

MARITIME GLOBAL REPORT

Poised to plummet

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Key Highlights

Category	Maritime Global Report
Standard	DIN
Weight / Size	“Although we believe the longer-term fundamentals for the dry bulk marke...
Certificate	ABS, LR, BV, DNVGL, NK, KR, IRS, RMRS, CCS

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Technical Specifications

Category	Maritime Global Report	Model / SKU	Poised-to-plummet
Standard	DIN	Weight / Size	“Although we believe the longer-term fundamentals for the dry bulk market are improving, we expect shares of dry bulk companies could come under pressure in the near-term on soft charter rates.” Today, Nolan noted average capesize rates slipped 27.5% from yesterday's levels and are now hovering at around \$17,452, which is fraction of the \$45,000 premium charters were paying for the same class of vessels just one month ago.
Certificate	ABS, LR, BV, DNVGL, NK, KR, IRS, RMRS, CCS	Warranty	12 Months unless specified otherwise
Origin	China		

The sudden decline in freight rates will likely take a toll on the shares of bulker owners that are listed in the Big Apple, a leading equity analyst warned clients Friday.

In a daily market briefing Benjamin Nolan of Stifel said the dip could have a negative near-term impact on the likes of Greek operators Navios Maritime Holdings, Star Bulk Carriers and Diana Shipping.

“Collectively, we estimate dry bulk demand could contract by as much as 5% to 8% in the first quarter from fourth quarter levels, which is likely to result in continued weakening of dry bulk rates,” he added.

“Although we believe the longer-term fundamentals for the dry bulk market are improving, we expect shares of dry bulk companies could come under pressure in the near-term on soft charter rates.”

Today, Nolan noted average capesize rates slipped 27.5% from yesterday's levels and are now hovering at around \$17,452, which is fraction of the \$45,000 premium charters were paying for the same class of vessels just one month ago.

While the panamax, supramax, and handysize sectors have only fallen by approximately 25% to 30% over the past four weeks and are now around \$10,000 to \$13,000 per day, the equity analyst noted this is only “marginally higher” than the rates most operators need to break even.

By Friday evening all but three of the 26 dry-bulk stocks tracked by the TradeWinds Shipping Index had lost momentum. Globus Maritime, Navios Maritime Holdings, Safe Bulkers and Genco Shipping & Trading were among the “Worst Performers”.

In the hour leading up to the close these same stocks, which trade under the tickers GLBS,NM, SB, and GNK, had fallen 8.92%, 6.86%, 6.46% and 5.43%, respectively, to \$3.37, \$9.01,\$9.51 and \$2.44, while Baltic Trading (BALT) jumped 0.33% to \$6.17.