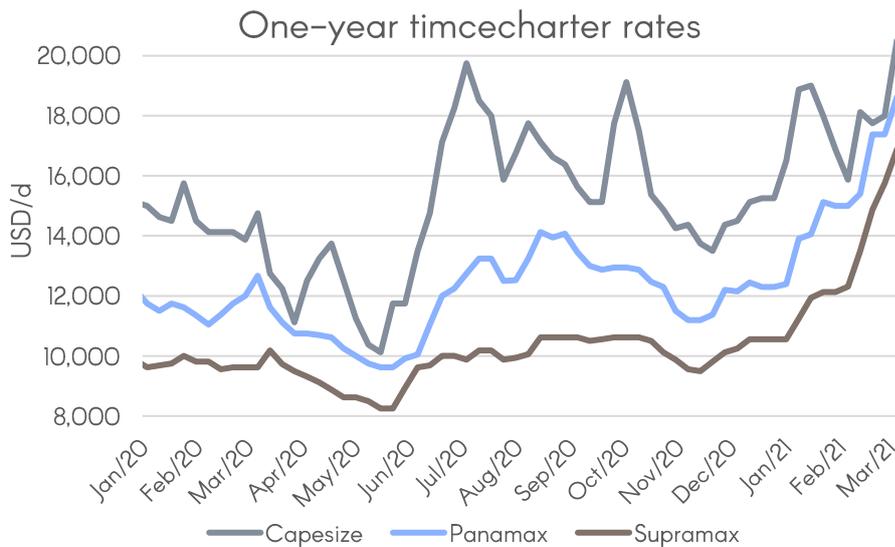


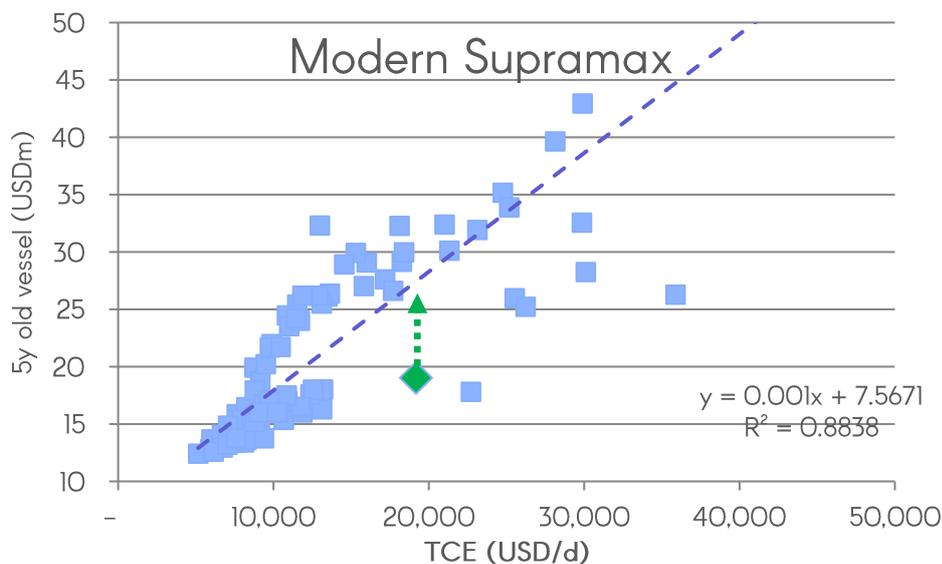


The positive sentiment in Dry Bulk shipping is seemingly relentless, in-line with our longstanding view given the lowest orderbook on record and strong demand growth.

After a myriad of reported S&Ps in February at higher levels, we revised our dry bulk asset prices up in our [Shipping Weekly 7/2021](#). Since then, the S&P market has been relatively quiet, while one-year timecharter rates have risen significantly.



As we highlighted in our [Dry Bulk Shipping Webinar 16 February](#), the relationship between 1y TCs and asset values is statistically significant and could at mid-February levels support asset prices 18-29% higher. With the recent surge in 1y TCs, the similar range vs mid-February would be 20-53%.

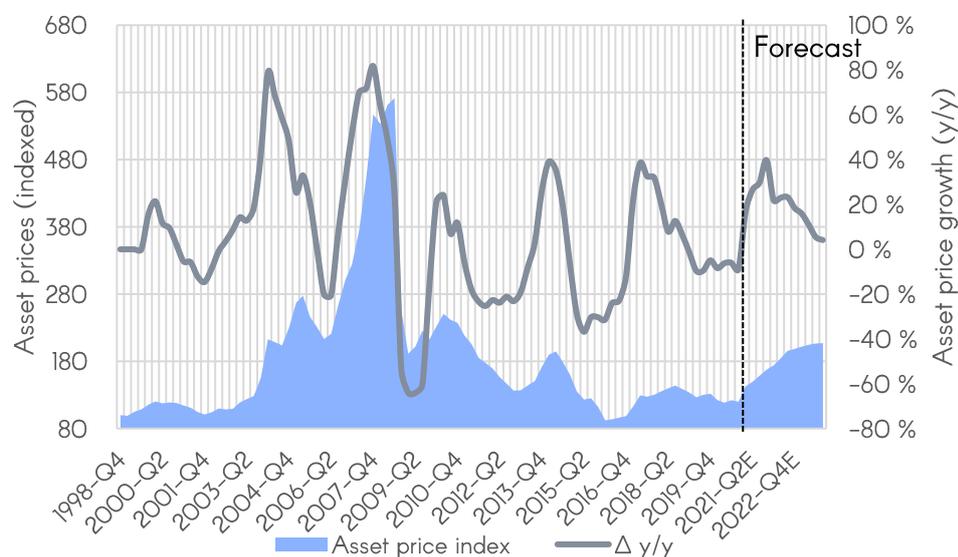


Given the continued strength of 1y TCs, it thus comes as no surprise that the bid/ask spread for S&Ps has once again narrowed with bids approaching asks. Thus, we have so far in March seen S&P activity increase at a higher level vs February transactions. We believe these latest transactions represents a new equilibrium and hence raises our generic dry bulk valuation assessments by 0-25% depending on vessel class and vintage:

New						delta					
Summary	Capesize	Panamax	Supramax	Handymax	Handysize	Changes	Capesize	Panamax	Supramax	Handymax	Handysize
NB	50.0	27.8	25.3	24.6	24.0	NB	1.0	0.5	0.3	0.3	0.3
resale	51.0	29.0	27.0	25.8	24.5	resale	2.0	0.5	0.5	0.3	0.0
5y	34.5	21.5	19.0	18.0	17.0	5y	3.0	1.5	1.0	1.0	1.0
10y	21.5	15.0	12.5	11.5	10.5	10y	3.5	2.0	2.0	1.5	1.0
15y	15.3	10.0	8.0	7.0	6.0	15y	3.0	2.0	1.5	1.0	0.5
20y	10.8	6.7	5.7	4.8	4.0	20y	0.0	0.0	0.0	0.0	0.0
scrap	9.8	5.7	4.7	4.0	3.0	scrap	0.0	0.0	0.0	0.0	0.0

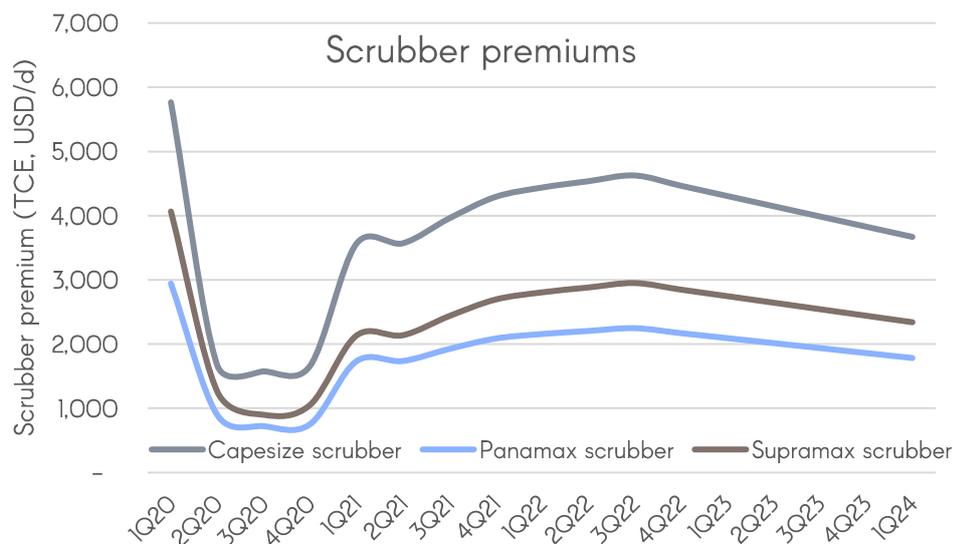
All prices are excluding scrubbers

On this basis, our dry bulk asset price index is up a staggering 19% q/q, and we forecast another 39% upside over the next two years.



We raise our target prices on all our covered dry bulk companies in light of our revised asset prices and positive impact on NAVs. The biggest increase is undoubtedly on Eagle Bulk (TP +52%) as we have also revised our scrubber premium forecast in light of the recent surge in VLSFO prices. We upgrade Eagle Bulk to HOLD, and not BUY, given the share's recent outperformance vs peers. We use the same valuation matrix for all our covered companies.

	M.cap		New		Old		Pricing/Upside		P/NAV	
			Turnover	Rec.	TP	Rec.	TP	P	+/-	Now
2020 NO	203	0.4	BUY	120	BUY	111	77	55%	1.12	0.73
BULK NO	153	-	BUY	149	BUY	141	43	247%	0.50	0.34
DSX US	286	2.6	BUY	4.1	BUY	3.5	3.2	28%	0.90	0.60
EGLE US	459	2.3	HOLD	38	SELL	25	39.4	-4%	1.39	1.04
GNK US	462	8.1	BUY	17	BUY	16	11.1	54%	0.88	0.66
GOTL US	982	12.8	BUY	11	BUY	10.0	6.8	62%	1.09	0.74
SBLK US	1,449	13.2	BUY	20	BUY	19	14.6	37%	1.36	0.86
Average	571	5.6						68%	1.03	0.71
Median	459	2.6						54%	1.09	0.73



On average, a 10% increase in asset prices leads to a 20% increase in NAVs. Please see column epsilon in the peer table for exact elasticity per company:

Company	M.cap	Turnover	Return ly	Rec.	Target Price	Last Price	Target/Price	NAV /sh	P/NAV Now	P/NAV ly fwd	ε	EV/GAV	adj. equity	τ
2020 NO	203	0.4	52%	BUY	120	77.4	55%	69	1.12	0.73	2.27	1.05	42%	1.00
BULK NO	153			BUY	149	43.0	247%	86	0.50	0.34	1.53	0.68	57%	0.67
DSX US	286	2.6	73%	BUY	4.1	3.2	28%	3.6	0.90	0.60	2.25	0.96	37%	0.89
EGL US	459	2.3	135%	HOLD	38	39.4	-4%	28.4	1.39	1.04	2.34	1.15	36%	1.00
GNK US	462	8.1	76%	BUY	17.0	11.1	54%	12.6	0.88	0.66	1.33	0.92	52%	1.00
GOGL US	982	12.8	101%	BUY	11.0	6.8	62%	6.3	1.09	0.74	2.07	0.91	41%	0.98
SBLK US	1,449	13.2	98%	BUY	20	14.6	37%	10.7	1.36	0.86	2.38	1.13	37%	1.00
Average	571		89%				68%		1.03	0.71	2.02	0.97	43%	0.93
Median	459		87%				54%		1.09	0.73	2.25	0.96	41%	1.00

Company	EV/EBITDA				P/E				Dividend yield				FCF yield			
	2020	2021	2022	2023	2020	2021	2022	2023	2020	2021	2022	2023	2020	2021	2022	2023
2020 NO	7.3	6.2	3.5	2.8		4.5	2.3	1.9		16%	34%	40%		27%	48%	56%
BULK NO	3.1	2.7	1.2	0.7		2.8	1.1	0.8		36%	77%	104%		60%	111%	141%
DSX US		7.6	2.1	1.2		28.2	2.0	1.6	0%	0%	10%	31%	13%	22%	59%	79%
EGL US	13.1	6.1	3.6	2.7		9.4	4.4	3.6	0%	0%	4%	13%	3%	-2%	34%	39%
GNK US		4.1	1.8	1.1		6.0	2.5	2.1	3%	3%	15%	23%	24%	33%	47%	55%
GOGL US	34.8	5.8	3.0	2.3	77.2	5.1	2.5	2.1	1%	4%	22%	33%	18%	-29%	48%	56%
SBLK US	9.5	4.6	2.8	2.4	48.8	4.2	2.4	2.1	1%	5%	34%	48%	12%	18%	51%	56%
Average	13.6	5.3	2.6	1.9	63.0	8.6	2.5	2.0	1%	9%	28%	42%	14%	18%	57%	69%
Median	9.5	5.8	2.8	2.3	63.0	5.1	2.4	2.1	1%	4%	22%	33%	13%	22%	48%	56%

Recent relevant research:

8 Mar: [Shipping Weekly 10/2021](#)

16 Feb: [Dry Bulk Shipping Webinar 16 February](#)

31 Jan: [Shipping Report 2021](#)

Supporting graphs:

