



SHIPTRADE SERVICES S.A.

# **WEEKLY SHIPPING MARKET REPORT**

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WEEK 10 (28<sup>th</sup> February to 6<sup>th</sup> March 2015)

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## Top Stories: Shipping, Commodities & Global Economy

### Global Iron Ore Surplus Seen by World Bank Lasting Two Years

If history is any guide the global glut in iron ore may persist for as long as two years, according to the World Bank, which forecasts that the steel-making raw material will average \$75 a metric ton this year. "From experience from earlier iron ore episodes as well as other metal markets, it takes about one to two years for either excess supplies to get back to normal levels or excess demand to be met by larger supplies," John Baffes, a senior economist at the lender, said in an e-mail response to questions. Iron ore tumbled 47 percent in 2014 and extended losses this year as surging low-cost supplies from producers including Rio Tinto Group and Fortescue Metals Group Ltd. outpaced demand growth in China, spurring the surplus. Morgan Stanley forecasts that the glut will rise through to at least 2018. China's economy, which consumes about two-thirds of iron ore transported by sea, slowed last year to the weakest pace since 1990. "Weak economic growth prospects in the global economy is the key reason behind the weakness of most industrial commodity prices, including iron ore," said Baffes, who's worked at the bank for more than two decades. China may grow 7.1 percent in 2015 down from about 7.4 percent in 2014, he said. Ore with 62 percent content delivered to Qingdao, China, fell 0.9 percent to \$62.24 a dry metric ton on Tuesday, according to data from Metal Bulletin Ltd. It sank on Feb. 9 to \$61.20, the lowest on record dating back to May 2009. The \$75 forecast figure from Washington-based Baffes reiterated the lender's view given in its quarterly Commodities Markets Outlook report in January. So far this year, it's declined 13 percent and averaged \$65.37 a ton in Qingdao. Goldman's View The glut will surge to 437 million tons in 2018 from 44 million tons in 2013, Morgan Stanley said on Feb. 22. Global seaborne output will exceed demand by 47 million tons this year and 260 million tons by 2018, according to Goldman Sachs Group Inc., which predicts prices will average \$66 this year. Having spent about \$120 billion since 2011 to expand capacity, output from the major producers is set to rise further. BHP Billiton Ltd. kept a target for 225 million tons this fiscal year from 204 million a year earlier. Rio plans output of 330 million tons this year from 295 million in 2014, while Vale SA in Brazil expects to produce 340 million tons. 'Pressure Downwards' Rio Tinto's Chief Executive Officer Sam Walsh said last month if his company cut output after prices sank, forfeited supply would be made up by rivals with higher costs. BHP saw "a degree of pressure downwards" on prices and a rising surplus, Chief Executive Officer Andrew Mackenzie said in February. China's economy has been squeezed by a property slump and industrial overcapacity. The central bank cut interest rates for the second time in three months on Feb. 28 to shore up growth in the world's largest steelmaker. About 150 million tons of the world's production isn't competitive at current prices, Peter Poppinga, Vale's executive director for ferrous mineral, said on Feb. 26. Cuts to high-cost production will come mainly from mines outside China, he said. Prices will slide to the \$50s for most of 2015, while declining costs lower or sustain profitability for most of the industry, according to Australia & New Zealand Banking Group Ltd., citing weaker oil prices and falling currencies. The glut will double to a record 85

million tons this year and remain near that level for the next two years, ANZ said on Feb. 11. "Iron ore prices have fluctuated a little over \$60 a ton so far this year, though there were some gains made the past couple of weeks on news of restocking by China," said Baffes. Iron ore is "highly volatile, which is the case with most commodity prices," he wrote. Source: Bloomberg

## Sale & Purchase

### Secondhand Sales – Bulk Carriers

Name	Dwt	YoB	Yard	SS	Engine	Gears	Price (mill.)	Buyer
<i>Baltic Tiger</i>	179.185	2011	HHI, Kr	10/2016	B&W	-	\$32.0 (each enbloc)	Greek (Navios)
<i>Baltic Lion</i>	179.185	2012	HHI, Kr	01/2017	B&W	-		
<i>Torm Trader</i>	82.181	2010	Tsuneishi, Jpn	07/2015	B&W	-	\$16.5	Greek (Chartworld)
<i>Million Trader I</i>	75.880	2006	Tsuneishi, Jpn	02/2019	B&W	-	\$12.5	Greek (Eurobulk)
<i>Oinoussian Lady</i>	76.701	2004	Sasebo, Jpn	04/2019	B&W	-	\$11.3	
<i>Sunny Ace</i>	55.888	2005	Kawasaki, Jpn	07/2015	B&W	4 x 30 T	\$10.9	Greek
<i>Onyx 1</i>	37.000	2015	Saiki, Jpn	-	B&W	4 x 30 T	\$22.0	Taiwan (Wisdom Marine)

### Secondhand Sales - Tankers

Name	Dwt	YoB	Yard	SS	Engine	Hull	Price (mill.)	Buyer
<i>Navion Svenita</i>	106.506	1997	Koyo Mihara, Jpn	05/2015	B&W	DH	\$8.75	Greek
<i>Kei</i>	16.500	2011	Taizhou Sanfu, Chn	08/2016	B&W	DH	n/a	Undisclosed

### Secondhand Sales – Containers

Name	Teu	YoB	Yard	SS	Engine	Gear	Price (mill.)	Buyer
<i>Zim Beijing</i>	5.075	2005	Hyundai Samho, Kr	01/2020	Sulzer	-	\$15.8	Singaporean (Asiatic Lloyds Shipping)
<i>William Shakespeare</i>	3.398	2007	Hanjin HI, Kr	02/2017	B&W	-	\$14.0	Greek (Lomar)

## 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	15	9
<i>Supramax - Ultramax</i>	29	21	15	10
<i>Handysize</i>	24	16	10	8

## Indicative Values - Tankers

Size	Prompt Resale	5 years	10 years	15 years
<i>VLCC</i>	103	80	51	33
<i>Suezmax</i>	72	56	38	20
<i>Aframax</i>	56	43	28	13
<i>Panamax</i>	44	30	22	10
<i>MR</i>	37	25	17	11

## Newbuilding & Demolition

### Newbuilding Orders – Tankers

No	Type	Dwt	Yard	Delivery	Owner	Price (mill.)	Comments
4	VLCC	319.000	Daewoo, Kr	2018	Sinokor	\$98.0	LNG order conversion
4	Aframax/ LR2	115.000	Hyundai Mipo, Kr	2016/17	Dong-A-Tanker	\$61.0	2 LR2+2 Aframax, Cape order conversion
2	Aframax	112.000	Sumitomo, Jpn	2017/18	Thenamaris	\$54.0	

### Newbuilding Orders - Containers

No	Type	Teu	Yard	Delivery	Owner	Price (mill.)	Comments
4		11.000	Hanjin Subic, Phil.	2017	MSC	\$80.0	

### Demolition Sales

Vessel	Type	Built	Ldt	Dwt	Price (\$)	Country	Comments
<i>Aqua Challenger</i>	BC	1992	22.432	169.381	396	Pakistan	
<i>Cape Flora</i>	BC	2000	21.100	164.361	371	India	Green recycling
<i>Star Yandi</i>	BC	1996	20.536	169.963	397	Pakistan	Including 1000 tons bunkers rob
<i>Rubin Phoenix</i>	BC	1997	19.951	171.080	390	India	Including 1500 tons bunkers rob
<i>Rui Fu Fa</i>	BC	1987	9.711	68.634	360	Bangladesh	
<i>Ekram M</i>	BC	1984	9.700	37.216	360	Bangladesh	
<i>Zahranos</i>	BC	1985	7.912	40.478	385	India	Including 750 tons bunkers rob
<i>Tradewind</i>	Tanker	1986	3.628	12.752	420	India	Including stst

### Indicative Demolition Prices

Country	Tanker Prices	Bulker Prices
India	400	380
Bangladesh	410	390
Pakistan	410	380
China	240	220
Turkey	240	220

## Dry Bulk Chartering

### Baltic Indices (Friday Closing Values)

Index	Week 10	Week 9	Change (%)
BDI	565	540	4.63
BCI	470	521	9.79
BPI	587	540	8.70
BSI	566	515	9.90
BHSI	352	308	14.29

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

Type	Size (k dwt)	Week 10	Week 9	Change (%)
Capesize	160 -175	3690	4339	14,96
Panamax	72 - 76	4706	4319	8,96
Supramax	52 - 57	5916	5389	9,78
Handysize	30 - 35	5107	4527	12,81

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

Type	Size (k dwt)	Route	Week 10	Week 9	Change (%)
Capesize	160 -175	F. East - ATL	-4491	-4232	6,12
		Cont/Med - F. East	12205	13185	7,43
		F. East RV	3705	3618	2,40
		TransAtlantic RV	3340	4785	30,20
Panamax	72 - 76	F. East - ATL	411	268	53,36
		ATL - F. East	9021	8763	2,94
		Pacific RV	5225	4387	19,10
		TransAtlantic RV	4168	3859	8,01
Supramax	52 - 57	F. East - ATL	4315	3880	11,21
		ATL - F. East	9025	8183	10,29
		Pacific RV	4792	4325	10,80
		TransAtlantic RV	6702	6150	8,98
Handysize	30 - 35	Far East - ATL	3006	2660	13,0
		ATL - F. East	9165	8132	12,70
		Pacific RV	5774	5114	12,90
		TransAtlantic RV	4889	4335	12,80

## Key Indicators & Stock Markets

### Exchange Rates

Currency	Week 10	Week 9	Change (%)
EUR / USD	1,0970	1,1223	2,25
USD / JPY	120,06	119,39	0,56
USD / KRW	1098	1098	0,00
USD / NOK	7,78	7,64	1,83

### Bunker Prices

Port	IFO 380	IFO 180	MGO
Piraeus	335	360	582
Fujairah	365	398	760
Singapore	340	360	570
Rotterdam	310	335	560
Houston	322	375	635

### Commodities

Commodity	Week 10	Week 9	Change (%)
Brent Crude (BZ)	61,01	61,54	0,86
Natural Gas (NG)	2,84	2,89	1,73
Gold (GC)	1195	1205	0,83
Copper	263	267	1,50
Wheat (W)	481	502	4,18

## Key Indicators & Stock Markets

### Shipping Stock Prices - Dry Bulk

Company	Stock Exchange	Week 10	Week 9	Change (%)
<i>Baltic Trading Ltd (BALT)</i>	NYSE	1,56	1,84	15,22
<i>Diana Shipping Inc (DSX)</i>	NASDAQ	6,62	6,97	5,02
<i>Dryships Inc (DRYS)</i>	NASDAQ	0,89	0,99	10,10
<i>Euroseas Ltd (ESEA)</i>	NASDAQ	0,72	0,74	2,70
<i>Eagle Bulk Shipping Inc (EGLE)</i>	NASDAQ	9,99	11,19	10,72
<i>Freeseas Inc (FREESE)</i>	NASDAQ	0,08	0,08	0,00
<i>Navios Maritime (NM)</i>	NYSE	4,38	4,59	4,58
<i>Navios Maritime PTN (NMM)</i>	NYSE	12,66	12,25	3,35
<i>Paragon Shipping Inc (PRGN)</i>	NASDAQ	1,74	1,84	5,43
<i>Star Bulk Carriers Corp (SBLK)</i>	NASDAQ	4,00	4,64	13,79
<i>Seenergy Maritime Holdings Corp (SHIP)</i>	NASDAQ	0,78	0,77	1,30
<i>Safe Bulkers Inc (SB)</i>	NYSE	3,67	3,73	1,61
<i>Golden Ocean (GOGL)</i>	Oslo Bors (NOK)	5,32	5,15	3,30

### Shipping Stock Prices - Wet

Company	Stock Exchange	Week 10	Week 9	Change (%)
<i>Capital Product Partners LP (CPLP)</i>	NASDAQ	9,69	9,31	4,08
<i>TOP Ships Inc (TOPS)</i>	NASDAQ	1,10	1,09	0,92
<i>Tsakos Energy Navigation (TNP)</i>	NYSE	7,14	7,56	5,56

### Shipping Stock Prices - Other

Company	Stock Exchange	Week 10	Week 9	Change (%)
<i>Aegean Maritime Petrol (ANW)</i>	NYSE	13,84	14,52	4,68
<i>Danaos Corporation (DAC)</i>	NYSE	6,40	6,19	3,39
<i>StealthGas Inc (GASS)</i>	NASDAQ	6,19	6,05	2,31
<i>Rio Tinto (RIO)</i>	NYSE	45,47	49,30	7,77
<i>Vale (VALE)</i>	NYSE	6,53	7,34	11,04
<i>ADM Archer Daniels Midland (ADM)</i>	NYSE	47,48	47,55	0,15
<i>BHP Billiton (BHP)</i>	NYSE	50,93	51,86	1,79