

Fonasba Annual Meeting 2013

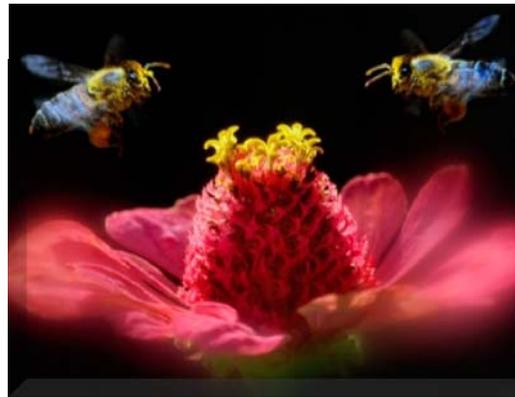
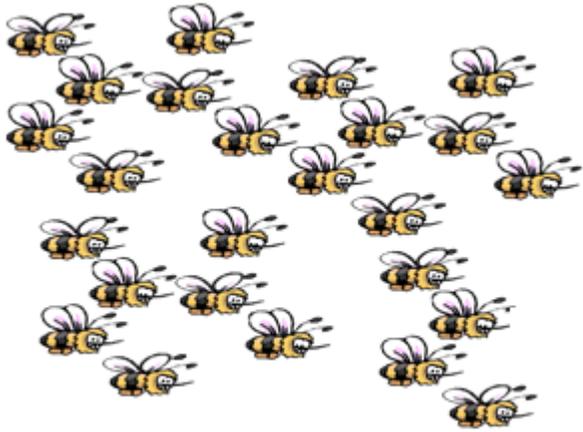
Short sea Shipping

September 2013

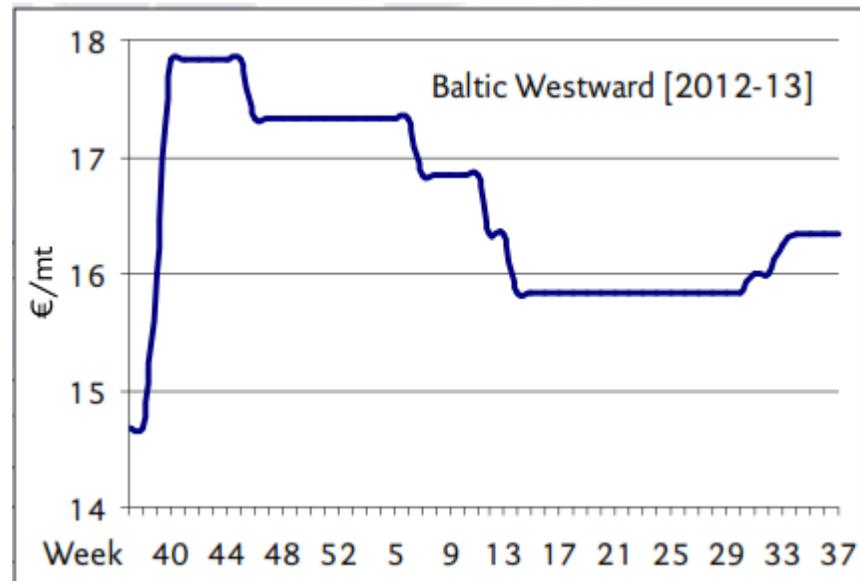
Chartering & Documentary Committee Plenary Meeting

Lima , Wednesday 23rd October 2013

The market !!!!



Grain shipments in Baltic struggle to offset weakening on remainder of North Routes



Baltic grain is definitely facing lower demand than French grain, at the moment.

This graph tracks average freight rates for a general short sea cargo of 3000 mt shipped from the Baltic States to the ARA region

Trans-Baltic shipments of agri-products of 3.000 mt from Lithuania to WC Denmark are fixed at Euro 14-15 /mt range.
Similar cargo from Riga to ARAG are getting comparatively higher freights at Euro 17-18/ mt.

Demand for variety of cargoes keeps Black Sea sentiment positive

Black Sea market saw some effects from the Muslim holidays.

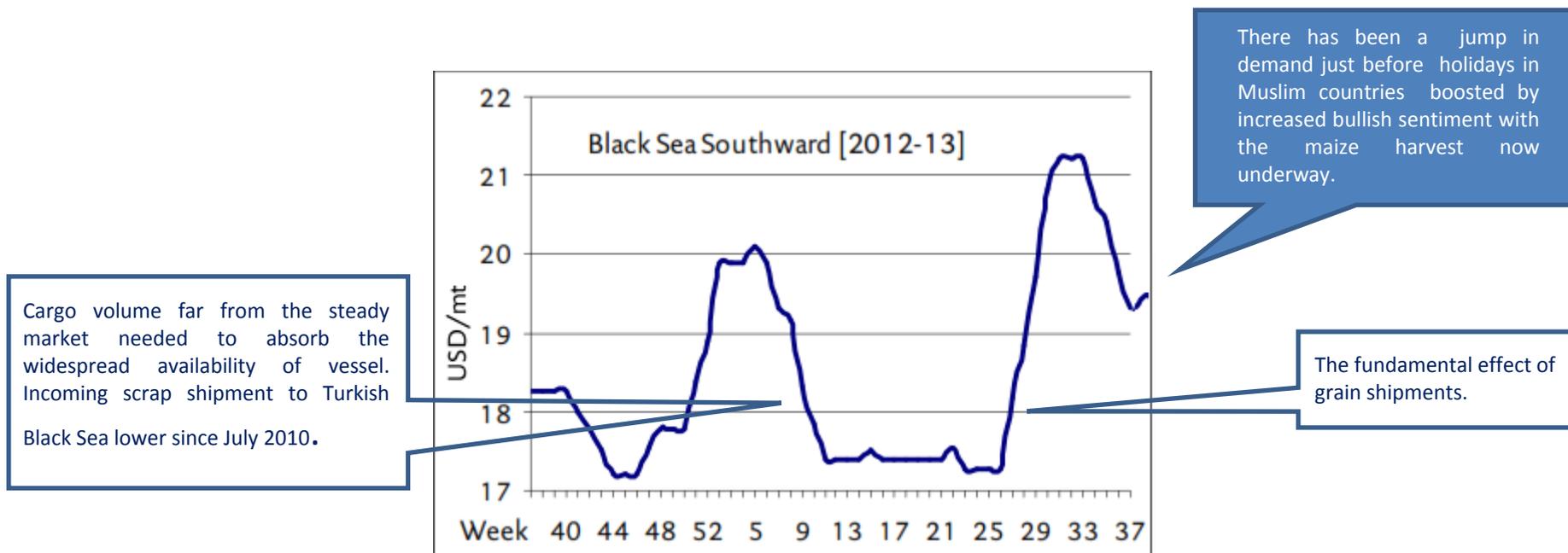
The coal shipments continued to gain momentum and freight have likewise increased gradually over the past for months – as much as USD 3 -5 / MT since June .

A coal shipment of 5000 mt from Beryansk to Marmara was getting around USD 13/ mt this summer an it is now getting USD 16/ mt or even USD 18/mt to Nemrut.

Grain continues to be seen on the market in healthy amounts with maize of 3000 mt from Nikolayev to North Africa getting up to USD 22/ MT



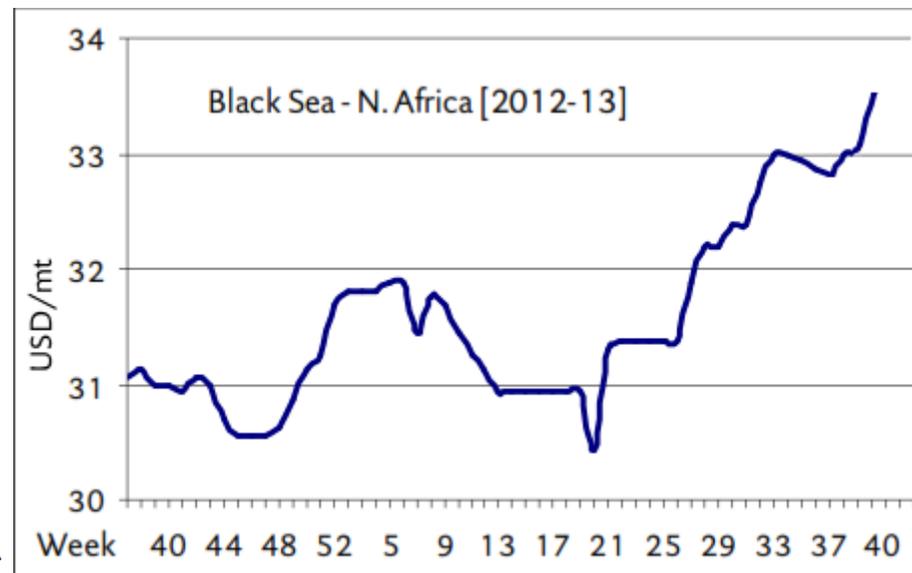
Spike in grain demand in Sea of Azov Market preceding Muslim Holidays



This graph tracks average freight rates for a general short sea cargo of 3-5000 mt shipped from Azov Sea to Marmara region

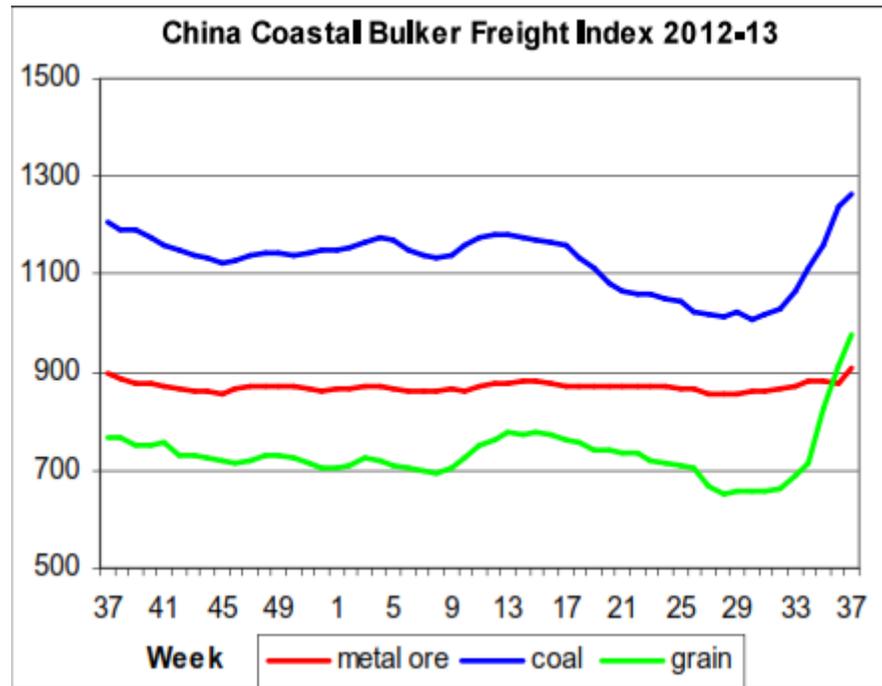
Mediterranean Overview: no cargo ... no vessels

The prevailing conditions in Syria and Egypt can not go without being mentioned . How this situation will play out in the regions remain to be seen but nothing good can come of considering the general instability in the whole Med.



- *This graph tracks average freight rates for a general short sea cargo of 3 -5000 mt shipped from Black Sea to North Africa*

China Coastal & Far East Handy Bulk Report



China Coastal & Far East Handy Bulk Report

CHINA COASTAL BULK FREIGHT INDEX			
Description	Previous	Current	Weekly Growth
	(YYYY-MM-DD)	(YYYY-MM-DD)	(%)
	11/10/2013 Index	18/10/2013 Index	
COMPOSITE INDEX	1166.86	1333.02	14.2%
Coal	1297.98	1531.02	18.0%
QINHUANGDAO-GUANGZHOU (50,000-60,000dwt)	1142.02	1279.41	12.0%
QINHUANGDAO-FUZHOU (30,000-40,000dwt)	966.65	1117.40	15.6%
QINHUANGDAO-NINGBO (15,000-20,000dwt)	1171.19	1479.93	26.4%
QINHUANGDAO-SHANGHAI (40,000-50,000dwt)	1500.28	1773.56	18.2%
QINHUANGDAO-ZHANGJIAGANG (20,000-30,000dwt)	1267.74	1487.34	17.3%
TIANJIN-SHANGHAI (20,000-30,000dwt)	1317.41	1541.83	17.0%
TIANJIN-ZHENJIANG (10,000-15,000dwt)	1307.11	1521.36	16.4%
HUANGHUA-SHANGHAI (30,000-40,000dwt)	1243.31	1457.06	17.2%
JINTANG/CAOFEIDIAN-NINGBO (40,000-50,000dwt)	1339.69	1604.97	19.8%
Grain		1605.36	
DALIAN/JINZHOU-GUANGZHOU (20,000-30,000dwt)	1061.02	1120.76	5.6%
YINGKOU-SHENZHEN (40,000-50,000dwt)	1051.41	1115.69	6.1%
Metal Ore	1045.06	1099.11	5.2%
QINGDAO/RIZHAO-ZHANGJIAGANG (20,000-30,000dwt)	917.37	1042.54	13.6%
BEILUN-ZHENJIANG (30,000-40,000dwt)	624.99	744.20	19.1%
ZHOUSHAN-ZHANGJIAGANG (5,000-10,000dwt)	947.39	989.25	4.4%
Product oil	795.83	963.93	21.1%
DALIAN-GUANGZHOU (30,000-40,000dwt)	1227.03	1227.03	0.0%
DALIAN-NANJING (5,000-10,000dwt)	1114.83	1114.83	0.0%
TIANJIN-WENZHOU/TAIZHOU (2000-5,000dwt)	1216.52	1216.52	0.0%
Crude oil	1421.08	1421.08	0.0%
NINGBO/ZHOUSHAN-NANJING (30,000-40,000dwt)	1597.14	1597.14	0.0%
NINGBO-SHANGHAI (30,000-40,000dwt)	1607.56	1607.56	0.0%
GUANGZHOU-NANJING (30,000-40,000dwt)	1597.14	1597.14	0.0%

China Coastal & Far East Handy Bulk Report

Freight rates in the Far East climbed during the second week of September with the market supported by coal and iron ore .

Unfortunately the Chinese iron ore restocking trade that has recently supported drybulk rates has reached its practical limit.

In 2013 China has imported iron ore equivalent to 118% of domestic demand, with the 18% surplus representing inventory build whilst on average during the past decade, China has imported the equivalent of 63% of domestic demand.

“Restocking” trade has been driven by low iron ore prices and the impact of elevated Chinese loan growth and M2 money supply,” so it’s predictable that the volume of imports versus Chinese domestic demand will fall.

