to date, has awarded seven licenses for export to countries that are not in the U.S. free trade network. The subtle change came as the DOE tries to streamline approvals of projects- LNG export plans that come with a an OK stamp on environmental permitting will move to the front of the queue. Where environmental permits are not in order, well, hurry up and wait. Industry proponents, like the Center for LNG, decried the change- saying that approvals will take longer. Interestingly, projects for up to 12 bcf have been considered; according to some of the reports, the USDOE will now be considering projects that bring U.S. exports up to 20 bcf. Maybe some of these future flows will go to China. But meantime, the ship spotters in Singapore will still see plenty of activity from the LNG sector.



### ***Globus Maritime Reports First Quarter 2014 Profit***

On May 29, 2014, NASDAQ listed Globus Maritime Limited released its first quarter 2014 financial results. Net income reported was \$1.1 million or \$0.11 basic earnings per share, with \$7.4 million in net revenue.

Adjusted EBITDA for the first quarter of 2014 was \$3.4 million.

The company owned and operated an average of 7 vessels during the first quarter of 2014, which earned an average Time Charter Equivalent rate of \$9,248 per day.

George Karageorgiou, President, CEO and CFO of Globus Maritime Limited, said about his company's first quarter 2014 financial results, they "were negatively impacted by the dry bulk market underperforming, in large part due to a delayed start of the South American grain trade. Despite the market conditions, we did report a profit for the first quarter 2014, had a high fleet utilization rate of 99.8%, which is a testimony to our efficient in house technical and commercial management; going forward, we maintain a positive outlook for our overall financial performance in 2014, which coincides with the recovery in the dry bulk market, with a more balanced supply and demand.



GLOBUS MARITIME LIMITED

Mr. Karageorgiou also believes that Globus is set to benefit from the improving dry bulk fundamentals, "A key advantage for Globus is that the majority of our vessels today trade in the spot market. With only 29% of our fleet days secured in 2014, we are in excellent position, to maximize our revenues, in a market that many industry observers believe is poised for a turnaround. In January 2015, following the charter expirations of the Jin Star and Sun Globe, we will have zero contract coverage, and this is significant for our company, given that the outlook for 2015 is expected to be better than the current year because demand for dry bulk commodities will outpace supply growth.

Globus' subsidiaries own and operate seven vessels with a total carrying capacity of 452,886 dwt and a weighted average age of 7.3 years. The NASDAQ listed company trades under the symbol GLBS.

### ***Safe Bulkers Reports Q1 2014 Profit and Declares Dividend***

On May 28, 2014, the New York listed company, reported net revenue for Q1 2014 of \$41.3 million. Net Income for the period was \$11.2 million with earnings per share and adjusted EPS of \$0.13 and \$0.10 respectively. EBITDA was \$23.7 million while adjusted EBITDA came in at \$21.1 million.

Together with its first quarter 2014 financial results, Safebulkers declared a dividend of \$0.06 per common share, payable on or about June 17, 2014 to shareholders of record at the close of trading on June 10, 2014. Safe Bulkers has been a consistent dividend payer having paid in excess of \$200 million in dividends since its listing on NYSE in May 2008.

It was a busy quarter for the company. It took delivery of three newbuilds from Japanese yards, two eco-design Panamax vessels and a Capesize vessel, which upon delivery entered into a 10-year time charter contract.

Safe Bulkers has been on a growth trajectory since its IPO in May 2008 expanding and renewing its fleet with eco-design vessels. The



operational fleet has grown from 11 to 31 drybulk vessels with an average age of 5.4 years and an aggregate carrying capacity of 2.9 million dwt. The fleet consists of 10 Panamax, 7 Kamsarmax, 11 post- Panamax and 3 Capesize class vessels, all built 2003 onwards.

Looking ahead, Safe Bulkers has 13 new eco-design newbuild dry bulk vessels on order through 2017 with average price \$31.1 million. This includes 6 Japanese Panamax, 3 Japanese Post-Panamax, 2 Japanese Kamsarmax and 2 Chinese Kamsarmax dry bulk vessels. One vessel is scheduled for delivery in 2014, 6 in 2015, 5 in 2016 and 1 in 2017. This expansion is fully financed.

Upon delivery of all of these newbuilds, assuming no other vessel



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acquisitions or disposals, the Safe Bulkers fleet will be comprised of 44 vessels, 15 of which will be new eco-design vessels, having an aggregate carrying capacity of 3.9 million dwt and average age of 6.1 years.

Dr. Loukas Barmparis, President of the Company, stated "We maintain substantial exposure in the spot market allowing for potential upside to our revenues in the event of a strong charter market." To this effect, the contracted employment of fleet ownership days as of May 22, 2014 was 36% for the remainder of 2014, 15% for 2015 and 10% for 2016.

In March 2014, the Company collected \$36.3 million in arbitration award proceeds, following an arbitration award issued in January

2014 in favour of the Company by a London arbitration tribunal in relation to a cancelled Capesize class vessel. The proceeds represented the full amount of advances paid to the shipyard of \$31.8 million and interest of \$4.5 million.

In May 2014, the Company raised \$55.4 million in net proceeds from the Public Offering of 2.3 million Series C cumulative redeemable perpetual preferred shares with a coupon of 8%.

The Company's common stock is listed on the NYSE where it trades under the symbol "SB." The Company's preferred stock "Series B" and "Series C" are listed on the NYSE, trading under the symbols "SB.PR.B." and "SB.PR.C."





## **Star Bulk Carriers Reports First Quarter 2014 Financial Results**

For the first quarter of 2014, the Nasdaq listed company reported \$1.7 million of adjusted net income, or \$0.06 per basic and diluted share, while total Adjusted Revenues net of Voyage Expenses, increased by 8% mainly attributed to the higher average number of vessels, from 14 to 15.8. Adjusted EBITDA was \$7.8 million



Spyros Capralos, President and CEO of Star Bulk, commented: Star Bulk “continued the implementation of its fleet expansion and operational optimization strategy. Within the first quarter of 2014, we have taken delivery of 2 modern Post Panamax vessels Star Vega and Star Sirius, chartered out for the next 2.5 years at above market rates, bringing our owned fleet to 17 vessels currently in the water and 28 on a fully deployed basis.”

Spyros Capralos, continued “We have also enhanced our internal commercial management capabilities through the acquisition of a strategic minority stake in Interchart Shipping. The substantial renewal and expansion of our fleet, along with the continuous streamlining of our technical and commercial operations, will allow us to capture the maximum benefits from the shaping dry bulk market recovery.”

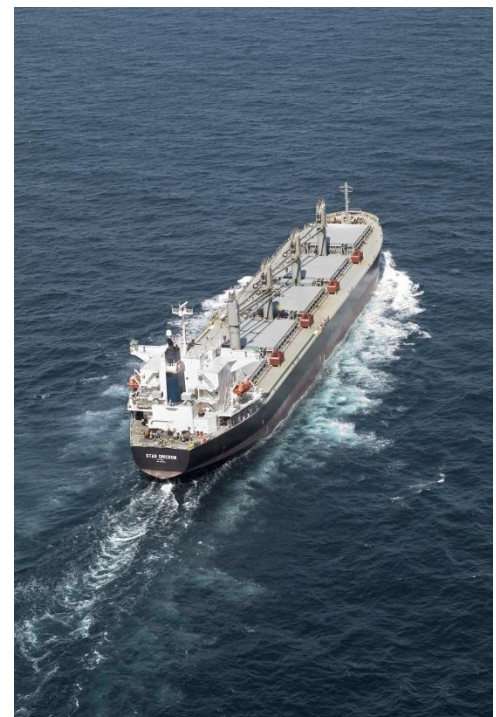
On April 1, 2014, Star Bulk issued 22,598 shares of its common stock to acquire 33% of the total outstanding common stock of Interchart, a Liberian company that acts as a chartering broker to the company’s fleet.

Star Bulk views the current freight market softness as short-lived as “it is mostly due to the temporary lack of Brazilian iron ore exports and nickel ore, bauxite and grain trade disruptions.” Spyros Capralos added, “On the other hand, the supply and demand fundamentals of dry bulk shipping remain. Chinese iron imports continue their stellar growth pattern, as larger volumes of high quality and low cost iron ore are becoming available for exports both in Pacific and in the Atlantic market.”

On the finance side, Star Bulk’s updated its total cash, which amounts to \$57.8 million, while its current debt is \$255.1 million, implying a net debt position of \$197.3 million. Simos Spyrou, Chief Financial Officer of Star Bulk, stated “During 2014, up to now, we have paid a total of \$9.2 million for scheduled principal debt repayments, while we have a total of \$13.2 million remaining for the rest of the year.”

Simos Spyrou added “Regarding our capital expenditures, we have paid \$79.8 million in the form of advances for our 11 newbuilding vessels, while we do not have any CAPEX requirements for the remaining of 2014 and thus retain great flexibility in managing our cash flows and overall liquidity. Assuming 60% debt financing upon the delivery of our newbuilding vessels, our remaining equity CAPEX stands at \$77.2 and \$15.7 million for 2015 and 2016 respectively.”

Star Bulk's common stock trades on the Nasdaq Global Select Market under the symbol "SBLK". The company has an operating fleet of seventeen dry bulk carriers, consisting of five Capesize, two Post Panamax, two Ultramax and eight Supramax dry bulk vessels with a combined cargo carrying capacity of 1,610,935 deadweight tons and an average age of approximately 9.0 years. In addition, Star Bulk provides vessel management services to fourteen third party dry bulk vessels, including five Capesize, two Post Panamax, two Kamsarmax, two Panamax and three Supramax vessels with a combined cargo carrying capacity of 1,569,255 deadweight tons. The company has also entered into agreements for the construction of eleven fuel efficient dry bulk vessels, consisting of five Newcastlemax vessels, two Capesize vessels and four Ultramax vessels, with a combined cargo carrying capacity of 1,643,000 deadweight tons. All of the newbuilding vessels are expected to be delivered during 2015 and early 2016.







## *Tsakos Energy Navigation Closes Underwriters' Green Shoe Option Exercise Raising A Total Of \$92.3 Million*

On May 28, 2014 Tsakos Energy Navigation Ltd. (NYSE:TNP) closed the sale of 1,650,000 common shares as a result of the underwriters' exercise in full of the option granted to them by the Company to purchase additional common shares at a price of \$7.30 per share, less underwriting discounts and commissions. Including this option, through the previously announced offering

TEN raised a total of \$92.3 million offering a total of 12,650,000 common shares. The company first announced this public offering on April 23rd, 2014.

As announced the Company plans to use the net proceeds to finance the expansion and modernization of its fleet through its vessel acquisition program, including installment payments on its existing crude oil carrier newbuilding program pursuant to its strategic partnership with a well-known oil major, and for general corporate purposes.

Morgan Stanley & Co. LLC, UBS Securities LLC and Wells Fargo Securities, LLC acted as joint book-running managers of the offering. Clarkson Capital Markets LLC, DVB Capital Markets LLC and Brock Securities LLC acted as co-managers for the offering.

This is the second time that TEN successfully taps the capital markets in 2014, raising a total of \$178.7 million. On February 5, 2014 closed the public offering of 12,995,000 common shares, including 1,695,000 common shares issued upon the exercise in full by the underwriters of their option to purchase additional shares. The public offering price that time was \$6.65 per share with gross proceeds of \$86.4 million.

On May 16, 2014, TEN announced strong results for Q1 2014. Net income increased sharply to \$14.6 million from \$1 million in Q1 2013 with a 43.5% increase in EBITDA to \$48.9 million from Q1 2013. As of the end of Q1 2014, total contracted coverage for the fleet exceeded \$0.8 billion with average duration of 2.5 years. Fleet utilization for Q1 2014 reached 98%.

At the end of Q1 2014, TEN's liquidity and leverage position had improved significantly since Q1 2013. Total cash and liquid investments amounted to \$204 million. Total indebtedness stood at \$1,354 million, some \$82 million lower than Q1 2013. TEN's net debt to capital was 51% at March 31, 2014, and has fallen further since that date. As mentioned above, after the end of Q1 2014, TEN raised \$92.3 million through the recent common stock offering.

TEN has also paid a regular dividend since its listing on NYSE in March of 2002. Including the upcoming dividend to be paid on August 14, 2014 of \$0.05 per share of common stock outstanding, to shareholders of record as of August 11, 2014, TEN has paid \$390 million or \$9.825 per share in dividends to its shareholders. The listing price in March 2002 was \$7.50/share taking into account the 2-1 share split on November 14, 2007.



To date, TEN's fleet, including two modern suezmax crude tankers scheduled for delivery in the second and third quarter of this year, the LNG carrier Maria Energy and nine Aframax crude oil tankers under construction, consists of 60 double-hull vessels, a mix of crude tankers, product tankers and LNG carriers, totaling 6.2 million dwt. Of these, 30 vessels are crude tankers ranging from VLCCs to Aframaxes, 28 vessels are product carriers ranging from DP2 shuttle suezmaxes to handysize, 14 of which are currently carrying crude cargoes, and two are LNG carriers. TEN recently announced the enhancement of its strategic alliance with Statoil of Norway from five to nine newbuilding aframax crude tankers with expected potential gross revenues of approximately \$1 billion.

The Common Shares of Tsakos Energy Navigation are listed on NYSE under the symbol TNP. The company's "Series B" and "Series C" Preferred Shares also trade on the New York Stock Exchange, under the symbols "TNPPRB" and "TNPPRC", respectively. Dividends on the 8.0% Series B Preferred Shares and 8 7/8% Series C Preferred Shares will be paid quarterly in arrears on the 30th day of January, April, July and October of each year if and when declared by the Company's board of directors.



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.

>> Click here to provide feedback

Any feedback or remarks are welcome!

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## Select Dividend Paying Shipping Stocks

Stock Prices as of May 30, 2014

Company Name	Ticker	Quarterly Dividend	Annualized Dividend	Last Closing Price (May 30, 2014)	Annualized Dividend Yield (%)
<b>Container</b>					
Costamare Inc	CMRE	\$0.28	\$1.12	\$21.77	5.14%
Diana Containerships	DCIX	\$0.05	\$0.20	\$5.95	3.36%
Matson Inc	MATX	\$0.16	\$0.64	\$24.57	2.60%
Seaspan Corp	SSW	\$0.345	\$1.38	\$22.80	6.05%
<b>Dry Bulk</b>					
Baltic Trading Limited	BALT	\$0.01	\$0.04	\$6.41	0.62%
Knightsbridge Tankers Limited	VLCCF	\$0.20	\$0.80	\$13.24	6.04%
Navios Maritime Holdings Inc.	NM	\$0.06	\$0.24	\$9.05	2.65%
Navios Maritime Partners L.P. <sup>(1)</sup>	NMM	\$0.4425	\$1.77	\$18.45	9.59%
Safe Bulkers Inc. <sup>(2)</sup>	SB	\$0.06	\$0.24	\$8.10	2.96%
<b>Tankers</b>					
Ardmore Shipping Corp.	ASC	\$0.10	\$0.40	\$13.91	2.88%
Capital Product Partners L.P.	CPLP	\$0.2325	\$0.93	\$10.72	8.68%
DHT Holdings, Inc.	DHT	\$0.02	\$0.08	\$7.31	1.09%
KNOT Offshore Partners L.P.	KNOP	\$0.4350	\$1.74	\$27.49	6.33%
Navios Maritime Acquisition Corp	NNA	\$0.05	\$0.20	\$3.57	5.60%
Nordic American Tankers Limited	NAT	\$0.23	\$0.92	\$8.18	11.25%
Scorpio Tankers Inc	STNG	\$0.09	\$0.36	\$9.07	3.97%
Teekay Corporation	TK	\$0.31625	\$1.265	\$57.85	2.19%
Teekay Offshore Partners L.P.	TOO	\$0.5384	\$2.1536	\$35.67	6.04%
Teekay Tankers Ltd	TNK	\$0.03	\$0.12	\$3.62	3.31%
Tsakos Energy Navigation Ltd <sup>(3)</sup>	TNP	\$0.05	\$0.20	\$7.18	2.79%
<b>Mixed Fleet</b>					
Ship Finance International Limited	SFL	\$0.41	\$1.64	\$18.52	8.86%
<b>LNG/LPG</b>					
Dynagas LNG Partners L.P.	DLNG	\$0.3650	\$1.46	\$24.03	6.08%
Gas Log Ltd	GLOG	\$0.12	\$0.48	\$23.35	2.06%
Glolar LNG	GLNG	\$0.45	\$1.80	\$46.55	3.87%
Glolar LNG Partners, L.P	GMLP	\$0.5225	\$2.09	\$32.95	6.34%
Teekay LNG Partners L.P.	TGP	\$0.6918	\$2.7672	\$44.30	6.25%
<b>Maritime MLPs</b>					
Capital Product Partners L.P.	CPLP	\$0.2325	\$0.93	\$10.72	8.68%
Dynagas LNG Partners L.P.	DLNG	\$0.3650	\$1.46	\$24.03	6.08%
Glolar LNG Partners, L.P.	GMLP	\$0.5225	\$2.09	\$32.95	6.34%
Navios Maritime Partners L.P.	NMM	\$0.4425	\$1.77	\$18.45	9.59%
Teekay LNG Partners L.P.	TGP	\$0.6918	\$2.7672	\$44.30	6.25%
Teekay Offshore Partners L.P.	TOO	\$0.5384	\$2.1536	\$35.67	6.04%
KNOT Offshore Partners L.P.	KNOP	\$0.4350	\$1.74	\$27.49	6.33%
<b>Offshore Drilling</b>					
Ocean Rig UDW	ORIG	\$0.19	\$0.76	\$18.19	4.18%



# Capital Link Shipping Weekly Markets Report



Monday, June 2, 2014 (Week 22)

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>7/8</sup> %	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 (5/30/14)	\$26.00	\$25.32	\$24.64	\$25.31	\$24.18	\$25.86	\$26.55	\$23.75	\$25.63	\$27.25	\$25.77	\$25.85	\$107.90	\$25.57

- 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>7/8</sup>% 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, June 2, 2014 (Week 22)

CAPITAL MARKETS DATA

## Currencies, Commodities & Indices

Week ending, Friday, May 30, 2014

### KEY CURRENCY RATES

Rate	Current Price	Price Last Week	% Change	YTD %Chg	52 Week High	52 Wk Low
3-Month LIBOR (USD)	\$0.2274	\$0.2294	-0.85%	-6.36%	\$0.2768	\$0.2229
10-Yr US Treasury Yield	\$2.4759	\$2.5320	-2.22%	-17.17%	\$3.0516	\$1.9946
USD/CNY	\$6.2479	\$6.2371	0.17%	3.25%	\$6.2682	\$6.0377
USD/EUR	\$0.7335	\$0.7338	-0.04%	0.29%	\$0.7838	\$0.7148
USD/GBP	\$0.5967	\$0.5941	0.44%	-1.83%	\$0.6749	\$0.5884
USD/JPY	\$101.6600	\$101.9400	-0.27%	-3.54%	\$105.4700	\$93.6400

### PRECIOUS METALS

	Current Price	Price Last Week	% Change	YTD %Chg	52 Week High	52 Wk Low
Copper	\$312.35	\$316.75	-1.39%	-7.63%	\$339.70	\$287.20
Gold	\$1,253.35	\$1,292.12	-3.00%	2.60%	\$1,433.83	\$1,180.50
Palladium	\$836.35	\$832.20	0.50%	14.53%	\$845.00	\$701.00
Platinum	\$1,459.50	\$1,480.50	-1.42%	4.87%	\$1,555.00	\$1,294.60
Silver	\$19.00	\$19.44	-2.25%	-5.10%	\$25.11	\$18.23

### KEY AGRICULTURAL & CONSUMER COMMODITIES

	Current Price	Price Last Week	% Change	YTD %Chg	52 Week High	52 Wk Low
Cocoa	\$3,071.00	\$3,022.00	1.62%	16.50%	\$3,082.00	\$2,177.00
Coffee	\$177.50	\$181.90	-2.42%	59.34%	\$219.00	\$108.80
Corn	\$465.75	\$478.00	-2.56%	10.76%	\$595.25	\$421.75
Cotton	\$86.27	\$86.31	-0.05%	2.65%	\$96.76	\$77.74
Soybeans	\$1,493.25	\$1,515.50	-1.47%	17.58%	\$1,536.75	\$1,180.00
Sugar #11	\$17.38	\$17.37	0.06%	6.69%	\$19.26	\$15.24
Wheat	\$627.25	\$652.50	-3.87%	5.07%	\$771.00	\$557.25

### KEY FUTURES

Commodities	Current Price	Price Last Week	% Change	YTD %Chg	52 Week High	52 Wk Low
Gas Oil Futures	\$893.75	\$912.25	-2.03%	-3.17%	\$940.25	\$869.25
Gasoline RBOB Future	\$297.19	\$300.66	-1.15%	10.27%	\$301.72	\$263.17
Heating Oil Future	\$288.82	\$295.49	-2.26%	-3.30%	\$304.85	\$278.25
Natural Gas Future	\$4.54	\$4.41	3.11%	5.11%	\$6.49	\$3.13
WTI Crude Future	\$102.71	\$104.35	-1.57%	7.62%	\$104.50	\$88.01



# Capital Link Shipping Weekly Markets Report



Monday, June 2, 2014 (Week 22)

## CAPITAL MARKETS DATA

### MAJOR INDICES

Index	Symbol	30-May-14	23-May-14	% Change	YTD % Change	2-Jan-14
Dow Jones	INDU	16,717.17	16,606.27	0.67%	1.68%	16,441.35
Dow Jones Transp.	TRAN	8,104.57	7,986.58	1.48%	11.21%	7,287.87
NASDAQ	CCMP	4,242.62	4,185.81	1.36%	2.40%	4,143.07
NASDAQ Transp.	CTRN	3,301.33	3,255.43	1.41%	12.37%	2,938.03
S&P 500	SPX	1,923.57	1,900.53	1.21%	5.00%	1,831.98
Russell 2000 Index	RTY	1,134.50	1,126.19	0.74%	-1.41%	1,156.09
FTSE 100 Index	UKX	6,844.51	6,815.80	0.42%	1.88%	6,730.70

### CAPITAL LINK MARITIME INDICES

Index	Symbol	30-May-14	23-May-14	% Change	2-Jan-14	YTD % Change
Capital Link Maritime Index	CLMI	2,611.16	2,586.50	0.95%	2,250.12	16.05%
Tanker Index	CLTI	2,989.43	2,986.60	0.09%	2,521.85	18.54%
Drybulk Index	CLDBI	994.28	1,012.57	-1.81%	1,020.38	-2.56%
Container Index	CLCI	1,954.30	1,939.63	0.76%	1,814.70	7.69%
LNG/LPG Index	CLLG	3,479.96	3,522.61	-1.21%	3,212.34	8.33%
Mixed Fleet Index	CLMFI	1,780.10	1,756.07	1.37%	1,437.01	23.87%
MLP Index	CLMLP	3,250.93	3,230.13	0.64%	3,062.97	6.14%

\*The Capital Link Maritime Indices were updated recently to adjust for industry changes. Dorian LPG Ltd (NYSE:LPG) became a member of Capital Link LNG/LPG Index, and GasLog Partners L.P. (NYSE:GLOP) became a member of Capital Link LNG/LPG Index and Capital Link MLP Index.

### BALTIC INDICES

Index	Symbol	30-May-14	23-May-14	% Change	2-Jan-14	YTD % Change
Baltic Dry Index	BDIY	934	964	-3.11%	2,113	-55.80%
Baltic Capesize Index	BCIY	1,395	1,358	2.72%	3,733	-62.63%
Baltic Panamax Index	BPIY	872	1,001	-12.89%	1,780	-51.01%
Baltic Supramax Index	BSI	830	866	-4.16%	1,330	-37.59%
Baltic Handysize Index	BHSI	485	480	1.04%	773	-37.26%
Baltic Dirty Tanker Index	BDTI	667	684	-2.49%	1,021	-34.67%
Baltic Clean Tanker Index	BCTI	527	535	-1.50%	612	-13.89%



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

#### **SHIPPING EQUITIES UNDERPERFORM THE BROADER MARKET MIXED FLEET 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 gaining 0.95%, compared to the S&P 500 rising 1.21%, Nasdaq advancing 1.36%, and Dow Jones Industrial Average (DJII) going up 0.67%.

Mixed fleet stocks were the best performers during last week, with Capital Link Mixed Fleet Index rising 1.37%, followed by Capital Link Container Index increasing 0.76%. Dry bulk equities were the least performer in last week, with Capital Link Dry Bulk Index declining 1.81%.

During last week, dry bulk shipping stocks outperformed the physical market, with Baltic Dry Index (BDI) losing 3.11%, compared to the Capital Link Dry Bulk Index retreating 1.81%. Year-to-date, the BDI has dropped 55.80%, while the Capital Link Dry Bulk Index went down 2.56%.

During last week, tanker shipping stocks outperformed the physical market, with Baltic Dirty Tanker Index (BDTI) decreasing 2.49% and Baltic Clean Tanker Index (BCTI) losing 1.50%, compared to Capital Link Tanker Index went up 0.09%. Year-to-date, the BDTI dropped 34.67% and the BCTI went down 13.89%, compared to Capital Link Tanker Index increasing 18.54%.

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 [www.MaritimeIndices.com](http://www.MaritimeIndices.com). They can also be found through the Bloomberg page "CPLI" and Reuters.



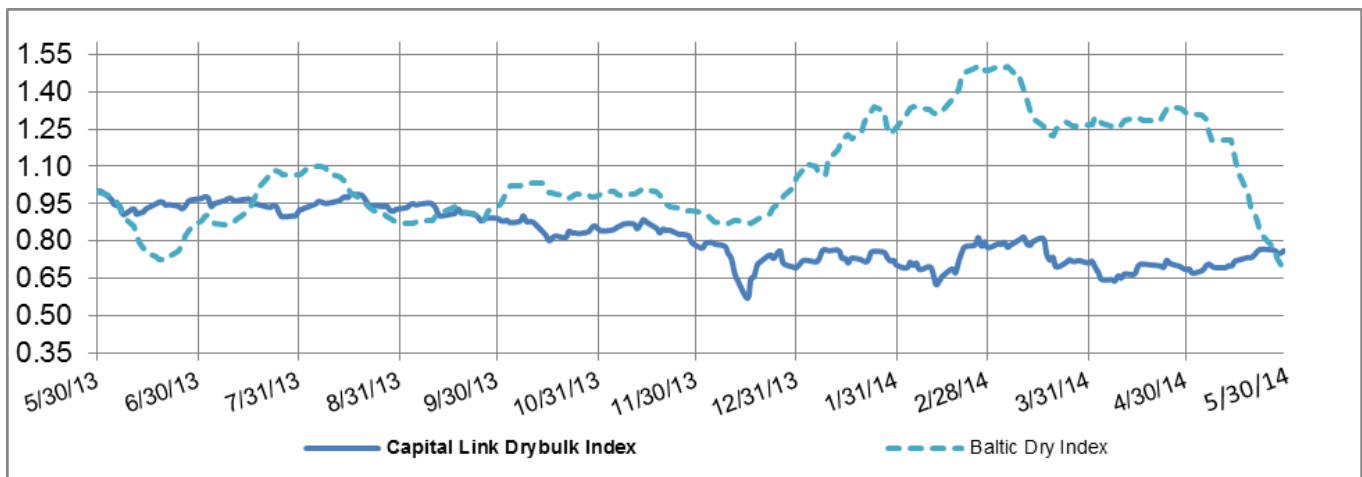
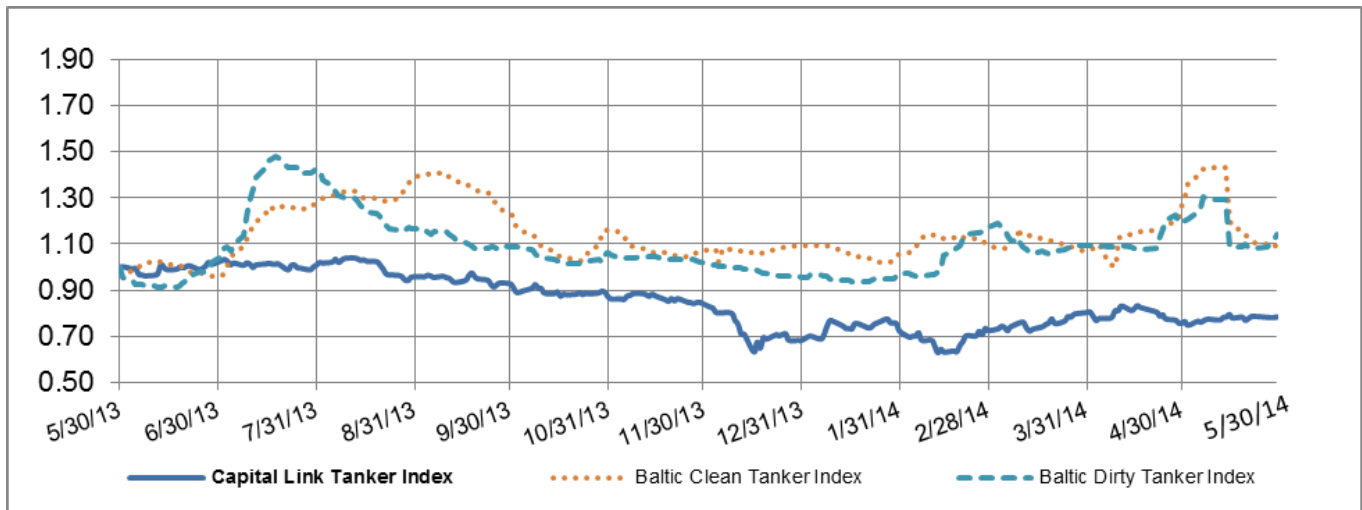
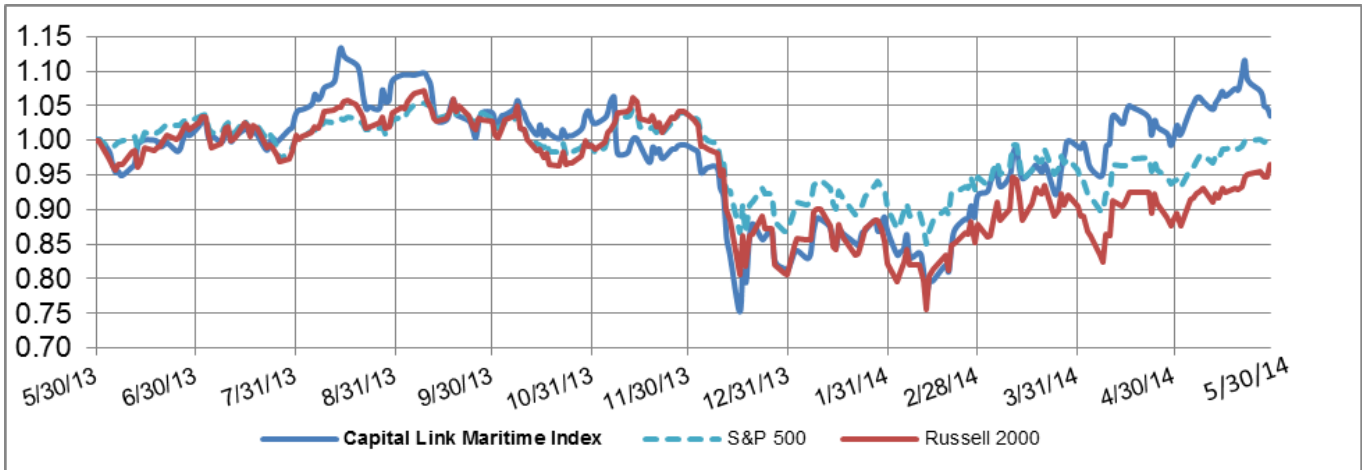
# Capital Link Shipping Weekly Markets Report



Monday, June 2, 2014 (Week 22)

## CAPITAL MARKETS DATA

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



\*SOURCE: BLOOMBERG



# Capital Link Shipping Weekly Markets Report



Monday, June 2, 2014 (Week 22)

## SHIPPING MARKETS



### Custom Statistics Prepared Weekly for Capital Link Shipping

#### BROAD MARKET

#### Percent Change of Major Indexes for the Week Ending Friday, May 30, 2014

<u>Name</u>	<u>Symbol</u>	<u>Close</u>	<u>Net Gain</u>	<u>Percent Gain</u>
Nasdaq-100 Index	NDX	3736.82	85.96	2.35%
Nasdaq Composite Index	COMPX	4242.62	88.28	2.13%
Russell 2000 Index	RUT	1134.42	20.55	1.84%
S&P 500 Index	SPX	1923.57	31.08	1.64%
Russell 3000 Index	RUA	1147.12	18.24	1.62%
Russell 1000 Index	RUI	1071.91	16.85	1.60%

#### SHIPPING INDUSTRY DATA (42 Companies)

##### Moving Averages

- 47.73% closed > 10D Moving Average.
- 43.18% closed > 50D Moving Average.
- 43.18% closed > 100D Moving Average.
- 47.73% closed > 200D Moving Average.

<u>Top Upside Momentum</u> (Issues with the greatest 100 day upside momentum*)				<u>Top Downside Momentum</u> (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>
GLNG	46.55	6.52%	15.45%	TOPS	3.62	-9.95%	-65.29%
GMLP	32.95	4.50%	14.05%	FRO	2.26	-17.82%	-42.49%
TOO	35.67	1.36%	16.42%	FREE	1.12	-5.08%	-38.80%
CMRE	21.77	0.51%	7.61%	TEU	1.52	2.70%	-39.20%
TGP	44.3	1.56%	14.00%	SHIP	1.3	-5.80%	-27.37%
GLOG	23.35	-3.95%	-2.10%	DCIX	2.77	-5.46%	-27.30%
SFL	18.52	4.69%	3.12%	SBLK	10.67	-3.79%	-28.82%
VLCCF	13.24	-2.43%	-7.35%	PRGN	5.56	0.72%	-23.42%
TK	57.85	-0.31%	3.71%	GSL	4.03	2.03%	-16.56%
TNP	7.18	-2.18%	-7.12%	DRYS	3.01	-1.63%	-15.92%

\***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.

<u>Top Consecutive Higher Closes</u>			<u>Top Consecutive Lower Closes</u>		
<u>Symbol</u>	<u>Close</u>	<u>Up Streak</u>	<u>Symbol</u>	<u>Close</u>	<u>Up Streak</u>
DLNG	24.03	5	CMRE	21.77	-2
KNOP	27.49	4	TOPS	3.62	-2
GMLP	32.95	3	MATX	24.57	-2
DCIX	2.77	2	SSW	22.8	-2
NMM	18.45	2	SBLK	10.67	-2
SHIP	1.3	2	SALT	9.19	-2
TGP	44.3	2	BALT	6.41	-3
DLNG	24.03	5	VLCCF	13.24	-3
KNOP	27.49	4	NEWL	1.38	-3
GMLP	32.95	3	NAT	8.18	-3





# Capital Link Shipping Weekly Markets Report



Monday, June 2, 2014 (Week 22)

## 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>
DLNG	21.76	24.03	2.27	10.43%	NEWL	3.51	1.38	-2.13	-60.68%
TNK	3.38	3.62	0.24	7.10%	FRO	2.75	2.26	-0.49	-17.82%
ASC	13	13.91	0.91	7.00%	TOPS	4.02	3.62	-0.40	-9.95%
GLNG	43.7	46.55	2.85	6.52%	DAC	6.48	5.95	-0.53	-8.18%
SFL	17.69	18.52	0.83	4.69%	SHIP	1.38	1.3	-0.08	-5.80%
SALT	8.78	9.19	0.41	4.67%	DCIX	2.93	2.77	-0.16	-5.46%
GMLP	31.53	32.95	1.42	4.50%	FREE	1.18	1.12	-0.06	-5.08%
ESEA	1.19	1.23	0.04	3.36%	GLOG	24.31	23.35	-0.96	-3.95%
NM	8.76	9.05	0.29	3.31%	SBLK	11.09	10.67	-0.42	-3.79%
KNOP	26.75	27.49	0.74	2.77%	BALT	6.65	6.41	-0.24	-3.61%

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>
NM	8.17	9.05	0.88	10.77%	NEWL	4.5	1.38	-3.12	-69.33%
DLNG	21.8	24.03	2.23	10.23%	TOPS	6.37	3.62	-2.75	-43.17%
VLCCF	12.06	13.24	1.18	9.78%	FRO	3.36	2.26	-1.10	-32.74%
GMLP	30.26	32.95	2.69	8.89%	DCIX	3.79	2.77	-1.02	-26.91%
ASC	12.98	13.91	0.93	7.16%	SHIP	1.74	1.3	-0.44	-25.29%
GLNG	44.09	46.55	2.46	5.58%	GLOG	26.86	23.35	-3.51	-13.07%
SFL	17.62	18.52	0.90	5.11%	SBLK	12.11	10.67	-1.44	-11.89%
SALT	8.76	9.19	0.43	4.91%	FREE	1.27	1.12	-0.15	-11.81%
SSW	21.83	22.8	0.97	4.44%	TEU	1.68	1.52	-0.16	-9.52%
ESEA	1.18	1.23	0.05	4.24%	NVGS	26.82	24.54	-2.28	-8.50%

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>
GLNG	47.50	-2.00%	DCIX	2.65	4.53%
CMRE	22.26	-2.18%	TEU	1.40	8.57%
SFL	18.93	-2.19%	MATX	22.22	10.60%
TOO	36.74	-2.91%	SALT	8.30	10.72%
CPLP	11.06	-3.09%	STNG	8.01	13.29%
TK	60.08	-3.71%	GSL	3.50	15.14%
NMM	19.43	-5.03%	DSX	9.38	16.20%
SSW	24.05	-5.19%	TGP	36.93	19.97%
KNOP	29.36	-6.37%	SSW	18.64	22.32%
VLCCF	14.64	-9.57%	EGL	2.71	22.88%



# Capital Link Shipping Weekly Markets Report



Monday, June 2, 2014 (Week 22)

## SHIPPING MARKETS

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

Symbol	Close	Net % Change	Run Rate
NEWL	1.38	-60.68%	5.1352
TOPS	3.62	-9.95%	3.0731
DLNG	24.03	10.43%	2.0462
DCIX	2.77	-5.46%	1.6925
KNOP	27.49	2.77%	1.5548
GLNG	46.55	6.52%	1.4252
GLOG	23.35	-3.95%	1.2315
GASS	10.5	1.06%	1.1075
SFL	18.52	4.69%	1.1003
FRO	2.26	-17.82%	1.0545

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

Top Year-To-Date Gainers		Top Year-To-Date Decliners	
Symbol	YTD Gain %	Symbol	YTD Decliners %
VLCCF	48.76%	NEWL	-99.84%
GLOG	38.00%	TOPS	-71.27%
GLNG	29.74%	TEU	-53.80%
CMRE	22.51%	FREE	-52.94%
TK	21.92%	FRO	-39.57%
DAC	21.43%	DRYS	-35.96%
TNP	20.27%	SHIP	-35.32%
SFL	15.53%	GSL	-32.95%
GMLP	12.77%	DCIX	-27.86%
TOO	11.36%	EGLE	-27.45%

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, June 2, 2014 (Week 22)

## SHIPPING MARKETS

### Weekly Market Report

Week Ending May 30, 2014



#### FREIGHT

##### Capesize 4TC Average

Volume: 2,780 lots

Contract		Average	Chg	Open	Close	Chg	Low	High
Jun	14	13505	841	14500	12100	-2400	12000	14500
Jul	14	14883	-886	16250	15000	-1250	13750	16250
Q3	14	18037	-418	19750	17750	-2000	17350	19750
Q4	14	26043	-763	26950	25850	-1100	25500	27000
Cal	15	21025	-818	21250	20800	-450	20800	21250
Cal	16	19725	-275	19550	19700	150	19550	19800

##### Panamax 4TC Average

Volume: 1,320 lots

Contract		Average	Chg	Open	Close	Chg	Low	High
Jun	14	7820	-1182	8600	7400	-1200	7400	8600
Jul	14	9224	-476	9250	9250	0	9200	9250
Q3	14	9393	-919	9650	9200	-450	9200	9650
Q4	14	12275	-917	12900	12250	-650	12000	12900
Q3 & Q4	14	10900	na	10900	10900	0	10900	10900
Cal	15	11700	-563	11800	11500	-300	11500	11800

##### Supramax 6TC

##### Average

Volume: 120 lots

Contract		Average	Chg	Open	Close	Chg	Low	High
May	14, Jun							
May	14		0	0	0	0	0	0
Jul	14	9500	na	9500	9500	0	9500	9500
Q3	14	10050	-475	10050	10050	0	10050	10050
Q4	14		0	0	0	0	0	0

#### IRON ORE

##### TSI Iron Ore 62% Fines

Volume: 3,131,000 mt

Contract		Average	Chg	Open	Close	Chg	Low	High
Jun	14	94.23	-7.13	99.00	94.00	-5.00	91.50	99.25
Jul	14	94.76	-3.07	98.50	92.75	-5.75	91.00	98.50
Q3	14	93.97	-3.27	98.50	92.50	-6.00	91.00	98.50
Q4	14	94.42	-2.36	97.25	93.50	-3.75	91.00	97.25
Cal	15	94.58	-2.44	96.75	93.50	-3.25	93.50	96.75
Cal	16	98.13	na	1.00	1.00	1.00	98.00	98.50



# Capital Link Shipping Weekly Markets Report



Monday, June 2, 2014 (Week 22)

## SHIPPING MARKETS

### FERTILIZER

#### Urea Nola

Volume: 18 lots

Contract		Average	Chg	Open	Close	Chg	Low	High
Jun	14	313.33	21.08	315.00	310.00	-5.00	310.00	315.00
Jul	14	283.00	-3.26	283.00	283.00	0.00	283.00	283.00
Aug	14	283.00	-4.79	1.00	1.00	1.00	283.00	283.00

#### UAN Nola

Volume: 27 lots

Contract		Average	Chg	Open	Close	Chg	Low	High
Jul	14	221.00	1.00	221.00	221.00	0.00	221.00	221.00
Aug	14	221.00	1.00	221.00	221.00	0.00	221.00	221.00
Sep	14	221.00	1.00	221.00	221.00	0.00	221.00	221.00

#### 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	435.50	20.50	415.00	415.00	0.00	415.00	415.00

### BUNKER FUEL

#### Singapore 380cst

66,900 mt

Contract		Average	Chg	Open	Close	Chg	Low	High
Jun	14	600.10	4.85	602.00	599.00	-3.00	599.00	602.00
Aug	14	596.00	na	597.00	595.00	-2.00	595.00	597.00
Sep	14	594.75	na	594.75	594.75	0.00	594.75	594.75
Oct	14	594.50	na	594.50	594.50	0.00	594.50	594.50

#### Rotterdam 3.5%

Volume: 2,800 lots

Contract		Average	Chg	Open	Close	Chg	Low	High
Jun	14	579.96	na	580.50	579.75	-0.75	579.75	580.50

### 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, June 2, 2014 (Week 22)

## SHIPPING MARKETS

### First Watch: Stifel Shipping Weekly

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

**STIFEL  
NICOLAUS**

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<i>Rates in \$/Day</i> <b>Vessel Category</b>	<b>Weekly Trend</b>	<b>5/30/2014</b>	<b>5/23/2014</b>	<b>% Change</b>	<b>2014 YTD</b>
<i>Crude Tanker</i>					
VLCC	↓	\$7,670	\$8,268	(7.2%)	\$22,860
Suezmax	↕	\$22,224	\$19,102	16.3%	\$23,745
Aframax	↓	\$13,944	\$17,070	(18.3%)	\$23,793
<i>Product Tankers</i>					
Long Range	↓	\$12,103	\$12,874	(6.0%)	\$19,645
Medium Range	↕	\$9,163	\$9,146	0.2%	\$9,805
<i>Dry Bulk</i>					
Capesize	↕	\$8,718	\$6,832	27.6%	\$14,949
Panamax	↓	\$5,037	\$5,515	(8.7%)	\$6,517
Supramax	↓	\$8,340	\$8,921	(6.5%)	\$11,369
<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	↑	\$58,333	\$54,667	6.7%	\$60,417
LNG-138,000 cbm	↔	\$48,500	\$48,500	0.0%	\$66,750

\*Monthly data was used

Source: Clarkson Research & Astrup Fearnley

Capesize rates moved up modestly last week, rising from \$6,832 on May 23 to \$8,728 on May 30. However, rates are still off 76% from the beginning of the year when rates were as high as \$36,083, mostly due to lower Chinese iron ore imports as inventories at main Chinese ports, which have been maintained around the record high of 113.3 million tons. Lower Chinese demand has also had a stifling effect on iron ore prices, which are at a 2014 low of \$93.25 as of Friday. However, the four iron ore majors continue to add capacity to the rising iron ore supply with anticipation that the Chinese will continue their aggressive ordering. Recently, Rio Tinto announced an agreement with Chinalco and the International Finance Corporation work at an iron ore deposit called the Simandou project, which at \$20 billion, would be the biggest iron ore infrastructure project in the history of Africa. Furthermore, Rio Tinto announced that their Pilbara region mines in Australia have ramped up production to 290 million tons, about two months ahead of schedule. Fortescue has also announced a 77% increase in estimated iron ore deposits from its projects in the Pilbara. Specifically, its Greater Solomon mines have discovered an additional 1.16 billion tons of additional iron ore, increasing the total capacity to 2.66 billion tons. With these additional deposits bringing more iron ore onto the market place over the next several years, we believe iron ore may struggle to stay above \$100 per ton making most Chinese iron ore mines uneconomical and further increasing demand imports of higher quality iron ore.



# Capital Link Shipping Weekly Markets Report



Monday, June 2, 2014 (Week 22)

## 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%
		<b>(TEU)</b>	<b>(TEU)</b>			
Containers	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%
		<b>(CBM)</b>	<b>(CBM)</b>			
Gas	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

Contributed by Stifel Nicolaus & Co, Inc.

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### Container Market – Weekly Highlights

#### Chartering

Vessel (TEU/HOM)	Index	+/-
700/440TEU (GL) 17.5 k	3.68	▲ 0.16
1,043/660TEU (GL) 18 K Eco	5.27	▶ 0.00
1,100/715TEU (G) 19 k	7.93	▲ 0.13
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	▶ 0.00
2,500/1,900TEU (G) 22 k	3.86	▶ 0.00
2,800/2,000TEU (GL) 22 k	3.68	▶ 0.00
3,500/2,500TEU (GL) 23 k	1.82	▶ 0.00
4,250/2,800TEU (GL) 24 k	3.08	▶ 0.00
5,500/4,200TEU (GL) 25 k	2.83	▶ 0.00
8,500/6,600 (GL) 25 k	3.88	▶ 0.00
<b>Index Total</b>	<b>60.20</b>	<b>▲ 0.29</b>

This week did not quite have the vigour of last week, but the market continued in the same vein and has brought with it a small increase in our BOXi though with the difference being that this week it was the turn of the smaller sizes to show a little if as yet unexciting progress in an upward direction.

The level of Panamax fixture activity has continued to affirm that the movement on Panamax earnings will be held at least for the short term. If the market maintains the same pace, we would expect to see the 3,500-2,700TEU gearless vessels benefit on a 'trickle down' basis and a number of short term requirements in the Far East have assisted in removing a considerable number of 2,700-2,800TEU positions. As yet though, this has had no meaningful effect on what rates these sizes can expect to command, although some slightly stronger rates for the recently struggling 2,500TEU geared sector would perhaps appear to support this.

Perhaps the biggest area of concern at present is the Mediterranean market, in particular for tonnage around the 1,500-1,800TEU mark, where a number of vessels are running spot and this concern will be emphasised by the time of year in a region where the summer lull in activity is often most pronounced.

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**Braemar Seascope**

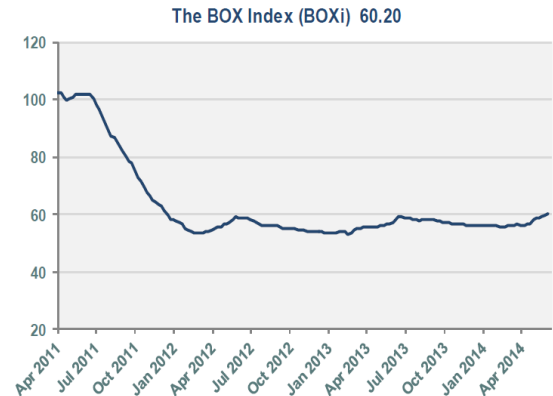
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At the time of writing there are rumours that the first delivery of a tramp owned 1,100TEU newbuilding has been committed for charter in line with owner's ideas. This will now displace the Daesun 1,000TEU type as the highest earner in its class by some USD1,000/day. Also we note the narrowing of the rate gap in the CV1100 sector with units in the Far East commanding levels just shy of the USD6000 mark whilst their Mediterranean sisters' rates have dropped back a little to the USD low 6s region. This slight firming will be a welcome sign for owners who have resisted the temptation to ballast Far East based units in a westward direction over the last year to capitalise on what has until now been a rate gap in excess of USD1,000/day.

With public holidays in the East and people travelling for Posidonia we might well be in for a quieter week in terms of activity but the general tone is one of cautious optimism that we will see further progress made.



#### Representative Fixtures

Name	Dwt	Teu	14T	Blt	Spd	Cons	GR	Charterer	Dely	Date	Period	US\$/day
<i>Hammonia Pescara</i>	50,500	4,253	2,900	2009	24.0	128.0	GL	K Line	SE Asia	Jun-14	40-50 days	9,500
<i>Noble Matar</i>	46,999	3,405	2,500	2014	20.0	98.0	G	GSL	NE Asia	Jun-14	3-9 mos	7,750
<i>Santa Belina</i>	38,200	2,824	2,024	2006	16.0	34.0	GL	CMA CGM	SE Asia	Jun-14	6-9 mos	6,800
<i>Andino</i>	34,700	2,797	2,150	2008	21.3	80.0	GL	Maersk Line	Med	Jun-14	3-5 mos	7,350
<i>Maria-Katharina S</i>	34,334	2,546	1,907	2008	20.2	72.0	G	GSL	SE Asia	Jun-14	75-150 days	7,400
<i>Isabelle Schulte</i>	33,500	2,474	1,875	2005	22.2	78.0	G	CMA CGM	SE Asia	Jun-14	8-12 mos	7,350
<i>Madeleine Rickmers</i>	23,062	1,728	1,125	1997	19.0	50.0	G	Sea Consortium	SE Asia	Jun-14	3-4 mos	7,700
<i>Hansa Castella</i>	21,480	1,645	1,645	1998	17.0	33.0	G	Sea Consortium	SE Asia	Jun-14	15-30 days	9,000
<i>Lantau Ace</i>	14,900	1,216	800	2001	19.0	39.0	GL	MTT	SE Asia	Jun-14	10-12 mos	8,000
<i>Dolphin Strait</i>	13,760	1,118	712	2003	19.5	41.0	G	Magical Express	NE Asia	Jun-14	3 mos	6,000
<i>Frisia Aller</i>	13,760	1,114	700	2007	19.7	42.0	G	APL	NE Asia	Jun-14	3-5 mos	5,800
<i>OPS Hamburg</i>	13,760	1,102	700	2007	19.6	42.0	G	CMA CGM	Med	Jun-14	10-12 mos	6,300
<i>JRS Canis</i>	8,300	698	436	2006	17.0	28.0	GL	NYK	NE Asia	Jun-14	3-5 mos	4,750



### Weekly Tanker Market Opinion

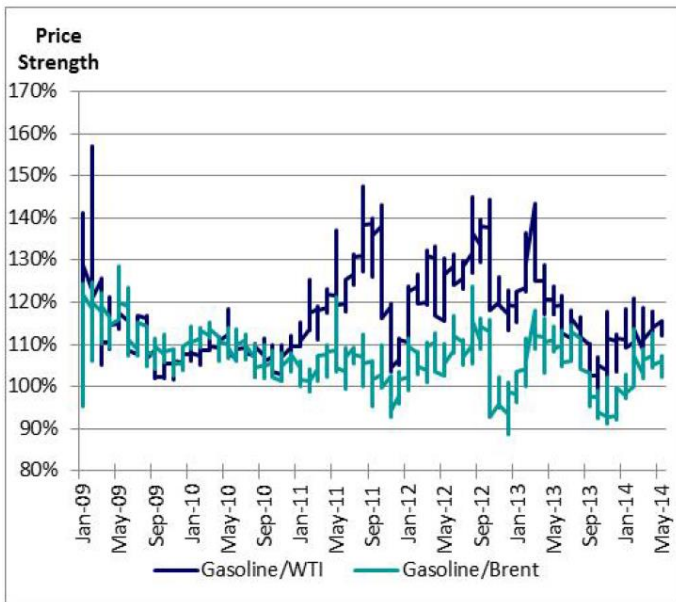
#### Capitol Hillbillies: Awash In Black Gold The export debate rambles on

the speculation of whether or not exports will be permitted. Since domestically produced crude oil tends to be of the lighter/sweeter variety and the penchant of the US refining complex is for heavy/sour crude, it stands to reason that we are structurally long the wrong grade. To those in the know, the qualities of each crude oil grade prevent it from being a truly fungible commodity – a fact that seemingly continues to escape most politicians. To date, the export of crude oil has proven to be a difficult sell. Although exports may happen on a case-by-case basis, a widespread repeal of the ban seems unlikely under the Obama regime. That said, fervor and momentum appears to be building as new research and opinion is published on the subject. However, make no mistake, misinformation on the crude oil market and related economics will continue to be the flavor in Washington until at least 2016.

To the industry, what the export debate has really prompted is a divide between producers and refiners, each vying to benefit from the impediment to free trade. While the past decade has seen some reverse mergers of integrated oil companies, the topic of crude oil exports is particularly precarious for those companies involved in both activities. Today, domestic refiners are more or less reaping the benefits of access to cheaper, locally-sourced crude oil, but this could have a structural limit over time.

The EIA forecasts oil production to grow by 11% over the next year. However, this aggressive growth rate could be hampered by increased weight on domestic oil prices. Domestic producers have limited outlets to which they can market crude oil with healthy

Fig. 2 US Gasoline Margins



Source: EIA/Poten

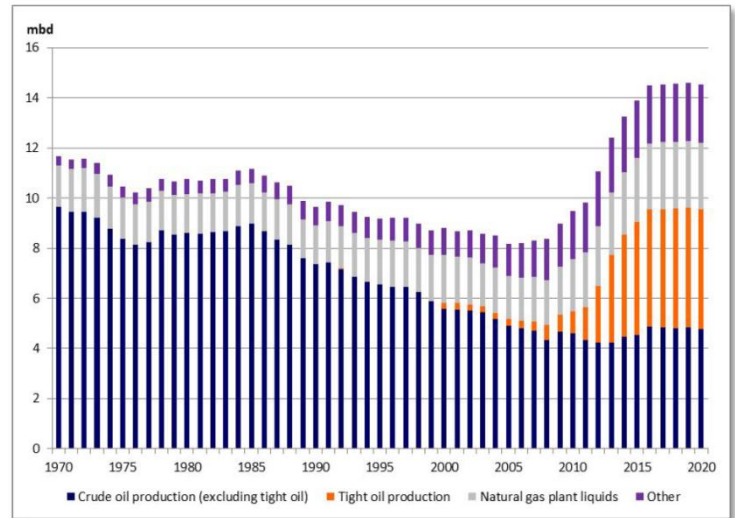
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Website: www.poten.com



Fig. 1 US Gasoline Demand



Source: EIA/Poten

competition from suppliers abroad. The US Gulf has a little over 9 million barrels per day of refining capacity, according to the EIA, not all of which can effectively drink the domestic Kool-Aid.

In addition, shale oil is more costly to produce than conventional crude oil, suggesting increased price elasticity from the producer side. As such, marginal domestic crude oil prices are ultimately dictated by what refiners are able to yield on the barrels that they process; oversupply of a particular grade has inherent risks.

Beyond the conflicts and lobbying interests of various facets of industry, the public remains a significantly larger hurdle to the permission of crude oil exports. In general, there is little realization that since the US is allowed to export refined products, consumers here are already paying global prices for gasoline, diesel and other refined products. The world is, after all, round.

Since the conversation continues to be hotly contested by both sides, there does not appear that there is any imminent change to legislation. As with many other oil related issues, to politicians, sometimes the most effective course of action, is no action at all.





# Capital Link Shipping Weekly Markets Report



Monday, June 2, 2014 (Week 22)

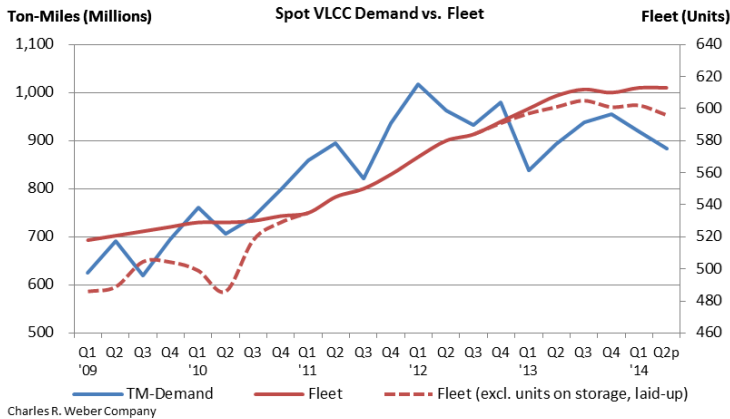
## SHIPPING MARKETS

### Tanker Market – Weekly Highlights

#### Slow VLCC spot market demand underscores prevailing oversupply

Despite slowing VLCC fleet growth, the market's supply-demand imbalance remains a key challenge to stronger earnings. During Q1, ton-miles generated on the spot market stood at 918.5 Bn, representing the lowest number since 2Q13 and a 4% contraction from 4Q13. The reduction came as crude exports from the Middle East slumped amid a reduction of Saudi exports, Iranian exports via the state-owned NITC fleet rose and Chinese crude imports eased.

Expectations for 2Q14 show a worse scenario for owners; Middle East exports have remained low during the QTD while Europe has accounted for a relatively high proportion of West Africa's exports. Based observed fixture activity to-date and our estimates for June, we project that spot market ton-miles will dip to 884.1 Bn – which would represent a five-quarter low.



At present, 53% of the VLCC fleet is primarily deployed on the spot market, compared with 55% during 4Q13. The difference – 8 units – represents a modest positive by reducing excess supply, but we note that often during periods of low overall demand a number of units oriented to servicing charterers' internal programs are temporarily redeployed onto the spot market as relet units, thus compounding spot market availability. Moreover, 13 distressed units (Pacific Star, TMT fleets) not presently engaged in trading are likely to return to active trading by new commercial managers during the coming months. With the Middle East VLCC market presently oversupplied by at least 28 units and demand expected to remain at a lull through mid/late Q3, the appearance of any additional units will likely prolong the time required for the market to clear through oversupply and progress into a H2 seasonal earnings rally.

Accordingly, we envision limited upside earnings upside potential during the coming months. A likely modest rise in Saudi crude production and exports during 2H14, combined with the simultaneous emergence of Chinese refining capacity from maintenance and the startup of new regional Chinese refineries should boost demand from July/August. After a lag period to allow sufficient excess supply to be absorbed, earnings are expected to return to relative strength with modest incremental gains likely from October through the remainder of 2014.

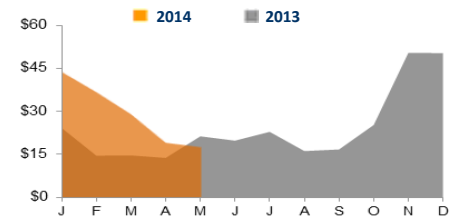
Contributed by

**Charles R. Weber Company, Inc.**



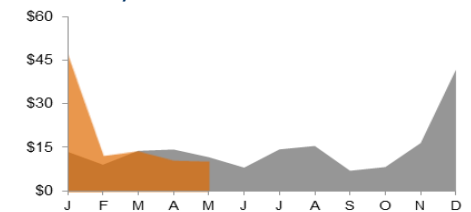
Greenwich Office Park One,  
Greenwich, CT 06831

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



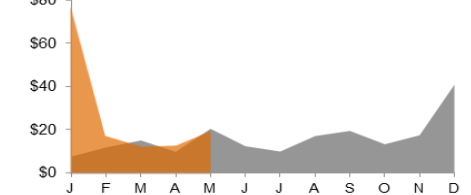
**S'MAX TCE 130k WAF-USAC**

MTD Average: \$10,500/Day  
Month y/y: ▼ -10%



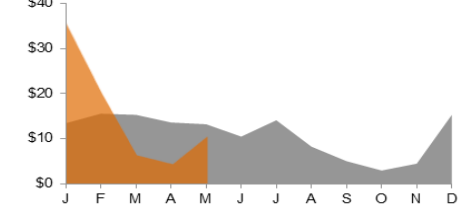
**A'MAX TCE 70k CBS-USG**

MTD Average: \$19,600/Day  
Month y/y: ▼ -4%



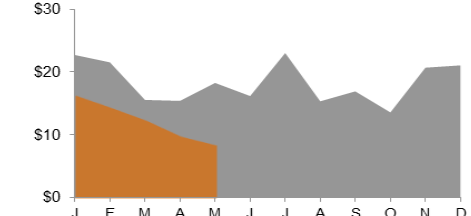
**P'MAX TCE 50k CBS-USAC**

MTD Average: \$10,300/Day  
Month y/y: ▼ -22%



**MR TCE USG-UKC / UKC-USAC/USG**

MTD Average: \$8,400/Day  
Month y/y: ▼ -54%





# Capital Link Shipping Weekly Markets Report



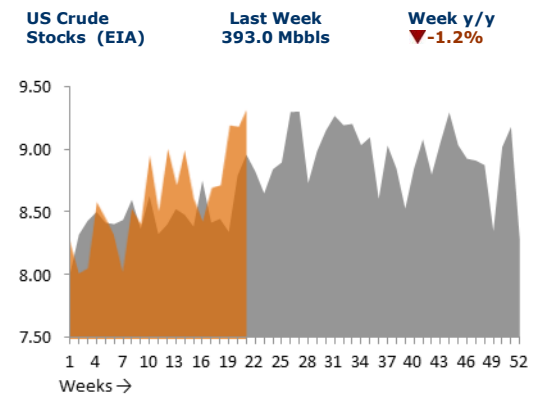
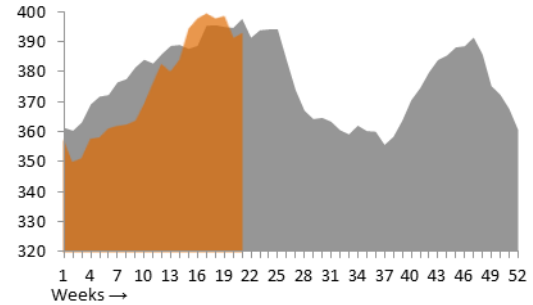
Monday, June 2, 2014 (Week 22)

## SHIPPING MARKETS

### Tanker Market – Weekly Highlights

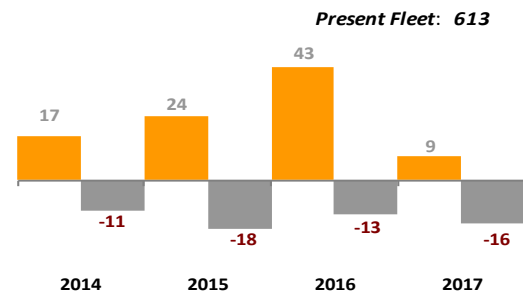
Spot Market	WS/LS	TCE \$/day	WS/LS	TCE \$/day
<b>VLCC</b> (12 Kts L/11.5 Kts B)	<b>23-May</b>		<b>30-May</b>	
AG>USG 280k (TD1)	24.5	\$(2,458)	24.5	\$(2,239)
AG>USG/CBS>SPORE/AG	--	\$15,492	--	\$16,150
AG>SPORE 270k (TD2)	33.0	\$8,684	33.0	\$8,798
AG>JPN 265k (TD3)	33.0	\$7,831	33.0	\$7,945
WAFR>USG 260k (TD4)	42.5	\$18,654	42.5	\$18,863
WAFR>CHINA 260k (TD15)	37.5	\$11,799	37.0	\$11,358
CBS>SPORE/AG 270k	\$3.40m	\$16,710	\$3.45m	\$17,820
<b>SUEZMAX</b> (12 Kts L/11.5 Kts B)				
WAFR>USAC 130k (TD5)	70.0	\$19,247	72.5	\$21,011
WAFR>UKC 130k (TD20)	72.5	\$17,644	75.0	\$19,436
BSEA>MED 140k (TD6)	72.5	\$20,284	77.5	\$24,926
CBS>USG 150k	57.5	\$14,501	57.5	\$14,618
<b>AFRAMAX</b> (12.5 Kts L/B)				
N.SEA>UKC 80k (TD7)	97.5	\$21,642	95.0	\$19,543
AG>SPORE 70k (TD8)	102.5	\$19,994	100.0	\$18,965
BALT>UKC 100k (TD17)	72.5	\$13,894	70.0	\$11,954
CBS>USG 70k (TD9)	120.0	\$21,291	105.0	\$14,632
MED>MED 80k (TD19)	90.0	\$15,238	82.5	\$10,867
<b>PANAMAX</b> (12.5 Kts L/B)				
CBS>USAC 50k (TD10)	120.0	\$7,307	115.0	\$5,978
CBS>USG 50k	120.0	\$12,597	115.0	\$10,952
CONT>USG 55k (TD12)	115.0	\$8,677	110.0	\$7,180
ECU>USWC 50k	152.5	\$15,990	155.0	\$16,009
<b>CPP</b> (13.5 Kts L/B)				
CONT>USAC 37k (TC2)	110.0	\$5,724	100.0	\$3,483
CONT>WAFR 37k	125.0	\$8,259	115.0	\$6,066
USG>CONT 38k (TC14)	70.0	\$(1,327)	67.5	\$(1,850)
USG>CONT/CONT>USAC/USG	--	\$8,898	--	\$7,215
USG>P. COLORADOS 38k	\$408k	\$6,895	\$390k	\$5,753
CBS>USAC 38k (TC3)	95.0	\$4,189	92.5	\$3,659
AG>JPN 35k	112.5	\$6,247	115.5	\$6,928
SPORE>JPN 30k (TC4)	111.5	\$4,285	112.0	\$4,431
AG>JPN 75k (TC1)	97.5	\$18,526	90.0	\$15,180
AG>JPN 55k (TC5)	116.0	\$12,360	116.0	\$12,442

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

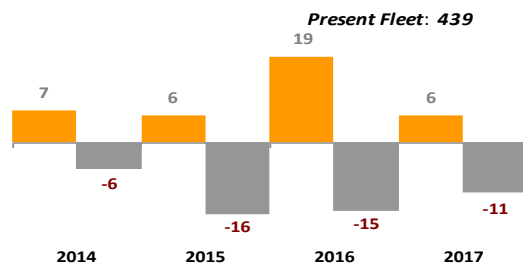


Legend: 2014 (Orange), 2013 (Grey)

VLCC Projected Deliveries/Removals



Suezmax Projected Deliveries/Removals





### Tanker Market – Weekly Highlights

#### THE TANKER MARKETS

##### VLCC

With holidays in the US and UK trimming the number of working days this week, the pace of fresh activity in the VLCC market proved sufficient to hold rate sentiment stable and in the Middle East market the benchmark AG-FEAST rate held largely steady at the ws33 level. Additional factors contributing to a stemming of earlier negative pressure on rates include the fact that at the present assessment, AG-FEAST voyages fail to cover daily OPEX costs with a TCE of just ~\$8,422/day. Charterers' hopes that a late week S-Oil fixture concluded at ws31 (having received upwards of 9 offers) represented a fresh and repeatable low were eroded after successive inquiry saw owners – who were keen to point out that the performing unit was undertaking its final voyage before delivering to new owners – unwilling to trade below the ws33 level.

Near-term fundamentals remain weak with Middle East position lists presently implying a surplus of 29 units through mid-month (which compares with 31 through the first decade of the June program). The surplus remains high thereafter with an implied value of 28 through the second decade of the June program. Overall ton-miles generated on the spot market continue to retreat from late-2013 levels with Q1 concluding with a Q/Q change of -3.8% while we project Q2 to conclude with a further contraction of 6.5%.

##### Middle East

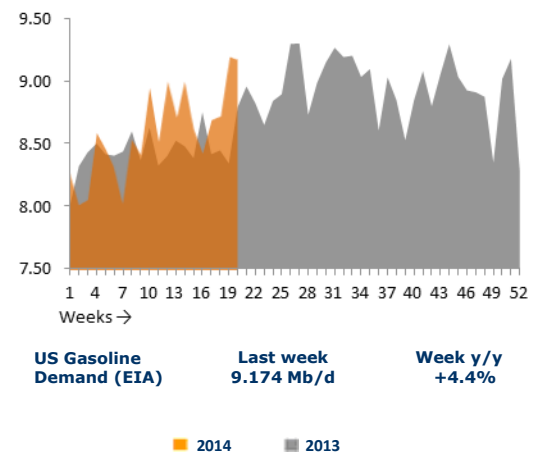
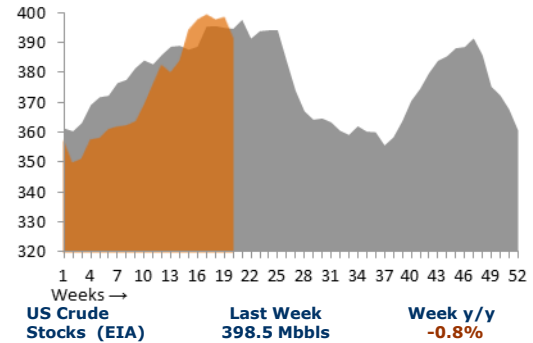
Regional chartering activity fell by 25%, w/w, to a total of 18 fixtures—a 5-week low. AG-FEAST rates fell 0.4 point, w/w, to an average of ws33.1 while corresponding TCEs shed ~\$708/day, or 8%, to an average of ~\$8,559/day. Rates to the USG via the Cape held at an average assessment of ws24.5. Triangulated Westbound trade earnings averaged ~\$16,862/day, representing a w/w gain of ~\$1,081/day, or 7%.

With owners presently resisting eastbound rates below the ws33 level due to the risks and opportunity costs associated with sub-OPEX TCE earnings, and present supply/demand positioning failing to offer any upside impetus, we expect rates to continue to hover around present assessments through the coming week.

##### Atlantic Basin

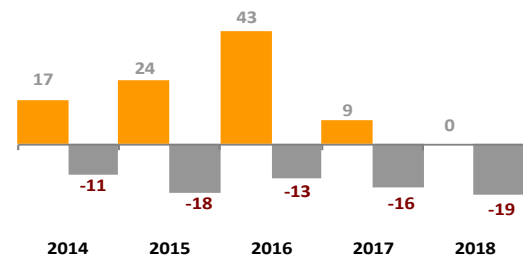
Chartering activity in the West Africa market was markedly slower this week; just two fixtures materialized – the fewest in 5 weeks – and a 75% contraction from last week. Given the orientation of much of the June West Africa program to European refineries normally geared to Aframax-sized deliveries from Libya, the prevailing freight differential between VLCCs and Suezmaxes which offers a savings of \$0.74/bbl on the larger class failed to support regional VLCC demand. Rates on the WAFR-FEAST route averaged ws37, representing a w/w loss of 0.5 point. Corresponding TCEs averaged ~\$11,243/day – a w/w loss of ~\$841/day, or 7%.

The Caribbean market remained generally active this week with a fixture for Bahamas loading contributing to three more-typical ex-CBS fixtures. Rates on the CBS-SPORE benchmark route added \$100k w/w to an average of \$3.55m. With projected forward USG arrivals showing little significant change, we expect rates to trade largely unchanged during the upcoming week.



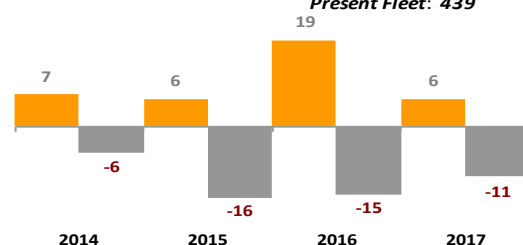
#### VLCC Projected Deliveries/Removals

Present Fleet: 613



#### Suezmax Projected Deliveries/Removals

Present Fleet: 439





### Tanker Market – Weekly Highlights

#### Suezmax

Rates in the West Africa Suezmax market remained firm this week as the pace of chartering activity remained strong. The regional fixture tally declined by 26% from last week to 14—but given the shortened work-week, the daily average was only modestly lower. With position list replenishment being outpaced by demand, rates remained firm with the WAFR-USAC route adding 2.5 points to ws72.5 while the WAFR-UKC route added 2.5 points to ws75. Rates are expected to hold on to recent gains during the upcoming week as charterers shore up second-decade cargoes and potentially rise further thereafter on a progression into the final decade of the active June program. We note that the first decade of the June program concluded with combined VLCC & Suezmax cargoes standing at the loftiest level since March – with most of the volume gains favoring Suezmaxes.

Further forward, reports indicate planned July exports of 3.45 Mb/d from Angola and Nigeria, a very modest decline from planned exports of 3.46 Mb/d during June. With July buying by Asian buyers remaining weak to-date due to an unfavorable Brent-Dubai price spread, Suezmaxes could see continued support as the favored size class with the proportion of cargoes bound for points in the West showing potential to remain unchanged accordingly. Though upside could be challenged by increased ballasting from the Caribbean market, where TCE returns on the CBS-USG route stand at a discount of ~\$4,818/day relative to the WAFR-UKC route, given the fact that Suezmax \$/bbl freight costs for a CBS-USG voyage are nearly half those on Aframaxes even following a correction of rates on the latter this week, Caribbean Suezmax rates experience rate gains sufficient to limit ballasting.

#### Aframax

The Caribbean Aframax market was markedly slower this week with fixtures dropping 59% to just 9. The slower pace combined with a buildup of tonnage and quickly eroded the stronger sentiment which had prevailed during recent weeks. The CBS-USG route ultimately shed 15 points to conclude at a one-month low of ws105. Normal seasonality suggest that rates could remain under negative pressure through the coming weeks – and the presence of significantly more attractive freights on Suezmaxes presents little challenge to such a rate progression.

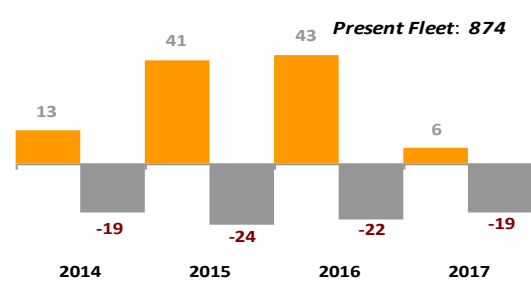
#### Panamax

Demand in the Caribbean Panamax market expanded modestly this week but prevented to halt an erosion of regional rates as availability expanded. Rates on the CBS-USG route lost 5 points to a concluding assessment of ws115.

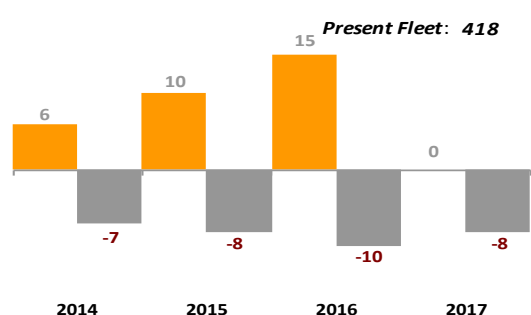
#### CPP

Rates in the USG MR market failed to maintain ground as regional availability rose through mid-week (two-week forward availability briefly touched over 60 units) and fixture activity was markedly slower. Just 16 fixtures materialized, representing a 30% decline from last week's tally and the smallest weekly count since early July '13. Fixtures for voyages to Europe dropped 33% to 6. Combined voyages to Latin America and the Caribbean rose by one fixture to 9. Two-week forward availability declined from mid-week highs to 53 units at the close of the week – unchanged from last week's close. The USG-

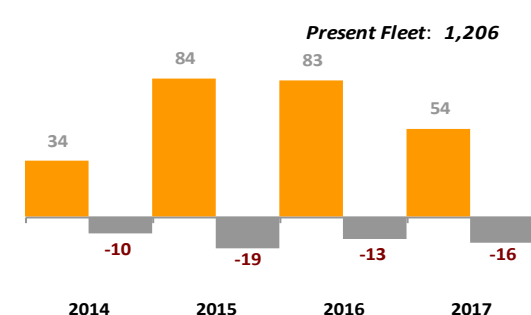
Aframax/LR2 Projected Deliveries/Removals



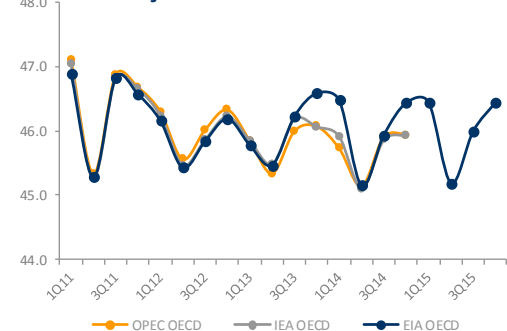
Panamax/LR1 Projected Deliveries/Removals



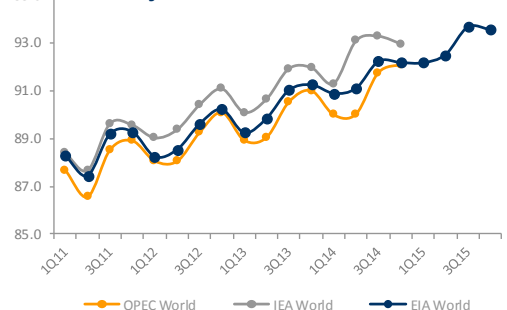
MR Projected Deliveries/Removals



Projected OECD Oil Demand



Projected World Oil Demand





# Capital Link Shipping Weekly Markets Report



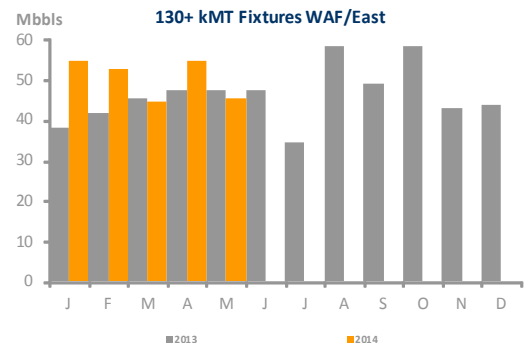
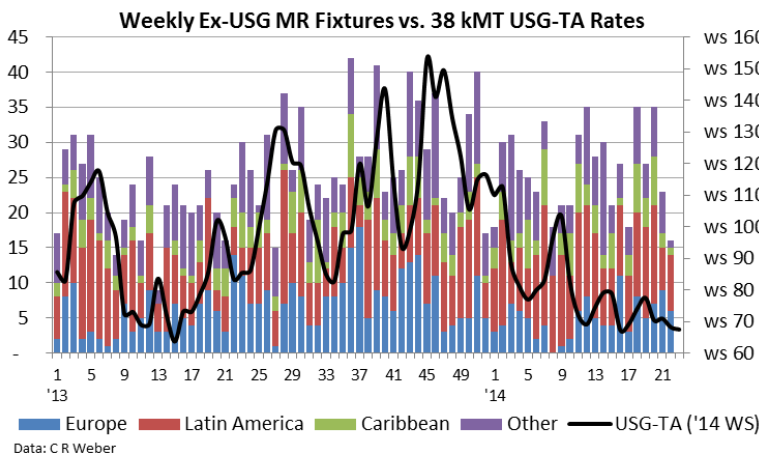
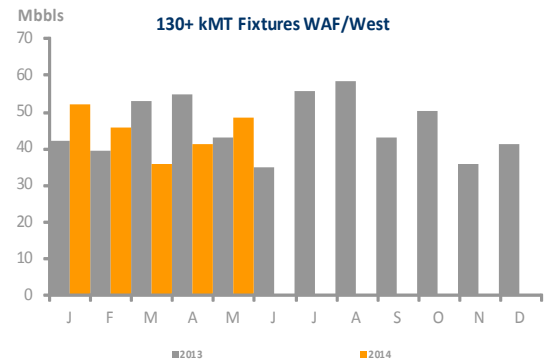
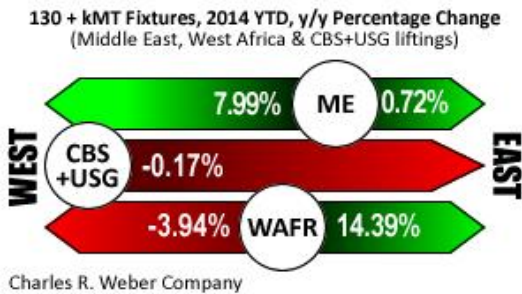
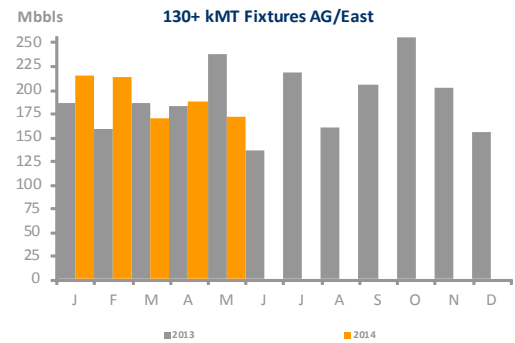
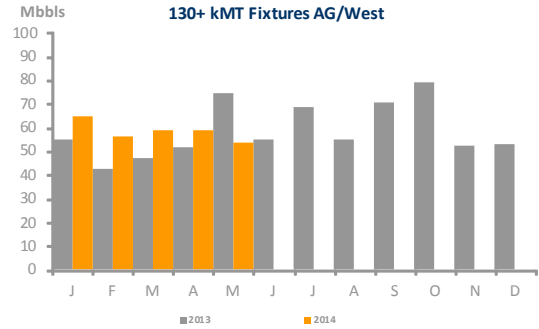
Monday, June 2, 2014 (Week 22)

## SHIPPING MARKETS

### Tanker Market – Weekly Highlights

UKC route shed 2.5 points over the course of the week to conclude at ws67.5 while softer ex-UKC rates eroded triangulated USG-UKC/UKC-USAC/USG earnings by 19% w/w to ~\$7,215/day.

Reports of a weather incident at Marathon's 522,000 b/d Garyville, LA, refinery on Wednesday may have contributed to the slower demand environment due to market uncertainty over the impact on processing rates. A corporate update on Friday indicated that the plant's #1 unit sustained tornado damage, but projected that processing rates at the plant during the quarter would only be reduced by 5% from earlier guidance, adding that repairs to the unit should return to normal operation by mid-June. Though limited when viewed over an entire quarter, the immediate and more concentrated impact could weigh on arbitrage economics in the near-term. EIA figures show PADD 3 distillate inventories at 23 May of 37.6 Mbbls – nearly 12% below year-earlier levels while European diesel prices have remained relatively weak on rising imports from Russia's Baltic Sea ports. Further Russian volumes are expected to materialize next month as regional refiners begin exporting diesel transported by rail to Ust Luga, a move expected to partially debottleneck a strong surplus amid peaked export capacity at Primorsk. The additional supply could limit seasonal volume gains on the USG-UKC route in the near-term, though the negative impact on European refining margins could prove supportive in the intermediate and long term by prompting further trimming of utilization rates and the idling of further capacity.





# Capital Link Shipping Weekly Markets Report



Monday, June 2, 2014 (Week 22)

## 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	12	175.500.000	6	273.230	18	71%	20%
Tankers	26	179.650.000	4	263.215	30	73%	100%
Gas Tankers	2	N/A	0	0	2	100%	
General Cargo	2	50.600.000	4	45.820	6	-33%	0%
Containers	0	0	3	94.043	3	-100%	-25%
Reefers	0	0	1	2725	1		
Passenger / Cruise	0	0	0	0	0		
Ro - Ro	0	0	0	0	0	-100%	-100%
Car Carrier	2	112.000.000	0	0	2		
Combined	0	0	0	0	0		
Special Projects	0	0	0	0	0	-100%	-100%
<b>TTL VSL/Demo</b>	<b>44</b>	<b>517.750.000</b>	<b>18</b>	<b>679.033</b>	<b>62</b>	<b>38%</b>	<b>-5%</b>

23 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.

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#### NEWBUILDING MARKET

#### WEEKLY NEWBUILDING MARKET

#### WEEKLY NEWBUILDING ACTIVITY

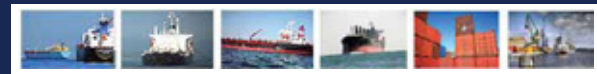
Vessel Type	Units	in DWT	Invested Capital	P&C	%w-o-w
Bulkcarriers	6	585.600	228.000.000	0	-81%
Tankers	4	139.500	128.000.000	0	-33%
Gas Tankers	2	185.410	N/A	2	-71%
General Cargo	0	0	0	0	-100%
Containers	3	102.000	87.000.000	0	-63%
Reefers	0	0	0	0	
Passenger / Cruise	0	0	0	0	-100%
Ro - Ro	1	10.000	92.000.000	0	
Car Carrier	2	14.600	N/A	2	
Combined	0	0	0	0	
Special Projects	10	24.700	485.500.000	1	400%
<b>TOTAL</b>	<b>28</b>	<b>1.061.810</b>	<b>1.020.500.000</b>	<b>5</b>	<b>-51%</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	208.000	Golden Flame	GR	Nantong COSCO	PRC	61.000.000	end of 2016
Bulker		1	62.000	Wisdom Marine	TWN	Oshima	JPN		2017
Bulker		1	37.600	Wisdom Marine	TWN	Imabari	JPN		2016
Bulker		2	35.000	Jebsens Mgmt AS	NOR	Tsuneishi Cebu	JPN	25.000.000	2015
Tanker		3 + 1	40.000	Pertamina	INDO	New Century Shpbd.	PRC	xs 30.000.000	1H2016
Tanker		1	19.500	Bocimar	BEL	Kitanihon	JPN	35.000.000	2017
LNG		2	176.000 cbm	Knutsen OAS Shipping	NOR	Hyundai HI	SKR		8/11-2016
Container		3	2.000 teu	Ningbo Ocean	PRC	Bohai Shipbuilding	PRC	low 30.000.000	2016
Ro-Ro	Ro-Pax	1	10.000	SeaRoad Holdings	AUS	Undisclosed	GER	92.000.000	8-2016
Car Carrier	PCTC	2	2.000 ceu	Anji Automobile	PRC	Jinling	PRC		3/6-2016
Special Proj.	Platform S	4	4.200	Atlantic Towing Ltd	USA	Damen Shipyards	NTH	72.500.000	3/6/9/12-2016
Special Proj.	Platform S	4 + 2		Undisclosed	SPORE	COSCO Guangdong	PRC	30.000.000	2016-2017
Special Proj.	Platform S	1	4.800	Island Offshore	NOR	Vard Holdings	NOR		6-2016
Special Proj.	IIMR	1	3.100	Olympic Shipping AS	NOR	Kleven Verft AS	NOR	75.500.000	6-2015

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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### Capital Link Shipping Weekly Markets Report

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