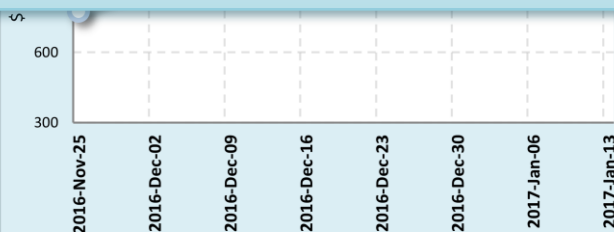


# Weekly Market Review

## Shanghai-Europe (base port) Freight

### Key Shipping Indicators



Source: Clarksons

### Shanghai Containerised Freight Index (\$/TEU)

W/E 15<sup>th</sup> January 2016 740

W/E 13<sup>th</sup> January 2017 1086

Average % change Y-O-Y: +46.7%

### 380cst bunker prices, Rotterdam (\$/Tonne)

W/E 15<sup>th</sup> January 2016 112.50

W/E 13<sup>th</sup> January 2017 309.50

Average % change Y-O-Y: +175.1%

### Baltic Exchange Dry Index

W/E 15<sup>th</sup> January 2016 393

W/E 13<sup>th</sup> January 2017 914

Average % change Y-O-Y: +132.3%

### Irish Maritime News: [Dún Laoghaire cruise ship facilities to be subject of court appeal](#):

A judicial review of An Bord Pleanála's decision to approve cruise ship facilities in Dún Laoghaire harbour was sought in the High Court recently. The challenge was taken by campaign group Save our Seafront, who say that last November's decision by Bord Pleanála restricted the size of ships but still left open the possibility of the harbour being usurped by cruise liners. AAA-PBP T.D. Mr Boyd Barrett said that: "A giant cruise berth in Dún Laoghaire harbour would negatively impact on all users of the harbour – walkers, boat-users and the varied wildlife."

### [Applegreen to Pay €16m for Stake in Fuel Terminal at Dublin Port](#):

Forecourt retailer Applegreen has agreed to pay €15.7m to buy a 50pc stake in a fuel terminal at Dublin Port. The Joint Fuel Terminal is currently equally owned by Valero Energy (Ireland) and Esso Ireland. It is one of three fuel importing facilities at the port. Applegreen is acquiring Esso's stake in the terminal. The fuel importing facilities at Dublin Port are understood to service about half of Ireland's oil market requirements.

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**Global Maritime News:** [IMO Secretary-General speaks out against regional emission trading system:](#) IMO Secretary-General Kitack Lim has written

to senior European officials expressing his concern that European Union's Emission Trading System (EU-ETS) could undermine efforts to reduce greenhouse gas (GHG) emissions from shipping on a global basis.

In October 2016, IMO adopted a system for collecting data on ships' fuel-oil consumption which will be mandatory and will apply globally.

Mr Lim said that, in his view, unilateral or regional action that conflicts with or undermines actions that have been carefully considered and deliberated by the global community at IMO threatens world-wide confidence in the consistent, uniform system of regulation developed by IMO. Regional or unilateral action, he said, would harm the goals of the wider international community to mitigate global GHG emissions from ships and be at odds with the overarching objectives of the Paris Agreement.

[Kenya agree deal with Denmark to revamp shipping sector:](#) Kenya yesterday signed a five-year agreement with Denmark that will see players in the maritime and shipping sector get advanced training. The country could benefit more from other financial investments under this agreement. Denmark, which boasts a large maritime and shipping

industry, will from next month offer training to Kenyan cadets.

**Tanker Market:** [Asia Tanker Market Outlook Q1: A Rocky Path Ahead:](#) Asia's crude tanker market faces the double whammy of a flood of newbuild deliveries and a cut in OPEC production in Q1 2017.

On the supply side, net capacity growth is estimated to be around 5% for VLCCs, 9.6% for Suezmaxes and 7% for the Aframax/ LR2 segment in 2017. At least 50% of the newbuild VLCCs and Suezmaxes will be delivered in Q1, worsening the oversupply of tonnage. On the demand side, OPEC's planned output cut of 1.2 mmb/d starting January will lead to less crude export cargoes with the VLCC segment bearing most of the brunt.

[Global Bunker Prices doubled in 2016:](#)

Global bunker fuel prices have approximately doubled over the course of 2016, rising from below \$200 per metric tonne (pmt) to well over \$300 pmt. Marine fuel prices across the globe's four major bunkering ports – Singapore, Rotterdam, Fujairah and Houston – climbed steadily and doubled over the past 12 months, according to data from Ship & Bunker. Singapore, the world's largest bunkering port by sales volume, saw key grade 380 cst bunker prices rose to \$346 pmt on 30 December 2016, representing an increase of 85.6% from \$186.50 pmt recorded on 4 January 2016, Ship & Bunker data showed.

**Dry Bulk Market:** [Shipping fleet's value rises by](#)

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[\\$4billion euros during 2016:](#) Bulkers have had a deceptively good 2016 following the record lows at the start of the year. The top three bulker owning nations; Greece, Japan and China, have seen their fleets rise by over USD 4 billion each.

This growth has been supported by strong acquisitions following some of the lowest asset prices seen since the 1980s.

[World seaborne coal trade fell 1.5 pct in 2016 – German importers:](#) World coal seaborne trade fell 1.5 percent last year due, among other reasons, to a slowdown in big exporter Venezuela and less demand in the United States, German coal import lobby VDKI have said recently. VDKI, whose 69 member companies buy supplies from countries such as Russia, Colombia, Australia and South Africa, put world coal seaborne trade – imports and exports – last year at 1.1 billion tonnes. World coal demand was 7 billion tonnes.

[Dry Bulk Market needs 0% fleet growth to recover from 2016, according to BIMCO's annual estimate:](#) The shipping industry is expecting another tough year, as the IMF forecast the lowest global GDP level since 2009. In 2016, the container shipping market suffered demolition and consolidation, and BIMCO argue that the dry bulk market needs to follow suit. In particular, they site sector overcapacity as a major issue which needs to

be tackled in the coming year -with government support.

[Commodities: Oil slips \\$1 on concerns U.S. production is rising:](#) Oil fell by \$1 a barrel on Monday as signs of growing U.S. production outweighed optimism that many other producers, including Russia, were sticking to a deal to cut supplies in a bid to bolster the market. A stronger U.S. dollar also weighed as the currency surge made it more expensive to hold dollar-denominated commodities. "We see the optimism surrounding OPEC and non-OPEC production cuts being counterbalanced by fears of higher U.S. crude production as the higher rig count of last Friday still weighs," said Hans van Cleef, senior energy economist at ABN Amro.

[China's economy could grow 6.5 percent in 2017; devaluation could stabilize yuan: think tank:](#) China's economic growth could slow to 6.5 percent this year from about 6.7 percent in 2016, a government-run think tank said on Tuesday, while suggesting a one-off devaluation could help stabilize the yuan currency. In an article in the Shanghai Securities News, the forecasting department at State Information Center (SIC) said momentum from new technology would continue to stimulate economic growth but could not stop the broader slowing trend. Industrial output could grow 5.9 percent this year, down from an estimated 6.1 percent in 2016, it said.

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**Irish Business News:** [Pound slides below \\$1.20 for first time since October's flash crash](#): The pound slid below \$1.20 on Monday (16<sup>th</sup> Jan) for the first time since October's flash crash after the Sunday Times reported UK prime minister Theresa May will prepare to withdraw from tariff-free trade with the European Union in return for freedom to curb immigration and strike commercial deals with other countries. Dealers said the market was reacting in part to the report that May will use a speech on Tuesday to signal plans for a "hard Brexit", quitting the EU's single market to regain control of Britain's borders. Investors have been worried such a decisive break from the single market would hurt British exports and drive foreign investment out of the country.

**Brexit dampens Irish food and drink exports by €570m:** The fall in sterling following Britain's vote to leave the EU is estimated to have cost Irish food and drink exporters about €570 million in 2016, Bord Bia has said. Its annual Export Review and Prospects Report, published on Wednesday, warns of a continuation of challenging conditions. However, it noted an increase of 2 per cent on export values last year, setting a new record of €11.15 billion. This marks the food and drink industry's seventh consecutive year of growth and an expansion of 41 per cent, or €3.3 billion, since 2010.

**Global Business News:** [US job growth slows as wages rebound strongly](#): US wage growth accelerated

last month to the quickest pace since 2009, underscoring rising inflationary pressure as President Barack Obama prepares to hand over the White House to Donald Trump. The jobless rate rose from 4.6 per cent to 4.7 per cent, matching forecasts.

The reading highlights the significant strides America has made since the economic downturn that was ignited by the 2008-09 financial crisis, which pushed the unemployment rate up to 10 per cent.

**Alibaba's Jack Ma meets Trump, promises to bring one million jobs to U.S.:** Alibaba Executive Chairman Jack Ma met U.S. President-elect Donald Trump on Monday and laid out the Chinese e-commerce giant's new plan to bring one million small U.S. businesses onto its platform to sell to Chinese consumers over the next five years, an Alibaba spokesman said.

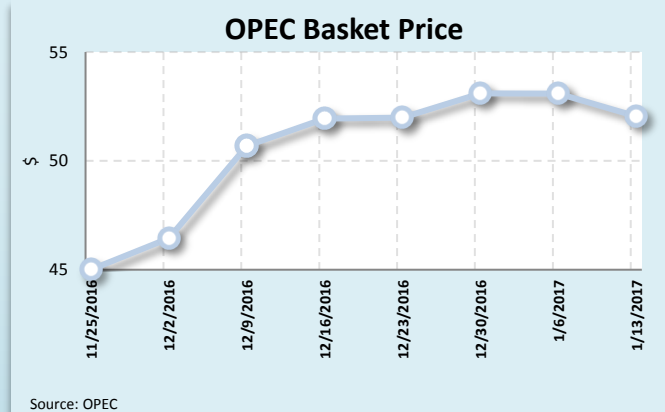
Alibaba Group Holding Ltd expects the initiative to create one million U.S. jobs as each company adds a position, company spokesman Bob Christie said in a phone call.

Alibaba has previously campaigned to bring more small U.S. businesses onto the company's sites, but this is the first time Ma has discussed specific targets.

Trump and Ma emerged from their meeting at Trump Tower in New York together. The president-elect told reporters they had a "great meeting" and would do great things together. Ma called Trump "smart" and "open-minded."

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## Key Economic Indicators



### OPEC Basket Price

W/E 13<sup>th</sup> January 2016 25.69

W/E 13<sup>th</sup> January 2017 52.64

Average % change Y-O-Y: **+25%**

### Exchange Rates

#### €/US\$

W/E 13<sup>th</sup> January 2016 1.0816

W/E 13<sup>th</sup> January 2017 1.0661

Average % change Y-O-Y: **-1.5%**

#### €/UK£

W/E 13<sup>th</sup> January 2016 0.7502

W/E 13<sup>th</sup> January 2017 0.8754

Average % change Y-O-Y: **+16.7%**

We welcome your feedback, comments and contributions. Please note that this report is a summary of current maritime and economic trading conditions and not in any way a reflection of the office's opinions or research.

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**NOTE:** To read more on each story, click on the hyperlink attached.

#### Information Sources (*inter alia*):

- Afloat
- Bloomberg Businessweek
- Clarksons
- Donegal Now
- Financial Times
- The Guardian
- H.C. Shipping and Chartering
- Hellenic Shipping News
- Irish Examiner, Independent, Times
- JOC

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- Lloyds Loading List
- Mysteel
- Reuters
- RHB Research
- Seatrade Marine
- ShippingWatch
- Trade Winds News
- Vessel Values
- World Shipping Council