

SHIPTRADE SERVICES S.A.

WEEKLY SHIPPING MARKET REPORT

WEEK 8

22nd February – to 28th February

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Nigeria orders 26 mln barrels of gasoline in Q1 -sources

Nigeria has granted licenses to more than 30 companies to import around 26 million barrels of gasoline, or around 3.1 million tonnes, in the first quarter of this year, down slightly from the previous quarter, industry sources said. Nigeria gave the largest allocation of 1.3 million tonnes to state oil company NNPC, according to a list of importers compiled from trade sources by Reuters. Nigeria is Africa's top oil producer but relies on gasoline imports because its refineries work at a fraction of capacity due to poor maintenance and old age. Africa's most populous nation and the continent's second largest economy is an increasingly attractive market for refiners because U.S. gasoline imports have dried up, with U.S. production having risen due to the country's shale oil output. The gasoline import allocations were announced late in the quarter but importers will be allowed to bring in fuel up until the end of May, two industry sources told Reuters. The imports are lower than the 30 million barrels of gasoline allocated for the fourth quarter of last year, which followed a brief halt in imports due to a supply glut. Lagos-listed Oando received the second biggest allocation in the first quarter of 120,000 tonnes, while Total's local unit was awarded 60,000 tonnes and Folawiyo, in which global commodity merchant Glencore is a minority stakeholder, won 90,000 tonnes. Officials from Nigeria's Petroleum Product Pricing Regulatory Agency (PPPRA), the downstream regulator, were not immediately available for comment. Large trading houses such as Vitol, Trafigura and Mercuria were absent from the list, although Trafigura continues to supply Nigeria with fuel through a crude-for-product swap deal. There have been long fuel queues in Abuja this week, which fuel suppliers say are caused by panic buying due to a rumour the government is about to hike the price of petrol, after President Goodluck Jonathan removed the head of PPPRA Reginald Stanley last week, replacing him with Farouk Ahmed. The PPPRA said in a statement on Thursday there was no plan to raise the pump price. Fuel imports have a large economic impact in Nigeria because the government caps the pump price of gasoline at 60 cents per litre by using subsidies which have come under scrutiny in several corruption investigations. Nigeria spent roughly \$6 billion on fuel subsidies last year, equivalent to a fifth of the federal budget. Parliament and the finance ministry both probed Nigeria's fuel subsidy in 2012, in the aftermath of an aborted attempt to remove it - President Jonathan was forced in January of that year to reinstate it after a week of protests. The probes exposed a web of corruption and fraud by government officials and fuel marketers that cost the state billions of dollars, with much paid-for fuel never being ordered or being diverted to Nigeria's neighbours. Finance Minister Ngozi Okonjo-Iweala has since tried to bring more transparency to the scheme by withholding payments for claims until they are verified, and periodically publishing what Nigeria pays to fuel importers. Corruption in Nigeria's oil business was in focus again this month when internationally respected Central Bank Governor Lamido Sanusi was suspended by Jonathan, shortly after he gave evidence to a senate hearing which he says proves the state-oil firm failed to pay \$20 billion into government accounts. (Reuters)

Negotiations on shipbuilding plates for Korea stall for this quarter shipment again

Negotiations on steel plates for shipbuilding by the Japanese mills have made no progress even after the Lunar New Year holidays for shipments of January through March and are in a state to be stalemated. In the past, there had been cases that negotiations had been prolonged and settled after passing a quarter of shipments, and it is in the similar situation this time too. The Korean shipbuilders are strongly asking for a decrease in prices this quarter as well. It is said that their required range of a price reduction does not reach USD 50 but is close to this level. Against this, the Japanese mills are insisting that it is not an aspect to reduce their prices due to the tightened domestic supply of plates and would rather raise their prices even slightly.

Domestic negotiations on plates in Korea seem also not to be moving. Negotiations between Hyundai Heavy Industries and POSCO are said not to have progressed during the past month. Hyundai Steel is said to have accepted a decrease in prices for shipments of the previous quarter prior to POSCO. The company is watching the progress of negotiations as the second negotiator this time and accordingly any progress by that company cannot be expected. Meantime, there is information that the Chinese mills settled negotiations on plates for Korea at a slight decrease in prices. Attention is paid to whether negotiations will move in the wake of this. Meantime, the Korean shipbuilders see for the environment of shipbuilding in 2014 to be tough and intend to purchase material plates as low as possible. Therefore, it is said that there is also the request to set prices at a low and stable level changing negotiations for shipments of January through June instead of January through March. (The TEX Report)

Cyprus faces fresh bailout uncertainty after privatisation vote

Cyprus faced fresh uncertainty on Friday over the future of its bailout programme after lawmakers rejected privatisation plans, casting doubt on a new tranche of financial aid due in March. Parliament voted down a roadmap for privatisations - a condition of the country's international bailout - in a cliffhanger vote late on Thursday. The 'No' vote raises the risk the island will be plunged back into fiscal turmoil just a year after the 10 billion euro lifeline from the European Union and IMF pulled it back from the brink of default. The government called an emergency cabinet meeting for Friday morning. "Above all we want to avert any adverse developments and maintain economic recovery," said Christos Stylianides, the government spokesman. Authorities were likely to call a new session of parliament and present modified privatisation proposals. The Cypriot finance minister has previously warned that the roadmap must be approved by March 5 for Cyprus to receive new aid worth 236 million euros. Plans to establish a framework for the sale of ports, telecoms and electricity utilities have met stiff opposition from labour unions, with hundreds protesting outside parliament on Thursday evening. The 56-member chamber's rejection of the plan hinged on the ruling right-wing party's refusal to endorse proposed modifications related to workers' legacy rights, claiming lenders would not accept it. The centrist Democratic Party - which until Thursday was part of the government - said its support was conditional on proposals made by the party being adopted. "I hope more mature thoughts prevail," said Nicolas Papadopoulos, the Democratic Party chairman. "A precondition for us to move forward is that our amendments are accepted." (Reuters)

A busy start

Sentiment remains positive, leading to a first month of the year being busy in terms of secondhand and newbuilding activity and February following the same direction, with market prospects spreading confidence amongst market player, at least for 2014. A considerable number of transactions took place this week on the dry side, with a total of 13 units changing hands, while double-digit was the number of sales in the wet sector as well. 4 Cido units seem to have found new recipients, as namely the 2005 built Panamax "Top Eternity" was snapped up by Greek interests for \$22.5 mill., while Thoresen Shipping has paid a total price of \$69 mill. for 3 sister Supramaxes from the same stable, built in 2006 and 2005. Other than that, the 2004 built Supramax "Triton Stork" fetched \$21.6 mill. from Greeks, while, moving downwards across the dwt scale, the 2011 Hyundai-Mipo-built handysize "B Handy" is sold for \$22.5 mill. and the 2009 Shimanami-built "West Fortune" fetched \$17.5 mill., while the 1995 built 4 ho ha "Bavarian Trader" seems to be under firm negotiations. On the wet side, Sinokor seem to be the recipients of the 2004 built VLCC "Younara Glory" for \$46 mill., with Chinese buyers paying \$25.2 mill. for the 1999 built "Nichihiko". Other than that, Greek interests are behind the sale of the "Orange Stars" and the "Pink Stars", 2 very modern Aframax built 2011 and 2010 for an en-bloc price of \$90 mill., while Navimar are thought to be the buyers of the 2001 built 36k dwt Imo III tanker "Cielo Di Parigi", paying a firm price of \$13.75 mill.

Shiptrade's enquiry index lost an 8% of its' power this week. In the dry segment, enquiries for all sizes were few, compared to last week's, with all sizes losing ground. Handies lost about 12%, while the relevant indices for Handymax/Supramax, Panamax and Capesize decreased by 22%, 9% and 65% respectively. The wet sector followed the opposite direction, with interest for MRs increased by 20%, Panamax by 50%, while the relevant indices for Aframax, Suezmaxes and VLCCs all standing at levels more than double to last week's.

NEWBUILDINGS

In the newbuilding market we have seen 23 vessels to have been contracted.

16 Bulk Carriers (Kamsarmax, Handysize)

4 Tankers (VLCC)

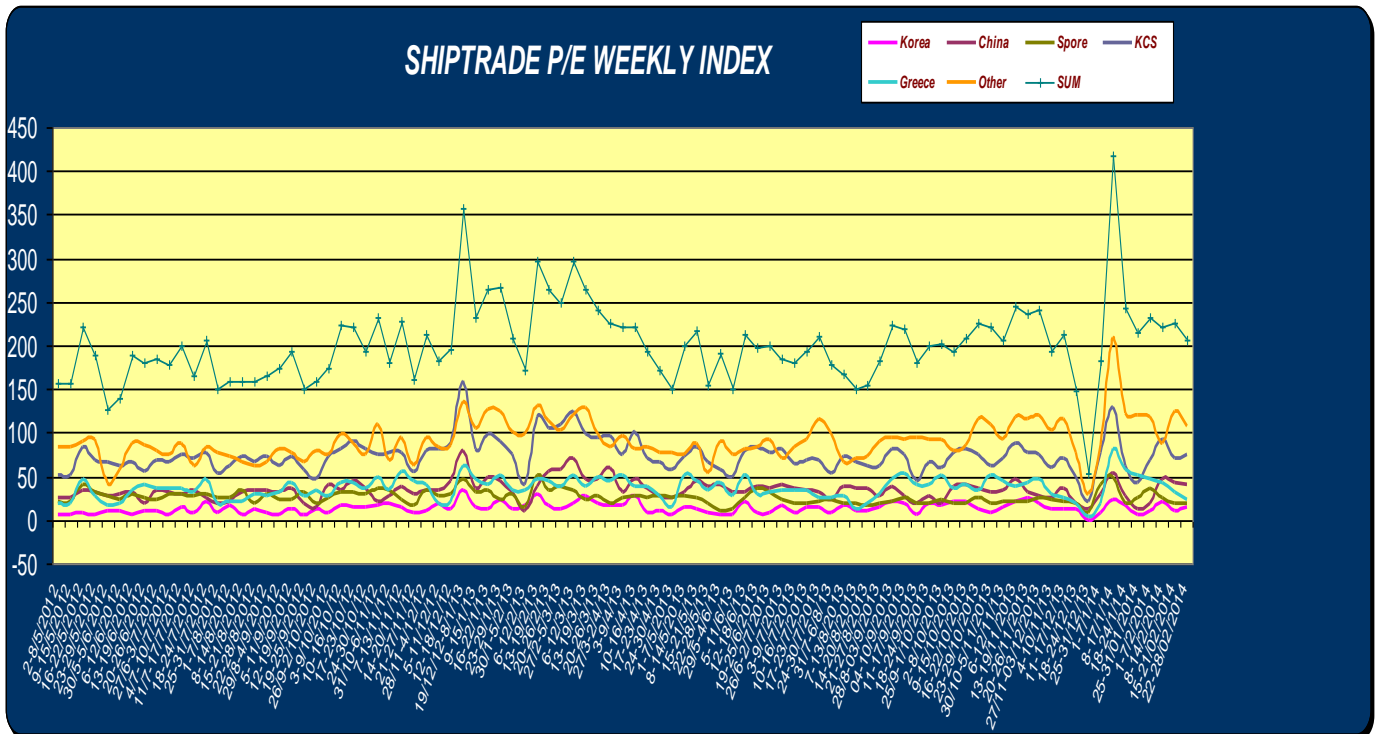
DEMOLITION

Fundamentals remained healthy in India this week, with the currency stable and local steel plate prices firm, however, what has caused headaches was the oversupply of panamax-sized containers, which created a decrease in numbers. In Bangladesh, recent deliveries has led to demand slowing down a bit, however it seems that this is not the case with lower LDT units (7-10 k ldt), which attract interest from Chittagong. In Pakistan, the growing demand during the past few weeks has led to improving numbers, especially for larger units. China is still absent, struggling with offers that are far from competitive to their sub-continent "rivals". What is impressive is that even owners with small units, prefer to send their vessels to the sub-continent, rather than scrap them in China.

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

Bulk Carriers			
	Week 8	Week 7	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
Top Eternity	76.295	2005	Tsuneishi, Jpn	05/2015	B&W	-	\$22.500.000	Greek (Anbros)
Barito	73.008	1996	Hudong, Chn	08/2016	B&W	-	\$7.200.000	S. Korean
Pleione	70.189	1996	Sumitomo, Jpn	06/2016	Sulzer	-	Xs \$9.000.000	Hong Kong based
Triton Stork	56.024	2004	Mitsui, Jpn	12/2014	B&W	4 X 30 T	\$21.625.000	Greek
Top Island	55.710	2006	Oshima, Jpn	08/2014	B&W	4 X 30 T	\$69.000.000 (en bloc)	Thoresen Shipping
Top Freedom	55.695	2005	Oshima, Jpn	06/2015	B&W	4 X 30 T		
Top Harmony	55.695	2005	Oshima, Jpn	08/2015	B&W	4 X 30 T		
Alabama Belle	41.808	1986	Hyundai, Kr	06/2016	B&W	4 X 25 T	\$4.500.000	Greek
B Handy	36.866	2011	Hyundai Mipo, Kr	05/2016	B&W	4 X 30 T	\$22.500.000	Undisclosed
Cathrin Oldendorff	31.350	2003	Saiki, Jpn	01/2018	Mit	4 X 30 T	\$15.000.00	S. Korean
West Fortune	28.417	2009	Shimanami, Jpn	04/2014	B&W	4 X 30 T	\$17.500.000	Undisclosed
Hakufu	26.682	1987	Kanasashi, Jpn	02/2017	B&W	4 X 30 T	\$3.300.000	Greece based
Century Queen	16.302	2004	Shin Kochi, Jpn	09/2014	Mit	4 X 30 T	\$7.500.000	Greek
Tankers								
Name	Dwt	DoB	Yard	SS	Engine	Hull	Price	Buyer
Younara Glory	320.051	2004	Daewoo, Kr	11/2014	B&W	DH	\$46.000.000	S. Korean (Sinokor)
Ulysses	310.137	1999	Samsung, Kr	03/2014	B&W	DH	Undisclosed	Undisclosed
Nichihiko	281.705	1999	Hitachi, Jpn	02/2014	B&W	DH	\$25.200.000	Chinese
Kim Jacob	159.211	1998	Daewoo, Kr	05/2018	B&W	DH	\$14.500.000	Greek
Pink Star	115.592	2010	Samsung, Kr	09/2015	B&W	DH	\$46.500.000	Greek
Orange Star	115.756	2011	Samsung, Kr	-	B&W	DH	\$43.500.000	
Cielo Di Parigi	36.032	2001	Daedong, Kr	03/2016	B&W	DH, epoxy	\$13.750.000	Italian (Navimar)
Bow Americas	19.707	2004	Usuki, Jpn	08/2014	Mit	DH, stst	\$21.500.000	US based
Mar Virginia	9.584	1996	UNL Valencia, Sp.	06/2016	Wartsila	DH, stst	\$6.000.000	Turkish
Eastern Knight	8.924	2003	Shin Kurushima, Jpn	12/2018	B&W	DH, stst	\$9.000.000	Far Eastern
Bomar Eris	7.985	2008	Nantong, Chn	04/2018	Mak	DH	\$9.600.000	USA based
Containers								
Name	Teu	DoB	Yard	SS	Engine	Gear	Price	Buyer
Sea Breeze	779	1999	Jinling, Chn	02/2014	Wartsila	2 X 40 T	\$1.700.000	UAE based
Stella J	518	2000	Jinling, Chn	12/2015	Man	-	\$1.000.000	Egyptian

Newbuildings

Newbuilding Orders

No	Type	Dwt / Unit	Yard	Delivery	Owner	Price
2	Tanker	320.000	DSME	2016	AWILCO	97
2	Tanker	318.000	SWS	2016	Nacig8	97
2	LPG	84.000cbm	HHI	2016	Petredec	76
1	LPG	84.000cbm	Jiangnan	2017	Tianjin Southwest	69
10	BC	82.000	Jinling	2016/18	Shangdong Transcenden	28
4	BC	38.000	Imabari	2017	Sesoda	26
2	BC	34.000	Imabari	2017	Sesoda	25

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
Maersk Delano	Container	1994	59.283	19.268	India	470
Maersk Delmont	Container	1995	59.283	19.278	India	470
Maersk Dauphin	Container	1994	59.283	19.094	India	470
Nedlloyd Europa	Container	1991	50.620	19.783	India	470
Nedlloyd Africa	Container	1992	50.620	19.780	India	470
Hanjin Irene	Container	1994	55.376	18.591	India	486
M. Faruk	BC	1984	63.494	11.124	India	452

Demolition Prices (\$ / Ldt)

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

In Brief:

Capesize: Good signs of activity.

The capes segment in Atlantic appears encouraging, despite the spot capes in the area that inevitably exercise pressure on freights. To illustrate, the future businesses currently in place are quoting somewhat forward dates, but at encouraging freight levels, which is not to be neglected. The picture appears encouraging in Pacific as well, where the general trend and belief is that rates would increase further during the coming week.

Panamax: Panamax holding back for a better tomorrow.

The Atlantic market during week 09 has been under pressure. To illustrate, transatlantic rounds have been fixed at 6-7k, depending the details of trading and vessels specifics. In response, some owners have decided to hold back before meeting these levels, in the hope of more requirements being available in the near future. Hire rates in the Pacific market on the other hand are certainly healthier levels, with 11-12k for NOPAC rounds, and somewhat less for Indo/India rounds. Finally, the pressure that ballasters from East are exercising on the ECSA grains is still present, but seems like there is still hope for the grain market.

Supramax: Pacific rounds however are healthier.

With owners asking around 13k for short period (bss redely Feast), or a bit more depending on vessel's specifications. A Supramax was reported fixed at 13k (3-5 mos / ww redely), but charterers are generally holding back a bit before meeting these hire levels. Nevertheless, the Supra demand in Pacific is clearly in increasing mood. On the other hand, the Atlantic supra market experienced some sort of pressure, but not an acute one. Nonetheless, Cont-Pacific route is at healthy levels and to illustrate, Supra was reported fixed at 20k bss redely Seasia.

Handysize: Market remains at the same levels.

The handy size market started with the BHSI index remaining at similar levels as last weeks closing up by 2 points at 679 points during the week the index slightly fall as a result the BHSI index in the end of the week closed at 669 points.

A lot of wheat and coal cargoes entered the market last week. Operators continue to ask tonnages for short periods up to 1 year but at the moment owners prefer single trips.

In the Atlantic basin tonnages for a TA RV were fixed at USD 11.000 – 12.000. In Pacific basin the market tonnages for Pacific RV were fixed at USD 8.000 – 9.000. 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 8	Week 7	Change (%)
BDI	1258	1175	7,06
BCI	2084	1701	22,52
BPI	1099	1244	-11,66
BSI	1103	1098	0,46
BHSI	669	677	-1,18

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

Type	Size	Week 8	Week 7	Change (%)
Capesize	160 / 175,000	14296	10144	40,93
Panamax	72 / 76,000	8848	10000	-11,52
Supramax	52 / 57,000	11530	11476	0,47
Handysize	30 / 35,000	9700	9800	-1,02

Average Spot Rates

Type	Size	Route	Week 8	Week 7	Change %
Capesize	<i>160 / 175,000</i>	Far East – ATL	-841	-4509	-
		Cont/Med – Far East	30760	24425	25,94
		Far East RV	16832	13055	28,93
		TransAtlantic RV	10435	6605	57,99
Panamax	<i>72 / 76,000</i>	Far East – ATL	1704	1914	-10,97
		ATL / Far East	16123	18020	-10,53
		Pacific RV	11559	12265	-5,76
		TransAtlantic RV	6007	7800	-22,99
Supramax	<i>52 / 57,000</i>	Far East – ATL	5075	4342	16,88
		ATL / Far East	18688	18155	2,94
		Pacific RV	10489	9411	11,45
		TransAtlantic RV	19561	13999	39,73
Handysize	<i>30 / 35,000</i>	Far East – ATL	3400	3450	-1,45
		ATL / Far East	14900	15000	-0,67
		Pacific RV	8500	8100	4,94
		TransAtlantic RV	11000	11600	-5,17

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

Index	Week 8	Week 7	Change (%)
BCTI	597	599	-0,33
BDTI	761	811	-6,17

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

Type	Size	Week 8	Week 7	Change (%)
VLCC	300.000	24,500	25,000	-2,00
Suezmax	150.000	20,000	21,000	-4,76
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 8 WS	Week 7 WS	Change %
VLCC	280,000	AG – USG	36	37,5	-4,00
	260,000	W.AFR – USG	60	65	-7,69
	260,000	AG – East / Japan	54	62,5	-13,60
Suezmax	135,000	B.Sea – Med	57,5	62,5	-8,00
	130,000	WAF – USAC	52,5	52,5	0,00
Aframax	80,000	Med – Med	83,75	82,5	1,52
	80,000	N. Sea – UKC	92,5	90	2,78
	80,000	AG – East	105	110	-4,55
	70,000	Caribs – USG	110	100	10,00

Product Tanker Average Spot Rates

Type	Size (Dwt)	Route	Week 8 WS	Week 7 WS	Change %
Clean	75,000	AG – Japan	80	79,5	0,63
	55,000	AG – Japan	106	102,5	3,41
	38,000	Caribs – USAC	112,5	110	2,27
	37,000	Cont – TA	105	117,5	-10,64
Dirty	55,000	Cont – TA	122,5	140	-12,50
	50,000	Caribs – USAC	160	150	6,67

Financial Market Data

Shipping Stocks

Dry Bulk				
Company	Stock Exchange	Week 8	Week 7	Change %
Baltic Trading Ltd (BALT)	NYSE	6,40	6,29	1,75
Diana Shipping Inc (DSX)	NASDAQ	12,69	12,21	3,93
Dryships Inc (DRYS)	NASDAQ	3,66	3,51	4,27
Euroseas Ltd (ESEA)	NASDAQ	1,35	1,31	3,05
Excel Maritime Carriers (EXM)	NYSE	0,01	0,01	0,00
Eagle Bulk Shipping Inc (EGLE)	NASDAQ	4,49	3,92	14,54
Freeseas Inc (FREESE)	NASDAQ	1,72	1,74	-1,15
Genco Shipping (GNK)	NYSE	1,50	1,45	3,45
Navios Maritime (NM)	NYSE	9,54	9,18	3,92
Navios Maritime PTN (NMM)	NYSE	17,42	17,00	2,47
Paragon Shipping Inc (PRGN)	NASDAQ	6,68	6,46	3,41
Star Bulk Carriers Corp (SBLK)	NASDAQ	11,34	10,99	3,18
Seenergy Maritime Holdings Corp (SHIP)	NASDAQ	1,69	1,70	-0,59
Safe Bulkers Inc (SB)	NYSE	10,41	10,14	2,66
Golden Ocean (GOGL)	Oslo Bors (NOK)	13,03	13,19	-1,21
Tankers				
Capital Product Partners LP (CPLP)	NASDAQ	10,46	10,48	-0,19
TOP Ships Inc (TOPS)	NASDAQ	1,35	1,39	-2,88
Tsakos Energy Navigation (TNP)	NYSE	6,74	6,72	0,30
Other				
Aegean Maritime Petrol (ANW)	NYSE	9,95	9,52	4,52
Danaos Corporation (DAC)	NYSE	6,24	6,29	-0,79
StealthGas Inc (GASS)	NASDAQ	10,26	10,19	0,69
Rio Tinto (RIO)	NYSE	57,68	60,53	-4,71
Vale (VALE)	NYSE	14,33	14,75	-2,85
ADM Archer Daniels Midland (ADM)	NYSE	39,89	40,08	-0,47
BHP Billiton (BHP)	NYSE	69,31	71,07	-2,48

Commodities

Commodity	Week 8	Week 7	Change (%)
Brent Crude (BZ)	108,66	110,36	-1,54
Natural Gas (NG)	4,57	6,04	-24,34
Gold (GC)	1331	1323	0,60
Copper	319,60	328,80	-2,80
Wheat (W)	291,10	300,37	-3,09

Currencies

	Week 8	Week 7	Change (%)
EUR / USD	1,38	1,37	0,73
USD / JPY	102,02	102,66	-0,62
USD / KRW	1067	1072	-0,47
USD / NOK	5,98	6,07	-1,48

Bunker Prices

	IFO 380	IFO 180	MGO
Piraeus	608	638	932
Fujairah	601	625	975
Singapore	600	611	913
Rotterdam	580	603	878
Houston	600	670	1010

Port Congestion*

Port	No of Vessels
China	
Rizhao	22
Lianyungang	24
Qingdao	35
Zhanjiang	41
Yantai	49
India	
Chennai	22
Haldia	36
New Mangalore	33
Kakinada	29
Krishnapatnam	26
Mormugao	21
Kandla	19
Mundra	15
Paradip	21
Vizag	18
South America	
River Plate	122
Paranagua	24
Praia Mole	21

* 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 8 of year 2014.