

Value Stocks Are Now The Play: Castor Maritime (CTRM) Spotlight



Cyprus, Limassol, Mar 18, 2021 ([Issuewire.com](https://www.issuewire.com)) - What is a value stock? Most investors would define this as a stock with a low price compared to previous price history and how the market views the company in general. But to truly follow the school of value investing, a value stock is priced lower than what we believe the intrinsic value of the company will be in the future. Anyone can look at what has already happened and apply this as what may logically happen moving forward. A truly great investor can look at the stock valuation now, and using the company's fundamentals, imagine where it will one day be.

Nasdaq-listed Castor Maritime ([NASDAQ:CTRM](https://www.nasdaq.com/markets/stocks/ctrm)) has had an interesting 2021, to say the least when it comes to its stock. The company was already profitable from 2017-2019 and is one of the lowest debt-ratio in the dry bulk shipping space, but as with many sectors around the world, the bulk dry goods shipping industry and trade routes were effectively shut down during COVID-19 in 2020. Despite the pandemic, they were still able to grow their revenue by 35% in 2020, not considering their Quarter 4, 2020 financials have yet to be released.

As deliveries and global trade fell, so did the stock price. Investing in penny stocks is certainly not for the faint of heart, but if you know what the company is capable of, and have conviction in your research, riding out the rough patches can lead to exponential gains. As the first quarter of 2021 nears its end and the global coronavirus lockdown begins to loosen, there are many reasons to believe that Castor Maritime is ready to revisit its 2019 highs.

Castor Maritime has Multiplied its Fleet to 14 Vessels

We are just nine weeks into the new year and it seems like there is a new announcement about CEO Petros Panagiotidis purchasing a new vessel to add to Castor Maritime's fleet every few days. Panagiotidis has been aggressive in purchasing vessels on the second-hand market and has grown his fleet from one ship in 2018, to six in 2020, to fourteen in 2021. This includes the recent acquisitions of the [2011 Japanese-built Kamsarmax](#) and the [2005-built Korean M/T/ Wonder Polaris](#). In total, Castor Maritime now has 1 Capesize, 5 Kamsarmax, and 6 Panamax dry bulk vessels, and 2 Oil Tankers with an aggregate capacity of 1.3 million dwt (pennyweight). In all, Castor Maritime has been aggressively growing its fleet capacity to prepare for high shipping demand, the rate of acquisitions of vessels has been growing rapidly, and Panagiotidis' innovative abilities will prove this company has what it takes to be among the top shipping companies in the world.

The 2021 daily charter rates are as follows (link included):

[Capesize](#) - \$16,741 per day ([hitting \\$35k late 2020](#))

[Kamsarmax](#) - \$18,875 per day

[Panamax](#) - \$24,383 per day

[Oil Tankers](#) - \$28,750 per day

Panagiotidis has positioned Castor Maritime to be a global leader in dry bulk goods shipping, and with every vessel he acquires, he is rapidly growing the revenues for the future, so keep a sharp eye for their earnings reports, as they will look to impress shareholders and future investors. The Kamsarmax that he recently purchased is already being put to work under a [time charter agreement of \\$18,500 per day](#). Over the next five to seven months, the vessel is estimated to be bringing in \$2.8 million to \$4.2 million. Granted, not every vessel is bringing in the same daily charter rates, but hypothetically, if \$18,500 were an average, Panagiotidis' fleet could be netting up to \$222,000 per day moving forward, this is equivalent to approximately 81 million per year in revenue! This may be hard to believe but they are on pace to grow their revenue by over 800% within this year!

But it's not just dry bulk goods that Panagiotidis is targeting. Castor Maritime has also recently acquired two Aframax LR2 Oil Tankers which represents an interesting tangent and just another reason to be excited about Petros Panagiotidis' vision. Look, the entire investing world is bearish on fossil fuels, especially after the recent surge in demand for electric vehicles as well as a global shift in industrial manufacturing infrastructure to renewable energies. But electric vehicles still only make up about 1% of all vehicles around the world, and the reliance on fossil fuels is going to continue for at least the next decade, if not longer. Petros is implementing his own form of value investing, by targeting a beaten-down sector and striking while everyone else is avoiding big oil. As the global costs of oil and petroleum rise coming out of COVID-19, Castor Maritime is well-positioned to take full advantage of these times and secure future long-term contracts, which will be a strong catalyst for growth in its stock price.

Castor Maritime has spent \$100 million on New Vessels: Growth Should Follow

An aggressive CEO is integral to a company's rapid growth story, and Panagiotidis is clearly flexing his financial strength. Having already spent \$100 million on new vessels in 2021, Panagiotidis is proving that not only does Castor Maritime have money to spend, but also that he is willing to grow his company incredibly fast to capture the reopening of global trade. For a large tech company or conglomerate, acquiring other companies is a way of inorganically adding revenue streams that help growth to continue over time. For a shipping company, adding vessels has the exact same long-term effect.

Here is a quote from Panagiotidis:

"We remain committed to continuing the assessment of the various market opportunities presented to us, and we remain focused on our goal of growing our fleet further while at the same time aiming to maximize shareholder value." (source)

A CEO that openly talks about taking care of his investors will always breed loyalty from his shareholders. Sure, Panagiotidis' father "Gabriel Panagiotidis" is a Greek shipping magnate and officially, a billionaire previously ranked #897 on the Forbes list of wealthiest people, Petros is under constant guidance from his father, but Petros also knows that it is the shareholders who add capital to his company, and as a shareholder himself, seeing the stock do well is truly in his best interest (Yes, Petros Panagiotidis is also invested in his own company under Thalassa Investment). Even if something goes terribly wrong in the global economy as it did in 2020, the Panagiotidis empire is well suited to weather these storms and survive where other companies may not, it isn't their first rodeo. **Will Petros follow in his father's footsteps and become the next billionaire? You decide!**

Industry Tailwinds

The bulk dry goods shipping industry isn't just reopening after COVID-19, it's already been open for business! That's right, even though the United States is still trying to get the virus under control with the rollout of vaccines, most other parts of the world have already started to reopen their economies. Most importantly, China is the world leader in global trade and has already seen its economy lift, the demand for dry bulk goods has already drastically picked up, there is just too much demand and not much supply. Shipping costs have skyrocketed as desperate companies wait weeks for containers and pay premium rates to get them which is driving up the shipping costs, even Costco is experiencing a shortage of products due to container shortage.

In fact, the dry bulk goods shipped in January of 2021 have already seen some of their highest demand in over a decade, something that should only continue to improve as other regions reopen.

The Baltic Exchange Dry Index tracks rates of vessels delivering dry bulk goods and as of March, hit its highest mark in nearly six months. High demands in January, followed by an upwards trajectory in actual deliveries in March? Stellar. This industry is already blowing up and Panagiotidis has Castor Maritime ahead of the game in anticipation of the complete reopening of global trade. This makes us question, does Petros Panagiotidis know something about the global trade that we don't? We're sure he does as

he is very connected to elite shipping magnates. 100 million dollars used to purchase vessels in a short time frame? Something is coming.

Wait, but I heard this is just a Reddit Meme stock?

There is a difference between the Reddit Meme stocks such as the short squeeze event in late January and a stock that gets a lot of discussion and buzz on sub-Reddit forums. We know as much that most traders are on the Reddit forums to try and time a GameStop gamma squeeze or a penny biotech stock pop. But there has been no mention of the large followings on Reddit (15K followers) and StockTwits (nearly 90,000 followers) who strongly believe in the company, its value, and fundamentals. These cults were created for like-minded investors to share real research and due diligence about Castor Maritime, which have not been shown to the mainstream spotlight. A big reason why it was grouped with the meme stocks is that it was on a list of stocks that were heavily shorted. Short interest fell to 35.48% of total shorted shares, which is still fairly high, as a comparison, GameStop (NASDAQ: GME) short interest is 41.22%. Castor Maritime is a company that may defy all odds, especially with the global trade on the rise, it is easy to see why investors are flocking to this stock. Though this isn't up to us to decide for you. Which of these categories do you think Castor Maritime falls into?

But wait... Why Does Castor Maritime Have Only 1 Employee?

Hey, if you found this out then you should be pleased with your level of due diligence in a company! While the Castor Maritime website officially lists three members of the Board of Directors and sites like Yahoo Finance list two people under the corporate profile, it is in fact true that Panagiotidis himself is the only person under payroll for Castor Maritime.

Should you be concerned? Not really. In fact, it is somewhat common in the shipping industry to have very few actual employees, since much of the revenue is generated by the vessels. For example, Danaos (NASDAQ:DAC), another Greek shipping company with a market cap of nearly \$1 billion has four full-time employees. But what of vessel crews and maintenance of his ships? The apples do not fall far from the tree in this family. Petros' sister Ismini Panagiotidis, runs a shipping logistics and maintenance company that contracts staff to Castor Maritime vessels. If you are going to contract out work on your fleets, you might as well keep it all within the family and that is exactly what Petros and Ismini have done. There has even been some talk of the brother and sister merging the two companies to further their reach into the industry.

"Under the management agreement, Pavimar provides us with a wide range of shipping services such as crew management, technical management, operational employment management, insurance arrangements, provisioning, bunkering, accounting services, general administration and audit support, in exchange for a fixed daily fee of \$250."

Being the only employee allows Panagiotidis to run the company how he wants to and eliminates overhead costs while Castor Maritime enters its hyper-growth phase. It also further proves that Castor

Maritime is Panagiotidis' baby, and he is fully invested in seeing his company succeed, as any failure is a direct reflection of his own decision-making and business skills. He is following his father's footsteps and will be sure to make his father proud.

Castor Maritime: the Upside Far Outweighs the Downside

If the continued increase in fleet size does not get you excited as an investor, I don't know what will. Panagiotidis is doubling down on his company to capture a large chunk of global dry bulk goods trade in an industry that is showing its highest demand and shipping numbers in over a decade. The novel coronavirus was a black swan event and sectors all over the world were blindsided by its effects. Before global trade fully reopens, Panagiotidis is striking while others remained idle, while also expanding Castor Maritime's services to include the shipping of gas and petroleum. At this rate, Castor Maritime has been primed to compete with top companies, making sure to meet or even beat shareholders' expectations.

We aren't going to sugarcoat it, there is always an inherent downside with any stock, especially a small-cap stock with a large daily trading volume. If picking stocks were easy, we'd all be millionaires but with the world on the rebound and vaccines being rolled out, this is not a stock to miss out on. Although it has been stated that the outstanding shares are too high to signify a strong upward trajectory, may we remind you that Sundial Growers, INC (NASDAQ: SNDL) had 1.5 billion outstanding shares and increased from \$0.80 to \$4.85! The upside with Castor Maritime is undeniable. Year over year growth and acquisition of assets to provide more revenue streams are two stable signs that Castor Maritime is heading in the right direction. Global trade and the world economy are slowly waking up, and Petros Panagiotidis is set to unleash his army of vessels upon it and wants to bring his shareholders along for the ride.

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Media Contact

Castor Maritime

ir@castormaritime.com

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