



SHIPTRADE SERVICES S.A.

# **WEEKLY SHIPPING MARKET REPORT**

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WEEK 49 (29<sup>th</sup> November to 5<sup>th</sup> December 2014)

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## Top Stories: Shipping, Commodities & Global Economy

### European growth to match China's? How the contrarians see 2015

The euro zone economy will grow just as fast as China's in 2015. Put two "contrarian" predictions together, and you get this startling scenario. The frailties of economists' forecasts, notably those which failed to spot the global crisis in 2008, are well documented. But sometimes they can be correct, and it's not always those clustered around the majority "consensus" view which get it right. As scenarios go, the prospect of the now feeble euro zone economy matching mighty China is at the outlandish end of the spectrum. But with volatile oil prices, a widening divergence in central banks' policies and a growing global debt burden promising a wild ride for economies and financial markets next year, it's not impossible. This is indeed what would happen if two of the most eye-catching contrarian predictions were to bear fruit: JP Morgan's view that euro zone growth could rise to 2 percent, and Fathom Consulting's outside bet that China's housing and credit bubbles might burst, slashing its growth rate also to 2 percent. Neither forecaster regards these figures as the most likely outcome, and they're separate, conflicting scenarios; the euro zone would struggle to grow much if China slowed dramatically, an event that would probably hurt the entire global economy. Nevertheless, by forsaking the consensus and thinking the unthinkable, the contrarian forecaster can at least stand out from the crowd and stimulate debate. Many consensus forecasts for 2015 are much as they were for 2014 – a stronger dollar, higher yields on U.S. Treasury and other government bonds, an outperforming U.S. economy, further gains in global stocks, and central banks doing whatever it takes to prevent low inflation turning into deflation. Some of those came to pass but few people foresaw this year's sharp fall in U.S. and global bond yields, or the near-40 percent collapse in oil prices. Here are some of the contrarian scenarios for next year:

#### 1. CHINA CRISIS

China's credit bubble bursts and bad debts provoke a full-blown banking crisis; economic growth – which the government now targets at 7.5 percent for 2015 – collapses to 2 percent. Fathom Consulting attaches a 35 percent probability to this scenario.

#### 2. EURO ZONE SHINES

The euro zone finally breaks out of its economic torpor thanks to the boost from lower oil prices, a weaker euro, further European Central Bank easing of monetary policy and a strengthening banking system. Growth surges to 2 percent. JP Morgan reckons this is possible, although its base case forecast is for 1.6 percent growth, still more optimistic than the 1.1 percent consensus in a Reuters poll of more than 50 economists.

#### 3. GERMAN BOND YIELDS TAKE OFF

Morgan Stanley says the yield on 10-year German bonds could jump next year to 1.35 percent from a record low 0.69 percent last month. The rationale? Investors put full faith in the ECB's policy easing to generate inflation, pushing up market interest rates.

German bonds have shown how wrong the majority view can be: the consensus forecast a year ago was for yields to reach 2.3 percent by the end of 2014.

#### 4. BRITAIN NOT SO GREAT

Britons vote next May in parliamentary elections and Prime Minister David Cameron plans a referendum on EU membership if his Conservatives win. Throw in a revival of the Scottish independence question if the Scottish National Party performs strongly, and British political risk could soar. As yet there has been no discernible impact on markets. But sterling weakened shortly before last September's Scottish independence referendum, which the SNP lost by a far narrower margin than had once seemed likely. If this is any guide, investors may again take fright before the 2015 election. "Stay away from UK assets into the elections," warns Societe General.

#### 5. DOLLAR DIP

The almost unanimous view across financial markets for 2015 is that the dollar will strengthen, with only the magnitude remaining a bone of contention. But if ever there were a "crowded trade", this is it. The dollar has already gained 11 percent this year, almost all since June, making 2014 its third best year in the last three decades. Time for a breather? Source: Reuters (Reporting by Jamie McGeever; editing by David Stamp)

## Sale & Purchase

### Secondhand Sales – Bulk Carriers

Name	Dwt	YoB	Yard	SS	Engine	Gears	Price (mill.)	Buyer
<i>Pacific Triangle</i>	185.000	2000	Samsung, Kr	02/2015	B&W	-	\$17.1	Turkish
<i>Pole</i>	73.409	1997	Samsung, Kr	03/2017	B&W	-	\$6.4	Chinese
<i>Mokara Colossus</i>	55.781	2006	Kawasaki, Jpn	11/2016	B&W	4 x 30 T	\$14.5	Greek (Bulkseas)
<i>Pax Phoenix</i>	50.236	2001	Mitsui, Jpn	08/2016	B&W	4 x 30 T	\$10.7	Bangladeshi (Brave Royal)

### Secondhand Sales - Tankers

Name	Dwt	YoB	Yard	SS	Engine	Hull	Price (mill.)	Buyer
<i>DL Bellflower</i>	109.390	2003	Dalian, Chn	02/2018	Sulzer	DH	\$18.5	Chinese
<i>Horizon Diana</i>	73.700	2007	STX, Kr	10/2017	B&W	DH	\$30.0 (each en bloc)	Undisclosed
<i>Horizon Dimitra</i>	73.700	2007	STX, Kr	08/2017	B&W	DH		
<i>Eships Falcon</i>	51.156	2010	SLS, Kr	03/2015	B&W	DH	\$26.5 (each en bloc)	UAE
<i>Eships Maya</i>	51.150	2010	SLS, Kr	07/2015	B&W	DH		
<i>Laurel Galaxy</i>	19.805	2004	Kitanihon, Jpn	08/2019	Mitsubishi	DH, stst	\$19.0	Korean (Glovis Hyundai)
<i>Keoje Tiger</i>	6.502	1995	Fukuoka, Jpn	09/2014	B&W	DH, epoxy	\$4.3	Taiwanese
<i>(LPG) Norgas Petaluma</i>	9.352	2003	Hudong, Chn	03/2018	B&W	DH	\$24.0 (5 yr t/c back)	Norwegian (Pareto)
<i>(LPG) Gas Premiership</i>	6.634	2001	Murakami Hide, Jpn	02/2016	B&W	DH	\$14.2 (4 yr bb back)	Undisclosed

### Secondhand Sales – Containers

Name	Teu	YoB	Yard	SS	Engine	Gear	Price (mill.)	Buyer
<i>Independent Pursuit</i>	2.546	2007	Jiangsu Yangzijiang, Chn	06/2017	B&W	3 x 45 T	\$13.1	Undisclosed
<i>Hammonia Pacificum</i>	2.546	2007	Jiangsu Yangzijiang, Chn	07/2017	Sulzer	3 x 45 T	\$13.1	
<i>Adrian</i>	1.728	1997	Szczecinska Stocznia, Pol	06/2017	Sulzer	3 x 40 T	\$2.0	UAE Based

## 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 - MPP

No	Type	Dwt	Yard	Delivery	Owner	Price (mill.)	Comments
2	MPP	25.000	Guangzhou, Chn	2015/16	Red Box Energy Services	n/a	Heavy Lift, Polar Class

### Newbuilding Orders - Tankers

No	Type	Dwt	Yard	Delivery	Owner	Price (mill.)	Comments
4	LR1	73.000	STX Offshore, Kr	2016/17	BW Gas	\$46.0	+6 option

### Demolition Sales

Vessel	Type	Built	Ldt	Dwt	Price (\$)	Country	Comments
Jolly Nero	Container	1976	19.721	30.866	435	n/a	As is Port Rashid, excluding 4.652 tons of permanent ballast
Dew 1	BC	1981	12.199	61.190	464	Bangladesh	
Banowati	BC	1983	11.805	62.633	473	Bangladesh	
Princess Natalie	BC	1989	9.161	70.242	465	Pakistan	Including 200 tons rob
Growing	BC	1984	7.447	14.545	420	Bangladesh	
Pacific Embolden	BC	1993	7.107	43.396	n/a	China	
Praus Pramata	Tanker	1984	6.242	19.960	483	Bangladesh	
Lilly Regal	Container	1984	3.348	8.350	470	Bangladesh	

### 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 49	Week 48	Change (%)
BDI	982	1153	14,83
BCI	1282	2151	40,40
BPI	1088	1120	2,86
BSI	971	986	1,52
BHSI	499	491	1,63

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

Type	Size (k dwt)	Week 49	Week 48	Change (%)
Capesize	160 -175	8425	14564	42,15
Panamax	72 - 76	8676	8943	2,99
Supramax	52 - 57	10158	10310	1,47
Handysize	30 - 35	7251	7124	1,78

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

Type	Size (k dwt)	Route	Week 49	Week 48	Change (%)
Capesize	160 -175	F. East - ATL	-725	3045	123,81
		Cont/Med - F. East	19000	25800	26,36
		F. East RV	8065	13709	41,17
		TransAtlantic RV	7361	15700	53,11
Panamax	72 - 76	F. East - ATL	560	641	12,64
		ATL - F. East	15492	15731	1,52
		Pacific RV	7844	8981	12,66
		TransAtlantic RV	10808	10417	3,75
Supramax	52 - 57	F. East - ATL	7680	7560	1,59
		ATL - F. East	13258	13500	1,79
		Pacific RV	9696	9571	1,31
		TransAtlantic RV	10700	11300	5,31
Handysize	30 - 35	Far East - ATL	4220	4154	1,59
		ATL - F. East	13013	12783	1,80
		Pacific RV	8089	7939	1,89
		TransAtlantic RV	6867	6733	1,99

## Key Indicators & Stock Markets

### Exchange Rates

Currency	Week 49	Week 48	Change (%)
EUR / USD	1,2365	1,2438	0,59
USD / JPY	120,36	118,15	1,87
USD / KRW	1113	1108	0,45
USD / NOK	7,11	6,99	1,72

### Bunker Prices

Port	IFO 380	IFO 180	MGO
Piraeus	383	411	655
Fujairah	410	445	860
Singapore	418	428	655
Rotterdam	368	380	615
Houston	372	480	748

### Commodities

Commodity	Week 49	Week 48	Change (%)
Brent Crude (BZ)	69,16	71,81	3,69
Natural Gas (NG)	3,70	4,20	11,90
Gold (GC)	1203	1183	1,69
Copper	292	291,7	0,10
Wheat (W)	587	562	4,45

## Key Indicators & Stock Markets

### Shipping Stock Prices - Dry Bulk

Company	Stock Exchange	Week 49	Week 48	Change (%)
<i>Baltic Trading Ltd (BALT)</i>	NYSE	2,82	3,48	18,97
<i>Diana Shipping Inc (DSX)</i>	NASDAQ	7,06	7,70	8,31
<i>Dryships Inc (DRYS)</i>	NASDAQ	1,17	1,44	18,75
<i>Euroseas Ltd (ESEA)</i>	NASDAQ	0,87	0,91	4,40
<i>Eagle Bulk Shipping Inc (EGLE)</i>	NASDAQ	14,41	14,20	1,48
<i>Freeseas Inc (FREESE)</i>	NASDAQ	0,12	0,12	0,00
<i>Navios Maritime (NM)</i>	NYSE	4,39	5,10	13,92
<i>Navios Maritime PTN (NMM)</i>	NYSE	12,76	13,62	6,31
<i>Paragon Shipping Inc (PRGN)</i>	NASDAQ	2,78	3,46	19,65
<i>Star Bulk Carriers Corp (SBLK)</i>	NASDAQ	7,09	8,27	14,67
<i>Seanergy Maritime Holdings Corp (SHIP)</i>	NASDAQ	1,24	1,30	4,62
<i>Safe Bulkers Inc (SB)</i>	NYSE	4,54	5,03	9,74
<i>Golden Ocean (GOGL)</i>	Oslo Bors (NOK)	5,27	5,80	9,14

### Shipping Stock Prices - Wet

Company	Stock Exchange	Week 49	Week 48	Change (%)
<i>Capital Product Partners LP (CPLP)</i>	NASDAQ	7,84	8,14	3,69
<i>TOP Ships Inc (TOPS)</i>	NASDAQ	1,40	1,50	6,67
<i>Tsakos Energy Navigation (TNP)</i>	NYSE	7,25	7,10	2,11

### Shipping Stock Prices - Other

Company	Stock Exchange	Week 49	Week 48	Change (%)
<i>Aegean Maritime Petrol (ANW)</i>	NYSE	9,89	10,13	2,37
<i>Danaos Corporation (DAC)</i>	NYSE	5,69	5,88	3,23
<i>StealthGas Inc (GASS)</i>	NASDAQ	6,66	7,45	10,60
<i>Rio Tinto (RIO)</i>	NYSE	45,95	47,43	3,12
<i>Vale (VALE)</i>	NYSE	8,35	9,27	9,92
<i>ADM Archer Daniels Midland (ADM)</i>	NYSE	52,78	53,18	0,75
<i>BHP Billiton (BHP)</i>	NYSE	51,24	55,37	7,46