

Market insight

By John N. Cotzias
SnP Broker

OIL my GOD.....!!!!

The oil price “crash” that started in 2014 was caused by a glut of practically unwanted oil. Producers had been providing the world with about 2million barrels a day more than what demand supported.

Today oil is trading at its 12 year low, 70% down today since mid-2014. Low oil prices might be welcome by consumers and businesses, but economies, financial markets, oil and gas producers, are not on the same side of the table. We feel the need to focus on the present OPEC talks about a possible cut back in production so to lift prices off the low levels of today. Last week, Saudi Arabia and Russia the world’s biggest oil producers joined Venezuela, Kuwait and Qatar in an agreement to cap output. As per talks, all countries agree to cut back their respective production, with the prerequisite that this will be a unanimous decision by all.

It is very uncertain if Iran would participate in such decision, as finally being in a post-sanctions era, the country will try to regain market share and that will surely involve growing production. True expectation from this action is to find a better equilibrium and to match supply with demand as today supply still exceeds demand and record global oil stockpiles continue to mount. A production freeze would not create an immediate price shock, however if an agreement comes into place soon, we should see oil prices correcting upwards sometime in the 2nd half of this year.

Moving on to our industry, it is no secret that tankers have been enjoying great rates because of increased oil demand, while they have been also benefiting from low bunker prices. Bulkers, despite suffering severely due to low freights, have pretty much found a lifejacket in the form of low bunker costs, although –something that is not often said - slow steaming is no longer slow, which in itself has been weighing down on rates.

Although the effects of low oil prices on both tankers and bulkers have been widely discussed, little has been said for the positive effects that the Passenger and Ro-Pax sectors have been enjoying. About two years ago, bunker expenses where accounting for more than 65% of their voyage operating costs. Today that bulkers have been reduced by 70%, these costs represent about 20% of the present voyage costs.

Needless to say that currently and without taking into consideration any increase in demand for their services nor any increase in car/truck and passenger traffic, these ships have had a significant improvement in their generated net profits. On top of that, there is a lack of tonnage available particularly in the 110-130m LOA size and also in the 2,000-2,500 passenger capacity and 2,000-3,000 lane meter garage space. Not many ships were built post 2000 as prevailing bunker prices then made operation of these ships marginally profitable or non-profitable at all. Values of existing ships have increased, as the cash flow generated is attractive and lacking any replacement candidates.

To put it simply; the cost of replacement is practically the cost of building a new ship! All these factors have boomed the Ro-Pax business both domestically here in Greece as well as internationally and the prospects for this niche market seem very positive for the future times ahead. Interest is there to invest and also to build new ships based on LNG fueled and other innovative ship design developments.

Chartering (Wet: Stable - / Dry: Stable +)

The Dry Bulk market closed off on a positive tone last week noting incremental gains on a daily basis and strengthening hopes that rates might have bottomed. The BDI closed today (01/03/2016) at 332 points, up by 3 points compared to Monday’s levels (29/02/2016) and an increase of 14 points when compared to previous Tuesday’s closing (23/02/2016). Softer activity in the MEG and WAF regions pushed rates for the crude carriers market down last week as charterers held back for more forward dates. The BDTI Monday (29/02/2016) was at 730 points, a decrease of 49 points and the BCTI at 515, a decrease of 7 points compared to previous Tuesday’s (23/02/2016) levels.

Sale & Purchase (Wet: Firm + / Dry: Firm +)

Activity in the SnP market firmed last week, with an increased volume of sales being reported and owners showing their preference towards bigger sized tanker and dry bulk vessels. On the tanker side, we had the sale of the “TAKACHIHO II” (280,889dwt-blt 98, Japan) which was sold to Greek owner, NGM Energy, for a price in the region of \$21.3m. On the dry bulk side, we had the sale of the “SHIN-SHO” (177,489dwt-blt 06, Japan) which was reported being sold to Greek buyers for a price of \$11.8m.

Newbuilding (Wet: Soft - / Dry: Soft -)

The newbuilding market remains in search of positive signs that could lift sentiment as the slowdown in tanker ordering that has persisted since the beginning of the year has led to the point where freshly inked orders are almost absent. At this time, given the conditions prevailing in the market, nothing seems able to support activity, as the historically low rates in the dry bulk market and the discounted rates compared to a few months back over at the tanker side, leave owners focusing on either sector pretty much indifferent to the newbuilding story. Extended limited newbuilding activity has had yards heavily competing for the very little ordering interest that finally translates into actual ordering, fact that has been heavily reflected on newbuilding prices that continue to move south. From the looks of it, this year is not hiding any positive surprises for the industry, while if things continue this way, 2016 could well end up being the worst year in terms of contracting volumes post 2008. In terms of recently reported deals an Indonesian owner Marine, placed an order for one firm small tanker (6,500dwt) at Batamec, in Indonesia with delivery set in 2017.

Demolition (Wet: Soft - / Dry: Soft -)

It was no surprise to see demo prices moving further south last week as the effects of an oversupplied market combined with soft local steel prices in the Indian subcontinent have been leaving no room for an upward correction. Despite the fact that average demolition prices have moved more than 20% down since the beginning of the year, the record low earnings over at the dry bulk side has been guaranteeing the presence of more than enough demo candidates in the market so far. Saying that, there is a sense that in the past few days dry bulk owners were being more reluctant to quickly dispose of loss making tonnage. It could well be that the recent stabilizing of the freight market has given some hope that things could only improve going forward or that the small strengthening in Indian steel prices has allowed for expectations of higher demo prices in the near future and that owners are holding on until they see these being offered. Either or, we expect that as far as the bigger dry bulk sizes are concerned, firmer demolition activity should resume sooner rather than later. Prices this week for wet tonnage were at around 130-240 \$/ldt and dry units received about 110-225 \$/ldt.

Spot Rates

| Vessel | Routes | Week 9 | | Week 8 | | \$ /day ±% | 2015 | 2014 |
|---------|-----------------|-----------|---------|-----------|---------|---------------|---------|---------|
| | | WS points | \$ /day | WS points | \$ /day | | \$ /day | \$ /day |
| VLCC | 265k MEG-JAPAN | 52.5 | 39,650 | 63.5 | 50,686 | -21.8% | 65,906 | 30,469 |
| | 280k MEG-USG | 32 | 23,012 | 35 | 25,892 | -11.1% | 49,575 | 17,173 |
| | 260k WAF-USG | 70 | 61,790 | 77.5 | 69,547 | -11.2% | 76,251 | 40,541 |
| Suezmax | 130k MED-MED | 85 | 35,289 | 97.5 | 42,746 | -17.4% | 50,337 | 30,950 |
| | 130k WAF-USAC | 70 | 26,682 | 80 | 31,773 | -16.0% | 40,490 | 24,835 |
| | 130k BSEA-MED | 77.5 | 31,487 | 92.5 | 41,751 | -24.6% | 50,337 | 30,950 |
| Aframax | 80k MEG-EAST | 117.5 | 31,518 | 117.5 | 31,433 | 0.3% | 34,131 | 19,956 |
| | 80k MED-MED | 95 | 24,544 | 97.5 | 25,618 | -4.2% | 37,127 | 28,344 |
| | 80k UKC-UKC | 92.5 | 21,141 | 92.5 | 19,944 | 6.0% | 39,338 | 33,573 |
| Clean | 70k CARIBS-USG | 145 | 37,277 | 135 | 33,626 | 10.9% | 36,519 | 25,747 |
| | 75k MEG-JAPAN | 88 | 19,314 | 92.5 | 21,156 | -8.7% | 30,482 | 16,797 |
| | 55k MEG-JAPAN | 97.5 | 15,069 | 100 | 15,677 | -3.9% | 24,854 | 14,461 |
| Dirty | 37K UKC-USAC | 115 | 12,412 | 117.5 | 13,321 | -6.8% | 19,973 | 10,689 |
| | 30K MED-MED | 135 | 10,986 | 135 | 10,691 | 2.8% | 24,473 | 18,707 |
| | 55K UKC-USG | 110 | 20,182 | 102.5 | 17,615 | 14.6% | 27,228 | 23,723 |
| Dirty | 55K MED-USG | 110 | 19,425 | 102.5 | 17,039 | 14.0% | 26,083 | 21,089 |
| | 50k CARIBS-USAC | 130 | 22,357 | 120 | 19,458 | 14.9% | 27,146 | 25,521 |

TC Rates

| \$ /day | | Week 9 | Week 8 | ±% | Diff | 2015 | 2014 |
|---------|-------------|--------|--------|-------|-------|--------|--------|
| VLCC | 300k 1yr TC | 45,000 | 47,500 | -5.3% | -2500 | 46,135 | 28,346 |
| | 300k 3yr TC | 41,000 | 41,000 | 0.0% | 0 | 42,075 | 30,383 |
| Suezmax | 150k 1yr TC | 35,000 | 35,500 | -1.4% | -500 | 35,250 | 22,942 |
| | 150k 3yr TC | 32,000 | 32,000 | 0.0% | 0 | 33,219 | 24,613 |
| Aframax | 110k 1yr TC | 29,000 | 29,000 | 0.0% | 0 | 26,808 | 17,769 |
| | 110k 3yr TC | 25,000 | 26,500 | -5.7% | -1500 | 24,729 | 19,229 |
| Panamax | 75k 1yr TC | 23,500 | 23,500 | 0.0% | 0 | 23,596 | 16,135 |
| | 75k 3yr TC | 21,500 | 22,000 | -2.3% | -500 | 20,580 | 16,666 |
| MR | 52k 1yr TC | 17,750 | 17,750 | 0.0% | 0 | 17,865 | 14,889 |
| | 52k 3yr TC | 18,250 | 17,500 | 4.3% | 750 | 16,638 | 15,604 |
| Handy | 36k 1yr TC | 16,750 | 16,750 | 0.0% | 0 | 16,101 | 14,024 |
| | 36k 3yr TC | 16,250 | 16,250 | 0.0% | 0 | 15,450 | 14,878 |

Chartering

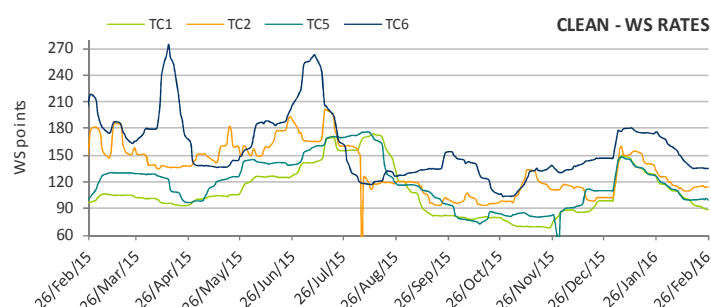
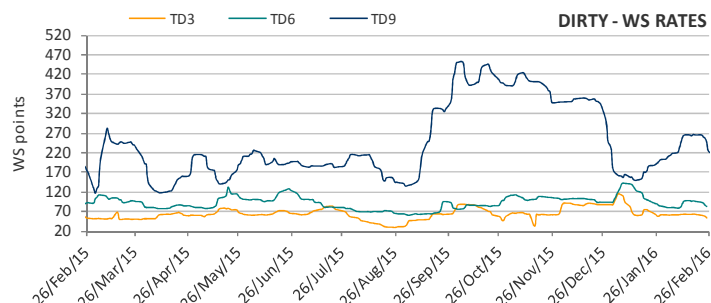
The crude carriers market closed off last week having lost - considerable in some cases - steam, on the back of slowing down demand in both the Middle East and West Africa regions. Numbers in the period market have at the same time corrected further downwards, while in terms of business concluded, levels remain satisfactory with the majority of fixtures reported in the market still concerning 2-year contracts. The yo-yo performance of oil prices has continued, with prices moving south during the biggest part of last week and bouncing back up yesterday. From one side the US drilling activity has been hitting new lows prices, while on the other hand talk among major producers to limit their output has been dealt with much scepticism. This has resulted in traders being uncertain of how to better position themselves and has led to oil prices moving in a tight range of low to mid \$30/barrel.

With tonnage lists in the Middle East building up and charterers moving less aggressively for more forward March dates, rates for VIs came under pressure last week, while the performance of rates in the W. Africa region quickly aligned with that of the Middle East.

Increasing tonnage supply continues to put pressure on the W. Africa Suezmax, while rates in the Black Sea were also softer as delays in the Straits eased off. Rates for Aframax have been steady overall, with healthy demand in both the North Sea and Med regions, while the Caribs Afra rebounded towards Friday cashing in on weather delays in the USG.

Indicative Period Charters

| | | | |
|---------|----------------|------|-------------|
| -24mos | - 'DHT EAGLE' | 2002 | 309,100 dwt |
| - | - \$40,000/day | | - Reliance |
| -12 mos | - 'ADVANCE II' | 2006 | 46,100 dwt |
| - | - \$17,250/day | | - CCI |



Indicative Market Values (\$ Million) - Tankers

| Vessel 5yrs old | | Feb-16 avg | Jan-16 avg | ±% | 2015 | 2014 | 2013 |
|-----------------|----------|------------|------------|-------|------|------|------|
| VLCC | 300KT DH | 78.9 | 80.6 | -2.1% | 80.9 | 73.8 | 56.2 |
| Suezmax | 150KT DH | 58.5 | 60.0 | -2.5% | 59.5 | 50.4 | 40.1 |
| Aframax | 110KT DH | 43.0 | 46.3 | -7.1% | 45.3 | 38.9 | 29.2 |
| LR1 | 75KT DH | 36.4 | 36.4 | -0.1% | 35.8 | 33.0 | 28.0 |
| MR | 52KT DH | 27.6 | 29.6 | -6.7% | 27.3 | 27.5 | 24.7 |

Sale & Purchase

In the VLCC sector, we had the sale of the "TAKACHIHO II" (280,889dwt-blt 98, Japan) which was sold to Greek owner, NGM Energy, for a price in the region of \$21.3m.

In the same sector, we had the sale of the "HANJIN RAS TANURA" (309,988dwt-blt 11, S. Korea) which was sold to Bahri, for a price in the region of \$75.0m.

Baltic Indices

| | Week 9 26/02/2016 | | Week 8 19/02/2016 | | Point Diff | \$ / day ±% | 2015 | |
|-------------|----------------------|----------|----------------------|----------|---------------|----------------|-------|-------|
| | Index | \$ / day | Index | \$ / day | | | Index | Index |
| BDI | 327 | | 315 | | 12 | | 713 | 1,097 |
| BCI | 177 | \$2,396 | 207 | \$2,642 | -30 | -9.3% | 1,009 | 1,943 |
| BPI | 352 | \$2,823 | 355 | \$2,844 | -3 | -0.7% | 692 | 960 |
| BSI | 333 | \$3,481 | 286 | \$2,995 | 47 | 16.2% | 663 | 937 |
| BHSI | 212 | \$3,146 | 198 | \$2,930 | 14 | 7.4% | 365 | 522 |

Period

| | \$ / day | Week 9 | Week 8 | ±% | Diff | 2015 | 2014 |
|------------------|---------------------|-----------|-----------|------|------|--------|--------|
| Capesize | 180K 6mnt TC | 4,500 | 4,500 | 0.0% | 0 | 9,969 | 22,020 |
| | 180K 1yr TC | 5,000 | 5,000 | 0.0% | 0 | 10,263 | 21,921 |
| | 180K 3yr TC | 6,500 | 6,500 | 0.0% | 0 | 11,243 | 21,097 |
| Panamax | 76K 6mnt TC | 4,750 | 4,750 | 0.0% | 0 | 7,921 | 12,300 |
| | 76K 1yr TC | 4,750 | 4,750 | 0.0% | 0 | 7,705 | 12,259 |
| | 76K 3yr TC | 6,250 | 6,250 | 0.0% | 0 | 8,724 | 13,244 |
| Supramax | 55K 6mnt TC | 4,250 | 4,000 | 6.3% | 250 | 8,162 | 12,008 |
| | 55K 1yr TC | 5,250 | 5,000 | 5.0% | 250 | 7,849 | 11,589 |
| | 55K 3yr TC | 6,750 | 6,500 | 3.8% | 250 | 8,181 | 11,585 |
| Handysize | 30K 6mnt TC | 4,250 | 4,250 | 0.0% | 0 | 6,690 | 9,113 |
| | 30K 1yr TC | 4,250 | 4,250 | 0.0% | 0 | 6,897 | 9,226 |
| | 30K 3yr TC | 5,750 | 5,750 | 0.0% | 0 | 7,291 | 9,541 |

Chartering

The BDI closed off on a positive note for a second week in a row, further strengthening the belief that the market might be bottoming somewhere around current levels. Once again, the increase in rates was not substantial but it seems that - with the exception of Capes - the market is on its way to regain some of its lost balance back. Owners of smaller sizes, despite the fact that they still have to operate in an extremely challenging environment appear to have shaken off the extreme pressure that had mounted during the past weeks and should the market keep steadying in the following days, we expect to finally see the first positive effects on sentiment. For the bigger sizes of course, the silver linings remain scarce. An improving psychology will most certainly not be enough in this instance, as not adequate demand to balance the supply of tonnage remains well in place. Extended scrapping is needed to last longer, while further laying up activity might also need to intensify for a positive reversal to take place faster.

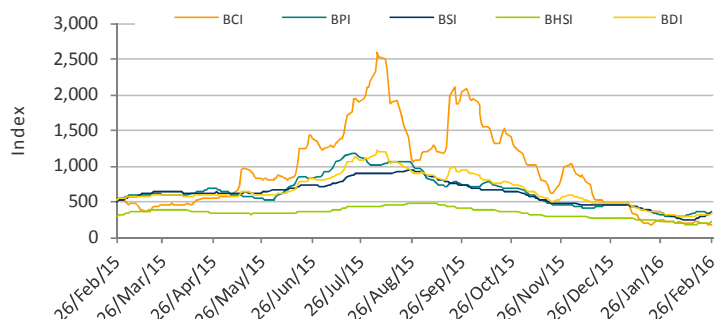
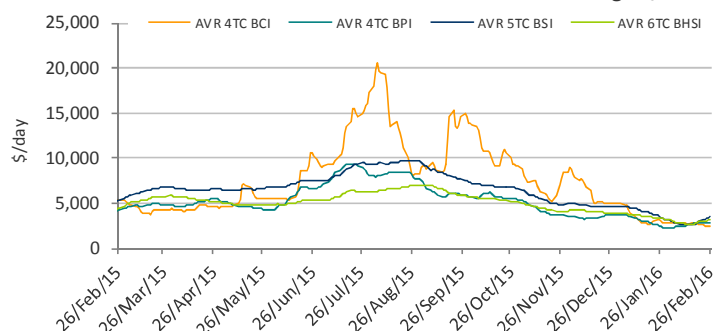
It is hard to write about the Capesize segment without sounding too pessimistic, but the continuously disappointing performance of the market is not leaving much space for optimism, while the improvement of the rest of the market remains the one thing Cape owners could benefit from at the moment.

An overall steady Panamax market might not have given owners much to celebrate for but at least it reaffirmed that the market is steadying. The ECSA remained the place where most action was taking place, dictating earnings across both basins.

The geared sizes did well last week, considering this market that is, with Supras benefiting from a busy Atlantic as well Pacific coal cargoes that were coming in plenty. Handysize rates also enjoyed small upticks across most routes providing a much needed breath to owners.

Indicative Period Charters

| | | | |
|-----------------------|----------------------|------|-------------|
| -12 mos | - 'BULK SINGAPORE' | 2005 | 177,173 dwt |
| -Singapore early Mar | - \$ 5,500/day | | - cnr |
| - 5 to 8 mos | - 'PEDHOULAS CHERRY' | 2015 | 82,013 dwt |
| - Hong Kong 25/29 Feb | - \$ 5,500/day | | - cnr |

Baltic Indices

Average T/C Rates

Indicative Market Values (\$ Million) - Bulk Carriers

| Vessel 5 yrs old | Feb-16 avg | Jan-16 avg | ±% | 2015 | 2014 | 2013 |
|----------------------|------------|------------|-------|------|------|------|
| Capesize 180k | 20.9 | 22.1 | -5.5% | 33.1 | 47.5 | 35.8 |
| Panamax 76K | 13.0 | 13.3 | -2.3% | 17.2 | 24.8 | 21.3 |
| Supramax 56k | 10.0 | 11.1 | -9.9% | 16.1 | 25.2 | 21.5 |
| Handysize 30K | 8.0 | 8.8 | -9.1% | 13.3 | 20.0 | 18.2 |

Sale & Purchase

In the Capesize sector we had the sale of the "AQUACARO" (180,600dwt-blt 16, Japan), which was sold to Singaporean owner, Eastern Pacific, for a price in the region of \$32.6m.

In the same sector we had the sale of the "SHIN-SHO" (177,489dwt-blt 06, Japan) which was reported being sold to Greek buyers for a price of \$11.8m.

Bulk Carriers

| Size | Name | Dwt | Built | Yard | M/E | SS due | Gear | Price | Buyers | Comments |
|-------|------------------|---------|-------|-----------------------------------|------------|--------|------------------|----------|-------------------------------|----------|
| CAPE | AQUACARO | 180,600 | 2016 | IMABARI SAIJO, Japan | MAN-B&W | | | \$ 32.6m | Singaporean (Eastern Pacific) | |
| CAPE | SHIN-SHO | 177,489 | 2006 | MITSUI CHIBA ICHIHARA, Japan | MAN-B&W | Sep-16 | | \$ 11.8m | Greek (Samos Steanship) | |
| PMAX | SAMJOHN LIBERTY | 74,761 | 1998 | NKK CORP - TSU, Japan | Sulzer | Jan-18 | | \$ 2.8m | Malaysian | |
| PMAX | SAMJOHN AMITY | 74,744 | 1998 | NKK CORP - TSU, Japan | Sulzer | Jan-18 | | \$ 2.8m | | |
| SMAX | PACIFIC GUARDIAN | 52,525 | 2006 | TSUNEISHI HEAVY CEBU, Philippines | MAN-B&W | Jun-16 | 4 X 30t CRANES | \$ 4.5m | undisclosed | |
| SMAX | TENSEI MARU | 52,454 | 2007 | TSUNEISHI HOLDINGS - F, Japan | MAN-B&W | May-20 | 4 X 30t CRANES | \$ 6.3m | Bangladeshi (SR Shipping) | |
| HMAX | VOC ROSE | 47,183 | 1998 | OSHIMA SHIPBUILDING, Japan | Sulzer | Apr-18 | 4 X 30t CRANES | \$ 2.2m | undisclosed | |
| HMAX | VOC DAISY | 47,183 | 1998 | OSHIMA SHIPBUILDING, Japan | Sulzer | Feb-18 | 4 X 30t CRANES | \$ 2.2m | | |
| HMAX | ENTERPRISE | 45,572 | 2000 | TSUNEISHI HEAVY CEBU, Philippines | MAN-B&W | Feb-20 | 4 X 30t CRANES | \$ 2.8m | Syrian | |
| HMAX | BARRA | 42,648 | 1998 | IHI - TOKYO, Japan | Sulzer | Oct-20 | 4 X 25t CRANES | \$ 2.5m | Iraqi | |
| HANDY | ANGEL JUPITER | 32,936 | 2006 | KANDA KAWAJIRI, Japan | Mitsubishi | Jul-16 | 4 X 30,5t CRANES | \$ 5.0m | Vietnamese (Tan Binh) | |
| HANDY | MAGIC ORIENT | 28,399 | 1995 | IMABARI IMABARI, Japan | B&W | Dec-19 | 4 X 30,5t CRANES | \$ 1.7m | Chinese | |

Containers

| Size | Name | Teu | Built | Yard | M/E | SS due | Gear | Price | Buyers | Comments |
|--------|---------------------|-------|-------|--------------------------------|---------|--------|----------------|-------------|---------------------------|----------|
| PMAX | NILEDUTCH DORDRECHT | 3,510 | 2015 | SHANGHAI SHIPYARD CO L, China | MAN-B&W | Jan-20 | 3 X 45t CRANES | undisclosed | German (Hapag Lloyd) | |
| PMAX | NILEDUTCH ROTTERDAM | 3,510 | 2015 | SHANGHAI SHIPYARD CO L, China | MAN-B&W | Mar-20 | 3 X 45t CRANES | undisclosed | | |
| FEEDER | WEHR BLANKENESE | 1,730 | 1999 | SZCZECINSKA PORTA HOLD, Poland | Sulzer | Dec-19 | 3 X 45t CRANES | undisclosed | UK based (Lomar Shipping) | |
| FEEDER | CALA PAGURO | 1,577 | 2007 | IMABARI IMABARI, Japan | MAN-B&W | Jul-20 | 3 X 45t CRANES | \$ 10.0m | undisclosed | |

Tankers

| Size | Name | Dwt | Built | Yard | M/E | SS due | Hull | Price | Buyers | Comments |
|-----------|-------------------|---------|-------|----------------------------------|----------|--------|------|-----------|------------------------------|----------|
| VLCC | HANJIN RAS TANURA | 309,988 | 2011 | HYUNDAI HEAVY INDS - U, S. Korea | Wartsila | Mar-21 | DH | \$ 75.0m | Saudi Arabian (Bahri) | |
| VLCC | TAKACHIHO II | 280,889 | 1998 | IHI - KURE, Japan | Sulzer | Oct-18 | DH | \$ 21.3m | Greek (NGM Energy) | |
| MR | STI CHELSEA | 49,990 | 2014 | HYUNDAI MIPO DOCKYARD, S. Korea | MAN-B&W | May-19 | DH | \$ 33.3m | Saudi Arabian (Bahri) | |
| MR | STI MYTHOS | 49,990 | 2014 | HYUNDAI MIPO DOCKYARD, S. Korea | MAN-B&W | Aug-19 | DH | \$ 33.3m | | |
| MR | STI POWAI | 49,990 | 2014 | HYUNDAI MIPO DOCKYARD, S. Korea | MAN-B&W | Jul-19 | DH | \$ 33.3m | | |
| MR | STI OLIVIA | 49,990 | 2014 | HYUNDAI MIPO DOCKYARD, S. Korea | MAN-B&W | Aug-19 | DH | \$ 33.3m | | |
| MR | STI LEXINGTON | 49,990 | 2014 | HYUNDAI MIPO DOCKYARD, S. Korea | MAN-B&W | May-19 | DH | \$ 33.3m | | |
| MR | AMALIENBORG | 40,059 | 2004 | SHINA SHIPBUILDING CO, S. Korea | MAN-B&W | Mar-19 | DH | \$ 15.25m | Greek (Sea World Management) | |
| PROD/CHEM | ARTHUR | 19,950 | 1987 | KASADO DOCKYARD CO LTD, Japan | Sulzer | May-16 | DH | \$ 3.2m | Chinese | |

MPP/General Cargo

| Name | Dwt | Built | Yard | M/E | SS due | Gear | Price | Buyers | Comments |
|---------------|-------|-------|---------------------|-------|--------|------|---------|-------------|----------|
| HERTFORDSHIRE | 2,489 | 1995 | SLOVENSKE, Slovakia | Deutz | - | | \$ 1.0m | undisclosed | |

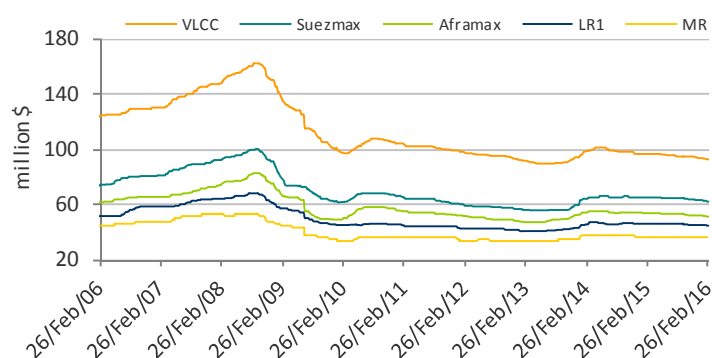
Indicative Newbuilding Prices (million\$)

| | Vessel | | Week 9 | Week 8 | ±% | 2015 | 2014 | 2013 |
|---------|-----------------|--|--------|--------|-------|-------|------|------|
| Bulkers | Capesize 180k | | 45.5 | 46.0 | -1.1% | 49.9 | 56 | 49 |
| | Kamsarmax 82k | | 26.0 | 26.5 | -1.9% | 27.8 | 30 | 27 |
| | Panamax 77k | | 25.5 | 25.5 | 0.0% | 27.1 | 29 | 26 |
| | Ultramax 63k | | 24.0 | 24.0 | 0.0% | 25 | 27 | 25 |
| | Handysize 38k | | 20.0 | 20.5 | -2.4% | 21 | 23 | 21 |
| Tankers | VLCC 300k | | 92.5 | 92.5 | 0.0% | 95.5 | 99 | 91 |
| | Suezmax 160k | | 62.0 | 62.0 | 0.0% | 64 | 65 | 56 |
| | Aframax 115k | | 51.0 | 51.0 | 0.0% | 53 | 54 | 48 |
| | LR1 75k | | 44.5 | 44.5 | 0.0% | 45.8 | 46 | 41 |
| | MR 50k | | 35.5 | 35.5 | 0.0% | 36.1 | 37 | 34 |
| Gas | LNG 160k cbm | | 190.0 | 190.0 | 0.0% | 190.0 | 186 | 185 |
| | LGC LPG 80k cbm | | 77.0 | 77.0 | 0.0% | 77.4 | 78 | 71 |
| | MGC LPG 55k cbm | | 68.0 | 68.0 | 0.0% | 68.0 | 67 | 63 |
| | SGC LPG 25k cbm | | 44.0 | 44.0 | 0.0% | 45.5 | 44 | 41 |

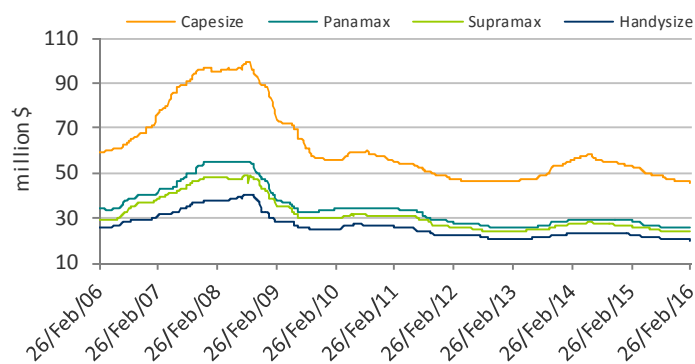
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In terms of recently reported deals an Indonesian owner Marine, placed an order for one firm small tanker (6,500dwt) at Batamec, in Indonesia with delivery set in 2017.

Tankers Newbuilding Prices (m\$)



Bulk Carriers Newbuilding Prices (m\$)



Newbuilding Orders

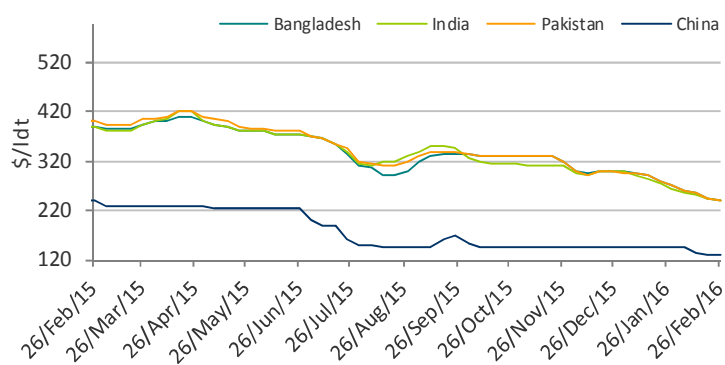
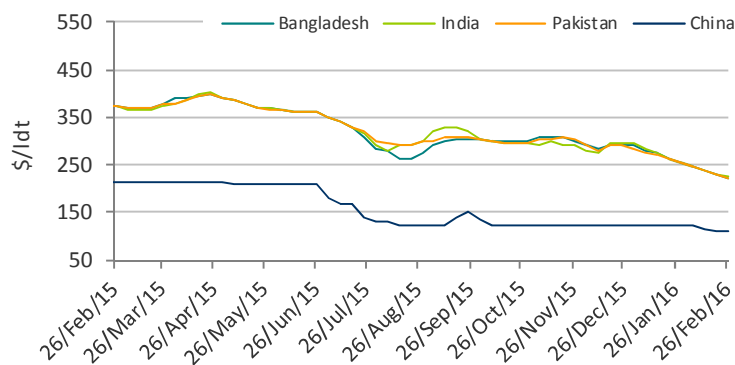
| Units | Type | Size | Yard | Delivery | Buyer | Price | Comments |
|-------|--------|-----------|--------------------|----------|------------|-------------|----------|
| 1 | Tanker | 6,500 dwt | Batamec, Indonesia | 2017 | Indonesian | undisclosed | |

Indicative Demolition Prices (\$/Ldt)

| | Markets | Week 9 | Week 8 | ±% | 2015 | 2014 | 2013 |
|-----|------------|--------|--------|-------|------|------|------|
| Wet | Bangladesh | 240 | 245 | -2.0% | 360 | 469 | 422 |
| | India | 240 | 245 | -2.0% | 361 | 478 | 426 |
| | Pakistan | 240 | 245 | -2.0% | 366 | 471 | 423 |
| | China | 130 | 130 | 0.0% | 193 | 313 | 365 |
| Dry | Bangladesh | 220 | 230 | -4.3% | 341 | 451 | 402 |
| | India | 225 | 230 | -2.2% | 342 | 459 | 405 |
| | Pakistan | 220 | 230 | -4.3% | 343 | 449 | 401 |
| | China | 110 | 110 | 0.0% | 174 | 297 | 350 |

It was no surprise to see demo prices moving further south last week as the effects of an oversupplied market combined with soft local steel prices in the Indian subcontinent have been leaving no room for an upward correction. Despite the fact that average demolition prices have moved more than 20% down since the beginning of the year, the record low earnings over at the dry bulk side has been guaranteeing the presence of more than enough demo candidates in the market so far. Saying that, there is a sense that in the past few days dry bulk owners were being more reluctant to quickly dispose of loss making tonnage. It could well be that the recent stabilizing of the freight market has given some hope that things could only improve going forward or that the small strengthening in Indian steel prices has allowed for expectations of higher demo prices in the near future and that owners are holding on until they see these being offered. Either or, we expect that as far as the bigger dry bulk sizes are concerned, firmer demolition activity should resume sooner rather than later. Prices this week for wet tonnage were at around 130-240 \$/Ldt and dry units received about 110-225 \$/Ldt.

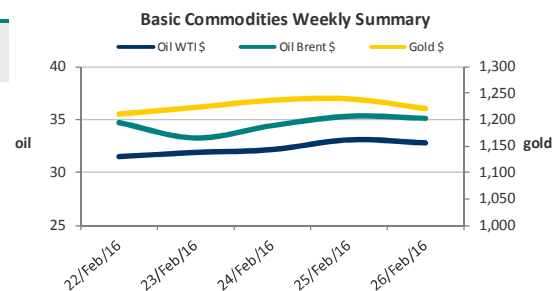
The highest price amongst recently reported deals, was that paid by Indian Bangladeshi for the PCTC "PETRA" (17,955dwt-10,631ldt-blk 85), which received \$250/Ldt.

Wet Demolition Prices

Dry Demolition Prices

Demolition Sales

| | | | | | | | | |
|--------------|---------|--------|------|----------------------------------|--------|------------|-------------|---------------------------------|
| HH EMILIA | 67,618 | 20,698 | 1991 | SAMSUNG SHIPBUILDING & S. Korea | CONT | \$ 248/Ldt | Indian | |
| HUITAI | 149,228 | 18,232 | 1996 | HYUNDAI HEAVY INDS - U, S. Korea | BULKER | \$ 238/Ldt | Bangladeshi | incl. 950T ROB |
| BALBOA PEARL | 42,996 | 10,888 | 1986 | HYUNDAI HEAVY INDS - U, S. Korea | GC | \$ 228/Ldt | Indian | |
| PETRA | 17,955 | 10,631 | 1985 | MITSUBISHI NAGASAKI, Japan | PCTC | \$ 250/Ldt | Bangladeshi | |
| VARVA | 71,862 | 9,917 | 1994 | SHIN KURUSHIMA ONISHI, Japan | BULKER | \$ 225/Ldt | Indian | |
| HAI WALID | 23,418 | 5,358 | 1985 | UWAJIMA ZOSENSHO, Japan | BULKER | \$ 223/Ldt | Indian | incl. 270T ROB, option Pakistan |

Market Data

| | | Market Data | | | | | |
|---------------------|-------------------|-------------|-----------|-----------|-----------|-----------|-------------------|
| | | 26-Feb-16 | 25-Feb-16 | 24-Feb-16 | 23-Feb-16 | 22-Feb-16 | W-O-W Change % |
| Stock Exchange Data | 10year US Bond | 1.760 | 1.710 | 1.750 | 1.740 | 1.770 | 0.0% |
| | S&P 500 | 1,948.05 | 1,951.70 | 1,929.80 | 1,921.27 | 1,945.50 | 1.6% |
| | Nasdaq | 4,590.47 | 4,582.20 | 4,542.61 | 4,503.58 | 4,570.61 | 1.9% |
| | Dow Jones | 16,639.97 | 16,697.29 | 16,484.99 | 16,431.78 | 16,620.66 | 1.5% |
| | FTSE 100 | 6,096.01 | 6,012.81 | 5,867.18 | 5,962.31 | 6,037.73 | 2.4% |
| | FTSE All-Share UK | 3,343.99 | 3,300.60 | 3,226.48 | 3,272.68 | 3,307.99 | 2.5% |
| | CAC40 | 4,314.57 | 4,248.45 | 4,155.34 | 4,238.42 | 4,298.70 | 2.2% |
| | Xetra Dax | 9,513.30 | 9,331.48 | 9,167.80 | 9,416.77 | 9,573.59 | -0.6% |
| | Nikkei | 16,188.41 | 16,140.34 | 15,915.79 | 16,052.05 | 16,111.05 | 0.5% |
| | Hang Seng | 19,364.15 | 18,888.75 | 19,192.45 | 19,414.78 | 19,464.09 | 0.4% |
| DJ US Maritime | 185.69 | 184.81 | 183.79 | 183.00 | 181.49 | 3.8% | |
| Currencies | \$ / € | 1.09 | 1.10 | 1.10 | 1.10 | 1.10 | -1.8% |
| | \$ / £ | 1.39 | 1.40 | 1.39 | 1.40 | 1.41 | -3.7% |
| | ¥ / \$ | 113.99 | 113.13 | 112.07 | 111.90 | 112.98 | 1.3% |
| | \$ / NoK | 0.12 | 0.12 | 0.12 | 0.12 | 0.12 | -1.5% |
| | Yuan / \$ | 6.54 | 6.54 | 6.50 | 6.52 | 6.52 | 0.3% |
| | Won / \$ | 1,243.43 | 1,235.35 | 1,232.85 | 1,232.15 | 1,223.95 | 0.7% |
| | \$ INDEX | 89.16 | 89.26 | 89.29 | 89.12 | 89.03 | 0.1% |



Bunker Prices

| | | 26-Feb-16 | 19-Feb-16 | W-O-W Change % |
|--------|-----------|-----------|-----------|-------------------|
| MDO | Rotterdam | 294.0 | 306.0 | -3.9% |
| | Houston | 343.0 | 345.5 | -0.7% |
| | Singapore | 307.0 | 314.5 | -2.4% |
| 380cst | Rotterdam | 137.0 | 154.0 | -11.0% |
| | Houston | 140.0 | 150.0 | -6.7% |
| | Singapore | 147.5 | 162.5 | -9.2% |

Maritime Stock Data

| Company | Stock Exchange | Curr. | 26-Feb-16 | 19-Feb-16 | W-O-W Change % |
|---------------------------------|-------------------|-------|-----------|-----------|-------------------|
| AEGEAN MARINE PETROL NTWK | NYSE | USD | 7.14 | 6.98 | 2.3% |
| CAPITAL PRODUCT PARTNERS LP | NASDAQ | USD | 3.31 | 3.36 | -1.5% |
| COSTAMARE INC | NYSE | USD | 7.18 | 6.91 | 3.9% |
| DANAOS CORPORATION | NYSE | USD | 4.45 | 4.64 | -4.1% |
| DIANA SHIPPING | NYSE | USD | 2.45 | 2.32 | 5.6% |
| DRYSHIPS INC | NASDAQ | USD | 0.11 | 0.11 | 0.0% |
| EAGLE BULK SHIPPING | NASDAQ | USD | 0.69 | 0.71 | -2.8% |
| EUROSEAS LTD. | NASDAQ | USD | 2.00 | 2.09 | -4.3% |
| FRESEAS INC | NASDAQ | USD | 0.04 | 0.05 | -20.0% |
| GLOBUS MARITIME LIMITED | NASDAQ | USD | 0.13 | 0.15 | -13.3% |
| GOLDENPORT HOLDINGS INC | LONDON | GBX | 13.12 | 12.00 | 9.3% |
| HELLENIC CARRIERS LIMITED | LONDON | GBX | 4.25 | 3.25 | 30.8% |
| NAVIOS MARITIME ACQUISITIONS | NYSE | USD | 1.70 | 1.93 | -11.9% |
| NAVIOS MARITIME HOLDINGS | NYSE | USD | 0.82 | 0.82 | 0.0% |
| NAVIOS MARITIME PARTNERS LP | NYSE | USD | 1.03 | 1.08 | -4.6% |
| PARAGON SHIPPING INC. | NYSE | USD | 0.04 | 0.06 | -33.3% |
| SAFE BULKERS INC | NYSE | USD | 0.55 | 0.65 | -15.4% |
| SEANERGY MARITIME HOLDINGS CORP | NASDAQ | USD | 2.85 | 2.73 | 4.4% |
| STAR BULK CARRIERS CORP | NASDAQ | USD | 0.60 | 0.45 | 33.3% |
| STEALTHGAS INC | NASDAQ | USD | 3.10 | 2.75 | 12.7% |
| TSAKOS ENERGY NAVIGATION | NYSE | USD | 5.83 | 5.67 | 2.8% |
| TOP SHIPS INC | NASDAQ | USD | 2.81 | 0.21 | 1238.1% |

Market News

"Navigator Holdings profit edges down

Wilbur Ross-backed LPG carrier owner saw earnings drop as utilisation fell following collision.

Wilbur Ross' Navigator Holdings has seen earnings fall in the fourth quarter as utilisation dropped following a vessel collision.

It said net profit was down from \$25.32m to \$23.82, while revenue increased \$0.3m to \$78.7m due to a bigger fleet.

This was offset by a lower time-charter equivalent (TCE) rate and lower utilisation, mainly as a result of off-hire of caused by a collision between its 20,550-cbm Navigator Aries (built 2008) and the 2,450-teu boxship Leo Perdana (built 2007) in June.

The annual profit rose to \$98.09m against \$87.73m in 2014, however.

During the fourth quarter, the average TCE rate was \$30,282 per day, compared to \$30,646 per day a year ago.

Fleet utilisation across the 29 vessels operating at year-end was 92.7%, down from 94.8%.

Navigator has eight newbuildings scheduled for delivery by July 2017." (Trade Winds)