



SHIPTRADE SERVICES S.A.

WEEKLY SHIPPING MARKET REPORT

WEEK 12

22nd March – to 28th March

Legal Disclaimer

The information contained herein has been obtained by various sources. Although every effort has been made to ensure that this information is accurate, complete and up to date, Shiptrade Services S.A. does not accept any responsibility whatsoever for any loss or damage occasioned or claimed, upon reliance on the information, opinions and analysis contained in this report.

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

Bulgaria Is Ready to Launch Direct Shipping Lines to Russia - Min

Bulgaria is ready to launch direct cargo shipping lines to Russia, Transport Minister Danail Papazov has announced. According to Papazov, the shipping lines will be successful, because carters may face difficulties passing through Ukraine on their way to Russia, Dark news reports. Minister Papazov said that there have been proposals for the launch of direct lines between Russian and Bulgarian ports and that Bulgaria's Ministry of Transport is prepared to meet such freight turnover, as the two major sea ports in Varna and Burgas are ready for processing roll-on/roll-off (ro-ro) ships. Papazov said that there have been talks for increasing the number of charter flights between Russia and Bulgaria, in order to support tourist flows between the two countries. He noted that all charters are negotiated under the agreement between Bulgaria and Russia established in 1997. A new agreement, stipulating the permission of a larger number of operators to perform charter flights, has been sent to the Russian side. The agreement will be signed at the next Joint Commission meeting, however Minister Papazov did not mention a specific time frame. (Novinite)

Oil tanker rates finally stabilize, helping stocks like Frontline

To assess the revenue and earnings potential of the crude oil shipping industry, analysts and money managers often follow the Baltic Dirty Tanker Index. How the Baltic Dirty Tanker Index performs, especially its year-over-year growth, is one factor that has significant implications for Tsakos Energy Navigation Ltd., Frontline Ltd., Teekay Tankers Ltd., Nordic American Tanker Ltd., and the Guggenheim Shipping ETF. A recent sharp rise since shooting from just 600 to 1,200, the Baltic Dirty Tanker Index came back down to ~680 on March 13, 2014. This volatility reflects tighter fleet utilization, and it's a sign that the crude tanker industry may be in for a turnaround after facing the worst period over the last five years. While seasonality played a major role, frigid cold weather also negatively affected operations and supply, which caused rates to rise higher. Demand fundamentals were also supportive, as China imported more crude oil from West Africa and South America for diversification purposes, which increased voyage travel distance. Plus, global oil consumption was also stronger on the back of improved global economic growth. Higher than last year While rates have come down sharply as seasonality has ended, the latest data shows the Baltic Dirty Tanker Index might have stabilized around 680. On March 24, 2014, the index stood at 712—higher than for most of 2013. Year-over-year growth also stopped falling just above 0% and could remain positive throughout the year, which would be positive for the industry. The index uses year-over-year growth to somewhat account for seasonality. If the Baltic Dirty Tanker Index can hold at current levels and rise higher, crude tankers should follow suit over the next few weeks or months. Will the index really rise? Well, there's a good chance, based on indicators we'll discuss in the next part of this series. (Market Realist)

Iran plans to increase gasoline imports by March 2015

Iran aims to increase its gasoline imports by March 2015, a senior Iranian oil official said, as the country has stopped using domestic petrochemical plants to produce the fuel. Imports are a sensitive subject for energy-rich Iran as they have been a target for U.S. sanctions aimed at persuading Tehran to curb its nuclear activities. "Iran's fuel imports will surely increase this (Iranian) year," said the senior official, who asked not to be named. The Iranian year started on March 21. He refused to reveal the amount but media reports suggest that the

import of gasoline will be around 11 million litres per year. Iran's plan to increase imports follows an interim deal agreed in November with world powers under which Tehran has since shelved higher-grade uranium enrichment - a potential path to atomic bombs - and obtained modest relief from punitive sanctions in return. The interim accord went into effect on Jan. 20. Iran has long denied accusations from Western powers and Israel that it sought to develop the capability to produce atomic weapons under the cover of its nuclear energy programme. Iran lacks refining capacity - in part due to a lack of foreign investment - forcing it to import 40 percent of its domestic gasoline demand. The United States has imposed sanctions on foreign companies that help to supply fuel to Iran. Alarmed over high pollution levels, Hassan Rouhani's government has repeatedly said it wants to halt production of gasoline from petrochemical plants, which started in 2010. Experts say such gasoline creates more pollution than standard gasoline. Oil Minister Bijan Zanganeh said in early March that the Islamic state had plans to hike its gasoline imports, without revealing details, the Oil Ministry's SHANA website reported. Iran and major powers are seeking a final settlement by a July deadline under which the West wants Iran to significantly scale back its nuclear programme. (Reuters)

Jinglu Shipbuilding invests in the future with AVEVA Marine

Penglai Zhongbai Jinglu Shipbuilding Co., Ltd (Jinglu Shipbuilding), one of the key shipbuilding enterprises in Shandong Province, Greater China, has signed a new contract for AVEVA Marine software to address the current, challenging market situation and to future-proof its operations. The AVEVA technical team in China supported Jinglu Shipbuilding with a detailed evaluation exploring how AVEVA Marine would improve project efficiency and quality across the shipyard. As a result, the company selected AVEVA Marine, providing it with the most complete software solution for its current and future shipbuilding requirements. "AVEVA Marine was an obvious choice, due to its great reputation," said, Shiwen Jiang, Technical Director, Jinglu Shipbuilding. "Naturally, we evaluated other software vendors on the market, but AVEVA is the only one that can provide such a solid reference base. Using AVEVA Marine we will benefit from shorter design cycles, improved design accuracy and reduced wastage in production. AVEVA Marine's large user base gives us the widest possible choice of partners, as well as the ability to recruit from a pool of highly skilled engineers and designers who already know the AVEVA software. The advanced technology provided by AVEVA Marine also enables us to more easily address our changing business needs." "Jinglu Shipbuilding shares many of the same technical and business challenges facing other AVEVA customers in the shipbuilding industry," said Paul Eveleigh, EVP and Head of Greater China, AVEVA. "While AVEVA Marine delivers immediate business benefits, it is also an investment in the future, since it gives shipbuilders the tools to address more complex project opportunities in a very difficult market. AVEVA Marine is the most productive solution available to the shipbuilding industry now and in the future." (AVEVA)

Fundamentals improving

The gradual improvement of the dry bulk market, despite the slowdown of the last couple of days, is urging some shipowners to either move promptly to acquire secondhand tonnage, or towards the shipyards, in an attempt to take advantage of the relatively attractive (still) prices. This week we saw a total of 11 bulkers changing hands, while another 6 tankers have found new recipients. Two panamaxs built in 2014 in Jinhai have gone en-bloc to Greeks for \$24 mill. each, while the 2005 built Supramax “Crown Princess” seems to have fetched \$23 mill., in line with the previous sale of the one-year-older “Triton Stork” to “Anthony Giavridis Maritime” for \$21.6 mill. In the handysize segment, the 2007 built 4 ho ha unit “Ho Xin” was sold to Greeks for \$12.9 mill., while Syrian interests were behind the en-bloc sale of two 1985/6 built handies, namely the “Federal Polaris” and the “Federal Fuji” for a total price of \$6.9 mill. Moving on to the wet sector, what has drawn our attention this week, was the sale of the 2000 built VLCC “Asian Progress II” to Greeks for \$28.5 mill., while two 2014 built Suezmaxes have gone to Norwegian buyers for \$109 mill. en-bloc and the 2003 built Aframax “Pacific Leo” again to Norwegians for \$21.85 mill. Other than that, we are hearing rumours that the 2000 built MR tanker “Hellas Constellation” has gone to European buyers for \$11.9 mill., confirmation is still pending though.

Shiptrade’s enquiry index was slightly decreased by about 4% this week, remaining in a path of general stability during the last couple of weeks. In the dry sector, with the sole exception of the handy enquiries, which lost a 15% of its’ power, all other sizes have shown gains, with the most impressive one being that of the capes, which tripled its’ numbers. In the wet sector, the exact opposite happened, with all segments losing ground, with only MR tankers enjoying increased interest this week, by about 20%. Panamaxs lost 20%, Afras a considerable 67%, while interest for Suezmaxes almost disappeared this week, while zero interest for VLCCs was there for yet another week.

NEWBUILDINGS

In the newbuilding market we have seen 30 vessels to have been contracted.

10 Bulk Carriers (Capesize, Kamsarmax, Ultramax, Handysize)

16 Tankers (VLCC, Suezmax, Aframax, MR)

4 LPG (38.000 cbm)

DEMOLITION

The coming weeks are expected to prove interesting as far as demolition tonnage supply is concerned, as freight rates have been performing well recently, while demand in the sub-continent remains healthy. We would expect, however, prices to slow down, as it seems that the traditional peak in prices in the beginning of the year has passed. In India, fundamentals are stable, with the currency around 61 to the USD and steel prices following the same path. In Bangladesh, demand for lower LDT units persists, with a couple of handysize units ending up in Chittagong, with Bangladeshi buyers paying a premium for such vessels, while Pakistani buyers prefer bigger tonnage. The gap between Chinese and sub-continent prices stands around 150 USD, thus enabling South Asian facilities be competitive to the Chinese ones, while, last, but not least, Turkish buyers remain eager to buy units, with them being there to take a slightly bigger risk in view of the low supply of tonnage, in order to keep their yards operational.

Sale & Purchase

Reported Second-hand Sales

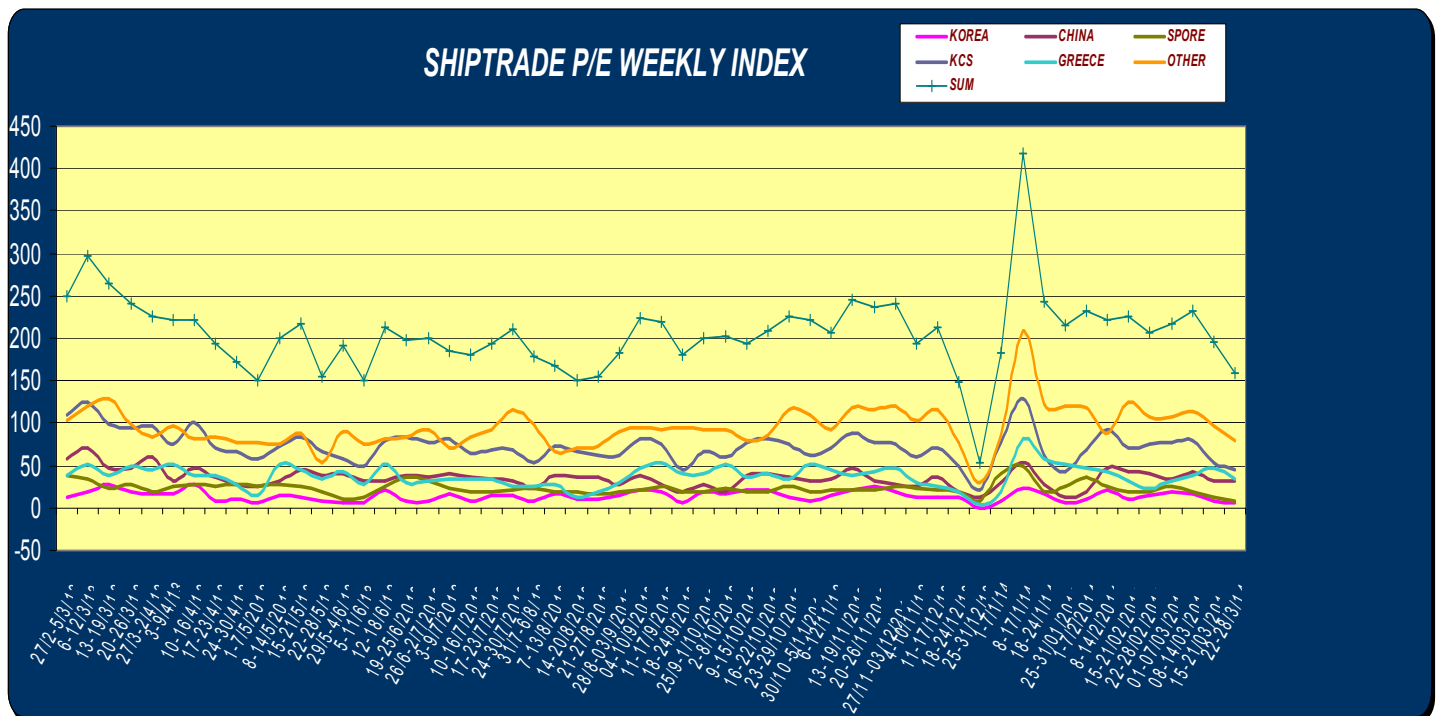
Bulk Carriers								
Name	Dwt	DoB	Yard	SS	Engine	Gear	Price	Buyer
Bulk China	179.109	2013	Orient, Kr	03/2018	B&W	-	\$55.000.000	US (Knightsbridge)
Lan Hai Jin Xiu	79.600	2013	Nanjing, Chn	-	B&W	-	\$25.000.000	Undisclosed
Jinhai J0047	79.600	2014	Jinhai, Chn	-	B&W	-	\$24.000.000 (each en bloc)	Greek
Jinhai J0048	79.600	2014	Jinhai, Chn	-	B&W	-		
Anna Oldendorff	52.466	2002	Sanoyas, Jpn	08/2017	B&W	4 X 30 T	\$18.250.000 (including 2 years BB back to sellers)	Norwegian
Crown Princess	52.347	2005	Tsuneishi, Jpn	06/2015	B&W	4 X 30 T	\$23.000.000	Undisclosed
Golden Hope	38.888	1986	IHI, Jpn	04/2014	Sulzer	4 X 25 T	\$3.500.000	Undisclosed
Federal Fuji	29.531	1986	NKK, Jpn	06/2017	Sulzer	4 X 25 T	\$6.900.000 (en bloc)	Syrian
Federal Polaris	29.531	1985	NKK, Jpn	07/2017	Sulzer	4 X 25 T		
Ho Xin	24.823	2007	Kurinoura, Jpn	05/2017	B&W	4 X 30 T	\$12.900.000	Greek
Tropical Bintang	12.158	2011	Kanasashi, Jpn	04/2016	B&W	2 X 30 T	\$9.000.000	Undisclosed
Tankers								
Name	Dwt	DoB	Yard	SS	Engine	Hull	Price	Buyer
Asian Progress II	314.026	2000	Mitsui, Jpn	01/2015	B&W	DH	\$28.500.000	Greek
Seagrace	157.000	2014	Jiangsu Rongsheng, Chn	-	B&W	DH	\$54.500.000 (each en bloc)	Norwegian
Seasprite	157.000	2014	Jiangsu Rongsheng, Chn	-	B&W	DH		
Pacific Leo	107.127	2003	Imabari, Jpn	01/2018	B&W	DH	\$21.850.000	Norwegian (ADS)
Angel No 12	19.900	2012	Ningbo xinle, Chn	06/2017	B&W	DH, stst	\$27.500.000	Undisclosed
Boris Vilkitskiy	6.760	1992	Suerken, Ger	09/2016	Normo	DH, stst	\$5.800.000	Russian
Containers								
Name	Teu	DoB	Yard	SS	Engine	Gear	Price	Buyer
Akinada Bridge	5.610	2001	Hyundai, Kr	11/2016	B&W	-	\$20.000.000	Greek
Aquarius J	707	2004	Hegemann, Ger	06/2014	Mak	-	Undisclosed	Undisclosed
Atair J	707	2004	Hegemann, Ger	06/2014	Mak	-		

Sale & Purchase

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

Bulk Carriers			
	Week 12	Week 11	Change %
Capesize	41	41	0,00
Panamax	26	26	0,00
Supramax	25	25	0,00
Handysize	19	19	0,00
Tankers			
VLCC	59	59	0,00
Suezmax	43	43	0,00
Aframax	33	33	0,00
Panamax	30	30	0,00
MR	27	27	0,00

Weekly Purchase Enquiries



Newbuildings

Newbuilding Orders

No	Type	Dwt / Unit	Yard	Delivery	Owner	Price
2	Tanker	300.000	SWS	2015/16	Navig8	99
2	Tanker	300.000	HHI	2016	Navig8	101
2	Tanker	300.000	Hanjin Subic Bay	2016	Navig8	96
5	BC	180.000	Imabari	2015/16	K-Line	60
4	Tanker	160.000	HHI	2016	CM Lemos	67
4	Tanker	113.000	DSME Mangalia	2016/17	TEN	51.5
1	BC	85.000	Sasebo	2015	Quintana	
2	BC	64.000	Jinling	2016/17	Densay	
2	BC	43.000	Qingshan	2017	Blue Wall Shipping	24.5
2	Tanker	40.000	CSBC	2016	CPC Corp	43
4	LPG	38.000cbm	HMD	2016	Eastern Pacific	50

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

Demolitions

Demolition Sales

Vessel	Type	Built	Dwt	Ldt	Buyer Country	Price
Jolly	Container	1992	25.904	11.197	India	500
Itaituba	Tanker	1996	44.206	9.920	As is Brazil	350 (including 100t rob)
Hong Kong Pearl	BC	1985	42.647	7.320	Bangladesh	450 (including 300t rob)
Ariadne	BC	1984	28.791	7.198	Bangladesh	475
King Hero	GC	1983	23.382	7.116	India	455
Gaz Symphony	LPG	1987	8.136	4.756	India	468 (as is Fujairah including 500t rob)

Demolition Prices (\$ / Ldt)

	Bangladesh	China	India	Pakistan
Dry	430	310	440	430
Wet	450	330	460	450

In Brief:

Capesize: *In anticipation of next week's news*

Ending the good news, week 13 brought losses in every sector of Capers market. BCI dropped by 479 units down to 2557 and T/C rates lost on average \$5600 (now on low 19k). The Far East – Atlantic suffered the worst with 37% decrease while the Cont/Med – Far East remain quite close to previous week levels (-12% to low 37k). With all this uncertainty around and the major paper sell offs this week we can only hope for minimised losses in week 14.

Panamax: *Atlantic under pressure*

For one more week, market at panamax did not show any signs of recovery and rates keep on falling. China needs affecting significantly this type of vessels and as a result the rates. China has diminished imports from South America and taken into account that South America – China is a major route for panamax vessels then it is inevitable for rates falling. It was usual phenomenon of this week for vessels to ballasting from USG southern in order to find cargo however this was not feasible. On the other side, at Pacific ocean rates are not so volatile with analysts wondering how much time this will last as there is oversupply of vessels while cargo offers are not equal to cover vessels.

Supramax: *Hide and Seek*

The Atlantic market as compared to the previous week is suffering some clear losses for owners. USG/China requirements rated around 20k down from 25k of previous week and USG/Med rated up to 15k, down from 17k of week 12. As far as Pacific is concerned, Indo/India rounds are fixed at around 14k, while Indo/China rates a bit less at around 13k. Finally, short period requirements are still covered at around 14k depending on specifics, but with a growing number of vessels seeking employment, which will inevitably make some owners to reconsider.

Handysize: *Bad signs*

The handy size market started with the BHSI index remaining at similar levels as last weeks closing at 674 points but during the week started to slightly fall, as a result the index in the end of the week closed at 649 points. In the Atlantic basin we don't see much activity, tonnages opening in USG are rated about 15k for fhaul .This week tonnages for a TA RV were fixed at USD 9.500 – 10.000. In Pacific basin tonnages for Pacific RV were fixed at USD 9.000 – 10.000. Regarding period market tonnages fixed around USD 9.000 – 10.000 for short period.

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

Index	Week 12	Week 11	Change (%)
BDI	1373	1599	-14,13
BCI	2557	3036	-15,78
BPI	978	1112	-12,05
BSI	1115	1209	-7,78
BHSI	649	674	-3,71

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

Type	Size	Week 12	Week 11	Change (%)
Capesize	160 / 175,000	19211	24835	-22,65
Panamax	72 / 76,000	7888	8956	-11,92
Supramax	52 / 57,000	11659	12643	-7,78
Handysize	30 / 35,000	9650	9900	-2,53

Average Spot Rates

Type	Size	Route	Week 12	Week 11	Change %
Capesize	<i>160 / 175,000</i>	Far East – ATL	4459	7135	-37,51
		Cont/Med – Far East	37250	42750	-12,87
		Far East RV	19386	24650	-21,35
		TransAtlantic RV	15750	24806	-36,51
Panamax	<i>72 / 76,000</i>	Far East – ATL	1584	1850	-14,38
		ATL / Far East	15493	17113	-9,47
		Pacific RV	10606	11531	-8,02
		TransAtlantic RV	3868	5329	-27,42
Supramax	<i>52 / 57,000</i>	Far East – ATL	6450	6850	-5,84
		ATL / Far East	18481	19031	-2,89
		Pacific RV	12478	13591	-8,19
		TransAtlantic RV	9545	11495	-16,96
Handysize	<i>30 / 35,000</i>	Far East – ATL	3550	3800	-6,58
		ATL / Far East	15000	15200	-1,32
		Pacific RV	9600	9600	0,00
		TransAtlantic RV	9800	10300	-4,85

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

Index	Week 12	Week 11	Change (%)
BCTI	610	626	-2,56
BDTI	712	679	4,86

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

Type	Size	Week 12	Week 11	Change (%)
VLCC	300.000	24,000	25,000	-4,00
Suezmax	150.000	19,000	19,500	-2,56
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 12 WS	Week 11 WS	Change %
VLCC	280,000	AG – USG	27,5	29	-5,17
	260,000	W.AFR – USG	47,5	47,5	0,00
	260,000	AG – East / Japan	38,5	42,5	-9,41
Suezmax	135,000	B.Sea – Med	62,5	60	4,17
	130,000	WAF – USAC	62,5	60	4,17
Aframax	80,000	Med – Med	97,5	93,75	4,00
	80,000	N. Sea – UKC	115	87,5	31,43
	80,000	AG – East	97,5	100	-2,50
	70,000	Caribs – USG	98,75	97,5	1,28

Product Tanker Average Spot Rates

Type	Size (Dwt)	Route	Week 12 WS	Week 11 WS	Change %
Clean	75,000	AG – Japan	89	84,25	5,64
	55,000	AG – Japan	109	110,25	-1,13
	38,000	Caribs – USAC	90	95	-5,26
	37,000	Cont – TA	112,5	145	-22,41
Dirty	55,000	Cont – TA	125	125	0,00
	50,000	Caribs – USAC	107,5	115	-6,52

Shipping Stocks

Dry Bulk				
Company	Stock Exchange	Week 12	Week 11	Change %
Baltic Trading Ltd (BALT)	NYSE	6,20	6,61	-6,20
Diana Shipping Inc (DSX)	NASDAQ	12,04	12,39	-2,82
Dryships Inc (DRYS)	NASDAQ	3,25	3,50	-7,14
Euroseas Ltd (ESEA)	NASDAQ	1,26	1,32	-4,55
Eagle Bulk Shipping Inc (EGLE)	NASDAQ	4,18	4,38	-4,57
Freeseas Inc (FREESE)	NASDAQ	1,70	1,82	6,59
Genco Shipping (GNK)	NYSE	1,69	1,54	9,74
Navios Maritime (NM)	NYSE	9,65	9,95	-3,02
Navios Maritime PTN (NMM)	NYSE	19,76	19,44	1,65
Paragon Shipping Inc (PRGN)	NASDAQ	6,88	7,30	-5,75
Star Bulk Carriers Corp (SBLK)	NASDAQ	14,23	14,49	-1,79
Seenergy Maritime Holdings Corp (SHIP)	NASDAQ	1,93	1,81	6,63
Safe Bulkers Inc (SB)	NYSE	9,24	9,75	-5,23
Golden Ocean (GOGL)	Oslo Bors (NOK)	11,79	11,99	-1,67
Tankers				
Capital Product Partners LP (CPLP)	NASDAQ	10,63	10,92	-2,66
TOP Ships Inc (TOPS)	NASDAQ	1,41	1,47	-4,08
Tsakos Energy Navigation (TNP)	NYSE	7,61	7,82	-2,69
Other				
Aegean Maritime Petrol (ANW)	NYSE	9,93	10,43	-4,79
Danaos Corporation (DAC)	NYSE	7,08	6,75	4,89
StealthGas Inc (GASS)	NASDAQ	11,17	11,25	-0,71
Rio Tinto (RIO)	NYSE	54,51	52,81	3,22
Vale (VALE)	NYSE	13,79	13,21	4,39
ADM Archer Daniels Midland (ADM)	NYSE	43,01	42,61	0,94
BHP Billiton (BHP)	NYSE	67,45	64,99	3,79

Commodities

Commodity	Week 12	Week 11	Change (%)
Brent Crude (BZ)	108,06	107,53	0,49
Natural Gas (NG)	4,51	4,32	4,40
Gold (GC)	1290	1335	-3,37
Copper	304,25	295,20	3,07
Wheat (W)	329,31	333,26	-1,19

Currencies

	Week 12	Week 11	Change (%)
EUR / USD	1,37	1,37	0,00
USD / JPY	102,94	102,32	0,61
USD / KRW	1069	1080	-1,02
USD / NOK	6,00	6,05	-0,83

Bunker Prices

	IFO 380	IFO 180	MGO
Piraeus	600	630	922
Fujairah	604	632	977
Singapore	594	612	902
Rotterdam	584	614	875
Houston	583	653	977

Port Congestion*

Port	No of Vessels
China	
Rizhao	22
Lianyungang	23
Qingdao	32
Zhanjiang	43
Yantai	42
India	
Chennai	23
Haldia	35
New Mangalore	33
Kakinada	29
Krishnapatnam	22
Mormugao	26
Kandla	23
Mundra	17
Paradip	25
Vizag	19
South America	
River Plate	120
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 12 of year 2014.