



Short Sea



Short Sea Market Report

15 May 2015

Weekly Commentary

Softer. Despite a perceived (slight) increase in activity last week the prevailing trend remains downward as it has been now since around the end of March/early April. Demand remains patchy at best and this week was again disrupted by a Europe wide holiday on Thursday for Ascension Day which meant that by Wednesday it was all pretty much over bar the shouting. Spot tonnage was readily available in most areas but also willing to ballast for whatever cover was on offer and unsurprisingly rates were down against last done.

Notwithstanding the seasonal nature of this market and the relative certainty of a summer low point around July/August it's still reasonable to expect at least steady progress through May and June so the extent of decline through Q2 thus far, particularly as it follows an unexpectedly strong Q1, is somewhat surprising and certainly puts a question mark over the prospects for the next few months. The EUR remains comparatively weak but has regained some ground against the USD, back to around 1.14, however that's still compared to around 1.37/1.38 this time last year. Gasoil prices have been creeping upwards recently, back to around USD 600 pmt (Rotterdam), the highest they've been since December last year.

The short term outlook is leaning towards more of the same, if for no other reason than it's difficult to see what's likely to change it. There's always the possibility of demand picking back up over the next few weeks, especially in the second half of June with a mini rush ahead of the main summer holidays, but as it stands the market has a decidedly lethargic feel about it. For now the focus looks set to remain spot with a week by week, take it as it comes approach and it's hard to see that changing for a while.

Hull City

In depressingly predictable fashion Hull City duly lost 1-0 to already relegated Burnley at home last Saturday. With only two games remaining, away to Spurs and home to Manchester United they are now destined for relegation themselves which is all the more disappointing because they could so easily have been safe by now. Hey ho, at least we get more games to watch in the Championship!

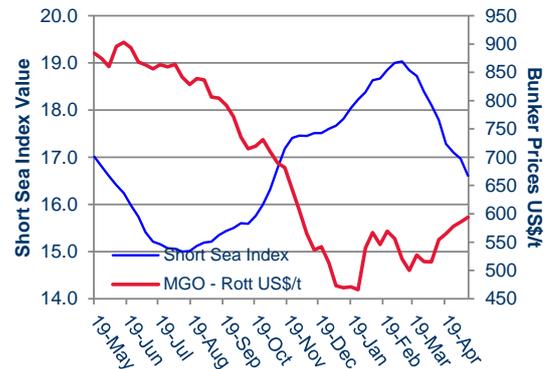
Have a nice weekend

The Short Sea Index is based on the average freight rates for five routes, ECUK/N. Spain, ECUK/ARAG, Lower Baltic/ARAG, French Bay/ECUK and WCUK/East Med in 3000/4000 mts deadweight and bunker prices in USD basis MGO delivery ARAG range

Short Sea Index vs Bunkers - 6 Month Graph



Short Sea Index vs Bunkers - 12 Month Graph



Short Sea Rate Assessments (EUR/mt)

4000 Mtons	ECUK / N. Spain	16.00	17.00
8000 Mtons	USG / ARAG	30.00	32.00
4500 Mtons	ECUK / Lower Baltic	10.00	1.00
3500 Mtons	Lower Baltic / Fr. Bay	20.00	21.00

Bunkers & Exchange Rates

		15-May	
Bunkers	Rotterdam Bunkers (US\$/t)	380 cst	352.50
	Rotterdam Bunkers (US\$/t)	MGO	592.50
Currencies	\$ - Euro		0.88
	\$ - GBP		0.63
	GBP - Euro		1.38

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