

# Capital Link Shipping Weekly Markets Report



Monday, October 3, 2016 (Week 39)



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**9<sup>th</sup> Annual Capital Link  
Shipping, Marine Services  
& Offshore Forum**  
Wednesday, October 5, 2016  
One Moorgate Place, London, UK



IN PARTNERSHIP WITH  
**Fearnley Securities**

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Capital Link Shipping  
Weekly Markets Report

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# 9th Annual Capital Link Shipping, Marine Services & Offshore Forum

Wednesday, October 5, 2016  
One Moorgate Place, London, UK



IN PARTNERSHIP WITH  
**Fearnley Securities**

IN COOPERATION WITH  
**London Stock Exchange**

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*Attendance is complimentary for qualified attendees*

## ABOUT THE FORUM

Capital Link welcomes you to the **9th Annual Shipping, Marine Services & Offshore Forum, which will take place on Wednesday, October 5, 2016 at One Moorgate Place in London**, held in cooperation with the London Stock Exchange and in partnership with Fearnley Securities. This event aims to provide investors with a comprehensive review and current outlook of the various shipping, marine services and offshore markets and in addition, cover topics of critical interest to shipping industry participants, financiers and investors

The Forum presents a unique opportunity to meet and network with a large and targeted high-caliber audience in the industry. The event will be open to the buy and sell side communities as well as the media. By attending, participants will gain a deeper understanding of the current state of the shipping and marine services industry and a clear focus on the opportunities and challenges ahead.

## PRESENTATION & PANEL TOPICS

- London as a Global Capital Raising & Investment Destination
- Global Shipping & Shipbuilding Markets – Overview & Outlook
- Dry Bulk Sector
- LNG Shipping Sector
- Chemical Tankers Sector
- Shipping & Bank Finance
- Current Trends in the US Capital Markets – Elements of Successful Transactions
- Shipping & Capital Markets & Panel
- LPG Sector
- Shipping, Private Equity & Alternative Financing
- Restructuring as a Business & Investment Opportunity
- Restructuring
- Optimizing Fleet Efficiency/Maximizing Cost Savings
- Tanker Sector Panel (Crude & Product)

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# Capital Link Shipping

...Linking Shipping and Investors Across the Globe

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

## Investor Relations & Financial Advisory

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



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



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

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



## Capital Link Shipping Weekly Markets Report

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



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

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



## Capital Link Investor Shipping Forums

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



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

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

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IN THE NEWS

## Latest Company News

Monday, September 26, 2016

### SDRL - Minutes from the Annual General Meeting 2016

Seadrill Limited advises that the 2016 Annual General Meeting of the Shareholders of the Company was held on September 23, 2016 at 9:00 a.m. at the Rosewood Tucker's Point Hotel, 60 Tucker's Point Drive, Hamilton Parish HS02, Bermuda. The audited consolidated financial statements for the Company for the year ended December 31, 2015 were presented to the Meeting.

<http://www.seadrill.com/investor-relations/news/pr-story.aspx?ResultPageURL=http://cws.huginonline.com/S/135817/P/R/201609/2044370.xml>

### FRO - 2016 Annual General Meeting

Frontline Ltd. advises that the 2016 Annual General Meeting of the Shareholders of the Company was held on September 23, 2016 at 10:30 a.m. at the Rosewood Tucker's Point Hotel, 60 Tucker's Point Drive, Hamilton Parish HS02, Bermuda. The audited consolidated financial statements for the Company for the year ended December 31, 2015 were presented to the Meeting.

[http://www.frontline.bm/external\\_feed/external\\_feeds/view/6/press\\_release/2044426?active=6800](http://www.frontline.bm/external_feed/external_feeds/view/6/press_release/2044426?active=6800)

### SFL - 2016 Annual General Meeting

Ship Finance International Limited advises that the 2016 Annual General Meeting of the Shareholders of the Company was held on September 23, 2016 at 11:15 a.m. at the Rosewood Tucker's Point Hotel, 60 Tucker's Point Drive, Hamilton Parish HS02, Bermuda. The audited consolidated financial statements for the Company for the year ended December 31, 2015 were presented to the Meeting.

[http://www.shipfinance.no/external\\_feed/external\\_feeds/view/5/press\\_release/2044388?active=6800](http://www.shipfinance.no/external_feed/external_feeds/view/5/press_release/2044388?active=6800)

### GOGL - 2016 Annual General Meeting

Golden Ocean Group Limited advises that the 2016 Annual General Meeting of the Shareholders of the Company was held on September 23, 2016 at 11:45 a.m. at the Rosewood Tucker's Point Hotel, 60 Tucker's Point Drive, Hamilton Parish HS02, Bermuda. The audited consolidated financial statements for the Company for the year ended December 31, 2015 were presented to the Meeting.

[http://www.goldenocean.no/?view=hugin\\_feed&menu=21&feed=http://cws.huginonline.com/G/132879/PR/201609/2044375.xml](http://www.goldenocean.no/?view=hugin_feed&menu=21&feed=http://cws.huginonline.com/G/132879/PR/201609/2044375.xml)

Tuesday, September 27, 2016

### Ocean Rig UDW Inc. Announces Receipt of Nasdaq Notice

Ocean Rig UDW Inc. (NASDAQ: ORIG), a global provider of offshore deepwater drilling services, announced it has received written notification from The Nasdaq Stock Market ("Nasdaq") dated September 26, 2016, indicating that because the closing bid price of the Company's common stock for 30 consecutive business days, from August 12, 2016 to September 23, 2016, was below the minimum \$1.00 per share bid price requirement for continued listing on the Nasdaq Global Select Market, the Company is not in compliance with Nasdaq Listing Rule 5550(a)(2). Pursuant to Nasdaq Listing Rule 5810(c)(3)(A), the applicable grace period to regain compliance is 180 days, or until March 27, 2017.

[http://cdn.capitallink.com/files/docs/companies/ocean\\_rig/press/2016/oceanrig092716.pdf](http://cdn.capitallink.com/files/docs/companies/ocean_rig/press/2016/oceanrig092716.pdf)

### Nordic American Tankers Limited (NYSE:NAT) Announces Pricing Of Public Offering

Nordic American Tankers Limited announced the pricing of its previously announced underwritten public offering pursuant to the Company's effective shelf registration statement. The Company agreed to sell 11,000,000 common shares at a public offering price of \$10.00 per share. At the Company's request, the underwriters have reserved for sale an aggregate of 534,000 common shares to all of the members of the Company's board of directors, certain members of the Company's management, and all of the Company's advisors at the public offering price. The 534,000 common shares include approximately 100,000 common shares to be purchased by the Company's Chairman and Chief Executive Officer and 400,000 common shares to be purchased by the Company's Vice Chairman. The Company has granted the underwriters a 30-day option to purchase up to an additional 1,650,000 common shares. The Company intends to close the sale of the common shares on September 30, 2016, subject to customary closing conditions.

[http://www.nat.bm/IR/press\\_releases/2044954.html](http://www.nat.bm/IR/press_releases/2044954.html)

Wednesday, September 28, 2016

### Press Release from Nordic American Tankers (NYSE:NAT): Nordic American Offshore (NYSE:NAO) - Increased Ownership By The Hansson Family

Nordic American Offshore Ltd., announce that Alexander Hansson, the son of the Chairman, Herbjorn Hansson, today bought 100,000 shares in NAO. The share price was \$3.65 share.

[http://www.nat.bm/IR/press\\_releases/2045370.html](http://www.nat.bm/IR/press_releases/2045370.html)

### Teekay Lng Partners Announces Public Offering Of Series A Preferred Units

Teekay LNG Partners L.P. (NYSE:TGP) announced that it plans to offer Series A Cumulative Redeemable Perpetual Preferred Units (Series A Preferred Units), representing limited partner interests, in a public offering. Teekay LNG expects to grant the underwriters a 30-day option to purchase additional Series A Preferred Units. The Partnership expects to use the net proceeds from the public offering for general partnership purposes, which may include debt repayments or funding installment payments on future newbuilding deliveries.

<http://teekay.com/blog/2016/09/28/teekay-lng-partners-announces-public-offering-of-series-a-preferred-units/>

### Teekay Lng Partners Announces Pricing Of Series A Preferred Offering

Teekay LNG Partners L.P. (NYSE:TGP) announced that it has priced its public offering of 5,000,000 9.0% Series A Cumulative Redeemable Perpetual Preferred Units (Series A Preferred Units), representing limited partner interests, at \$25.00 per unit. Distributions will be payable on the Series A Preferred Units at a rate of 9.0% per annum of the stated liquidation preference of \$25.00. The offering is expected to close on October 5, 2016. Teekay LNG has granted the underwriters a 30-day option to purchase up to an



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IN THE NEWS

## Latest Company News

additional 750,000 Series A Preferred Units. The Partnership expects to use the net proceeds from the public offering for general partnership purposes, including debt repayments or funding installment payments on future newbuilding deliveries.

<http://teekay.com/blog/2016/09/28/teekay-lng-partners-announces-pricing-of-series-a-preferred-offering/>

### TEN Ltd Announces the Delivery and Long-Term Charter Of Panamax Product Tanker "Sunrise"

TEN Ltd. (NYSE:TNP), a leading crude, product and LNG tanker operator, today announced the delivery of its second 74,200 dwt Panamax product tanker "Sunrise" from South Korea which will immediately enter a five year contract with profit sharing and extension options to a European oil major that could generate gross revenues of \$40.0 million. The Sunrise becomes the fifth in a 15-vessel growth program to be delivered since June 2016. With 13 of the 15 vessels already on long-term contracts, the fleet's secured days for the remainder of 2016, to date, increase to 60% and 54% for 2017. Following this latest addition, the charter duration of the fleet under secured employment average 2.7 years with gross revenues of \$1.5 billion.

<http://www.tenn.gr/en/about.html>

Thursday, September 29, 2016

### Frank De Costanzo Joins Eagle Bulk Shipping as Chief Financial Officer

Eagle Bulk Shipping Inc. (Nasdaq: EGLE) announced that Frank De Costanzo will join the Company as Chief Financial Officer and Secretary, effective September 30th. Mr. De Costanzo brings more than 30 years of banking, finance, public company and related leadership experience, with a focus on commodity and related markets. This includes serving most recently as Senior Vice President and Chief Financial Officer of the Catalyst Paper Corporation (TSX: CYT), one of North America's largest pulp and paper companies. Mr. De Costanzo also previously served as Vice President and Global Treasurer at Kinross Gold Corporation, one of the world's largest gold mining companies.

<http://www.eagleships.com/news/newstext/?releaseid=2206975>

### Scorpio Bulkers Inc. Announces Amendments to Its Management Agreements

Scorpio Bulkers Inc. (NYSE: SALT) announced that it has entered into an agreement to amend its Administrative Services Agreement with Scorpio Services Holding Limited ("SSH") and its Master Agreement with Scorpio Commercial Management ("SCM") and Scorpio Ship Management ("SSM"). Under the terms of the amendments, (i) the fee of 1% payable to SSH upon any future vessel purchase will be eliminated; (ii) in the event of the sale of one or more vessels, provided it does not amount to a sale of substantially all vessels the notice period to terminate the commercial and technical management agreements will be reduced from two years to three months and a fee equal to three months of management fees will be payable to SCM and SSM upon termination; and (iii) effective beginning on the fifth day within any 20 trading day period that the closing price of the Company's common shares on the New York Stock Exchange is equal to or greater than \$5.00, the commission payable for commercial management will be

reinstated to 1.75 per cent of all monies earned by a vessel from the current 1 per cent. There is no other consideration payable by the Company for these amendments. The effective date of these amendments is September 29, 2016.

<http://ir.scorpiobulkers.com/press-releases/scorpio-bulkers-inc-announces-amendments-to-its-management-agreements-nyse-salt-11q116013-001>

### Seanergy Maritime Holdings Corp. Announces Agreements to Acquire Two Dry Bulk Vessels

Seanergy Maritime Holdings Corp. (NASDAQ:SHIP) announced today that it has entered into agreements with an unaffiliated third party for the purchase of two secondhand Capesize vessels, each with a cargo-carrying capacity of approximately 180,000 deadweight tons ("DWT"). The vessels were both built in 2010 at Hyundai Heavy Industries in South Korea. The vessels are expected to be delivered between mid-November 2016 and early January 2017, subject to the satisfaction of certain customary closing conditions. The Company expects to fund the gross purchase price of \$20.75 million per vessel by secured loans from financial institutions and financing arrangements with the Company's sponsor.

<http://www.seanergymaritime.com/press/seanergy290916.pdf>

### Scorpio Tankers Inc. Announces Amendments to Its Management Agreements

Scorpio Tankers Inc. (NYSE: STNG) announced that it has entered into an agreement to amend its Administrative Services Agreement with Scorpio Services Holding Limited ("SSH") and its Master Agreement with Scorpio Commercial Management ("SCM") and Scorpio Ship Management ("SSM"). Under the terms of the amendments, (i) the fee of 1% payable to SSH upon any future vessel sale or purchase will be eliminated; and (ii) in the event of the sale of one or more vessels, provided it does not amount to a sale of substantially all vessels, the notice period to terminate the commercial and technical management agreements will be reduced from two years to three months and a fee equal to three months of management fees will be payable to SCM and SSM upon termination. There is no consideration payable by the Company for these amendments. The effective date of these amendments is September 29, 2016.

<http://scorpiotankers.mwnewsroom.com/press-releases/scorpio-tankers-inc-announces-amendments-to-its-management-agreements-nyse-stng-11q116051-001>

### Golar LNG Limited: 2016 AGM Results Notification

Golar LNG Limited advises that the 2016 Annual General Meeting of the Company was held on September 28, 2016 at 9:00 a.m. at Rosewood Tucker's Point, 60 Tucker's Point Drive, Hamilton Parish, Bermuda. The audited consolidated financial statements for the Company for the year ended December 31, 2015 were presented to the Meeting.

[http://www.golarlng.com/index.php?name=seksjon/Stock\\_Exchange\\_Releases/Press\\_Releases.html&pressrelease=2045488.html](http://www.golarlng.com/index.php?name=seksjon/Stock_Exchange_Releases/Press_Releases.html&pressrelease=2045488.html)

### Golar LNG Partners L.P. Board Changes

Golar LNG Partners LP (NASDAQ: GMLP) announced that Doug Arnell has stepped down from the Partnership's board of directors. Mr. Arnell is however continuing in his role as a senior advisor to



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## Latest Company News

Golar LNG Limited ("Golar") in connection with the leadership of Golar's commercial activities. Effective today, the Partnership's General Partner has appointed Mr. Andrew Whalley, an existing director, to replace Mr. Arnell as one of the General Partner's three appointed directors. As a result of this appointment, Mr. Whalley, who was previously an elected director, will now serve as one of the General Partner's three appointed directors.

[http://www.golarlngpartners.com/index.php?name=seksjon/Stock\\_Exchange\\_Releases/Press\\_Releases.html&pressrelease=2045558.html](http://www.golarlngpartners.com/index.php?name=seksjon/Stock_Exchange_Releases/Press_Releases.html&pressrelease=2045558.html)

### SFL - Ship Finance International Limited Announces Offering of Convertible Senior Notes

Ship Finance International Limited (NYSE: SFL) announced that it, subject to market and other conditions, intends to offer \$200 million aggregate principal amount of Convertible Senior Notes due 2021 (the "Notes"). The Notes will pay interest quarterly in arrears, have a term of five years, and will be convertible into the Company's common shares. Upon conversion, Ship Finance will pay or deliver, as the case may be, cash, our common shares, or a combination of cash and our common shares, at the Company's election, as further described in the offering prospectus.

[http://www.shipfinance.no/external\\_feed/external\\_feeds/view/5/press\\_release/2045626?active=6800](http://www.shipfinance.no/external_feed/external_feeds/view/5/press_release/2045626?active=6800)

Friday, September 30, 2016

### Diana Shipping Inc. Announces Signing of Addenda to the Shipbuilding Contracts of Two Newbuildings

Diana Shipping Inc. (NYSE: DSX), a global shipping company specializing in the ownership of dry bulk vessels, announced that, through two separate wholly-owned subsidiaries, it signed two addenda with China Shipbuilding Trading Company, Limited and Jiangnan Shipyard (Group) Co., Ltd., to extend the delivery dates of the two Newcastlemax dry bulk carriers, Hull No. H2548 and Hull No. H2549. The delivery date of the Hull No. H2548 has been extended from September 29, 2016 to not earlier than December 26, 2016 and not later than December 30, 2016 while the delivery date of the Hull No. H2549 has been extended from November 30, 2016 to not earlier than March 13, 2017 and not later than March 20, 2017. Both addenda are subject to the construction completion of the vessels.

<http://www.dianashippinginc.com/investors/press-releases/news-diana-shipping-inc-announces-signing-of-addenda-to-the-shipbuilding-contracts-of-two-newbuildings>

### Nordic American Tankers Limited (NYSE:NAT) Announces Underwriters' Exercise Of Option To Purchase Additional Shares And Closing Of Public Offering

Nordic American Tankers Limited announced that, in connection with its previously announced public offering of 11,000,000 common shares at a public offering price of \$10.00 per share, the underwriters exercised in full the option granted to them by the Company and purchased an additional 1,650,000 common shares on the same terms on which the 11,000,000 common shares were sold to the underwriters. At the Company's request, the underwriters have sold an aggregate of 534,000 common shares in this offering to all of the members of the Company's board of directors, certain members of the Company's management, and all of the Company's

advisors at the public offering price. The Company also announced that the closing of the follow-on offering and the closing of the option to purchase additional shares took place simultaneously today. The common shares were offered pursuant to the Company's effective shelf registration statement.

[http://www.nat.bm/IR/press\\_releases/2045926.html](http://www.nat.bm/IR/press_releases/2045926.html)

Monday, September 3, 2016

### Safe Bulkers, Inc. Agrees to the Novation of a Japanese Newbuilding Panamax Class Vessel and the Sale of a Japanese Newbuilding Kamsarmax Class Vessel

Safe Bulkers, Inc. (NYSE: SB), an international provider of marine drybulk transportation services, announced that the Company has agreed to novate an existing newbuild contract for Hull No. S835, a Japanese Panamax class vessel, and sell, upon delivery, Hull No. 1551, a Japanese Kamsarmax class vessel, in each case, to entities owned by Mr. Polys Hajioannou, the Chairman of the Board and the Chief Executive Officer of the Company. Each vessel is scheduled to be delivered in the first quarter of 2017.

<http://www.safebulkers.com/sbpr100316.pdf>

### Scorpio Bulkers Inc. Announces Vessel Price Reductions and the Delay of Scheduled Vessel Deliveries

Scorpio Bulkers, Inc. (NYSE: SALT) announced today that with reference to the existing newbuilding orders it has reached agreements with shipyards to reduce the price to be paid under the shipbuilding contracts of four Kamsarmax vessels and two Ultramax vessels that were to be delivered between Q3 2016 and Q4 2016 by an aggregate of \$13.0 million. The Company also reached agreements to delay the delivery of the same six vessels by approximately one to three months each. These vessels, previously expected to be delivered between September 2016 and November 2016 will now be delivered between October 2016 and January 2017. Pursuant to these delays, \$59.1 million that was previously expected to be paid to shipyards during Q4 2016 is now expected to be paid in Q1 2017.

<http://ir.scorpiobulkers.com/press-releases/scorpio-bulkers-inc-announces-vessel-price-reductions-and-the-delay-of-scheduled-nyse-salt-11q116395-001>

### Transocean Ltd. Announces 15-Month Contract For Transocean Barents

Transocean Ltd. (NYSE: RIG) announced that the Transocean Barents, a harsh-environment, ultra-deepwater floater, has been awarded a 15-month contract with Suncor Energy at a dayrate of \$260,000. The estimated contract backlog, excluding mobilization, is \$119 million. The rig is expected to commence operations offshore Canada in the third quarter of 2017.

<http://www.deepwater.com/news?ID=2208333>

### Transocean Ltd. Receives Early Termination Notice on the Discoverer India

Transocean Ltd. (NYSE: RIG) announced that Reliance Industries Ltd. (Reliance) has elected to exercise its contractual option to terminate the contract for the ultra-deepwater drillship Discoverer India, effective December 2016, prior to its expiration in January 2021. In accordance with the contract, Transocean will be



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## *Latest Company News*

compensated by Reliance and its partners for the early termination through a lump-sum payment of approximately \$160 million.

<http://www.deepwater.com/news?ID=2208437>

**Ship Finance International Limited Announces Offering of Upsized Convertible Senior Notes**

Ship Finance International Limited (NYSE: SFL) announced that it has increased the size of the public offering of its Convertible Senior Notes due 2021 (the "Notes") announced September 29, 2016 by \$25 million, to a total of \$225 million aggregate principal amount.

[http://www.shipfinance.no/external\\_feed/external\\_feeds/view/5/press\\_release/2045840?active=6800](http://www.shipfinance.no/external_feed/external_feeds/view/5/press_release/2045840?active=6800)





# Capital Link Shipping Weekly Markets Report



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CAPITAL MARKETS DATA

## Dividend Paying Shipping Stocks

Stock Prices as of September 30, 2016

Company Name	Ticker	Quarterly Dividend	Annualized Dividend	Last Closing Price (September 30, 2016)	Annualized Dividend Yield
<b>Container</b>					
Costamare Inc	CMRE	\$0.29	\$1.16	9.14	12.69%
Seaspan Corp	SSW	\$0.375	\$1.50	13.33	11.25%
<b>Tankers</b>					
Ardmore Shipping Corp.	ASC	\$0.11	\$0.44	7.04	6.25%
DHT Holdings, Inc.	DHT	\$0.23	\$0.92	4.19	21.96%
Euronav NV	EURN	\$0.55*	\$1.10	7.63	14.42%
Frontline	FRO	\$0.20	\$0.80	7.17	11.16%
Navios Maritime Acquisition Corp	NNA	\$0.05	\$0.20	1.35	14.81%
Nordic American Tankers Limited	NAT	\$0.25	\$1.00	10.11	9.89%
Scorpio Tankers Inc	STNG	\$0.125	\$0.50	4.63	10.80%
Tsakos Energy Navigation Ltd	TNP	\$0.08	\$0.32	4.82	6.64%
Teekay Tankers	TNK	\$0.06	\$0.24	2.53	9.49%
<b>Mixed Fleet</b>					
Ship Finance International Limited	SFL	\$0.45	\$1.80	14.73	12.22%
Teekay Corporation	TK	\$0.055	\$0.22	7.71	2.85%
<b>LNG/LPG</b>					
GasLog Ltd	GLOG	\$0.14	\$0.56	14.55	3.85%
Golar LNG	GLNG	\$0.05	\$0.20	21.20	0.94%
<b>Maritime MLPs</b>					
Capital Product Partners L.P.	CPLP	\$0.0750	\$0.300	\$3.26	9.20%
Dynagas LNG Partners	DLNG	\$0.4225	\$1.69	\$15.48	10.92%
GasLog Partners LP	GLOP	\$0.4780	\$1.912	\$21.79	8.77%
Golar LNG Partners, L.P.	GMLP	\$0.5775	\$2.31	\$19.63	11.77%
Hoegh LNG Partners	HMLP	\$0.10	\$0.40	\$18.82	2.13%
KNOT Offshore Partners L.P.	KNOP	\$0.52	\$2.08	\$20.89	9.96%
Navios Maritime Midstream Partners	NAP	\$0.4225	\$1.69	\$10.57	15.99%
Teekay LNG Partners L.P.	TGP	\$0.14	\$0.56	15.13	3.70%
Teekay Offshore Partners L.P.	TOO	0.11	0.44	6.32	6.96%
<b>Offshore Drilling</b>					
Ensco plc	ESV	\$0.01	\$0.04	8.50	0.47%
Noble Corporation	NE	\$0.02	\$0.08	6.34	1.26%
Seadrill Partners	SDLP	\$0.10	\$0.40	3.53	11.33%

\*Semi-annual dividend





# Capital Link Shipping Weekly Markets Report



Monday, October 3, 2016 (Week 39)

CAPITAL MARKETS DATA

## Preferred Shipping Stocks

Stock Prices as of September 30, 2016

Company	Ticker	Amount Issued (\$m)	Type	Annual Coupon	Offer Price	Current Price 9/30/2016	Current Yield (annualized)	% change last week	52-week range*
Costamare Series B	CMRE PRB	50	perpetual	7.625%	\$25.00	\$22.87	8.34%	2.14%	\$11.96-\$22.68
Costamare Series C	CMRE PRC	100	perpetual	8.50%	\$25.00	\$22.13	9.60%	2.61%	\$12.49-\$23.97
Costamare Series D	CMRE PRD	100	perpetual	8.75%	\$25.00	\$22.55	9.70%	2.55%	\$12.70-\$23.29
Diana Shipping Series B	DSXPRB	65	perpetual	8.875%	\$25.00	\$17.12	12.96%	-0.70%	\$9.50-\$23.73
Dynagas LNG Partners Series A	DLNGPR A	75	perpetual	9.000%	\$25.00	\$25.21	8.93%	0.00%	\$14.80-\$25.41*
GasLog Series A	GLOGA	111	perpetual	8.75%	\$25.00	\$25.23	8.09%	-2.70%	\$13.75-\$25.60
Global Ship Lease Series B	GSLB	35	perpetual	8.75%	\$25.00	\$20.25	10.80%	-3.48%	\$8.00-\$23.49
Safe Bulkers Series B	SBPRB	40	perpetual step up	8.00%	\$25.00	\$23.50**	8.51%	0.00%	\$13.00-\$24.90
Safe Bulkers Series C	SBPRC	58	perpetual	8.00%	\$25.00	\$15.75	12.70%	0.00%	\$6.84-\$16.702
Safe Bulkers Series D	SBPRD	80	perpetual	8.00%	\$25.00	\$16.13	12.40%	0.81%	\$6.29-\$16.19
Seaspan Series D	SSWPRD	128	perpetual	7.95%	\$25.00	\$24.95	7.97%	-0.99%	\$20.73-\$26.48
Seaspan Series E	SSWPRE	135	perpetual	8.25%	\$25.00	\$24.99	8.25%	-0.24%	\$19.90-\$26.38
Seaspan Series G	SSWPRG	100	perpetual	8.25%	\$25.00	\$24.96	4.02%	-0.04%	\$24.65-\$26.09*
Seaspan Series H	SSWPRH	225	perpetual	7.875%	\$25.00	\$25.12	N/A	0.36%	\$24.01-\$24.95*
Teekay Offshore Series A	TOOPRA	150	perpetual	7.25%	\$25.00	\$20.55	8.82%	-2.55%	\$9.07-\$20.40
Teekay Offshore Series B	TOOPRB	125	perpetual	8.50%	\$25.00	\$22.05	9.64%	0.87%	\$10.50-\$22.92
Tsakos Energy Series B	TNPPRB	50	perpetual step up	8.00%	\$25.00	\$25.46**	7.86%	-0.16%	\$21.50-\$25.56
Tsakos Energy Series C	TNPPRC	50	perpetual	8.875%	\$25.00	\$25.76	8.61%	-0.16%	\$20.19-\$26.12
Tsakos Energy Series D	TNPPRD	85	perpetual	8.75%	\$25.00	\$24.38	8.97%	0.25%	\$16.25-\$24.99

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

\* Prices reflected are since inception date:

Dynagas LNG Partners Series A - 7/13/2015

Seaspan Series G - 6/10/2016

Seaspan Series H - 8/5/2016

\*\*As of 9/29/2016



# Capital Link Shipping Weekly Markets Report



Monday, October 3, 2016 (Week 39)

CAPITAL MARKETS DATA

## Indices

Week ending September 30, 2016

### MAJOR INDICES

America	Symbol	9/30/2016	9/23/2016	% Change	YTD % Change	4-Jan-16
Dow Jones	INDU	18,308.15	18,261.45	0.26	6.76	17,148.94
Dow Jones Transp.	TRAN	8,078.79	7,936.99	1.79	9.88	7,352.59
NASDAQ	CCMP	5,312.00	5,305.75	0.12	8.34	4,903.09
NASDAQ Transp.	CTRN	3,451.78	3,385.84	1.95	5.73	3,264.70
S&P 500	SPX	2,168.27	2,164.69	0.17	7.73	2,012.66

Europe	Symbol	9/30/2016	9/23/2016	% Change	YTD % Change	4-Jan-16
Deutsche Borse Ag	DAX	10,511.02	10,626.97	-1.09	2.21	10,283.44
Euro Stoxx 50	SX5E	3,002.24	3,032.31	-0.99	-5.14	3,164.76
FTSE 100 Index	UKX	6,899.33	6,909.43	-0.15	13.23	6,093.43

Asia/Pacific	Symbol	9/30/2016	9/23/2016	% Change	YTD % Change	4-Jan-16
ASX 200	AS51	5,435.92	5,431.30	0.09	3.14	5,270.48
Hang Seng	HSI	23,297.15	23,686.48	-1.64	9.24	21,327.12
Nikkei 225	NKY	16,449.84	16,754.02	-1.82	-10.85	18,450.98

### CAPITAL LINK MARITIME INDICES

Index	Symbol	9/30/2016	9/23/2016	% Change	YTD % Change	4-Jan-16
Capital Link Maritime Index	CLMI	1,133.61	1,095.84	3.45	10.38	1,026.98
Tanker Index	CLTI	729.23	722.57	0.92	-14.09	848.82
Drybulk Index	CLDBI	389.28	409.72	-4.99	20.36	323.43
Container Index	CLCI	1,040.60	1,078.21	-3.49	-7.13	1,120.50
LNG/LPG Index	CLLG	1,706.28	1,624.59	5.03	28.77	1,325.11
Mixed Fleet Index	CLMFI	1,242.88	1,233.30	0.78	6.61	1,165.83
MLP Index	CLMLP	1,526.58	1,454.34	4.97	35.07	1,130.22

\*The Capital Link Maritime Indices were updated recently to adjust for industry changes. Dorian LPG Ltd (NYSE:LPG) became a member of Capital Link LNG/LPG Index, GasLog Partners L.P. (NYSE:GLOP) became a member of Capital Link LNG/LPG Index and Capital Link MLP Index, Navios Maritime Midstream Partners (NYSE:NAP) became a member of Capital Link MLP Index, Euronav NV (NYSE: EURN) became a member of Capital Link Tanker Index, and Gener8 Maritime (NYSE: GNRT) became a member of Capital Link Tanker Index. Additionally, Capital Link Dry Bulk Index reflects the stock name change of Baltic Trading Ltd (NYSE: BALT) to Genco Shipping & Trading Limited (NYSE: GNK).



# Capital Link Shipping Weekly Markets Report



Monday, October 3, 2016 (Week 39)

## CAPITAL MARKETS DATA

### BALTIC INDICES

Index	Symbol	9/30/2016	9/23/2016	% Change	YTD % Change	4-Jan-16
Baltic Dry Index	BDIY	875	941	-7.01	28.12	473
Baltic Capesize Index	BCIY	2,008	2,383	-15.74	75.85	472
Baltic Panamax Index	BPIY	726	722	0.55	25.43	464
Baltic Supramax Index	BSI	679	671	1.19	28.95	449
Baltic Handysize Index	BHSI	421	421	0.00	29.96	267
Baltic Dirty Tanker Index	BDTI	625	611	2.29	-30.99	1065
Baltic Clean Tanker Index	BCTI	352	378	-6.88	-27.33	688

### TRANSPORTATION STOCKS

DRYBULK	Ticker	9/30/2016	9/23/2016	Change	52 week high	52 week low	1/4/2016	Three Month
Genco Shipping & Trading Ltd	GNK	\$4.58	\$4.90	-6.53%	\$37.00	\$3.77	\$14.90	58,825
Diana Shipping Inc	DSX	\$2.62	\$2.93	-10.58%	\$7.13	\$2.02	\$4.35	525,047
DryShips Inc	DRYS	\$0.45	\$0.48	-6.20%	\$24.86	\$0.42	\$3.98	1,097,811
Eagle Bulk Shipping Inc	EGLE	\$7.07	\$7.05	0.28%	\$124.40	\$5.49	\$3.25	182,941
FreeSeas Inc	FREEF	\$0.00	\$0.00	3.39%	\$1,893.75	\$0.00	\$178.50	2,222,142
Globus Maritime Ltd	GLBS	\$0.72	\$0.70	2.86%	\$1.29	\$0.06	\$0.15	375,715
Golden Ocean Group	GOGL	\$4.05	\$4.37	-7.32%	\$14.20	\$2.71	\$5.05	69,466
Navios Maritime Holdings Inc	NM	\$1.21	\$1.25	-3.20%	\$3.18	\$0.64	\$1.65	682,289
Navios Maritime Partners LP	NMM	\$1.39	\$1.47	-5.44%	\$8.75	\$0.80	\$3.07	333,921
Paragon Shipping Inc	PRGNF	\$0.29	\$0.29	-0.19%	\$10.64	\$0.25	\$5.52	63,438
Safe Bulkers Inc	SB	\$1.41	\$1.52	-7.24%	\$3.67	\$0.30	\$0.75	129,781
Scorpio Bulkers	SALT	\$3.46	\$3.99	-13.28%	\$19.56	\$1.84	\$8.34	414,117
Seenergy Maritime	SHIP	\$3.09	\$3.24	-4.63%	\$6.20	\$1.58	\$3.27	281,830
Star Bulk Carriers Corp	SBLK	\$4.54	\$5.07	-10.45%	\$11.55	\$1.80	\$3.08	137,002

TANKERS	Ticker	9/30/2016	9/23/2016	Change %	52 wk high	52 wk low	1/4/2016	3-Month Avg. Vol.
Ardmore Shipping Corp	ASC	\$7.04	\$7.06	-0.28%	\$14.79	\$6.60	\$12.33	421,394
Capital Product Partners LP	CPLP	\$3.26	\$3.26	0.00%	\$7.57	\$2.51	\$5.25	894,431
DHT Holdings Inc	DHT	\$4.19	\$4.17	0.48%	\$8.40	\$4.03	\$7.83	2,458,656
Euronav NV	EURN	\$7.63	\$8.22	-7.18%	\$16.02	\$7.43	N/A	673,452
Frontline Ltd/Bermuda	FRO	\$7.17	\$7.11	0.84%	\$16.65	\$6.85	\$14.65	1,215,137
Gener8 Maritime Inc	GNRT	\$5.12	\$5.02	1.99%	\$12.18	\$4.87	\$9.08	367,826
KNOT Offshore Partners	KNOP	\$20.89	\$19.41	7.62%	\$20.91	\$10.30	\$14.17	62,178
Navios Acquisition	NNA	\$1.35	\$1.36	-0.74%	\$3.85	\$1.20	\$2.83	678,090
Navios Midstream Partners	NAP	\$10.57	\$10.57	0.00%	\$14.97	\$6.77	\$11.32	92,414
Nordic American	NAT	\$10.11	\$10.85	-6.82%	\$16.79	\$9.94	\$15.14	1,666,792
Overseas Shipholding	OSG	\$10.57	\$11.31	-6.54%	\$18.03	\$10.19	\$16.20	370,759
Pyxis Tankers	PXS	\$2.88*	\$3.06	-5.89%	\$4.05	\$0.65	\$1.25	7,172
Scorpio Tankers Inc	STNG	\$4.63	\$4.87	-4.93%	\$10.16	\$4.08	\$7.62	3,038,135
Teekay Offshore Partners LP	TOO	\$6.32	\$5.54	14.08%	\$17.29	\$2.61	\$6.32	796,446
Teekay Tankers Ltd	TNK	\$2.53	\$2.52	0.40%	\$8.39	\$2.45	\$6.72	1,454,781
Top Ships	TOPS	\$3.48	\$3.40	2.35%	\$9.80	\$1.49	\$3.10	1,228,449
Tsakos Energy Navigation Ltd	TNP	\$4.82	\$5.02	-3.98%	\$9.61	\$4.49	\$7.66	579,484



# Capital Link Shipping Weekly Markets Report



Monday, October 3, 2016 (Week 39)

## CAPITAL MARKETS DATA

CONTAINERS	Ticker	9/30/2016	9/23/2016	Change %	52 wk high	52 wk low	1/4/2016	3-Month Avg. Vol.
Box Ships Inc	TEUFF	\$0.02	\$0.02	16.36%	\$0.57	\$0.01	\$0.16	4,249,444
Costamare Inc	CMRE	\$9.14	\$9.28	-1.51%	\$14.93	\$6.23	\$9.62	355,940
Danaos Corp	DAC	\$2.68	\$2.90	-7.72%	\$6.55	\$2.65	\$5.92	96,019
Diana Containerships Inc	DCIX	\$3.29	\$3.52	-6.53%	\$11.04	\$2.86	\$6.36	20,113
Global Ship Lease Inc	GSL	\$1.66	\$1.70	-2.35%	\$4.69	\$1.07	\$2.60	99,777
Seaspan Corp	SSW	\$13.33	\$13.94	-4.38%	\$19.59	\$13.19	\$15.48	374,795

LPG/LNG	Ticker	9/30/2016	9/23/2016	Change %	52 wk high	52 wk low	1/4/2016	3-Month Avg. Vol.
Dynagas LNG Partners	DLNG	\$15.48	\$15.36	0.78%	\$15.97	\$6.86	\$9.74	109,582
Dorian	LPG	\$6.00	\$5.75	4.35%	\$13.21	\$5.09	\$11.37	257,943
GasLog Ltd	GLOG	\$14.55	\$13.07	11.32%	\$14.84	\$5.78	\$8.77	537,740
Gaslog Partners	GLOP	\$21.79	\$20.09	8.46%	\$22.00	\$10.00	\$14.25	150,729
Golar LNG Ltd	GLNG	\$21.20	\$20.38	4.02%	\$33.48	\$10.04	\$17.07	1,652,309
Golar LNG Partners LP	GMLP	\$19.63	\$19.29	1.76%	\$20.43	\$8.66	\$13.14	274,085
Hoegh LNG Partners	HMLP	\$18.82	\$17.12	9.93%	\$19.23	\$12.55	\$18.18	12,905
Navigator Gas	NVGS	\$7.19	\$7.60	-5.39%	\$17.57	\$6.55	\$13.66	400,320
StealthGas Inc	GASS	\$3.47	\$3.50	-0.86%	\$5.05	\$2.49	\$3.43	29,354
Teekay LNG Partners LP	TGP	\$15.13	\$14.53	4.13%	\$26.92	\$8.77	\$13.78	389,838

MIXED FLEET	Ticker	9/30/2016	9/23/2016	Change %	52 wk high	52 wk low	1/4/2016	3-Month Avg. Vol.
Euroseas Ltd	ESEA	\$2.01	\$2.06	-2.43%	\$4.81	\$1.59	\$2.57	101,341
Ship Finance International	SFL	\$14.73	\$14.69	0.27%	\$17.69	\$10.31	\$16.23	643,723
Teekay Corp	TK	\$7.71	\$7.14	7.98%	\$35.55	\$4.92	\$10.18	1,688,361

MLPs	Ticker	9/30/2016	9/23/2016	Change %	52 wk high	52 wk low	1/4/2016	3-Month Avg. Vol.
Capital Product Partners	CPLP	\$3.26	\$3.26	0.00%	\$7.57	\$2.51	\$5.25	894,431
Dynagas LNG Partners	DLNG	\$15.48	\$15.36	0.78%	\$15.97	\$6.86	\$9.74	109,582
GasLog Partners	GLOP	\$21.79	\$20.09	8.46%	\$22.00	\$10.00	\$14.25	150,729
Golar LNG Partners LP	GMLP	\$19.63	\$19.29	1.76%	\$20.43	\$8.66	\$13.14	274,085
Hoegh LNG Partners	HMLP	\$18.82	\$17.12	9.93%	\$19.23	\$12.55	\$18.18	12,905
Knot Offshore Partners	KNOP	\$20.89	\$19.41	7.62%	\$20.91	\$10.30	\$14.17	62,178
Navios Maritime Midstream	NAP	\$10.57	\$10.57	0.00%	\$14.97	\$6.77	\$11.32	92,414
Navios Partners	NMM	\$1.39	\$1.47	-5.44%	\$8.75	\$0.80	\$3.07	333,921
Teekay Offshore	TOO	\$6.32	\$5.54	14.08%	\$17.29	\$2.61	\$6.32	796,446
Teekay LNG	TGP	\$15.13	\$14.53	4.13%	\$26.92	\$8.77	\$13.78	389,838

OFFSHORE DRILL RIGS	Ticker	9/30/2016	9/23/2016	Change %	52 wk high	52 wk low	1/4/2016	3-Month Avg. Vol.
Atwood Oceanics	ATW	\$8.69	\$6.85	26.86%	\$18.66	\$5.32	\$10.59	4,332,313
Diamond Offshore Drilling	DO	\$17.61	\$15.63	12.67%	\$26.11	\$14.80	\$21.85	3,373,934
EnSCO International	ESV	\$8.50	\$7.23	17.57%	\$18.34	\$6.64	\$15.89	8,760,930
Hercules Offshore	HEROQ	\$1.73	\$1.75	-1.14%	\$19.62	\$0.75	\$2.14	45,897
Noble Corp.	NE	\$6.34	\$5.42	16.97%	\$14.22	\$5.12	\$10.82	9,601,490
Ocean Rig UDW Inc	ORIG	\$0.84	\$0.77	8.79%	\$3.07	\$0.70	\$1.69	2,568,520
Pacific Drilling	PACD	\$4.06	\$3.56	14.04%	\$17.50	\$3.02	\$9.00	277,628
Rowan Companies	RDC	\$15.16	\$13.36	13.47%	\$20.90	\$11.23	\$17.09	3,750,082
Seadrill Ltd.	SDRL	\$2.37	\$2.03	16.75%	\$7.72	\$1.63	\$3.47	7,089,073
Transocean	RIG	\$10.66	\$9.10	17.14%	\$16.98	\$8.20	\$12.55	15,516,135
Vantage Drilling Company	VTGDF	\$0.01	\$0.01	17.28%	\$0.05	\$0.00	\$0.00	440,716



# Capital Link Shipping Weekly Markets Report



Monday, October 3, 2016 (Week 39)

OSLO-Listed Shipping Comps (currency in NOK)	Ticker	9/30/2016	9/23/2016	Change %	52 wk high	52 wk low	1/4/2016	3-Month Avg. Vol.
Golden Ocean	GOGL	\$32.60	\$35.70	-8.68%	\$109.16	\$21.30	\$44.01	231,846
Stolt-Nielsen Ltd.	SNI	\$104.00	\$108.50	-4.15%	\$122.00	\$79.50	\$105.00	25,309
Frontline Ltd.	FRO	\$57.55	\$60.00	-4.08%	\$144.65	\$56.15	FALSE	523,891
Jinhui Shpg. & Trans	JIN	\$4.78	\$5.03	-4.97%	\$9.99	\$4.60	\$7.30	92,870
Odfjell (Common A Share)	ODF	\$27.20	\$27.20	0.00%	\$33.40	\$22.10	\$28.20	7,013
American Shipping Co.	AMSC	\$25.30	\$24.90	1.61%	\$34.08	\$19.85	\$24.58	59,625
Hoegh LNG	HLNG	\$85.50	\$86.50	-1.16%	\$116.00	\$78.75	\$95.25	32,826

OFFSHORE SUPPLY	Ticker	9/30/2016	9/23/2016	Change %	52 wk high	52 wk low	1/4/2016	3-Month Avg. Vol.
Gulfmark Offshore	GLF	\$1.68	\$1.81	-7.18%	\$8.79	\$1.52	\$4.60	504,955
Hornback Offshore	HOS	\$5.50	\$4.66	18.03%	\$17.10	\$4.56	\$10.12	1,108,170
Nordic American Offshore	NAO	\$3.75	\$3.62	3.59%	\$7.30	\$3.50	\$5.26	61,017
Tidewater	TDW	\$2.82	\$2.43	16.05%	\$17.63	\$2.42	\$7.33	1,659,330
Seacor Holdings	CKH	\$59.49	\$55.97	6.29%	\$66.64	\$42.35	\$52.71	125,656

As of 9/29/2016





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

#### **SHIPPING EQUITIES OUTPERFORMED THE BROADER MARKET**

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, up 3.45%, compared to the S&P 500 rising 0.17%, Nasdaq growing 0.12%, and Dow Jones Industrial Average (DJII) increasing 0.26%.

LNG/LPG stocks were the best performers during last week, with Capital Link LNG/LPG Index rising 5.03%, followed by Capital Link MLP Index up 4.97%. Dry Bulk equities were the least performer during last week, with Capital Link Dry Bulk Index declining 4.99%.

During last week, Dry Bulk shipping stocks outperformed the physical market, with Baltic Dry Index (BDI) decreasing 7.01%, compared to the Capital Link Dry Bulk Index down 4.99%.

During last week, Baltic Dirty Tanker Index (BDTI) grew 2.29%, and Baltic Clean Tanker Index (BCTI) diminished 6.88%, compared to Capital Link Tanker Index increasing 0.92%.

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 2, 2005, thereby providing investors with historical performance.

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

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

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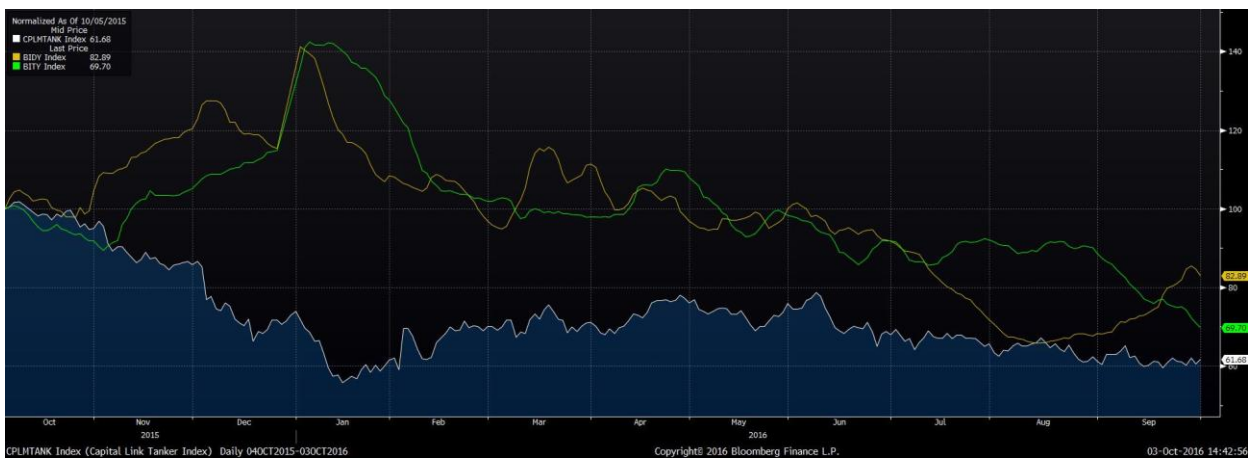
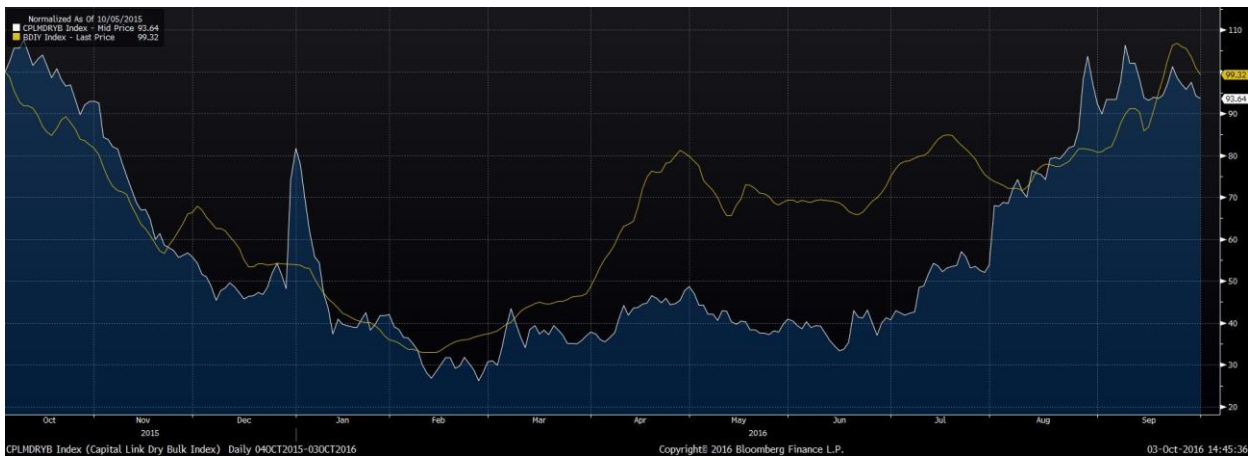
# Capital Link Shipping Weekly Markets Report



Monday, October 3, 2016 (Week 39)

## CAPITAL MARKETS DATA

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



\*SOURCE: BLOOMBERG



# Capital Link Shipping Weekly Markets Report



Monday, October 3, 2016 (Week 39)

## SHIPPING MARKETS

### Global Shipping Company Bond Data

Segment	Issuer	Coupon	Principle Balance		Class ID	Security	Maturity	Moody	S&P	As of September 30, 2016			
			(\$MM)	Symbol						Price	YTW	YTM	Ask Price
Barge	Ultrapetrol (Bahamas) Limited	8.88%	\$225.0	ULTR	90400XAF1	Senior Unsecured	2021	Caa3	NA	\$20.00	64.01%	64.01%	\$20.00
Barge	Navios Maritime Holdings Inc. (South America)	7.25%	\$375.0	NM	63938NAE4	Senior Unsecured	2022	B2	B-	\$76.00	13.49%	13.49%	\$76.00
Container	CMA CGM S.A.	8.75%	\$332.4	05KTT8-E	XS1005207961	Senior Unsecured	2018	B3	CCC+	\$93.16	12.76%	12.33%	NA
Container	CMA CGM S.A.	7.75%	\$61.5	05KTT8-E	XS1244804859	Senior Unsecured	2021	B3	CCC+	\$76.75	15.27%	15.32%	NA
Container	Hapag-Lloyd AG	9.75%	\$125.0	441036	41135QAA2	Senior Unsecured	2017	Caa1	B-	\$99.00	10.78%	10.78%	\$99.00
Container	Hapag-Lloyd AG	7.75%	\$445.7	441036	BF49P02	Senior Unsecured	2018	Caa1	B-	\$101.56	7.12%	6.91%	NA
Container	Hapag-Lloyd AG	7.50%	\$280.7	441036	BSBMKY4	Senior Unsecured	2019	Caa1	B-	\$102.26	6.81%	6.66%	NA
Container	Seaspac Corporation	6.38%	\$345.0	SSW	US81254U2050	Senior Unsecured	2019	NA	NA	\$25.43	6.14%	6.14%	\$25.43
Container	Global Ship Lease, Inc. Class A	10.00%	\$393.0	GSL	US37953TAA34	Senior Secured	2019	B3	B	\$91.25	14.27%	14.27%	\$91.25
Container	A.P. Moller - Maersk A/S Class B	1.75%	\$1,123.0	MAERSK.B-CSE	XS1381693248	Senior Unsecured	2021	Baa1	BBB+	\$105.02	0.64%	0.61%	NA
Container	A.P. Moller - Maersk A/S Class B	3.38%	\$842.2	MAERSK.B-CSE	XS0821175717	Senior Unsecured	2019	Baa1	BBB+	\$109.42	0.17%	0.13%	NA
Dredging	Great Lakes Dredge & Dock Corporation	7.38%	\$250.0	GLDD	390607AB5	Senior Unsecured	2019	Caa1	B-	\$98.00	8.33%	8.33%	\$98.00
Dry Bulk	Navios Maritime Holdings Inc.	8.13%	\$350.0	NM	63938AF2	Senior Unsecured	2019	Caa2	B-	\$54.00	39.72%	39.72%	\$54.00
Dry Bulk	Navios Maritime Holdings Inc.	7.38%	\$650.0	NM	USY82198AD53	Senior Secured	2022	Caa2	B-	\$48.50	25.64%	25.64%	\$48.50
Dry Bulk	Scorpio Bulkers, Inc.	7.50%	\$73.6	SALT	MHY7546A1148	Senior Unsecured	2019	NA	NA	\$21.25	14.11%	14.11%	\$21.25
Dry Bulk	Star Bulk Carriers Corp.	8.00%	\$50.0	SBLK	MHY8162K1394	Senior Unsecured	2019	NA	NA	\$21.49	14.25%	14.25%	\$21.49
Dry Bulk	Diana Shipping Inc.	8.50%	\$63.3	DSX	MHY2066G1200	Senior Unsecured	2020	NA	NA	\$21.66	13.81%	13.81%	\$21.66
LNG	Dynagas LNG Partners LP	6.25%	\$250.0	DLNG	26780TAA5	Senior Unsecured	2019	NA	NA	\$92.75	9.06%	9.06%	\$92.75
LNG	Golar LNG Limited	3.75%	\$250.0	GLNG	NO0010637846	Senior Conv.	2017	NA	NA	\$98.32	NA	NA	NA
LNG	Golar LNG Partners LP	6.18%	\$161.8	GMLP	NO0010661358	Senior Unsecured	2017	NA	NA	\$99.25	NA	7.32%	NA
LPG	BW LPG Ltd.	1.75%	\$250.0	BWLPG-NO	G17466AA4	Senior Conv.	2019	NA	NA	\$87.80	NA	NA	NA
LPG	Navigator Holdings Ltd.	9.00%	\$125.0	NVGS	Y62132AB4	Senior Unsecured	2017	NA	NA	\$99.76	9.64%	9.19%	NA
Offshore Services	Drill Rigs Holding, Inc.	6.50%	\$800.0	00CS7X-E	262049AA7	Senior Secured	2017	Caa3	CCC-	\$31.00	173.54%	173.54%	\$31.00
Offshore Services	Diamond Offshore Drilling, Inc.	4.88%	\$750.0	DO	25271CAN2	Senior Unsecured	2043	Ba2	BBB	\$69.51	7.53%	7.53%	\$69.51
Offshore Services	Golden Close Maritime Corp	9.00%	\$400.0	NA	G4026XAC6	Senior Unsecured	2019	NA	NA	\$30.50	73.37%	64.03%	NA
Offshore Services	Golden Ocean Group Ltd	3.07%	\$200.0	GOGL	NO0010701055	Senior Conv.	2019	NA	NA	\$70.00	NA	NA	NA
Offshore Services	GulfMark Offshore, Inc. Class A	6.38%	\$500.0	GLF	402629AG4	Senior Unsecured	2022	Ca	CCC+	\$41.50	27.81%	27.81%	\$41.50
Offshore Services	Hornbeck Offshore Services, Inc.	1.50%	\$260.0	HOS	440543AN6	Senior Conv.	2019	NA	B-	\$56.88	22.35%	22.35%	\$56.88
Offshore Services	Hornbeck Offshore Services, Inc.	5.88%	\$375.0	HOS	440543AL0	Senior Unsecured	2020	Caa1	B-	\$61.25	22.41%	22.41%	\$61.25
Offshore Services	Hornbeck Offshore Services, Inc.	5.00%	\$450.0	HOS	440543AQ9	Senior Unsecured	2021	Caa1	B-	\$57.00	20.13%	20.13%	\$57.00
Offshore Services	Ocean Rig UDW Inc	7.25%	\$500.0	ORIG	67500PAA6	Senior Unsecured	2019	Ca	CC	\$30.00	70.43%	70.43%	\$30.00
Offshore Services	Pacific Drilling S.A.	7.25%	\$500.0	PACD	694184AA0	Senior Secured	2017	Caa3	B-	\$37.50	118.35%	118.35%	\$37.50
Offshore Services	Pacific Drilling S.A.	5.38%	\$750.0	PACD	694198AA3	Senior Unsecured	2020	Caa2	B-	\$28.00	50.01%	50.01%	\$28.00
Offshore Services	SEACOR Holdings Inc.	2.50%	\$350.0	CKH	811904AM3	Senior Conv.	2027	NA	B	\$100.13	2.49%	2.49%	\$100.13
Offshore Services	SEACOR Holdings Inc.	3.00%	\$230.0	CKH	81170YAB5	Senior Conv.	2028	NA	B	\$81.00	5.12%	5.12%	\$81.00
Offshore Services	SEACOR Holdings Inc.	7.38%	\$250.0	CKH	811904AK7	Senior Unsecured	2019	Caa1	B	\$99.50	7.56%	7.56%	\$99.50
Tanker	Teekay Offshore Partners L.P.	6.00%	\$275.0	TOO	87901BAA0	Senior Unsecured	2019	NA	NA	\$82.50	13.76%	13.76%	\$82.50
Other	Aegean Marine Petroleum Network Inc.	4.00%	\$128.3	ANW	Y0020QAA9	Senior Conv.	2018	NA	NA	\$98.69	4.66%	4.66%	\$98.69
Tanker	BW Group Limited	6.63%	\$193.9	BWLPG-NO	05604EAA6	Senior Secured	2017	Ba1	BB	\$101.50	4.55%	4.55%	\$101.50
Tanker	Navios Maritime Acquisition Corporation	8.13%	\$610.0	NNA	63938MAD8	Senior Secured	2021	B2	B+	\$73.50	15.86%	15.86%	\$73.50
Tanker	DHT Holdings, Inc.	4.50%	\$150.0	DHT	US23335SAA42	Senior Conv.	2019	NA	NA	\$88.13	9.10%	9.10%	\$88.13
Tanker	Eletson Holdings, Inc.	9.63%	\$300.0	06TRYQ-E	28620QAA1	Senior Secured	2022	B2	B+	\$72.00	18.02%	18.02%	\$72.00
Tanker	Windsor Petroleum Transport Corporation	7.84%	\$154.9	NA	973735AY9	Senior Secured	2021	NA	NA	\$84.50	NA	NA	\$84.50
Tanker	Ridgebury Tankers	7.63%	\$180.0	NA	Y7287PAA4	Senior Secured	2017	NA	NA	\$100.75	5.99%	5.99%	\$100.75
Tanker	Ship Finance International Limited	3.25%	\$350.0	SFL	USG81075AE63	Senior Conv.	2018	NA	NA	\$105.75	(3.46%)	(1.01%)	\$105.75
Tanker	Stena AB	6.13%	\$338.9	FDSA9813	W8758PAG1	Senior Unsecured	2017	B3	BB-	\$101.38	NA	2.01%	NA
Tanker	Stena AB	5.88%	\$114.5	FDSA9813	858577AQ2	Senior Unsecured	2019	B3	BB-	\$104.24	4.51%	3.95%	NA
Tanker	Stena AB	7.00%	\$600.0	FDSA9813	858577AR0	Senior Unsecured	2024	B2	BB-	\$82.50	10.47%	10.47%	\$82.50
Tanker	Scorpio Tankers Inc.	2.38%	\$360.0	STNG	80918TAA7	Senior Conv.	2019	NA	NA	\$79.69	11.13%	11.13%	\$79.69
Tanker	Scorpio Tankers Inc.	6.75%	\$53.8	STNG	80918T109	Senior Unsecured	2020	NA	NA	\$24.10	8.25%	8.25%	\$24.10
Tanker	Scorpio Tankers Inc.	7.50%	\$51.8	STNG	Y7542C114	Senior Unsecured	2017	NA	NA	\$25.40	5.61%	5.61%	\$25.40
Tanker	Teekay Corporation	8.50%	\$450.0	TK	87900YAA1	Senior Unsecured	2020	B3	B+	\$86.50	13.72%	13.72%	\$86.50

Source: FactSet

Contributed by Stifel Nicolaus & Co, Inc.





### Weekly Market Report

#### Market Analysis

OPEC recent accord to shut off more than 6 percent of its production this past week has been met with mixed feeling amongst traders. As we moved closer to the day of the meeting it seems that the oil bulls were running rampant, driving prices for crude to levels that top just above the US\$ 50 per barrel mark. The great paradox however was to be seen just moments after the much anticipated announcement of a cut in production, at which point we started to see prices ease off slowly as many started to slowly voice concerns as to the impact this agreement would really have on the market and more specifically if it would actually be able to alter the oil imbalance now faced. The truth of the matter is that we were seeing record production figures up until recently and an only 6 percent cut in OPEC's contribution does not sound like a lot being done, especially given the increased capacities expected to continue to be seen out of Iran and Libya. At the same time, this decision comes at a point where U.S. shale producers have started to greater vigour and have managed to push their output even at this year's low crude oil prices. What's stopping them from increasing production further to the extent of covering any gap left behind by OPEC members.

All this has at the moment left few convinced that there will be a real turn around in the market over the coming months. It is no surprise therefore that we hearing officials from Russia saying that they plan to stick to a budget that assumes oil averages at a price of around US\$ 40 a barrel. That also seems to be the consensus amongst most major investment banks which see the commodity struggling to hold firmly at prices above that level for long periods of time. On top of all of this many even see the agreement amongst OPEC members as little more than "hot air", voicing concerns as to its effectiveness given the fact that as an organisation it has often failed to meet targets, especially those that relate to curbing production output.

It seems as though the "cat has been let out of the bag" and it's proving an ever more difficult case to get it back in. It has been more than 22 months since the original decision to fully open the production taps and producing nations have already shifted in some way or another in order to face the new reality this has brought along with it. It has also shown how the Saudis have underestimated the resilience of the high prices producers (and in particular that of U.S. shale oil) having managed to price cut out of the market only a small fraction. Let's not forget that the main purpose of their original strategy was to gain market share and eliminate some of the competition in order to end up with bigger control over the market. The only production projects that have truly been hit by the drop in prices has been the deep water offshore projects, most of which found the new price reality unbearable.

There is still a lot at play here, but for now it looks as though we are still set to remain hovering around these most recent price levels for the medium term. For most in shipping this can be seen as good news, helping keep bunker costs on the lower end of the spectrum and allowing a healthier demand level for the transportation of crude oil for the large tankers. There are however some, notably those with the more modern eco-ships which would have hoped for slightly higher increases in oil prices, something that would surely help to make these more economical ships more competitive in the market and possibly even create a greater push for older vessels to be scrapped sooner rather than later.

Contributed by

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#### Dry Bulk Freight Market

	30 Sep		W-O-W change	
			±Δ	±%
BDI	875		-66	-7.0%
BCI	2,008		-375	-15.7%
BPI	726		4	0.6%
BSI	679		8	1.2%
BHSI	421		0	0.0%

#### Tanker Freight Market

	30 Sep		W-O-W change	
			±Δ	±%
BDTI	625		14	2.3%
BCTI	352		-26	-6.9%

#### Newbuilding Market

Aggregate Price Index	30 Sep		M-O-M change	
			±Δ	±%
Bulkers	73		0	0.0%
Cont	97		0	0.0%
Tankers	91		-1	-1.3%
Gas	96		0	0.0%

#### Secondhand Market

Aggregate Price Index	30 Sep		M-O-M change	
			±Δ	±%
Capesize	39		0	0.0%
Panamax	37		0	0.0%
Supramax	41		1	1.5%
Handysize	43		0	0.0%
VLCC	84		0	0.0%
Suezmax	82		-1	-1.3%
Aframax	97		-1	-0.8%
MR	105		0	0.0%

#### Demolition Market

Avg Price Index (main 5 regions)	30 Sep		W-O-W change	
			±Δ	±%
Dry	255		-1	-0.4%
Wet	270		-1	-0.4%



### Dry Bulkers – Spot Market

**Capesize** – With the Chinese holidays closing in, the market started to show early signs of weakening, with fresh interest wearing thin and leaving the extra supply of vessels once more exposed to the mercy of charterers. Rates took a steep dive during the later part of the week across the board, with the Atlantic quickly following suite with the softening Pacific basin as owners found it hard to keep further freight rate drops from materializing.

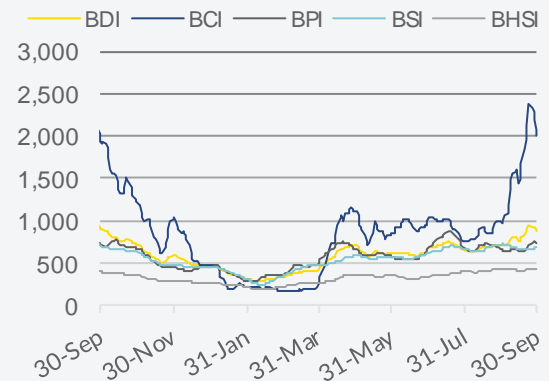
**Panamax** - There was a slight impact here as well from the softer activity in the Far East, though it seemed to have been more contained to just the Pacific basin. The Atlantic RVs managed to uphold a positive momentum though there have been some signs of fresh cargoes easing which could leave things exposed over the coming days.

**Supramax** - Activity overall seemed to be on the lower end this past week, though given the better position lists we were able to close off the week with some slight gains especially in the Med and Continent regions. Things look to be on the downward trend here as well though and it is likely that we will see some slightly softer numbers on most routes over the next couple of days.

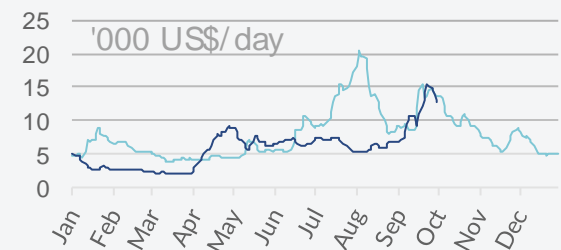
**Handysize** - Not much shifts overall in the Handysize segment, with most of the gains being noted from the firm activity seen in the North Atlantic eaten away by the slightly softer trends seen in the Pacific. There is considerable pressure being seen in the ECSA region which could dampen things further over the coming days, though the hope is things will be countered by activity in the Med and Continent.

Spot market rates & indices				Average	
	30 Sep	23 Sep	±%	2016	2015
<b>Baltic Dry Index</b>					
BDI	875	941	-7.0%	571	711
<b>Capesize</b>					
BCI	2,008	2,383	-15.7%	766	1,009
BCI 5TC	\$ 12,710	\$ 15,202	-16.4%	\$ 5,854	\$ 8,001
ATLANTIC RV	\$ 13,605	\$ 15,500	-12.2%	\$ 5,621	\$ 8,206
Cont / FEast	\$ 19,309	\$ 21,636	-10.8%	\$ 12,025	\$ 16,387
PACIFIC RV	\$ 11,825	\$ 15,646	-24.4%	\$ 5,686	\$ 7,394
FEast / ECSA	\$ 11,977	\$ 14,141	-15.3%	\$ 6,153	\$ 8,353
<b>Panamax</b>					
BPI	726	722	0.6%	573	690
BPI - TCA	\$ 5,815	\$ 5,790	0.4%	\$ 4,585	\$ 5,513
ATLANTIC RV	\$ 5,345	\$ 5,250	1.8%	\$ 4,610	\$ 5,925
Cont / FEast	\$ 10,783	\$ 10,704	0.7%	\$ 8,570	\$ 10,563
PACIFIC RV	\$ 6,078	\$ 6,135	-0.9%	\$ 4,482	\$ 5,021
FEast / Cont	\$ 1,053	\$ 1,072	-1.8%	\$ 677	\$ 542
<b>Supramax</b>					
BSI	679	671	1.2%	534	662
BSI - TCA	\$ 7,102	\$ 7,019	1.2%	\$ 5,582	\$ 6,919
Cont / FEast	\$ 10,417	\$ 10,533	-1.1%	\$ 8,773	\$ 9,890
Med / Feast	\$ 11,029	\$ 10,114	9.0%	\$ 8,395	\$ 9,274
PACIFIC RV	\$ 6,358	\$ 6,504	-2.2%	\$ 4,988	\$ 5,989
FEast / Cont	\$ 4,355	\$ 4,306	1.1%	\$ 2,970	\$ 4,794
USG / Skaw	\$ 8,466	\$ 8,788	-3.7%	\$ 8,317	\$ 10,915
Skaw / USG	\$ 5,475	\$ 5,093	7.5%	\$ 3,256	\$ 3,705
<b>Handysize</b>					
BHSI	421	421	0.0%	322	364
BHSI - TCA	\$ 6,094	\$ 6,094	0.0%	\$ 4,682	\$ 5,354
Skaw / Rio	\$ 5,885	\$ 5,845	0.7%	\$ 3,877	\$ 3,770
Skaw / Boston	\$ 5,729	\$ 5,708	0.4%	\$ 4,172	\$ 4,057
Rio / Skaw	\$ 5,550	\$ 5,628	-1.4%	\$ 5,923	\$ 8,526
USG / Skaw	\$ 6,121	\$ 6,093	0.5%	\$ 6,040	\$ 7,200
SEAsia / Aus / Jap	\$ 6,021	\$ 6,004	0.3%	\$ 3,902	\$ 4,211
PACIFIC RV	\$ 6,711	\$ 6,736	-0.4%	\$ 4,819	\$ 5,429

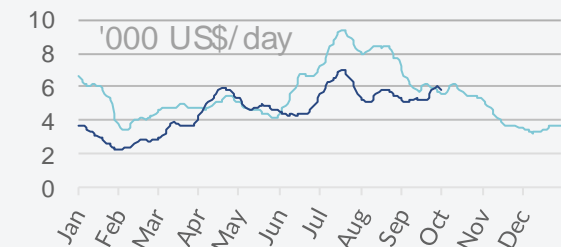
Dry Bulk Indices



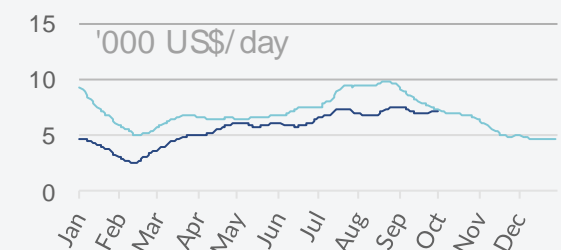
BCI Average TCE



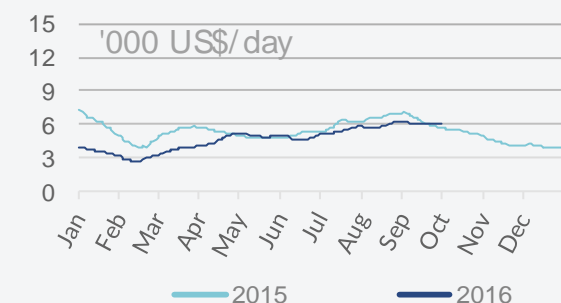
BPI Average TCE



BSI Average TCE



BHSI Average TCE





# Capital Link Shipping Weekly Markets Report



Monday, October 3, 2016 (Week 39)

## SHIPPING MARKETS

### Tankers – Spot Market

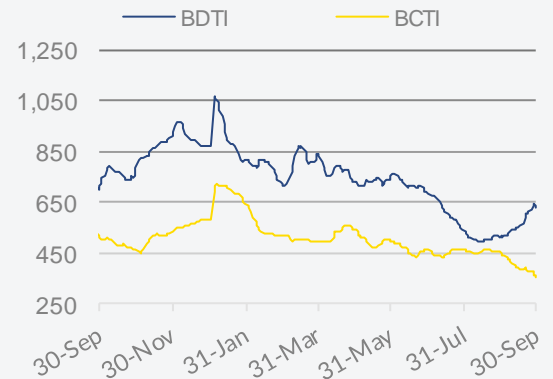
**Crude Oil Carriers** - An encouraging week for the large VLs with activity and rates on the up as demand on both westbound and eastbound voyages helped kick things into gear and clear out some of the excess tonnage that had amassed. There was some slight disappointment and worries however and mid week we started to see things turn sour in the WAF region, leading rates for Suezmaxes to trend downwards. Aframaxes were holding a fairly mixed picture, with the North Sea/Baltic managed to keep on a strong positive course and seeing interest keep firm, while there was some slight weakening to be noted in the Caribs and MEG, mainly due to the excess tonnage available there.

**Oil Products** - Not much to be happy about right now in the product tankers range with all main routes of both DPP and CPP cargoes noting a downward correction. Things seemed more so difficult for the CPP trades were we witnessed some strong downward corrections on Far East voyages and charterers interest in the USAC was wearing thin.

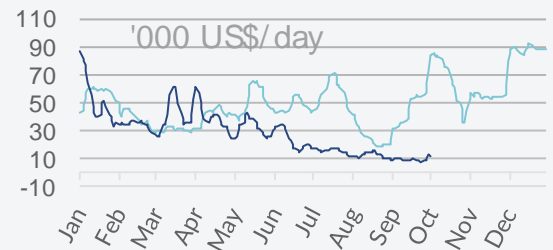
#### Spot market rates & indices

		30 Sep	23 Sep	±%	Average	
					2016	2015
<b>Baltic Tanker Indices</b>						
	BDTI	625	611	2.3%	713	820
	BCTI	352	378	-6.9%	502	637
<b>VLCC</b>						
MEG-USG	WS	24.58	22.27	10.4%	33.65	36.36
	\$/day	\$ 4,273	\$ 1,862	129.5%	\$ 17,760	\$ 31,968
MEG-SPORE	WS	40.12	33.27	20.6%	56.79	64.43
	\$/day	\$ 36,745	\$ 30,045	22.3%	\$ 52,274	\$ 61,629
MEG-JAPAN	WS	38.85	32.46	19.7%	55.40	63.09
	\$/day	\$ 19,857	\$ 13,567	46.4%	\$ 39,956	\$ 68,288
WAF-USG	WS	52.50	45.00	16.7%	63.12	72.72
	\$/day	\$ 60,870	\$ 49,771	22.3%	\$ 80,058	\$ 76,589
<b>SUEZMAX</b>						
WAF-USAC	WS	85.00	105.00	-19.0%	69.10	81.13
	\$/day	\$ 50,196	\$ 65,358	-23.2%	\$ 40,601	\$ 46,404
BSEA-MED	WS	100.10	103.45	-3.2%	80.32	91.34
	\$/day	\$ 33,119	\$ 35,521	-6.8%	\$ 23,539	\$ 46,346
<b>AFRAMAX</b>						
NSEA-CONT	WS	116.67	93.61	24.6%	101.68	111.01
	\$/day	\$ 34,091	\$ 15,557	119.1%	\$ 21,478	\$ 37,053
MEG-SPORE	WS	65.00	65.67	-1.0%	101.25	112.26
	\$/day	\$ 5,272	\$ 5,565	-5.3%	\$ 18,542	\$ 31,406
CARIBS-USG	WS	75.00	85.56	-12.3%	102.62	133.63
	\$/day	\$ 4,507	\$ 8,191	-45.0%	\$ 15,791	\$ 37,962
BALTIK-UKC	WS	93.89	66.67	40.8%	78.30	92.57
	\$/day	\$ 29,887	\$ 14,355	108.2%	\$ 23,153	\$ 43,406
<b>DPP</b>						
CARIBS-USAC	WS	82.50	82.50	0.0%	110.06	138.77
	\$/day	\$ 13,152	\$ 13,238	-0.6%	\$ 23,713	\$ 30,727
ARA-USG	WS	80.31	82.81	-3.0%	102.46	122.73
	\$/day	\$ 12,897	\$ 14,875	-13.3%	\$ 24,853	\$ 30,281
SEASIA-AUS	WS	66.13	67.69	-2.3%	100.08	110.54
	\$/day	\$ 7,902	\$ 8,498	-7.0%	\$ 21,333	\$ 35,804
MED-MED	WS	89.89	100.44	-10.5%	93.79	108.70
	\$/day	\$ 12,367	\$ 16,775	-26.3%	\$ 16,187	\$ 35,902
<b>CPP</b>						
MEG-JAPAN	WS	54.69	64.38	-15.1%	96.22	105.50
	\$/day	\$ 3,778	\$ 6,515	-42.0%	\$ 17,302	\$ 28,796
CONT-USAC	WS	74.25	80.00	-7.2%	104.83	134.68
	\$/day	\$ 2,565	\$ 3,731	-31.3%	\$ 9,099	\$ 18,755
CARIBS-USAC	WS	85.00	100.00	-15.0%	116.52	134.05
	\$/day	\$ 10,320	\$ 14,105	-26.8%	\$ 19,289	\$ 22,099
USG-CONT	WS	63.21	75.00	-15.7%	81.00	96.47
	\$/day	\$ 1,075	\$ 3,217	-66.6%	\$ 5,461	\$ 12,481

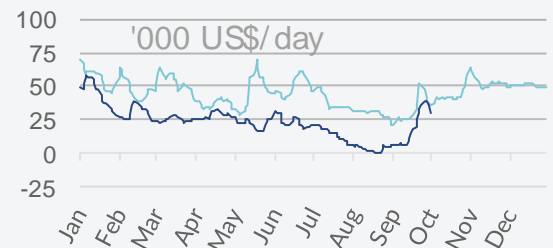
#### Tanker Indices



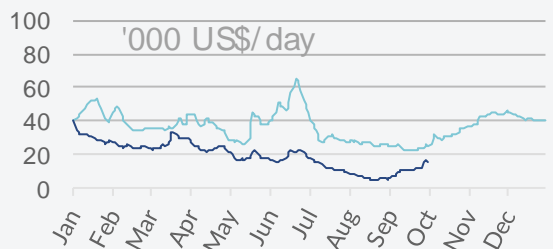
#### VLCC Average TCE



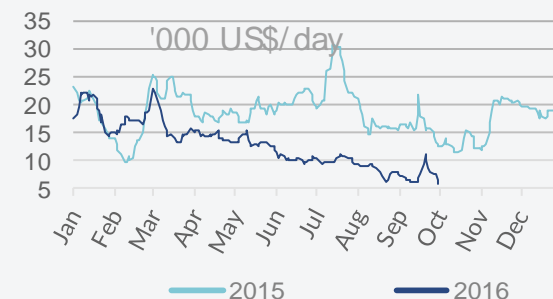
#### Suezmax Average TCE



#### Aframax Average TCE



#### MR Average TCE





# Capital Link Shipping Weekly Markets Report



Monday, October 3, 2016 (Week 39)

## SHIPPING MARKETS

### Period Charter Market

	Dry Bulk period market TC rates			last 5 years		
	30 Sep	26 Aug	±%	Min	Avg	Max
<b>Capesize</b>						
12 months	\$ 9,000	\$ 8,750	2.9%	\$ 6,200	\$ 14,763	\$ 31,450
36 months	\$ 11,000	\$ 11,000	0.0%	\$ 6,950	\$ 15,449	\$ 25,200
<b>Panamax</b>						
12 months	\$ 7,000	\$ 6,500	7.7%	\$ 4,950	\$ 10,324	\$ 18,700
36 months	\$ 7,500	\$ 7,250	3.4%	\$ 6,200	\$ 10,878	\$ 16,700
<b>Supramax</b>						
12 months	\$ 7,000	\$ 7,000	0.0%	\$ 4,450	\$ 10,199	\$ 15,950
36 months	\$ 6,500	\$ 6,500	0.0%	\$ 6,200	\$ 10,478	\$ 15,450
<b>Handysize</b>						
12 months	\$ 5,500	\$ 6,000	-8.3%	\$ 4,450	\$ 8,423	\$ 12,950
36 months	\$ 5,750	\$ 5,750	0.0%	\$ 5,450	\$ 8,954	\$ 12,950

#### Latest indicative Dry Bulk Period Fixtures

M/V "SUNNY ETERNITY", 77211 dwt, built 2014, dely Hong Kong prompt, \$7,000, for 4/6 months trading, Cargill relet, to Phaethon

M/V "RED GARDENIA", 76294 dwt, built 2005, dely retro CJK 23 Sept, \$7,000, for 4/6 months trading, to Cobelfret

M/V "IONIC", 58468 dwt, built 2013, dely Damietta 01/05 Oct, \$9,300, for min 3/ max 6 months trading, to Cargill

M/V "QING YUN SHAN", 63442 dwt, built 2015, dely US Gulf prompt about, 10,000, for 3/5 months trading, to Chart Not Rep

M/V "YI LONG SHAN", 56637 dwt, built 2013, dely US Gulf 03 Oct/04 Nov, \$8,500, for min 3/ about 5 months trading, to PGSC

	Tanker period market TC rates			last 5 years		
	30 Sep	26 Aug	±%	Min	Avg	Max
<b>VLCC</b>						
12 months	\$ 26,500	\$ 28,750	-7.8%	\$ 18,000	\$ 30,159	\$ 57,750
36 months	\$ 27,000	\$ 29,750	-9.2%	\$ 22,000	\$ 31,563	\$ 45,000
<b>Suezmax</b>						
12 months	\$ 21,250	\$ 23,000	-7.6%	\$ 15,250	\$ 23,267	\$ 42,500
36 months	\$ 22,750	\$ 23,750	-4.2%	\$ 17,000	\$ 24,548	\$ 35,000
<b>Aframax</b>						
12 months	\$ 16,000	\$ 18,000	-11.1%	\$ 13,000	\$ 18,152	\$ 30,000
36 months	\$ 17,250	\$ 18,750	-8.0%	\$ 14,750	\$ 19,026	\$ 27,000
<b>MR</b>						
12 months	\$ 13,000	\$ 13,750	-5.5%	\$ 12,500	\$ 14,969	\$ 21,000
36 months	\$ 14,250	\$ 14,500	-1.7%	\$ 14,000	\$ 15,271	\$ 18,250

#### Latest indicative Tanker Period Fixtures

M/T "OLYMPIC LEOPARD", 320000 dwt, built 2010, \$30,250, for 1 year trading, to PETROBRAS

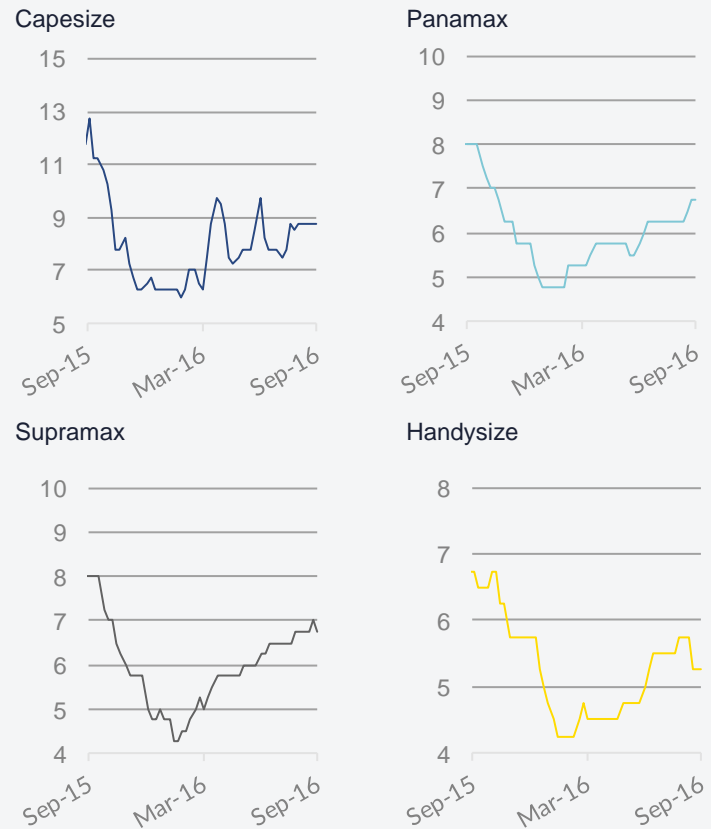
M/T "AMORE MIO II", 160000 dwt, built 2001, \$21,000, for 9 months trading, to CAPITAL MARITIME

M/T "EMERALD SPIRIT", 110000 dwt, built 2009, \$17,500, for 12/18 months trading, to PBF

M/T "JO PINIARI", 75000 dwt, built 2012, \$14,250, for 1 year trading, to VITOL

M/T "FS SINCERITY", 48000 dwt, built 2009, \$12,250, for 1 year trading, to MENA ENERGY

#### Dry Bulk 12 month period charter rates (USD '000/day)



#### Tanker 12 month period charter rates (USD '000/day)





# Capital Link Shipping Weekly Markets Report



Monday, October 3, 2016 (Week 39)

## SHIPPING MARKETS

### Secondhand Asset Values

On the dry bulk side, a fair bust of activity noted this week though with prices still holding in line and keeping steady as she goes. As it seems the unimpressive movements noted in the freight market and the fear of softer days to come in terms of earnings leads most buyers to hold off any excesses in terms of offered prices. There is also expectation that we may well see buying interest shift as well, moving towards age groups that have seen a slower hike in prices over the past couple of months.

On the tanker side, slightly better activity levels were to be seen this week. Activity however is still firmly tied to the product tanker ranges, despite the equally poor performance trends noted in their freight rates over the past two months. Things are a bit more difficult for the larger crude oil carriers, with the recent OPEC stirs bringing back fear that any production cut could soften demand levels if crude oil prices rise too high too quickly.

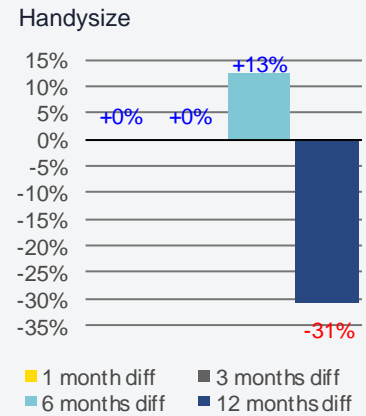
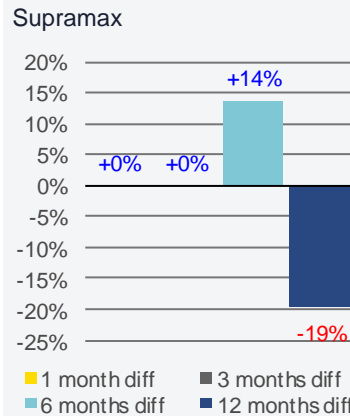
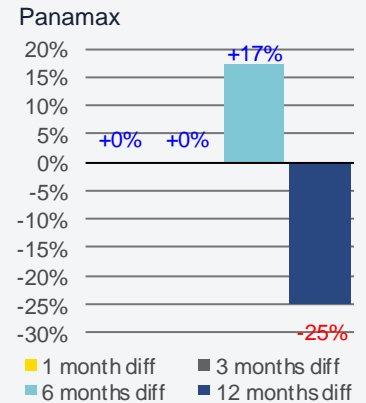
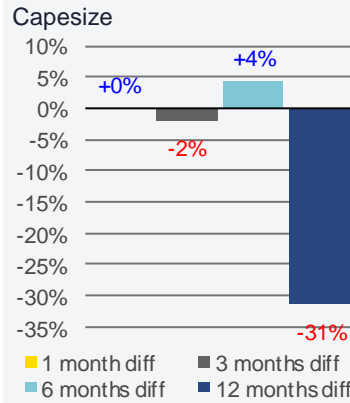
Indicative Dry Bulk Values (US\$ million)

		30 Sep	26 Aug	±%	last 5 years		
					Min	Avg	Max
<b>Capesize</b>							
180k dwt	Resale	36.0	36.0	0.0%	34.5	47.7	65.0
170k dwt	5 year old	24.0	24.0	0.0%	23.0	36.4	53.0
170k dwt	10 year old	14.0	14.0	0.0%	12.0	24.8	39.0
150k dwt	15 year old	8.0	8.0	0.0%	6.5	15.0	25.0
<b>Panamax</b>							
82k dwt	Resale	24.5	24.5	0.0%	22.5	30.4	43.0
76k dwt	5 year old	13.5	13.5	0.0%	11.5	21.7	36.8
76k dwt	10 year old	8.0	8.0	0.0%	7.3	15.9	29.3
74k dwt	15 year old	4.5	4.5	0.0%	3.5	10.4	22.0
<b>Supramax</b>							
62k dwt	Resale	20.5	20.5	0.0%	19.0	28.2	36.8
58k dwt	5 year old	12.5	12.5	0.0%	11.0	20.8	30.5
52k dwt	10 year old	8.5	8.0	6.3%	6.0	15.0	24.3
52k dwt	15 year old	4.0	4.0	0.0%	3.5	9.9	19.0
<b>Handysize</b>							
37k dwt	Resale	17.0	17.0	0.0%	17.0	22.8	30.0
32k dwt	5 year old	9.0	9.0	0.0%	7.8	16.9	25.5
32k dwt	10 year old	6.5	6.5	0.0%	6.0	12.6	19.5
28k dwt	15 year old	3.8	3.8	0.0%	3.5	8.5	14.5

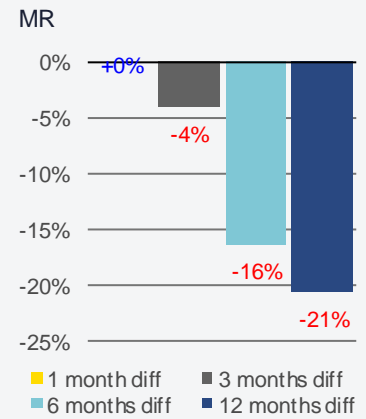
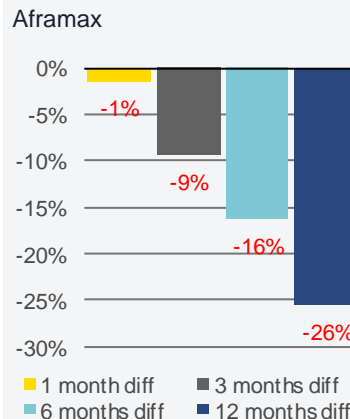
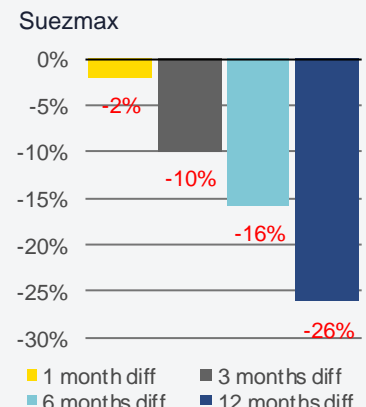
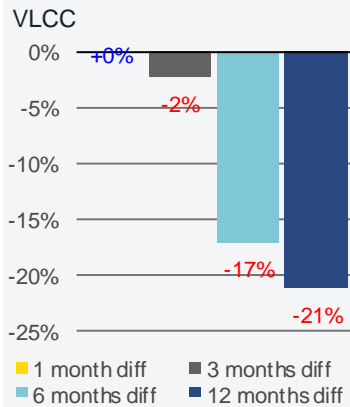
Indicative Tanker Values (US\$ million)

		30 Sep	26 Aug	±%	last 5 years		
					Min	Avg	Max
<b>VLCC</b>							
310k dwt	Resale	86.0	86.0	0.0%	80.0	94.8	108.5
310k dwt	5 year old	63.0	63.0	0.0%	55.0	70.0	87.0
250k dwt	10 year old	42.0	42.0	0.0%	33.8	46.4	62.0
250k dwt	15 year old	27.0	27.0	0.0%	16.9	27.6	41.0
<b>Suezmax</b>							
160k dwt	Resale	58.0	59.0	-1.7%	53.0	63.9	73.0
150k dwt	5 year old	45.0	46.0	-2.2%	38.0	50.0	62.0
150k dwt	10 year old	32.5	33.0	-1.5%	24.0	34.1	44.5
150k dwt	15 year old	23.0	23.0	0.0%	14.0	19.1	23.3
<b>Aframax</b>							
110k dwt	Resale	48.0	49.0	-2.0%	39.0	48.9	57.0
110k dwt	5 year old	33.5	34.0	-1.5%	27.0	36.9	47.5
105k dwt	10 year old	22.0	22.0	0.0%	16.0	24.0	33.0
105k dwt	15 year old	16.0	16.0	0.0%	8.0	13.4	18.5
<b>MR</b>							
52k dwt	Resale	34.0	34.0	0.0%	32.0	36.7	39.3
52k dwt	5 year old	23.0	23.0	0.0%	22.0	26.8	31.0
45k dwt	10 year old	16.5	16.5	0.0%	14.0	17.9	21.0
45k dwt	15 year old	11.0	11.0	0.0%	9.0	11.0	13.5

Price movements of 5 year old Dry Bulk assets



Price movements of 5 year old Tanker assets





# Capital Link Shipping Weekly Markets Report

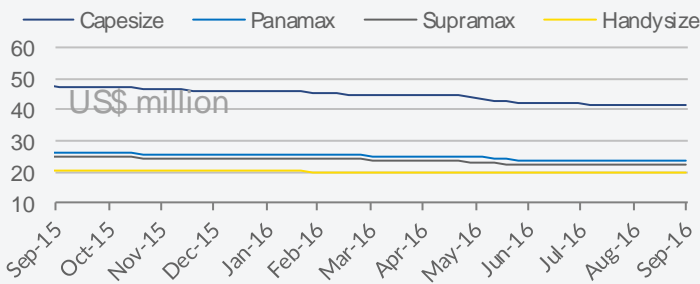


Monday, October 3, 2016 (Week 39)

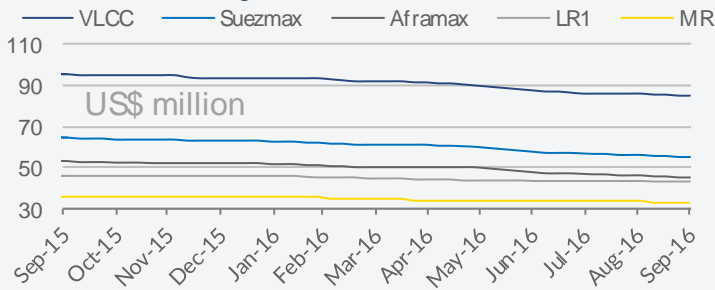
## SHIPPING MARKETS

### Newbuilding Market

Dry Bulk Newbuilding Prices

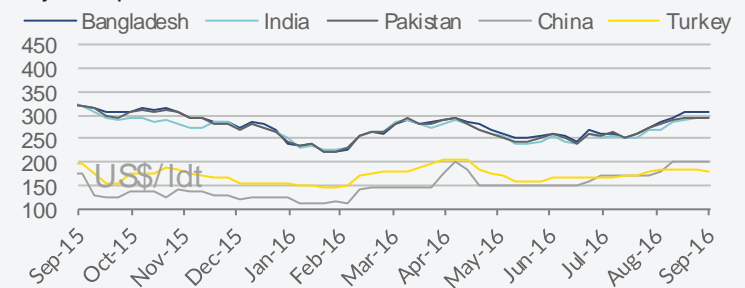


Tanker Newbuilding Prices

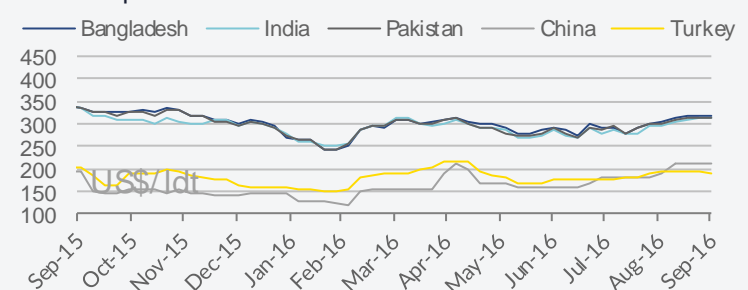


### Demolition Market

Dry Scrap Prices



Wet Scrap Prices



Indicative Dry NB Prices (US\$ million)

	30 Sep 26 Aug			last 5 years		
			±%	Min	Avg	Max
<b>Dry Bulkers</b>						
Capesize (180,000dwt)	41.8	41.8	0.0%	41.8	49.7	58.0
Kamsarmax (82,000dwt)	24.3	24.3	0.0%	24.3	28.6	36.5
Panamax (77,000dwt)	23.8	23.8	0.0%	23.8	27.8	34.5
Ultramax (64,000dwt)	22.3	22.3	0.0%	22.3	26.0	31.0
Handysize (37,000dwt)	19.5	19.5	0.0%	19.5	22.2	26.5
<b>Container</b>						
Post Panamax (9,000teu)	82.5	82.5	0.0%	76.5	86.4	94.5
Panamax (5,200teu)	50.0	50.0	0.0%	48.6	56.6	65.6
Sub Panamax (2,500teu)	28.0	28.0	0.0%	28.0	32.7	41.0
Feeder (1,700teu)	23.0	23.0	0.0%	21.5	25.2	29.4

Indicative Wet NB Prices (US\$ million)

	30 Sep 26 Aug			last 5 years		
			±%	Min	Avg	Max
<b>Tankers</b>						
VLCC (300,000dwt)	85.0	86.0	-1.2%	85.0	95.6	104.0
Suezmax (160,000dwt)	55.0	56.0	-1.8%	55.0	61.2	66.0
Aframax (115,000dwt)	45.0	46.0	-2.2%	45.0	51.5	56.0
LR1 (75,000dwt)	43.0	43.3	-0.6%	40.5	43.9	47.0
MR (56,000dwt)	33.0	33.3	-0.8%	33.0	35.1	37.3
<b>Gas</b>						
LNG 160k cbm	197.0	197.0	0.0%	197.0	199.8	203.0
LPG LGC 80k cbm	72.5	72.5	0.0%	70.0	74.1	80.0
LPG MGC 55k cbm	64.5	64.5	0.0%	62.0	64.6	68.5
LPG SGC 25k cbm	42.0	42.0	0.0%	41.0	44.0	46.5

Indicative Dry Prices (\$/ Idt)

	30 Sep 23 Sep			last 5 years		
			±%	Min	Avg	Max
<b>Indian Sub Continent</b>						
Bangladesh	305	305	0.0%	220	394	515
India	295	295	0.0%	225	400	525
Pakistan	295	295	0.0%	220	397	510
<b>Far East Asia</b>						
China	200	200	0.0%	110	300	455
<b>Mediterranean</b>						
Turkey	180	185	-2.7%	145	247	355

Indicative Wet Prices (\$/ Idt)

	30 Sep 23 Sep			last 5 years		
			±%	Min	Avg	Max
<b>Indian Sub Continent</b>						
Bangladesh	320	320	0.0%	245	416	540
India	315	315	0.0%	250	424	550
Pakistan	315	315	0.0%	245	421	525
<b>Far East Asia</b>						
China	210	210	0.0%	120	317	485
<b>Mediterranean</b>						
Turkey	190	195	-2.6%	150	257	355



# Capital Link Shipping Weekly Markets Report



Monday, October 3, 2016 (Week 39)

## SHIPPING MARKETS

### First Watch: Stifel Shipping Weekly

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

**STIFEL  
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<i>Rates in \$/Day</i> <b>Vessel Category</b>	<b>Weekly Trend</b>	<b>9/30/2016</b>	<b>9/23/2016</b>	<b>% Change</b>	<b>2016 YTD</b>
<i>Crude Tanker</i>					
VLCC	↑	\$19,806	\$14,354	38.0%	\$39,815
Suezmax	↑↑	\$35,682	\$32,051	11.3%	\$26,922
Aframax	↑	\$18,830	\$15,070	25.0%	\$22,580
<i>Product Tankers</i>					
Long Range	↑	\$9,012	\$8,694	3.7%	\$15,869
Medium Range	↓	\$7,920	\$9,135	(13.3%)	\$13,040
<i>Dry Bulk</i>					
Capesize	↓↓	\$13,380	\$16,390	(18.4%)	\$6,359
Panamax	↓↓	\$6,579	\$6,866	(4.2%)	\$5,914
Supramax	↑	\$6,754	\$6,610	2.2%	\$5,662
<i>Containers*</i>					
Panamax-4400 TEU	↔	\$4,700	\$4,700	0.0%	\$5,294
Sub-Panamax-2750 TEU	↔	\$5,900	\$5,900	0.0%	\$5,989
Handy-2000 TEU	↔	\$6,100	\$6,100	0.0%	\$6,328
LPG-82,000 cbm	↔	\$9,167	\$9,167	0.0%	\$23,595
LNG-160,000 cbm	↔	\$35,000	\$35,000	0.0%	\$30,579

\*Monthly data was used

Source: Clarkson Research & Astrup Fearnley

The LPG shipping market has come completely unraveled this year with both day rates and utilizations now testing all time lows. High inventory levels outside the U.S. and slightly higher U.S. prices have resulting in relatively few arbitrage trading opportunities. Additionally, delays in the startup of Chinese propane dehydrogenation (PDH) plants that are major consumers of propane have caused the anticipated growth in long-haul shipping demand to not materialize as expected. However, Chinese propane imports are expected to climb in the fourth quarter as two plants finally come on line. China's Oriental Energy aims to start up its second PDH plant with a propylene capacity of 660,000 mt/year next month. The new plant is expected to add 66,000 mt/month to Oriental's overall LPG requirements when run at full capacity. Separately, Hebei Haiwei is still doing test runs at the first phase of its PDH plant with a propylene production capacity of 500,000 mt/year. In combination with potential inventory draw down in Europe as cold weather results in higher consumption, increased demand from PDH plants should drive more trade. While this is not likely to be enough to permanently cause shipping supply to rebalance, it could push utilization higher. Ultimately, higher oil prices would likely push up US production causing arbitrage windows to open.



# Capital Link Shipping Weekly Markets Report



Monday, October 3, 2016 (Week 39)

## SHIPPING MARKETS

### Global Shipping Fleet & Orderbook Statistics

Cargo	Category	Fleet Size (DWT)	Orderbook (DWT)	OB/Fleet %	Average Age	% Greater than 20 yrs.
Crude	VLCC	209,716,785	36,698,166	17.5%	8.1	5.0%
	Suezmax	79,916,876	14,949,865	18.7%	8.6	6.1%
	Aframax	66,154,103	9,922,724	15.0%	8.9	6.9%
Product	LR2	33,326,858	6,238,993	18.7%	6.9	4.3%
	LR1	24,711,170	4,082,279	16.5%	7.5	1.1%
	MR	84,264,146	8,057,055	9.6%	8.2	6.9%
	Handy	5,056,107	481,911	9.5%	15.8	43.4%
Dry Bulk	Capesize	311,893,717	45,724,461	14.7%	5.1	8.0%
	Panamax	195,628,772	20,781,631	10.6%	6.2	7.3%
	Supramax	186,147,251	27,495,080	14.8%	5.9	7.7%
	Handymax	93,432,991	11,106,361	11.9%	8.0	14.3%
Containers		(TEU)	(TEU)			
	Post Panamax	10,722,657	2,798,726	39.8%	5.3	0.6%
	Panamax	5,314,681	143,839	2.7%	10.1	6.8%
	Handy-Feeder	3,979,724	397,504	10.0%	13.6	16.8%
Gas		(CBM)	(CBM)			
	LPG	29,473,884	6,855,754	23.3%	14.1	18.7%
	LNG	67,258,947	22,055,094	32.8%	9.7	12.4%

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

Source: Clarkson Research Services

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





### OPEC Cuts A Deal

#### The impact of production cuts on the tanker market

OPEC has recaptured the spotlight in recent days with their announcement that they plan to reduce output to “stabilize the oil markets”. At the conclusion of their consultative meeting in Algiers, Algeria on September 28, the Conference announced that they opted for an OPEC-14 production target ranging between 32.5 and 33.0 million barrels per day (mb/d), “in order to accelerate the ongoing drawdown of the stock overhang and bring the rebalancing forward”. The clear objective of OPEC is to push up oil prices. In the short term, that appears to be working, since global oil prices jumped nearly 6% after news of the deal broke, the largest one day increase since April. The impact of these OPEC moves on the tanker market (if any) will not be known for a while, because it depends on a number of factors that we will discuss below.

First and foremost, how much production will OPEC actually cut? In August, OPEC produced about 33.24 mb/d, so a reduction to between 32.5 and 33 mb/d would mean a nominal cut of 240,000 – 740,000 b/d. However, OPEC production is not flat throughout the year. There is a certain level of seasonality, in particular in Saudi Arabia, which always increases production in the summer months to satisfy surging oil demand as the kingdom’s power plants run flat out to meet peak air-conditioning demand. In the past decade, Saudi oil production has been on average almost 400,000 b/d higher in July than in January. Therefore, OPEC production will already decline by up to 500,000 b/d from August to November as Saudi Arabia adjusts production after the summer.

Does this mean that the other OPEC members will only need to cut some 250,000 b/d to meet the target? Not necessarily. Nigeria and Libya appear to be exempt from the production cuts and there is also a special arrangement for Iran. Iran may be permitted to increase production by 100,000 b/d. At the same time, Libya has already lifted production this month by 200,000 b/d and Nigeria is also boosting its production. The Nigerian National Petroleum Corporation announced today that Nigerian crude oil production increased from 2.4 mb/d to 2.7 mb/d. Combined, these increases more than compensate for the seasonal decline in Saudi production, so it appears OPEC (i.e. Saudi Arabia) will need to find another 750,000 b/d of cuts if it is to meet its target. This may prove to be challenging and we will have to wait until the next OPEC meeting in November to see how the members intend to implement the agreement.

Some pundits think this agreement is a breakthrough that will bring discipline back to the members of the cartel and make OPEC relevant again, but most analysts see this agreement largely as a face-saving measure that will kick the can down the road and hopefully lift prices enough to provide some respite until winter demand kicks in.

The direct impact of the OPEC announcement on the tanker market will depend on a number of factors, such as the level of compliance with the actual cuts, the impact of higher prices on global oil demand and the reaction of non-OPEC producers, in particular the shale in the United States.

If the OPEC cuts are implemented fully, it is likely that Saudi production will suffer the most. This will have a negative impact on

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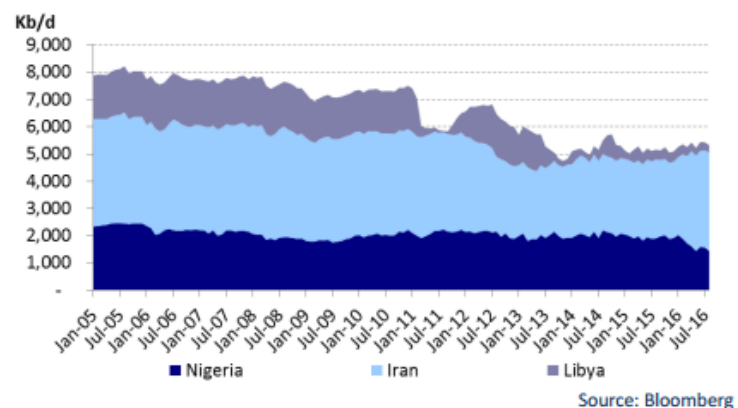
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VLCC movements from the Arabian Gulf, primarily to Asia. Some of the slack will be picked up by increased flows from Iran and Nigeria. Higher Nigerian production could also benefit Suezmax trades to Europe and the U.S. East Coast. OPEC production cuts will probably have a limited impact on Aframax trades, Venezuela’s production will not change much as a result of the OPEC agreement, although it may continue to slide as a result of the overall problems in the country. Production in Indonesia, the main Aframax employer in the Pacific will likely remain stable. A boost in Libyan exports will help Aframaxes in the Mediterranean, but the short-haul nature of the Libyan export trades will limit the impact on the tanker market. If oil prices recover to levels above \$60 per barrel, shale production in the U.S. will start to come back, which may help Aframaxes, if the crude is exported.

Fig. 1: OPEC Crude Oil Production



Fig. 2: OPEC Countries with Growth Potential (exempt from production cuts)





### Tanker Market – Weekly Highlights

#### Layers and layers of issues make OPEC supply cut unlikely

This week's headlines were dominated by news of an "agreement" by OPEC to curb production, after abandoning a targets in December 2015. The agreement calls for a production target of between 32.5 Mb/d and 33.0 Mb/d. Key to the agreement was an unlikely cooperation between Saudi Arabia and Iran. Touted by many reports as a breakthrough – and even as an existential saving grace for the cartel – the agreement itself instead appears highly unlikely to be realized or adhered to were it to be. Herein, we examine some key issues (among several) which complicate the agreement.

#### Agreement isn't really an agreement at all

The agreement itself is really a provisional agreement to agree later, at OPEC's next meeting on November 30th. This allows time for members to monitor market developments in the interim, as well as to devise a mechanism to distribute cuts among member states. According to a Reuters report, Saudi Arabia has suggested that Iran should freeze its production at 3.7 Mb/d while Iran has stated its intention to boost output to 4.0 Mb/d, underscoring underlying disagreement and complications.

#### Distribution of cuts uncertain

Early reports indicated that a new target would cut production by 32.5 Mb/d to 33.0 Mb/d, from August's production level of 33.4 Mb/d (according to OPEC data). The group's press release glibly states that the target is for the OPEC-14, but subsequent reports indicate that Nigeria, Libya and Iraq would be exempted from the cuts. Nigeria is struggling to increase production from the over two-decades low observed following attacks by rebel militants against its oil infrastructure, while Libya has been making fresh efforts to improve production rates (its production in August was just 0.29 Mb/d, off 85% from 2010's average, before the Libyan civil war) and Iraq is keen to continue its strong production growth. Since the August baseline is apparently net of shut-in Nigerian and Libyan production, the non-exempt group would need to absorb more than the difference between the target and August's recorded production. Notably absent from the list of exempt states is Venezuela, where fresh efforts are being made to boost output, with the country recently revising its earlier state-control of oil assets to allow private E&P contracting. Venezuela is mired in an extreme financial crisis exacerbated by declining petrodollars due to declining production and low oil prices. Whilst in the near-term production gains there appear unlikely, it is equally unlikely that Venezuela would shoulder any cuts and would refrain from elevating crude production if/when it can.

#### Iraqi Discord

Iraq held a separate news briefing at the conference, where its oil minister told reporters that he disputes the methodology OPEC employs to determine production levels, stating that production figures used for his country are not indicative of reality. He further stated that if the estimates do not change by November, "...then we say we cannot accept this, and we will ask for alternatives."

#### Historically low compliance

Even if all other issues are overcome, OPEC has no mechanism for enforcement, as evidence by the low levels of adherence to earlier quotas – which was particularly evident during and in the years following the global financial crisis. By late 2011, for instance, before a December

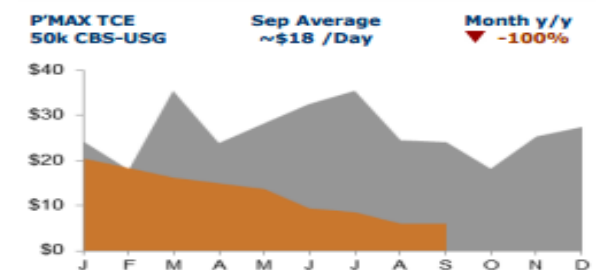
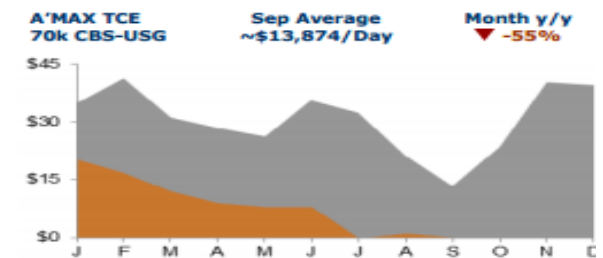
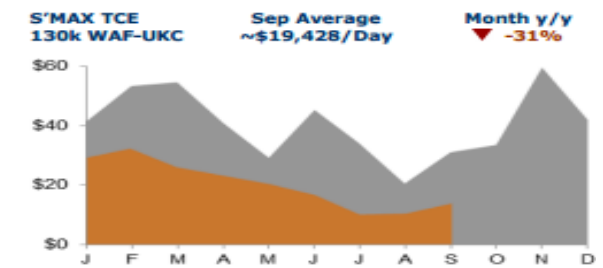
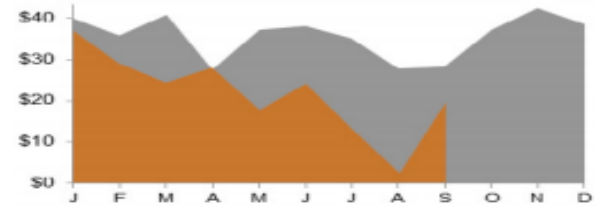
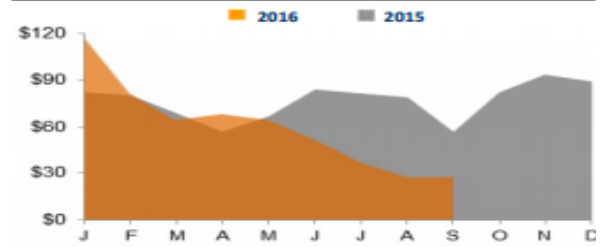
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# Capital Link Shipping Weekly Markets Report



Monday, October 3, 2016 (Week 39)

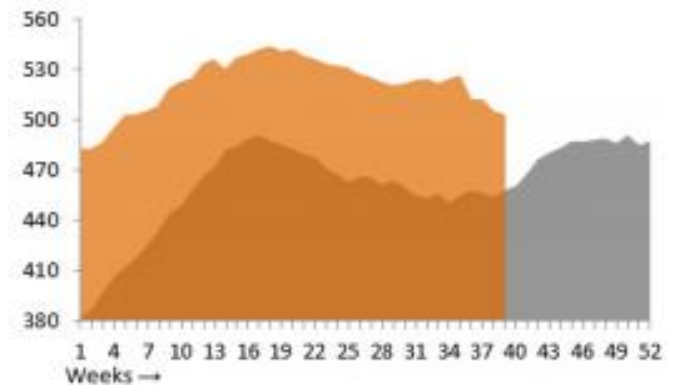
## SHIPPING MARKETS

### Tanker Market – Weekly Highlights

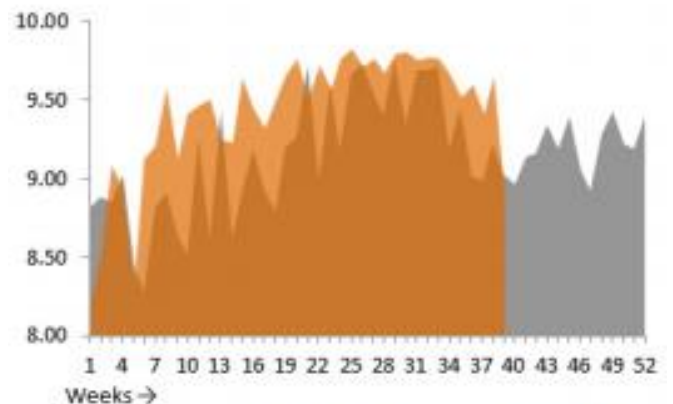
Spot Market	WS/LS	TCE ~\$/day	WS/LS	TCE ~\$/day
<b>VLCC</b> (13.0 Kts L/B)	23-Sep		30-Sep	
AG>USG 280k (TD1)	22.5	\$6,017	23.5	\$6,804
AG>USG/CBS>SPORE/AG	--	\$26,101	--	\$34,658
AG>SPORE 270k (TD2)	33.0	\$16,168	39.0	\$22,801
AG>CHINA 265k (TD3C)	33.0	\$11,642	39.0	\$17,996
WAFR>USG 260k (TD4)	45.0	\$29,891	52.5	\$37,423
WAFR>CHINA 260k (TD15)	42.5	\$24,228	50.0	\$31,788
CBS>SPORE 270k	\$3.00m	--	\$3.85m	--
<b>SUEZMAX</b> (13.0 Kts L/B)				
WAFR>USAC 130k	97.5	\$36,497	85.0	\$29,752
WAFR>UKC 130k (TD20)	110.0	\$38,866	87.5	\$27,117
BSEA>MED 140k (TD6)	100.0	\$43,554	105.0	\$47,199
CBS>USG 150k	90.0	\$40,814	85.0	\$36,745
<b>AFRAMAX</b> (13.0 Kts L/B)				
N.SEA>UKC 80k (TD7)	90.0	\$19,356	115.0	\$44,260
AG>SPORE 70k (TD8)	65.0	\$8,483	65.0	\$8,449
BALT>UKC 100k (TD17)	67.5	\$19,878	92.5	\$35,620
CBS>USG 70k (TD9)	85.0	\$11,558	75.0	\$7,680
MED>MED 80k (TD19)	105.0	\$20,635	90.0	\$14,340
<b>PANAMAX</b> (13.0 Kts L/B)				
CBS>USG 50k (TD21)	82.5	\$(350)	85.0	\$41
CONT>USG 55k (TD12)	85.0	\$7,911	80.0	\$6,337
ECU>USWC 50k	125.0	\$14,657	127.5	\$14,710
<b>CPP</b> (13.0 Kts L/B)				
UKC>USAC 37k (TC2)	80.0	\$3,303	75.0	\$2,092
USG>UKC 38k (TC14)	75.0	\$3,666	60.0	\$671
USG>UKC/UKC>USAC/USG	--	\$7,813	--	\$4,790
USG>CBS (Pazos) 38k	\$425k	\$13,563	\$260k	\$2,278
USG>CHILE (Coronel) 38k	\$1.05m	\$13,649	\$925k	\$9,906
CBS>USAC 38k	100.0	\$8,034	85.0	\$4,987
AG>JPN 35k	95.0	\$5,270	92.5	\$4,891
AG>JPN 75k (TC1)	65.0	\$8,489	55.0	\$5,458
AG>JPN 55k (TC5)	80.0	\$7,571	75.0	\$6,439

Time Charter Market \$/day (theoretical)	1 Year	3 Years
<b>VLCC</b>	\$29,000	\$27,000
<b>Suezmax</b>	\$19,000	\$19,000
<b>Aframax</b>	\$17,000	\$17,000
<b>Panamax</b>	\$14,000	\$16,000
<b>MR</b>	\$13,000	\$14,000

meeting lifted the target, producers were supplying around 28.0 Mb/d despite the fact that the production target had then been unchanged from 2008 at 24.8 Mb/d.



**US Crude Stocks (EIA)** Last Week 502.7 Mnbbls Week y/y +9.8%



**US Gasoline Demand (EIA)** Last week 8.880 Mnb/d Week y/y -1.6%

2016 2015



### Tanker Market – Weekly Highlights

#### VLCC

After the previous two weeks' demand surge in the West Africa market, a fresh strengthening of demand in the Middle East and Caribbean regions allowed owners to capitalize on the tighter supply/demand positioning which prevailed last week into rate gains this week. In the Middle East market, demand surged to a three-month high of 32 fixtures (+39% w/w), leading rates on the AG-FEAST benchmark routes to add 5.5 points to ws38 at the close of the week. Meanwhile, in the Caribbean market, earlier ballasts combined with a steadier recent distribution of Venezuelan cargoes and a rise in demand to service Brazil's exports saw fundamentals there tighten with CBS-SPORE rising to a four-month high and returning to the five-year range for this time of year after earlier dropping to its lowest in over a decade.

While rate sentiment from many participants remains positive at the close of the week, supply/demand fundamentals appear to be lending less support than they appeared to a week ago. This week's Middle East availability draws to service West African demand dropped 64% w/w to four fixtures on a fresh setback in Nigeria which kept VLCC demand at bay, having previously appeared set to remain strong on declining levels of forces majeure and disfavorable Saudi OSPs for Asian buyers. Meanwhile, in the Middle East, the October program's first decade concluded markedly below expectations, leading supply levels to increase as participants progressed further into the second decade. We now anticipate that surplus tonnage at October 15th will stand at 17 units and while the surplus should trim to 12 by the conclusion of the month's second decade, that level remains largely unresponsive of rate gains.

#### Middle East

Rates to the Far East added 5.5 points over the course of the week to conclude at ws38. Corresponding TCEs rose 34% to conclude at ~\$20,279/day. The AG-West rates were the sole losers this week; the AG-USG (c/c) route shed one point to conclude at ws21.5 as participants were more aggressively seeking Westbound voyages. Triangulated Westbound trade earnings, benefitting from stronger ex-CBS rates, rose 4% to a closing assessment of ~\$27,271/day.

#### Atlantic Basin

The Atlantic basin tightened this week on both sides. Rates in the West Africa market took their cue from stronger rates in the Middle East and Caribbean markets and the WAFR-FEAST route adding 7.5 points to conclude at ws50. The Caribbean market continued firming on steady regional demand. The CBS-SPORE route extended last week's gains, adding \$850k to conclude at \$3.85m lump sum.

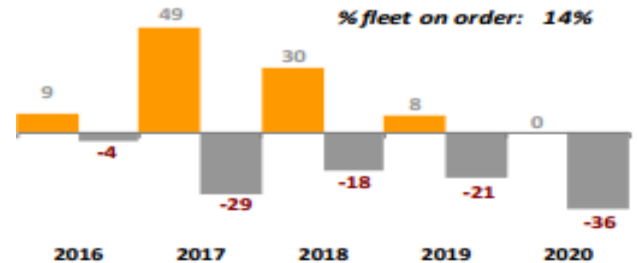
#### Suezmax

The West Africa Suezmax market was markedly slower this week as charterers had fewer cargoes to cover for mid-October loading due to high VLCC coverage. Fixture activity fell 31% w/w to a two-month low, with just nine fixtures reported. This saw the pace of rate erosion accelerate incrementally over the course of the week, with fresh Nigeria supply worries compounding the impact of slower demand on rate sentiment. Rates on the WAFR-UKC route dropped 22.5 points to conclude at ws87.5

Niger Delta Avengers (NDA) claimed responsibility for a fresh attack on

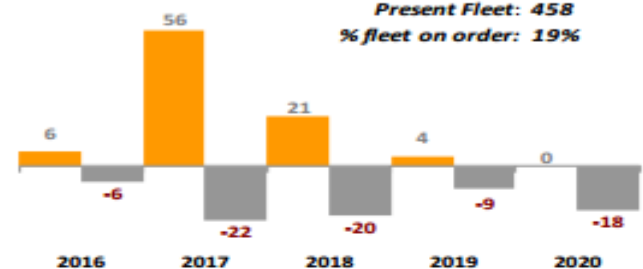
VLCC Projected Deliveries/Removals

Present Fleet: 674  
% fleet on order: 14%



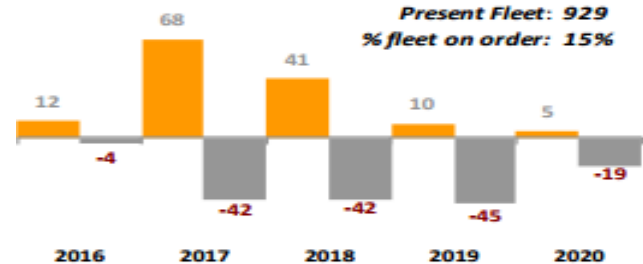
Suezmax Projected Deliveries/Removals

Present Fleet: 458  
% fleet on order: 19%



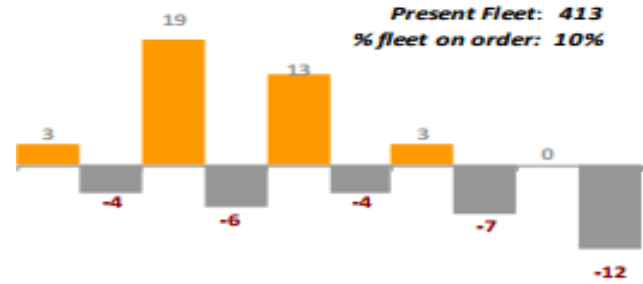
Aframax/LR2 Projected Deliveries/Removals

Present Fleet: 929  
% fleet on order: 15%



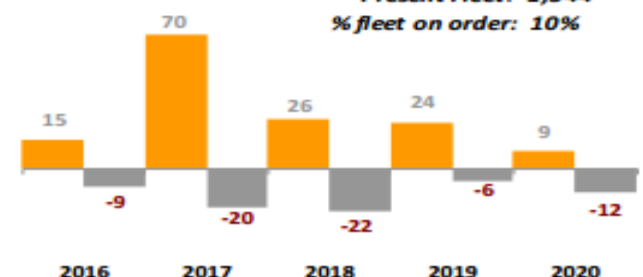
Panamax/LR1 Projected Deliveries/Removals

Present Fleet: 413  
% fleet on order: 10%



MR Projected Deliveries/Removals

Present Fleet: 1,544  
% fleet on order: 10%





### Tanker Market – Weekly Highlights

oil assets, signaling a possible end to an earlier agreement to cease hostilities. It is unclear if this was related to an incident which saw the Bonny Light pipeline shut simultaneously. Meanwhile, no updates have been given regarding a resumption of exports of the 250,000 b/d Forcados grade, which has been under force majeure for over seven months and had recently been expected to resume by the end of September. Given limited remaining uncovered cargoes for loading during October's second decade, rates are likely to remain under negative pressure through the upcoming week. An eventual progression into chartering for the month's final decade thereafter should offer Suezmaxes more opportunity and limit further rate downside. If Forcados exports resume during the third decade as some reports have implied, the additional two Suezmaxes needed would further aid in limiting rate downside and help reduce excess availability when charterers head into November dates.

#### Aframax

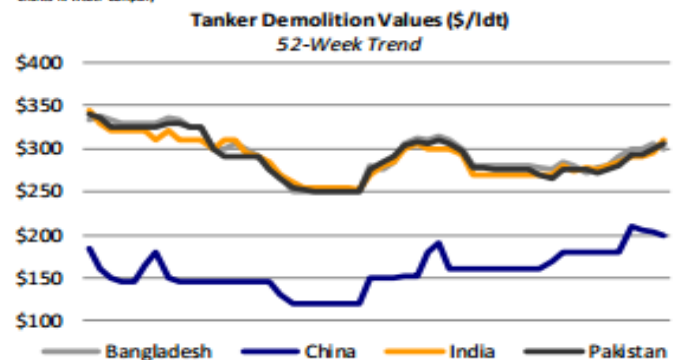
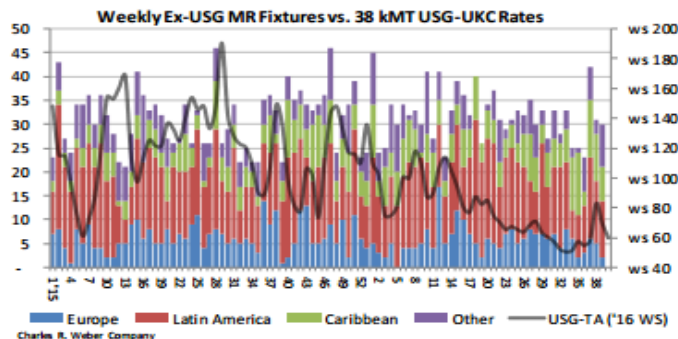
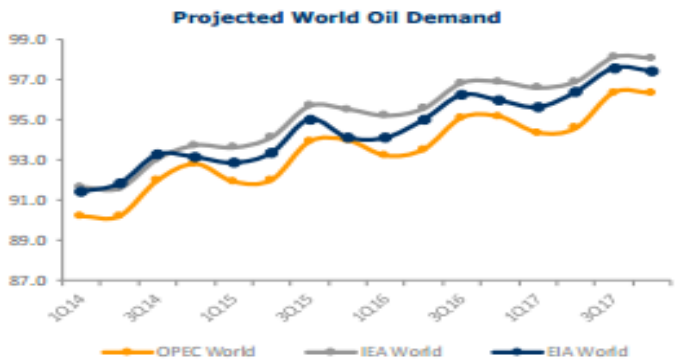
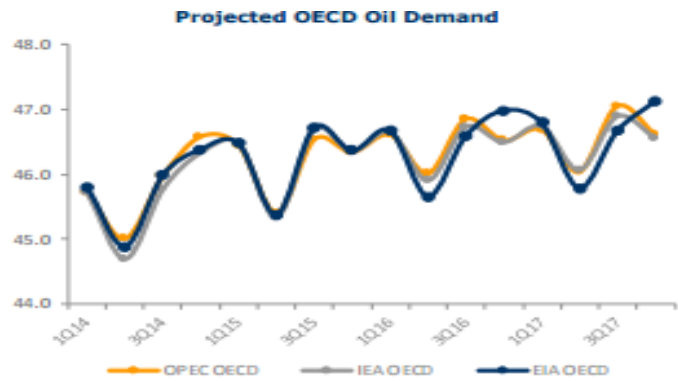
The Caribbean Aframax market observed a particularly slow week with fixture activity off 36% w/w. Rates on the CBS-USG route fell 10 points to a six-week low of ws75. Unplanned PADD3 turnarounds during September, combined with a projected planned seasonal turnaround peak during October at above-average levels have likely trimmed demand on routes to the USG. PADD3 turnaround levels are expected to decline to below-average levels by early November, however, which should help to improve regional demand during the upcoming week. Additionally, a Suezmax carrying a light crude cargo to Venezuela for use as a diluent which had been held up off Curacao for months over a payment issue recently offloaded its cargo. The tanker had been joined by three other tankers similarly anchored off of Curacao for varying lengths of time, according to reports. The delivery could enhance export capacity once blending operations have concluded – particularly if joined by the remaining delayed tankers – and add to overall regional crude availability and tanker demand.

#### MR

Demand in the USG MR market moderated this week from last week's more hectic pace on the resumption of throughputs in Colonial Pipeline's gasoline line. During the line's closure, gasoline volumes joined distillates on the system's distillate line, leaving both grades disadvantaged in PADD 3 with corresponding negative regional product price pressure incentivizing greater exports. A total of 33 fixtures were reported, representing a 21% w/w decline from a revised tally of last week's fixtures. At the start of the week, when the line was still shuttered, demand remained elevated which saw rates extend last week's gains; however, after the line's resumption appeared imminent and with the list of available positions having expanded, rates ultimately clawed back some of the recently observed upside. The USG-UKC route concluded off by five points from a week ago, having risen to ws90 on an assessed basis earlier during the week. The USG-CBS route shed \$75k over the course of the week to a closing assessment of \$425k lump sum, having risen into the mid/high-\$500s earlier.

The two-week forward view of MR availability shows 48 units, or a 23% w/w jump. The higher availability levels are likely to continue to weigh negatively on rates during the upcoming week, particularly as additional units are expected to appear on position lists by the start of the week. We expect that rates will extend losses in the near-term, though we remain optimistic that as the market progresses into Q4, rates will

receive support from high global refinery maintenance levels and the relative export length afforded by high USG distillate inventories, which should support ex-USG rates by early October while further forward, fundamentals should benefit from the anticipated global product inventory draws accompanying the above-normal autumn maintenance programs.





# Capital Link Shipping Weekly Markets Report



Monday, October 3, 2016 (Week 39)

## SHIPPING MARKETS

### Dry/Wet & TC Rates

Contributed by  
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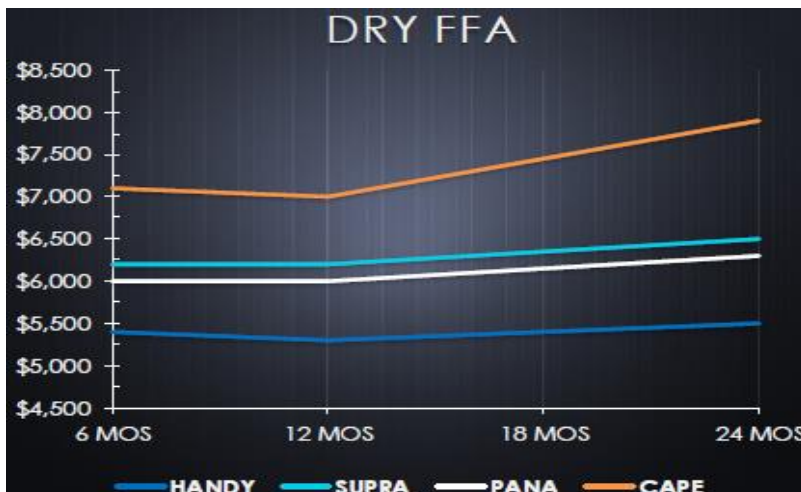
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#### DRY TIME CHARTER ESTIMATES\* (pdpr)

SIZE	6 MOS		1 YR		2 YR	
	ATL	PAC	ATL	PAC	ATL	PAC
HANDY (32k dwt)	6,400	6,300	6,150	5,500	5,700	5,300
SUPRA (56k dwt)	7,100	6,850	7,000	6,500	6,600	6,350
ULTRA (62k dwt)	7,300	7,000	7,100	6,500	6,750	6,450
PANA/KMAX (76k-82k dwt)	8,000	6,500	7,250	6,650	7,400	6,450
CAPE (170k dwt)	10,000	10,000	9,500	9,500	9,600	9,600

**Dry comment:** Following stronger numbers recently for Capes of around \$10,000 the Baltic Index has slipped by -27 points today. Panamax rates remained at the same levels in the Atlantic as Pacific fixtures also show little sign of urgency despite Chinese National Week holiday approaching. Smaller Handies and Supras short period Pacific trips seem to achieve improved rates \$6,300/pdpr and \$6,850/pdpr respectively.

FFA DRY				
	HANDY	SUPRA	PANA	CAPE
6 MOS	5,400	6,200	6,000	7,100
12 MOS	5,300	6,200	6,000	7,000
24 MOS	5,500	6,500	6,300	7,900

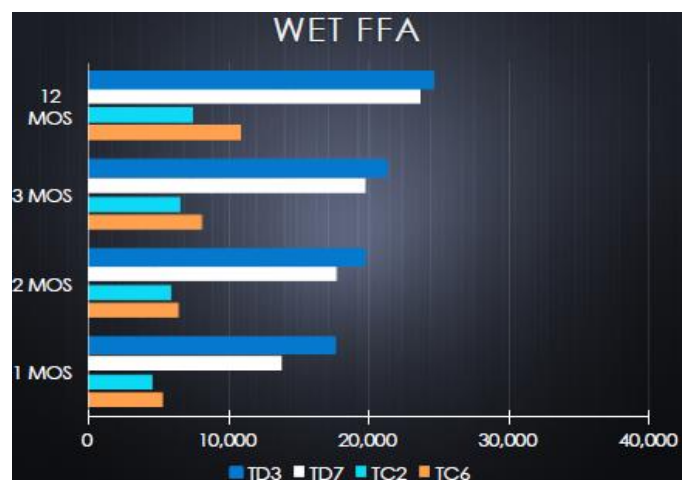


#### TANKER TIME CHARTER ESTIMATES\* (pdpr) - Non-Eco tonnage

SIZE	1 YR	2 YR	3 YR	5 YR
HANDY	12,500	13,000	13,500	14,500
MR IMO3	13,500	14,000	14,500	15,500
LR1	15,250	16,000	17,000	18,500
LR2 (115 dwt cpp & dpp)	18,000	19,000	20,000	23,000
AFRA (115dwt)	17,250	18,000	19,000	22,000
SUEZ	22,500	23,000	23,500	24,000
VLCC	29,000	30,000	31,150	32,500

**Tanker Comment:** Oil markets have reacted to signals from Iran and Saudi Arabia that oil production from OPEC is unlikely to be restricted as Brent closed at \$45.86. In the meanwhile Suezmaxes' rates recovered from the historical lows noticeably reaching \$22,500/pdpr for 1 year TC period. On the other hand VLCC rates for 1 year TC are expected to be around \$30,000/pdpr.

WET FFA				
	TD3	TD7	TC2	TC6
1 MOS	14,500	16,750	3,400	2,900
2 MOS	32,600	24,300	5,700	4,750
3 MOS	32,500	24,300	6,370	8,800
12 MOS	25,600	23,300	6,850	10,500



**FFA DRY** – All dry FFAs are stable with the exception of Panamax 6 months dropping to \$6000. Cape 6 months saw the largest increase by \$350 to \$7100.

**FFA WET** – TD3 trading has been much busier as rates in the physical market see slight improvements. Trade was minimal for TC2 as physical trading remains weak.



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