

# Capital Link Shipping Weekly Markets Report



Monday, October 16, 2017 (Week 43)



## IN THE NEWS

- Latest Company News
- Earnings Recap
- “The future is (always) bright for shipping equities” by Lloyd’s List
- “Shipping debt side attractive, equity not so much” – Seatrade Maritime News

## CAPITAL MARKETS DATA

- Currencies, Commodities & Indices
- Shipping Equities – Weekly Review
- Dividend Paying Shipping Stocks
- Global Shipping Company Bond Data

Follow us on



## SHIPPING MARKETS

- Weekly Market Report – Allied Shipbroking Inc
- Stifel Shipping Markets
- Weekly Tanker Market Opinion – Poten & Partners
- Tanker Market - Weekly Highlights, by Charles R. Weber Company
- Dry/Wet & TC Rates – Alibra Shipping

Capital Link Shipping  
Weekly Markets Report

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9<sup>th</sup> Annual Capital Link  
**New York  
Maritime Forum**

Monday, October 2, 2017  
The Metropolitan Club



New York – The Capital for Shipping

### REGISTER NOW



7<sup>th</sup> Annual Capital Link  
**Operational Excellence in Shipping Forum**

*Best Industry Practices – A Competitive Advantage*

Wednesday, November 1, 2017 - Divani Caravel Hotel, Athens

## SHIPPING PODCAST FEATURING AEGEAN MARINE PETROLEUM

### Bunkering & Marine Fuels – A Discussion with Jonathan Mcilroy

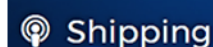


Jonathan Mcilroy  
President  
Aegean Marine  
Petroleum Network Inc



**AEGEAN**  
MARINE PETROLEUM

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**Capital Link's 7th Annual Operational Excellence in Shipping Forum will take place on Wednesday, November 1, 2017 at Divani Caravel Hotel in Athens.**

With a 7-year track record it is the only Forum that showcases Operational Excellence in the Maritime & Offshore Sectors and explores Best Industry Practices across all major areas such as fleet management, technological innovation, crewing, energy efficiency and the environment, safety & security. The Forum provides an interactive platform on the topic of Operational Excellence, Best Industry Practices and Sustainability linking industry, government and non-governmental organizations, industry associations, the financial and investment community, and the public at large.

We are delighted to see how the industry has embraced this Forum. Last year, Senior Executives from 23 leading shipping & offshore company executives, 3 major classification societies, as well as charterers, financiers and key industry organizations came together to discuss how the implementation of Best Industry Practices translates into tangible commercial, operational and financial competitive advantages. The extensive company participation in the Forum is key, as ultimately it is the companies that are implementing these Best Industry Practices and enables us to attribute to the operational side of the business the attention it deserves.

**MARITIME CSR LEADERSHIP AWARD**



**John Platsidakis**  
 Chairman - Intercargo  
 Managing Director - Anangel Maritime Services Inc.

**PRESENTATION & PANEL TOPICS**

- Industry Challenges & The Road Map Ahead
- Environmental Regulation & Compliance – How It May Affect Shipping
- Investing in Big Data & Cybersecurity: Is It Worth it? Will It Really Make a Difference?
- Crew Welfare, Training & Retention
- Chinese Crewing Ready For Global Shipping
- Optimize Crew Welfare And Costs – Impacts of
- Telemedicine On Seafarers And Shipping
- Optimizing Technical Ship Management
- Connecting Ports, Vessels & People
- Ship Safety – Regulatory Compliance & Third Party Inspections
- Digital Kidnap and Ransom
- Operational Excellence as a Competitive Advantage

**WHO SHOULD ATTEND?**

This Forum is addressed among others to Ship Managers, Shipowners, Ship Operators, Shipbrokers, Commercial and Investment Bankers, Charterers, Classification Societies, Commodity and Energy Traders, Environmental Maritime Organizations, Industry Associations, Government and Non-Governmental Organizations, Financial and Trade Media, Institutional Investors, P&I Executives, Lawyers and Insurers, Market Analysts and Consultants, Private Equity Firms and offshore industry entities.

**PRESENTING COMPANIES**

Aegean Shipping Management, Inc. • Almi Tankers • Anangel Maritime Services, Inc. • Andriaki Shipping • Bureau Veritas • Atlantic Bulk Carriers Management Ltd. • Capital Ship Management Corp. • Chandris Hellas • Columbia Shipmanagement • Consolidated Marine Management Inc. • Danaos Shipping • DNV GL • Dorian LPG Management Corp. • Dromon Maritime Inc. • European Community Shipowners' Association • Eurobulk • Euronav • Eurotankers • Exmar Ship Management NV • Fafalios Shipping • Fourth Insurance Office, Inc. • GasLog Ltd. • INTERCARGO • INTERTANKO • International Maritime Organization • International Registries • Liberian Registry – LISCAR (Hellas) S.A. • Lloyd's Register • Maran Gas Maritime Inc. • Marsh Brokers Ltd., Cyprus • Minerva Marine Inc. • NAMEPA • Neda Maritime Agency Co. Ltd. • NYMAR • Prime Marine • ShipMedCare Ltd. • Singhai Marine Services • Springfield Shipping Co., (Onassis Group) • Starbulk SA • Technomar Shipping Inc. • Thenamaris Ships Management Inc. • Thomas Miller P&I (Europe) Ltd. • TMS Dry Ltd. • Stealth Maritime Corporation S.A. • Tototheo Maritime Ltd. • Tsakos Columbia Shipmanagement • Union of Greek Shipowners • United States Coast Guard • WISTA Hellas • Yale University Occupational & Environmental Medicine

**To register and/or for more information, click on the above button or visit our [website](#)**





## Bunkering & Marine Fuels – A Discussion with Jonathan Mcilroy

**Mr. Jonathan Mcilroy, President of Aegean Marine Petroleum (NYSE:ANW)** joins Mr. Nicolas Bornozis, President of Capital Link for an exclusive interview to discuss about

- Structure and dynamics of the marine fuels sector
- Current trends and sector outlook
- Regulatory developments and market challenges
- The interaction among physical supply, bunker trading and extension of credit
- Aegean's positioning and new strategy looking ahead



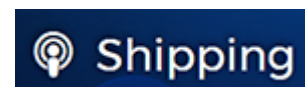
**Jonathan Mcilroy**  
President  
Aegean Marine  
Petroleum Network Inc

### Featuring



The interview will air on Tuesday, October 17, 2017.

Click on the below buttons to access the podcast on [iTunes](#), [Google Play](#) and on our [website](#).



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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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[www.capitallink.com](http://www.capitallink.com)  
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# Capital Link Shipping Weekly Markets Report



Monday, October 16, 2017 (Week 43)

IN THE NEWS

## Latest Company News

Monday, October 9, 2017

### **d'AMICO INTERNATIONAL SHIPPING S.A. ANNOUNCES THE SALE OF THE MR VESSEL HIGH HIGH PROSPERITY GENERATING NET CASH PROCEEDS OF US\$ 6.9 MILLION**

Luxembourg - October 09th, 2017 – d'Amico International Shipping S.A. (Borsa Italiana: DIS) (the Company or DIS), an international marine transportation company operating in the product tanker market, announces that its operating subsidiary d'Amico Tankers D.A.C. (Ireland) ("d'Amico Tankers") signed a memorandum of agreement for the sale of MT High Prosperity, a 48,700 dwt medium-range product tanker vessel, built in 2006 by Imabari Shipbuilding Co. Ltd. (Japan), for a consideration of US\$ 14.245 million.

[http://investorrelations.damicointernationalshipping.com/files/comunicatiStampa/2017/ENG/ottobre/DIS\\_Announces%20the%20sale%20of%20the%20MR%20vessel%20High%20Prosperity.pdf](http://investorrelations.damicointernationalshipping.com/files/comunicatiStampa/2017/ENG/ottobre/DIS_Announces%20the%20sale%20of%20the%20MR%20vessel%20High%20Prosperity.pdf)

### **Enscopl Schedule Third Quarter 2017 Earnings Release and Conference Call**

LONDON--(BUSINESS WIRE)-- Enscopl (NYSE: ESV) will hold its third quarter 2017 earnings conference call at 10:00 a.m. CDT (11:00 a.m. EDT and 4:00 p.m. London) on Thursday, 26 October 2017. The earnings release will be issued before the New York Stock Exchange opens that morning. The conference call will be webcast live at [www.enscoplc.com](http://www.enscoplc.com). Alternatively, callers may dial 1-855-239-3215 within the United States or +1-412-542-4130 from outside the U.S. Please ask for the Enscopl conference call.

<http://www.enscoplc.com/news-and-media/press-releases/press-release-details/2017/Enscopl-Schedule-Third-Quarter-2017-Earnings-Release-and-Conference-Call/default.aspx>

### **Global Ship Lease Announces Fleet Update**

LONDON, Oct. 09, 2017 (GLOBE NEWSWIRE) -- Global Ship Lease, Inc. (NYSE:GSL) (the "Company" or "Global Ship Lease") announced today that it has received updated broker valuations of its 18 vessels that reflect aggregate appraised values as at September 19, 2017 of \$262.5 million (excluding charters) and \$481.0 million (including charters).

<http://globalshiplease.com/releasedetail.cfm?ReleaseID=1043159>

### **Global Ship Lease Announces Investor Meetings Ahead of Proposed Notes Offering**

LONDON, Oct. 09, 2017 (GLOBE NEWSWIRE) -- Global Ship Lease, Inc. (NYSE:GSL) (the "Company" or "Global Ship Lease") announced today that it has mandated advisors to arrange a series of investor meetings relating to a proposed notes offering. The Company anticipates that an offering of U.S. dollar-denominated, non-registered, 5-year, first priority secured bonds in aggregate principal amount of between \$350 and \$400 million and having customary high-yield bond covenants will follow, subject to market conditions.

<http://globalshiplease.com/releasedetail.cfm?ReleaseID=1043160>

### **OCEAN RIG UDW INC. ANNOUNCES DISCHARGE OF JOINT PROVISIONAL LIQUIDATORS**

October 9, 2017, Grand Cayman, Cayman Islands – Ocean Rig UDW Inc. (NASDAQ:ORIG) ("Ocean Rig" or "UDW" or the "Company"), an international contractor of offshore deepwater drilling services, today announced that the Grand Court of the Cayman

Islands (the "Cayman Court") has issued an order discharging Simon Appell of AlixPartners Services UK LLP and Eleanor Fisher of Kalo (Cayman) Ltd.

[http://cdn.capitallink.com/files/docs/companies/ocean\\_rig/press/ocean\\_rig100917.pdf](http://cdn.capitallink.com/files/docs/companies/ocean_rig/press/ocean_rig100917.pdf)

Tuesday, October 10, 2017

### **Diamond Offshore to Release Third Quarter 2017 Results on October 30**

HOUSTON, Oct. 10, 2017 /PRNewswire/ -- Diamond Offshore Drilling, Inc. (NYSE: DO) announced today that it will issue a press release and host a conference call and webcast related to its third quarter 2017 operating results on Monday, October 30, 2017. The conference call and webcast will begin at 7:30 a.m. CDT and will include a discussion by management regarding the Company's results of operation.

<http://investor.diamondoffshore.com/phoenix.zhtml?c=78110&p=irol-newsArticle&ID=2305728>

### **Safe Bulkers, Inc. to Host Institutional Investor and Analyst Day in New York City on October 18, 2017**

Monaco – October 10, 2017 -- Safe Bulkers, Inc. (the "Company") (NYSE: SB), an international provider of marine drybulk transportation services, announced today that the Company will host an Institutional Investor and Analyst Day on Wednesday, October 18, 2017 in New York City to discuss the Company's recent developments and prospects, as well as the drybulk shipping market outlook.

<http://www.safebulkers.com/sbpr101017.pdf>

### **Seaspan Declares Quarterly Dividends on Common and Preferred Shares**

HONG KONG, Oct. 10, 2017 /CNW/ – Seaspan Corporation (NYSE:SSW) announced today that the Company's Board of Directors has declared cash dividends on its common and preferred shares as follows:

<http://www.seaspancorp.com/press-release-post/press-release-122829/>

### **SFL - Early Conversion of Convertible Notes**

Ship Finance International Limited (NYSE: SFL) ("Ship Finance" or the "Company") announced today that it has entered into separate agreements with certain holders of its 3.25% Senior Unsecured Convertible Notes due 2018 (the "Notes") for an early conversion of a portion of the outstanding Notes. The Company is strengthening its balance sheet by converting approximately \$121 million aggregate principal amount of the Notes held by such holders into shares of common stock of the Company ("Shares") at prevailing market prices.

[http://www.shipfinance.org/external\\_feed/external\\_feeds/view/5/press\\_release/2140963?active=6800](http://www.shipfinance.org/external_feed/external_feeds/view/5/press_release/2140963?active=6800)

Thursday, October 12, 2017

### **Diana Shipping Inc. Announces the Sale of a Panamax Dry Bulk Vessel, the m/v Melite**

ATHENS, GREECE, October 12, 2017 – Diana Shipping Inc. (NYSE: DSX), (the "Company"), a global shipping company specializing in



# Capital Link Shipping Weekly Markets Report



Monday, October 16, 2017 (Week 43)

IN THE NEWS

## Latest Company News

the ownership of dry bulk vessels, today announced that it has signed, through a separate wholly-owned subsidiary (the "Owners"), a Memorandum of Agreement to sell to an unaffiliated third party (the "Buyers"), the 2004-built vessel "Melite" for demolition, on an "as is where is" basis, with delivery due to the Buyers by October 30, 2017, for a sale price of approximately US\$2.52 million before commissions.

<http://www.dianashippinginc.com/investors/press-releases/news-diana-shipping-inc-announces-the-sale-of-a-panamax-dry-bulk-vessel-the-m-v-melite>

### GasLog Partners LP Announces Date for Third-Quarter 2017 Results, Conference Call and Webcast

Monaco, October 12, 2017, GasLog Partners LP ("GasLog Partners" or the "Partnership") (NYSE: GLOP) today announced that it will release its financial results for the third quarter of 2017 before the market opens on Thursday, October 26, 2017.

<http://gaslogmlp.com/full-news-article.html>

### FLNG Hilli Episeyo departs Singapore

Golar LNG Limited announces today that the FLNG Hilli Episeyo departed Singapore at 10:00 local time on October 12. The earlier than anticipated departure reflects an operational decision to complete LNG bunkering in Cameroon rather than in Singapore. The voyage to Cameroon is expected to take between 32 and 40 days.

<http://www.golarlng.com/investors/press-releases/pr-story.aspx?ResultPageURL=http://cws.huginonline.com/G/133076/P/R/201710/2141644.xml>

### Navios Maritime Midstream Partners L.P. Announces the Date for the Release of Third Quarter Results, Conference Call and Webcast

MONACO, Oct. 12, 2017 (GLOBE NEWSWIRE) -- Navios Maritime Midstream Partners L.P. ("Navios Midstream") (NYSE:NAP) announced today that it will host a conference call on Thursday, October 19, 2017 at 8:30 am ET, at which time Navios Midstream's senior management will provide highlights and commentary on earnings results for the third quarter and nine months ended September 30, 2017.

<http://ir.navios-midstream.com/phoenix.zhtml?c=253818&p=irol-newsArticle&ID=2306374>

### NOBLE CORPORATION PLC TO ANNOUNCE THIRD QUARTER 2017 RESULTS

LONDON, October 12, 2017 – Noble Corporation plc (NYSE: NE) today announced it plans to report financial results for the third quarter 2017 on Thursday, November 2, 2017, after the close of trading on the New York Stock Exchange. Copies of the Company's press release will be available on the Noble Website at [www.noblecorp.com](http://www.noblecorp.com).

<http://phx.corporate-ir.net/phoenix.zhtml?c=98046&p=irol-newsArticle&ID=2306329>

### Noble Corporation plc Provides Fleet Contract Status Update

LONDON, Oct. 12, 2017 /PRNewswire/ -- Noble Corporation plc (NYSE: NE) today announced that its report of drilling rig status and contract information has been updated as of October 12, 2017. The

report, titled "Fleet Status Report," can be found on the Company's Website [www.noblecorp.com](http://www.noblecorp.com), under the "Investor Relations" section of the Website.

<http://phx.corporate-ir.net/phoenix.zhtml?c=98046&p=irol-newsArticle&ID=2306445>

### Nordic American Tankers Limited (NYSE:NAT) – Interesting Tanker Market Report.

Hamilton, Bermuda, October 12, 2017 On our website [www.nat.bm](http://www.nat.bm) is now posted an excerpt of a tanker market report dated October 9. The "Shipping Quarterly" report has been prepared by Clarksons Platou Securities AS, Oslo, Norway. Clarksons Platou is one of the largest international shipbroking firms with offices many places in the world.

<https://www.nat.bm/nordic-american-tankers-limited-nysenat-interesting-tanker-market-report/>

### Transocean Ltd. Announces Third Quarter 2017 Earnings Release Date

ZUG, Switzerland, Oct. 12, 2017 (GLOBE NEWSWIRE) -- Transocean Ltd. (NYSE:RIG) announced today that it will report earnings for the third quarter of 2017 on Wednesday, November 1, 2017, following the close of trading on the NYSE.

<http://www.deepwater.com/news/detail?ID=2306417>

### TEN Ltd. Declares Dividend on its Series B and Series C Cumulative Redeemable Perpetual Preferred Shares

ATHENS, GREECE, October 12, 2017 – TEN Ltd. ("TEN") (NYSE: TNP) (the "Company"), a leading diversified crude, product and LNG tanker operator, today announced that its Board of Directors declared the regular quarterly cash dividend of \$0.50 per share for its Series B Cumulative Redeemable Perpetual Preferred Shares (the "Series B Preferred Shares"; NYSE: TNPPRB) and approximately \$0.5547 per share for its Series C Cumulative Redeemable Perpetual Preferred Shares (the "Series C Preferred Shares"; NYSE: TNPPRC).

<http://www.tenn.gr/en/press/2017-18/pr101217.pdf>

### Friday, October 13, 2017

### KNOT Offshore Partners LP Announces Third Quarter 2017 Cash Distribution

ABERDEEN, Scotland--(BUSINESS WIRE)-- KNOT Offshore Partners LP (NYSE:KNOP) ("The Partnership") Distribution

The Partnership announced today that its Board of Directors has declared a quarterly cash distribution with respect to the quarter ended September 30, 2017, of \$0.52 per unit.

<http://ir.knotoffshorepartners.com/investor-relations/Investor-Information/news-releases/news-details/2017/KNOT-Offshore-Partners-LP-Announces-Third-Quarter-2017-Cash-Distribution/default.aspx>

### OCEAN RIG UDW INC. ANNOUNCES NEW DRILLING CONTRACT AND INCREASED CONTRACT BACKLOG

October 13, 2017, Grand Cayman, Cayman Islands – Ocean Rig UDW Inc. (NASDAQ: ORIG) ("Ocean Rig" or "UDW" or the "Company") an international contractor of offshore deepwater drilling



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IN THE NEWS

## Latest Company News

services, today announced that it has signed a new drilling contract with Statoil, for a one-well drilling program offshore Tanzania. The contract is expected to commence in Q1 2018, to be performed by the Ocean Rig Poseidon.

[http://cdn.capitallink.com/files/docs/companies/ocean\\_rig/press/oceanrig101317.pdf](http://cdn.capitallink.com/files/docs/companies/ocean_rig/press/oceanrig101317.pdf)

**Scorpio Bulkers Inc. To Announce Third Quarter 2017 Results**  
MONACO, Oct. 13, 2017 (GLOBE NEWSWIRE) -- Scorpio Bulkers Inc. (NYSE:SALT) (the "Company") plans to announce third quarter 2017 financial results in a press release that will be issued before the market open on Monday, October 23, 2017.  
<http://www.scorpiobulkers.com/media/company-news/2017/10-13-2017-150105853>

## UPCOMING PODCAST

### The Future of Shipmanagement

Available on Tuesday, October 24, 2017

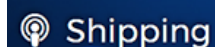


**Mark O'Neil**  
President  
**Columbia Shipmanagement**



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## *The future is (always) bright for shipping equities*

*If investing in stocks is about the future, shipping equities should do very well based on the supply and demand outlook*

THE shipping sector has badly lagged the performance of the broader stock market in the past four years. But given the improving supply and demand fundamentals and a likely return to profitability, investors should be setting their sights on shipping companies and using them to help turn their fortunes around in 2018. But will they?

Shipping stocks have underperformed badly since 2013, both in absolute and relative terms. According to a recent report by Clarksons Platou, a basket of 58 shipping stocks generated an average total stock return of -20% in 2014, -18% in 2015, -29% in 2016, and 11% in the first nine months of 2017.

To put these figures in perspective, the total return of the S&P 500, which represents a basket of the 500 largest companies based on market capitalisation, was 13.5% in 2014, 1.4% in 2015, 11.7% in 2016 and 14.2% in the first nine months of 2017.

Even if we factor in the positive performance of shipping stocks this year, they still lagged the broad stock market. Given the poor track record and the fact that shipping represents a miniscule slice of global equities, why would any seasoned investor bother to take a punt on shipping stocks?

Because investing in the stock market has always been about the future and not about past results. If a shipping company can make a convincing argument that the years ahead are bright for its bottom line, it should draw investors' attention regardless of past performance – that is already reflected on each company's financial position, whether it is cash reserves, assets owned or capital structure.

Contributed by  
**Lloyd's List**

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Website: <http://www.lloydslist.com/ll/>

The million-dollar question is how will future results change a stock's financial position and in what direction.

If we are to believe Clarksons Platou, the overall shipping sector is expected to provide good returns in the years ahead based on supply and demand fundamentals. The securities unit of Clarksons argues that an accelerating growth in demand for raw materials in 2017 bodes well with record low orderbooks and a generally decelerating fleet growth.

Add to the mix record low second-hand ship values relative to newbuilding prices (which has prompted a critical mass of shipowners to acquire second-hand tonnage instead of placing new orders) and a best-case scenario is emerging for the sector.

Are there risks to this scenario? Unfortunately, yes, and chief among them is shipowners' natural tendency to be greedy at any signs of turnaround and spoil a good market by ordering too many newbuildings. This is exactly what happened in 2013-2014 and caused the pain we saw in the past four years. Will this time be different? Only the future will tell.

For more information, please visit [www.Lloydslist.com](http://www.Lloydslist.com) or contact Lambros Papaeconomou at [lambros.papaeconomou@informa.com](mailto:lambros.papaeconomou@informa.com).





### *Shipping debt side attractive, equity not so much*

By: Barry Parker, New York Correspondent at Seatrade Maritime

With some major shipping markets seeming to have passed worst the question of what opportunities there were for financiers and investors were in focus at the Capital Link New York Maritime Forum this week.

Opportunities exist for bargain hunters, or “value investors”, to climb aboard markets set to turn upward tankers and offshore come to mind, while “momentum investors” may want to run quickly and try to gain a foothold in sectors that have seemingly bottomed out – dry bulk and container ships are mentioned here.

Missing in this taxonomy are opportunities for “growth investors”, who ideally would latch on to dividend paying entities. Indeed, one panelist suggested that paying of dividends is usually not practical, nor is it compatible with the needs of shipping companies to husband their capital for the inevitable rainy days.

Contributed by  
**Seatrade Maritime News.**

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The de rigueur panel on commercial banking exposed a sharp divide on the question of whether retrenchment of shipping banks is temporary, a consequence of the market cycles, or more permanent. Francis Birkeland, ABN Amro’s man in New York, told the audience that he’s spoken to banks that exited the shipping fray and are now “reconsidering” whether to come back in- as margins are healthier and leverage is more reasonable than in the pre-2008 days.

To access the full article, please visit: <http://www.seatrade-maritime.com/news/americas/shipping-debt-side-attractive-equity-not-so-much.html>.



# Capital Link Shipping Weekly Markets Report



Monday, October 16, 2017 (Week 43)

CAPITAL MARKETS DATA

## Dividend Paying Shipping Stocks

Stock Prices as of October 13, 2017

Company Name	Ticker	Quarterly Dividend	Annualized Dividend	10/13/2017	Annualized Dividend Yield
<b>Container</b>					
Costamare Inc	CMRE Equity	\$0.10	\$0.40	\$6.08	6.58%
Seaspan Corp	SSW Equity	\$0.125	\$0.50	\$7.22	6.93%
<b>Tankers</b>					
DHT Holdings, Inc.	DHT Equity	\$0.02	\$0.08	\$4.05	1.98%
Frontline	FRO Equity	\$0.15	\$0.60	\$6.07	9.88%
Navios Maritime Acquisition Corp	NNA Equity	\$0.05	\$0.20	\$1.25	16.00%
Nordic American Tankers Limited	NAT Equity	\$0.10	\$0.40	\$5.32	7.52%
Scorpio Tankers Inc	STNG Equity	\$0.01	\$0.04	\$3.61	1.11%
Tsakos Energy Navigation Ltd	TNP Equity	\$0.05	\$0.20	\$4.55	4.40%
Teekay Tankers	TNK Equity	\$0.03	\$0.12	\$1.65	7.27%
<b>Mixed Fleet</b>					
Ship Finance International Limited	SFL Equity	\$0.35	\$1.40	\$14.75	9.49%
Teekay Corporation	TK Equity	\$0.055	\$0.22	\$8.98	2.45%
<b>LNG/LPG</b>					
GasLog Ltd	GLOG Equity	\$0.14	\$0.56	\$17.60	3.18%
Golar LNG	GLNG Equity	\$0.05	\$0.20	\$22.49	0.89%
<b>Maritime MLPs</b>					
Capital Product Partners L.P.	CPLP Equity	\$0.08	\$0.320	\$3.56	8.99%
Dynagas LNG Partners	DLNG Equity	\$0.42	\$1.69	\$13.57	12.45%
GasLog Partners LP	GLOP Equity	\$0.51	\$2.040	\$23.50	8.68%
Golar LNG Partners, L.P.	GMLP Equity	\$0.58	\$2.31	\$23.01	10.04%
Hoegh LNG Partners	HMLP Equity	\$0.43	\$1.72	\$19.00	9.05%
KNOT Offshore Partners L.P.	KNOP Equity	\$0.52	\$2.08	\$23.60	8.81%
Navios Maritime Midstream Partners	NAP Equity	\$0.4225	\$1.69	\$8.71	19.40%
Teekay LNG Partners L.P.	TGP Equity	\$0.14	\$0.56	\$18.30	3.06%
Teekay Offshore Partners L.P.	TOO Equity	0.01	0.04	\$2.65	1.51%
<b>Offshore Drilling</b>					
EnSCO plc	ESV Equity	\$0.01	\$0.04	\$5.53	0.72%
Seadrill Partners	SDLP Equity	\$0.20	\$0.80	\$3.65	21.92%

\*Semi-annual dividend



# Capital Link Shipping Weekly Markets Report



Monday, October 16, 2017 (Week 43)

CAPITAL MARKETS DATA

## Preferred Shipping Stocks

Stock Prices as of October 13, 2017

Company	Ticker	Amount Issued (\$m)	Type	Annual Coupon	Offer Price	Current Price 10/13/2017	Current Yield (annualized)	% change last week	52-week range*
Costamare Series B	CMRE PRB	50	perpetual	7.625%	\$25.00	\$24.94	7.64%	-0.24%	18.50 - 25.20
Costamare Series C	CMRE PRC	100	perpetual	8.50%	\$25.00	\$25.44	8.35%	-1.81%	17.96 - 26.10
Costamare Series D	CMRE PRD	100	perpetual	8.75%	\$25.00	\$26.38	8.29%	-0.08%	18.22 - 26.70
Diana Shipping Series B	DSXPRB	65	perpetual	8.875%	\$25.00	\$24.12	9.20%	-2.27%	14.53 - 24.73
Dynagas LNG Partners	DLNGPRA	75	perpetual	9.000%	\$25.00	\$26.56	8.47%	-0.15%	24.33 - 26.90
GasLog Series A	GLOGA	111	perpetual	8.75%	\$25.00	\$26.22	8.34%	0.29%	24.77 - 26.78
Global Ship Lease Series B	GSLB	35	perpetual	8.75%	\$25.00	\$22.59	9.68%	0.11%	15.38 - 23.74
Safe Bulkers Series B	SBPRB	40	perpetual step up	8.00%	\$25.00	\$25.77	7.76%	0.27%	23.00 - 27.24
Safe Bulkers Series C	SBPRC	58	perpetual	8.00%	\$25.00	\$23.90	8.37%	4.77%	13.16 - 23.90
Safe Bulkers Series D	SBPRD	80	perpetual	8.00%	\$25.00	\$23.80	8.40%	4.65%	13.10 - 23.90
Seaspan Series D	SSWPRD	128	perpetual	7.95%	\$25.00	\$24.85	8.00%	3.24%	19.19 - 26.05
Seaspan Series E	SSWPRE	135	perpetual	8.20%	\$25.00	\$24.67	8.31%	2.32%	19.42 - 25.76
Seaspan Series G	SSWPRG	100	perpetual	8.25%	\$25.00	\$25.10	8.22%	0.89%	19.92 - 26.04
Seaspan Series H	SSWPRH	225	perpetual	7.875%	\$25.00	\$24.28	N/A	3.06%	18.65 - 25.24
Teekay Offshore Series A	TOOPRA	150	perpetual	7.25%	\$25.00	\$23.67	7.66%	4.15%	13.11 - 23.81
Teekay Offshore Series B	TOOPRB	125	perpetual	8.50%	\$25.00	\$24.99	8.50%	2.00%	15.50 - 25.04
Teekay LNG Partners Series A	TGP A	125	perpetual	9.00%	\$25.00	\$26.01	8.65%	1.49%	22.73 - 26.21
Tsakos Energy Series B	TNPPRB	50	perpetual step up	8.00%	\$25.00	\$25.60	7.81%	-0.35%	24.61 - 26.03
Tsakos Energy Series C	TNPPRC	50	perpetual	8.875%	\$25.00	\$25.83	8.59%	0.78%	24.69 - 26.29
Tsakos Energy Series D	TNPPRD	85	perpetual	8.75%	\$25.00	\$25.40	8.61%	0.99%	23.59 - 25.65
Tsakos Energy Series E	TNPPRE	4	perpetual	9.250%	\$25.00	\$25.63	9.02%	1.02%	24.70-25.72

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

\* Prices reflected are since inception date:

Seaspan Series G – 6/10/2016 Seaspan Series H – 8/5/2016.



# Capital Link Shipping Weekly Markets Report



Monday, October 16, 2017 (Week 43)

CAPITAL MARKETS DATA

## Indices

Week ending October 13, 2017

### MAJOR INDICES

America	Symbol	10/13/2017	10/6/2017	% Change	YTD % Change	1/3/2017
Dow Jones	INDU Index	22,871.72	22,773.67	0.43	15.04	19,881.76
Dow Jones Transp.	TRAN Index	9,936.22	9,886.88	0.50	10.11	9,023.86
NASDAQ	CCMP Index	6,605.80	6,590.18	0.24	21.67	5,429.08
NASDAQ Transp.	CTRN Index	4,807.24	4,786.92	0.42	18.65	4,051.44
S&P 500	SPX Index	2,553.17	2,549.33	0.15	13.08	2,257.83

Europe	Symbol	10/13/2017	10/6/2017	% Change	YTD % Change	1/3/2017
Deutsche Borse Ag	DAX Index	12,991.87	12,955.94	0.28	12.15	11,584.24
Euro Stoxx 50	SX5E Index	3,604.55	3,603.32	0.03	8.73	3,315.02
FTSE 100 Index	UKX Index	7,535.44	7,522.87	0.17	4.98	7,177.89

Asia/Pacific	Symbol	10/13/2017	10/6/2017	% Change	YTD % Change	1/3/2017
ASX 200	AS51 Index	5,814.15	5,710.68	1.81	1.41	5,733.18
Hang Seng	HSI Index	28,476.43	28,458.04	0.06	28.56	22,150.40
Nikkei 225	NKY Index	21,155.18	20,690.71	2.24	10.68	19,114.37

### CAPITAL LINK MARITIME INDICES

Index	Symbol	10/13/2017	10/6/2017	% Change	YTD % Change	1/3/2017
Capital Link Maritime Index	CPLMMARI Index	1,173.34	1,166.03	0.63	-3.48	1,215.70
Tanker Index	CPLMTANK Index	655.14	645.50	1.49	-14.18	763.40
Dry Bulk Index	CPLMDRY Index	662.42	665.96	-0.53	49.00	444.57
Container Index	CPLMCONT Index	604.95	579.63	4.37	-14.65	708.80
LNG/LPG Index	CPLMLNPG Index	1,908.70	1,907.14	0.08	1.68	1,877.12
Mixed Fleet Index	CPLMMIXD Index	1,268.57	1,240.50	2.26	-1.33	1,285.67
MLP Index	CPLMMLPI Index	1,631.77	1,637.76	-0.37	-2.96	1,681.56

\*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 16, 2017 (Week 43)

## CAPITAL MARKETS DATA

### BALTIC INDICES

Index	Symbol	10/13/2017	10/6/2017	% Change	YTD % Change	1/3/2017
Baltic Dry Index	BDIY Index	1,485.00	1,405.00	5.69	55.82	953
Baltic Capesize Index	BCI14 Index	2,871.00	2,929.00	-1.98	86.67	1538
Baltic Panamax Index	BPIY Index	1,606.00	1,406.00	14.22	98.03	811
Baltic Supramax Index	BSI58A Index	1,069.00	971.00	10.09	26.81	843
Baltic Handysize Index	BHSI Index	649.00	610.00	6.39	16.10	559
Baltic Dirty Tanker Index	BIDY Index	903.00	776.00	16.37	-17.00	1088
Baltic Clean Tanker Index	BITY Index	563.00	615.00	-8.46	-35.06	867

### TRANSPORTATION STOCKS

DRYBULK	TICKER	10/13/2017 Friday	10/6/2017 Friday	Change %	52 week high	52 week low	1/3/2017	Three Month Avg. Volume
Genco Shipping & Trading Ltd	GNK	\$12.14	\$12.04	0.83%	\$14.40	\$5.26	\$7.65	70,072
Diana Shipping Inc	DSX	\$4.00	\$4.13	-3.15%	\$6.03	\$2.40	\$3.30	567,145
DryShips Inc	DRYS	\$3.17	\$3.33	-4.80%	\$538,599.23	\$0.98	\$116.16	10,615,126
Eagle Bulk Shipping Inc	EGLE	\$4.58	\$4.62	-0.87%	\$9.18	\$4.12	\$5.92	259,404
FreeSeas Inc	FREF	\$0.00	\$0.00	0.00%	\$23.13	\$0.00	\$2.00	17,571,408
Globus Maritime Ltd	GLBS	\$0.93	\$0.96	-3.49%	\$14.23	\$0.91	\$4.30	272,562
Golden Ocean Group	GOGL	\$8.48	\$8.17	3.79%	\$9.83	\$3.50	\$4.77	233,546
Navios Maritime Holdings Inc	NM	\$1.78	\$1.74	2.30%	\$2.19	\$1.00	\$1.51	674,086
Navios Maritime Partners LP	NMM	\$2.12	\$2.08	1.92%	\$2.63	\$1.18	\$1.47	636,293
Paragon Shipping Inc	PRGNF	\$0.01	\$0.01	-8.33%	\$37.08	\$0.01	\$0.10	136,106
Safe Bulkers Inc	SB	\$3.15	\$2.98	5.70%	\$3.57	\$1.15	\$1.19	564,831
Scorpio Bulkers	SALT	\$7.25	\$7.25	0.00%	\$9.80	\$3.50	\$5.85	612,051
Seanergy Maritime	SHIP	\$1.19	\$1.15	3.48%	\$7.20	\$0.61	\$1.25	513,094
Star Bulk Carriers Corp	SBLK	\$10.22	\$10.16	0.59%	\$12.97	\$4.08	\$5.68	573,808

TANKERS	Ticker	10/13/2017	10/6/2017	Change %	52 wk high	52 wk low	1/3/2017	3-Month Avg. Vol.
Ardmore Shipping Corp	ASC	\$8.90	\$8.90	0.00%	\$8.98	\$5.50	\$7.50	167,347
Capital Product Partners LP	CPLP	\$3.56	\$3.45	3.19%	\$3.97	\$2.77	\$3.16	540,630
DHT Holdings Inc	DHT	\$4.05	\$3.94	2.79%	\$5.13	\$3.38	\$4.42	642,529
Euronav NV	EURN	\$8.25	\$8.05	2.48%	\$8.55	\$6.70	\$8.45	528,248
Frontline Ltd/Bermuda	FRO	\$6.07	\$5.81	4.48%	\$7.86	\$4.88	\$7.45	613,133
Gener8 Maritime Inc	GNRT	\$4.84	\$4.63	4.54%	\$6.12	\$3.56	\$4.77	257,873
Knot Offshore Partners	KNOP	\$23.60	\$23.45	0.64%	\$24.50	\$19.00	\$24.50	44,331
Navios Acquisition	NNA	\$1.25	\$1.24	0.81%	\$2.08	\$1.14	\$1.76	399,284
Navios Midstream Partners	NAP	\$8.71	\$7.82	11.38%	\$12.52	\$7.00	\$10.86	108,362
Nordic American	NAT	\$5.32	\$5.26	1.14%	\$9.72	\$4.53	\$8.56	956,450
Overseas Shipholding	OSG	\$2.61	\$2.77	-5.78%	\$5.53	\$1.99	\$4.12	482,933
Pyxis Tankers	PXS	#N/A N/A	\$1.88	5.32%	\$3.20	\$0.99	\$2.76	5,024
Scorpio Tankers Inc	STNG	\$3.61	\$3.64	-0.82%	\$4.84	\$3.22	\$4.79	3,324,484
Teekay Offshore Partners LP	TOO	\$2.65	\$2.50	6.00%	\$6.43	\$1.67	\$5.42	1,083,242
Teekay Tankers Ltd	TNK	\$1.65	\$1.61	2.48%	\$2.74	\$1.39	\$2.40	1,127,133
Top Ships	TOPS	\$0.60	\$0.53	12.66%	\$109,619.97	\$0.50	\$2.34	1,114,030
Tsakos Energy Navigation Ltd	TNP	\$4.55	\$4.56	-0.22%	\$5.24	\$4.01	\$4.86	291,970



# Capital Link Shipping Weekly Markets Report



Monday, October 16, 2017 (Week 43)

## CAPITAL MARKETS DATA

CONTAINERS	Ticker	10/13/2017	10/6/2017	Change %	52 wk high	52 wk low	1/3/2017	3-Month Avg. Vol.
Box Ships Inc	TEUFF	\$0.01	\$0.01	-6.50%	\$1.02	\$0.01	\$0.60	129,457
Costamare Inc	CMRE	\$6.08	\$6.01	1.16%	\$7.99	\$5.25	\$6.04	642,975
Danaos Corp	DAC	\$1.50	\$1.55	-3.23%	\$3.65	\$1.25	\$2.75	127,840
Diana Containerships Inc	DCIX	\$0.46	\$0.59	-21.97%	\$11,342.53	\$0.44	\$2.88	479,261
Global Ship Lease Inc	GSL	\$1.39	\$1.59	-12.58%	\$2.50	\$1.07	\$1.55	113,421
Seaspan Corp	SSW	\$7.22	\$6.89	4.79%	\$13.10	\$5.07	\$9.53	1,213,616

LPG/LNG	Ticker	10/13/2017	10/6/2017	Change %	52 wk high	52 wk low	1/3/2017	3-Month Avg. Vol.
Dynagas LNG Partners	DLNG	\$13.57	\$13.96	-2.79%	\$17.87	\$12.85	\$16.53	130,659
Dorian	LPG	\$7.72	\$7.32	5.46%	\$12.38	\$5.63	\$8.87	154,188
GasLog Ltd	GLOG	\$17.60	\$17.20	2.33%	\$18.25	\$12.95	\$16.90	452,467
Gaslog Partners	GLOP	\$23.50	\$23.40	0.43%	\$25.20	\$19.50	\$21.20	139,805
Golar LNG Ltd	GLNG	\$22.49	\$22.51	-0.09%	\$28.77	\$20.26	\$23.64	913,159
Golar LNG Partners LP	GMLP	\$23.01	\$23.03	-0.09%	\$25.48	\$18.50	\$23.77	249,172
Hoegh LNG Partners	HMLP	\$19.00	\$19.20	-1.04%	\$20.60	\$17.20	\$19.00	52,964
Navigator Gas	NVGS	\$11.35	\$11.15	1.79%	\$14.55	\$6.85	\$9.45	227,060
StealthGas Inc	GASS	\$3.66	\$3.48	5.17%	\$4.69	\$2.70	\$3.41	76,389
Teekay LNG Partners LP	TGP	\$18.30	\$18.35	-0.27%	\$19.35	\$13.30	\$14.40	198,962

MIXED FLEET	Ticker	10/13/2017	10/6/2017	Change %	52 wk high	52 wk low	1/3/2017	3-Month Avg. Vol.
Euroseas Ltd	ESEA	\$1.81	\$1.90	-4.74%	\$4.85	\$1.14	\$1.77	57,845
Ship Finance International Ltd	SFL	\$14.75	\$14.45	2.08%	\$15.95	\$12.30	\$15.00	887,419
Teekay Corp	TK	\$8.98	\$8.80	2.05%	\$11.37	\$5.26	\$8.62	1,136,199

MLPs	Ticker	10/13/2017	10/6/2017	Change %	52 wk high	52 wk low	1/3/2017	3-Month Avg. Vol.
Capital Product Partners	CPLP	\$3.56	\$3.45	3.19%	\$3.97	\$2.77	\$3.16	540,630
Dynagas LNG Partners	DLNG	\$13.57	\$13.96	-2.79%	\$17.87	\$12.85	\$16.53	130,659
GasLog Partners	GLOP	\$23.50	\$23.40	0.43%	\$25.20	\$19.50	\$21.20	139,805
Golar LNG Partners LP	GMLP	\$23.01	\$23.03	-0.09%	\$25.48	\$18.50	\$23.77	249,172
Hoegh LNG Partners	HMLP	\$19.00	\$19.20	-1.04%	\$20.60	\$17.20	\$19.00	52,964
KNOT Offshore Partners	KNOP	\$23.60	\$23.45	0.64%	\$24.50	\$19.00	\$24.50	44,331
Navios Maritime Midstream	NAP	\$8.71	\$7.82	11.38%	\$12.52	\$7.00	\$10.86	108,362
Navios Partners	NMM	\$2.12	\$2.08	1.92%	\$2.63	\$1.18	\$1.47	636,293
Teekay Offshore	TOO	\$2.65	\$2.50	6.00%	\$6.43	\$1.67	\$5.42	1,083,242
Teekay LNG	TGP	\$18.30	\$18.35	-0.27%	\$19.35	\$13.30	\$14.40	198,962

OFFSHORE DRILL RIGS	Ticker	10/13/2017	10/6/2017	Change %	52 wk high	52 wk low	1/3/2017	3-Month Avg. Vol.
Atwood Oceanics	ATW	#N/A N/A	#N/A N/A	-0.75%	\$14.05	\$6.04	\$13.62	5,467,187
Diamond Offshore Drilling	DO	\$15.09	\$14.84	1.68%	\$21.08	\$10.22	\$18.15	2,816,597
Enasco International	ESV	\$5.53	\$5.68	-2.64%	\$11.81	\$4.16	\$10.21	17,912,754
Noble Corp.	NE	\$3.96	\$4.13	-4.12%	\$7.69	\$3.16	\$6.26	7,369,432
Ocean Rig UDW Inc	ORIG	\$25.67	\$24.62	4.26%	\$24,471.99	\$23.49	\$1.79	75,699
Pacific Drilling	PACD	#N/A N/A	#N/A N/A	#VALUE!	#N/A N/A	#N/A N/A	\$4.26	#N/A N/A
Rowan Companies	RDC	\$13.71	\$13.08	4.82%	\$20.90	\$9.04	\$19.55	3,630,450
Seadrill Ltd.	SDRL	\$0.29	\$0.38	-22.89%	\$3.93	\$0.18	\$3.59	10,970,152
Transocean	RIG	\$10.86	\$10.31	5.33%	\$15.84	\$7.28	\$15.33	17,119,380
Vantage Drilling Company	VTGDF	\$0.01	\$0.01	-1.79%	\$0.03	\$0.01	\$0.02	138,313



# Capital Link Shipping Weekly Markets Report



Monday, October 16, 2017 (Week 43)

Oslo-Listed Shipping Comps (currency in NOK)	Ticker	10/13/2017	10/6/2017	Change %	52 wk high	52 wk low	1/3/2017	3-Month Avg. Vol.
Golden Ocean	GOGL	\$66.20	\$8.17	0.46%	\$77.00	\$28.90	\$40.80	1,569,263
Stolt-Nielsen Ltd.	SNI	\$115.50	\$86.02	0.43%	\$150.00	\$99.75	\$104.50	31,076
Frontline Ltd.	FRO	\$48.30	\$5.81	2.33%	\$65.90	\$39.00	\$64.00	423,995
Jinhui Shpg. & Trans	JIN	\$10.05	\$9.82	2.34%	\$12.27	\$4.69	\$8.85	384,026
Odfjell (Common A Share)	ODF	\$25.90	\$26.50	-2.26%	\$36.10	\$25.40	\$28.90	15,270
American Shipping Co.	AMSC	\$22.80	\$22.00	3.64%	\$29.28	\$20.78	\$24.92	46,356
Hoegh LNG	HLNG	\$73.00	\$70.50	3.55%	\$101.00	\$68.75	\$95.00	59,680

OFFSHORE SUPPLY	Ticker	10/13/2017	10/6/2017	Change %	52 wk high	52 wk low	1/3/2017	3-Month Avg. Vol.
Gulfmark Offshore	GLFM	\$0.18	\$0.18	0.00%	\$2.30	\$0.13	\$1.70	72,327
Hornback Offshore	HOS	\$3.86	\$4.03	-4.22%	\$8.47	\$1.52	\$7.62	614,775
Nordic American Offshore	NAO	\$1.44	\$1.44	0.00%	\$3.55	\$0.87	\$2.85	315,581
Tidewater	TDW	\$26.53	\$27.06	-1.96%	\$29.23	\$21.46	\$3.61	#N/A N/A
Seacor Holdings	CKH	\$45.15	\$45.93	-1.70%	\$48.73	\$30.18	\$73.41	113,265





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

#### **SHIPPING EQUITIES PERFORMED SIMILARLY TO THE BROADER MARKET**

Shipping equities performed similarly to the indices last week, with the Capital Link Maritime Index (CLMI) -- a composite index of all US listed shipping stocks – up 0.63%, compared to the S&P 500 (SPX) which went up 0.15%, Nasdaq (CCMP) up 0.24%, and Dow Jones Industrial Average (INDU) up 0.43%.

The other Capital Link Maritime Indices saw positive returns on average, with two of the seven indices finishing in the red and five finishing with gains. The Container Index (CPLMCONT) saw the highest gains at 4.37%, while the Drybulk Index (CPLMDRYB) saw the greatest loss at 0.53%.

The Baltic Indices saw positive returns on average with two of the seven indices in the red and five finishing with gains. The Dirty Tanker Index (BDTI) saw the greatest increase, rising 16.37%, and the Index (BCTI) saw the biggest decrease of 8.46%.

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

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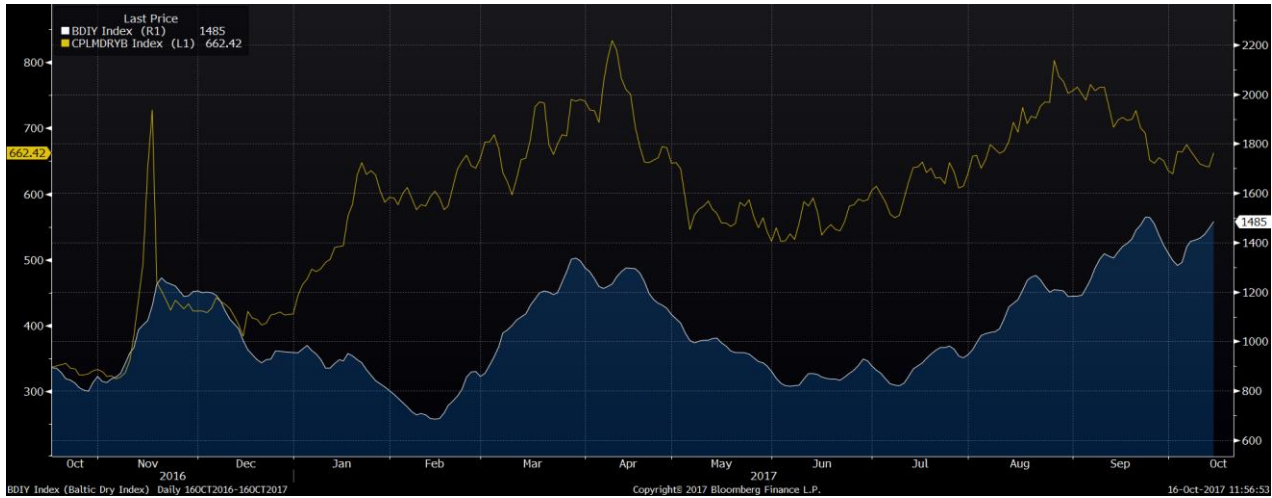
# Capital Link Shipping Weekly Markets Report



Monday, October 16, 2017 (Week 43)

## CAPITAL MARKETS DATA

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



\*SOURCE: BLOOMBERG



# Capital Link Shipping Weekly Markets Report



Monday, October 16, 2017 (Week 43)

## SHIPPING MARKETS

### Global Shipping Company Bond Data

Segment	Issuer	Coupon	Principle		Security	Maturity	Moody	S&P	Price	As of		
			Balance	(\$MM)						Symbol	October 13, 2017	
									YTW	YTM	Ask Price	
Barge	Navios Maritime Holdings Inc. (S.A.)	7.25%	\$375.0	NM	Senior Secured	2022	B3	B-	\$98.75	7.57%	7.57%	\$98.75
Container	CMA CGM S.A.	6.50%	\$707.1	05KTT6-E	Senior Unsecured	2018	B3	CCC+	\$107.00	4.13%	4.83%	\$107.25
Container	CMA CGM S.A.	7.75%	\$64.9	05KTT6-E	Senior Unsecured	2021	B3	CCC+	\$105.52	1.31%	5.86%	\$105.75
Container	Hapag-Lloyd AG	6.75%	\$526.0	441036	Senior Unsecured	2022	Caa1	B-	\$108.88	2.35%	4.46%	\$109.25
Container	Hapag-Lloyd AG	7.50%	\$296.1	441036	Senior Unsecured	2019	Caa1	B-	\$102.01	-5.92%	(5.92%)	\$102.36
Container	Seaspan Corporation	6.38%	\$345.0	SSW	Senior Unsecured	2019	NA	NA	\$25.60	4.58%	4.58%	\$25.60
Container	Seaspan Corporation	7.13%	\$80.0	SSW	Senior Unsecured	2027	NA	NA	\$24.41	34.84%	34.84%	\$24.41
Container	Global Ship Lease, Inc. Class A	10.00%	\$346.3	GSL	Senior Unsecured	2019	B3	B	\$102.00	5.62%	8.52%	\$102.00
Container	A.P. Moller - Maersk A/S Class B	1.75%	\$1,184.6	MAERSK.B-CSE	Senior Unsecured	2021	Baa1	BBB+	\$104.64	0.39%	0.39%	\$104.74
Container	A.P. Moller - Maersk A/S Class B	3.38%	\$888.4	MAERSK.B-CSE	Senior Unsecured	2019	Baa1	BBB+	\$106.35	-0.01%	(0.01%)	\$106.42
Dredging	Great Lakes Dredge & Dock Corporation	8.00%	\$325.0	GLDD	Senior Unsecured	2022	Caa1	B-	\$103.25	NA	NA	NA
Dredging	Great Lakes Dredge & Dock Corporation	7.38%	\$89.1	GLDD	Senior Unsecured	2019	Caa1	B-	NA	NA	NA	NA
Dry Bulk	Navios Maritime Holdings Inc.	8.13%	\$350.0	NM	Senior Unsecured	2019	Caa2	CCC	\$96.50	10.98%	10.98%	\$96.50
Dry Bulk	Navios Maritime Holdings Inc.	7.38%	\$650.0	NM	Senior Secured	2022	Caa2	B-	\$80.50	13.52%	13.52%	\$80.50
Dry Bulk	Scorpio Bulkers, Inc.	7.50%	\$73.6	SALT	Senior Unsecured	2019	NA	NA	\$25.00	7.88%	7.88%	\$25.00
Dry Bulk	Star Bulk Carriers Corp.	8.00%	\$50.0	SBLK	Senior Unsecured	2019	NA	NA	\$25.30	8.10%	8.12%	\$25.30
Dry Bulk	Golden Ocean Group Ltd	3.07%	\$200.0	GOTL	Senior Conv.	2019	NA	NA	\$96.00	6.32%	6.32%	\$97.00
Dry Bulk	Diana Shipping Inc.	8.50%	\$63.3	DSX	Senior Unsecured	2020	NA	NA	\$25.39	6.14%	8.49%	\$25.39
LNG	Dynagas LNG Partners LP	6.25%	\$250.0	DLNG	Senior Unsecured	2019	NA	NA	\$100.00	6.30%	6.30%	\$100.00
LNG	Golar LNG Limited	2.75%	\$402.5	GLNG	Senior Conv.	2022	NA	NA	\$93.88	4.31%	4.31%	\$93.88
LNG	Golar LNG Limited	5.71%	\$150.0	GLNG	Senior Unsecured	2020	NA	NA	\$96.50	7.77%	7.77%	\$97.00
LNG	Golar LNG Partners LP	7.57%	\$250.0	GMLP	Senior Unsecured	2021	NA	NA	\$99.50	8.40%	8.40%	\$100.00
LNG	Golar LNG Partners LP	5.71%	\$150.0	GMLP	Senior Unsecured	2020	NA	NA	\$96.50	7.77%	7.77%	\$97.00
LNG	Golar LNG Partners LP	6.32%	\$0.0	GMLP	Senior Unsecured	2017	NA	NA	\$100.00	5.95%	5.95%	\$100.00
LNG	GasLog Ltd	8.88%	\$250.0	GLOG	Senior Unsecured	2022	NA	NA	\$105.75	7.41%	7.41%	\$105.75
LPG	BW LPG Ltd.	1.75%	\$250.0	BWLPG-NO	Senior Conv.	2019	NA	NA	\$96.05	3.91%	3.91%	\$96.55
Offshore Services	Drill Rigs Holding, Inc.	6.50%	\$800.0	00CS7X-E	Senior Secured	2017	Caa3	D	\$29.50	NA	NA	NA
Offshore Services	Diamond Offshore Drilling, Inc.	4.88%	\$750.0	DO	Senior Unsecured	2043	Ba2	BB-	\$74.50	7.02%	7.02%	\$74.50
Offshore Services	Golden Close Maritime Corp	8.00%	\$100.0	NA	Senior Unsecured	2019	NA	NA	\$92.00	10.39%	10.39%	\$93.00
Offshore Services	GulfMark Offshore, Inc. Class A	6.38%	\$429.6	GLF	Senior Unsecured	2022	Ca	NA	\$19.75	59.10%	59.10%	\$19.75
Offshore Services	Hornbeck Offshore Services, Inc.	1.50%	\$300.0	HOS	Senior Conv.	2019	NA	D	\$77.00	16.07%	16.07%	\$77.00
Offshore Services	Hornbeck Offshore Services, Inc.	5.88%	\$375.0	HOS	Senior Unsecured	2020	Caa1	CCC	\$63.50	27.08%	27.08%	\$63.50
Offshore Services	Hornbeck Offshore Services, Inc.	5.00%	\$450.0	HOS	Senior Unsecured	2021	Caa1	CCC	\$50.00	29.21%	29.21%	\$50.00
Offshore Services	Ocean Rig UDW Inc	7.25%	\$131.0	ORIG	Senior Unsecured	2018	Ca	D	\$10.00	NA	NA	NA
Offshore Services	Pacific Drilling S.A.	7.25%	\$500.0	PACD	Senior Secured	2017	Caa3	NA	\$42.00	NA	NA	\$42.00
Offshore Services	Pacific Drilling S.A.	5.38%	\$750.0	PACD	Senior Secured	2020	Caa2	NA	\$31.50	60.36%	60.36%	\$31.50
Offshore Services	SEACOR Holdings Inc.	2.50%	\$157.1	CKH	Senior Conv.	2027	NA	NA	\$99.56	2.55%	2.55%	\$99.56
Offshore Services	SEACOR Holdings Inc.	3.00%	\$230.0	CKH	Senior Conv.	2028	NA	NA	\$88.88	4.27%	4.27%	\$88.88
Offshore Services	SEACOR Holdings Inc.	7.38%	\$250.0	CKH	Senior Unsecured	2019	Caa1	NA	\$103.00	5.74%	5.74%	\$103.00
Offshore Services	Teekay Offshore Partners L.P.	6.00%	\$275.0	TOO	Senior Unsecured	2019	NA	NA	\$99.50	6.34%	6.34%	\$99.50
Other	Aegean Marine Petroleum Network Inc.	4.00%	\$128.3	ANW	Senior Conv.	2018	NA	NA	\$94.06	10.08%	10.08%	\$94.06
Other	Aegean Marine Petroleum Network Inc.	4.25%	\$150.0	ANW	Senior Conv.	2021	NA	NA	\$72.94	12.81%	12.81%	\$72.94
Tanker	Navios Maritime Acquisition Corporation	8.13%	\$610.0	NNA	Senior Secured	2021	B2	B	\$81.75	14.14%	14.14%	\$81.75
Tanker	DHT Holdings, Inc.	4.50%	\$150.0	DHT	Senior Unsecured	2019	NA	NA	\$99.13	4.97%	4.97%	\$99.13
Tanker	Eletson Holdings, Inc.	9.63%	\$300.0	06TRYQ-E	Senior Secured	2021	B2	B-	\$70.25	20.36%	20.36%	\$70.25
Tanker	Euronav	7.50%	\$150.0	EURN	Senior Unsecured	2022	NA	NA	\$96.88	NA	NA	NA
Tanker	Overseas Shipholding Group Inc Class A	8.13%	\$119.1	OSG	Senior Unsecured	2018	Caa1	B	\$102.25	3.22%	3.22%	\$102.25
Tanker	Ship Finance International Limited	3.25%	\$350.0	SFL	Senior Conv.	2018	NA	NA	\$109.69	-114.91%	(25.53%)	\$109.69
Tanker	Stena AB	5.88%	\$120.8	FDSA9813	Senior Unsecured	2019	B3	BB-	\$105.04	1.94%	1.94%	\$105.62
Tanker	Stena AB	7.00%	\$600.0	FDSA9813	Senior Unsecured	2024	B2	B+	\$95.38	7.94%	7.94%	\$95.38
Tanker	Scorpio Tankers Inc.	2.38%	\$360.0	STNG	Senior Conv.	2019	NA	NA	\$90.06	8.72%	8.72%	\$90.06
Tanker	Scorpio Tankers Inc.	6.75%	\$53.8	STNG	Senior Unsecured	2020	NA	NA	\$24.46	8.23%	8.23%	\$24.46
Tanker	Scorpio Tankers Inc.	7.50%	\$51.8	STNG	Senior Unsecured	2017	NA	NA	\$24.99	3.60%	3.60%	\$24.99
Tanker	Scorpio Tankers Inc.	8.25%	\$50.0	STNG	Senior Unsecured	2019	NA	NA	\$25.49	7.33%	7.62%	\$25.49
Tanker	Teekay Corporation	8.50%	\$450.0	TK	Senior Unsecured	2020	B3	B+	\$101.00	8.00%	8.00%	\$101.00

Source: FactSet

Contributed by Stifel Nicolaus & Co, Inc.



# Capital Link Shipping Weekly Markets Report



Monday, October 16, 2017 (Week 43)

## SHIPPING MARKETS

### Weekly Market Report

#### Market Analysis

There was a flood of fresh news this week which clouded the overall prospects of the crude oil market. Just one week prior Saudi Arabia and Russia, the two countries which together produce roughly one fifth of global oil supplies, made a joint announcement reaffirming their commitment to cut back production and help alleviate markets from the glut in supply faced right now. On the back of these positive news the price of crude oil started to show signs of life, with an increase of more than US\$ 1 per barrel being seen just hours after the news came out. Moving on to last Monday and there was already a considerable amount of market activity, while most kept a keen eye out for what key findings would be given from OPECs monthly report as well as the US Energy and Information Administration's weekly inventory report.

OPEC's in-house analysis in its monthly oil market report did not disappoint, quoting a considerable increase in its forecast for demand next year. It noted a more than 0.6% increase compared to its previous month's forecast levels, basin this largely on much stronger demand levels now being expected from OECD countries and the lower estimates of non-OPEC supply. The market reaction was almost imminent with the price of Brent crude reaching just under US\$ 57 per barrel. This gain seemed to have been further boosted on early Friday as the EIA's weekly inventories figures showed a decrease by 2.8 million barrels from the previous week while it also reaffirmed the sense of weakening shale oil production figures moving forward. The rally continued on for most of Friday and looks to still have steam in early hours of trading today.

In the midst of this we continue to see a big volume of U.S. crude heading to the East, with the increased price gap between WTI and Brent pushing for an increase in Far East appetite for U.S. oil, and the U.S. having already noted a record exports of 1.98 million barrels per day by late September. This opening of this trade has helped the tanker trade, adding a fair amount of miles per tonne of crude oil imports made by major importers such as China.

All this has helped boost the image of the crude oil tanker, with freight rates having already seen a fair rise over the past couple of weeks and things looking to gain in strength over the coming months as the winter season demand spike starts to show face. This in combination with the slower fleet growth being seen of late and we have started to see some improvement in prospects moving forward for these large crude oil carriers. In combination with the increased refining capacity being established in the Far East, and we may well see an increase in trade that could well push for a further overall improvement in the market. It seems as though the prospects for 2018 have improved and there is more and more confidence that the difficulties faced during the second half of 2016 as well as in the year so far may well be behind us. That is not to say that anyone is holding out expectations for any extraordinary rally to take place, but rather that a better market balance could be reached than the one faced right now. This balance may just turn out to be exactly what the crude oil tanker markets needs right now.

Contributed by

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#### Dry Bulk Freight Market

	13 Oct		W-O-W change	
			±Δ	±%
BDI	1,485		▲ 80	5.7%
BCI	2,871		▼ -58	-2.0%
BPI	1,606		▲ 200	14.2%
BSI	1,069		▲ 98	10.1%
BHSI	649		▲ 39	6.4%

#### Tanker Freight Market

	13 Oct		W-O-W change	
			±Δ	±%
BDTI	903		▲ 127	16.4%
BCTI	563		▼ -52	-8.5%

#### Newbuilding Market

Aggregate Price Index		M-O-M change	
	13 Oct	±Δ	±%
Bulkers	79	▶	0.0%
Cont	94	▶	0.0%
Tankers	90	▶	0.0%
Gas	91	▶	0.0%

#### Secondhand Market

Aggregate Price Index		M-O-M change	
	13 Oct	±Δ	±%
Capesize	58	▲ 0	0.7%
Panamax	57	▲ 0	0.5%
Supramax	63	▲ 0	0.5%
Handysize	62	▲ 2	2.9%
VLCC	76	▼ -2	-2.1%
Suezmax	68	▼ -2	-2.4%
Aframax	81	▼ -2	-2.6%
MR	101	▶	0.0%

#### Demolition Market

Avg Price Index (main 5 regions)		W-O-W change	
	13 Oct	±Δ	±%
Dry	339	▶	0.0%
Wet	356	▶	0.0%



### Dry Bulkers – Spot Market

**Capesize** – A bit of sideways movement this week, with a relative soft start and things starting to strengthen towards the latter half of the week, thanks to the sudden boost in activity noted in the Atlantic. A large fixing of vessels from Vale for its November program helped swoop up most of the excess tonnage in the region. Things were also looking to be improving in the Pacific as activity started to rise, despite the fact that we still closed off the week in the red.

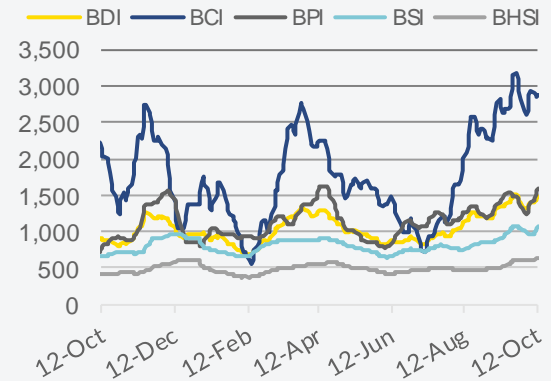
**Panamax** - A relatively sluggish start here too, though things were quick to make a change, with rates starting to increase at a faster rate as activity started to rise. The Atlantic seemed to be gaining fast, mainly driven by a sharper rise in interest coming out of the US Gulf. The North Pacific was also on the rise as grain activity there helped pick up some of the excess Kamsarmax tonnage in the region.

**Supramax** - A fairly positive week here too with the Atlantic noting strong gains as the US Gulf helped keep things fairly active. There was also notable activity being seen out of ECSA and in the Med, possibly allowing for a fair momentum to be kept over the next couple of days. The Pacific was also seeing a fair amount of coal activity, while the overspill of positive sentiment from the West helped boost rates further.

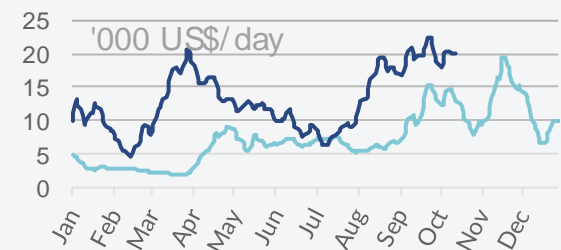
**Handysize** - Rates were on a mainly positive move this week, as interest remained strong out of US Gulf and ECSA. The Pacific was slightly lagging, though we were still seeing some positive gains on a week-on-week basis. There is still some positive momentum to be had, with position lists now favoring further rate gains.

Spot market rates & indices				Average	
	13 Oct	06 Oct	±%	2017	2016
<b>Baltic Dry Index</b>					
BDI	1,485	1,405	5.7%	1,051	677
<b>Capesize</b>					
BCI	2,871	2,929	-2.0%	1,746	1,031
BCI 5TC	\$ 20,047	\$ 20,427	-1.9%	\$ 13,016	\$ 7,400
ATLANTIC RV	\$ 20,700	\$ 20,250	2.2%	\$ 12,882	\$ 7,775
Cont / FEast	\$ 29,995	\$ 30,510	-1.7%	\$ 23,625	\$ 13,856
PACIFIC RV	\$ 21,063	\$ 21,000	0.3%	\$ 12,859	\$ 7,070
FEast / ECSA	\$ 18,927	\$ 20,615	-8.2%	\$ 12,929	\$ 7,164
<b>Panamax</b>					
BPI	1,606	1,406	14.2%	1,148	696
BPI - TCA	\$ 12,905	\$ 11,300	14.2%	\$ 9,210	\$ 5,566
ATLANTIC RV	\$ 12,910	\$ 10,475	23.2%	\$ 9,388	\$ 6,139
Cont / FEast	\$ 19,832	\$ 18,295	8.4%	\$ 15,201	\$ 9,818
PACIFIC RV	\$ 13,496	\$ 11,948	13.0%	\$ 8,692	\$ 5,161
FEast / Cont	\$ 5,382	\$ 4,483	20.1%	\$ 3,559	\$ 1,144
<b>Supramax</b>					
BSI	1,069	971	10.1%	813	602
BSI - TCA	\$ 11,949	\$ 10,831	10.3%	\$ 8,945	\$ 6,212
USG / FEast	\$ 24,139	\$ 20,656	16.9%	\$ 18,872	\$ 9,760
Med / FEast	\$ 17,875	\$ 16,409	8.9%	\$ 15,219	\$ 9,635
PACIFIC RV	\$ 10,550	\$ 9,767	8.0%	\$ 7,780	\$ 5,197
FEast / Cont	\$ 6,700	\$ 6,100	9.8%	\$ 4,245	\$ 3,272
USG / Skaw	\$ 17,975	\$ 15,622	15.1%	\$ 14,526	\$ 9,845
Skaw / USG	\$ 7,231	\$ 6,516	11.0%	\$ 6,220	\$ 4,196
<b>Handysize</b>					
BHSI	649	610	6.4%	493	365
BHSI - TCA	\$ 9,543	\$ 8,972	6.4%	\$ 7,201	\$ 5,277
Skaw / Rio	\$ 8,060	\$ 7,800	3.3%	\$ 6,012	\$ 4,640
Skaw / Boston	\$ 8,275	\$ 8,013	3.3%	\$ 6,045	\$ 4,832
Rio / Skaw	\$ 13,464	\$ 12,422	8.4%	\$ 9,903	\$ 6,720
USG / Skaw	\$ 9,329	\$ 8,021	16.3%	\$ 8,891	\$ 7,056
SEAsia / Aus / Jap	\$ 9,379	\$ 8,967	4.6%	\$ 6,793	\$ 4,339
PACIFIC RV	\$ 9,229	\$ 8,792	5.0%	\$ 6,587	\$ 5,146

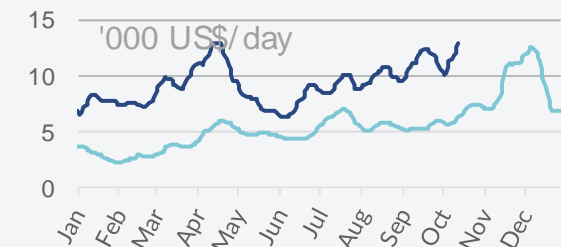
Dry Bulk Indices



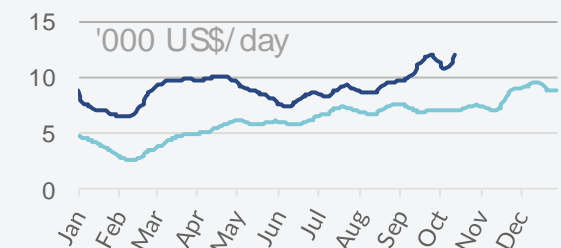
BCI Average TCE



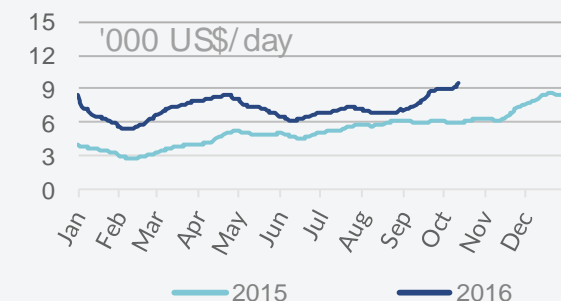
BPI Average TCE



BSI Average TCE



BHSI Average TCE





### Tankers – Spot Market

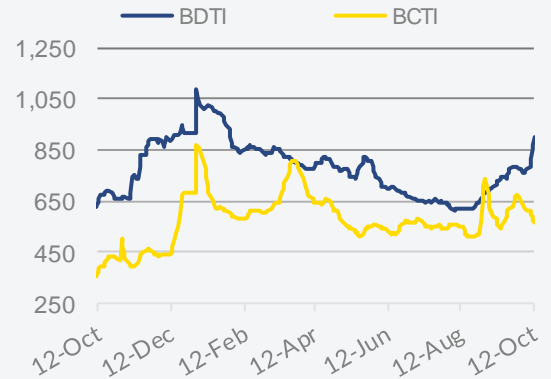
**Crude Oil Carriers** - There were still gains to be had in the MEG for VLs, this time with the Far East doing most of the heavy lifting and helping drive up rates further. Given the recent trends and the fairly thinned out position lists now at hand, we were also able to see a fair improvement being noted in the WAF as well. Suezmaxes were seeing a mixed picture, with the WAF remaining relatively stable, while things were looking to be better in the Black Sea/Med were activity was on the rise. Aframaxes were seeing a fair gain being noted across all major routes, as the limited tonnage lists being seen, coupled with the rising flow of fresh interest for late October dates, helped keep things busy.

**Oil Products** - In the products market, DPP routes were starting to see an improved picture emerge, as position lists started to thin and a strengthening ARA-US Gulf trade helped boost expectations. On the CPP front, a week-on-week downward correction was being seen across the board, as fresh demand started to slip hurt by the slower demand from the USAC.

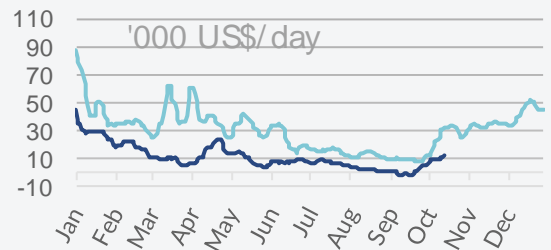
#### Spot market rates & indices

		13 Oct	06 Oct	±%	Average	
					2017	2016
<b>Baltic Tanker Indices</b>						
	BDTI	903	776	16.4%	775	730
	BCTI	563	615	-8.5%	607	491
<b>VLCC</b>						
MEG-USG	WS	27.41	26.73	2.5%	30.13	35.46
	\$/day	-\$ 4,677	-\$ 4,994	6.3%	-\$ 820	\$ 18,511
MEG-SPORE	WS	71.42	62.63	14.0%	58.88	60.57
	\$/day	\$ 56,453	\$ 49,253	14.6%	\$ 45,556	\$ 53,871
MEG-JAPAN	WS	68.88	61.04	12.8%	57.38	59.11
	\$/day	\$ 30,047	\$ 24,302	23.6%	\$ 22,618	\$ 42,341
WAF-USG	WS	70.00	62.00	12.9%	61.05	64.79
	\$/day	\$ 80,353	\$ 70,587	13.8%	\$ 70,278	\$ 81,300
<b>SUEZMAX</b>						
WAF-USAC	WS	72.50	72.50	0.0%	73.79	71.68
	\$/day	\$ 37,539	\$ 37,709	-0.5%	\$ 39,531	\$ 41,669
BSEA-MED	WS	92.33	83.39	10.7%	85.74	84.23
	\$/day	\$ 14,010	\$ 9,398	49.1%	\$ 12,387	\$ 24,854
<b>AFRAMAX</b>						
NSEA-CONT	WS	135.28	98.89	36.8%	100.96	103.36
	\$/day	\$ 28,732	\$ 3,444	734.3%	\$ 8,067	\$ 23,003
MEG-SPORE	WS	118.06	115.00	2.7%	106.41	99.78
	\$/day	\$ 8,831	\$ 8,355	5.7%	\$ 7,327	\$ 16,988
CARIBS-USG	WS	143.61	114.72	25.2%	117.80	106.76
	\$/day	\$ 14,709	\$ 6,892	113.4%	\$ 8,986	\$ 16,423
BALTIK-UKC	WS	113.33	72.50	56.3%	82.41	81.18
	\$/day	\$ 24,002	\$ 3,486	588.5%	\$ 11,074	\$ 23,914
<b>DPP</b>						
CARIBS-USAC	WS	120.00	117.50	2.1%	123.63	112.34
	\$/day	\$ 22,826	\$ 22,146	3.1%	\$ 24,893	\$ 23,804
ARA-USG	WS	122.50	97.81	25.2%	119.49	101.78
	\$/day	\$ 28,567	\$ 12,145	135.2%	\$ 24,885	\$ 24,883
SEASIA-AUS	WS	111.25	109.25	1.8%	103.13	98.52
	\$/day	\$ 10,690	\$ 10,389	2.9%	\$ 9,586	\$ 19,768
MED-MED	WS	157.83	129.28	22.1%	105.32	97.08
	\$/day	\$ 25,206	\$ 15,847	59.1%	\$ 9,688	\$ 16,861
<b>CPP</b>						
MEG-JAPAN	WS	114.38	139.44	-18.0%	105.23	91.35
	\$/day	\$ 10,114	\$ 15,565	-35.0%	\$ 9,099	\$ 15,145
CONT-USAC	WS	110.28	123.61	-10.8%	142.83	104.70
	\$/day	\$ 2,589	\$ 4,259	-39.2%	\$ 7,886	\$ 8,637
CARIBS-USAC	WS	115.00	120.00	-4.2%	138.33	114.82
	\$/day	\$ 16,099	\$ 17,429	-7.6%	\$ 22,420	\$ 18,531
USG-CONT	WS	72.81	73.13	-0.4%	102.81	82.20
	\$/day	-\$ 2,071	-\$ 2,060	-0.5%	\$ 2,777	\$ 5,194

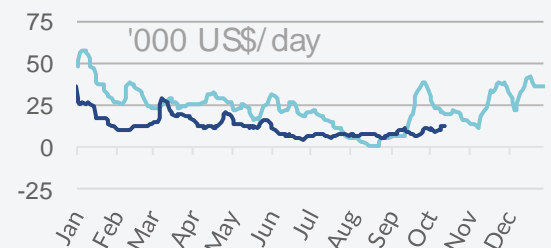
#### Tanker Indices



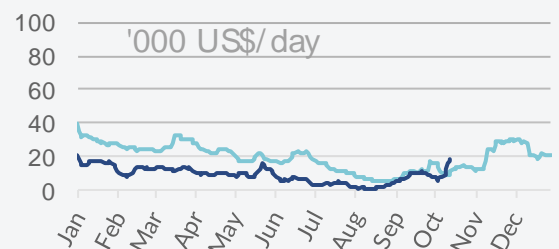
#### VLCC Average TCE



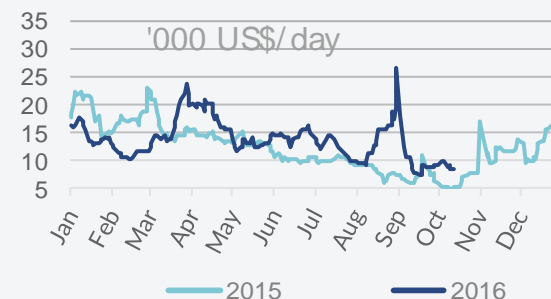
#### Suezmax Average TCE



#### Aframax Average TCE



#### MR Average TCE





# Capital Link Shipping Weekly Markets Report



Monday, October 16, 2017 (Week 43)

## SHIPPING MARKETS

### Period Charter Market

	Dry Bulk period market TC rates			last 5 years		
	13 Oct	08 Sep	±%	Min	Avg	Max
<b>Capesize</b>						
12 months	\$ 15,500	\$ 17,250	-10.1%	\$ 6,200	\$ 14,161	\$ 31,450
36 months	\$ 15,500	\$ 16,000	-3.1%	\$ 6,950	\$ 14,777	\$ 25,200
<b>Panamax</b>						
12 months	\$ 12,500	\$ 12,250	2.0%	\$ 4,950	\$ 9,473	\$ 15,450
36 months	\$ 12,500	\$ 12,500	0.0%	\$ 6,200	\$ 10,119	\$ 15,325
<b>Supramax</b>						
12 months	\$ 11,500	\$ 10,750	7.0%	\$ 4,450	\$ 9,282	\$ 13,950
36 months	\$ 11,250	\$ 10,250	9.8%	\$ 6,200	\$ 9,643	\$ 13,700
<b>Handysize</b>						
12 months	\$ 9,250	\$ 8,500	8.8%	\$ 4,450	\$ 7,706	\$ 10,450
36 months	\$ 8,750	\$ 8,500	2.9%	\$ 5,450	\$ 8,230	\$ 11,450

#### Latest indicative Dry Bulk Period Fixtures

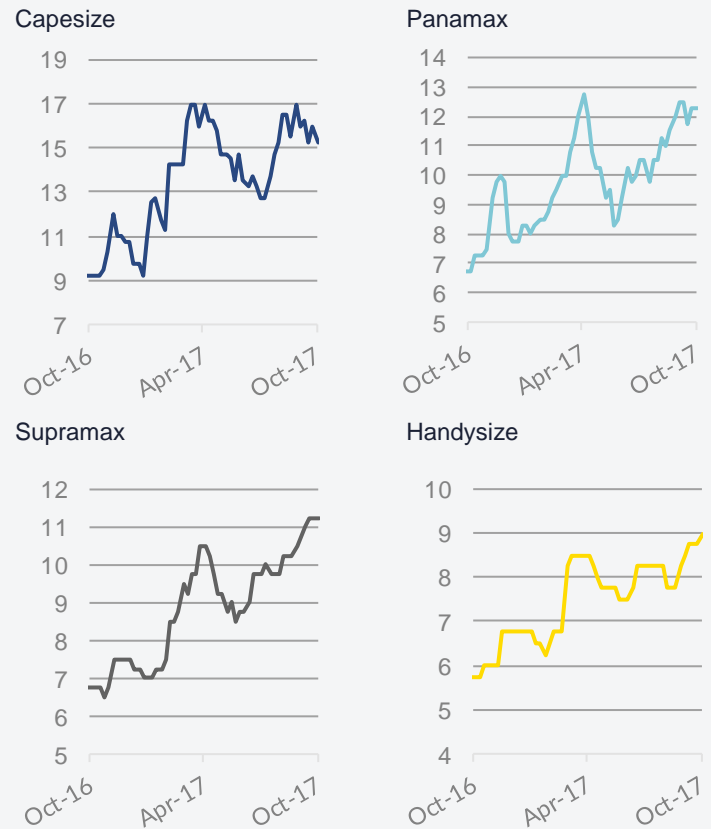
- M/V "MEDI GLADSTONE", 81845 dwt, built 2015, dely Cape Passero 17 Oct , \$13,500, for 4/6 months, to Ultrabulk
- M/V "SONGA DELMAR", 81502 dwt, built 2011, dely retro Haldia 08 Oct , \$13,500, for period until 1 May-1 July 2018, to Chart Not Rep
- M/V "GREAT VICTORY", 79933 dwt, built 2014, dely Hong Kong 12/ 13 Oct , \$13,500, for 5/7 months, to Chart Not Rep
- M/V "SHANDONG HONG TU", 76116 dwt, built 2012, dely Tanjung Bin 23/24 Oct , \$11,500, for 12 months trading, to Chinese charterer
- M/V "PORT BELMONTE", 63558 dwt, built 2015, dely CJK 19 Oct , \$12,200, for 5/7 months trading, to Chart Not Rep

	Tanker period market TC rates			last 5 years		
	13 Oct	08 Sep	±%	Min	Avg	Max
<b>VLCC</b>						
12 months	\$ 25,750	\$ 27,000	-4.6%	\$ 18,000	\$ 30,642	\$ 57,750
36 months	\$ 29,250	\$ 29,500	-0.8%	\$ 22,000	\$ 31,022	\$ 45,000
<b>Suezmax</b>						
12 months	\$ 17,750	\$ 18,000	-1.4%	\$ 15,250	\$ 23,241	\$ 42,500
36 months	\$ 22,500	\$ 22,500	0.0%	\$ 17,000	\$ 24,353	\$ 35,000
<b>Aframax</b>						
12 months	\$ 14,750	\$ 14,750	0.0%	\$ 13,000	\$ 18,226	\$ 30,000
36 months	\$ 16,750	\$ 16,750	0.0%	\$ 14,750	\$ 18,813	\$ 27,000
<b>MR</b>						
12 months	\$ 13,250	\$ 13,250	0.0%	\$ 12,000	\$ 14,825	\$ 21,000
36 months	\$ 14,000	\$ 14,000	0.0%	\$ 14,000	\$ 15,170	\$ 18,250

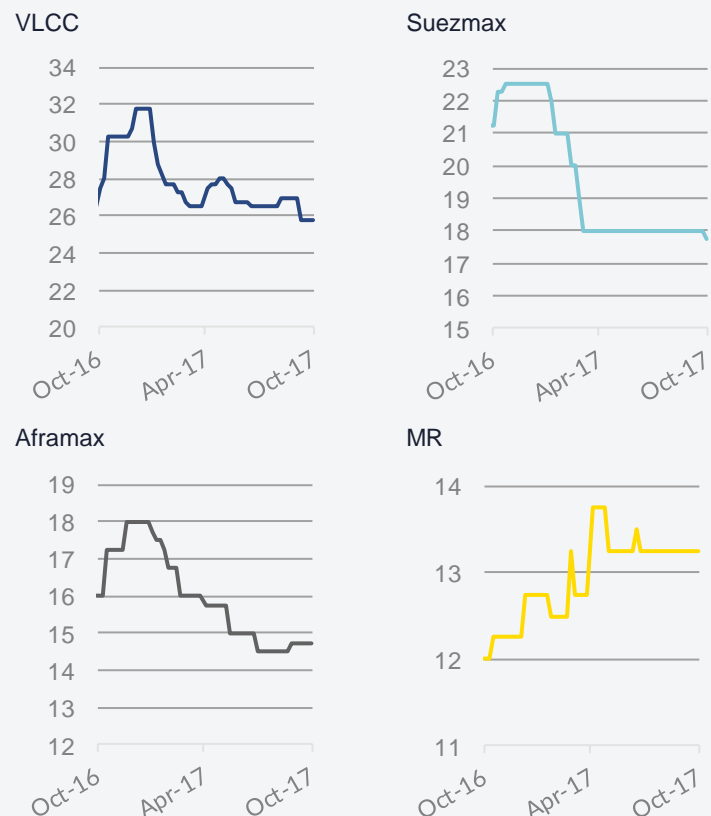
#### Latest indicative Tanker Period Fixtures

- M/T "ATLANTAS", 320000 dwt, built 2010, \$23,000, for 5 years trading, to charter not reported
- M/T "DONG A SPICA", 157000 dwt, built 2017, \$19,400, for 3 years trading, to REPSOL
- M/T "maersk petral", 110000 dwt, built 2007, \$15,250, for 1 year trading, to ST SHIPPING
- M/T "JAG AMISHA", 74500 dwt, built 2009, \$14,500, for 6+6 months trading, to BHARAT PETROLEUM
- M/T "BUTTERFLY", 47500 dwt, built 2005, \$13,500, for 1 year trading, to ST SHIPPING

#### 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 16, 2017 (Week 43)

## SHIPPING MARKETS

### Secondhand Asset Values

On the dry bulk side, there continues to be a steady stream of deals that are coming to market, with activity this week being mainly focused on the Supramax size segment and a fair amount involving relatively modern tonnage. On the Price aspect of these deals, it seems as though further gains are made inch by inch with limited appetite for any significant price rises despite the still strong amount of competition amongst buyers and the sharp improvement in earnings. It seems as though most still feel that there is limited room for further price gains to be had right now.

On the tanker side, the market still remains relatively quiet, with only two Aframaxes (one of which is an old sale concluded in August) and two MR vessels changing hands. There seems to be a considerable mismatch between the price ideas expressed by sellers and those expressed by buyers right now, especially in the larger crude oil carriers, where buyers are only in search of bargain deals.

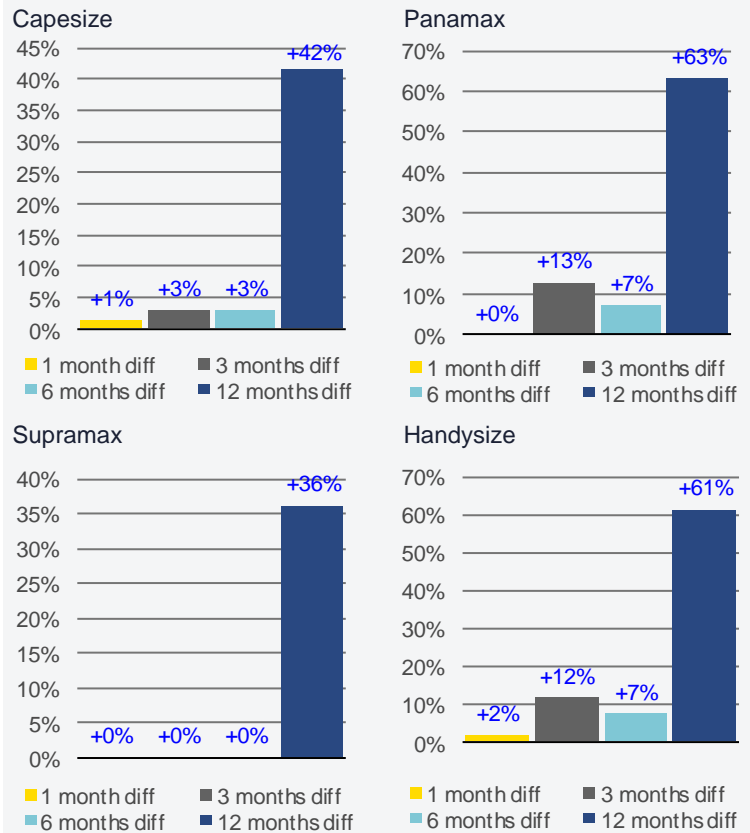
#### Indicative Dry Bulk Values (US\$ million)

					last 5 years		
		13 Oct	08 Sep	±%	Min	Avg	Max
<b>Capesize</b>							
180k dwt	Resale	46.00	45.50	1.1%	34.5	45.4	65.0
180k dwt	5 year old	34.00	33.50	1.5%	23.0	34.1	53.0
170k dwt	10 year old	21.50	21.50	0.0%	12.0	22.4	38.0
150k dwt	15 year old	15.50	15.50	0.0%	6.5	13.5	25.0
<b>Panamax</b>							
82k dwt	Resale	29.00	29.00	0.0%	22.5	28.3	34.0
82k dwt	5 year old	22.00	22.00	0.0%	11.5	19.5	28.0
76k dwt	10 year old	14.00	14.00	0.0%	7.3	13.6	23.0
74k dwt	15 year old	9.50	9.25	2.7%	3.5	8.6	14.5
<b>Supramax</b>							
62k dwt	Resale	27.50	27.50	0.0%	19.0	26.6	33.0
58k dwt	5 year old	17.00	17.00	0.0%	11.0	18.6	27.0
56k dwt	10 year old	13.00	12.75	2.0%	6.0	13.2	22.0
52k dwt	15 year old	9.75	9.75	0.0%	3.5	8.3	13.5
<b>Handysize</b>							
37k dwt	Resale	22.50	21.75	3.4%	17.0	21.4	26.0
37k dwt	5 year old	14.50	14.25	1.8%	7.8	15.1	22.0
32k dwt	10 year old	9.75	9.25	5.4%	6.0	10.8	16.8
28k dwt	15 year old	5.25	5.25	0.0%	3.5	6.9	11.0

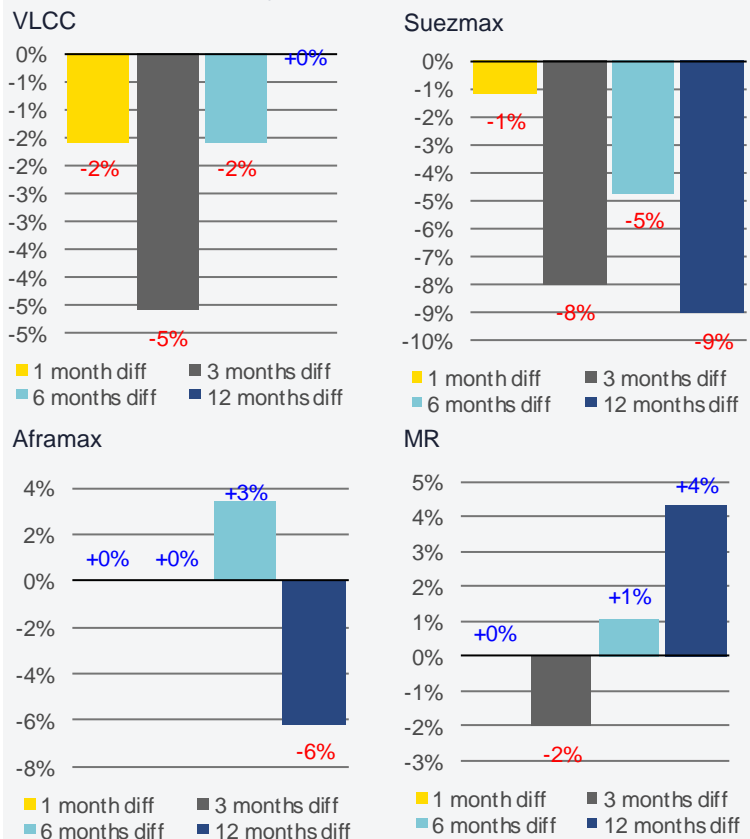
#### Indicative Tanker Values (US\$ million)

					last 5 years		
		13 Oct	08 Sep	±%	Min	Avg	Max
<b>VLCC</b>							
310k dwt	Resale	82.00	83.00	-1.2%	80.0	91.9	105.0
310k dwt	5 year old	62.00	63.00	-1.6%	55.0	67.6	84.0
250k dwt	10 year old	38.00	39.50	-3.8%	34.5	44.8	59.0
250k dwt	15 year old	21.50	22.00	-2.3%	16.9	27.3	41.0
<b>Suezmax</b>							
160k dwt	Resale	55.00	55.50	-0.9%	53.0	62.1	73.0
150k dwt	5 year old	40.00	40.50	-1.2%	38.0	47.9	62.0
150k dwt	10 year old	25.00	25.50	-2.0%	24.0	32.6	44.5
150k dwt	15 year old	16.00	17.00	-5.9%	14.0	18.7	23.0
<b>Aframax</b>							
110k dwt	Resale	44.00	44.50	-1.1%	39.0	47.9	57.0
110k dwt	5 year old	30.50	30.50	0.0%	27.0	35.4	47.5
105k dwt	10 year old	19.50	19.50	0.0%	16.0	22.8	33.0
105k dwt	15 year old	11.00	12.00	-8.3%	8.0	13.0	20.0
<b>MR</b>							
52k dwt	Resale	33.50	33.50	0.0%	32.0	35.9	39.0
52k dwt	5 year old	24.00	24.00	0.0%	22.0	26.0	31.0
45k dwt	10 year old	16.50	16.50	0.0%	14.0	17.6	21.0
45k dwt	15 year old	9.50	9.50	0.0%	9.0	10.9	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

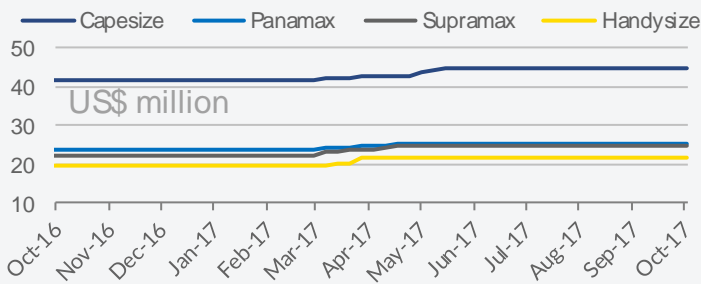


Monday, October 16, 2017 (Week 43)

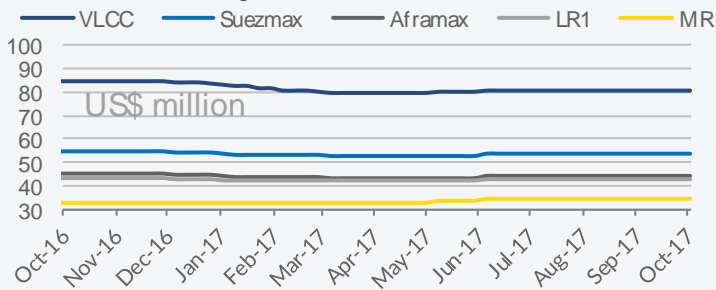
## SHIPPING MARKETS

### Newbuilding Market

Dry Bulk Newbuilding Prices

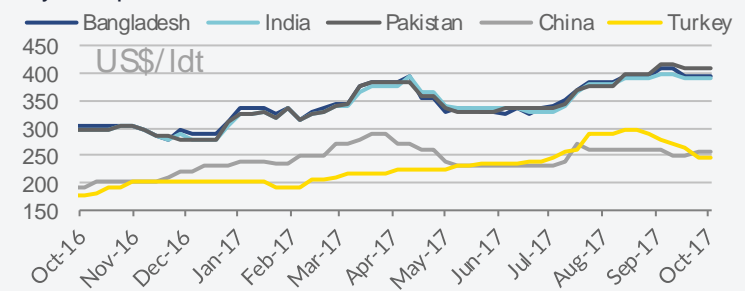


Tanker Newbuilding Prices

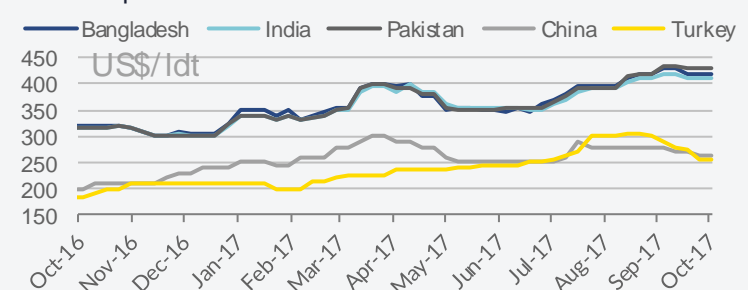


### Demolition Market

Dry Scrap Prices



Wet Scrap Prices



Indicative Dry NB Prices (US\$ million)

	13 Oct 08 Sep ±%			last 5 years		
	13 Oct	08 Sep	±%	Min	Avg	Max
<b>Dry Bulkers</b>						
Capesize (180,000dwt)	44.5	44.5	0.0%	41.8	48.1	58.0
Kamsarmax (82,000dwt)	26.0	26.0	0.0%	24.3	27.3	30.8
Panamax (77,000dwt)	25.0	25.0	0.0%	23.8	26.5	29.5
Ultramax (64,000dwt)	24.5	24.5	0.0%	22.3	25.0	28.0
Handysize (37,000dwt)	21.5	21.5	0.0%	19.5	21.5	23.5
<b>Container</b>						
Post Panamax (9,000teu)	82.5	82.5	0.0%	76.5	84.5	92.0
Panamax (5,200teu)	48.5	48.5	0.0%	48.0	53.7	63.9
Sub Panamax (2,500teu)	27.0	27.0	0.0%	26.0	30.5	38.0
Feeder (1,700teu)	21.5	21.5	0.0%	21.5	24.1	27.3

Indicative Wet NB Prices (US\$ million)

	13 Oct 08 Sep ±%			last 5 years		
	13 Oct	08 Sep	±%	Min	Avg	Max
<b>Tankers</b>						
VLCC (300,000dwt)	81.0	81.0	0.0%	80.0	92.1	101.0
Suezmax (160,000dwt)	54.0	54.0	0.0%	53.0	59.5	66.0
Aframax (115,000dwt)	44.0	44.0	0.0%	43.0	49.7	55.0
LR1 (75,000dwt)	42.5	42.5	0.0%	40.5	43.6	47.0
MR (56,000dwt)	34.0	34.0	0.0%	32.5	34.7	37.3
<b>Gas</b>						
LNG 160k cbm	184.0	184.0	0.0%	184.0	198.0	202.0
LPG LGC 80k cbm	70.0	70.0	0.0%	70.0	73.8	80.0
LPG MGC 55k cbm	62.0	62.0	0.0%	62.0	64.6	68.5
LPG SGC 25k cbm	40.0	40.0	0.0%	40.0	43.0	46.0

Indicative Dry Prices (\$/ Idt)

	13 Oct 06 Oct ±%			last 5 years		
	13 Oct	06 Oct	±%	Min	Avg	Max
<b>Indian Sub Continent</b>						
Bangladesh	395	395	0.0%	220	373	475
India	390	390	0.0%	225	375	500
Pakistan	410	410	0.0%	220	373	475
<b>Far East Asia</b>						
China	255	255	0.0%	110	267	425
<b>Mediterranean</b>						
Turkey	245	245	0.0%	145	241	355

Indicative Wet Prices (\$/ Idt)

	13 Oct 06 Oct ±%			last 5 years		
	13 Oct	06 Oct	±%	Min	Avg	Max
<b>Indian Sub Continent</b>						
Bangladesh	420	420	0.0%	245	394	495
India	410	410	0.0%	250	396	510
Pakistan	430	430	0.0%	245	395	500
<b>Far East Asia</b>						
China	265	265	0.0%	120	283	445
<b>Mediterranean</b>						
Turkey	255	255	0.0%	150	251	355





# Capital Link Shipping Weekly Markets Report



Monday, October 16, 2017 (Week 43)

SHIPPING MARKETS

## First Watch: Stifel Shipping Weekly

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

STIFEL  
NICOLAUS

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Rates in \$/Day Vessel Category	Weekly Trend	10/13/2017	10/6/2017	% Change	2017 YTD
<b>Crude Tanker</b>					
VLCC	↑	\$22,148	\$18,197	21.7%	\$18,370
Suezmax	↑	\$16,253	\$14,527	11.9%	\$15,320
Aframax	↑	\$22,578	\$14,630	54.3%	\$13,981
<b>Product Tankers</b>					
Long Range	↑	\$6,163	\$6,055	1.8%	\$10,097
Medium Range	↓	\$8,470	\$10,280	(17.6%)	\$10,144
<b>Dry Bulk</b>					
Capesize	↓	\$23,260	\$23,717	(1.9%)	\$14,659
Panamax	↑	\$14,100	\$13,012	8.4%	\$10,106
Supramax	↑	\$13,337	\$12,375	7.8%	\$10,075
<b>Containers*</b>					
Neo-Panamax 9000 TEU	↔	\$29,000	\$29,000	0.0%	\$24,167
Panamax-4400 TEU	↔	\$9,000	\$9,000	0.0%	\$6,150
Handy-2000 TEU	↔	\$7,400	\$7,400	0.0%	\$6,200
LPG-82,000 cbm	↑	\$14,917	\$12,667	17.8%	\$14,926
LNG-160,000 cbm	↑	\$49,000	\$47,000	4.3%	\$40,951

\*Monthly data was used

Source: Clarkson Research & Astrup Fearnley

Developments in the past two years within the LNG liquefaction space have been focused around two key areas: 1) the start up of a huge wave of projects under construction and 2) the development of the next big wave of projects for the next decade. While there have been some delays in the start up of projects under construction, they have been minor certainly relative to problems new projects have had in the past. However, with just a few exceptions, new concepts or "power point LNG projects" have struggled to lock in enough high quality long-term off-take contracts in order to move forward.

Seaborne LNG trade will have grown by 18% over the past two years, with 2018 and 2019 likely to be well north of 10%/year. Since 2015 there have been 7 new liquefaction projects begin production which has driven this growth. However, between now and the end of this year, four more projects should ship their first cargoes. Specifically, Wheatstone in Australia which will have 8.9 mtpa of annual production (2017 global volume should be nearly 300 mtpa) began production this week. Yamal LNG in the Russian arctic with ultimate production of 16.5 mtpa should send its first cargo in November. Cove Point on the U.S. East Coast with 5.3 mtpa has begun commissioning activities and should be operational before year end. The Hilli Episeyo FLNG vessel (2.4 mtpa) is currently sailing to Cameroon and should begin its LNG production before year end as well. While some of these projects have been 6-12 months behind schedule, others have been early (Yamal). Similarly, there are four additional new startups planned for 2018 and 2019 as well as the continued build out of those recently finished. Consequently, LNG shipping rates have been rising from about \$30,000/day earlier this year to nearly \$50,000/day currently and likely headed higher.

However, it has not been so easy to get new projects off the ground primarily because long-term off-take contracts behind which project financing is possible have been very scarce. As a result, even experienced players are changing tact. This week Cheniere announced they are altering the plan for its Stage 3 expansion at the Corpus Christi terminal from two large units to seven smaller units marginally increasing total capacity, but effectively making the project more scalable and suitable to smaller shorter contracts. Similarly, in addition to buying gas reserves, Tellurian is offering to sell portions of their proposed Louisiana projects to off-takers in order to win business. The struggle to move the next wave of project from power point to production is clearly shifting candidates to be 1) more flexible, 2) take more risk, 3) accept lower returns, and 4) likely use less leverage. However, many of these projects will still undoubtedly be moving forward.



# Capital Link Shipping Weekly Markets Report



Monday, October 16, 2017 (Week 43)

## SHIPPING MARKETS

### Global Shipping Fleet & Orderbook Statistics

Cargo	Category	Fleet Size (DWT)	Orderbook (DWT)	OB/Fleet %	Average Age	% Greater than 20 yrs.
Crude	VLCC	224,442,611	29,239,362	13.0%	9.4	4.8%
	Suezmax	84,126,798	8,930,765	10.6%	9.6	7.9%
	Aframax	71,747,723	9,854,727	13.7%	11.3	7.9%
Product	LR2	37,332,485	4,698,070	12.6%	8.0	4.2%
	LR1	26,342,762	2,693,678	10.2%	9.4	1.4%
	MR	88,368,185	6,737,675	7.6%	10.3	8.0%
	Handy	4,068,155	360,903	8.9%	16.5	37.4%
Dry Bulk	Capesize	323,663,331	35,110,659	10.8%	7.7	6.5%
	Panamax	201,167,170	13,024,847	6.5%	8.8	7.1%
	Supramax	195,003,512	10,028,290	5.1%	8.4	7.5%
	Handymax	95,763,783	5,803,600	6.1%	10.6	13.9%
Containers		<b>(TEU)</b>	<b>(TEU)</b>			
	Post Panamax	112,724,126	24,790,313	22.0%	5.6	0.0%
	Panamax	23,008,988	0	0.0%	10.7	3.5%
	Handy-Feeder	61,780,146	1,464,000	2.4%	10.8	7.2%
Gas		<b>(CBM)</b>	<b>(CBM)</b>			
	LPG	24,186,239	2,221,396	9.2%	15.2	17.6%
	LNG	39,224,841	10,151,330	25.9%	10.9	11.5%

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



### Flat Rates On The Rise Again

#### A preview of the bunker price impact on 2018 flat rates

As the end of the year approaches, the Worldscale Association prepares to calculate the new flat rates that are going to be used by the tanker industry in 2018. Last week they announced the bunker prices that will be used for the 2018 flat rate calculations; the actual rates are typically published in December. This week we will look at the estimated flat rates for next year for some of the main trade routes.

For people who are less familiar with the worldscale concept: 'Worldscale' is a system that attempts to equalize the net revenue of different voyages, allowing the cargo owner to change the destination of the cargo while giving the ship owner a daily return close to the originally negotiated voyage.

The system traces its roots back to World War II and was originally developed to establish the freight costs for government controlled tonnage when chartered out to oil companies on a voyage basis. The rates were designed so that the net daily revenue for each voyage was equal, after bunker costs, port costs and canal costs (where applicable) were taken into consideration. After the government gave up control of the shipping industry in 1948, the industry had come to appreciate the freight rate tables and continued to calculate and publish similar schedules. The original system, as used by the government, used the actual published flat rate, but when the system was applied in a commercial environment, the system evolved to incorporate a freight market element in the form of a negotiated percentage adjustment of the flat rate. In 1969 the shipping centres of London and New York joined forces and established a joint organisation to publish worldwide flat rates. At this point the adjustment changed to the current system of negotiated WS points which express the percentage of the flat rate that is applied to calculate the actual freight costs.

The flat rate calculations are based on a standard vessel with a cargo intake of 75,000 tons and a daily consumption of 55 tons at a service speed of 14.5 knots. After subtracting bunker costs and port costs and accounting for steaming time and port days, the flat rate for the round trip voyage is established so that the net earnings amount to \$12,000 per day.

As stated earlier, voyage costs included in the calculation are port costs, canal costs and bunkers. Port and canal costs are typically relatively constant; volatility is mainly caused by exchange rates. Bunkers represent often a larger cost and are usually more volatile. The Worldscale Association uses the average bunker costs from the beginning of October of the prior year to end September of the current year to establish the bunker cost assumptions for the calculations.

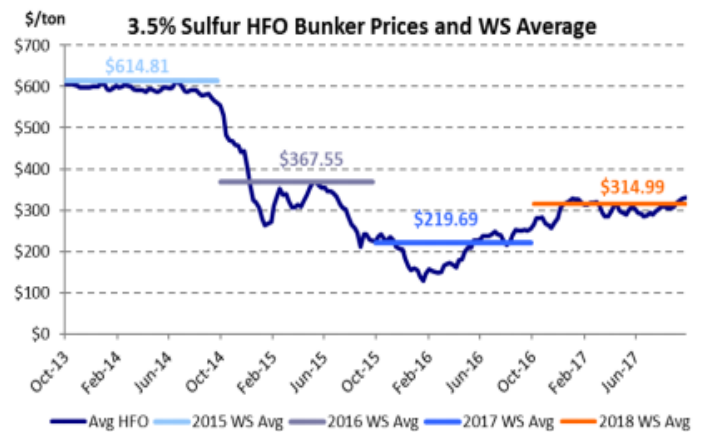
Bunker prices have declined from approximately \$600/ton in the first half of 2014 as OPEC initially decided to defend its market share against growing oil production by U.S. and other Non-OPEC producers. Lower oil prices forced commercial oil producers to cut capital investments to preserve capital and government producers to use reduced oil revenues for state budgets rather than reinvestment in oil production. U.S. shale oil producers curtailed drilling and relatively rapid decline rates of shale wells caused total production to

Contributed by  
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Website: www.poten.com



Sources: Ship&Bunker, Bunkerworld, Worldscale

#### Worldscale Bunker Prices and Flat Rates for Major Routes

		2016	2017	2018	Change	
					'16-'17	'17-'18
<b>Bunker Prices used for Flat Rate:</b>						
Avg 3.5% Sulfur HFO Price		367.55	219.69	314.99	-40%	+43%
<b>From</b>	<b>To</b>	2016	2017	2018 Est	'16-'17	'17-'18
<b>Flat Rates:</b>						
Ras Tanura	Chiba	19.34	14.91	18.10	-23%	+21%
Bonny	Philadelphia	15.98	12.29	14.65	-23%	+19%
Puerto La Cruz	Houston	9.37	7.61	8.37	-19%	+10%
Rotterdam	New York	13.44	10.49	12.02	-22%	+15%
<b>Average:</b>					<b>-22%</b>	<b>+16%</b>

Source: Worldscale, Poten&Partners

decline. Bunker prices bottomed out at about \$130/ton in early 2016 and increased further by the end of the year when OPEC decided to reverse course and agreed to cut production to support prices. Bunker prices have hovered around \$300 for most of 2017.

The table above summarizes the impact of changing bunker prices on the flat rates for some of the main tanker routes, including our estimate for flat rates for 2018. After decreasing by an average of 22% for some of the main routes in 2017, the flat rates for 2018 are estimated to increase by about 16%. Long haul voyages, where bunkers represent a larger share of the costs, have the largest increase.



# Capital Link Shipping Weekly Markets Report



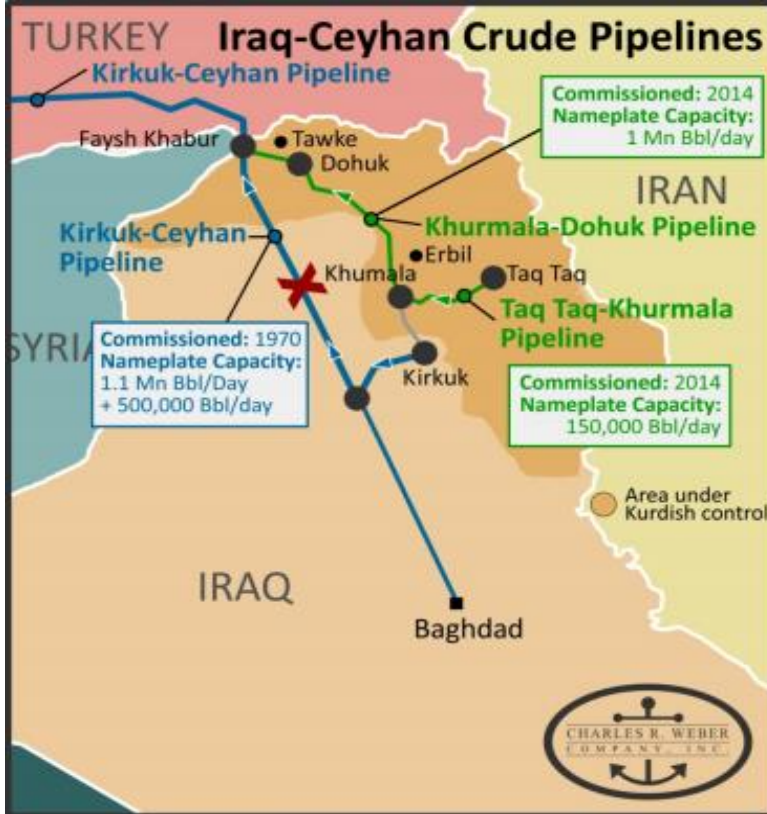
Monday, October 16, 2017 (Week 43)

## SHIPPING MARKETS

### Tanker Market – Weekly Highlights

Baghdad plans to reopen Kirkuk-Ceyhan pipeline, bypassing the Kurds

By John Kulukundis



This week Iraq announced plans to reopen their Kirkuk-Ceyhan pipeline to Turkey, which has been out of action for a number of years. The federally-controlled pipeline was destroyed by militants in 2014, prior to ISIS capturing territory that the pipeline ran through. Iraq had mostly stopped shipping oil via the pipeline, but now that U.S.- backed Iraqi forces have recaptured most of the oil infrastructure in the northern regions, they are keen to ramp up their exports. The Iraq Oil Ministry stated they hope to not only restore but possibly expand exports through the pipeline. Iraq's oil minister, Jabar al-Luaibi, announced on Tuesday that preparations to begin the process of restoring and reopening the Kirkuk-Ceyhan pipeline are going to start now that "the area has been cleared of "terrorist gangs." He stated that he had asked North Oil Company, the State Company for Oil Projects (SCOP), and Iraq's state pipeline company to restore the pipeline to full operation. Iraq hopes to restore exports from the pipeline to pre 2014 levels of between 250,000 bpd and 400,000 bpd.

The 1970 commissioned line consists of two pipes with a nameplate capacity of 1,100k and 500k Bbl/day respectively. The Pipeline will reportedly need a great deal of repair after a series of attacks and over two years of disuse. One oil analysts, quoted in the FT, expressed skepticism as to how fast the repairs could be completed. Also pointing out that sections of the pipeline pass through territory controlled by Kurdistan in order to reach Turkey's border, which could cause further tensions between Baghdad and Erbil.

The move by Iraq will result in a bypass of the pipeline used by the

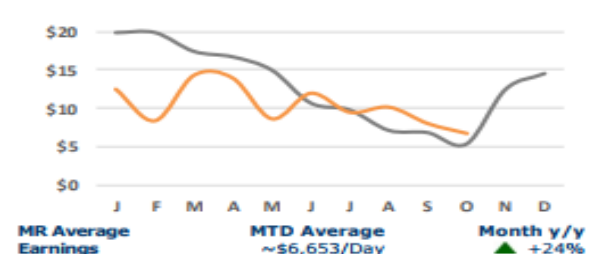
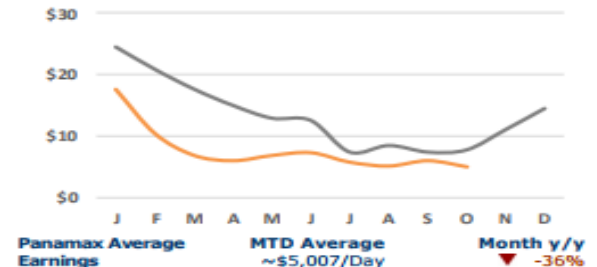
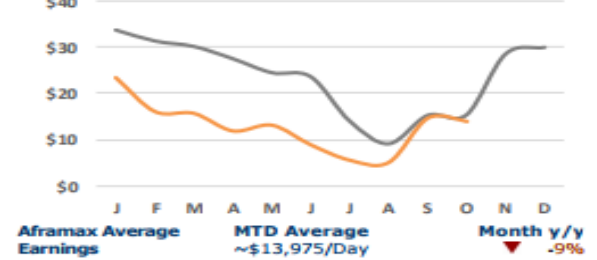
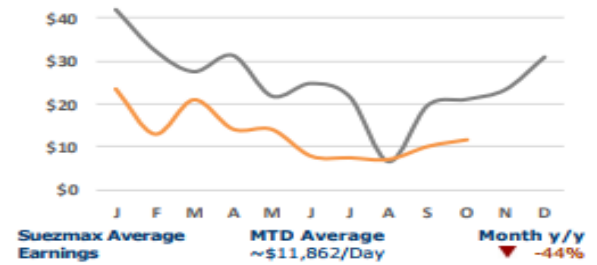
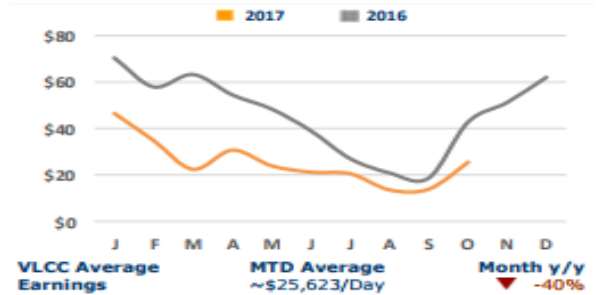
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### Tanker Market – Weekly Highlights

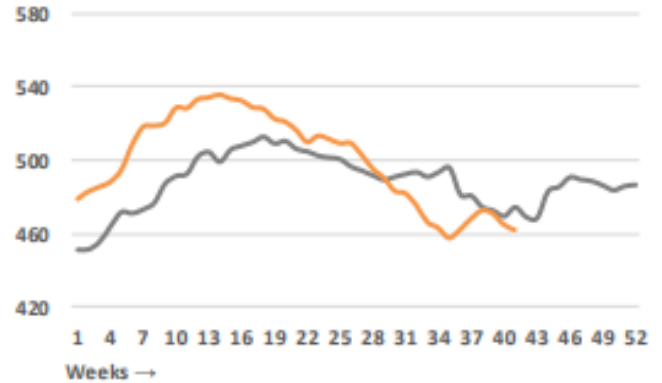
Kurdistan Regional Government (KRG), posing threats of increasing economic sanctions in the wake of Kurdistan's referendum for independence, which was held on September 25th. Results of that referendum showed approximately 93% of votes were cast in favor of independence. Despite reporting that the independence referendum would be non-binding, the semi-autonomous Kurdistan Regional Government (KRG) characterized it as binding, although they claimed that a positive result would trigger the start of state building and negotiations with Iraq rather than an immediate declaration of independence. The referendum's legality was rejected by the federal government of Iraq.

The Kurdistan Regional Government (KRG) operates its own pipeline that connects to Kirkuk-Ceyhan at Faysh Khabur on the border with Turkey. In 2013, the Kurdistan Regional Government of Iraq completed a pipeline (Green) connecting the Taq Taq field through Khurmala (150,000 Bbl/day capacity) the northwest sector of the Kirkuk field and Khumala to Dohuk to Faysh Khabur (700k - 1 Mn Bbl/day capacity) on the Turkey-Iraq border and then connected to the Kirkuk-Ceyhan pipeline. The pipelines allow the export of oil from the Taq Taq and Tawke oil fields. On 23 May 2014, the Kurdistan Regional Government announced that the first oil transported via the new pipeline was loaded into a tanker at Ceyhan. While Kurdistan produces around 600,000 bpd of crude oil a day, or about 12 percent of Iraq's total output, Turkey is crucial to their 500,000 + Bbl/day crude exports. This is because most Kurdish oil is moved through the existing pipeline to Ceyhan.

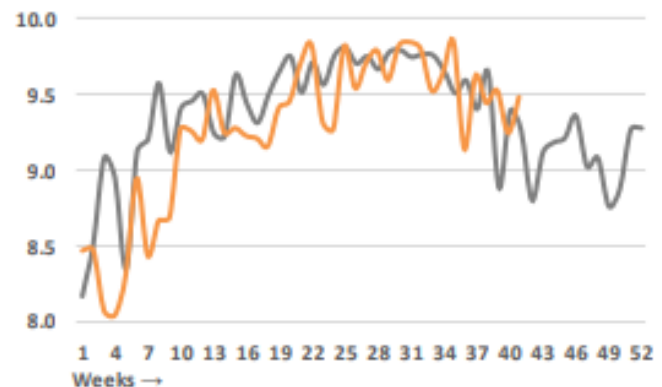
On the day of the Kurdistan referendum, Turkish President Recep Tayyip Erdogan said that Turkey could cut off the crude oil flow from Kurdistan. "After this, let's see through which channels the northern Iraqi regional government will send its oil, or where it will sell it," he said in a speech. "We have the tap. The moment we close the tap, then it's done."

A few days later Turkey said that it supported Iraq's decision that all Iraqi oil trades should be done only by the central government, reaffirming it would deal only with Baghdad. Following that Iraq, Iran, and Turkey took a unified stance against Kurdistan's oil sector, increasing further pressure on the region after the referendum. According to the media office of Iraqi Prime Minister Haider Al-Abadi, Iraq's Ministerial Council for National Security discussed measures "...to stop all commercial transactions, especially on the export and sale of oil with the Kurdistan region and this be dealt with exclusively by the Iraqi Federal Government."

While no official timeline or completion date has been set for the reinstatement of the Kirkuk-Ceyhan Federal pipeline, in the medium term an increase in throughputs and clearer provenance on the exported crude should positively impact Aframax liftings from Ceyhan. It of course remains to be seen how the Kurdistan Regional Government will react to the threat of export isolation with no clear oil export routes available to them – though we would hazard that political and economic compromise may well keep all northern Iraqi export crudes flowing and a restored pipeline could double exports through Ceyhan.



**US Crude Stocks (EIA)** Last Week 462.2 MnBbls Week y/y ▼ -2.5%



**US Gasoline Demand (EIA)** Last Week 9.480 MnBbl/d Week y/y ▲ +2.3%

■ 2017 ■ 2016



# Capital Link Shipping Weekly Markets Report



Monday, October 16, 2017 (Week 43)

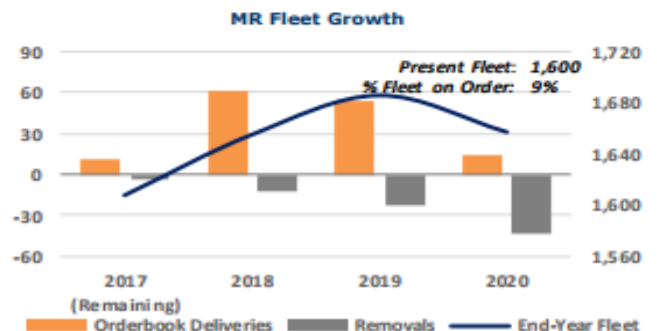
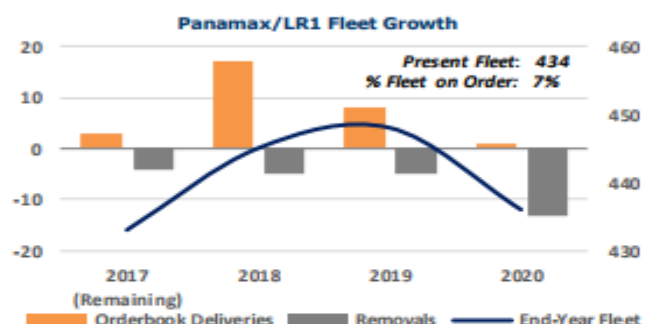
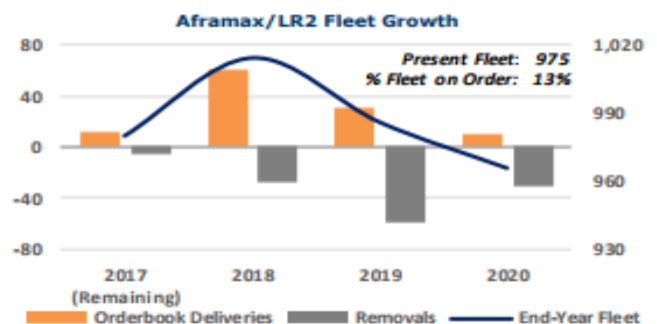
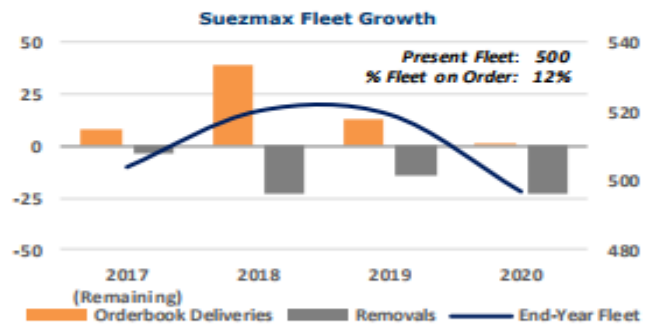
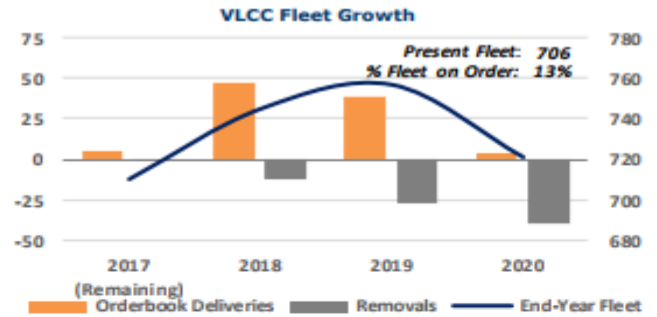
## SHIPPING MARKETS

### Tanker Market – Weekly Highlights

Spot Market	WS/LS	TCE	WS/LS	TCE
<b>VLCC (13.0 Kts L/B)</b>		<b>6-Oct</b>		<b>13-Oct</b>
AG>USG 280k	26.0	\$(1,380)	28.0	\$89
AG>USG/CBS>SPORE/AG	--	\$26,683	--	\$31,640
AG>SPORE 270k	62.0	\$24,623	70.0	\$30,696
AG>JPN 265k	59.0	\$24,963	65.0	\$29,652
AG>CHINA 270k	62.0	\$24,511	70.0	\$30,829
WAFR>CHINA 260k	62.0	\$26,148	70.0	\$32,413
CBS>SPORE 270k	\$3.85m	\$24,240	\$4.25m	\$29,267
<i>VLCC Average Earnings</i>		\$25,180		\$30,682
<b>SUEZMAX (13.0 Kts L/B)</b>				
WAFR>USG 130k	70.0	\$11,571	72.5	\$12,618
WAFR>UKC 130k	72.5	\$7,646	77.5	\$9,617
BSEA>MED 140k	85.0	\$10,041	95.0	\$14,539
CBS>USG 150k	72.5	\$14,868	77.5	\$18,027
<i>Suezmax Average Earnings</i>		\$11,079		\$13,448
<b>AFRAMAX (13.0 Kts L/B)</b>				
N.SEA>UKC 80k	95.0	\$5,243	127.5	\$32,337
AG>SPORE 70k	112.5	\$10,962	117.5	\$11,981
BALT>UKC 100k	72.5	\$7,500	102.5	\$24,220
CBS>USG 70k	115.0	\$9,739	140.0	\$17,087
USG>UKC 70k	97.5	--	110.0	--
CBS>USG/USG>UKC/NSEA	--	\$18,416	--	\$25,632
MED>MED 80k	125.0	\$17,317	160.0	\$29,272
<i>Aframax Average Earnings</i>		\$11,703		\$23,475
<b>PANAMAX (13.0 Kts L/B)</b>				
CBS>USG 50k	117.5	\$680	120.0	\$1,829
CONT>USG 55k	95.0	\$2,402	105.0	\$5,394
ECU>USWC 50k	140.0	\$8,754	140.0	\$9,606
<i>Panamax Average Earnings</i>		\$3,644		\$5,622
<b>LR2 (13.0 Kts L/B)</b>				
AG>JPN 75k	139.5	\$17,720	114.0	\$11,724
AG>UKC 80k	\$2.05m	\$18,026	\$1.75m	\$12,125
MED>JPN 80k	\$1.75m	\$9,295	\$2.04m	\$13,492
AG>UKC/MED>JPN/AG	--	\$20,025	--	\$19,794
<i>LR2 Average Earnings</i>		\$18,488		\$14,411
<b>LR1 (13.0 Kts L/B)</b>				
AG>JPN 55k	130.0	\$9,367	125.5	\$9,251
AG>UKC 65k	\$1.51m	\$10,683	\$1.41m	\$9,468
UKC>WAFR 60k	99.5	\$449	96.5	\$918
AG>UKC/UKC>WAFR/AG	--	\$12,572	--	\$11,553
<i>LR1 Average Earnings</i>		\$10,969		\$10,402
<b>MR (13.0 Kts L/B)</b>				
UKC>USAC 37k	125.0	\$4,349	117.5	\$3,313
USG>UKC 38k	72.5	\$(2,246)	72.5	\$(2,210)
USG>UKC/UKC>USAC/USG	--	\$4,455	--	\$3,915
USG>CBS (Pozos Colorados) 38k	\$300k	\$3,100	\$300k	\$3,117
USG>CHILE (Coronel) 38k	\$950k	\$8,815	\$990k	\$9,965
CBS>USAC 38k	110.0	\$4,248	110.0	\$4,274
<i>MR Average Earnings</i>		\$6,574		\$6,091
<b>Handy (13.0 Kts L/B)</b>				
MED>EMED 30k	180.5	\$18,728	158.0	\$13,485
SPORE>JPN 30K	185.0	\$9,515	175.0	\$8,366
<i>Handy Average Earnings</i>		\$12,831		\$10,209

Average Earnings weighted proportionally to regional activity share of each size class' worldwide market (including routes not necessarily shown above).

Time Charter Market \$/day (theoretical)	1 Year	3 Years
<b>VLCC</b>	\$26,000	\$28,000
<b>Suezmax</b>	\$17,000	\$18,500
<b>Aframax</b>	\$15,000	\$17,000
<b>Panamax</b>	\$12,000	\$13,500
<b>MR</b>	\$12,750	\$14,500
<b>Handy</b>	\$12,000	\$13,000





### Tanker Market – Weekly Highlights

#### VLCC

VLCC rates continued their upward advance as strengthening demand in the Middle East market and sustained West Africa demand at elevated levels allowed owners to capitalize on a considerably narrower supply/demand positioning. Meanwhile, demand in the western Atlantic has gone from strength to strength with fixtures servicing USG crude exports moving to a record high.

A total of 28 Middle East fixtures materialized, representing a 12% w/w gain. In the West Africa market, fixture activity was unchanged from last week's tally of eight fixtures – which have boosted the four-week average of fixtures to a three-month high. An additional fixture for loading in South Africa added to draws on Middle East positions. The USG region yielded four fixtures (plus one part-USG/part-ECMex loading), representing a fresh record high and considerably more than the YTD average of 2 per month.

A modest expansion of tonnage availability within October dates materialized this week, bringing the end-month surplus to 14 (vs. a previous estimate of 11) – which is nevertheless considerably lower than the 29 surplus units observed at the conclusion of the September program. The view through November's first decade is markedly tighter. The month is poised to yield considerably more cargoes than October, given statements from Saudi Arabia's Energy Ministry pointing to a 7.1 Mnb/d export rate – some 850,000 b/d more than inferred October levels. With two November cargoes covered thus far, we anticipate a further 38 cargoes to materialize. Against this, there are 50 units available, from which around 13 West Africa cargoes will also vie for tonnage. The implications are zero surplus units (and without accounting for any needed draws by the western Atlantic)—though hidden units could elevate the number modestly. If the surplus were to indeed come in at zero, it would be the first such occurrence since March 2016, when AG-FEAST TCEs average ~\$63,989/day. TCEs on these routes are presently averaging ~\$27,984/day, implying considerable near-term upside. How quickly gains will materialize is difficult to ascertain; however. The fact that a large portion of the remaining October positions are comprised of disadvantaged units could potentially lead to a brief and temporary stabilizing of rates for normalized trades before participants become fully cognizant of the tightened fundamentals and rates start to advance aggressively, accordingly.

#### Middle East

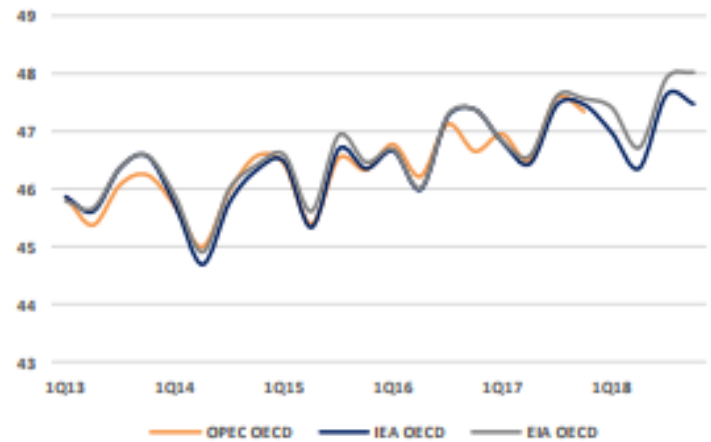
Rates on the AG-FEAST routes gained six points to conclude at ws65. Corresponding TCEs rose 18% to ~\$29,652/day. Rates to the USG via the Cape gained two points to conclude at ws28. Triangulated AG-USG/CBS-SPORE/AG TCEs rose 19% to ~\$31,640/day.

#### Atlantic Basin

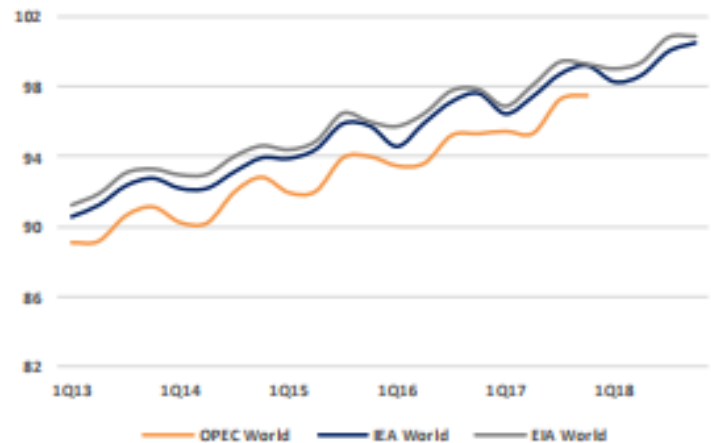
Rates in the West Africa market were stronger in line with the Middle East. The WAFR-FEAST route added eight points to conclude at ws70 with corresponding TCEs rising by 24% to ~\$32,413/day.

The USG/CBS region saw rates pare last week's losses, which had occurred following earlier inbound ballasts, and accelerated to a fresh five-month high. The CBS-SPORE route gained \$400k to \$4.25m lump sum. With inbound ballasts subsiding as the economics against rising Middle East rates eliminated the incentive for owners to do so, the

Projected OECD Oil Demand (Mnb/d)



Projected World Oil Demand (Mnb/d)





### Tanker Market – Weekly Highlights

specter of a fresh shortage of vessels in the western Atlantic going forward is likely to keep regional rates under positive pressure and we expect considerably stronger rate gains here to materialize. Seasonality alone implies directional strength as sentiment tends to spread from the Middle East/West Africa markets, following a usual lag. Given the potential need for regional cargoes to be sourced from a Middle East market itself poised for strong Q4 gains, migrating sentiment may be considerably quicker and more extensive than is traditionally the case.

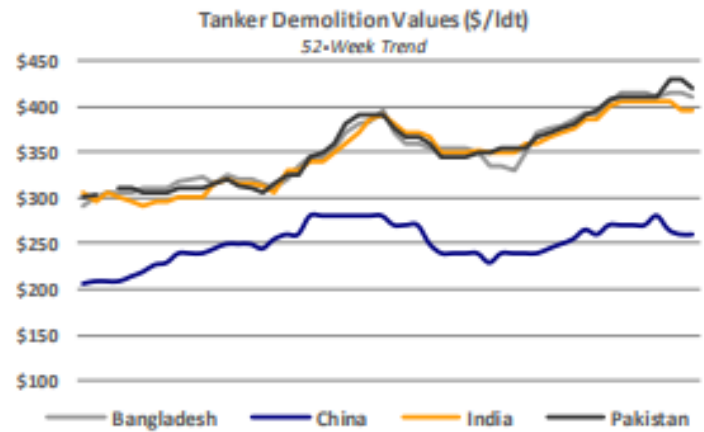
#### Suezmax

The West Africa Suezmax market was stronger on a near w/w doubling of regional fixture activity. Overall Nigeria October output is likely to extend m/m gains observed during September which, together with better demand options for Suezmaxes in alternative markets, is supporting an improvement of fundamentals and rate sentiment. Rates on the WAF-UKC route gained 5 points to conclude at ws77.5. Seasonal factors and evolving trading patterns in the large crude tanker segments are likely to continue to provide directional strength for rates through the remainder of the year.

The Caribbean market was supported but surging demand for ex-USG cargoes and a fresh rallying of regional Aframax rates. A total of 7 Suezmaxes were fixed for voyages from the USG, marking a new record high. Rates on the CBS-USG route added 5 points to conclude at ws77.5.

#### Aframax

The Caribbean Aframax commenced the week with strong demand and minor delays, which saw rates rally through mid-week. By the close of the week, however, fresh units appeared on position lists and weighed on sentiment, prompting a paring of some of the earlier gains. The CBS-USG route concluded with a gain of 25 points to ws140 – having earlier touched a high of ws150. Further availability builds over the weekend are likely to see further rate erosion, though the extent of losses could be limited by fresh strength in alternative regions. Benchmark TCEs in the Mediterranean and North Sea markets sizably exceed those in the Caribbean. Moreover, recent US crude export demand gains – for which Aframaxes have been commanding the largest share – and the extra-regional nature of such voyages implies a slower availability replenishment rate than traditional intraregional demand. On this basis, vulnerability of rates on the downside may be lower than is traditionally the case.



#### MR

Rates in the USG MR market continued to scrape along an effective floor this week, despite a modest improvement of fundamentals. A total of 37 fixtures were reported, representing a 42% w/w gain. Meanwhile, two-week forward supply dropped 25% w/w to 41 units by the close of the week. Rates on the USG-UKC route were unchanged at ws72.5, as were those on the USG-CBS route, which remained at \$300k lump sum. The USG-CHILE route inched up in isolation as owners were more resistant to long-haul trades at earlier levels; the route \$40k to conclude at \$990k lump sum. PADD 3 refinery utilization rates inched up 2.9 percentage points to 88.5% last week, according to EIA data; further improvements are expected going forward as refiners continue to recover from Hurricane Harvey in August (though advance preparations for last weekend's Hurricane Nate could temporarily arrest the recovery in this week's EIA update). This should help to bolster demand and given a more diverse destination profile of ex-USG fixtures in recent weeks and limited ballast interest in the USG of units freeing on the USAC, rates appear poised to post at least a modest improvement from prevailing lows during the upcoming week.





# Capital Link Shipping Weekly Markets Report



Monday, October 16, 2017 (Week 43)

## SHIPPING MARKETS

### Dry/Wet & TC Rates

Contributed by  
**Alibra Shipping Limited**

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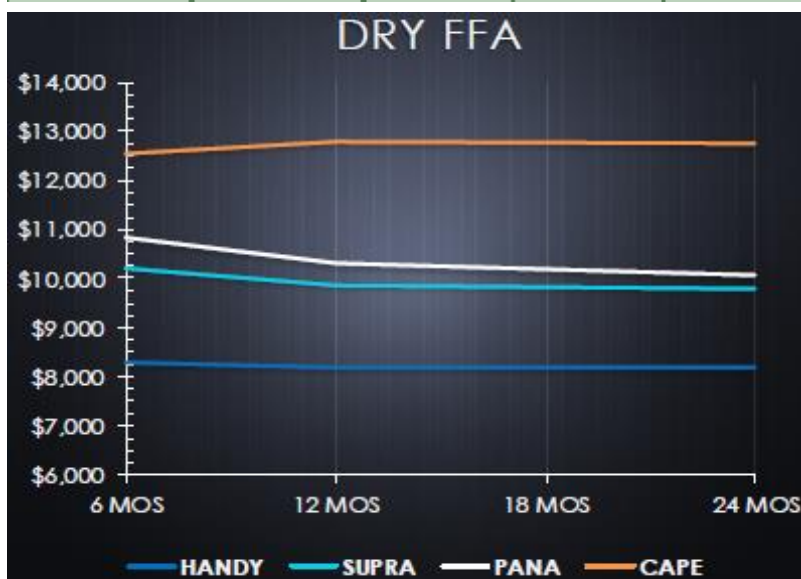
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Website: www.alibrashipping.com

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

SIZE	6 MOS		1 YR		2 YR	
	ATL	PAC	ATL	PAC	ATL	PAC
<b>HANDY</b> (32k dwt)	9,250	9,000	9,000	8,250	8,400	8,250
<b>SUPRA</b> (56k dwt)	12,600	11,500	11,750	10,750	10,600	10,400
<b>ULTRA</b> (62k dwt)	13,000	11,850	12,200	11,250	11,250	11,000
<b>PANA/KMAX</b> (76k-82k dwt)	14,500	12,500	12,500	11,500	10,000	9,800
<b>CAPE</b> (170k dwt)	16,500	16,500	16,500	16,500	16,000	16,000

**Dry comment:** Cape short period rates remained on the same levels this week following the increase on the previous one. 1 year time charter rates are hovering at \$16,500/pdpr. Pana/Kmax rates moved up reaching mid 14k levels, for short period with delivery in Atlantic, while Pacific is trading at around \$12,500/pdpr for the same period. Supramax 12 months can achieve \$10,750/pdpr for Pacific delivery.

FFA DRY				
	HANDY	SUPRA	PANA	CAPE
<b>6 MOS</b>	8,300	10,200	10,850	12,550
<b>12 MOS</b>	8,200	9,850	10,300	12,800
<b>24 MOS</b>	8,200	9,800	10,050	12,750

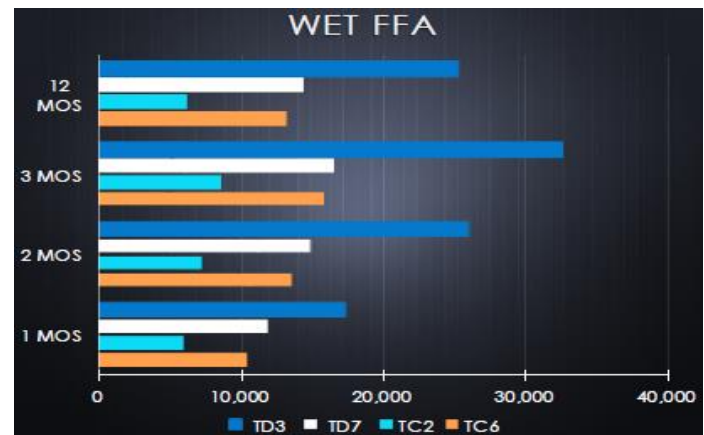


#### TANKER TIME CHARTER ESTIMATES\* (pdpr) - Non-Eco tonnage

SIZE	1 YR	2 YR	3 YR	5 YR
<b>HANDY</b> (40dwt)	12,250	12,500	13,000	13,750
<b>MR IMO3</b>	13,600	14,500	15,000	15,500
<b>LR1</b>	12,500	14,000	15,000	17,000
<b>LR2</b> (115 dwt cpp & dpp)	15,000	16,000	17,500	19,000
<b>AFRA</b> (115dwt)	15,500	15,500	17,000	18,000
<b>SUEZ</b>	18,500	19,250	21,000	21,500
<b>VLCC</b>	26,000	27,500	29,500	31,000

**Tanker Comment:** Oil prices rose about 2% yesterday, supported by Saudi Arabian export cuts in November and comments from the OPEC meeting in Moscow that the market is rebalancing after years of oversupply. In the spot market average VLCC earnings firmed by 30% w-o-w, while the Suezmax market has deflated in WAF region. No big changes on the period rates across the board. Despite the increased t/c enquiry in the West over the last few weeks, MR rates for 1 and 2 year time charter are holding at \$13,500/pdpr and \$14,500/pdpr respectively.

WET FFA				
	TD3	TD7	TC2	TC6
<b>1 MOS</b>	17,300	11,800	5,900	10,350
<b>2 MOS</b>	26,000	14,800	7,200	13,500
<b>3 MOS</b>	32,600	16,450	8,500	15,800
<b>12 MOS</b>	25,300	14,376	6,100	13,150



**DRY FFA:** Cape rates rose to \$12,800 and \$12,750 for 6 and 12 months respectively reflecting a strong spot market. Pana/Supra paper also rose to \$10,850 and \$10,200 for 6mos.

**WET FFA:** Mixed activity throughout the TD3 curve this week. 1mos is down but 2,3 & 12 mos is notably improved.



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