

SHIPTRADE SERVICES S.A.

WEEKLY SHIPPING MARKET REPORT

WEEK 7

- 12th February – to 19th February 2013 -

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Ships that “carry everything”

We live in a world of specialisation, in which many ship types are designed to fulfil a single function, perhaps – like LNG carriers or very large container ships – carrying only the cargo for which they were designed. But there are some ships which have been built to be the ultimate in flexibility and are able to carry a wide range of cargoes, their owners having shrewdly calculated that there is sufficient demand for these versatile units to justify their construction.

Among these may be found a number of deep sea Ro/Ro ships, which cater both for cargo in containers and the large number of cargo units that may be too large or too heavy to fit into the conventional box. It is the boast of the operators of these ships that if a cargo can be fitted with wheels and rolled, it can be rolled onto the gigantic ramps of their ships and into their capacious freight decks. Regardless of weight or dimensions, the cargo can be carried.

A regular stream of publicity pictures tells of the quite astonishing loads that are carried around the world in these ships. Enormous earth-moving equipment is rolled over their massive ramps, as are the fuselages and separate wings of sizeable aircraft. Helicopters and large yachts attract the attention of the dockside photographers, along with pressure vessels of great length. Indivisible loads of various kinds, which would be either impossible or too costly to break down into smaller elements, are frequently seen on these vessels, which will also tend to carry export vehicles, caravans and mobile homes in large quantities in their vehicle decks. Entire railroads have been modernised with engines and wagons filling the cargo spaces of these capacious ships and delivered without fuss.

These very large, multi-decked Ro/Ro ships will compete for the heavy or “awkward” cargo with a fleet of conventional cargo ships equipped with heavy lift cranes that will lift, rather than roll these difficult cargoes aboard. Project cargo consisting of heavy refinery plant, enormous cranes, and other difficult cargo such as wind turbine components or offshore equipment will tend to be carried in this fashion. A third type of specialist heavy lifter will compete for the really heavy or difficult units, such as assembled container cranes and gantries or heavy floating plant, such as dredgers or drilling rigs. Once all such units would have to be broken down into units that would fit through the hatches of conventional cargo ships, or carried as deck cargo. These “carry everything” ships also fulfil a useful service in facilitating trade in so many different ways, making it feasible to order machinery at a reasonable cost, from the other side of the world. **(BIMCO)**

Scrapping to rise as bulker owners suffer

Drewry's latest Dry Bulk Forecaster report suggests that cash-strapped shipowners will scrap younger and younger ships this year as the dry bulk market wallows in the doldrums. A ship as young as 15 years has already been sold for scrap in recent months, and the average scrapping age of Chinese-built Capesizes was 21 years in 2012. Drewry does not expect any improvement in the freight market in 2013 and foresees a growing number of dry bulk shipping companies getting into financial difficulty.

Demolitions in 2013 are expected to be above 36 million dwt, more than what was seen in 2012, and the average scrapping age will fall even further as middle-aged vessels struggle to find employment.

The average scrapping age of the smallest segment, Handysize, will fall below the 30-year mark in 2013, having dropped from 32.4 to 30.1 years last year. This sector lost a bigger proportion of its fleet to the scrapper's torch in 2012, driven by increasing obsolescence as ports expand. Similarly, demolitions in the Panamax segment were also relatively high, given its older age profile and the increasing popularity of the larger and younger post-Panamax design. Demolition reached record levels in 2012 as freight rates slumped to their lowest level for a quarter of a century.

Preliminary data suggests that as much as 32.7 million dwt of dry bulk tonnage was sold for demolition, with the fourth quarter amounting to 6.8 million dwt: more than double what it was in the last quarter of 2011. Nearly 11 million tonnes of Capesize tonnage was sent for scrap, which was more than the all the dry bulk tonnage scrapped in 2009.

But even this frantic level of scrapping will not push freight rates up because the dry bulk fleet is growing even faster. It added 35 million dwt last year to reach 679 million dwt (9,490 vessels), which was a 12.3% expansion, following 15.2% in 2011. While ‘only’ 28 million dwt is due for delivery this year, two-thirds of that increase will come in the post-Panamax and VLOC segments. These fleets are already very young, so there is very little chance that scrapping will ease the pressure on freight rates. **(Drewry Maritime Research)**

Brazil imports of steel flats may slump by 50% in 2013

According to a forecast made by the Brazilian flats distributor group, Brazil's imports of steel flats may slump by 50% in 2013. It's known that Brazil's imports of steel flats have showed a slowdown since last December. The country's imports of steel flats dropped by 28.3% month on month to 79,100 tonne in last December. In 2012, the country's imports of steel flats amounted to 1.64 million tons, falling from 1.94 million tonne in a year ago. However, it's expected that the shipments of steel flats from the domestic producers including Usiminas, CSN and ArcelorMittal Tubarão would rise by 6% to 8% in 2013. It's learned that the three Brazilian steelmakers shopped around 11.3 million tonne of steel flats to the domestic market in 2012, up by 0.4% from 2011. **(YIEH)**

Chinese crude imports set to grow by 400,000 barrels per day this year

Chinese crude imports are set to grow by some 0.4m barrels per day this year, London broker Gibson reckons in a recent report. PetroChina's new 200,000 barrels a day refinery in Sichuan is expected to come onstream next month, while Sinochem's Quanzhou 200,000 barrels a day facility will start operating later this year. "It is also expected that refineries across China will raise crude runs by about 4% in 2013, supporting a credible theory for substantial new demand," Gibson noted. Increasing demand will be met largely by imports, the brokers said, as domestic oil output is expected to grow by only 50,000 barrels a day. **(Sino Ship News)**

Firm interest for modern tonnages

The Sales and Purchase activity was slower than last week. The sentiment remains unchanged, with buyers being cautious and patient. Nevertheless in the dry sector there were some vessels built 90ies and early 2000 reported sold. In the wet sector two early 2000 handy tankers were sold at prices excess USD 10 million each.

Notable is the sale of the panamax vessel THEARESTON built 1990, which was sold to Chinese buyers for low USD 4 million. Also in the wet sector the handy tanker BALTIC ADONIA I built 2003 was sold to Greek buyers for region low USD 12 million and handy tanker ATLANTIC LOMBARD built 2000 was sold for USD 10.3 million to undisclosed buyers.

Shiptrades' enquiry index showed an increased last week. The interest for 90ies up to early 2000s' handysize vessels remains firm, there is serious interest for handymaxes, supramaxes and panamaxes built late 90ies up to modern. In the wet sector the interest for modern tonnages remains firm. Modern MR tankers are always of serious interest, late 90ies and modern Aframax tankers are also attracting the buyers together with LR2s'.

NEWBUILDINGS

In the newbuilding market, we have seen 13 vessels reported to have been contracted.

7 Bulk Carriers (Handysize and Panamax)

6 Tankers (MR and Aframax)

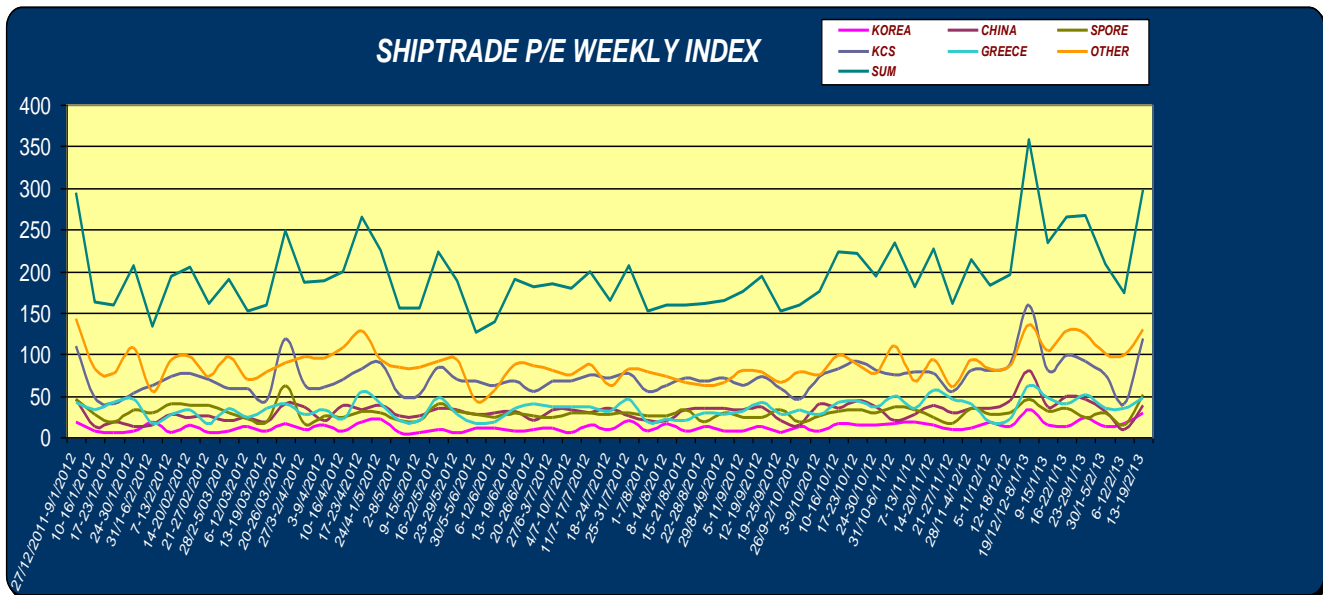
DEMOLITION

The demolition market is weak, almost same as per last. Subcontinent market prices are just a bit excess USD 400 per LT. The Bangladesh market is in the region of USD 420 per LT, Indian and Pakistan prices are between USD 400 – 410 per LT. Chinese market was closed and so far no demolition sales have been concluded.

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

Bulk Carriers			
	Week 7	Week 6	Change %
Capesize	27	27	0.00
Panamax	19	19	0.00
Supramax	19	19	0.00
Handysize	15	15	0.00
Tankers			
VLCC	56	56	0.00
Suezmax	40	40	0.00
Aframax	25	25	0.00
Panamax	25	25	0.00
MR	24	24	0.00

Weekly Purchase Enquiries



Sale & Purchase

Reported Second-hand Sales

Bulk Carriers								
Name	Dwt	DoB	Yard	SS	Engine	Gear	Price	Buyer
Theareston	69.637	1990	Hashihama, JPN	03/2015	B&W	-	4.100.000	Chinese
Sea Wellington	42.004	1990	Oshima, JPN	09/2015	Sulzer	4 X 25 T	3.500.000	Undisclosed
Sea Napier	28.500	1993	Kanda, JPN	04/2013	MIT	4 X 30 T	3.900.000	Undisclosed
Sea Auckland	28.451	1991	Imabari, JPN	09/2016	B&W	4 X 30 T	3.900.000	Undisclosed
Tankers								
Name	Dwt	DoB	Yard	SS	Engine	Hull	Price	Buyer
British Willow	106.500	2003	Tsuneishi, JPN	02/2013	B&W	DH	15.200.000	Greek
Baltic Adonia	37.197	2009	Hyundai Mipo, KOR	06/2013	B&W	DH	12.100.000	Greek
Atlantic Lombard	35.841	2000	Daedong, KOR	05/2015	Sulzer	DH	10.300.000	Undisclosed
Basuto	25.197	2006	Fukuoka, JPN	05/2016	MIT	DH	26.000.000	Stolt Tankers (En Bloc)
Stolt Zulu	25.197	2006	Fukuoka, JPN	02/2016	MIT	DH	26.000.000	
Watford	12.000	2005		02/2015	B&W	DH	5.300.000	Undisclosed
UBT Ocean	9.224	2009	Dongfang, CHN	01/2014	MAK	DH	8.500.000	Danish
LPG								
Name	Dwt	DoB	Yard	SS	Engine	Hull	Price	Buyer
Marycam Swan	16.772	2009	Hyundai, KOR	03/2014	B&W	DH	42.000.000	Undisclosed

Newbuildings

Newbuilding Orders

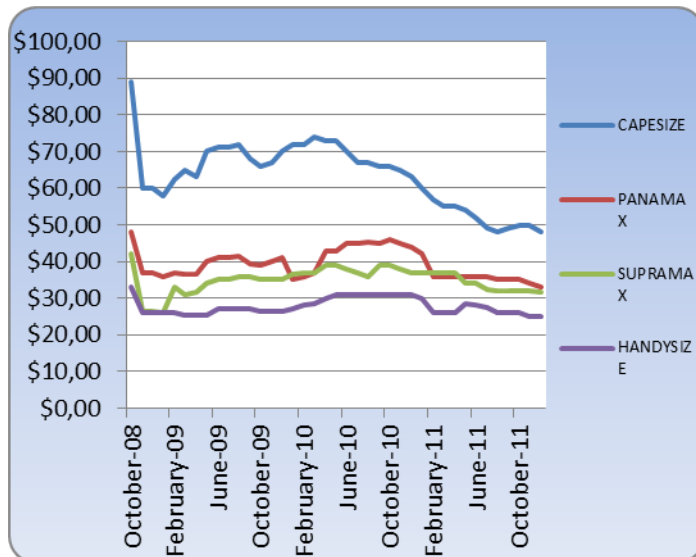
No	Type	Dwt / Unit	Yard	Delivery	Owner	Price
2	Tanker	115.000	Guangzhou	2014/2015	Frontline	-
2 + 2	Tanker	50.000	Hyundai Mipo	2015	Dong-A	33.000.000
3	BC	32.000	Guangzhou	2014/2015	-	-
2 + 2	BC	77.000	Oshima	2015	Nordic Bulk	31.000.000

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

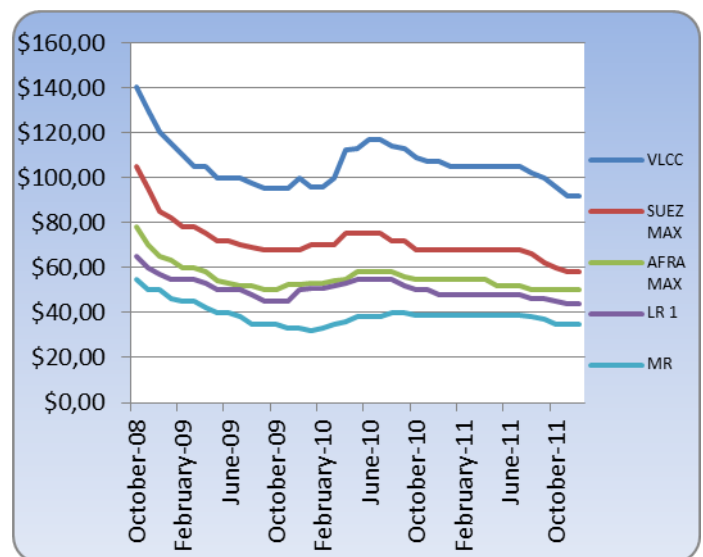
	Newbuilding	Resale Prices
Bulk Carriers		
Capesize	44	36
Panamax	30	26
Supramax	28	26
Handysize	22	21
Tankers		
VLCC	88	81
Suezmax	56	55
Aframax	45	38
Panamax	40	36
MR	32	32

Newbuilding Resale Prices

Bulk Carriers (2008 – Today)



Tankers (2008 – Today)



Demolitions

Demolition Sales

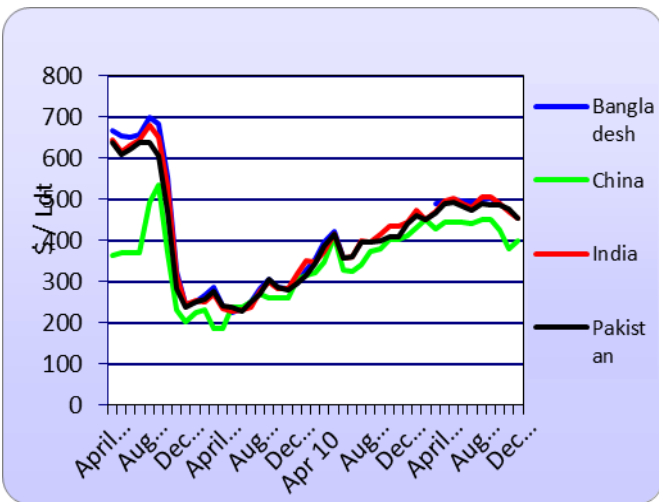
Vessel	Type	Built	Dwt	Ldt	Buyer Country	Price
Timios Stavros	BC	1984	23.515	5.324	Bangladesh	420 (With 200 T bunkers ROB)
Barbro	BC	1985	29.223	6.575	India	410
Star Island H	BC	1981	22.172	5.409	India	408 (renegotiated)
Yellowstone	BC	1986	30.975	9.765	India	415
Haydar	BC	1981	65.437	11.796	Pakistan	430 (with 400 T bunkers ROB)
Renos	BC	1985	38.391	9.050	Pakistan	391

Demolition Prices (\$ / Ldt)

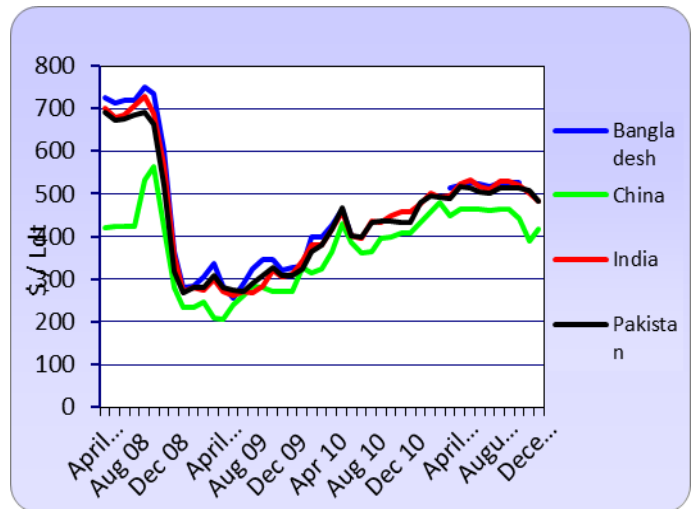
	Bangladesh	China	India	Pakistan
Dry	405	390	410	405
Wet	425	405	425	425

Demolition Prices

Bulk Carriers (2008 – Today)



Tankers (2008 – Today)



In Brief: CNY along with the tonnage over supply kept the market stable

Capes: Slow week for Capes

This week would be described as flat and slow with downward trend mainly due to the holiday for the Chinese New Year. The BCI ended up at 1434 reporting a decline of 27 points.

In the Atlantic market, Tubarao/Qingdao route remained steady yielding TCE of around USD 18,000. Same pattern for front haul ex Cont/Med which was fixed at about USD 22,500 more or less at the same levels compared to last week. As for the transatlantic round trip it was fixed at around USD 7,750 decreasing by USD 2,000.

Chinese holidays affected pacific market as well which remained stable at low levels with the round trips closing at USD 6,500 daily, decreased by USD 250, even though Australian iron ore trade produced some cargoes.

Period levels at around mid 10's for one year.

Panamax: Slow but steady movement in both hemispheres.

Unsurprisingly this was also a rather quite week in the Atlantic basin following the Chinese holidays. Few fresh requirements were seen especially for prompt dates keeping rates at almost same levels than last week's. Transatlantic round trips were seen closing at around USD 6500-7000 levels whilst ECSA activity remained slow. However there were some fixtures reported at slightly lower levels USD 13000-13500 with a ballast bonus of USD about 300-350K.

Pacific basin also stayed quite this week with most of Far East offices closed. NOPAK fixtures were very few and some fixtures reports were seen at USD 6500 levels plus about 325-350k ballast bonus. Indonesian round trips to China were seen closing at about same levels of USD 6500 but basis dop whilst Australian market remained fairly quite this week.

As far as short period market is concerned there were some fixtures reported about USD 7500-8000 levels daily basis 4/7 months.

Supramax: Atlantic/stable - Pacific/stable

In the Atlantic market, there is still a shortage of tonnage supply especially in the USG region; however, the relative lack of cargoes is not able to provide the market with better rates. Still though, there is optimism that due to forthcoming harvest season in ECSA rates will climb. During the past week, the ECSA market was quite energetic with sugar and grain cargoes playing vital role in the small increase at the rates. Trips to Far East are expecting to pay around USD 12k +250k bb. The USG is firm with some pet coke cargoes, whereas from NCSA some coal and nickel ore cargoes have been seen. The Continent market had another week on low volumes, mainly with scrap from Baltic to East Med. In the Med/Black Sea market low tonnage supply has been observed, but still demand cannot overpass as the number of firm cargoes is still quite small.

The Pacific market was characterized by the celebration of the CNY and only at the end of the week picked up some pace, as a number of cargoes had to be urgently covered. At the beginning of the week, for Indo/China coal numbers are expected to hit around USD 6,5/7,000 + 65/70k. More or less same rates have been seen for Indo/India trade. Towards the end of the week, rates picked up a bit with supras being fixed at USD 8,500 basis passing Spore for trip to China, whereas TCTs from China to SEASIA are hovering around USD 4500. NOPAC rounds -after an active week- lost their pace again with rates falling in the USD 7k's + 250/300k bb. Another quiet week for short period with some charterers reporting fixture ranging to the USD 8k's area (subject to vessel's size/specs)

Handysize: Slow week with very poor rates

Atlantic suffered from oversupply of vessels and very few firm orders, thus market kept its downward trend and sentiment remained negative. The Transatlantic round was done at about USD 6/6,250 while even USG market, that had somehow kept some better rates, fell with fixtures at USD 11,000 for Continent and USD 10,000 for Black Sea. Both Continent and Black Sea did not show any signs of improvement for another week with the former giving USD 8,000 for West Africa direction.

Pacific was extremely quiet due to the holiday and things were very slow there with the round voyage decreasing further at around USD 6,000 and the NOPAC round voyage was done at USD 5,250.

Periods were slow due to the very low rates with owners finding rates of around USD 6,250.

Dry Bulk - Chartering

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

Index	Week 7	Week 6	Change (%)
BDI	753	748	0,67
BCI	1434	1461	-1,85
BPI	832	723	15,08
BSI	672	669	0,45
BHSI	412	421	-2,14

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

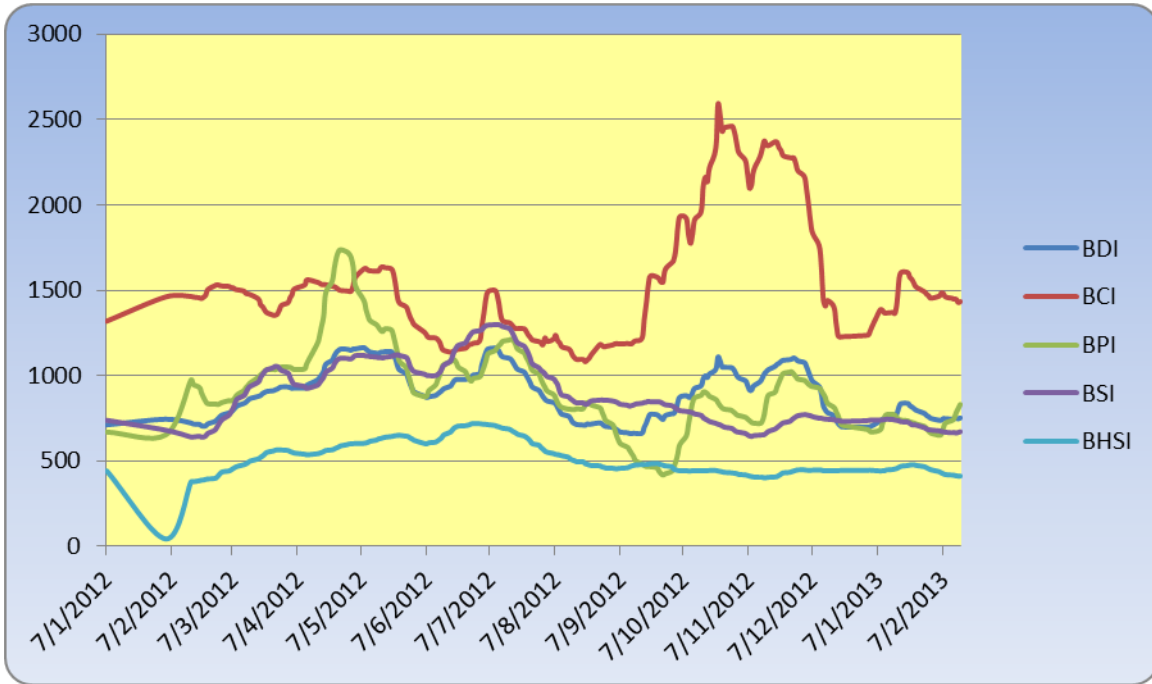
Type	Size	Week 7	Week 6	Change (%)
Capesize	160 / 175,000	10500	10500	0,00
Panamax	72 / 76,000	7500	7000	7,14
Supramax	52 / 57,000	8250	8000	3,13
Handysize	30 / 35,000	6250	6500	-3,85

Average Spot Rates

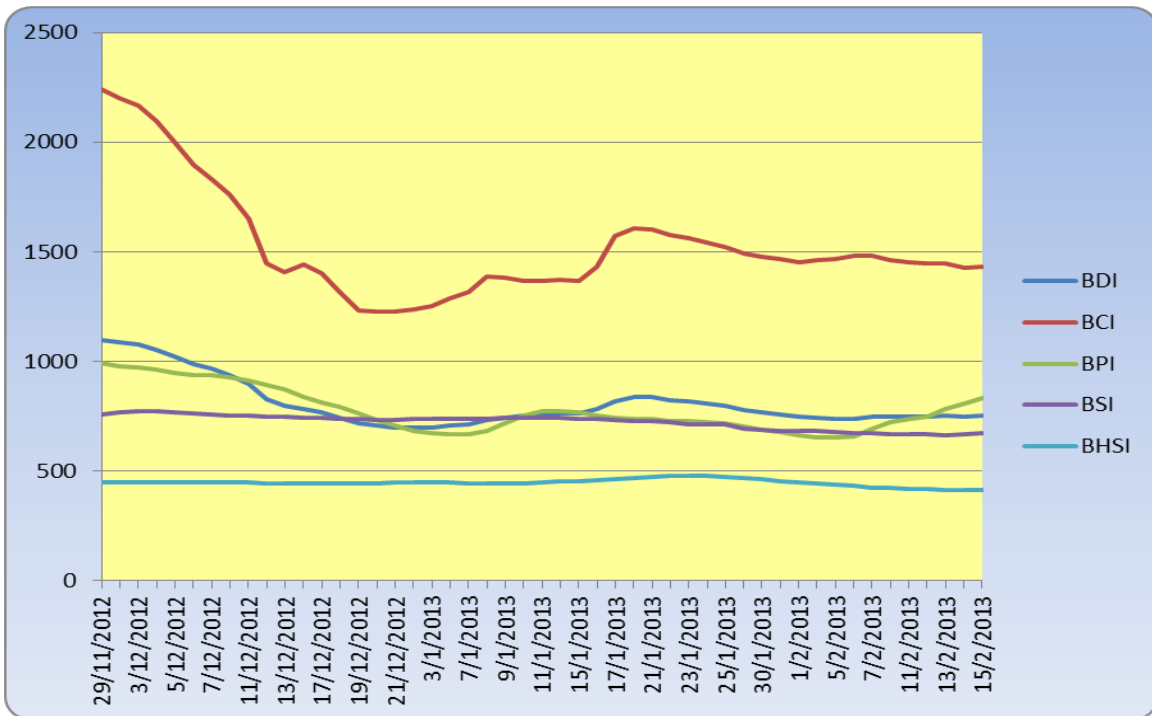
Type	Size	Route	Week 7	Week 6	Change %
Capesize	160 / 175,000	Far East – ATL	- 9750	-9500	-
		Cont/Med – Far East	22500	22500	0,00
		Far East RV	6500	6750	-3,70
		TransAtlantic RV	7750	9750	-20,51
Panamax	72 / 76,000	Far East – ATL	-1300	-1700	-
		ATL / Far East	13500	14000	-3,57
		Pacific RV	6500	6000	8,33
		TransAtlantic RV	6500	6500	0,00
Supramax	52 / 57,000	Far East – ATL	3250	3750	-13,33
		ATL / Far East	10900	11000	-0,91
		Pacific RV	6250	6500	-3,85
		TransAtlantic RV	7250	7000	3,57
Handysize	30 / 35,000	Far East – ATL	5000	5000	0,00
		ATL / Far East	7750	8000	-3,13
		Pacific RV	6000	6500	-7,69
		TransAtlantic RV	6250	6500	-3,85

Dry Bulk - Chartering

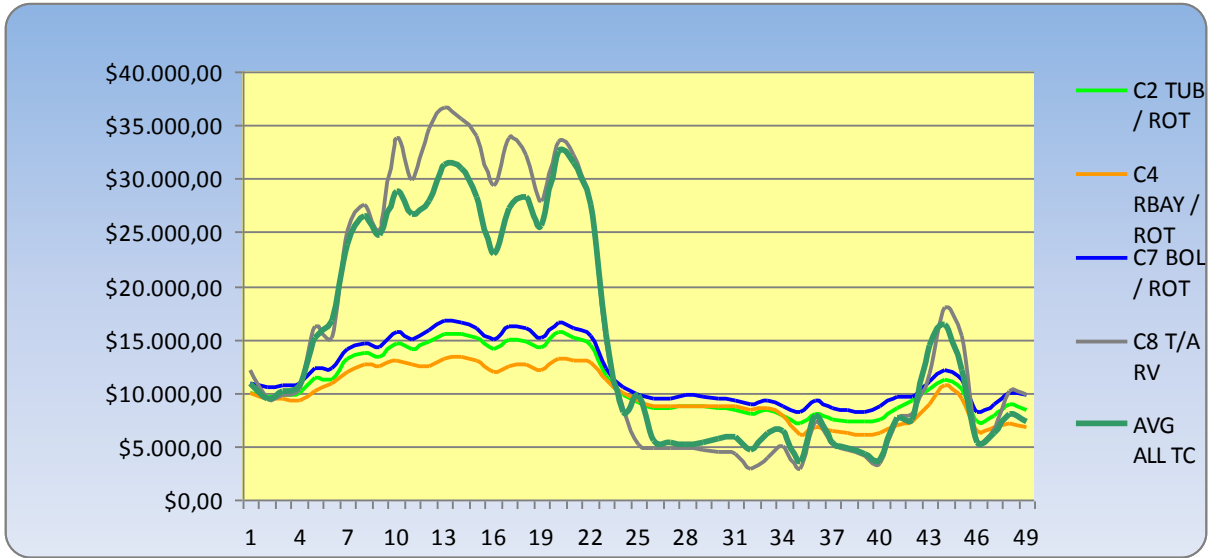
ANNUAL



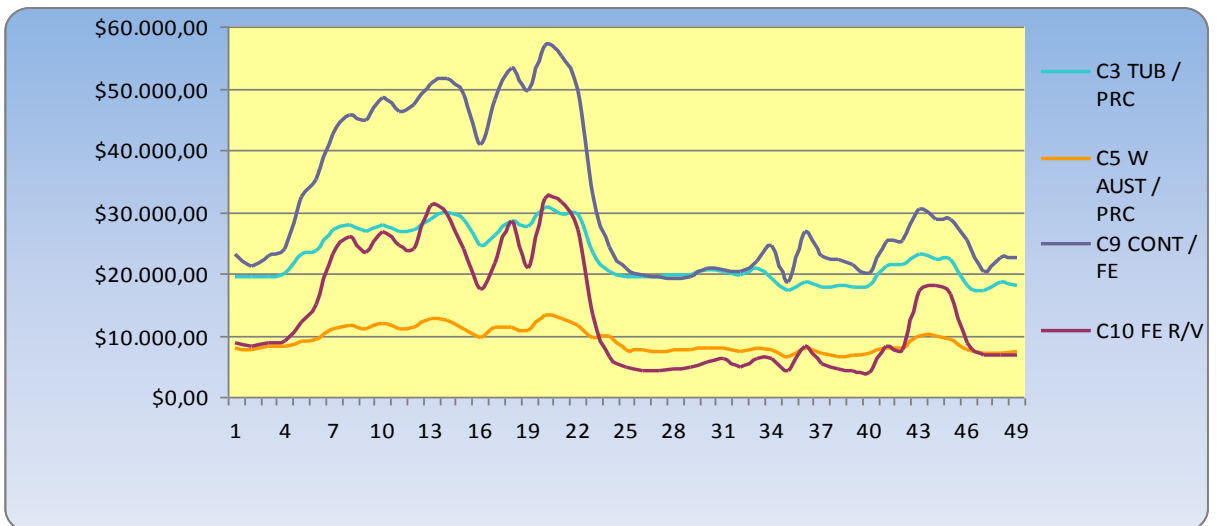
NOVEMBER 2012 – FEBRUARY 2013



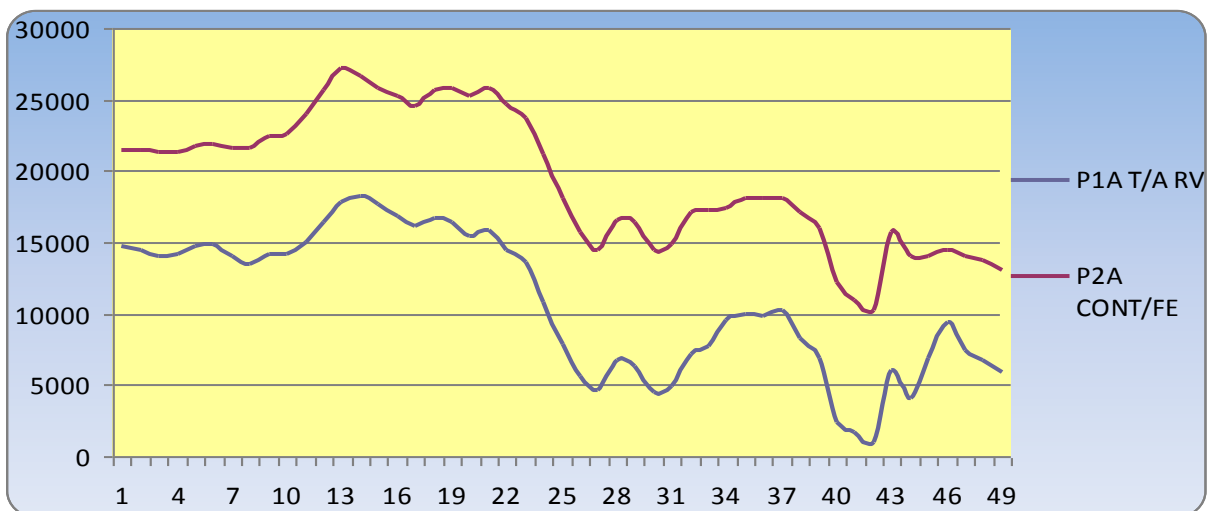
Capesize Routes – Atlantic 2011 / 12



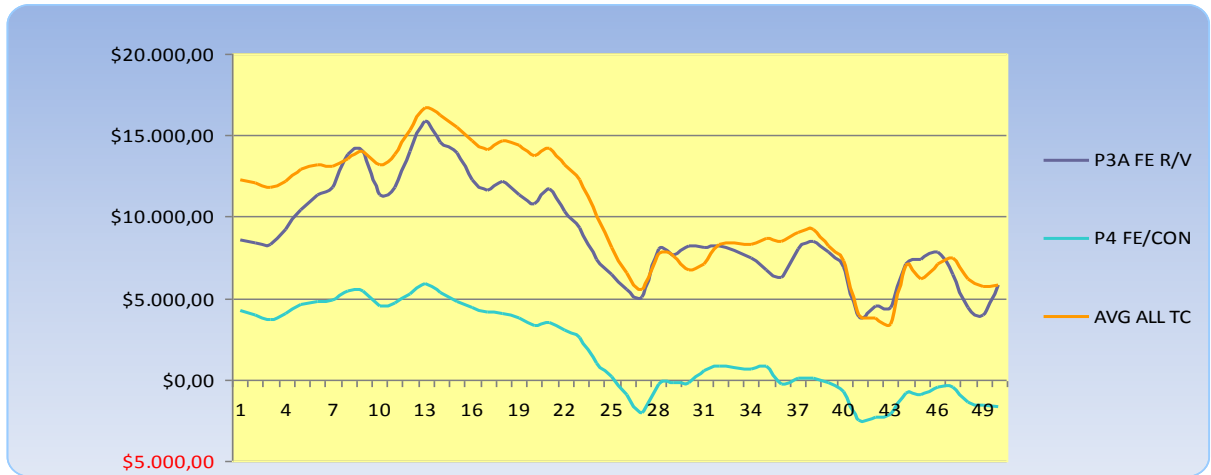
Capesize Routes – Pacific 2011 / 12



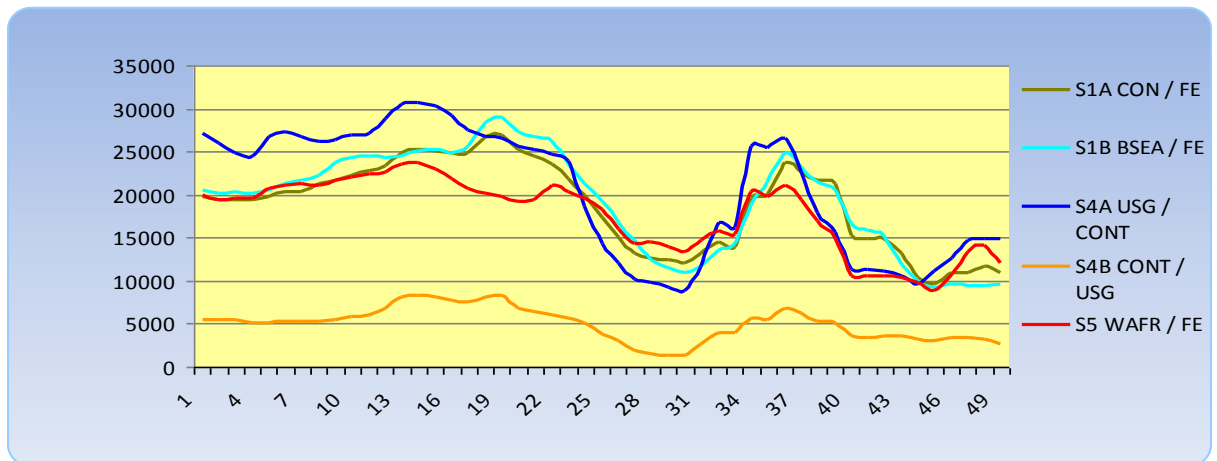
Panamax Routes – Atlantic 2011 / 12



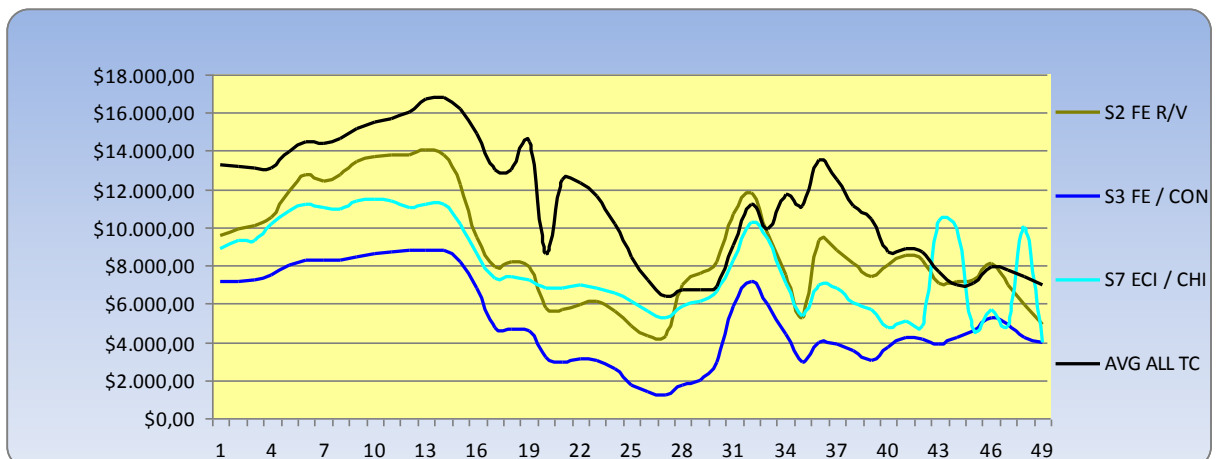
Panamax Routes – Pacific 2011 /12



Supramax Routes – Atlantic 2011 /12



Supramax Routes – Pacific 2011 / 12



Tanker - Chartering

VLCC: Rates from Middle East to Far east lost 0.7 points concluding at ws31. The USG remained untested. In the Atlantic basin the WAFR-China route gained 2 points to conclude ws36.

Suezmax: WAFR-USAC route retained previous levels of ws52.5 while the BSEA-MED route declined another 2.5 points to conclude at ws57.5.

Aframax: The Caribbean market faced some problems mostly because of ulage and fog and fixtures concluded 17 points above previous levels around ws100 figure.

Panamax: The Caribbean market this week saw more gains during the week, however this sentiment had eased by weeks end gaining 2.5 points concluding ws120, from the 135 seen during the middle of the week.

Products: The Caribbean showed a larger position list and as such has eased with the USG-TA route dropping another 12.5 points to conclude at ws92.5. on the other hand the CBS-USAC declined another 5 points concluding at ws140. In Europe CONT-TA route lost 15 points concluding at ws170.

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

Index	Week 7	Week 6	Change (%)
BCTI	701	724	-3.18
BDTI	661	640	3.28

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

Type	Size	Week 7	Week 6	Change (%)
VLCC	19,250	19,250	0,00	19,250
Suezmax	16,000	16,500	-3,03	16,000
Aframax	13,500	13,750	-1,82	13,500
Panamax	13,750	13,750	0,00	13,750
MR	13,750	13,750	0,00	13,750

Tanker - Chartering

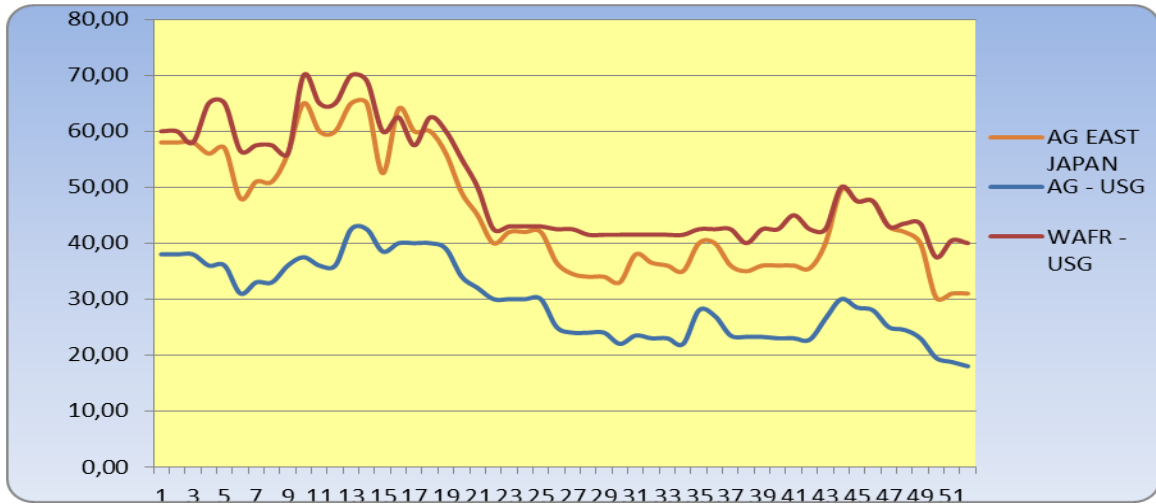
Crude Tanker Average Spot Rates

Type	Size (Dwt)	Route	Week 7 WS	Week 6 WS	Change %
VLCC	280,000	AG – USG	18	18	0,00
	260,000	W.AFR – USG	40	40	0,00
	260,000	AG – East / Japan	32	31	3,23
Suezmax	135,000	B.Sea – Med	57,5	60	-4,17
	130,000	WAF – USAC	52,5	52,5	0,00
Aframax	80,000	Med – Med	82,5	90	-8,33
	80,000	N. Sea – UKC	85	85	0,00
	80,000	AG – East	85	85	0,00
	70,000	Caribs – USG	100	82,5	21,21

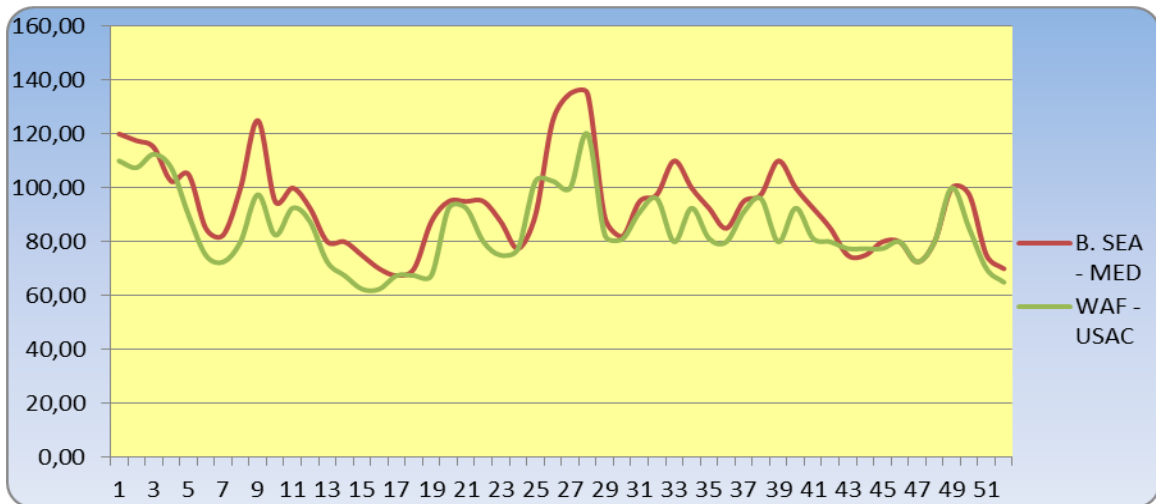
Product Tanker Average Spot Rates

Type	Size (Dwt)	Route	Week 7 WS	Week 6 WS	Change %
Clean	75,000	AG – Japan	79	79,75	-0,94
	55,000	AG – Japan	91	91,75	-0,82
	38,000	Caribs – USAC	140	145	-3,45
	37,000	Cont – TA	170	185	-8,11
Dirty	55,000	Cont – TA	110	110	0,00
	50,000	Caribs – USAC	120	117,5	2,13

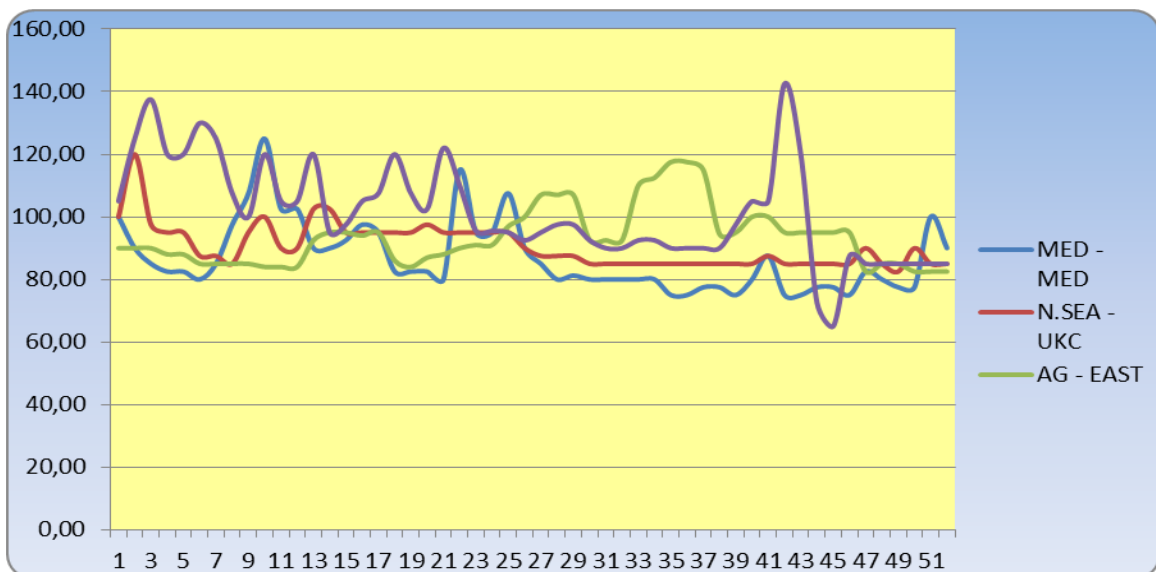
VLCC Trading Routes 2011 / 12



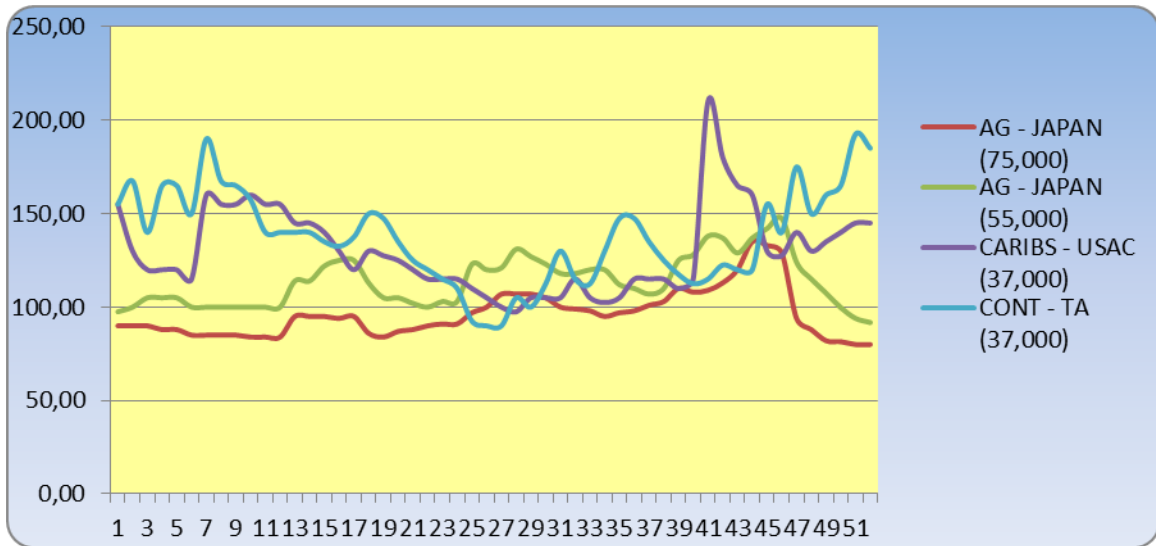
Suezmax Trading Routes 2011 / 12



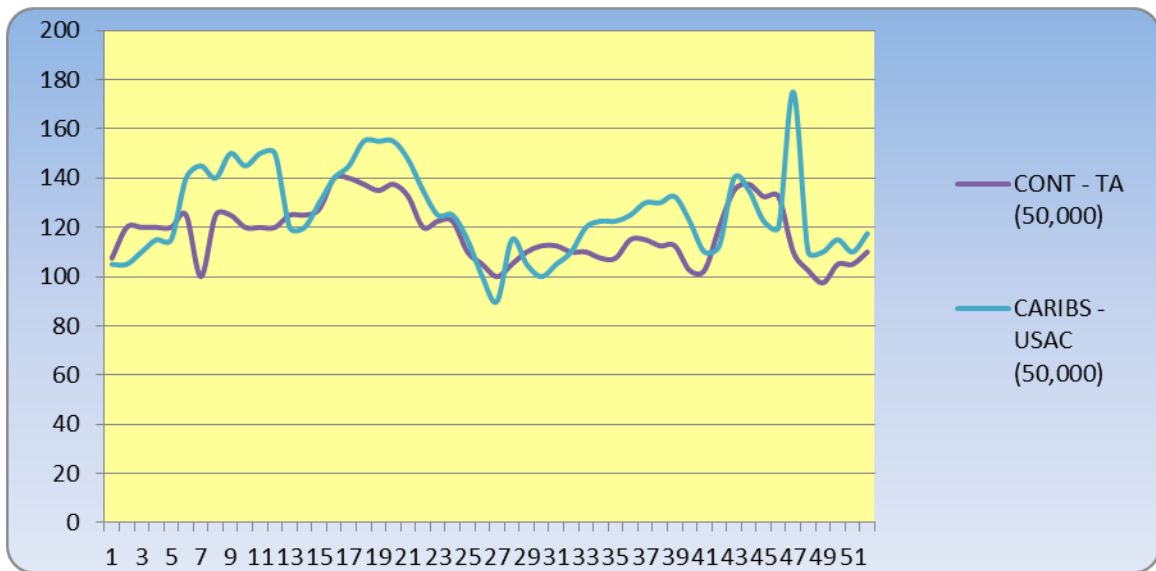
Aframax Trading Routes 2011 / 12



Clean Trading Routes – 2011 / 12



Dirty Trading Routes – 2011 / 12



Financial Market Data

Shipping Stocks

Dry Bulk				
Company	Stock Exchange	Week 7	Week 6	Change %
Baltic Trading Ltd (BALT)	NYSE	3,36	3,13	7,35
Diana Shipping Inc (DSX)	NASDAQ	8,82	8,78	0,46
Dryships Inc (DRYS)	NASDAQ	2,18	2,17	0,46
Euroseas Ltd (ESEA)	NASDAQ	1,01	1,00	1,00
Excel Maritime Carriers (EXM)	NYSE	0,54	0,51	5,88
Eagle Bulk Shipping Inc (EGLE)	NASDAQ	2,06	1,81	13,81
Freeseas Inc (FREESE)	NASDAQ	1,94	2,15	-9,77
Genco Shipping (GNK)	NYSE	3,12	3,19	-2,19
Navios Maritime (NM)	NYSE	3,84	3,80	1,05
Navios Maritime PTN (NMM)	NYSE	14,00	13,61	2,87
Paragon Shipping Inc (PRGN)	NASDAQ	3,38	3,63	-6,89
Star Bulk Carriers Corp (SBLK)	NASDAQ	6,07	6,24	-2,72
Seenergy Maritime Holdings Corp (SHIP)	NASDAQ	2,10	2,13	-1,41
Safe Bulkers Inc (SB)	NYSE	3,63	3,72	-2,42
Golden Ocean (GOGL)	Oslo Bors (NOK)	6,25	5,70	9,65
Tankers				
Capital Product Partners LP (CPLP)	NASDAQ	7,99	8,15	-1,96
TOP Ships Inc (TOPS)	NASDAQ	0,96	1,01	-4,95
Tsakos Energy Navigation (TNP)	NYSE	3,99	3,98	0,25
Other				
Aegean Maritime Petrol (ANW)	NYSE	7,40	6,41	15,44
Danaos Corporation (DAC)	NYSE	3,33	3,91	-14,83
StealthGas Inc (GASS)	NASDAQ	9,25	8,69	6,44
Rio Tinto (RIO)	NYSE	57,77	57,58	0,33
Vale (VALE)	NYSE	19,51	19,85	-1,71
ADM Archer Daniels Midland (ADM)	NYSE	32,57	30,22	7,78
BHP Billiton (BHP)	NYSE	79,58	77,94	2,10

Commodities

Commodity	Week 7	Week 6	Change (%)
Brent Crude (BZ)	116,86	118,37	-1,28
Natural Gas (NG)	3,26	3,26	0,00
Gold (GC)	1606	1648	-2,55
Copper	368,10	373,85	-1,54
Wheat (W)	316,91	321,04	-1,29

Currencies

	Week 7	Week 6	Change (%)
EUR / USD	1,33	1,33	0,00
USD / JPY	93,52	92,69	0,90
USD / KRW	1079	1069	0,94
USD / NOK	5,54	5,53	0,18

Bunker Prices

	IFO 380	IFO 180	MGO
Piraeus	655	692	1027
Fujairah	657	675	1005
Singapore	650	660	980
Rotterdam	638	658	990
Houston	648	720	1055

Port Congestion*

Port	No of Vessels
China	
Rizhao	18
Lianyungang	37
Qingdao	63
Zhanjiang	34
Yantai	28
India	
Chennai	7
Haldia	16
New Mangalore	25
Kakinada	23
Krishnapatnam	30
Mormugao	26
Kandla	18
Mundra	16
Paradip	9
Vizag	58
South America	
River Plate	154
Paranagua	75
Praia Mole	10

* 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 7 of year 2013.