



## Short Sea



Short Sea Market Report

18 March 2016

### Weekly Commentary

Softer. The underlying theme remains largely static, as it has for some months now, but there were more obvious signs of downward pressure this week which is in line with the way it has been edging recently. This appeared to stem mainly from an eagerness on Owners part to snap up any cargoes offering cover around the Easter holidays at the first opportunity and in turn indicates there was no expectation of any value in holding on. Supply continues to comfortably outstrip demand and rates were broadly down against last done although relative to the limited scope remaining.

Compared to last week activity seemed to have picked up a bit and, aside from the impending holiday weekend, is possibly linked to the approaching month/quarter end which in many instances also represents a financial year end. A surge in demand at the end of Q1 is not unusual and often a real driver so if that is the case then a genuine cause for concern must be the fact that it was so hard to tell and far less obvious than it has been at this point in previous years. Either way spot tonnage still appears to be readily available as and where required, and in a choice of colours.

The short term outlook is hardly positive and that stands for the medium to longer term also. Regardless of continued political and economic uncertainty this market has failed to generate anything resembling a noticeable improvement in almost a year now. Traditionally Q2 wouldn't normally offer the prospect of an upturn, more a steady path to the summer doldrums, so it's now very difficult to see what's going to change from here? There is little latitude for significant decline and hasn't been for some time so it would seem logical that continued stagnation is the most likely scenario unless something completely unexpected occurs. Like Leicester City winning the Premier League for example!

### Hull City Update

The chances of Hull City being in the Premier League next season are diminishing by the game. Back to back 1-1 draws at home to MK Dons and Nottingham Forest mean they've only managed to accrue 3 points out of a possible 12 and have dropped to fourth in the table. Tonight they have a 'must win' clash away at rivals Middlesbrough which is unlikely to be fun but a win would put them back on track. It could go either way.

Have a nice weekend.

Short Sea Index vs Bunkers - 6 Month Graph



Short Sea Index vs Bunkers - 12 Month Graph



Short Sea Rate Assessments (EUR/mt)

4500 Mtons	ARAG / WC Italy	26.00	27.00
4000 Mtons	ARAG / N. Spain	14.00	15.00
3500 Mtons	ECUK / Lower Baltic	10.50	11.50
3000 Mtons	WCUK / ARAG	10.00	11.00

### Bunkers & Exchange Rates

		18-Mar	
Bunkers	Rotterdam Bunkers (US\$/t)	380 cst	166.00
	Rotterdam Bunkers (US\$/t)	MGO	345.75
Currencies	\$ - Euro		0.89
	\$ - GBP		0.69
	GBP - Euro		1.28

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

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