

# Capital Link Shipping Weekly Markets Report



Monday, October 6, 2014 (Week 40)



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- 7<sup>th</sup> Annual Shipping, Marine Services & Offshore Forum

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Capital Link Shipping  
Weekly Markets Report

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**CAPITAL LINK'S**



**4<sup>th</sup> Annual Shipping & Offshore CSR Forum**

Tuesday, November 4, 2014  
 One Moorgate Place, London, UK

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*Attendance is complimentary for qualified delegates*

**Capital Link's 4<sup>th</sup> Annual Shipping & Offshore CSR Forum will take place on Tuesday, November 4, 2014 at the One Moorgate Place in London.**

The Forum will explore how CSR can translate into tangible commercial, operational and financial competitive advantages. With greater industry sophistication, awareness, and expectations, CSR is an increasingly important issue that companies cannot afford to ignore. Our objective, then, is to create a platform that raises the visibility of CSR in the shipping and offshore industries on a permanent and long-term basis. We publicize the benefits of CSR not only to a wider audience of professionals in these industries, but also to the investment and financial communities. We aim to become a centralized informational source and communications platform on the topic of CSR, linking industry, government and non-governmental organizations, industry associations, the financial and investment community, and the public at large.



The "2014 Capital Link Maritime CSR Award" will be presented to **Mr. Efthimios E. Mitropoulos, IMO Secretary-General Emeritus and Chairman of "Maria Tsakos" Foundation**, in recognition of his work in guiding the IMO through a period of challenges such as maritime security & safety and the resurgence in ocean piracy, as well as, his advocacy for pollution and greenhouse gas emissions and corporate responsibility. His work and dedication have raised awareness of Corporate Social Responsibility issues to a wider audience well beyond the industry itself and has inspired shipping company executives to follow his lead.

**PRESENTERS & PARTICIPATING COMPANIES**

- ABN AMRO
- ABS Europe
- AkzoNobel
- ClassNK
- Danaos Corporation
- DNV GL - Marine
- DP World
- ECSA
- Elvictor Group
- GMS Inc
- InterManager
- Int'l Chamber of Shipping
- Int'l Registries
- Intertanko
- Lloyd's List
- Lloyds Register
- Lomar Shipping
- Maritime Piracy Humanitarian Response Programme (MPHRP)
- Norton Rose Fulbright
- OVAM, Belgium
- RightShip
- Society of Int'l Gas Tanker & Terminal Operators Ltd (SIGTTO)
- Sustainable Shipping Initiative (SSI)
- Tidewater Support Services Ltd.
- Tsakos Group

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# 6<sup>th</sup> Annual Capital Link Global Commodities, Energy & Freight Forum



Physical Markets & Derivatives

Wednesday, September 17, 2014

The Metropolitan Club, One East 60th Street, New York City



## Key Highlights



The 6<sup>th</sup> Annual Global Commodities, Energy & Freight Forum took place at the Metropolitan Club in New York City on Wednesday, September 17, 2014.

**NEW YORK CITY** – Close to 600 senior executives from the maritime, finance and investment communities gathered together at **Capital Link's 6th Annual Global Commodities Forum** which took place on **Wednesday, September 17, 2014** at the **Metropolitan Club** in New York City.

**Nicolas Bornozis**, President of Capital Link, welcomed all attendees and mentioned that the Forum will further discuss the trends and developments in the physical markets of commodities, energy and freight and how these trends will impact the derivatives activity. He then pointed out that this Forum is in its sixth year and still remains the only forum of its kind focused on the three interrelated areas of commodities, energy and freight which are followed by the same investor and trader universe.



Dodd Frank Roundtable, Left to Right: Mr. Thomas Sexton III, Mr. Michael Sackheim, and Mr. Michael Loesch

The Forum began with the “**Dodd Frank Roundtable**”, moderated by **Thomas Sexton III** (VP, General Counsel and Secretary, National Futures Association). Panelists, **Michael Sackheim** (Partner, Futures & Derivatives Regulatory, Transactional & Enforcement, Sidley Austin LLP) and **Michael Loesch** (Partner, Norton Rose Fulbright) discussed the CFTC's rulemaking efforts over the past several years to implement Dodd-Frank in the swaps area and general enforcement trends that should be of interest to end-users. The panel also discussed different regulatory requirements associated with the use of swaps and futures, and trade options. The panel further focused on implementation of the CFTC's cross-border guidance, the CFTC's proposed rulemaking regarding position limits, and the end-user exception from the clearing mandate and trade execution requirement.

**Kenneth Hoffman** (CFA, Sector Head, Global Metals & Mining Research, Bloomberg Industries) moderated the “**Iron Ore, Steel & Coal Markets**” panel. Panelists **Daniel Minzer** (Executive Director, Head Metals Commodities, ABN AMRO, Energy Commodities & Transportation), **Brian Beem** (Partner, AMCI), **Kenny Groth** (Assoc. Director, Singapore Exchange) and **Ben Nolan** (Director & Senior Analyst Transportation Sector, Stifel Financial Corp.) discussed The massive slowdown in global bulk markets is due to Chinese markets growth at a standstill. New projects in iron ore continue at full pace helping bulk carriers thrive while prices plummet. Investors in bulks

are watching asset prices fall and are looking for buying opportunities. The bottom line is all eyes are on Beijing and the moves the new government there takes.



Iron Ore, Steel & Coal Markets Panel, Left to Right: Mr. Kenneth Hoffman, Mr. Daniel Minzer, Mr. Brian Beem, Mr. Kenny Groth, and Mr. Ben Nolan



Charles Davies (Vice President, Commercial Services, World Fuel Services)

**Charles Davies** (Vice President, Commercial Services, World Fuel Services) led an overview on “**The Impact of Changing Fuel Oil Regulations**”. World Fuel Services, a major provider of marine products, is particularly aware of the regulatory changes that are taking place on January 1, 2015 regarding Sulphur levels in fuel oil in the North American and North European ECA zones. World Fuel is providing solutions for ship owners and operators who will be facing these challenging circumstances and has the technical and commercial expertise to navigate these changes.



The Fuel Oil Market Panel, Left to Right: Mr. John Keough, Mr. Nick Tavlarios, Mr. John Demopoulos, Mr. Richard Swann, and Mr. Charles Davies

**John Keough** (Partner, Global Shipping & Commodities Practice, Clyde & Co. US LLP) moderated the “**The Fuel Oil Market**”. Panelists **Nick Tavlarios** (President, Aegean Marine Petroleum Network), **John Demopoulos** (Senior Markets Manager, Americas, Argus Media), **Richard Swann** (Editorial Director, Americas Oil Markets, Platts), and **Charles Davies** (Vice President, Commercial Services, World Fuel Services) explored the details of the regulatory mandate for the changeover by commercial vessels to .1 percent sulphur marine fuel effective January 1, 2015 and its projected effect on fuel oil market prices globally, hedging strategies, availability of compliant fuel and alternatives, and operational issues. The Panel also addressed the tandem effect of evolving sanctions on Iran and Russia, combined with the January changeover and the possible reduction of supply of Russian bunker fuel.

[To download presentations from this forum, please click here](#)

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In Partnership With:



7<sup>th</sup> Annual Shipping, Marine Services & Offshore Capital Link Forum

Tuesday, September 23, 2014  
One Moorgate Place, London, UK



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In Cooperation With:



London Stock Exchange

## Conference Notes



The 7<sup>th</sup> Annual Shipping, Marine Services & Offshore Forum took place at One Moorgate Place in London on Tuesday, September 23, 2014.

**LONDON** - This 7<sup>th</sup> Shipping, Marine Services & Offshore Capital Link Forum in the Square Mile's One Moorgate Place, will be remembered for ever not only because it surpassed any previous attendance record – something in the tune of 500+, not because more or less the various markets were covered – save the reefer ones, but because what was discussed, debated and expressed by the participants will be appropriately used one day as a counter in case their prognosis, particularly that of the speakers and debaters fails to match the future market projections... Over the last fifteen years a lot has been said and debated, and over the last six with this “unique” shipping crisis, everybody says his long and sort to the detriment of the shipowners, banks, and investors. Time will tell though, as in life, we ought to reconsider things and the think-twice issue gets its proper meaning, alike the one Bob Dylan gave us with his song, on another way around: “Don't think Twice, it's All Right” – you dead well know what I mean. Being worse than Aristotle and practicing to the utmost his constructive criticism, I have been very sceptical and tough from what I hear, read and judge on what the various experts say in our shipping field... You know their results and you can't compare us no way near, as ours, with all due respect, speak for themselves! John Faraclas was there fully... armed with his mighty pen and camera...:

services and offshore markets, as well as an update on the other issues of critical importance to the industry.

Punctuality in the maritime world is of paramount importance and this forum begun its deliberations on time with Nicolas Bornozis introducing the event and warmly welcoming the hundreds of faithful; a very ship-shape kick-start!



Erik Helberg (CEO, RS Platou Markets AS)

**Erik Helberg** (CEO, RS Platou Markets AS) continued with the welcoming remarks and his substantial slides on the Marine Services Sector and in particular with an excellent one on: “Where are we now in the cycle”, specifically for the wet sector, as well with one on the “High willingness to pay up for the tanker freight”, VLCC rates per barrel vs. oil price. He mentioned and explained the issue of diminishing supply growth helping recovery take hold. A good point on the zero supply growth since April in the tanker markets, while freight rates have recovered. The Winter market always tends to hold promise, but climate changes are climate changes... He compared the current oil price, as the tanker rates are ridiculously low at the moment, a well construed point. Investors should hold their nerve and anticipate this recovery. A simple and to the point opening preparing for a great debate.



Nicolas Bornozis (President, Capital Link)

All in all a very important forum given what happens right now around the globe and pleased to see the effective way by which **Nicolas Bornozis** (President, Capital Link) elevated this seven year old event and this particular one with the partnership of RS Platou Markets and the long standing cooperation with the London Stock Exchange in providing investors in the UK and Europe with a comprehensive review and current outlook of the various shipping markets, marine



Ibukun Adebayo (Head of Emerging Markets, London Stock Exchange)

**Ibukun Adebayo** (Head of Emerging Markets, London Stock Exchange) took the podium for the **Opening Remarks**. He said – in exactly seven minutes: “London is in the heart of two truly global industries; shipping and finance, since the 1770ies and their coffee houses. The Baltic Exchange and Lloyd's of London are two other historic exchanges. London continues to remain at the centre of maritime commerce and finance to this day. Advisory expertise and reach of London is second to none. Over 30 international law firms advise on shipping law in

Please click here to access full Conference Notes



# Capital Link Shipping

...Linking Shipping and Investors Across the Globe

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

## Investor Relations & Financial Advisory

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



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



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

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



## Capital Link Shipping Weekly Markets Report

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



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

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



## Capital Link Investor Shipping Forums

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



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

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

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# Capital Link Shipping Weekly Markets Report



Monday, October 6, 2014 (Week 40)

IN THE NEWS

## Latest Company News

**Monday, September 29, 2014**

### **GasLog Ltd. Announces Closing of First Option Vessels Dropdown**

GasLog Ltd. announced the closing of the sale of two modern liquefied natural gas ("LNG") carriers, the Methane Jane Elizabeth and Methane Rita Andrea, to GasLog Partners LP ("GasLog Partners" or the "Partnership") for an aggregate price of \$328 million (the "Transaction"). The purchase price was paid by a combination of cash and assumed debt. This milestone transaction marks the first dropdown after the Initial Public Offering ("IPO") in May of assets from GasLog to the Partnership and is a significant step for both companies.

### **GasLog Partners LP Announces Closing of its Public Offering of 4,500,000 Common Units and First Option Vessels Acquisition from GasLog Ltd.**

GasLog Partners LP announced the closing of its public offering of 4,500,000 common units representing limited partner interests (the "common units"). The public offering price was \$31.00 per common unit. The net proceeds from the offering, after deducting underwriting discounts and other offering expenses, and including approximately \$2.85 million received from GasLog Ltd. to maintain its 2.0% general partner interest in the Partnership, were approximately \$136 million.

### **Nordic American Tankers Limited (NYSE:NAT) NAT Involved in Rescuing 150 Persons**

Nordic American Tankers Limited announced that one of the Company's vessels, the Nordic Passat, performed a rescue operation, involving 150 people in the Mediterranean last Saturday afternoon, September 27, 2014. The refugees were in a wooden boat with engine trouble. Nordic Passat was in an area South East of Sicily when it got involved in the rescuing of the refugees and brought them to Augusta in Italy this Monday morning. The refugees come from Somalia, Eritrea, Bangladesh, Sudan and Palestinians from Syria and Palestinians from Lebanon. There were 14 children, 19 women and 117 men among the refugees who were in relatively good condition and were given food and shelter onboard the ship.

### **Teekay Corporation Intends to Increase Dividend by 75-80 Percent; Future Increases Linked to Growing Cash Flows from Two MLP Subsidiaries**

Teekay Corporation announced that its Board of Directors has approved the adoption of a new dividend policy under which the Company intends to distribute to its shareholders a majority of the cash flows it receives from ownership in its publicly-traded subsidiaries. Once implemented, Teekay's quarterly dividend payment will be primarily based on the cash flow contributions from the Company's general partnership (GP) and limited partnership (LP) interests in its two master limited partnerships (MLPs), Teekay LNG Partners L.P. (Teekay LNG) and Teekay Offshore Partners L.P. (Teekay Offshore), together with other dividends received, after deductions for parent company level corporate general and administrative expenses and any reserves determined to be required by the Company's Board of Directors. The new dividend policy is expected to take effect for the quarter immediately following the anticipated sale of the Petrojarl Knarr FPSO unit to Teekay Offshore

and its contract start-up, both of which are currently scheduled to occur during the fourth quarter of 2014.

**Wednesday, October 1, 2014**

### **DryShips Inc. Announces a Public Offering of Its Senior Secured Notes Due 2017**

DryShips Inc. announced that it intends to offer senior secured notes due 2017 (the "Notes") pursuant to its effective shelf registration statement. The Company expects to use the net proceeds of the offering to refinance, in part, the Company's outstanding \$700 million aggregate principal amount of 5% Convertible Senior Notes due December 1, 2014. The Notes will be secured by first priority liens on certain shares of common stock of the Company's subsidiary, Ocean Rig UDW Inc., owned by DryShips, plus certain additional or replacement collateral.

### **Costamare Inc. Announces Election of Class I Director at 2014 Annual Meeting of Stockholders**

Costamare Inc., an international owner and provider of containerships for charter, announced the election of one Class I director at the Company's annual meeting of stockholders held in Athens today.

The elected Class I director is Konstantinos Zacharatos. The Class I director was elected to hold office for a term ending at the annual meeting of stockholders in 2017 and until his successor has been duly elected and qualified.

**Thursday, October 2, 2014**

### **Nordic American Tankers Limited (NYSE:NAT) - Underpromise and overdeliver is how we approach our communications with shareholders/investors. Positive signs in the market.**

Dear Shareholder,

In the tanker market, many of us are particularly interested in the future; what do we see on the horizon? The more exposed a company is financially, the more likely managers may paint a rosy picture of the future -- simply because such a company may not survive a prolonged slump. In NAT we are conservative stewards of the company and a strong balance sheet. We do not wish to oversell simply because we think that is a wrong approach that could mislead investors. Nobody knows what the future is holding. I am not impressed with those who look into the crystal ball. We position NAT to be able to pay maximum dividends. We are at the top of the league when it comes to total return, defined as the stock price plus the dividend reinvested in the NAT stock. We must keep in mind that volatility is an inherent characteristic of the tanker market.

**Friday, October 3, 2014**

### **Tsakos Energy Navigation Announces Charter Extension for Three Product Tankers**

The Three New Charters to Generate Total Revenues of \$40 Million; Spot Rates Increase in Q4

Tsakos Energy Navigation Ltd., a leading crude, product and LNG tanker operator, announced the charter extension for three product tankers, including two Panamax and one MR, for two and three



### Latest Company News

years respectively to a South American oil major. These contracts are expected to generate \$40 million in total gross revenues over their relevant duration.

#### **Costamare Inc. Declares Quarterly Dividend on Its 7.625% Series B Cumulative Redeemable Perpetual Preferred Stock and 8.50% Series C Cumulative Redeemable Perpetual Preferred Stock**

Costamare Inc. has declared a cash dividend of US \$0.476563 per share on its 7.625% Series B Cumulative Redeemable Perpetual Preferred Stock (the "Series B Preferred Stock") (NYSE:CMRE PR B) and a cash dividend of US \$0.531250 per share on its 8.50% Series C Cumulative Redeemable Perpetual Preferred Stock (the "Series C Preferred Stock") (NYSE:CMRE PR C). The dividend for the Series B Preferred Stock and the Series C Preferred Stock is for the period from the most recent dividend payment date, July 15, 2014, to October 14, 2014. The dividends will be paid on October 15, 2014 to all holders of record as of October 14, 2014 of the Series B Preferred Stock and Series C Preferred Stock.

#### **Teekay LNG Partners Declares Distribution**

Teekay GP LLC, the general partner of Teekay LNG Partners L.P., has declared a cash distribution of \$0.6918 per unit for the quarter ended September 30, 2014. The cash distribution for the quarter ended September 30, 2014 is payable on November 14, 2014 to all unitholders of record as at October 17, 2014.

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

Teekay Tankers Ltd. announced that its Board of Directors has declared a cash dividend of \$0.03 per share for the quarter ended September 30, 2014. The cash dividend is payable on October 31, 2014 to all shareholders of record as at October 17, 2014.

#### **Teekay Corporation Declares Dividend**

Teekay Corporation announced that its Board of Directors has declared a cash dividend on its common stock of \$0.31625 per share for the quarter ended September 30, 2014. The cash dividend is

payable on October 31, 2014 to all shareholders of record as at October 17, 2014.

#### **Teekay Offshore Partners Declares Distribution**

Teekay Offshore GP LLC, the general partner of Teekay Offshore Partners L.P., has declared a cash distribution of \$0.5384 per unit for the quarter ended September 30, 2014. The cash distribution for the quarter ended September 30, 2014 is payable on November 14, 2014 to all unitholders of record as at October 17, 2014.

#### **Teekay Offshore Partners Declares Distribution on Series A Preferred Units**

Teekay Offshore GP LLC, the general partner of Teekay Offshore Partners L.P., has declared a cash distribution of \$0.4531 per unit on the Partnership's Series A preferred units (NYSE:TOO PR A) for the period from August 15, 2014 to November 15, 2014. The cash distribution is payable on November 14, 2014 to all unitholders of record as at November 7, 2014.

#### **Monday, October 6, 2014**

#### **Costamare Named Company of the Year by Lloyd's List**

Costamare Inc. has been named 'Company of the Year' by Lloyd's List, a global information provider for the shipping industry since 1734. The award was presented at the Lloyd's List Global Awards 2014 ceremony in London, on September 30. The awards are adjudicated by an independent panel of shipping industry experts.

#### **RedChip Announces Schedule for Its October 15-16 Global Online CEO Conference**

RedChip Companies, Inc., an international small-cap research, investor relations, and media company, announces the presentation schedule for its Global Online CEO Conference on Wednesday and Thursday, October 15-16, 2014. The online investor conference will air between 9:30 a.m. and 5 p.m. Eastern time on both days at [www.RedChip.com](http://www.RedChip.com).







### *Alchemy, older vessels and new trades for tankers*

Last week, info provider Genscape revealed that a cargo of Alaskan North Slope (ANS) oil was on the water bound for South Korea, aboard the U.S. flag tanker Polar Discovery (owned by Conoco Phillips-“COP”), 141,000 dwt built 2003 at Avondale. The vessel has been loading oil from the North Slope (ANS) at Valdez for discharge at refineries along the U.S West Coast. But a funny thing happened on the way to....(Puget Sound, the Bay area, or even Long Beach)....the weakening oil market caused a realignment of prices for different crudes. While the industry is contemplating the impacts of shipping through the Arctic (some 45 years after the ice-breaking voyage of the tanker Manhattan from the north of Alaska to the U.S. east coast- pre pipeline), the COP vessel is steaming directly through the nexus of several important trends. First, the bigger context is that Alaska’s oil production has been shrinking; U.S. Department of Energy data shows the state’s annual production peaking in 1988 at 2 million barrels/day. By 2013, the figure had been cut by 75%, to around 0.5 million barrels/day.

According to RBN Energy, one of the go-to experts on the domestic U.S. oil markets, the narrowed spread of Brent (a good proxy for prices of oil that can be imported into the States) above WTI (the proxy for domestic grades) has opened the door for more imports into the U.S. West Coast ports. Flows from Alaska can suddenly attain better “economics” (ie a higher price) in Asian markets, so the vessel took a sharp right turn to South Korea. RBN says “So in the particular case of the recent ANS export cargo, we surmise that price is the primary issue for COP. In other words, with US prices and ANS premiums to WTI declining, COP is presumably getting a higher price from the South Korean buyer than they would at the US West Coast.”

Exports of U.S. produced crude oil have been largely limited to Canada, but one exemption to 1970’s era export bans allows ANS exports to Asian destinations- provided that they move on tankers built in the U.S. and operated under the U.S. flag (which implies that U.S. ownership is also in the mix). Previously, cargoes of Alaskan oil, transported to Valdez by pipeline, had been exported to South Korea in the mid 2000’s. According to a number of prominent analysts, notably Citibank’s Ed Morse, this cargo is part of a bigger wave (which also includes condensate cargoes), that will lift U.S. crude oil (or almost) exports to 1 million barrels/day over the next year. Ed Morse offered a terrific nautically themed observation, reprising vessels from an era pre-dating the Manhattan: “The Conoco cargo headed for South Korea markets the first sailing on what Citi expects to become an armada.” Morse suggested that: “Exports of ANS should reach sustainable levels of 100,000 barrels/day...” as others look for Asian market opportunities. That’s nearly one Suezmax tanker every week.

July 2014’s crude oil exports of approximately 400,000 barrels (mostly to Canada) was approaching a record level, dating back to 1957- according to analysts at Bloomberg. Looking into the future, RBN suggests that oil giant COP might be “...testing the waters in the belief that- in the long run- they will need to look at alternative markets for ANS in the belief that- in the long run- they will need to look at alternative markets for ANS...”

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.

Tanker-watchers had been questioning how, exactly, U.S. tankers built specifically for the Alaska trade (such as the Polar fleet, and also a pair of new vessels recently delivered to Exxon Mobil) might be deployed. At least one set of suggestion, which must now be taken very seriously as refiners squawk about the non-availability of Jones Act vessels, would have such vessels hauling domestically produced oil in coastwise moves from Texas and Louisiana, and up to the Northeast. Another trend, maybe, is the C- word, “consolidation”, as existing Jones Act players have allied themselves with financial powerhouses and/ or repositioned themselves as financially minded companies. Some of the firepower could be harnessed to liberate million barrel ships from oilco ownership, maybe, besides the likely scale-building as fleets get combined. Emphasis on “maybe”.

Without giving specific recommendations here (we can leave that up to the Wall Streeters), I would agree with those who’ve expressed the view that internationally flagged million barrel vessels (and Aframaxes, as well) will probably be seeing more demand, at least for a while. Up until very recently, and spreads of foreign oil above domestic grades narrowed, the U.S. was significantly reducing imports, as U.S. production in the Lower 48 has soared by nearly 3 million barrels/day (a beneficiary of the “shale revolution”). As spreads have narrowed in 2014, the imports of crude oil have become more attractive into the U.S. have played a part in bringing the Suezmax market back to life. Storage related to price contango (weak nearby and stronger future prices), if it becomes a real trend, could provide further fuel here.

Then, going back to the refinery side, we have the concerns raised by another group of energy analysts, including Dallas-based Turner Mason, who expressed concerns about a glut (with low prices) of “light sweet” oil. With more domestic production in coming years, from places like Bakken and Eagle Ford fields- not perfectly suitable for U.S. refineries, in coming years, Turner Mason has talked about a “Day of Reckoning” for stranded light sweet oils.

Oil producers have been lobbying hard for repeal of the 1970’s export bans, to move some of the light sweet oils offshore, thereby keeping prices higher. The estimates of the future glut, approaching 1 million barrels/day several years out, are sized comparably with estimates of the “export Armada” now prophesied by Ed Morse. So maybe, just maybe, the Day of Reckoning might be avoided as barrels move abroad. And, of course, widening spreads could cover many sins- reducing the attractiveness of imports (sorry, Suezmax investors). Another part of these discussions, and without a definitive answer, is the investment in new oil processing infrastructure that would yield more value from the abundant new “shale” barrels to U.S. refineries. Splitters and splitters are examples of the new age alchemy in the oil patch.





# Capital Link Shipping Weekly Markets Report



Monday, October 6, 2014 (Week 40)

CAPITAL MARKETS DATA

## Select Dividend Paying Shipping Stocks

Stock Prices as of October 3, 2014

Company Name	Ticker	Quarterly Dividend	Annualized Dividend	Last Closing Price (Oct. 3, 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	\$2.08	9.62%
Seaspan Corp	SSW	\$0.345	\$1.38	\$21.20	6.51%
<b>Dry Bulk</b>					
Baltic Trading Limited	BALT	\$0.01	\$0.04	\$3.88	1.03%
Knightsbridge Tankers Limited	VLCCF	\$0.20	\$0.80	\$8.95	8.94%
Navios Maritime Holdings Inc.	NM	\$0.06	\$0.24	\$5.81	4.13%
Navios Maritime Partners LP*	NMM	\$0.4425	\$1.77	\$18.12	9.77%
Safe Bulkers Inc.**	SB	\$0.06	\$0.24	\$6.36	3.77%
<b>Tankers</b>					
Ardmore Shipping Corp.	ASC	\$0.10	\$0.40	\$10.85	3.69%
Capital Product Partners Lp	CPLP	\$0.2325	\$0.93	\$9.83	9.46%
DHT Holdings, Inc.	DHT	\$0.02	\$0.08	\$6.26	1.28%
KNOT Offshore Partners L.P.	KNOP	\$0.4350	\$1.74	\$24.95	6.97%
Navios Maritime Acquisition Corp	NNA	\$0.05	\$0.20	\$2.87	6.97%
Nordic American Tankers Limited	NAT	\$0.23	\$0.92	\$7.89	11.66%
Scorpio Tankers Inc	STNG	\$0.09	\$0.36	\$8.49	4.24%
Teekay Corporation	TK	\$0.31625	\$1.265	\$67.12	1.88%
Teekay Offshore Partners L.P.	TOO	\$0.5384	\$2.1536	\$32.15	6.70%
Teekay Tankers Ltd	TNK	\$0.03	\$0.12	\$3.60	3.33%
Tsakos Energy Navigation Ltd***	TNP	\$0.05	\$0.20	\$6.25	3.20%
<b>Mixed Fleet</b>					
Ship Finance International Limited	SFL	\$0.41	\$1.64	\$16.53	9.92%
<b>LNG/LPG</b>					
Dynagas LNG Partners	DLNG	\$0.3650	\$1.46	\$22.81	6.40%
Gas Log Ltd	GLOG	\$0.12	\$0.48	\$21.74	2.21%
Golar LNG	GLNG	\$0.45	\$1.80	\$63.28	2.84%
Golar LNG Partners, L.P	GMLP	\$0.5225	\$2.09	\$33.12	6.31%
Teekay LNG Partners L.P.	TGP	\$0.6918	\$2.7672	\$41.71	6.63%
<b>Maritime MLPs</b>					
Capital Product Partners L.P.	CPLP	\$0.2325	\$0.93	\$9.83	9.46%
Dynagas LNG Partners	DLNG	0.3650	\$1.46	\$22.81	6.40%
Golar LNG Partners, L.P.	GMLP	\$0.5225	\$2.09	\$33.12	6.31%
Navios Maritime Partners L.P.	NMM	\$0.4425	\$1.77	\$18.12	9.77%
Teekay LNG Partners L.P.	TGP	\$0.6918	\$2.7672	\$41.71	6.63%
Teekay Offshore Partners L.P.	TOO	\$0.5384	\$2.1536	\$32.15	6.70%
KNOT Offshore Partners L.P.	KNOP	\$0.4350	\$1.74	\$24.95	6.97%
<b>Offshore Drilling</b>					
Ocean Rig UDW	ORIG	\$0.19	\$0.76	\$14.92	5.09%



# Capital Link Shipping Weekly Markets Report



Monday, October 6, 2014 (Week 40)

CAPITAL MARKETS DATA

Preferred Shipping Stocks	Box Ships Series C	Costamare Series B	Costamare Series C	Diana Shipping Series B	Global Ship Lease Series B	International Shipholding Series A	International Shipholding Series B	Navios Series G
Ticker	TEUPRC	CMREPRB	CMREPRC	DSXPRB	GSLB	ISHPRA	ISHPRB	NMPRG
Fixed Annual Dividend <sup>(4)</sup>	9.00%	7.625%	8.50%	8.875%	8.75%	9.50%	9.00%	8.75%
Liquidation Preference	\$24.00	\$25.00	\$25.00	\$25.00	\$25.00	\$100.00	\$100.00	\$25.00
Last Closing Price (10/03/14)	\$23.65	\$25.54	\$26.25	\$26.48	\$22.96	\$102.08	\$101.50	\$24.72

Preferred Shipping Stocks	Safe Bulkers Series B	Safe Bulkers Series C	Safe Bulkers Series D	Seaspan Series C	Seaspan Series D	Seaspan Series E	Teekay Offshore Series A	Tsakos Energy Series B	Tsakos Energy Series C
Ticker	SBPRB	SBPRC	SBPRD	SSWPRC	SSWPRD	SSWPRE	TOOPRA	TNPPRB	TNPPRC
Fixed Annual Dividend <sup>(4)</sup>	8.00%	8.00%	8.00%	9.50%	7.95%	8.25%	7.25%	8.00%	8 <sup>7</sup> / <sub>8</sub> %
Liquidation Preference	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00
Last Closing Price (10/03/14)	\$27.24	\$24.30	\$24.42	\$27.18	\$26.78	\$26.55	\$25.13	\$25.10	\$25.91

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

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# Capital Link Shipping Weekly Markets Report



Monday, October 6, 2014 (Week 40)

CAPITAL MARKETS DATA

## Currencies, Commodities & Indices

Week ending, Friday, October 3, 2014

### MAJOR INDICES

America	Symbol	10/3/2014	9/26/2014	% Change	YTD % Change	2-Jan-14
Dow Jones	INDU	17,009.69	17,113.15	-0.60%	3.46%	16,441.35
Dow Jones Transp.	TRAN	8,481.99	8,484.91	-0.03%	16.39%	7,287.87
NASDAQ	CCMP	4,475.62	4,512.19	-0.81%	8.03%	4,143.07
NASDAQ Transp.	CTRN	3,228.34	3,234.81	-0.20%	9.88%	2,938.03
S&P 500	SPX	1,967.90	1,982.85	-0.75%	7.42%	1,831.98

Europe	Symbol	10/3/2014	9/26/2014	% Change	YTD % Change	2-Jan-14
Deutsche Borse Ag	DAX	9,195.68	9,490.55	-3.11%	-2.17%	9,400.04
Euro Stoxx 50	SX5E	3,133.37	3,219.58	-2.68%	2.40%	3,059.93
FTSE 100 Index	UKX	6,527.91	6,649.39	-1.83%	-3.28%	6,749.10

Asia/Pacific	Symbol	10/3/2014	9/26/2014	% Change	YTD % Change	2-Jan-14
ASX 200	AS51	5,318.20	5,313.40	0.09%	-0.93%	5,367.90
Hang Seng	HSI	23,064.56	23,678.41	-2.59%	-1.18%	23,340.05
Nikkei 225	NKY	15,708.65	16,229.86	-3.21%	-1.26%	15,908.88

### CAPITAL LINK MARITIME INDICES

Index	Symbol	10/3/2014	9/26/2014	% Change	YTD % Change	2-Jan-14
Capital Link Maritime Index	CLMI	3,061.95	3,071.90	-0.32%	2,250.12	36.08%
Tanker Index	CLTI	1,632.63	1,721.26	-5.15%	2,521.85	-35.26%
Drybulk Index	CLDBI	889.47	882.09	0.84%	1,020.38	-12.83%
Container Index	CLCI	1,781.51	1,863.10	-4.38%	1,814.70	-1.83%
LNG/LPG Index	CLLG	4,110.92	4,418.60	-6.96%	3,212.34	27.97%
Mixed Fleet Index	CLMFI	4,070.09	3,142.28	29.53%	1,437.01	183.23%
MLP Index	CLMLP	3,031.59	3,159.27	-4.04%	3,062.97	-1.02%



# Capital Link Shipping Weekly Markets Report



Monday, October 6, 2014 (Week 40)

## CAPITAL MARKETS DATA

### BALTIC INDICES

Index	Symbol	10/3/2014	9/26/2014	% Change	YTD % Change	2-Jan-14
Baltic Dry Index	BDIY	1,037	1,049	-1.14%	2,113	-50.92%
Baltic Capesize Index	BCIY	1,758	1,852	-5.08%	3,733	-52.91%
Baltic Panamax Index	BPIY	887	807	9.91%	1,780	-50.17%
Baltic Supramax Index	BSI	1,028	1,053	-2.37%	1,330	-22.71%
Baltic Handysize Index	BHSI	530	526	0.76%	773	-31.44%
Baltic Dirty Tanker Index	BDTI	645	611	5.56%	1,021	-36.83%
Baltic Clean Tanker Index	BCTI	574	556	3.24%	612	-6.21%

### TRANSPORTATION STOCKS

DRYBULK	TICKER	10/3/2014 Friday	9/29/2014 Monday	Change %	52 Week High	52 Week Low	1/2/2014	Three Month Avg. Volume
Baltic Trading Ltd	BALT	\$3.88	\$4.26	-8.27%	\$7.60	\$3.80	\$6.44	512,027
Diana Shipping Inc	DSX	\$8.50	\$9.21	-7.00%	\$13.64	\$8.50	\$13.30	740,351
DryShips Inc	DRYS	\$2.21	\$2.52	-12.99%	\$4.70	\$2.21	\$4.31	5,492,208
Eagle Bulk Shipping Inc	EGLE	\$0.89	\$0.86	17.22%	\$7.69	\$0.75	\$4.47	628,270
FreeSeas Inc	FREE	\$0.17	\$0.21	-25.65%	\$3.11	\$0.16	\$2.31	2,109,887
Globus Maritime Ltd	GLBS	\$3.36	\$3.36	0.00%	\$4.44	\$2.57	\$3.87	11,336
Knightsbridge Tankers Ltd	VLCCF	\$8.95	\$8.95	-2.19%	\$16.16	\$7.27	\$8.98	672,223
Navios Maritime Holdings Inc	NM	\$5.81	\$5.89	-0.68%	\$11.49	\$5.52	\$10.65	861,950
Navios Maritime Partners LP	NMM	\$18.12	\$17.48	4.74%	\$20.40	\$14.24	\$18.62	321,611
Paragon Shipping Inc	PRGN	\$3.34	\$4.16	-18.93%	\$8.09	\$3.34	\$7.18	176,279
Safe Bulkers Inc	SB	\$6.36	\$6.99	-10.80%	\$11.43	\$6.30	\$10.20	494,943
Scorpio Bulkers	SALT	\$6.00	\$6.06	-1.80%	\$10.58	\$5.63	\$9.72	735,121
Seenergy Maritime	SHIP	\$1.71	\$1.77	-4.47%	\$2.10	\$0.80	\$1.99	17,141
Star Bulk Carriers Corp	SBLK	\$10.54	\$11.08	-7.38%	\$15.52	\$7.83	\$13.10	255,308

TANKERS	Ticker	10/3/2014	9/29/2014	Change %	52 wk high	52 wk low	1/2/2014	3-Month Avg. Vol.
Ardmore Shipping Corp	ASC	\$10.85	\$11.19	-3.73%	\$15.56	\$10.85	\$15.16	86,599
Capital Product Partners LP	CPLP	\$9.83	\$9.92	-1.80%	\$11.56	\$8.24	\$10.36	574,019
DHT Holdings Inc	DHT	\$6.26	\$6.11	0.81%	\$8.41	\$4.49	\$6.67	610,463
Frontline Ltd/Bermuda	FRO	\$1.41	\$1.27	12.80%	\$5.06	\$1.19	\$3.59	885,942
Knot Offshore Partners	KNOP	\$24.95	\$25.06	-0.52%	\$29.89	\$23.78	\$27.57	83,021
Navios Acquisition	NNA	\$2.87	\$2.83	0.70%	\$4.85	\$2.71	\$4.37	430,832
Nordic American	NAT	\$7.89	\$8.09	-3.07%	\$12.36	\$7.64	\$9.46	1,110,603
Scorpio Tankers Inc	STNG	\$8.49	\$8.40	1.07%	\$12.10	\$8.13	\$11.78	1,721,761
Teekay Offshore Partners LP	TOO	\$32.15	\$33.91	-5.47%	\$37.03	\$29.81	\$32.55	138,512
Teekay Tankers Ltd	TNK	\$3.60	\$3.75	-3.74%	\$4.70	\$2.58	\$3.85	356,801
Top Ships	TOPS	\$1.89	\$1.89	1.07%	\$13.93	\$1.76	\$11.49	144,750
Tsakos Energy Navigation Ltd	TNP	\$6.25	\$6.48	-3.55%	\$8.35	\$4.56	\$5.95	589,814





# Capital Link Shipping Weekly Markets Report



Monday, October 6, 2014 (Week 40)

## CAPITAL MARKETS DATA

CONTAINERS	Ticker	10/3/2014	9/29/2014	Change %	52 week high	52 week low	1/2/2014	3-Month Avg. Vol.
Box Ships Inc	TEU	\$1.10	\$1.19	-11.29%	\$3.95	\$1.10	\$3.28	149,583
Costamare Inc	CMRE	\$21.77	\$22.30	-4.10%	\$24.36	\$16.29	\$17.80	153,722
Danaos Corp	DAC	\$4.91	\$5.25	-7.18%	\$7.63	\$3.75	\$5.08	11,431
Diana Containerships Inc	DCIX	\$2.08	\$2.30	-9.57%	\$4.51	\$2.08	\$4.04	175,331
Global Ship Lease Inc	GSL	\$4.04	\$4.09	-0.49%	\$6.34	\$3.63	\$5.83	53,666
Seaspan Corp	SSW	\$21.20	\$21.77	-3.99%	\$24.31	\$19.68	\$22.57	162,315

LPG/LNG	Ticker	10/3/2014	9/29/2014	Change %	52 week high	52 week low	1/2/2014	3-Month Avg. Vol.
Dynagas LNG Partners	DLNG	\$22.81	\$23.77	-4.40%	\$25.27	\$18.00	\$21.84	46,504
GasLog Ltd	GLOG	\$21.74	\$22.99	-8.08%	\$31.89	\$14.11	\$16.84	1,104,300
Golar LNG Ltd	GLNG	\$63.28	\$67.65	-7.02%	\$72.50	\$33.54	\$35.71	1,470,611
Golar LNG Partners LP	GMLP	\$33.12	\$35.79	-7.92%	\$39.00	\$28.21	\$30.04	128,410
Navigator Gas	NVGS	\$26.13	\$28.59	-9.87%	\$31.50	\$17.33	\$25.88	264,982
StealthGas Inc	GASS	\$8.78	\$9.20	-3.83%	\$12.88	\$8.78	\$10.16	114,709
Teekay LNG Partners LP	TGP	\$41.71	\$43.44	-3.52%	\$47.19	\$38.89	\$41.87	221,316

MIXED FLEET	Ticker	10/3/2014	9/29/2014	Change %	52 week high	52 week low	1/2/2014	3-Month Avg. Vol.
Euroseas Ltd	ESEA	\$1.11	\$1.13	-0.18%	\$1.54	\$1.09	\$1.40	42,304
Ship Finance International Ltd	SFL	\$16.53	\$17.20	-4.84%	\$19.82	\$15.36	\$16.22	442,186
Teekay Corp	TK	\$67.12	\$58.36	15.84%	\$67.12	\$40.67	\$47.29	496,304

MLPs	Ticker	10/3/2014	9/29/2014	Change %	52 week high	52 week low	1/2/2014	3-Month Avg. Vol.
Capital Product Partners	CPLP	\$9.83	\$9.92	-1.80%	\$11.56	\$8.24	\$10.36	574,019
Dynagas LNG Partners	DLNG	\$22.81	\$23.77	-4.40%	\$25.27	\$18.00	\$21.84	46,504
Golar LNG Partners LP	GMLP	\$33.12	\$35.79	-7.92%	\$39.00	\$28.21	\$30.04	128,410
Hoegh LNG Partners	HMLP	\$23.40	\$23.33	-0.21%	\$25.89	\$22.25	NA	NA
Knot Offshore Partners	KNOP	\$24.95	\$25.06	-0.52%	\$29.89	\$23.78	\$27.57	83,021
Navios Partners	NMM	\$18.12	\$17.48	4.74%	\$20.40	\$14.24	\$18.62	321,611
Teekay Offshore	TOO	\$32.15	\$33.91	-5.47%	\$37.03	\$29.81	\$32.55	138,512

OFFSHORE DRILL RIGS	Ticker	10/3/2014	9/29/2014	Change %	52 week high	52 week low	1/2/2014	3-Month Avg. Vol.
Atwood Oceanics	ATW	\$41.49	\$44.21	-7.41%	\$58.04	\$41.49	\$52.47	778,376
Diamond Offshore Drilling	DO	\$33.00	\$35.17	-9.29%	\$60.96	\$33.00	\$53.59	1,612,712
Ensco International	ESV	\$38.26	\$42.06	-9.89%	\$62.05	\$38.26	\$56.57	3,538,170
Hercules Offshore	HERO	\$2.06	\$2.30	-13.45%	\$7.51	\$2.02	\$6.52	4,259,441
Noble Corp.	NE	\$20.24	\$22.54	-12.15%	\$35.30	\$20.24	\$32.00	5,071,781
Ocean Rig UDW Inc	ORIG	\$14.92	\$16.26	-8.80%	\$20.83	\$14.92	\$19.08	223,830
Pacific Drilling	PACD	\$7.87	\$8.59	-10.97%	\$12.12	\$7.79	\$11.25	341,194
Rowan Companies	RDC	\$24.60	\$25.49	-5.78%	\$37.73	\$24.60	\$34.35	2,526,462
Seadrill Ltd.	SDRL	\$24.30	\$26.58	-10.76%	\$46.95	\$24.30	\$40.07	6,004,128
Transocean	RIG	\$30.15	\$32.59	-9.38%	\$55.37	\$30.15	\$48.91	7,287,761
Vantage Drilling Company	VTG	\$1.21	\$1.40	-17.69%	\$1.98	\$1.19	\$1.86	1,535,312



# Capital Link Shipping Weekly Markets Report



Monday, October 6, 2014 (Week 40)

OSLO-Listed Shipping Comps (currency in NOK)	Ticker	10/3/2014	9/29/2014	Change %	52 week high	52 week low	1/2/2014	3-Month Avg. Vol.
Goldean Ocean	GOGL	\$7.04	\$7.44	-3.89%	\$15.40	\$6.82	\$13.23	3,334,762
Stolt-Nielsen Ltd.	SNI	\$123.00	\$124.00	0.41%	\$193.50	\$120.50	\$162.00	43,663
Frontline Ltd.	FRO	\$9.30	\$8.24	20.16%	\$31.80	\$7.74	\$22.20	481,553
Jinhui Shpg. & Trans	JIN	\$14.15	\$15.20	-1.05%	\$29.00	\$13.90	\$28.00	51,434
Odfjell (Common A Share)	ODF	\$28.00	\$26.40	3.70%	\$46.80	\$24.70	\$40.50	8,702
Odfjell (Common B Share)	ODFB	\$26.00	\$25.40	-1.92%	\$46.20	\$23.00	\$39.50	7,529
Solvang ASA	SOLV	N/A	\$23.10	0.85%	\$26.00	\$18.60	\$20.50	1,667
Eitzen Chemical ASA	ECHEM	\$3.03	\$4.28	-22.31%	\$11.10	\$3.03	\$7.57	15,761
American Shipping Co.	AMSC	\$43.50	\$45.50	-6.25%	\$52.32	\$30.70	\$37.71	70,937
Wilson ASA	WILS	N/A	N/A	N/A	\$17.00	\$10.10	NA	119
Hoegh LNG	HLNG	\$97.00	\$99.00	-2.02%	\$105.00	\$45.60	\$47.90	101,812
Belships ASA	BEL	\$5.00	\$5.00	0.00%	\$6.80	\$4.72	\$6.20	7,896
I.M. Skaugen	IMSK	\$6.70	\$6.57	N/A	\$12.75	\$6.57	NA	3,221
Western Bulk	WBULK	\$7.16	\$7.55	-3.11%	\$16.80	\$6.84	\$15.40	83,393

OFFSHORE SUPPLY	Ticker	10/3/2014	9/29/2014	Change %	52 week high	52 week low	1/2/2014	3-Month Avg. Vol.
Gulfmark Offshore	GLF	\$32.00	\$32.78	-2.59%	\$53.63	\$30.78	\$45.61	314,752
Hornback Offshore	HOS	\$30.98	\$34.36	-10.59%	\$59.14	\$30.98	\$47.86	607,672
Nordic American Offshore	NAO	\$17.59	\$17.67	-1.68%	\$20.40	\$15.25	NA	312,451
Tidewater	TDW	\$38.33	\$40.22	-5.43%	\$62.76	\$38.33	\$58.60	563,630
Seacor Holdings	CKH	\$74.42	\$76.61	-2.82%	\$98.45	\$74.20	\$89.77	140,830







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

#### **SHIPPING EQUITIES OUTPERFORM THE BROADER MARKET MIXED FLEET THE BEST PERFORMER**

During last week, shipping equities outperformed the broader market, with the Capital Link Maritime Index (CLMI), a composite index of all US listed shipping stocks dropping 0.32%, compared to the S&P 500 decreasing 0.75%, Nasdaq dropping 0.81%, and Dow Jones Industrial Average (DJII) declining 0.60%.

Mixed Fleet stocks were the best performers during last week, with Capital Link Mixed Fleet Index increasing 29.53%, followed by Capital Link Dry Bulk Index increasing 0.84%. LNG/LPG equities were the least performer in last week, with Capital Link LNG/LPG Index declining 6.96%.

During last week, dry bulk shipping stocks outperformed the physical market, with Baltic Dry Index (BDI) dropping 1.14%, compared to the Capital Link Dry Bulk Index gaining 0.84%. Year-to-date, the BDI has dropped 50.92%, while the Capital Link Dry Bulk Index decreased 12.83%.

During last week, tanker shipping stocks underperformed the physical market, with Baltic Dirty Tanker Index (BDTI) increased 5.56% and Baltic Clean Tanker Index (BCTI) gained 3.24%, compared to Capital Link Tanker Index decreased 5.15%. Year-to-date, the BDTI dropped 36.83% and the BCTI has decreased 6.21%, compared to Capital Link Tanker Index decreasing 35.26%.

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.



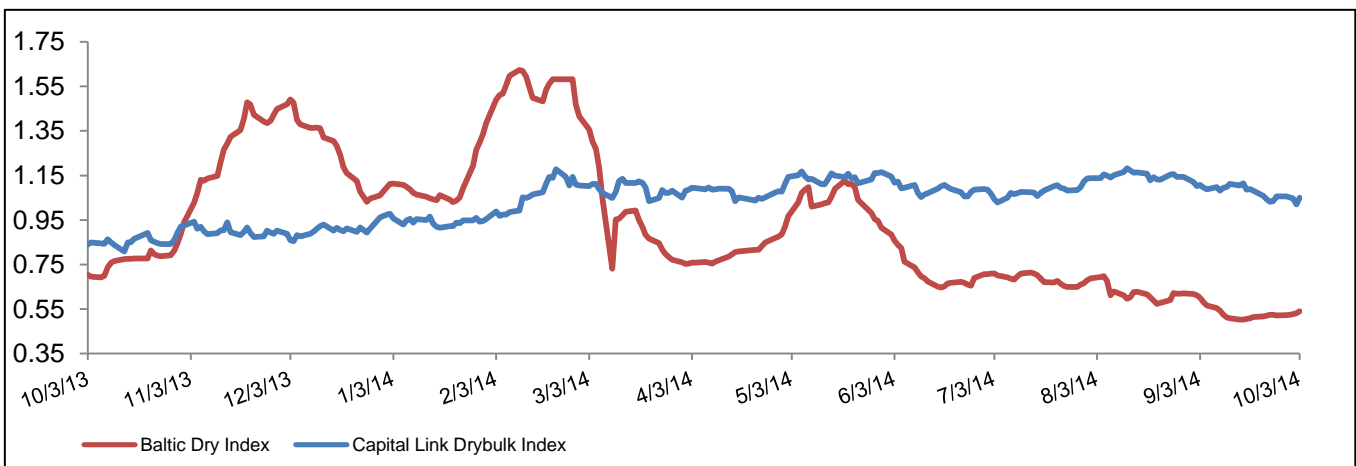
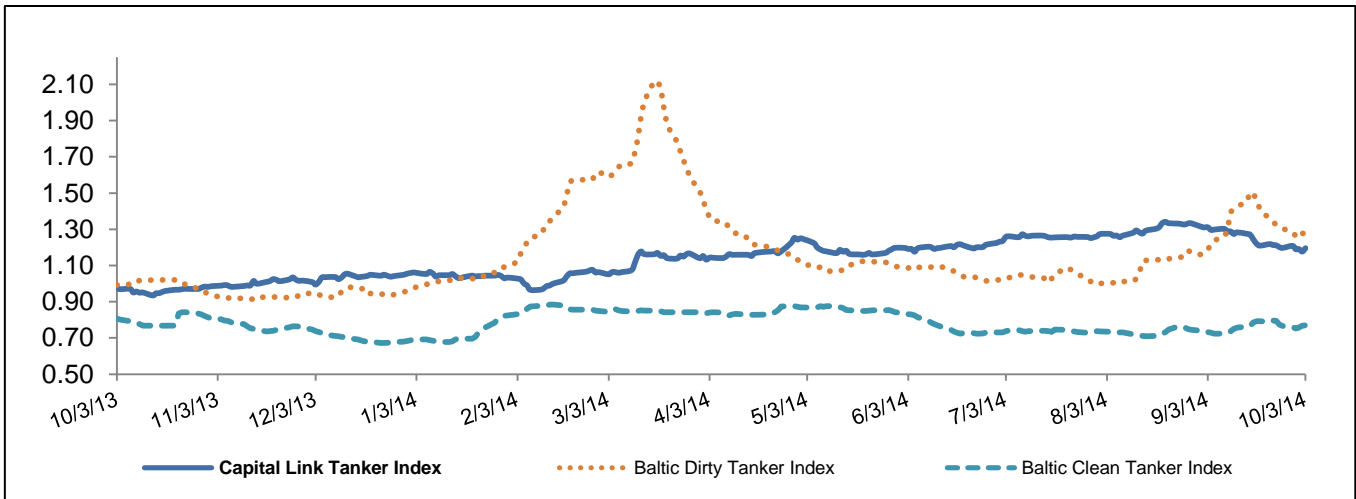
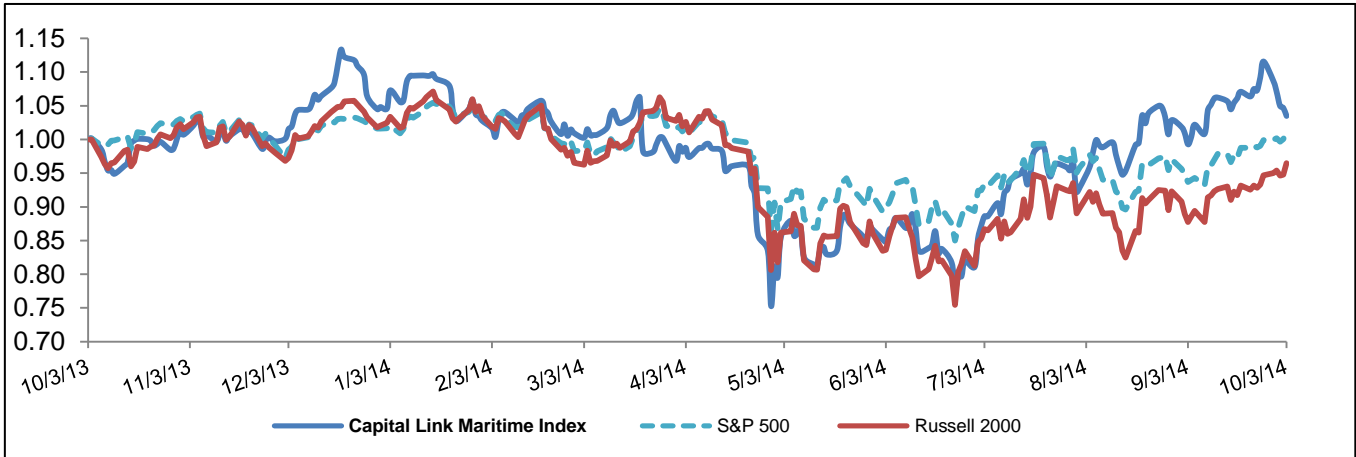
# Capital Link Shipping Weekly Markets Report



Monday, October 6, 2014 (Week 40)

## CAPITAL MARKETS DATA

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



\*SOURCE: BLOOMBERG



# Capital Link Shipping Weekly Markets Report



Monday, October 6, 2014 (Week 40)

## SHIPPING MARKETS



Custom Statistics Prepared Weekly for Capital Link Shipping

### BROAD MARKET

Percent Change of Major Indexes for the Week Ending Friday, October 3, 2014

Name	Symbol	Close	Net Gain	Percent Gain
Nasdaq-100 Index	NDX	4027.31	-26.41	-0.65%
S&P 500 Index	SPX	1967.9	-14.95	-0.75%
Nasdaq Composite Index	COMPX	4475.62	-36.57	-0.81%
Russell 1000 Index	RUI	1093.9	-8.91	-0.81%
Russell 3000 Index	RUA	1166.45	-9.94	-0.84%
Russell 2000 Index	RUT	1104.72	-14.61	-1.31%

### SHIPPING INDUSTRY DATA (43 Companies)

#### Moving Averages

- 13.95% closed > 10D Moving Average.
- 9.30% closed > 50D Moving Average.
- 9.30% closed > 100D Moving Average.
- 16.28% closed > 200D Moving Average.

Top Upside Momentum (Issues with the greatest 100 day upside momentum*)				Top Downside Momentum (Issues with the greatest 100 day downward momentum*)			
Symbol	Close	Weekly % Change	50-Day % Change	Symbol	Close	Weekly % Change	50-Day % Change
TK	67.12	15.84%	19.86%	FREE	0.17	-26.09%	-66.00%
SHIP	1.71	-4.47%	14.77%	EGLE	0.89	17.11%	-52.91%
GLNG	63.28	-7.02%	4.20%	PRGN	3.34	-18.93%	-35.02%
GLBS	3.36	0.00%	8.39%	BALT	3.88	-8.27%	-29.33%
DLNG	22.81	-4.40%	-5.82%	NM	5.81	-0.68%	-30.59%
GMLP	33.12	-7.92%	-4.66%	FRO	1.41	12.80%	-45.14%
CMRE	21.77	-4.10%	-10.52%	DRYS	2.21	-12.99%	-22.18%
				SALT	6	-1.80%	-28.06%
				DCIX	2.08	-9.57%	-14.40%
				VLCCF	8.95	-2.19%	-24.60%

\*Momentum: 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 then sort all names that have a negative value in ascending order and report the top 10.

Top Consecutive Higher Closes			Top Consecutive Lower Closes		
Symbol	Close	Up Streak	Symbol	Close	Up Streak
NNA	2.87	3	DHT	6.26	-2
CMRE	21.77	2	TEU	1.1	-3
GLBS	3.36	2	TNP	6.25	-4
GLOG	21.74	2	DSX	8.5	-4
MATX	25.56	2	GASS	8.78	-4
NM	5.81	2	PRGN	3.34	-4
SALT	6	2	SBLK	10.54	-5
STNG	8.49	2	NVGS	26.13	-5
TK	67.12	2	DRYS	2.21	-5
			DAC	4.91	-5





# Capital Link Shipping Weekly Markets Report



Monday, October 6, 2014 (Week 40)

## SHIPPING MARKETS

Top Largest Weekly Trading Gains					Top Largest Weekly Trading Losses				
Symbol	Close One Week Ago	Today Close	Net Change	% Change	Symbol	Close One Week Ago	Today Close	Net Change	% Change
EGLE	0.76	0.89	0.13	17.11%	FREE	0.23	0.17	-0.06	-26.09%
TK	57.94	67.12	9.18	15.84%	PRGN	4.12	3.34	-0.78	-18.93%
FRO	1.25	1.41	0.16	12.80%	DRYS	2.54	2.21	-0.33	-12.99%
NMM	17.3	18.12	0.82	4.74%	TEU	1.24	1.1	-0.14	-11.29%
STNG	8.4	8.49	0.09	1.07%	SB	7.13	6.36	-0.77	-10.80%
TOPS	1.87	1.89	0.02	1.07%	NVGS	28.99	26.13	-2.86	-9.87%
DHT	6.21	6.26	0.05	0.81%	DCIX	2.3	2.08	-0.22	-9.57%
NNA	2.85	2.87	0.02	0.70%	BALT	4.23	3.88	-0.35	-8.27%
					GLOG	23.65	21.74	-1.91	-8.08%
					GMLP	35.97	33.12	-2.85	-7.92%

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)				
Symbol	Close One Month Ago	Today Close	Net Change	% Change	Symbol	Close One Month Ago	Today Close	Net Change	% Change
SHIP	1.53	1.71	0.18	11.76%	FREE	0.44	0.17	-0.27	-61.36%
TK	61.29	67.12	5.83	9.51%	PRGN	5.21	3.34	-1.87	-35.89%
GLNG	58.97	63.28	4.31	7.31%	NM	9.04	5.81	-3.23	-35.73%
GSL	3.96	4.04	0.08	2.02%	BALT	5.72	3.88	-1.84	-32.17%
					DRYS	3.19	2.21	-0.98	-30.72%
					SBLK	14.68	10.54	-4.14	-28.20%
					VLCCF	12.29	8.95	-3.34	-27.18%
					SALT	8.14	6	-2.14	-26.29%
					TEU	1.45	1.1	-0.35	-24.14%
					SB	8.27	6.36	-1.91	-23.10%

Stocks Nearest to 52-Week Highs			Stocks Nearest To 52-Week Lows		
Symbol	52W High	% Away	Symbol	52W Low	% Away
TK	67.98	-1.27%	GASS	8.65	1.50%
DLNG	25.10	-9.11%	DRYS	2.17	1.84%
TGP	46.77	-10.82%	ASC	10.59	2.46%
NMM	20.50	-11.61%	SB	6.04	5.26%
CMRE	24.94	-12.71%	STNG	8.02	5.86%
TOO	36.89	-12.85%	NNA	2.70	6.30%
MATX	29.36	-12.93%	SALT	5.57	7.72%
SSW	24.36	-12.97%	BALT	3.60	7.78%
CPLP	11.39	-13.69%	TOPS	1.75	8.00%
GLNG	74.44	-14.99%	NM	5.34	8.80%



# Capital Link Shipping Weekly Markets Report



Monday, October 6, 2014 (Week 40)

## SHIPPING MARKETS

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

Symbol	Close	Net % Change	Run Rate
TK	67.12	15.84%	3.7946
NNA	2.87	0.70%	3.6738
FREE	0.17	-26.09%	2.5564
PRGN	3.34	-18.93%	2.1423
DHT	6.26	0.81%	2.0428
NM	5.81	-0.68%	1.9536
SBLK	10.54	-7.38%	1.9099
SALT	6	-1.80%	1.8314
BALT	3.88	-8.27%	1.7908
TGP	41.71	-3.52%	1.7626

\*The Volume Run Rate is calculated by divided 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 Decline %
GLNG	79.42%	FREE	-92.86%
TK	42.23%	TOPS	-85.00%
GLOG	29.17%	EGL	-80.61%
CMRE	23.97%	TEU	-66.57%
GMLP	15.16%	FRO	-62.30%
SFL	7.62%	PRGN	-54.62%
TNP	5.57%	DRYS	-49.77%
DLNG	5.36%	NM	-46.89%
TGP	2.51%	DCIX	-45.83%
VLCCF	2.17%	SALT	-40.30%

The following are the 43 members of this group: **Symbol - Name:** **ASC** – Ardmore Shipping Corp; **BALT** - Baltic Trading Ltd; **CMRE** - Costamare Inc; **CPLP** - Capital Product Partners LP; **DAC** - Danaos Corp; **DCIX** - Diana Containerships Inc.; **DHT** - DHT Maritime Inc; **DLNG** - Dynagas LNG Partners LP; **DRYS** - DryShips Inc; **DSX** - Diana Shipping Inc; **EGL** - Eagle Bulk Shipping Inc; **ESEA** - Euroseas Ltd; **FREE** - FreeSeas Inc; **FRO** - Frontline Ltd; **GASS** - StealthGas Inc; **GLBS** - Globus Maritime Limited; **GLNG** - Golar LNG Ltd; **GLOG** - GasLog Ltd.; **GMLP** - Golar LNG Partners LP; **GSL** - Global Ship Lease Inc; **KNOP** - KNOT Offshore Partners LP; **MATX** - Matson, Inc.; **NAT** - Nordic American Tanker Shipping; **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** - Seaspan Corp; **STNG** - Scorpio Tankers Inc; **TEU** - Box Ships Inc.; **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, October 6, 2014 (Week 40)

SHIPPING MARKETS

## Weekly Market Report

Week Ending October 3, 2014



### FREIGHT

#### Capesize 4TC Average

Volume: 5,680 lots

Contract		Average	Chg	Open	Close	Chg	Low	High
Oct	14	14410	-1636	16250	13000	-3250	12900	16250
Nov	14	17570	-1340	18300	16000	-2300	16000	18600
Dec	14	17333	na	18250	16800	-1450	16250	18250
Nov, Dec	14	16713	-2931	17400	15950	-1450	15900	17400
Q4	14	16810	-1276	18000	15000	-3000	15000	18500
Q1	15	11963	-127	12500	11500	-1000	11500	12500
Q3	15	16050	2450	16350	15750	-600	15750	16350
Cal	15	15214	-1151	16200	14750	-1450	14700	16300
Cal	16	15490	-1129	15500	15350	-150	15350	15600

#### Panamax 4TC Average

Volume: 1,362 lots

Contract		Average	Chg	Open	Close	Chg	Low	High
Oct	14	7944	192	8000	7800	-200	7600	8300
Nov	14	9400	na	9400	9400	0	9400	9400
Nov, Dec	14	8967	-183	8850	9250	400	8850	9250
Q4	14	8742	14	8900	8700	-200	8400	9050
Q1	15	7975	32	8000	7800	-200	7800	8000
Cal	15	8917	-237	9100	8750	-350	8750	9100
Cal	16	9550	-170	9550	9550	0	9550	9550

#### Supramax 6TC Average

Volume: 630 lots

Contract		Average	Chg	Open	Close	Chg	Low	High
Q4	14	11011	-264	11100	11000	-100	11000	11100
Q1	15	8900	na	8900	8900	0	8900	8900
Cal	16	10000	na	10000	10000	0	10000	10000

### IRON ORE

#### TSI Iron Ore 62% Fines

Volume: 1,802,000 mt

Contract		Average	Chg	Open	Close	Chg	Low	High
Oct	14	78.29	-0.61	78.50	79.75	1.25	77.50	79.75
Nov	14	77.79	-0.83	78.25	78.50	0.25	77.50	78.50
Dec	14	77.54	-1.46	77.75	77.25	-0.50	77.25	77.75
Q4	14	78.64	0.46	78.00	79.25	1.25	77.50	79.25
Q1	15	78.14	-0.47	78.00	79.50	1.50	77.50	79.50
Cal	15	77.63	-1.26	77.50	78.00	0.50	77.00	78.00
Cal	16	79.96	-0.21	1.00	1.00	1.00	79.50	80.00





# Capital Link Shipping Weekly Markets Report



Monday, October 6, 2014 (Week 40)

## SHIPPING MARKETS

### FERTILIZER

#### Urea Nola

Volume: 75 lots

Contract	Average	Chg	Open	Close	Chg	Low	High
Dec 14	311.57	na	311.00	310.00	-1.00	309.00	314.00
Jan 15	314.33	-4.04	312.00	315.00	3.00	312.00	318.00
Feb 15	313.60	-5.65	1.00	1.00	1.00	312.00	315.00

### BUNKER FUEL

#### Singapore 380cst

Volume: 35,780 mt

Contract	Average	Chg	Open	Close	Chg	Low	High
Oct 14	556.00	-3.75	556.00	556.00	0.00	556.00	556.00
Nov 14	545.59	na	557.75	532.00	-25.75	532.00	557.75
Q1 15	554.61	na	555.50	545.75	-9.75	545.75	555.50

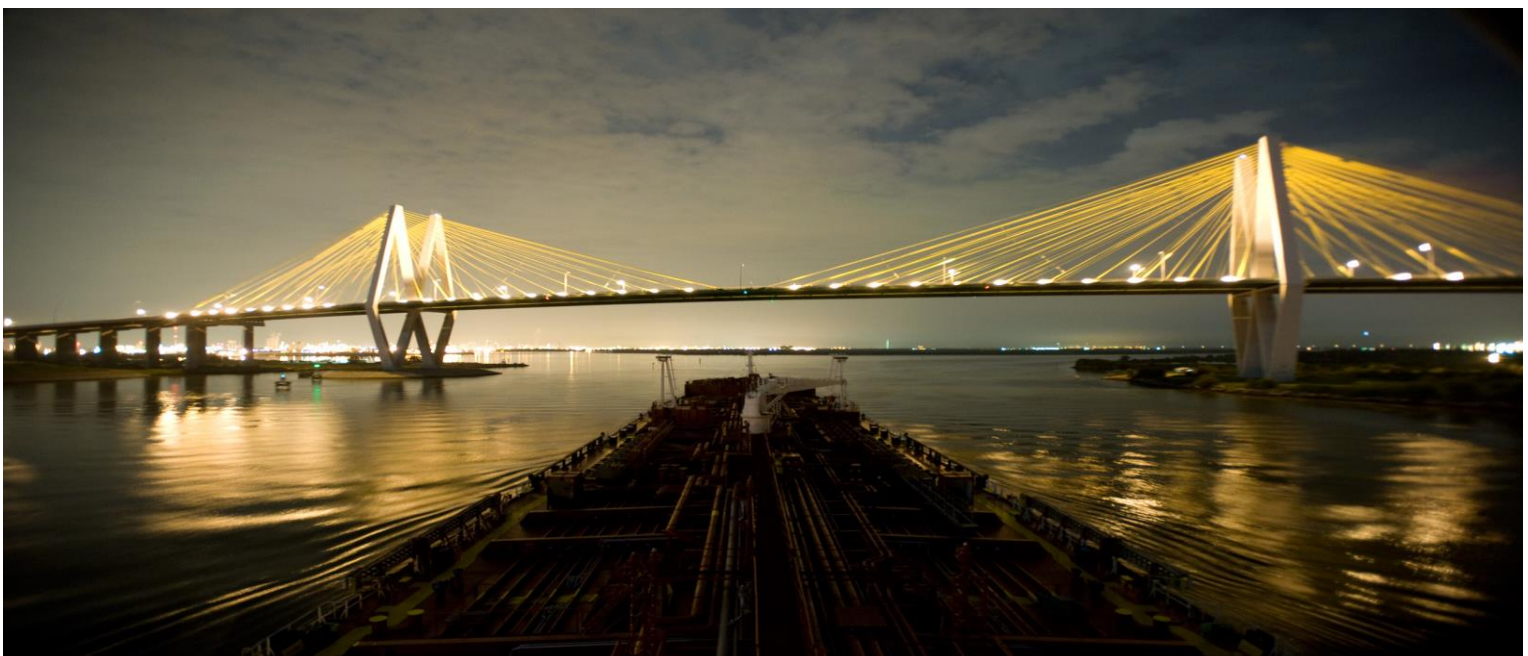
#### Rotterdam 3.5%

Volume: 16,500 mt

Contract	Average	Chg	Open	Close	Chg	Low	High
Oct 14	519.00	-13.00	519.00	519.00	0.00	519.00	519.00
Dec 14	528.36	-0.89	530.50	524.50	-6.00	524.50	530.50
Q2 15	519.00	-19.75	519.00	519.00	0.00	519.00	519.00

### 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, October 6, 2014 (Week 40)

## 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>10/3/2014</b>	<b>9/26/2014</b>	<b>% Change</b>	<b>2014 YTD</b>
<i>Crude Tanker</i>					
VLCC	↑	\$16,628	\$11,063	50.3%	\$21,642
Suezmax	↑	\$26,866	\$15,945	68.5%	\$23,523
Aframax	↑	\$14,470	\$12,845	12.7%	\$22,053
<i>Product Tankers</i>					
Long Range	↑	\$14,575	\$14,474	0.7%	\$17,506
Medium Range	↑	\$13,185	\$12,101	9.0%	\$9,793
<i>Dry Bulk</i>					
Capesize	↓	\$9,397	\$9,792	(4.0%)	\$12,623
Panamax	↑	\$5,520	\$5,056	9.2%	\$5,576
Supramax	↓	\$9,097	\$9,233	(1.5%)	\$10,190
<i>Containers*</i>					
Panamax-4400 TEU	↔	\$8,950	\$8,950	0.0%	\$8,150
Sub-Panamax-2750 TEU	↔	\$7,600	\$7,600	0.0%	\$7,167
Handy-2000 TEU	↔	\$7,200	\$7,200	0.0%	\$7,011
LPG-82,000 cbm	↓	\$80,000	\$84,333	(5.1%)	\$70,568
LNG-138,000 cbm	↔	\$42,500	\$42,500	0.0%	\$54,769

\*Monthly data was used

Source: Clarkson Research & Astrup Fearnley

Product tanker rates continued to strengthen this week, as Atlantic triangulated MR rates moved to \$15,580 a day up 36% over last week. Furthermore, LR1 and LR2 rates have been firm since August driven by strength for cargoes out of the Middle East to Asia. In fact, the non-triangulated Pacific rates for LR1s average about \$17,500 per day for the month of September and while similar LR2 routes were \$22,150 per day. Furthermore, a week ago, one of the few Suezmax class product tankers received a one-year time charter at \$40,000 per day. The strength in the Pacific has been driven by increased volumes from export-oriented refineries, but does not yet reflect the impact of the new 400,000 bpd Yanbu refinery in Saudi Arabia which is scheduled to start operations in the next few weeks, and we estimate is likely to generate demand for roughly 35-40 LR2 product tankers relative to just 252 currently in the global fleet. Also of note this week, eight LR2 newbuildings under construction at Guangzhou Shipyard International in China being built for product tanker specialist Navig8 which were originally scheduled to begin delivery 4Q15 will be delayed by approximately six months. This delay materially increases the length of the LR2 orderbook and should increase the likelihood for a more protracted strong market. Ultimately, we would expect all classes of product tankers to continue to improve and remain strong through year end, and post meaningfully higher average rates in 2015 relative to 2014, helping names like STNG, NNA, and TNP



# Capital Link Shipping Weekly Markets Report



Monday, October 6, 2014 (Week 40)

## SHIPPING MARKETS

### Global Shipping Fleet & Orderbook Statistics

Cargo	Category	Fleet Size (DWT)	Orderbook (DWT)	OB/Fleet %	Average Age	% Greater than 20 yrs.
Crude	VLCC	192,039,520	27,826,829	14.5%	8.0	2.0%
	Suezmax	75,870,504	7,827,742	10.3%	8.4	4.9%
	Aframax	68,199,934	4,682,586	6.9%	8.9	5.4%
Product	LR2	26,989,636	7,915,931	29.3%	7.5	1.9%
	LR1	23,843,427	2,119,998	8.9%	7.1	2.2%
	MR	72,965,702	13,810,505	18.9%	8.8	7.2%
	Handy	5,324,814	184,669	3.5%	17.3	49.7%
Dry Bulk	Capesize	303,456,103	72,996,049	24.1%	7.3	11.1%
	Panamax	192,739,941	35,077,258	18.2%	8.3	10.3%
	Supramax	163,543,696	47,836,136	29.2%	8.0	8.3%
	Handymax	88,456,018	16,331,251	18.5%	11.1	19.8%
Containers		<b>(TEU)</b>	<b>(TEU)</b>			
	Post Panamax	10,232,788	3,039,032	29.7%	6.2	0.4%
	Panamax	3,630,705	16,415	0.5%	8.4	5.3%
	Handy-Feeder	3,357,448	275,646	8.2%	10.4	9.3%
Gas		<b>(CBM)</b>	<b>(CBM)</b>			
	LPG	2,290,309	9,705,056	52.0%	11.4	20.2%
	LNG	56,778,177	20,276,240	35.7%	10.4	12.0%

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

Source: Clarkson Research

Contributed by Stifel Nicolaus & Co, Inc.

# Capital Link Shipping

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

CapitalLinkShipping.com





### Dry Bulk Market – Weekly Highlights

A very mixed week with an overall downward trend for the Dry Bulk market as further ground was lost, as the larger Capes continued to lack any support for freight rate improvements, while there was a slight softening witnessed in the Supras and Handymax as well. Capes are still unable to counter the strong downward pressure that they have faced the last couple of weeks, with minimal fresh interest surfacing again this week in both basins, pulling down rates and bringing further pressure in the form of larger position lists. Panamaxes were able to breathe a little easier this week, as an increase in activity counter some of the previous losses made and helped push the average TC to above USD 7,000 per day. This increase is likely to follow over the

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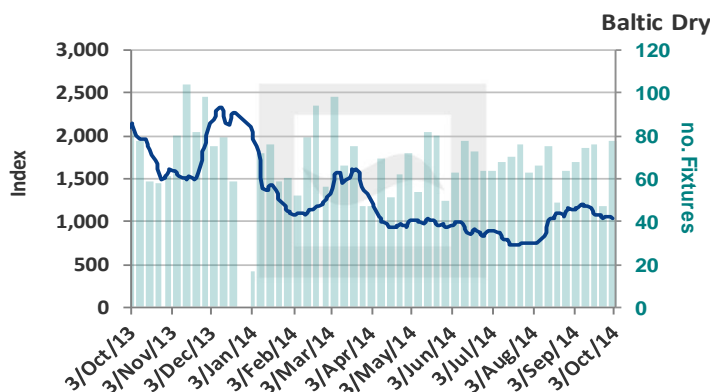
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Website: www.intermodal.gr

#### Indices / Dry Bulk Spot Rates

	Week 40 03/10/2014		Week 39 26/09/2014		Point Diff	\$/day ±%	2014	2013
	Index	\$/day	Index	\$/day			Avg Index	Avg Index
<b>BDI</b>	1,037		1,049		<b>-12</b>		1,097	1,205
<b>BCI</b>	1,758	\$12,009	1,852	\$12,880	<b>-94</b>	<b>-6.8%</b>	1,928	2,106
<b>BPI</b>	887	\$7,101	807	\$6,462	<b>80</b>	<b>9.9%</b>	937	1,186
<b>BSI</b>	1,028	\$10,745	1,053	\$11,009	<b>-25</b>	<b>-2.4%</b>	941	983
<b>BHSI</b>	530	\$7,724	526	\$7,676	<b>4</b>	<b>0.6%</b>	534	562

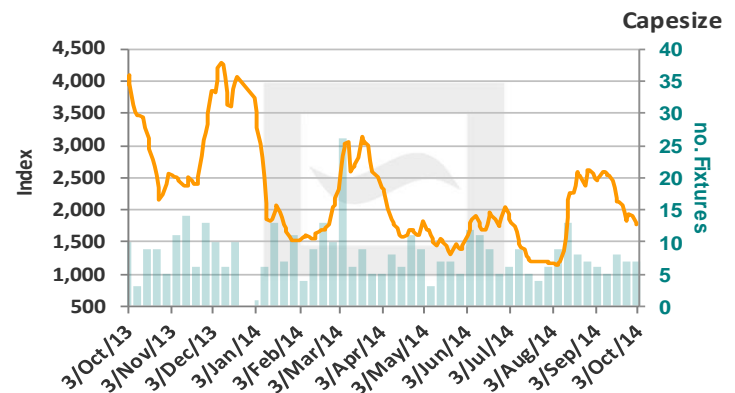
next couple of days as the momentum seems to be still there, although with the performance of the larger Capes still lacking, it will be hard to counter the negative sentiment amongst owners. After a week of positive performance, Supras were faced with tougher conditions in the Atlantic basin early on, while it wasn't long before there was a spillover of negative sentiment onto the Pacific side leading to an overall negative week for this segment. Handies on the other hand were able to barely pull over their previous week's levels despite the mediocre availability of Stems in the Atlantic basin towards the end of the week.

Things aren't looking much better on the commodities front either, as in combination with the lacking demands for some of the major dry bulk commodities, prices for these commodities are set to slide further due to a strengthening US Dollar. This may seem initially as an optimistic scenario which could entice further seaborne trade from some of the major imports, however it pushes for a higher prices of imports compared to the respective local currency and in cases such as China, may push for more favor towards the locally



produced resources. At the same time, Chinese demand growth for vital dry bulk commodities such as iron ore and coal continues to slumber and it has yet to show its bullish Autumn face, leaving many market players to wonder as to the prospects of the market over the upcoming months.

▼ The Baltic Dry Index closed on Friday the 3rd of October at 1,037 points with a weekly loss of -12 points or -1.1% over previous week's closing. (Last Friday's the 26th of September closing value was recorded at 1,049 points).



**CAPE-SIZE MARKET** – ▼ The Baltic Cape Index closed on Friday the 3rd of October at 1,758 points with a weekly loss of -94 points. For this week we monitor a -5.1% change on a week-on-week comparison, as Last Friday's the 26th of September closing value was 1,852 points). It is worth noting that the annual average of 2011 for the Cape Index is currently calculated at 1,928 points, while the average for the year 2010 was 2,106 points.



# Capital Link Shipping Weekly Markets Report



Monday, October 6, 2014 (Week 40)

## SHIPPING MARKETS

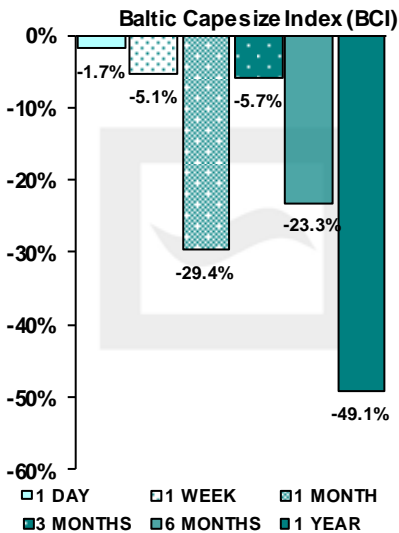
### Dry Bulk Market – Weekly Highlights

For Week 40 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 \$12,125 per day.

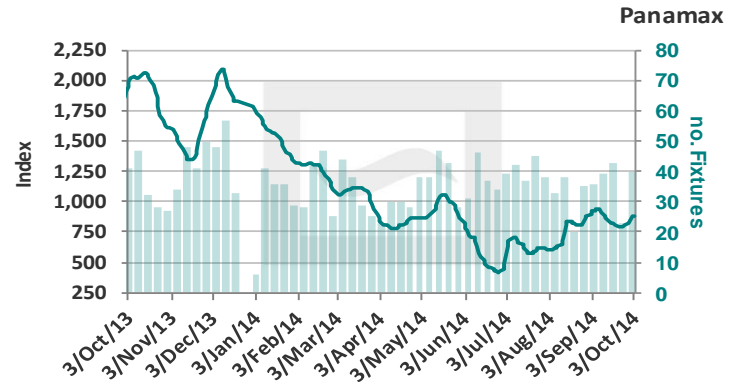
This week's fixture that received the lowest daily hire was the M/V "Navios Joy", 181389 dwt, built 2013, dely Moneypoint spot, redely Skaw-Gibraltar, \$9800, EdF, for a transatlantic round 2800\$ improved from last week, and the fixture with the highest daily hire was the M/V "Christina J", 177832 dwt, built 2010, dely Zhangjiang 09/13 Oct, redely worldwide, \$15000, SwissMarine, for a 4/7 months trading, Cargill relet -5000\$ reduced from last week.

Week	No. of Fixtures	Highest Fixture	Lowest Fixture
this week	7	\$15,000	\$9,800
last week	7	\$20,000	\$7,000

Week	Period Charter	Trip Charter
this week	\$15,000	\$12,125
last week	\$20,000	\$10,333



In the bar chart on the left we see that the BCI is showing a **-5.1%** decrease on a weekly comparison, a **-29.4%** decrease on a 1 month basis, a **-5.7%** decrease on a 3 month basis, a **-23.3%** decrease on a 6 month basis and a **-49.1%** decrease on a 12 month basis.



**PANAMAX MARKET - ▲** The Baltic Panamax Index closed on Friday the 3rd of October at 887 points having gained 80 points on a weekly comparison. It is worth noting that last Friday's the 26th of September saw the Panamax index close at 807 points. The week-on-week change for the Panamax index is calculated to be **9.9%**, while the yearly average for the Baltic Panamax Index for this running year is calculated at 937 points while the average for 2010 was 1,186 points.

Week	No. of Fixtures	Highest Fixture	Lowest Fixture
this week	40	\$16,500	\$4,000
last week	23	\$15,750	\$6,000

Week	Period Charter	Trip Charter
this week	\$9,450	\$10,259
last week	\$9,250	\$9,324

For Week 40 we have recorded a total of 40 timecharter fixtures in the Panamax sector, 2 for period charter averaging \$9,450 per day, while 38 trip charters were reported this week with a daily average of \$10,259 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 "Ecoprider G.O.", 81883 dwt, built 2013, dely passing Gibraltar prompt, redely UKCont, \$4000, MUR, for a trip via Kamsar -2000\$ reduced from last week, and the fixture with the highest daily hire was the M/V "Triton Hawk", 78802 dwt, built 2010, dely Tarragona spot, redely China intention grain, \$16500, Grain Corp, for a trip via Rouen 750\$ improved from last week



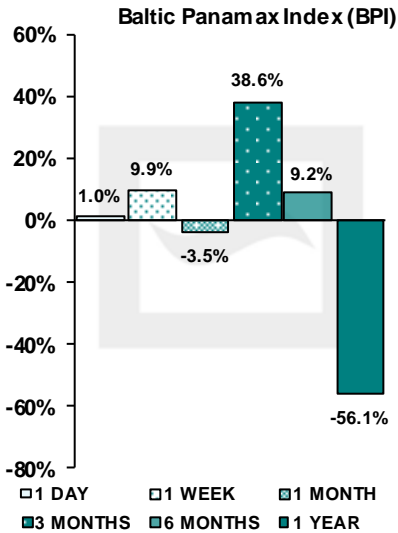
# Capital Link Shipping Weekly Markets Report



Monday, October 6, 2014 (Week 40)

## SHIPPING MARKETS

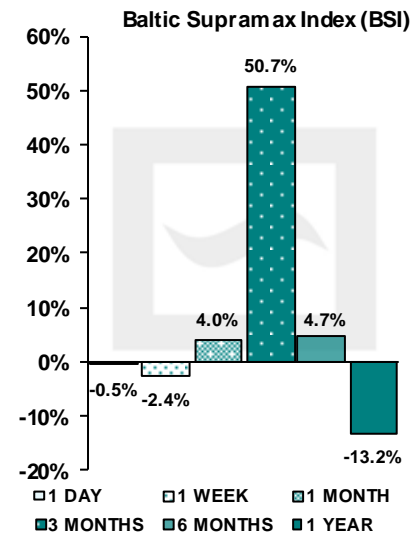
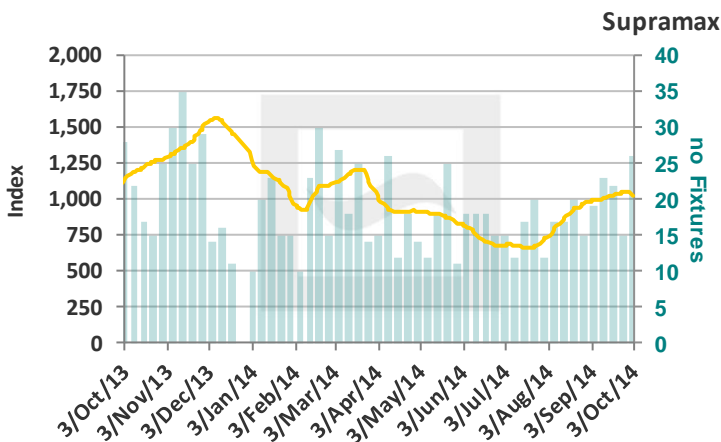
### Dry Bulk Market – Weekly Highlights



In the bar chart on the left we see that the BPI is showing a **9.9%** rise on a weekly comparison, a **-3.5%** decrease on a 1 month basis, a **38.6%** rise on a 3 month basis, a **9.2%** rise on a 6 month basis and a **-56.1%** decrease on a 12 month basis.

For Week 40 we have recorded a total of 26 timecharter fixtures in the Supramax & Handymax sector, 0 for period charter averaging \$0 per day, while 26 trip charters were reported this week with a daily average of \$11,552 per day.

The minimum vs maximum daily rate differential as analyzed from our fixtures database was overall improved and from the reported fixtures we see that this week's fixture that received the lowest daily hire was the M/V "DL Pansy", 57835 dwt, built 2013, dely Mundra 09/15 Oct, redely S Korea intention agriproducts, \$4100, Merit Chartering, for a trip -3400\$ reduced from last week, and the fixture with the highest daily hire was the M/V "Yunga", 50806 dwt, built 2010, dely NC South America prompt, redely Chile, \$25000, ADMI, for a trip 500\$ improved from last week.

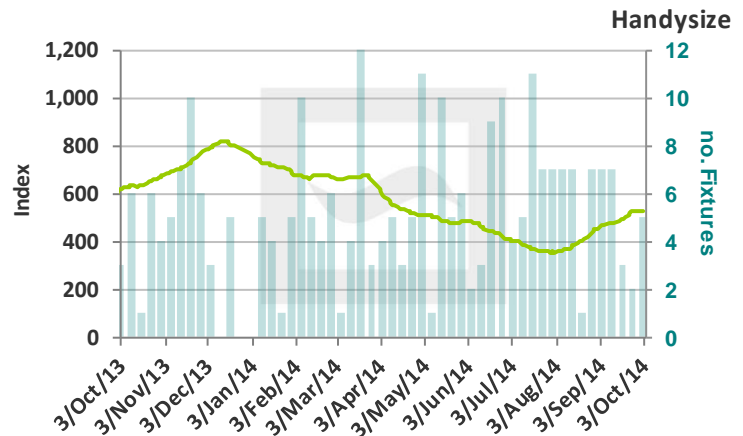


In the bar chart on the left we see that the BSI is showing a **-2.4%** decrease on a weekly comparison, a **4.0%** rise on a 1 month basis, a **50.7%** rise on a 3 month basis, a **4.7%** rise on a 6 month basis and a **-13.2%** decrease on a 12 month basis.

**SUPRAMAX & HANDYMAX MARKET - ▼** The Baltic Supramax Index closed on Friday the 3rd of October at 1,028 points down with a weekly loss of **-25** point or **-2.4%**. The Baltic Supramax index on a weekly comparison is with a downward trend as last Friday's the 26th of September closing value was 1,053 points. The annual average of the BSI is recorded at 941 points while the average for 2010 was 983 points.

Week	No. of Fixtures	Highest Fixture	Lowest Fixture
this week	26	\$25,000	\$4,100
last week	15	\$24,500	\$7,500

Week	Period Charter	Trip Charter
this week	\$0	\$11,552
last week	\$14,000	\$13,625







### Dry Bulk Market – Weekly Highlights

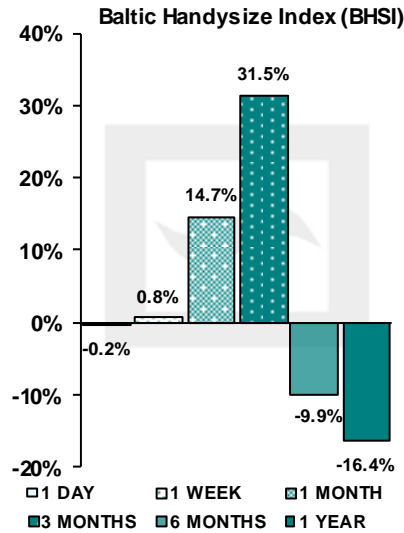
**HANDYSIZE MARKET – ▲** The Baltic Handysize Index closed on Friday the 3rd of October with an upward trend at 530 points with a weekly gain of 4 points and a percentage change of 0.8%. It is noted that last Friday's the 26th of September closing value was 526 points and the average for 2011 is calculated at 534 points while the average for 2010 was 562 points.

Week	No. of Fixtures	Highest Fixture	Lowest Fixture
this week	5	\$18,000	\$9,200
last week	2	\$10,000	\$6,150

Week	Period Charter	Trip Charter
this week	\$0	\$11,490
last week	\$0	\$8,075

For Week 40 we have recorded a total of 5 timecharter fixtures in the Handysize sector, 0 for period charter averaging \$0 per day, while 8 trip charters were reported this week with a daily average of \$11,490 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 "Great Ocean", 35296 dwt, built 2011, dely Phu My 27/29 Sep, redely EC India, \$9200, SKS Transnational, for a trip via SE Asia 3050\$ improved from last week and the fixture with the highest daily hire was the M/V "Thor Wave", 39000 dwt, built 1998, dely US Gulf prompt, redely Nigeria, \$18000, Dome Chartering, for a trip 8000\$ improved from last week.



In the bar chart above we see that the BHSI is showing a 0.8% change on a weekly comparison, a 14.7% on a 1 month basis, a 31.5% rise on a 3 month basis, a -9.9% decrease on a 6 month basis and a -16.4% decrease on a 12 month basis.

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

INDEX	1 DAY	1 WEEK	1 MONTH	3 MONTHS	6 MONTHS	1 YEAR
BDI	-0.4%	-1.1%	-9.2%	16.1%	-12.6%	-47.1%
BCI	-1.7%	-5.1%	-29.4%	-5.7%	-23.3%	-49.1%
BPI	1.0%	9.9%	-3.5%	38.6%	9.2%	-56.1%
BSI	-0.5%	-2.4%	4.0%	50.7%	4.7%	-13.2%
BHI	-0.2%	0.8%	14.7%	31.5%	-9.9%	-16.4%



# Capital Link Shipping Weekly Markets Report



Monday, October 6, 2014 (Week 40)

## SHIPPING MARKETS

### Weekly Freight Rate & Asset Trends

Tanker Spot Rates								
Vessel	Routes	Week 40		Week 39		\$/day ±%	2014 \$/day	2013 \$/day
		WS points	\$/day	WS points	\$/day			
VLCC	265k AG-JAPAN	39	19,221	34	9,856	95.0%	24,554	21,133
	280k AG-USG	20	2,388	19	-3,667	165.1%	13,940	7,132
	260k WAF-USG	50	31,427	48	25,341	24.0%	35,406	26,890
Suezmax	130k MED-MED	78	28,619	60	14,037	103.9%	26,536	17,714
	130k WAF-USAC	75	25,523	65	18,264	39.7%	20,591	13,756
	130k AG-CHINA	75	27,092	63	14,770	83.4%	26,536	17,714
Aframax	80k AG-EAST	80	14,043	90	17,128	-18.0%	17,262	11,945
	80k MED-MED	78	12,966	73	9,690	33.8%	24,286	13,622
	80k UKC-UKC	98	23,834	93	16,165	47.4%	32,658	18,604
Clean	70k CARIBS-USG	95.0	13,955	80	8,273	68.7%	24,105	16,381
	75k AG-JAPAN	105	19,948	105	19,354	3.1%	13,770	12,011
	55k AG-JAPAN	110	14,267	118	15,828	-9.9%	12,325	12,117
Dirty	37k UKC-USAC	140	14,699	110	8,056	82.5%	7,216	11,048
	30k MED-MED	130	15,045	130	14,154	6.3%	14,029	17,645
	55k UKC-USG	115.0	17,056	115.0	16,798	1.5%	22,383	14,941
Dirty	55k MED-USG	115.0	16,457	115	16,349	0.7%	19,893	12,642
	50k CARIBS-USAC	118	15,675	117.5	15,660	0.1%	25,147	15,083

Contributed by  
**Intermodal**

**Intermodal**

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

Vessel 5yrs old		Oct-14	Sep-14	±%	2014	2013	2012
VLCC	300KT DH	74.0	74.0	0.0%	72.6	56.2	62.9
Suezmax	150KT DH	50.0	50.0	0.0%	48.8	40.1	44.9
Aframax	110KT DH	42.0	41.8	0.6%	37.5	29.2	31.2
Panamax	75KT DH	32.5	32.5	0.0%	32.8	28.0	26.7
MR	52KT DH	25.5	25.5	0.0%	27.9	24.7	24.6

#### Tanker Time Charter Rates

\$/day		Week 40	Week 39	±%	Diff	2014	2013
VLCC	300k 1yr TC	30,750	31,250	-1.6%	-500	26,788	20,087
	300k 3yr TC	34,250	34,250	0.0%	0	29,175	23,594
Suezmax	150k 1yr TC	24,750	24,750	0.0%	0	21,250	16,264
	150k 3yr TC	26,250	26,250	0.0%	0	23,288	18,296
Aframax	110k 1yr TC	19,500	19,250	1.3%	250	16,619	13,534
	110k 3yr TC	21,250	21,250	0.0%	0	18,238	15,248
Panamax	75k 1yr TC	16,250	16,250	0.0%	0	15,556	15,221
	75k 3yr TC	16,750	16,750	0.0%	0	16,406	15,729
MR	52k 1yr TC	14,000	14,000	0.0%	0	14,819	14,591
	52k 3yr TC	15,250	15,250	0.0%	0	15,706	15,263
Handysize	36k 1yr TC	13,250	13,250	0.0%	0	14,219	13,298
	36k 3yr TC	14,250	14,250	0.0%	0	15,081	13,907

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

Vessel 5yrs old		Oct-14	Sep-14	±%	2014	2013	2012
Capesize	180k	48.0	48.0	0.0%	48.6	35.8	34.6
Panamax	76K	22.0	23.0	-4.3%	25.6	21.3	22.7
Supramax	56k	23.0	23.6	-2.6%	25.5	21.5	23.0
Handysize	30K	18.5	19.0	-2.6%	20.1	18.2	18.2

#### Dry Bulker Time Charter Rates

\$/day		Week 40	Week 39	±%	Diff	2014	2013
Capesize	170K 6mnt TC	16,500	18,500	-10.8%	-2,000	23,966	17,625
	170K 1yr TC	17,250	18,250	-5.5%	-1,000	24,094	15,959
	170K 3yr TC	17,500	18,000	-2.8%	-500	23,175	16,599
Panamax	76K 6mnt TC	10,750	10,375	3.6%	375	12,859	12,224
	76K 1yr TC	10,750	10,500	2.4%	250	12,779	10,300
	76K 3yr TC	12,625	13,375	-5.6%	-750	13,594	10,317
Supramax	55K 6mnt TC	12,000	12,000	0.0%	0	12,394	11,565
	55K 1yr TC	11,250	11,250	0.0%	0	12,044	10,234
	55K 3yr TC	11,000	11,250	-2.2%	-250	12,063	10,482
Handysize	30K 6mnt TC	8,500	8,500	0.0%	0	9,450	8,244
	30K 1yr TC	8,750	9,000	-2.8%	-250	9,546	8,309
	30K 3yr TC	9,500	9,500	0.0%	0	9,838	8,926

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

Vessel		Week 40	Week 39	±%	2014	2013	2012	
Bulkers	Capesize	180k	55.3	55.3	0.0%	56.2	49	47
	Kamsarmax	82k	30.0	30.0	0.0%	30.4	27	28
	Panamax	77k	29.0	29.0	0.0%	29.2	26	27
	Supramax	58k	27.5	27.5	0.0%	27	25	25
	Handysize	35k	23.0	23.0	0.0%	23	21	22
Tankers	VLCC	300k	98.0	98.0	0.0%	98.9	91	96
	Suezmax	160k	65.5	65.0	0.8%	65	56	58
	Aframax	115k	54.0	54.0	0.0%	54	48	50
	LR1	75k	46.5	46.0	1.1%	45.8	41	42
Gas	MR	52k	37.0	37.0	0.0%	36.9	34	34
	LNG	150K	186.0	186.0	0.0%	185.8	185	186
	LGC LPG	80k	79.0	79.0	0.0%	78.2	71	71
	MGC LPG	52k	68.5	68.5	0.0%	66.5	63	62
SGC LPG	23k	45.0	44.5	1.1%	43.9	41	44	



### Container Market – Weekly Highlights

#### Chartering

Vessel (TEU/HOM)	Index	+/-
700/440TEU (GL) 17.5 k	3.60	▲ 0.20
1,043/660TEU (GL) 18 K Eco	5.15	▶ 0.00
1,100/715TEU (G) 19 k	8.00	▶ 0.00
1,700/1,125TEU (G) 19.5 k	8.63	▶ 0.00
1,740/1,300TEU (G) 20.5 k	8.75	▶ 0.00
1,714/1,250TEU (G) 19k Bkk Max	6.37	▶ 0.00
2,500/1,900TEU (G) 22 k	3.73	▶ 0.00
2,800/2,000TEU (GL) 22 k	4.05	▶ 0.00
3,500/2,500TEU (GL) 23 k	1.88	▶ 0.00
4,250/2,800TEU (GL) 24 k	3.25	▲ 0.08
5,500/4,200TEU (GL) 25 k	2.67	▶ 0.00
8,500/6,600 (GL) 25 k	3.50	▶ 0.00
<b>Index Total</b>	<b>59.57</b>	<b>▲ 0.28</b>

Contributed by

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The feeder market remains stable if unremarkable, as 1,700TEU vessels continue in their well worn groove between the low and mid \$7,000s/day for standard trades in Asia. Though the Mediterranean continues to lag behind and increasing numbers of vessels are courting business either basis delivery in the US Gulf or positioning cargoes towards the East.

The very small feeder market around 700TEU is showing more life and rates have started inching upwards, with a number of period fixtures at \$4,700/day.

No doubt Golden week will mean a rather subdued few days as we start the week but thereafter it seems there is only limited opportunity for regaining momentum until freight rate declines - barring a very successful implementation of GRI's - will have to begin to translate into a softening charter market.

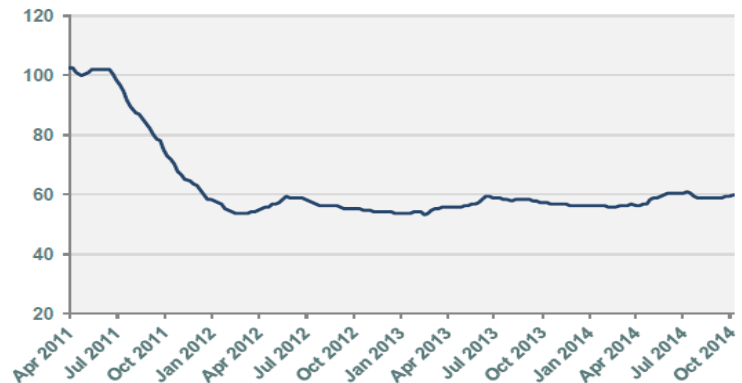
The week has been quieter, which was expected, given the volume of public holidays through out the week. Whilst the BOXi has risen slightly this week, the liner spot freight rate decline shows worrying parallels with 2013, despite the more optimistic Summer and a Panamax sector buoyed by lack of short term availability and solid scrapping.

Positions of post-Panamax tonnage before the end of the year are beginning to rise and at the same time possible relet tonnage is starting to be talked around. So there are a few potential clouds on the horizon.

2,500TEU geared vessels remain exposed and operators discussing extensions are having another push at forcing rates further downwards, whilst still asking for flexible periods that might not even put the ships into 2015.

Good specification 2,800TEU tonnage is still sought after and results in brisk fixing at last done levels.

The BOX Index (BOXi) 59.57



#### Representative Fixtures

Name	Dwt	Teu	14T	Blt	Spd	Cons	GR	Charterer	Dely	Date	Period	US\$/day
Silvia	55,461	4,239	3,000	2004	24.0	135.0	GL	OOCL	NE Asia	Oct-14	5-6 mos	10,500
Leto	42,300	3,091	2,481	2006	16.0	49.8	GR	CCNI	USEC	Oct-14	6 mos	8,500
ER Malmo	39,000	2,824	2,012	2005	23.0	95.0	GL	KMTC	NE Asia	Oct-14	6 mos	8,000
Frisia Hannover	33,900	2,478	1,897	2006	22.0	86.0	GR	Maersk Line	NE Asia	Oct-14	3-5 mos	6,600
Cape Nemo	23,300	1,740	1,290	2010	21.2	64.1	GL	CSCCL	NE Asia	Oct-14	6 mos	7,600
AS Savonia	21,150	1,679	1,230	2000	21.0	61.0	GL	CKLine	NE Asia	Oct-14	6-8 mos	8,750
Warnow Mate	21,200	1,496	1,100	2010	18.5	45.0	GL	OOCL	SE Asia	Oct-14	5-7 mos	7,350
Phoenix J	13,000	1,036	740	2010	18.5	36.0	GL	Evergreen	UKC	Oct-14	6-8 mos	5,900
Priamos	12,400	889	624	2011	14.0	22.0	GL	TS Lines	NE Asia	Oct-14	6 mos	5,800



### Weekly Tanker Market Opinion

#### Out with the old, in with the new?

#### Should owners replace older tonnage with new vessels?

A few days ago, we talked to an investor who faces a dilemma. He owns several 10-year-old Medium Range (MR) product tankers, which were acquired several years ago for competitive prices at the time of purchase. All vessels are on period charter to oil companies for respectable rates. His question: Should he keep these vessels for the foreseeable future? Or is it time to trade them in for a pair of new ECO models?

To start addressing this question, let's compare the two investment cases based on a few (simple) assumptions:

1. The price of a 10-year old MR is currently assessed at \$17.5 million and the Operating Expenses are \$7,000 per day. If the Owner can finance 50% of the acquisition price for 5 years at an all-in cost of 6.5%, the cash breakeven rate for this vessel is approximately \$12,950 per day. The 5-year timecharter (TC) rate for a non-ECO MR is assessed at \$14,750 per day and gives the Owner an equity contribution of some \$1,800 per day or a cash-on-cash return of 7.5%
2. A resale (new) MR is assessed at approximately \$35 million and we assume the same \$7,000 per day costs to operate this vessel. The Owner can also finance 50% of the purchase price at 6.5%, but will be allowed to pay the loan back over 10 years. The cash breakeven rate for this vessel is approximately \$13,860 per day. The 5 year TC rate for an ECO MR is currently assessed at \$16,500 per day, giving the owner an equity contribution of approximately \$2,640 per day or a cash-on-cash return of 5.5%

Based on this comparison, in the current rate environment, the investor appears to be better off continuing to trade the older vessel, rather than buying a new one. However, there are other factors to consider: perhaps the operating expenses on the older vessel are slightly higher than on the newbuilding (especially during the first years of the vessels operating life). Also, financing for older vessels could prove to be harder to come by and thus be more expensive. Small variations in these assumptions change the relative economics of these investments. Another consideration is market liquidity: at the moment, it may be easier to purchase an older vessel than a newbuilding resale as the latter vessel may command a premium in the secondhand market.

More important however, is the expectation of what happens at the end of the charter. The non-ECO vessel will be 15 years old and may have a more difficult time finding employment in a market where ECO tonnage will have become the standard. This will have an impact on the residual value of the older non-ECO ships.

Ultimately, the key to investing in the tanker market is, and always will be, timing. When you time your entry and exit right, it almost does not matter whether you buy a modern or an older vessel, as long as you acquire it at the beginning of the cycle.

Is this the right time to buy? That is a topic of another opinion.

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**Poten & Partners, Inc.**

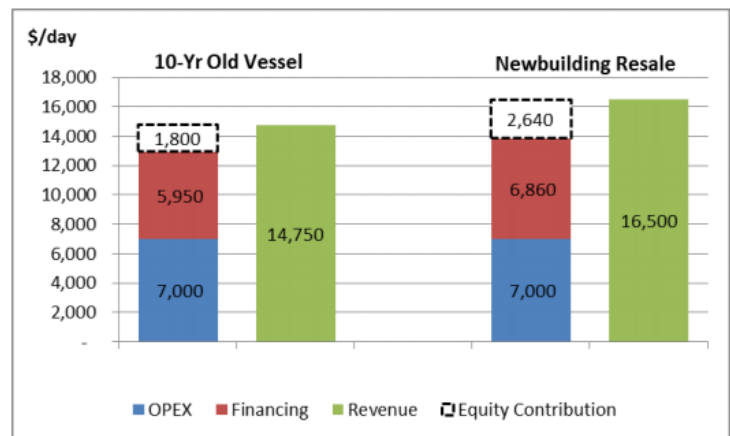
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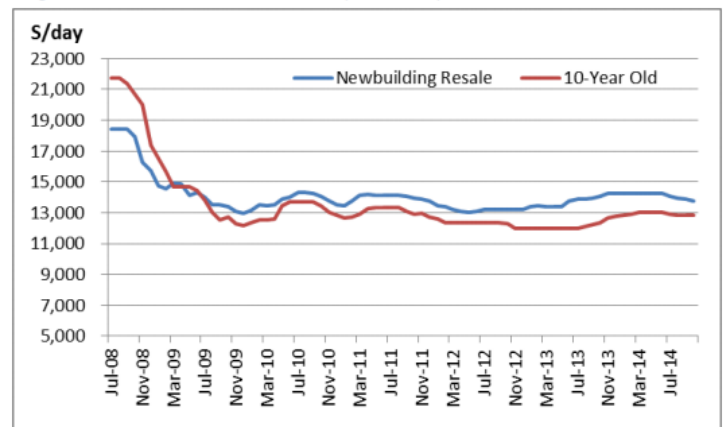
POTEN & PARTNERS

Fig. 1 Cash Break Even Rates Versus 5-Year Charter Rates



Source: Poten

Fig. 2 Historical Cash Break Even Rates (2008-2014)



Source: Poten





# Capital Link Shipping Weekly Markets Report



Monday, October 6, 2014 (Week 40)

## SHIPPING MARKETS

### Tanker Market – Weekly Highlights

#### LLS Premium to Brent to boost WAFR-USAC voyages?

Reports this week indicating a potential rise in US imports of Brent-linked crude grades followed a rise in Louisiana Light Sweet (LLS) to a relative premium raised expectations for a rise in Suezmax demand to service US imports of West African Brent-linked crude.

At the close of the week, the USAC delivered price of Brent (cost + freight) is \$94.52/bbl. This compares with a delivered cost of ~\$97.86/bbl for Bakken crude and ~\$99.02/bbl for LLS (assuming utilization of term- chartered Jones Act tonnage).

To USAC by Grade	Cost	Freight	Total
Louisiana Light (LLS)	\$94.02	~\$5.00	~\$99.02
Bakken	\$85.86	~\$12.00	~\$97.86
Brent-linked WAFR	\$92.19	\$2.33	\$94.52

While the economics make a compelling argument, additional factors have limited fresh USAC demand for Brent-lined West African crude. Firstly, many refineries have already fixed USG-USAC freight costs vis-à-vis term charters of Jones Act tonnage. The TC costs associated with these units would represent sunk costs since the prevailing economics would likely limit the ability to secure relet spot charters. Secondly, during the first seven months of 2014, PADD 3 to PADD 1 crude movements amounted to an average of 1.2 Mbbls per month. As compared with the ~1.0 Mbbls cargo size of West African Suezmax cargoes, the required cargo position could be viewed as too large. Offsetting Bakken crude could be a more plausible development, given the sheer volume of crude making its way to PADD 1 from Bakken's delivery point in PADD 2. During the first 7 months of this year, such movements amounted to 20,786 Mbbls per month on average, or 687,810 b/d. The likelihood, however, is that Bakken and/or associated rail freight costs to transport it to the USAC will fluctuate downward to allow Bakken to remain competitive. Further rate gains on the WAFR-USAC route could also negatively impact Brent's relative discount.

Though the pricing structure which factors Brent for East Coast refineries remained since early during the week, no corresponding chartering interest materialized. In fact, for the first time in 6 weeks no WAFR-USAC or WAFR- USG fixtures were reported.

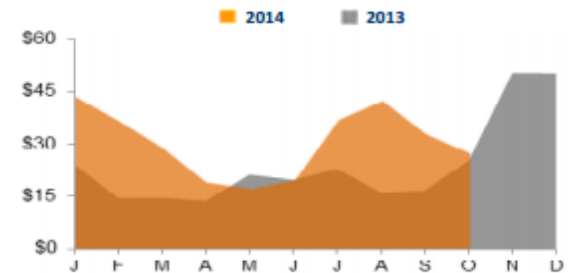
Contributed by

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



Greenwich Office Park One,  
Greenwich, CT 06831

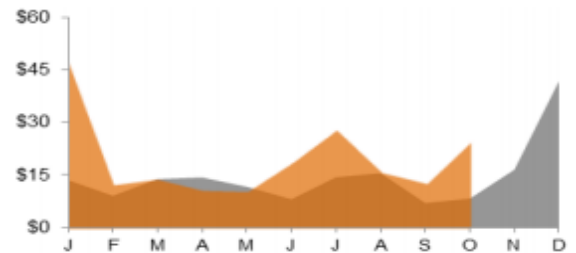
Phone: (203) 629 - 2300  
Website: www.crweber.com



**VLCC TCE  
AG-USG /  
CBS-SPORE/AG**

**MTD Average  
\$27,405/Day**

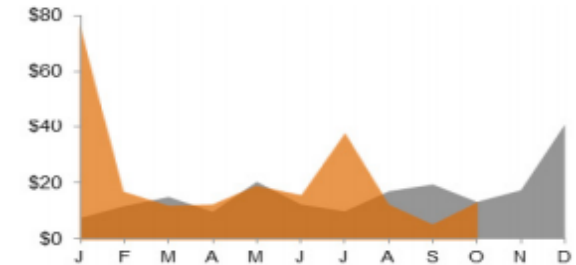
**Month y/y  
▲ +8%**



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

**MTD Average  
\$24,471/Day**

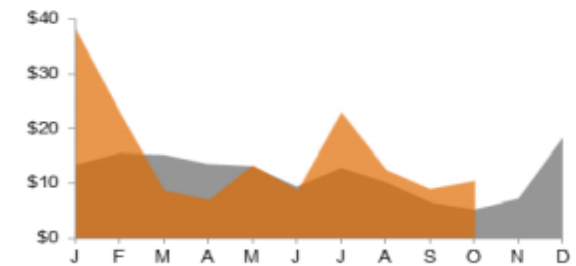
**Month y/y  
▲ +197%**



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

**MTD Average  
\$13,752/Day**

**Month y/y  
▲ +4%**



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

**MTD Average  
\$10,598/Day**

**Month y/y  
▲ +99%**



# Capital Link Shipping Weekly Markets Report



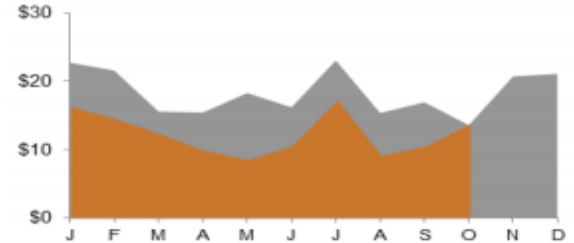
Monday, October 6, 2014 (Week 40)

## SHIPPING MARKETS

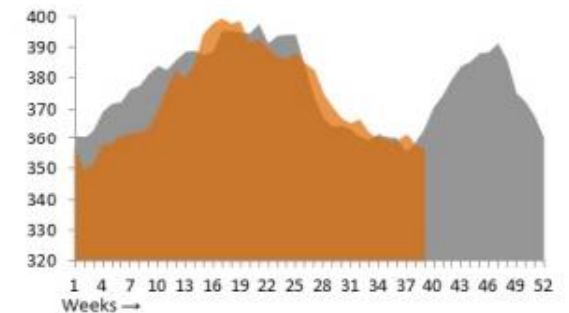
### Tanker Market – Weekly Highlights

Spot Market	WS/LS	TCE \$/day	WS/LS	TCE \$/day
<b>VLCC</b> (12 Kts L/11.5 Kts B)	<b>26-Sep</b>		<b>3-Oct</b>	
AG>USG 280k (TD1)	18.0	\$(8,347)	20.0	\$(5,010)
AG>USG/CBS>SPORE/AG	--	\$25,225	--	\$27,870
AG>SPORE 270k (TD2)	34.0	\$12,082	40.5	\$20,525
AG>JPN 265k (TD3)	34.0	\$11,303	40.5	\$19,999
WAFR>USG 260k (TD4)	40.0	\$18,417	45.0	\$25,367
WAFR>CHINA 260k (TD15)	42.0	\$20,646	45.0	\$25,261
CBS>SPORE/AG 270k	\$5.0m	\$47,761	\$4.95m	\$47,638
<b>SUEZMAX</b> (12 Kts L/11.5 Kts B)				
WAFR>USAC 130k (TD5)	65.0	\$17,868	75.0	\$24,632
WAFR>UKC 130k (TD20)	65.0	\$14,578	77.5	\$23,132
BSEA>MED 140k (TD6)	65.0	\$19,138	75.0	\$28,021
CBS>USG 150k	65.0	\$22,835	73.5	\$30,366
<b>AFRAMAX</b> (12.5 Kts L/B)				
N.SEA>UKC 80k (TD7)	92.5	\$19,483	97.5	\$24,050
AG>SPORE 70k (TD8)	92.5	\$16,813	85.0	\$13,066
BALT>UKC 100k (TD17)	63.5	\$9,160	75.0	\$18,596
CBS>USG 70k (TD9)	77.5	\$3,826	105.0	\$16,524
MED>MED 80k (TD19)	75.0	\$7,839	77.5	\$9,561
<b>PANAMAX</b> (12.5 Kts L/B)				
CBS>USAC 50k (TD10)	115.0	\$10,468	112.5	\$9,980
CBS>USG 50k (TD21)	115.0	\$14,705	112.5	\$14,051
CONT>USG 55k (TD12)	115.0	\$13,553	115.0	\$13,809
ECU>USWC 50k	152.5	\$19,736	152.5	\$19,767
<b>CPP</b> (13.5 Kts L/B)				
CONT>USAC 37k (TC2)	115.0	\$8,285	137.5	\$14,025
CONT>WAFR 37k	132.5	\$11,181	155.0	\$16,850
USG>CONT 38k (TC14)	70.0	\$12	72.5	\$1,178
USG>CONT/CONT>USAC/USG	--	\$10,826	--	\$14,574
USG>P. COLORADOS 38k	\$400k	\$7,504	\$400k	\$7,962
CBS>USAC 38k (TC3)	90.0	\$4,138	92.5	\$5,208
AG>JPN 35k	120.0	\$8,660	122.0	\$9,187
SPORE>JPN 30k (TC4)	118.0	\$6,325	117.0	\$6,241
AG>JPN 75k (TC1)	105.0	\$23,210	105.0	\$22,778
AG>JPN 55k (TC5)	119.0	\$17,508	113.0	\$15,100

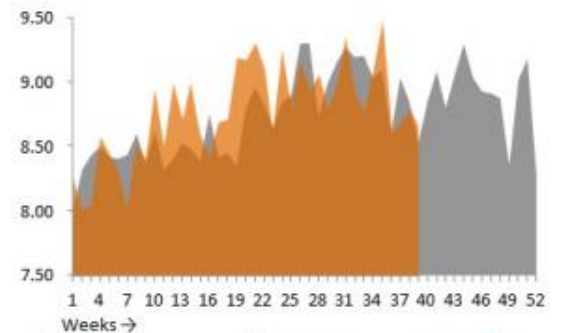
Time Charter Market \$/day (theoretical)	1 Year	3 Years
<b>VLCC</b>	\$28,000	\$30,000
<b>Suezmax</b>	\$21,500	\$24,000
<b>Aframax</b>	\$18,000	\$20,500
<b>Panamax</b>	\$15,500	\$16,500
<b>MR</b>	\$14,000	\$15,000



**MR TCE USG-UKC/UKC-USAC/USG**  
MTD Average \$13,734/Day  
Month y/y ▲ +1%



**US Crude Stocks (EIA)**  
Last Week 356.6 Mbbbls  
Week y/y ▼ -2.0%



**US Gasoline Demand (EIA)**  
Last week 8.660 Mb/d  
Week y/y ▲ +1.6%

■ 2014 ■ 2013



# Capital Link Shipping Weekly Markets Report



Monday, October 6, 2014 (Week 40)

## SHIPPING MARKETS

### Tanker Market – Weekly Highlights

#### THE TANKER MARKETS

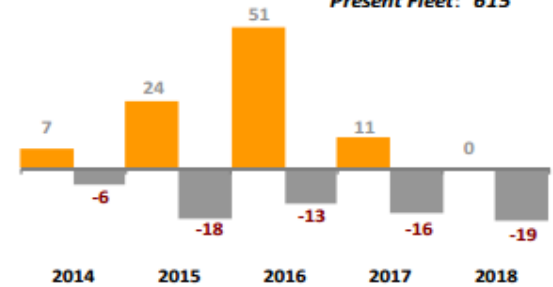
##### VLCC

Combined chartering demand in the Middle East and West Africa markets declined by 33% from last week's 6-week high to a total of 22 this week. Middle East demand was off markedly while West Africa was more active as charterers worked through remaining October stems amid fresh rate gains for regional Suezmaxes. Despite the overall demand contraction, rates found fresh support this week as sentiment was stronger on the back of last week's demand strength and a contraction of October Middle East available tonnage (from which both Middle East and West Africa demand largely sources tonnage). Even after revising our projected Middle East tally to 107 from 110 we note that the regional October surplus of available positions has declined to 22 units from 30 a week ago. Further, with ~13 days remaining for charterers to secure October Middle East positions to service West Africa demand, and accounting for West Africa cargoes which will be covered on three units presently ballasting to the region from the USWC against recent average weekly fixture tallies, the Middle East list appears quite a bit better balanced at 15 units. We note that of these 15 units, 5 are former members of TMT's OBO fleet; although re-classed as tankers, these units have failed to secure interest from charterers and will likely require dry-docking to fully convert on a constructed basis to tankers in order to compete for VLCC cargoes. Tempering any discounting of these units from forward availability, an unknown number of "hidden" units controlled by large commercial managers remain unaccounted for. These units, which could potentially number up to 20, could fundamentally alter prevailing supply/demand fundamentals. Accordingly, the immediate forward direction of the market remains largely uncertain and rates could experience either positive or negative sentiment during the upcoming week depending on the extent of fresh demand – and how many hidden units ultimately appear to service it.

Through Q4, the VLCC market appears set for a directional improvement, in line with 2014's return to more usual seasonality and following a weak Q2. Lower rates of refinery maintenance, improved global refining economics and recent draws on commercial inventories contribute to expected demand support which should drive rates higher through the remaining months of the year. Potentially helping to bridge the gap between the present rate environment and eventual gains, Saudi Arabia cut its November Official Selling Price (OSP) to Asian buyers sharply this week. While a moderately close historical correlation between Saudi Asian OSPs and production has prevailed historically -- and correlates with recent further Saudi production cuts, potentially stronger near-term demand for AG-FEAST voyages could help to improve sentiment once charterers move into November dates. Though units servicing AG-FEAST voyages will make a quicker reappearance on position lists than Westbound voyages, their appearance will nevertheless largely be for dates past the first decade of December, allowing the rate-sensitive start of that month's program to face a balanced supply/demand ration and support an extending of Q4 positive momentum.

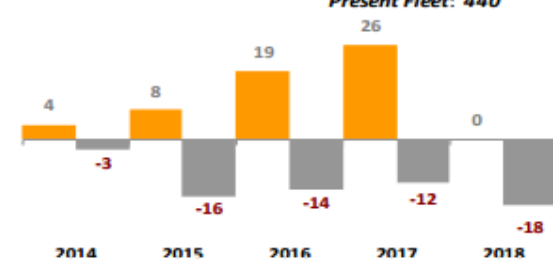
VLCC Projected Deliveries/Removals

Present Fleet: 615



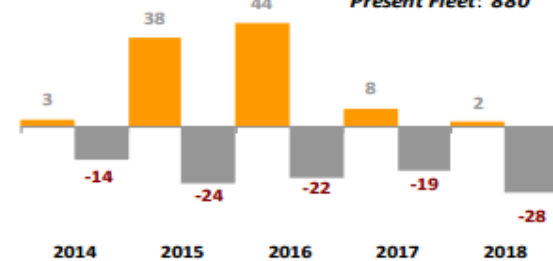
Suezmax Projected Deliveries/Removals

Present Fleet: 440



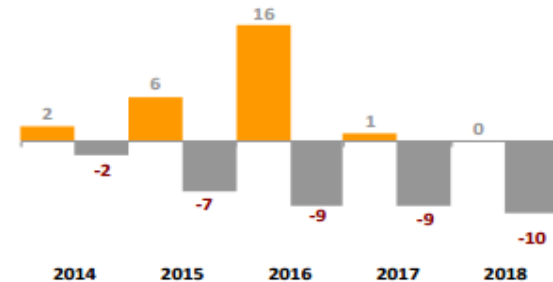
Aframax/LR2 Projected Deliveries/Removals

Present Fleet: 880



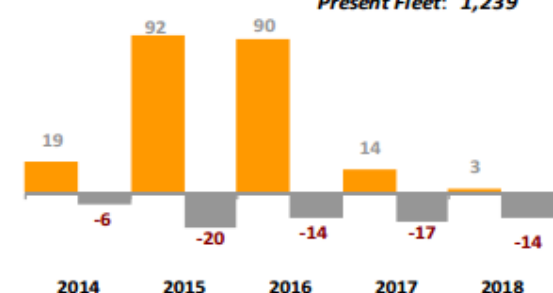
Panamax/LR1 Projected Deliveries/Removals

Present Fleet: 419



MR Projected Deliveries/Removals

Present Fleet: 1,239







### Tanker Market – Weekly Highlights

#### Middle East

Rates to the Far East gained 2.1 points w/w to an average of ws37.6. Corresponding TCEs rose by ~\$3,863/day w/w to an average of ~\$17,605/day. The present assessment of ws40 yields ~\$20,895/day. Rates to the USG via the Cape remained untested and were assessed at an average of ws18.9, representing a w/w gain of 0.8 point. Triangulated Westbound trade earnings averaged ~\$26,338/day, a loss of ~\$1,841/day, w/w.

#### Atlantic Basin

The Atlantic basin was more active, lead by more robust demand in the West Africa market. Rates on the WAFR-FEAST route averaged ws42 – unchanged from last week’s average. Corresponding TCEs gained ~\$425/day on the back of softer bunker prices. Rates on the CBS-SPORE route observed a loss of \$420k to an average of \$4.95m lump sum

#### Suezmax

Suezmax rates were stronger this week in the West Africa market despite a cutback in fixture activity as owners were able to build off of last week’s stronger demand amid a shortening supply of available units. Rates on the WAFR-USAC route gained 10 points to ws75 while the WAFR-UKC route added 12.5 points to ws77.5; both represent highs last observed in July. Sustained purchases by European refineries of West African crude amid improved margins during recent months should continue to aid Suezmaxes in the West Africa market despite growing supplies from Libya. Furthering expectations, as charterers begin to move into November dates during the upcoming week, Saudi’s cutting of OSPs to Asian buyers for November cargoes makes West African crude slightly less attractive to Eastern buyers and could help to push more cargoes to Europe, a situation which favors Suezmax demand.

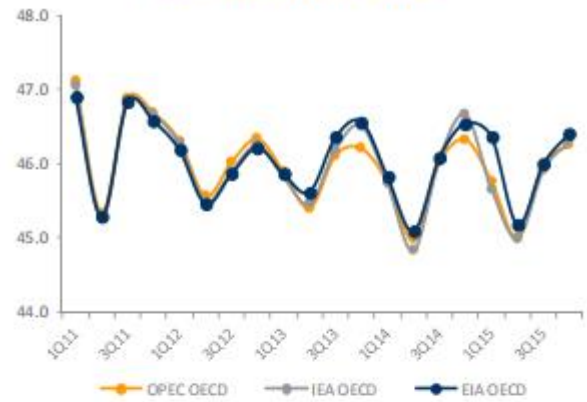
#### Aframax

The Caribbean Aframax market was busier this week with 20 fixtures materializing – a 67% w/w increase from last week’s tally and 43% more than the YTD weekly average. With early activity clearing through remaining prompt units amid rising Suezmax rates and better Aframax TCEs in European markets, owners were able to command fresh rate gains. The CBS-USG route added 27.5 points to conclude at ws105.

#### Panamax

The Caribbean Panamax market was relatively quiet this week. Though rates were initially supported by rising Aframax tankers, rate gains failed to be observed through successive fixtures and by the close of the week the prevailing supply/demand ratio prompted rates pare gains and close with a w/w loss. The CBS-USG route shed 2.5 points to conclude at ws112.5.

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



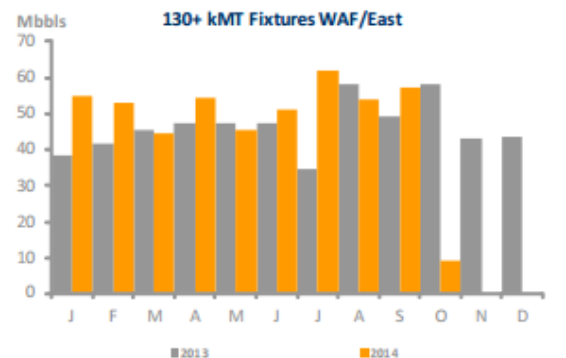
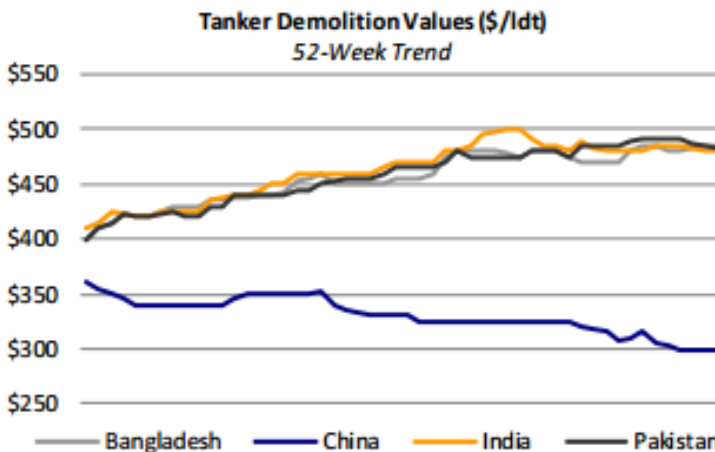
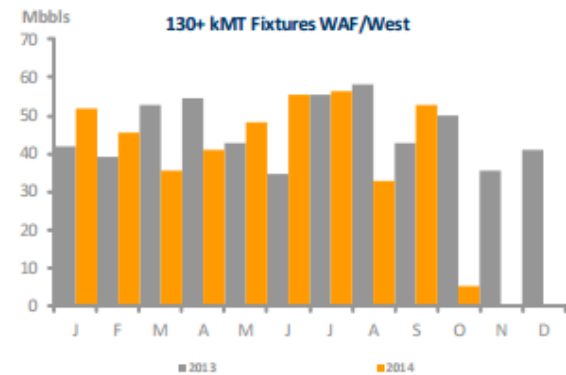
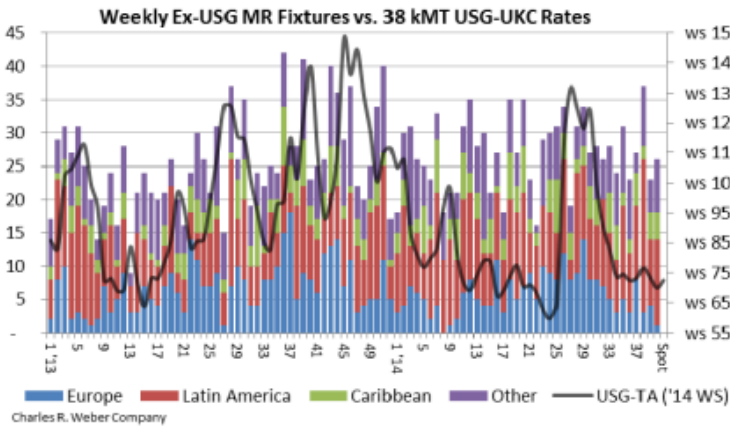
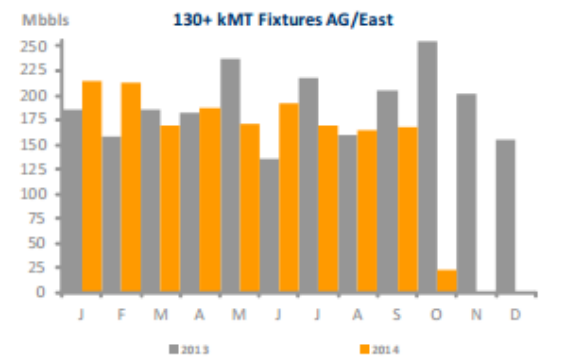
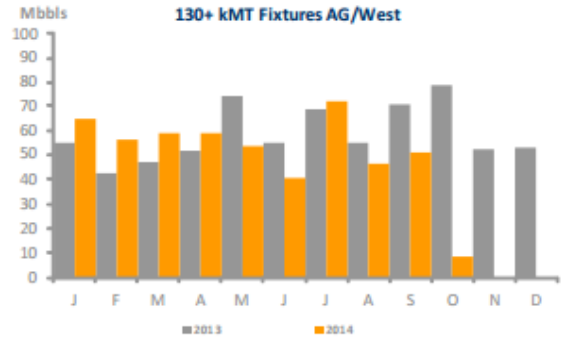
Monday, October 6, 2014 (Week 40)

## SHIPPING MARKETS

### Tanker Market – Weekly Highlights

**MR**  
Rates in the USG MR market continued to hover around an effective floor this week as demand levels continued to prove uninspiring. Total regional fixtures rose by 13% w/w to 26. Just one of these was bound for Europe while 17 were bound for points in Latin America and the Caribbean. Towards the close of the week, however, as forward availability declined rates started to show modest upside. The USG-UKC route gained 2.5 points to conclude at ws72.5. Rate strength for UKC-USAC voyages contributed to a rallying of triangulated Atlantic earnings – USG-UKC/UKC-USAC/USG trades gained 35% to ~\$14,574/day.

Two-week forward USG availability declined 17% w/w to 35 units – the lowest level in 11 weeks (when USG-UKC rates averaged ws123). Part of the decline is owed to fewer units freeing on the USAC vying for USG cargoes given recent UKC rate strength. However, with the lower availability also reflecting strong chartering activity during the latter half of September and the majority of those voyages being oriented to voyages to Latin America and the Caribbean, these units will likely contribute to a replenishing of USG availability in the near term. Accordingly, while rates could experience further upside during the upcoming week, the extent thereof will likely be modest.





# Capital Link Shipping Weekly Markets Report



Monday, October 6, 2014 (Week 40)

## SHIPPING MARKETS

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

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

↑ Secondhand – — Newbuilding – ↓ Demolition

##### WEEKLY S&P ACTIVITY

VESSELTYPE	SECOND HAND		DEMOLITION		TOTAL Units	%w-o-w	
	Units	(\$) Invested Capital	Units	in DWT		SH	DEMO
Bulkcarriers	6	27,000,000	5	396,920	11	20%	-50%
Tankers	4	125,500,000	1	39,016	5	33%	-50%
Gas Tankers	0	0	1	540	1		0%
General Cargo	2	2,400,000	9	135,858	11	-60%	80%
Containers	3	N/A	1	12,713	4	200%	0%
Reefers	0	0	0	0	0		
Passenger / Cruise	0		0	0	0		
Ro - Ro	1	55,000,000	0	0	1	0%	
Car Carrier	0	0	0	0	0		
Combined	0	0	0	0	0		
Special Projects	1	N/A	1	812	2	-50%	
<b>TTL VSLS/Demo</b>	<b>17</b>	<b>209,900,000</b>	<b>18</b>	<b>585,859</b>	<b>35</b>	<b>0%</b>	<b>-5%</b>

9 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 ACTIVITY

Vessel Type	Units	in DWT	Invested Capital	P&C	%w-o-w
Bulkcarriers	0	0	0	0	-100%
Tankers	8	1,914,000	627,500,000	0	300%
Gas Tankers	4	201,000	N/A	4	-50%
General Cargo	0	0	0	0	-100%
Containers	0	0	0	0	-100%
Reefers	0	0	0	0	
Passenger / Cruise	5	4,883	19,500,000	5	400%
Ro - Ro	0	0	0	0	
Car Carrier	0	0	0	0	
Combined	0	0	0	0	
Special Projects	1	6,300	N/A	1	-80%
<b>TOTAL</b>	<b>18</b>	<b>2,126,183</b>	<b>647,000,000</b>	<b>10</b>	<b>-73%</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	Dely	USD mil/Unit
Tanker	VLCC	2	319,000	China Merchants Energy Shipping	PRC	Dalian Shipbuilding	PRC	6-2016, 1-2017	97,375,000
Tanker	VLCC	2	318,000	China Merchants Energy Shipping	PRC	SWS	PRC	10-2016, 4-2017	97,375,000
Tanker		4 + 4	160,000	Frontline 2012	NOR	New Times Shipping	PRC	from 2016	59,500,000
LPG		1	83,000 CBM	Iino Kaiun	JPN	Mitsubishi HI	JPN	2h2016	N/A
LPG		2	83,000 CBM	Nissen Kaiun	JPN	Mitsubishi HI	JPN	late 2015-2h2016	N/A
LPG		1	83,000 CBM	Kumiai Senpaku	JPN	Kawasaki HI	JPN	2017	N/A
Passenger/ Cruise	Ferry Ropax	1	4,700	Dandong Marine	PRC	Shandong Huanghai	PRC	4-2016	N/A
Passenger/ Cruise	Ferry Ropax	2		Vigor Shipyards	USA	Alaska Marine	USA	6/12-2017	N/A
Passenger/ Cruise	Ferry Ropax	1	183	Shimabara Testudo	JPN	KK Watanabe	JPN	9-2015	N/A
Passenger/ Cruise	Hybrid Ferry	1		Caledonian MacBrayne	SCT	Ferguson	SCT	N/A	19,500,000
Special Project	Hopper Dredger	1	6,300	Van den Herik Holdings	NTH	Barkmeijer Stroobos	NTH	1-2016	N/A

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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