



SHIPTRADE SERVICES S.A.

# **WEEKLY SHIPPING MARKET REPORT**

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WEEK 48 (22<sup>nd</sup> November to 28<sup>th</sup> November 2014)

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**Research compiled by: Shiptrade Services S.A. Market Research** on behalf of the Sale & Purchase, Dry Cargo Chartering and Tanker Chartering Departments. For any questions, please contact: [market-research@shiptrade.gr](mailto:market-research@shiptrade.gr)

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## Top Stories: Shipping, Commodities & Global Economy

### **Insight – Europe feels sting in the tail of Russia sanctions**

At a technology fair in Moscow last month, European executives faced the new reality of doing business in Russia since the West imposed sanctions: the number of companies at the international showcase had shrunk by half from a year ago. “The impact on business couldn’t be clearer. Fewer stands, fewer companies,” said Mark Bultinck, a sales executive for Belgian digital screen maker Barco, which had a booth at the annual expo for the audiovisual industry. The impact of the sanctions was already clear to Barco. The company lost Russia’s biggest shipbuilder as a client when the United States and the European Union blacklisted United Shipbuilding Corporation in July, meaning Barco could no longer sell screens to the company for its vessel training simulators. Barco’s experience shows how sanctions are having a broad impact not just on Russian companies but on European ones too and at a time when Europe’s weak economy can ill afford it. The European Union and the United States imposed economic sanctions on Russia in late July, targeting the Russian energy, banking and defence sectors to punish Moscow’s support for rebels in eastern Ukraine, the West’s toughest steps yet. As EU governments consider blacklisting more Ukrainian separatists and potentially more Russians and companies over the crisis in Ukraine, anecdotal evidence and new EU data show the economic costs for Europe of pressuring the Kremlin. In August, the month after sanctions were imposed, EU exports to Russia fell 19 percent to 7.9 billion euros (6.3 billion pounds) compared to July, a loss of almost 2 billion euros, according to the EU’s statistics office Eurostat. Although the data is not adjusted for seasonal swings, exports were also down 18 percent compared to August 2013 at a time of year that is traditionally busy for exporters. The drop partly reflects the food ban Moscow imposed on the European Union in August in response to the West’s sanctions. But it goes well beyond that. Total EU exports fell 12 percent in the first eight months of this year compared to a year ago. In August, EU exports of machinery and transport equipment such as cars and tractors fell 23 percent compared to July. Compared to a year ago, those exports fell 21 percent. Manufactured exports fell 16 percent across the 28-nation bloc in August. Germany, which accounts for one-third of sales to Russia, saw a sharp drop in sales of those goods, while Italy’s manufactured exports tumbled by almost half. “DUAL USE” LICENCE The sanctions are having such an impact because EU companies can no longer sell civilian goods that could also have a military use, no matter how small, without a licence. Tractors, cranes, excavators and mechanical parts that are needed to repair cars and trucks all fall under the so-called dual use category and need a permit. Failure to obtain a licence can bring a fine of up to 10 percent of the total value of the exported goods, officials say. But obtaining such licences can delay exports by two to three months because so many more products need licences and customs are suffering a big administrative burden.

“There are delays caused by the increased flow for individual licences,” said Tristan Grimmer, a lawyer at Baker & McKenzie in London, who helps companies navigate the process. “With the oil and gas sector, much of what is being addressed previously did not require export licences, so you have an entirely new sector that is asking for licence authorisations to supply the Russian market.” LOSING OUT TO CHINA? One official at the Strategic Goods Control service for Belgium’s Flanders region said the number of applications for licences had jumped by almost 40 percent since August and officials were flooded by emails from companies seeking advice. “Everyone wants their file to be urgent. But it is not only in our hands. Sometimes we need certification by the Belgian embassy in Russia,” said the official, who declined to be named. In Germany, lawyer Baerbel Sachs at Noerr said that it was difficult to even get customs officials on the phone to discuss progress on a permit because so many people were calling. Efforts are being made to hire more staff and speed up the process, governments say. Britain’s Export Control Organisation says almost all licences are issued within 60 working days. But even in that time, companies are at risk of losing contracts to competitors from China and elsewhere, according to Frank Schauff, chief executive office at the Association of European Businesses in Russia. “Countries that have not imposed sanctions are able to jump in where the EU has left a gap,” said Schauff. “The economic position that the European Union has in Russia is at risk and it is very difficult to gain that back if it is lost.” Beijing’s envoy to Berlin said in October that China would seize business opportunities in Russia. At Belgium’s Barco, the company says it can still do business in Russia, but only up to a point. “You know that certain deals are no longer possible,” said Carl Vanden Bussche, the company’s director of investor relations. “It is a reality that we need to take into account.” Source: Reuters (Editing by Alastair Macdonald and Sophie Walker)

## Sale & Purchase

### Secondhand Sales – Bulk Carriers

Name	Dwt	YoB	Yard	SS	Engine	Gears	Price (mill.)	Buyer
<i>First Eagle</i>	180.199	2010	Imabari, Jpn	03/2016	B&W	-	\$40.8	Greek (Navios)
<i>Wah Shan</i>	175.980	2003	CSBC, Taipei	10/2018	B&W	-	\$21.0	Undisclosed
<i>Global Winner</i>	161.121	1997	HHI, Kr	03/2017	B&W	-	\$11.4	Undisclosed
<i>Cape Merlin</i>	150.966	1994	Kawasaki, Jpn	02/2019	B&W	-	\$10.5	Chinese
<i>Genyo</i>	77.509	2001	Sasebo, Jpn	04/2016	B&W	-	\$11.3	Korean
<i>Cape</i>	73.049	1997	Samsung, Kr	03/2017	B&W	-	\$6.5	Chinese
<i>Zhejiang ZJB-402</i>	63.500	2015	Zhejiang Shipbuilding, Chn	-	B&W	4 x 35 T	\$27.0 (each en bloc)	Ukrainian (Ocean Agencies)
<i>Zhejiang ZJB-401</i>	63.500	2015	Zhejiang Shipbuilding, Chn	-	B&W	4 x 35 T		
<i>Hudson Bay</i>	29.671	2011	Shikoku, Jpn	02/2016	B&W	4 x 30 T	\$18.0	Greek
<i>Global Forwarder</i>	25.008	1997	Imabari, Jpn	06/2017	B&W	3 x 30 T	\$5.5	Greek

### Secondhand Sales - Tankers

Name	Dwt	YoB	Yard	SS	Engine	Hull	Price (mill.)	Buyer
<i>Sundong 3075</i>	50.000	2015	Sungdong, Kr	-	B&W	DH	\$34.75 (each en bloc)	Dannish (Maersk Tankers)
<i>Sundong 3076</i>	50.000	2015	Sungdong, Kr	-	B&W	DH		
<i>Sundong 3077</i>	50.000	2015	Sungdong, Kr	-	B&W	DH		
<i>Sundong 3078</i>	50.000	2015	Sungdong, Kr	-	B&W	DH		
<i>Chemtrans Rhine</i>	35.024	1999	Guangzhou, Chn	07/2019	B&W	DH	\$7.4	Indian
<i>Ozay-5</i>	11.505	2007	Torlak, Tur	08/2017	B&W	DH, marineline	\$9.5 (each en bloc)	Undisclosed
<i>Ozay-6</i>	11.505	2008	Torlak, Tur	05/2018	MAK	DH, marineline		
<i>Eships Bainunah</i>	8.125	2005	Anadolu Tuzla, Tur	05/2015	MAK	DH, epoxy	n/a	Danish

## Secondhand Sales – Containers

Name	Teu	YoB	Yard	SS	Engine	Gear	Price (mill.)	Buyer
<i>E.R. Yantian</i>	4.253	2003	Samsung, Kr	08/2017	B&W	-	\$12.5	Greek
<i>YM Hamburg</i>	3.961	1997	Daewoo, Kr	02/2017	Sulzer	-	n/a	Chinese

## Indicative Values - Bulk Carriers

Size	Prompt Resale	5 years	10 years	15 years
<i>Capesize</i>	53	40	27	17
<i>Panamax - Kamsarmax</i>	30	21	16	9
<i>Supramax - Ultramax</i>	29	21	16	11
<i>Handysize</i>	25	17	13	8

## Indicative Values - Tankers

Size	Prompt Resale	5 years	10 years	15 years
<i>VLCC</i>	100	76	51	26
<i>Suezmax</i>	68	53	33	17
<i>Aframax</i>	55	40	25	13
<i>Panamax</i>	44	30	22	10
<i>MR</i>	35	25	17	10

## Newbuilding & Demolition

### Newbuilding Orders - Bulkers

No	Type	Dwt	Yard	Delivery	Owner	Price (mill.)	Comments
4	Newcastlemax	208.000	Yangzijiang, Chn	2016/17	Reederei Vogemann	n/a	+4 option
1	Capesize	182.000	Imabari, Jpn	2017	Kawasaki Kisen	n/a	Incl t/c
2	Kamsarmax	80.000	JMU, Jpn	2016	Wisdom Marine Lines	\$33.0	
2	Ultramax	60.000	Shin Kurushima, Jpn	2017	HK Based	\$30.0	

### Newbuilding Orders - Tankers

No	Type	Dwt	Yard	Delivery	Owner	Price (mill.)	Comments
2	VLCC	320.000	JMU, Jpn	2017	Fredriksen	\$96.5	+1 option, LOI
4	Suezmax	150.000	New Times, Chn	n/a	Fredriksen	\$59.5	+4 option

### Newbuilding Orders - Containers

No	Type	Teu	Yard	Delivery	Owner	Price (mill.)	Comments
2	Feeder	1.900	Hanjin, Kr	2016	Delphis	\$34.0	E3 Ice Class, Lng Fuel

### Demolition Sales

Vessel	Type	Built	Ldt	Dwt	Price (\$)	Country	Comments
Katerina 1	Tanker	1992	13.085	66.895	475	India	
Mega Grace	Woodchip	1991	9.689	47.046	453	Pakistan	
Firstsea	BC	1985	7.778	42.842	452	Bangladesh	
Union Emma	GC	1984	6.874	20.412	477	India	

### Indicative Demolition Prices

Country	Tanker Prices	Bulker Prices
India	470	460
Bangladesh	480	460
Pakistan	480	470
China	310	290
Turkey	310	280

## Dry Bulk Chartering

### Baltic Indices (Friday Closing Values)

Index	Week 48	Week 47	Change (%)
BDI	1153	1324	12,92
BCI	2151	3038	29,2
BPI	1120	1055	6,16
BSI	986	942	4,67
BHSI	491	462	6,28

### 1 year T/C rates (\$/day)

Type	Size (k dwt)	Week 48	Week 47	Change (%)
Capesize	160 -175	14564	22525	35,34
Panamax	72 - 76	8943	8443	5,92
Supramax	52 - 57	10310	9848	4,69
Handysize	30 - 35	7124	6706	6,23

### Average spot rates (\$/day)

Type	Size (k dwt)	Route	Week 48	Week 47	Change (%)
Capesize	160 -175	F. East - ATL	3045	7141	57,36
		Cont/Med - F. East	25800	37250	32,0
		F. East RV	13709	17459	21,4
		TransAtlantic RV	15700	28250	44,42
Panamax	72 - 76	F. East - ATL	641	632	1,42
		ATL - F. East	15731	15158	3,78
		Pacific RV	8981	9488	5,34
		TransAtlantic RV	10417	8492	22,67
Supramax	52 - 57	F. East - ATL	7560	6945	8,86
		ATL - F. East	13500	13407	0,69
		Pacific RV	9571	8729	9,65
		TransAtlantic RV	11300	10330	9,39
Handysize	30 - 35	Far East - ATL	4154	3908	6,30
		ATL - F. East	12783	12049	6,10
		Pacific RV	7939	7472	6,25
		TransAtlantic RV	6733	6349	6,05

## Tanker Chartering

### Baltic Indices (Friday Closing Values)

Index	Week 48	Week 47	Change (%)
BCTI	799	736	8,56
BDTI	939	871	7,81

### 1 year T/C rates (\$/day)

Type	Size (k dwt)	Week 48	Week 47	Change (%)
VLCC	300	32500	31500	3,17
Suezmax	150	26000	23250	11,83
Aframax	105	20500	20250	1,23
Panamax	70	16250	16250	0,00
MR	47	14500	14500	0,00

### Average spot rates (\$/day) - Crude

Type	Size (k dwt)	Route	Week 48	Week 47	Change (%)
VLCC	260	WAFR – USG	69888	56841	22,95
	260	AG - East / Japan	47969	43896	9,28
Suezmax	135	B. Sea - Med	86830	48117	80,46
	130	WAF - USAC	69869	32245	116,86
	150	CBS - USG	68148	42363	60,87
Aframax	80	N. Sea - UKC	55432	46823	18,39
	80	MED - MED	99566	60176	65,46
	70	Caribs - USG	38982	45534	14,39

### Average spot rates (\$/day) - Products

Type	Size (k dwt)	Route	Week 48	Week 47	Change (%)
Clean	75	AG - Japan	30617	32105	4,63
	55	AG - Japan	21383	24171	11,53
	38	Caribs - USAC	18642	19114	2,47
	37	Cont - TA	24363	19064	27,80
Dirty	55	Cont - TA	23649	24255	2,50
	50	Caribs - USAC	21678	21492	0,87

## Key Indicators & Stock Markets

### Exchange Rates

Currency	Week 48	Week 47	Change (%)
EUR / USD	1,2438	1,2424	0,11
USD / JPY	118,15	117,89	0,22
USD / KRW	1108	1113	0,45
USD / NOK	6,99	6,76	3,40

### Bunker Prices

Port	IFO 380	IFO 180	MGO
Piraeus	395	421	665
Fujairah	435	485	910
Singapore	445	455	683
Rotterdam	390	425	650
Houston	412	505	803

### Commodities

Commodity	Week 48	Week 47	Change (%)
Brent Crude (BZ)	71,81	81,44	11,82
Natural Gas (NG)	4,20	4,36	3,67
Gold (GC)	1183	1197	1,17
Copper	291,7	305,6	4,55
Wheat (W)	562	548	2,55



## Key Indicators & Stock Markets

### Shipping Stock Prices - Dry Bulk

Company	Stock Exchange	Week 48	Week 47	Change (%)
<i>Baltic Trading Ltd (BALT)</i>	NYSE	3,48	3,49	0,29
<i>Diana Shipping Inc (DSX)</i>	NASDAQ	7,70	7,84	1,79
<i>Dryships Inc (DRYS)</i>	NASDAQ	1,44	1,44	0,00
<i>Euroseas Ltd (ESEA)</i>	NASDAQ	0,91	0,92	1,09
<i>Eagle Bulk Shipping Inc (EGLE)</i>	NASDAQ	14,20	14,27	0,49
<i>Freeseas Inc (FREESE)</i>	NASDAQ	0,12	0,12	0,00
<i>Navios Maritime (NM)</i>	NYSE	5,10	5,42	5,90
<i>Navios Maritime PTN (NMM)</i>	NYSE	13,62	13,45	1,26
<i>Paragon Shipping Inc (PRGN)</i>	NASDAQ	3,46	3,46	0,00
<i>Star Bulk Carriers Corp (SBLK)</i>	NASDAQ	8,27	8,29	0,24
<i>Seanergy Maritime Holdings Corp (SHIP)</i>	NASDAQ	1,30	1,31	0,76
<i>Safe Bulkers Inc (SB)</i>	NYSE	5,03	5,27	4,55
<i>Golden Ocean (GOGL)</i>	Oslo Bors (NOK)	5,80	6,91	16,06

### Shipping Stock Prices - Wet

Company	Stock Exchange	Week 48	Week 47	Change (%)
<i>Capital Product Partners LP (CPLP)</i>	NASDAQ	8,14	8,11	0,37
<i>TOP Ships Inc (TOPS)</i>	NASDAQ	1,50	1,61	6,83
<i>Tsakos Energy Navigation (TNP)</i>	NYSE	7,10	7,08	0,28

### Shipping Stock Prices - Other

Company	Stock Exchange	Week 48	Week 47	Change (%)
<i>Aegean Maritime Petrol (ANW)</i>	NYSE	10,13	9,24	9,63
<i>Danaos Corporation (DAC)</i>	NYSE	5,88	5,97	1,51
<i>StealthGas Inc (GASS)</i>	NASDAQ	7,45	7,58	1,72
<i>Rio Tinto (RIO)</i>	NYSE	47,43	45,31	4,68
<i>Vale (VALE)</i>	NYSE	9,27	8,69	6,67
<i>ADM Archer Daniels Midland (ADM)</i>	NYSE	53,18	52,57	1,16
<i>BHP Billiton (BHP)</i>	NYSE	55,37	55,15	0,40