

SHIPTRADE SERVICES S.A.

WEEKLY SHIPPING MARKET REPORT

WEEK 6

8th February – to 14th February

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

Dry bulk market faces better prospects on the back of improving demand and supply balance

The dry bulk market has started off the New Year on the "left foot", with the strong finish of 2013 proving to be unsustainable, on the back of low seasonal demand. As a result, freight rates fell across the board, although the Handysize market is still close to a three-year high. In its latest report on the market, issued yesterday, BIMCO said that it believes that "the level of Capesize TC average rates will remain and stay around USD 4,500-10,000 per day. Panamax TC average rates will stay in the region of USD 5,000-11,000 per day. For the Supramax segment, BIMCO forecasts freight rates in the USD 7,000-11,000 per day interval, whereas Handysize rates are expected to stay strong in the region of USD 7,000-9,500 per day". In his outlook on the market, BIMCO's Chief Shipping Analyst, Mr. Peter Sand noted that "as Q4-2013 was a massively strong quarter, the seasonal slowdown in Q1-2014 is likely to weigh a bit heavier than normally on freight rates. A drop of 8.8% in selected commodity volumes represent a clear seasonal direction in Q1, but if we look a bit further into the remaining three quarters, they all provide a solid rebound in demand. Chinese iron ore imports especially, but also the dry bulk market in general, is trailing off around the Chinese New Year season" he stated.

Meanwhile, "in all the other segments volatility is more subdued, and over- and undershooting (up or down) seen to a lesser extent. At the end of January, Handysize tonnage is still earning in excess of USD 10,000 per day on a T/C average. This is a three-year high. Q1 holds little room for upside, with most focus being on weather related disruptions in e.g. Australia to intrude on normal trading as well as regulatory issues affecting not just Indonesian exports but Colombian coal exports and Indian exports/imports in general, e.g. via export duties. As demand in volumes grew by 5.4% in 2013, the fundamental market balance only improved if slow steaming was applied more extensively. BIMCO believes that was the case, but only marginally. For 2014, an improvement in the market balance is clearly achievable. For it to materialise, owners and operators need to apply slow steaming to at least the same extent as last year. Only by managing the supply side carefully will higher earnings follow in the wake", it was noted.

Supply In terms of supply, which is equally if not even more crucial to the long term viability of the industry, BIMCO said that "the demolition side of shipping will be amongst the "ones to watch" in 2014. As the order book keeps building up and eventually brings around more newbuild tonnage to cater for demand, owners might consider taking advantage of the strong demolition prices currently available to let go of less efficient ships.

In 2013, 22.2 million DWT was demolished, mostly in the smaller segments. This was 50% below the level of 2012 but considered a strong number, one that is unlikely to be repeated this year. The average age of a scrapped Capesize was 24, whereas the average demolished Handysize vessel was 30 years of age. Going forward, try to consider this as a potential scenario: the current stock of dry bulk shipping capacity equals 728 million DWT. All ships built in 1993 or earlier comprise just 68 million DWT, which is less than 10%. In comparison, taking out all ships beyond the average scrapping age in recent years (29 years), comprises just 20 million DWT. History tells us that is unlikely to happen, especially in a rising market. Thus, BIMCO forecasts 14 million DWT (or 1.9% of the current fleet) will be demolished in 2014. The fleet grew by 40 million DWT net in 2013, equal to 5.9%. BIMCO forecasts that 2014 holds 47 million DWT of newbuild capacity in store, which will be offset by 14 million DWT, leaving the fleet to bring supply growth of 4.5% around. Such a growth rate denotes an 11-year low. 2015 is already set for higher growth rates, so 2014 represents a short temporary dampening of the high growth of the fleet", it was mentioned. "As regards the orderbook, the number of new Panamax orders has been extremely slim, in 2013 accounting for just 16% of the capacity ordered. This is a clear counterbalancing statement by the industry in response to the high fleet growth seen in that segment in the previous 15 months. Despite new orders for 197 Capesizes and 80 million DWT in total, the size of the dry bulk fleet today means that the orderbook-to-fleet ratio in the Capesize segment and total dry bulk fleet lands at just 20.5% and 20.7% respectively", the report concluded.

Signs of stability

Last year's strong finish has been substituted by a weak first month, however activity on the S&P front is still there, with sentiment among market players being positive, mainly due to the market seeming to get out of a prolonged period of unrest and misery, backed up by secondhand values, which could still be described as attractive. Our attention this week was mainly drawn by the handysize segment on the dry side, as a total of 4 handies changed hands. Other than that, we are reporting the sale of the 2004 CSBC built panamax "Giuseppe Rizzo" to Greek buyers for \$18.2 mill., while a Supramax resale ex Kawasaki with delivery in 2015 fetched a remarkable \$31.1 mill. from undisclosed interests. In the wet sector, a total of 9 units changed ownership, with the most interesting ones being the 1997 built suezmax "Aldawha" for \$12.5 mill to Europeans, as well as the 1999 built aframax "Elise Schulte" for \$12 mill.

Enquiry

Shiptrade's enquiry index remained stable for yet another week. In the dry segment, with the sole exception of the relevant index for handies, which remained practically unchanged, all other indices, meaning Handymax/Supramax, Panamax and Capesize faced losses by 15%, 12% and 40% respectively. On the wet side, interest for MR tankers was increased by about 45%, however this was not the case with the other sizes, as the Panamax index remained stable, while the indices for Aframaxes, Suezmaxes and VLCCs dropped by 10%, 25% and 75%.

NEWBUILDINGS

In the newbuilding market we have seen 16 vessels to have been contracted.

4 Bulk Carriers (Capesize)

12 Tankers (VLCC, Handy, 19k dwt st.st., 88k cbm LPG)

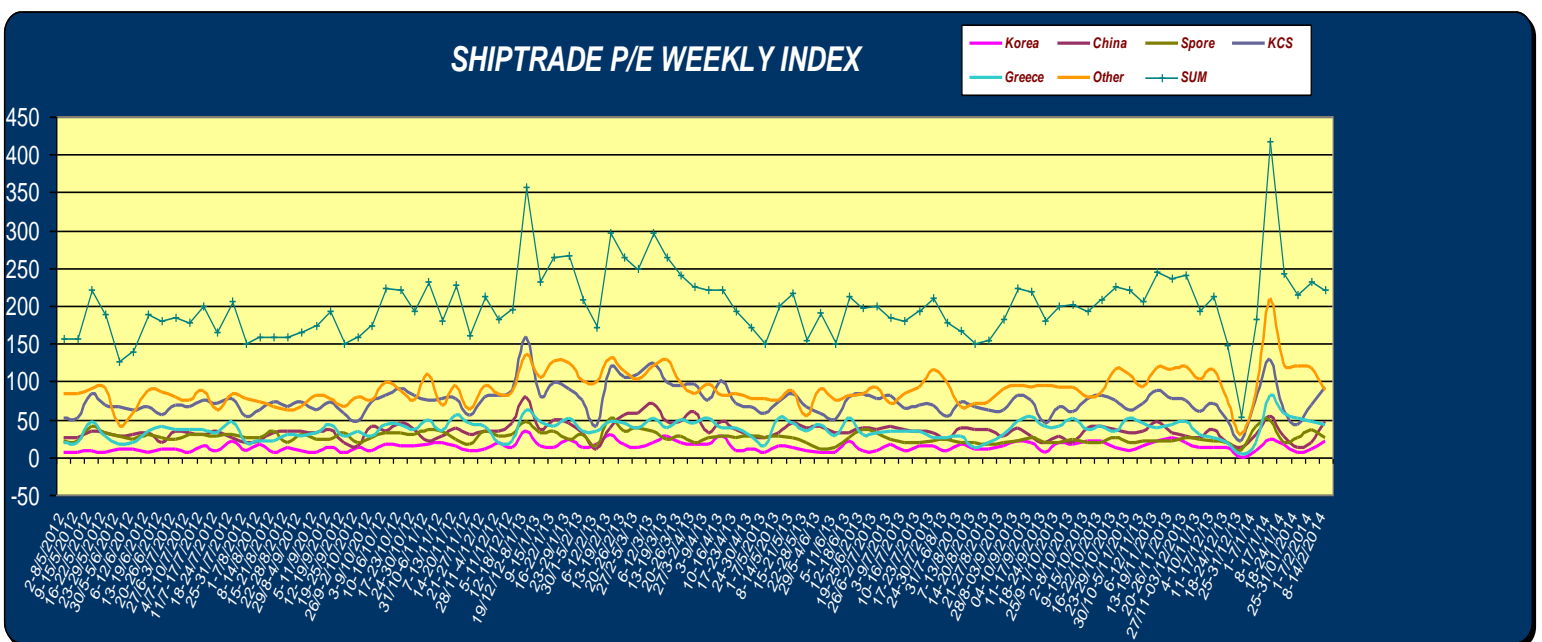
DEMOLITION

Scepticism is spread around the demolition market, as far as what this month will bring in comparison with the peak that January brought, as traditionally over the past few years, January has been the hottest month of the year, with most industry players anticipating this year to follow the same pattern. In India, the general feeling is that prices have peaked this week and that further gains should not be expected, despite the fundamentals seeming to be quite healthy. Bangladesh is struggling to follow the Indian market, with Pakistani buyers being unable to compete their sub-continent "rivals" as prices are stuck at levels 15-20 USD below their competitors. In China, things will most probably remain the same, following the end of the Chinese New Year holidays, however what will be interesting to see is how the reasonably anticipated increase in local demand for tonnage (due to the recent holidays) will affect local prices.

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

Bulk Carriers			
	Week 5	Week 4	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



Sale & Purchase

Reported Second-hand Sales

Bulk Carriers								
Name	Dwt	DoB	Yard	SS	Engine	Gear	Price	Buyer
Pretty	175.975	2011	Jinhai, Chn	09/2016	B&W	-	Undisclosed	Undisclosed
Giuseppe Rizzo	77.684	2004	CSBC, China	09/2014	B&W	-	\$18.200.000	Greek
Utopie	75.118	2008	Huding, Chn	05/2018	B&W	-	\$23.750.000 (via auction)	Undisclosed
Hansung Sunrise	73.670	1993	Hyundai, Kr	09/2018	B&W	-	\$7.500.000	Greek
Kawasaki Kobe 1719	55.000	2015	Kawasaki, Jpn	-	B&W	4 X 30 T	\$31.000.000	Undisclosed
AK Ceren	42.284	1991	Hyundai, Kr	02/2016	B&W	4 X 10 T	\$4.700.000	Russian
Pochard	37.384	2003	Shanghai Shipyard, Chn	07/2018	B&W	4 X 40 T	\$9.000.000	Canadian (Canfornav)
Nordic Sydney	37.300	2014	Nanjing Dongje, Chn	-	Wartsila	4 X 30 T	\$22.500.000 (each en bloc)	Undisclosed
Nordic Melbourne	37.300	2015	Nanjing Dongje, Chn	-	-	-		
Earnest	33.024	1986	Mitsubishi, Jpn	01/2014	Mit	4 X 25 T	\$3.000.000 (DD due)	Chinese
Tankers								
Name	Dwt	DoB	Yard	SS	Engine	Hull	Price	Buyer
Aldawha	153.044	1997	Hyundai, Kr	04/2017	B&W	DH	\$12.500.000	European
Elise Schulte	106.122	1999	Namura, Jpn	06/2014	Sulzer	DH	\$12.000.000	Undisclosed
Mill House (lpg)	58.610	2008	Hyundai, Kr	06/2018	B&W	-	\$37.500.000 (each en bloc)	Norwegian (Aurora)
Mill Reef (lpg)	58.564	2008	Hyundai, Kr	02/2018	B&W	-		
Temse (lpg)	30.761	1994	Kawasaki, Jpn	03/2014	B&W	-	\$27.000.000	Indonesian
Mct Arcturus	17.575	2000	Uljanic, Cro	01/2015	B&W	DH, phenolic epoxy	Undisclosed	Undisclosed
Norgas Patricia (lpg)	9.470	1991	Brand Werft, Ger	06/2016	Man	-	\$7.750.000	UAE based
Eships Nahyan	8.657	2005	Sasaki, Jpn	09/2015	B&W	DH, epoxy	\$8.000.000	Latin American
Containers								
Name	Teu	DoB	Yard	SS	Engine	Gear	Price	Buyer
NYK Galaxy	4.298	2006	Hyundai, Kr	05/2016	B&W	-	\$13.300.000	Chinese
Mentor	2.681	2002	Gdynia Stocznia, Pol	01/2018	B&w	3 x 45 t, 1 x 35 t	\$13.000.000	Turkish (Arkas)
Maersk Vancouver	1.678	2001	Sietas, Ger	12/2016	B&W	3 X 45 T	\$10.800.000 (each en bloc, with tc attached for 1 year)	UK (Borealis)
Maersk Valletta	1.678	2002	Sietas, Ger	02/2017	B&W	3 X 45 T		
Maersk Vigo	1.678	2002	Sietas, Ger	04/2017	B&W	3 X 45 T		
Sumire	1.177	1997	Imabari, Jpn	10/2017	Mit	2 X 40 T	\$4.750.000 (each en bloc)	Singaporean (Asiatic Loyd)
Satsuki	1.177	1997	Imabari, Jpn	08/2017	Mit	2 X 40 T		
Suzuran	1.177	1997	Imabari, Jpn	12/2017	Mit	2 X 40 T		

Newbuildings

Newbuilding Orders

No	Type	Dwt / Unit	Yard	Delivery	Owner	Price
3	Tanker	318.000	HHI	2017	DHT Holdings	97.5
2	Tanker	318.000	HHI	2016	Oceanbulk	98
4	BC	180.000	Tianjin Xingang	2015	COSCO	55
1	Lpg	84.000 cbm	HHI	2015	Transpetrol	
2	Tanker	33.000	Shin Kurushima	2016	Nisshin	37
4	Tanker	19.900 stst	Usuki	2015	Nisshin	34

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
New Vitality	Tanker	1993	284.569	33.402	China	Undisclosed
Sri Qadriah 1	Tanker	1989	275.341	33.267	Undisclosed	430 (as is Singapore)
Father S	BC	1985	194.226	25.464	Bangladesh	461
Hanjin Washington	Container	1996	67.272	25.450	India	465
Hanjin Oslo	Container	1998	68.955	23.794	India	465
Hanjin Rome	Container	1998	68.995	23.794	India	465
Safarini	BC	1984	47.882	9.213	India	450
Rising Phoenix	BC	1985	38.220	7.475	India	430
Faith	GC	1982	17.274	6.988	India	445

Demolition Prices (\$ / Ldt)

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

In Brief:

Capesize: AS LOW AS THE TANKTOP

Capers are clearly a bad market to write for. Plunged into overcapacity fixtures remain lower than other segment of the dry market while owners looking for some good news. BCI lost another 34 units this week. 180k '11 dely Rizhao – trip AUS fixed below \$12s and 160k '12 Turabao-Qingdao \$18.75. Overall the expectations are negative at least for the short term as the activity remains low and there is a significant number of ballasting ships.

Panamax: HANG OVER

Short period requirements are observed around 14k – 15k depending on delivery and vessels particulars. In a TCT context, the Atlantic market is in a nutshell under pressure, clearly due to the somewhat limited number of requirements. Hire rates vary from about 8K up, to 10k for longer routes with fronthaul routes holding still, as the majority of vessels prefer to stay within Atlantic, in the hope of a better rate mainly resulted from the ECSA market. Nevertheless, better hire rates are observed in Eastern markets, with Aussie rounds rated up to just below 10k, while the NOPAC rounds appear rate up to 11k.

Supramax: Chinese holidays are over, market begins to recover

As the Chinese lunar holidays ended the sentiment is the market is now positive. The week began with the index at 929 points same as last weeks closing but during the week we saw recovering signs. As a result this weeks closing was at 998 points.

In the Atlantic basin tonnages for the usual TA round were fixed at USD 13.500 – 14.000. For a Pacific RV tonnages were fixed at USD 6.000 – 6.500. Regarding periods tonnages have seen fixed around USD 11.000 for 3 – 5 months

Handysize: Market remain on the same low levels.

The handy size market started with the BHSI index remaining at similar levels as last weeks closing down by 5 points at 669 points during the week the same sentiment remained as a result the BHSI index in the end of the week closed at 671 points.

In the Atlantic basin tonnages for a TA RV were fixed at USD 11.500 – 12.500. In Pacific basin the market tonnages for Pacific RV were fixed at USD 7.000 – 7.500. Regarding period market, have seen tonnages fixed around USD 10.000 for 4 – 6 months.

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

Index	Week 6	Week 5	Change (%)
BDI	1106	1091	1,37
BCI	1554	1588	-2,14
BPI	1311	1304	0,54
BSI	998	929	7,43
BHSI	671	674	-0,45

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

Type	Size	Week 6	Week 5	Change (%)
Capesize	160 / 175,000	8367	8263	1,26
Panamax	72 / 76,000	10523	10417	1,02
Supramax	52 / 57,000	10100	9800	3,06
Handysize	30 / 35,000	9670	9700	-0,31

Average Spot Rates

Type	Size	Route	Week 6	Week 5	Change %
Capesize	<i>160 / 175,000</i>	Far East – ATL	-6668	-6355	-
		Cont/Med – Far East	24780	26030	-4,80
		Far East RV	9886	8514	16,11
		TransAtlantic RV	5470	6440	-15,06
Panamax	<i>72 / 76,000</i>	Far East – ATL	1629	1119	45,58
		ATL / Far East	19910	21073	-5,52
		Pacific RV	11121	8994	23,65
		TransAtlantic RV	9364	10482	-10,67
Supramax	<i>52 / 57,000</i>	Far East – ATL	2400	1900	26,32
		ATL / Far East	18100	18300	-1,09
		Pacific RV	6300	5350	17,76
		TransAtlantic RV	13800	14350	-3,83
Handysize	<i>30 / 35,000</i>	Far East – ATL	3300	3300	0,00
		ATL / Far East	14800	14800	0,00
		Pacific RV	7300	6950	5,04
		TransAtlantic RV	12000	12450	-3,61

VLCC: Rates on Middle East – Far East route was increased 8.5 points last week and concluded at ws48.5, the Atlantic route was decreased by 5 points and concluded at ws60, the AG-USG increased by just 1 point and concluded at ws30.

Suezmax: WAFR-USAC route declined again by 15 points and concluded at ws67.5. The B.SEA-MED suffered a decline by 32.5 points and concluded at ws67.5.

Aframax: The NSEA-UKC route was declined by 75 points and concluded at ws100. The AG-East route as well declined by 2.5 points concluded at ws112.5. The MED-MED was again decreased by 27.5 points and concluded at ws82.5.

Panamax: The CBS-USG declined by 32.5 points and concluded at ws120.

Products: USG-Cont lost 22.5 points and concluded at ws1625. The CONT-TA route also reduced by 10 points and concluded at ws135.

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

Index	Week 6	Week 5	Change (%)
BCTI	606	606	0,00
BDTI	853	1005	-15,12

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

Type	Size	Week 6	Week 5	Change (%)
VLCC	300.000	24,000	23,000	4,35
Suezmax	150.000	21,500	22,000	-2,27
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 6 WS	Week 5 WS	Change %
VLCC	280,000	AG – USG	30	29	3,45
	260,000	W.AFR – USG	60	65	-7,69
	260,000	AG – East / Japan	48,5	40	21,25
Suezmax	135,000	B.Sea – Med	67,5	100	-32,50
	130,000	WAF – USAC	67,5	82,5	-18,18
Aframax	80,000	Med – Med	82,5	110	-25,00
	80,000	N. Sea – UKC	100	175	-42,86
	80,000	AG – East	112,5	115	-2,17
	70,000	Caribs – USG	120	152,5	-21,31

Product Tanker Average Spot Rates

Type	Size (Dwt)	Route	Week 6 WS	Week 5 WS	Change %
Clean	75,000	AG – Japan	76,5	77,5	-1,29
	55,000	AG – Japan	96	90	6,67
	38,000	Caribs – USAC	107,5	100	7,50
	37,000	Cont – TA	135	145	-6,90
Dirty	55,000	Cont – TA	162,5	185	-12,16
	50,000	Caribs – USAC	175	225	-22,22

Shipping Stocks

Dry Bulk				
Company	Stock Exchange	Week 6	Week 5	Change %
Baltic Trading Ltd (BALT)	NYSE	6,51	6,04	7,78
Diana Shipping Inc (DSX)	NASDAQ	12,68	12,53	1,20
Dryships Inc (DRYS)	NASDAQ	3,70	3,65	1,37
Euroseas Ltd (ESEA)	NASDAQ	1,36	1,32	3,03
Excel Maritime Carriers (EXM)	NYSE	0,01	0,03	-66,67
Eagle Bulk Shipping Inc (EGLE)	NASDAQ	4,06	3,68	10,33
Freeseas Inc (FREESE)	NASDAQ	1,85	1,70	8,82
Genco Shipping (GNK)	NYSE	1,91	1,91	0,00
Navios Maritime (NM)	NYSE	10,11	10,01	1,00
Navios Maritime PTN (NMM)	NYSE	17,50	17,99	-2,72
Paragon Shipping Inc (PRGN)	NASDAQ	6,36	7,12	-10,67
Star Bulk Carriers Corp (SBLK)	NASDAQ	11,77	11,87	-0,84
Seenergy Maritime Holdings Corp (SHIP)	NASDAQ	1,42	1,41	0,71
Safe Bulkers Inc (SB)	NYSE	10,42	10,11	3,07
Golden Ocean (GOGL)	Oslo Bors (NOK)	13,43	13,27	1,21
Tankers				
Capital Product Partners LP (CPLP)	NASDAQ	10,43	10,02	4,09
TOP Ships Inc (TOPS)	NASDAQ	1,60	1,55	3,23
Tsakos Energy Navigation (TNP)	NYSE	6,59	6,71	-1,79
Other				
Aegean Maritime Petrol (ANW)	NYSE	9,36	8,98	4,23
Danaos Corporation (DAC)	NYSE	6,77	6,26	8,15
StealthGas Inc (GASS)	NASDAQ	10,37	10,12	2,47
Rio Tinto (RIO)	NYSE	58,74	55,82	5,23
Vale (VALE)	NYSE	14,63	14,35	1,95
ADM Archer Daniels Midland (ADM)	NYSE	40,92	39,42	3,81
BHP Billiton (BHP)	NYSE	68,37	65,10	5,02

Commodities

Commodity	Week 6	Week 5	Change (%)
Brent Crude (BZ)	108,23	107,99	0,22
Natural Gas (NG)	5,24	4,93	6,29
Gold (GC)	1319	1263	4,43
Copper	326	324	0,62
Wheat (W)	293,12	281,54	4,11

Currencies

	Week 6	Week 5	Change (%)
EUR / USD	1,36	1,36	0,00
USD / JPY	101,87	102,14	-0,26
USD / KRW	1063	1074	-1,02
USD / NOK	6,09	6,18	-1,46

Bunker Prices

	IFO 380	IFO 180	MGO
Piraeus	598	628	938
Fujairah	609	642	983
Singapore	607	622	915
Rotterdam	578	600	878
Houston	595	662	1008

Port Congestion*

Port	No of Vessels
China	
Rizhao	25
Lianyungang	23
Qingdao	37
Zhanjiang	44
Yantai	49
India	
Chennai	25
Haldia	32
New Mangalore	30
Kakinada	31
Krishnapatnam	23
Mormugao	21
Kandla	15
Mundra	17
Paradip	19
Vizag	14
South America	
River Plate	122
Paranagua	23
Praia Mole	24

* 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 6 of year 2014.