SHIPTRADE SERVICES S.A.

WEEKLY SHIPPING MARKET REPORT

WEEK 10

8th March – to 14th March

Researched and compiled by: Shiptrade Services SA, Market Research on behalf of the Sale & Purchase, Dry Cargo Chartering and Tanker Chartering Departments. For any questions please contact: **market-research@shiptrade.gr**

Shiptrade Services SA
1st Floor, 110/112 Notara Street
185 35 Piraeus, Greece

Tel +30 210 4181814
Fax +30 210 4181142
www.shiptrade.gr

snp@shiptrade.gr
chartering@shiptrade.gr
tankerchartering@shiptrade.gr

The first domestic bond default in China.

It's still too early to jump to conclusions that the default by Chaori Solar (a solar company) is equivalent to the Bear Stern moment that took place in the United States in 2008. But concerns that the Chinese government will no longer bail every company out, and that bond yields aren't risk-free, have stirred worries of tighter credit in the future.

Copper falls

Copper and iron ore fell sharply recently. In China, copper is used as collateral by companies and investors as a way to go around strict lending standards. According to Wall Street Journal, companies will obtain letters of credit from banks to import copper, which will then be sold or used as collateral for borrowing money, and often invest in high-yielding assets before paying back the loan. So if credit is tightening, and commodity prices are falling, banks may not take such commodity as collateral going forward. How much do these financial transactions account for total copper imports? The data varies significantly. Credit Suisse analysts estimate around 33%, while other analysts and traders estimate 60% to 80%—investors can pretty much say no one really knows the magnitude. Although iron ore and zinc are sometimes used, copper has been a preferred choice, according to an article from Reuters.

Domino effect

As a share of total dry bulk shipment volume, China's copper imports aren't much compared to coal and iron ore. In February, China imported ~1.2 million metric tonnes of copper, while the country imported 61.24 million metric tonnes of iron ore. We could see some impact on dry bulk demand, but not necessarily a catastrophe. The market was perhaps more worried about what could happen if banks ask borrowers to put out more collateral amid falling copper prices. Since a lot of the money raised through this financing deal has been put into real estate, according to a Reuters article, if borrowers can't pay, perhaps the real estate market might turn down as people realize the government won't be there to clean up everyone's mess. So China's copper imports have affected DryShips Inc. (DRYS), Diana Shipping Inc. (DSX), Safe Bulkers Inc. (SB), and Navios Maritime Holdings Inc. (NM) as well as the Guggenheim Shipping ETF (SEA).Argentina's largest grain exporting port in Rosario could remain blocked for about a week after a ship ran aground in the main channel of the Parana River, the Port and Maritime Chamber manager said. The delay to shipments of 18 vessels could be costing a total of about $450,000 a day or $3.2 million for a week, according to Port manager Guillermo Wade. The Paraskevi ship from Cyprus has been stuck since March 11 about 409 kilometers (254 miles) north of Buenos Aires, he said.

"Argentine rescue workers are awaiting permission from local authorities to begin topping off the Paraskevi vessel," Wade said late yesterday in an interview in Rosario. "The stranded ship is blocking at least 18 vessels from entering or exiting Rosario at a daily cost of $25,000 each." Efforts to remove the vessel should start soon to avoid a bottleneck as the port will begin receiving initial deliveries of corn and soybeans from the 2013-2014 season at the end of March, Wade said. Argentina is expected to produce a record soybean crop of 54.5 million tons this year, according to the latest forecast from the Buenos Aires Grains Exchange.

The previous record was 52.7 million in the 2008-2009 season. As soon as local naval police grant permission a tugboat is expected to arrive to top off the vessel, Wade said. About 80 percent of Argentina's grains, oilseeds and biodiesel is shipped through the port in Rosario.

Capes in charge

With the dry bulker market entering recovery mode, on the back of increased capesize demand and despite the situation in Ukraine remaining fluid, it has come as no surprise that the sale and purchase activity is following the same direction. Shipowners prefer dry bulkers, something that is easily proven by the number of secondhand and newbuilding deals that take place. As a matter of fact, this week we have seen a total of 6 capesize bulkers and slots changing hands at impressive levels, with Scorpio being the recipient of 3 cape resales ex Korean yards, paying numbers excess $60 mill. in all cases, while Dryships seem to be the buyers of the 2011 built "Conches" for $53 mill. What was also impressive this week, was the en-bloc sale of the 2000 built cape "Mona Pegasus" and the 1999 built "Koho" to "Winning Shipping" for $28 and $25 mill. respectively. Moving on to the Panamax size, 2 early 2000 built units seem to have found their new owners, namely the 2001 built "Babitonga", which fetched $17.3 mill. from Greeks ,as well as the 2003 built "Aspendos", which was sold for $21.75 to Greek interests too, while the 2000 built "New Agility" is still available, despite recent rumours claiming the opposite. Other than that, the 2002 "Bulk Avenir" is the newest addition to "Kouros Maritime"'s fleet, while S. Korean buyers paid nearly $15 mill. for the 2004 Oshima-built 32k dwt handy "Great River". In the wet segment, "Genmar Maritime" is thought to have finalized the acquisition of a total of 7 VLCC resales with 2015/6 deliveries from Scorpio, for a total price that exceeds $730 mill.

Shiptrade's enquiry index enjoyed a considerable increase, compared to last week's, by about 35%, with this rise mainly driven by the extremely enhanced interest in Handymax/Supramax bulkers and MR Tankers. In the dry sector, enquiries for handies were about 20% more, compared to last week, while the relevant indices for Panamaxes, Kamsarmaxes and Capes were relatively stable. In the wet segment, all other sizes apart from MRs, faced significant losses in terms of percentage, which are not important in terms of absolute numbers, as the total number of enquiries remained at single-digit levels.

NEWBUILDINGS

In the newbuilding market we have seen 25 vessels to have been contracted.

23 Bulk Carriers (VLOC, Newcastlemax, Kamsarmax, Ultramax)

2 LPG (76.000 cbm)

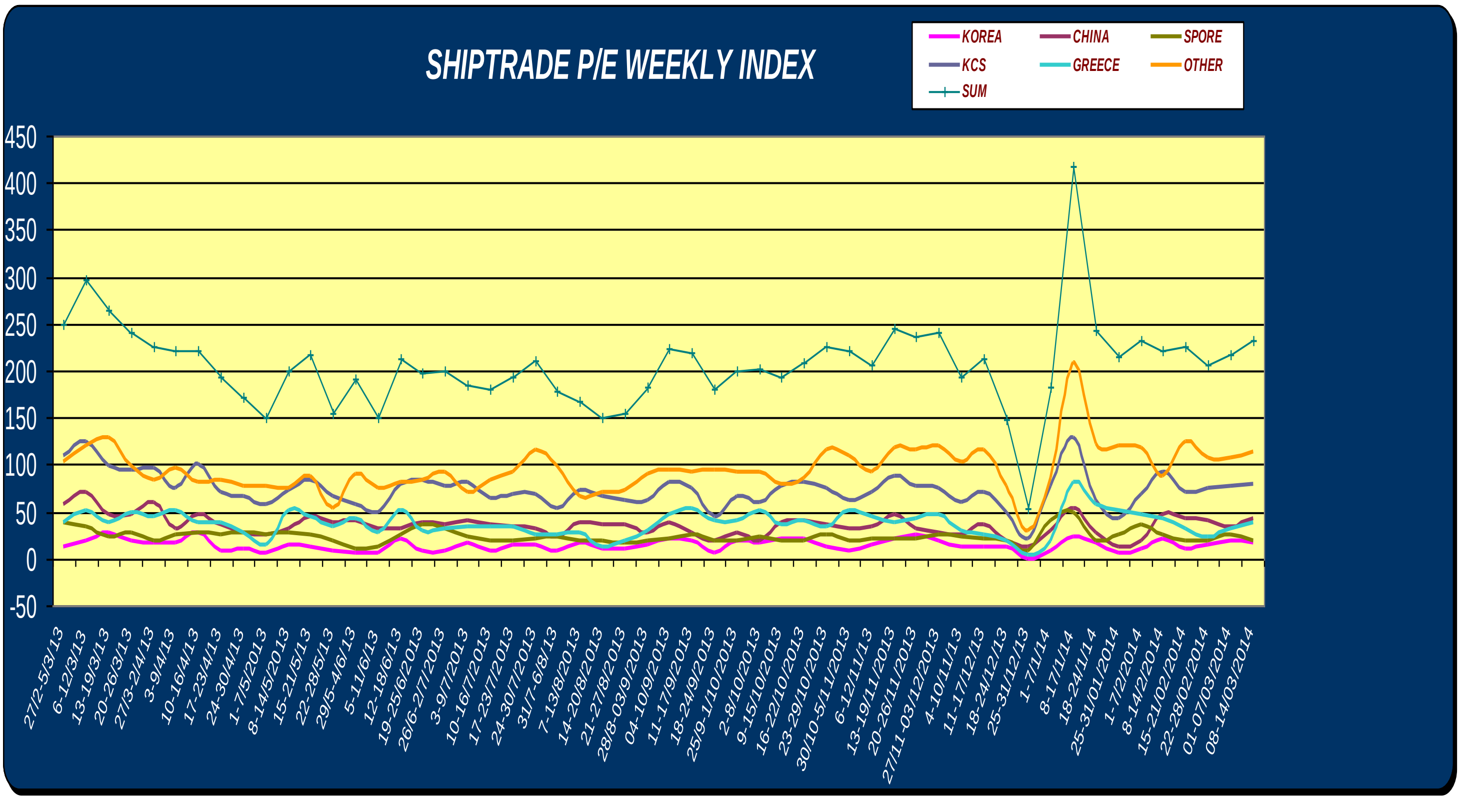
DEMOLITION

Fundamentals remain healthy in India, something that leads to market players being optimistic, as the local currency continuous trading around 61 to the USD and steel prices remaining stable. What is really interesting are the 15 panamax-sized that have been waiting to be sold to local buyers. Smaller units were desired from Bangladeshi buyers, who returned to purchases supported by a small spike in steel prices of about 5 dollars. Pakistan has emerged as the market for bigger tonnage, such as capes, while at the same time, it remains the place for larger VLCCs, backed up by an improved demand for tonnage. Other than that, China has failed for yet another week to acquire units, with owners of even smaller general cargo vessels destined for demolition, preferring a voyage to the subcontinent. Last, but not least, yard capacity in Turkey is growing and low numbers of recent acquisitions, has increased the appetite of end buyers.

Indicative Market Values – (5 yrs old / Mill $)

Bulk Carriers			
	Week 10	**Week 9**	**Change %**
Capesize	45	45	0,00
Panamax	25	25	0,00
Supramax	24	24	0,00
Handysize	19	19	0,00
Tankers			
VLCC	70	70	0,00
Suezmax	48	48	0,00
Aframax	37	37	0,00
Panamax	32	32	0,00
MR	28	28	0,00

Weekly Purchase Enquiries



Reported Second-hand Sales

Bulk Carriers

Name	Dwt	DoB	Yard	SS	Engine	Gear	Price	Buyer
Sungdong resale	180.000	2015	Sundong, Kr	-	-	-	$60.500.000	Scorpio
Daehan resale	180.000	-	Daehan, Kr	-	-	-	$62.250.000	Scorpio
Daehan resale	180.000	-	Daehan, Kr	-	-	-	$62.250.000	
Conches	179.098	2011	Sundong, Kr	06/2016	B&W	-	$53.000.000	Greek (Dryships)
Koho	172.964	1999	NKK, Jpn	12/2018	B&W	-	$25.000.000	Winning Shipping
Mona Pegasus	172.571	2000	NKK, Jpn	12/2015	B&W	-	$28.000.000	
Babitonga	75.257	2001	Samho, Kr	09/2016	B&W	-	$17.300.000	Greek
Aspendos	73.975	2003	Hyundai Samho, Kr	11/2018	B&W	-	$21.750.000	Greek
Bulk Avenir	50.399	2002	Kawasaki, Jpn	05/2017	B&W	4 X 30 T	$17.7000.000	Greek (Kouros)
Evian	51.215	2002	New Century, Chn	09/2017	B&W	4 X 30 T	$12.500.000	Greek
Mystic Treasure	35.800	2014	Qingshan, Chn	-	B&W	4 X 30 T	$23.500.000	Greek (Loadline)
Great River	33.745	2004	Oshima, Jpn	11/2014	B&W	4 X 30 T	$14.900.000	S. Korean (Sun Ace Shipping)
Harriett	25.565	2002	Jiangsu Yangzijiang, Chn	04/2017	B&W	3 X 30 T	$8.000.000	Greek
Aino Dake	22.201	1992	Saiki, Jpn	06/2015	Mit.	4 X 30 T	$4.850.000	Turkish

Tankers

Name	Dwt	DoB	Yard	SS	Engine	Hull	Price	Buyer
Hyundai Samho S777	300.000	2016	Hyundai Samho, Kr	-	-	DH	$104.500.000 (each en bloc)	Genmar
Hyundai Samho S778	300.000	2016	Hyundai Samho, Kr	-	-	DH		
Daewoo 5404	300.000	2015	Daewoo, Kr	-	-	DH		
Daewoo 5405	300.000	2015	Daewoo, Kr	-	-	DH		
Daewoo 5406	300.000	2016	Daewoo, Kr	-	-	DH		
Daewoo 5407	300.000	2016	Daewoo, Kr	-	-	DH		
Daewoo 5408	300.000	2016	Daewoo, Kr	-	-	DH		
YM Jupiter	15.995	2007	Marmara, Tr	01/2017	Mak	DH, marine line	$40.000.000	Undisclosed
YM Saturn	15.988	2007	Marmara, Tr	11/2017	Mak	DH, marine line		

Containers

Name	Teu	DoB	Yard	SS	Engine	Gear	Price	Buyer
Santa Roberta	4.112	2002	Samsung, Kr	08/2017	Sulzer	-	$87.500.000	Undisclosed
Santa Ricarda	4.112	2002	Samsung, Kr	05/2017	Sulzer	-		
Santa Rebecca	4.112	2002	Samsung, Kr	04/2017	Sulzer	-		
Santa Rafaela	4.112	2002	Samsung, Kr	01/2017	Sulzer	-		
Santa Rosanna	4.112	2002	Samsung, Kr	11/2017	Sulzer	-		
Santa Romana	4.112	2002	Samsung, Kr	10/2017	Sulzer	-		
Santa Rufina	4.112	2002	Samsung, Kr	12/2017	Sulzer	-		
E. R. Lubeck	2.474	2000	Volkswerft, Germany	11/2015	B&W	3 X 45 T	$11.000.000	UK based
Christa Rickmers	1.730	1995	Szczecinska Stojnia, Pol	12/2015	Sulzer	3 X 40 T	$3.950.000	Singapore based

Newbuildings

Newbuilding Orders

No	Type	Dwt / Unit	Yard	Delivery	Owner	Price
3	VLOC	275.000	HHI	2017	Polaris	80
1	BC	206.000	Daehan	2016	Polaris	57
2	BC	82.000	Namura	2016/17	Wisdom Lines	35
3	BC	82.000	Jiangsu New YZJ	2015	Paragon	31
10	BC	64.000	Sainty Marine	2015/16	Precious	28
2	BC	64.000	Taizhou	2016	Precious	27
1	BC	61.000	NACKS	2016	Portline	28
1	BC	61.000	DACKS	2016	Portline	28
2	LPG	76.000cbm	HHI	2016	Aurora LPG	76

Newbuilding Prices (Mill $) – *Japanese/ S. Korean Yards*

	Newbuilding	Resale Prices
Bulk Carriers		
Capesize	48	42
Panamax	28	29
Supramax	25	26
Handysize	20	22
Tankers		
VLCC	90	80
Suezmax	57	54
Aframax	46.5	37
Panamax	40	37.5
MR	34	36

Demolition Sales

Vessel	Type	Built	Dwt	Ldt	Buyer Country	Price
Hanjin Los Angeles	Container	1997	62.799	23.760	India	465
Mytilini	Container	1991	60.350	23.740	India	495 (old sale)
Kima	Tanker	1993	95.822	16.426	Bangladesh	486
Alabama Belle	BC	1986	41.808	8.039	Bangladesh	482 (including 500T rob)
PP 5	LPG	1987	1.123	1.008	Bangladesh	435

Demolition Prices ($ / Ldt)

	Bangladesh	China	India	Pakistan
Dry	430	350	430	430
Wet	450	360	450	460

***In Brief*:**

Capesize: ***After two weeks of positive sentiment***,

Capers market fell by almost 300 points to 2677 (about 10%) following futures' sharp correction and walking side by side with a major decrease in the price of iron ore ($104.7/mt is a 18-month low). This slump is mainly caused by the reduced Chinese trading data and the tightening of available financing. The Far East – Atlantic fell by almost 40% down to 2595 while the TV Rates fell by 13%. The demand for other Capers cargoes in combination with the number of ballasters pressed further the fixtures and we think that numbers seen this week (23k daily for modern 175k DWT dely Rotterdam spot for T/A round and redely Skaw Passero) will be very difficult to be fixed in the following days.

Panamax: ***Déjà vu*.**

Atlantic remains under pressure since last week. Transatlantic rounds are at around 5k, well below operation costs. There is a clear lack of fresh requirements in that market. On the other hand, the Pacific market although the lack of sufficient number of fresh requirements is putting pressure on hire rates, the picture is certainly better as opposed to the Atlantic. Pacific rounds are rated at around 10k-11k, and short period rates for up to one year appear stable at around 14k. The ECSA market on the other hand clearly reveals a sentiment of optimism amongst owners; an Eastern ballaster achieves around 17k+700 GBB bss APS.

Supramax: ***Some upward trend***.

The general picture of the supra market during this past week is that it is experiencing the same kind of pressures that are in place lately. Nevertheless, it is obvious that there is an upward trend in the Pacific market, where Indo/India TCT is now fixed at mid to high 15k, and is expected to increase even further. Owners in WCI/PG are asking for short period around low 14k-15k depending on vessels specifics, but charterers are generally reluctant to meet these levels. In the Atlantic, hire requirements from ECSA / Skaw-Passero are fixed at mid 13k, while ECSA/Indo requirements are covered at around 14k+400 GBB.

Handysize: ***The handy size market started with the BHSI index remaining at similar levels***.

As last weeks closing 663 points and remained at the same levels during the week as a result the index in the end of the week closed at 671 points. In the Atlantic basin spot tonnages are under pressure cause of the lack of fresh business.
This week tonnages for a TA RV were fixed at USD 10.000 – 11.000. In Pacific basin tonnages for Pacific RV were fixed at USD 9.000 – 9.500. Regarding period market tonnages fixed around USD 9.000 – 10.000 for 4 – 6 months.

Baltic Indices – Dry Market (*Friday's closing values)

Index	Week 10	Week 9	Change (%)
BDI	**1477**	**1543**	-4,28
BCI	2677	2980	-10,17
BPI	**1113**	**1075**	3,53
BSI	1183	1131	4,60
BHSI	**671**	**663**	1,21

T/C Rates (1 yr - $/day)

Type	Size	Week 10	Week 9	Change (%)
Capesize	**160 / 175,000**	20952	24293	-13,75
Panamax	72 / 76,000	**8956**	**8651**	3,53
Supramax	**52 / 57,000**	12368	10704	15,55
Handysize	30 / 35,000	**9654**	**9654**	0,00

Average Spot Rates

Type	Size	Route	Week 10	Week 9	Change %
Capesize	*160 / 175,000*	**Far East – ATL**	**2595**	**4318**	-39,90
		Cont/Med – Far East	40295	43955	-8,33
		Far East RV	**19477**	**23659**	-17,68
		TransAtlantic RV	21440	20500	4,59
Panamax	*72 / 76,000*	**Far East – ATL**	1780	1667	6,78
		ATL / Far East	**16743**	**15960**	4,91
		Pacific RV	11390	11226	1,46
		TransAtlantic RV	**5911**	**5750**	2,80
Supramax	*52 / 57,000*	**Far East – ATL**	6375	5700	11,84
		ATL / Far East	**18774**	**18000**	4,30
		Pacific RV	13033	11900	9,52
		TransAtlantic RV	**11767**	**11800**	-0,28
Handysize	*30 / 35,000*	**Far East – ATL**	3500	3350	4,48
		ATL / Far East	**14850**	**14700**	1,02
		Pacific RV	9150	9000	1,67
		TransAtlantic RV	**10400**	**10300**	0,97

Baltic Indices – Wet Market (*Friday's closing values)

Index	Week 10	Week 9	Change (%)
BCTI	**625**	**629**	-0,64
BDTI	689	726	-5,10

T/C Rates (1 yr - $/day)

Type	Size	Week 10	Week 9	Change (%)
VLCC	**300.000**	**25,000**	**25,000**	0,00
Suezmax	150.000	19,500	20,000	-2,50
Aframax	**105.000**	**14,500**	**14,500**	0,00
Panamax	70.000	14,250	14,250	0,00
MR	**47.000**	**14,500**	**14,500**	0,00

Tanker - Chartering

Crude Tanker Average Spot Rates

Type	Size (Dwt)	Route	Week 10 WS	Week 9 WS	Change %
VLCC	*280,000*	**AG – USG**	**30**	**33**	-9,09
	260,000	W.AFR – USG	54	55	-1,82
	260,000	**AG – East / Japan**	**48,5**	**52**	-6,73
Suezmax	*135,000*	B.Sea – Med	65	65	0,00
	130,000	**WAF – USAC**	**62,5**	**67,5**	-7,41
Aframax	*80,000*	Med – Med	85	85	0,00
	80,000	**N. Sea – UKC**	**85**	**90**	-5,56
	80,000	AG – East	102,5	100	2,50
	70,000	**Caribs – USG**	**100**	**100**	0,00

Product Tanker Average Spot Rates

Type	Size (Dwt)	Route	Week 10 WS	Week 9 WS	Change %
Clean	*75,000*	**AG – Japan**	**87**	**84**	3,57
	55,000	AG – Japan	110	108	1,85
	38,000	**Caribs – USAC**	**100**	**107,5**	-6,98
	37,000	Cont – TA	132,5	140	-5,36
Dirty	*55,000*	**Cont – TA**	**120**	**120**	0,00
	50,000	Caribs – USAC	130	150	-13,33

Financial Market Data

Shipping Stocks

Dry Bulk				
Company	**Stock Exchange**	**Week 10**	**Week 9**	**Change %**
Baltic Trading Ltd (BALT)	**NYSE**	**6,74**	**7,49**	-10,01
Diana Shipping Inc (DSX)	NASDAQ	**12,40**	**13,47**	-7,94
Dryships Inc (DRYS)	**NASDAQ**	**3,42**	**3,98**	-14,07
Euroseas Ltd (ESEA)	NASDAQ	1,24	1,37	-9,49
Excel Maritime Carriers (EXM)	**NYSE**	**0,01**	**0,01**	0,00
Eagle Bulk Shipping Inc (EGLE)	NASDAQ	4,42	5,17	-14,51
Freeseas Inc (FREESE)	**NASDAQ**	**1,78**	**2,07**	-14,01
Genco Shipping (GNK)	NYSE	1,53	1,70	-10,00
Navios Maritime (NM)	**NYSE**	**10,11**	**11,40**	-11,32
Navios Maritime PTN (NMM)	NYSE	17,96	17,80	0,90
Paragon Shipping Inc (PRGN)	**NASDAQ**	**6,76**	**7,83**	-13,67
Star Bulk Carriers Corp (SBLK)	NASDAQ	13,96	14,61	-4,45
Seanergy Maritime Holdings Corp (SHIP)	**NASDAQ**	**1,59**	**1,83**	-13,11
Safe Bulkers Inc (SB)	NYSE	9,68	11,26	-14,03
Golden Ocean (GOGL)	**Oslo Bors (NOK)**	**11,96**	**13,48**	-11,28
Tankers				
Capital Product Partners LP (CPLP)	**NASDAQ**	**10,47**	**10,86**	-3,59
TOP Ships Inc (TOPS)	**NASDAQ**	1,45	1,36	6,62
Tsakos Energy Navigation (TNP)	NYSE	**7,17**	**7,02**	2,14
Other				
Aegean Maritime Petrol (ANW)	**NYSE**	**9,86**	**10,49**	-6,01
Danaos Corporation (DAC)	NYSE	6,48	6,60	-1,82
StealthGas Inc (GASS)	**NASDAQ**	**11,16**	**11,20**	-0,36
Rio Tinto (RIO)	NYSE	**52,19**	**53,43**	-2,32
Vale (VALE)	**NYSE**	12,38	13,23	-6,42
ADM Archer Daniels Midland (ADM)	NYSE	**42,31**	**41,37**	2,27
BHP Billiton (BHP)	**NYSE**	**64,36**	**66,56**	-3,31

Commodities

Commodity	Week 10	Week 9	Change (%)
Brent Crude (BZ)	**108,28**	**108,88**	-0,55
Natural Gas (NG)	4,42	4,63	-4,54
Gold (GC)	**1385**	**1338**	3,51
Copper	294,80	308,90	-4,56
Wheat (W)	**316,63**	**308,73**	2,56

Financial Market Data / Bunker Prices / Port Congestion

Currencies

	Week 10	Week 9	Change (%)
EUR / USD	1,39	1,38	0,72
USD / JPY	**101,25**	**103,38**	-2,06
USD / KRW	1072	1060	1,13
USD / NOK	**5,96**	**5,98**	-0,33

Bunker Prices

	IFO 380	IFO 180	MGO
Piraeus	**595**	**623**	**910**
Fujairah	601	635	**978**
Singapore	**596**	**610**	**897**
Rotterdam	572	595	**865**
Houston	**578**	**648**	**972**

Port Congestion*

Port	No of Vessels
China	
Rizhao	22
Lianyungang	21
Qingdao	35
Zhanjiang	41
Yantai	46
India	
Chennai	23
Haldia	33
New Mangalore	36
Kakinada	25
Krishnapatnam	27
Mormugao	24
Kandla	22
Mundra	18
Paradip	20
Vizag	17
South America	
River Plate	119
Paranagua	23
Praia Mole	22

* The information above exhibits the number of vessels, of various types and sizes, that are at berth, awaiting anchorage, at anchorage, working, loading or expected to arrive in various ports of China, India and South America during Week 10 of year 2014.