FINANCIAL INDICATORS AFFECTING STOCK PERFORMANCE THE CASE OF CAPITAL PRODUCT PARTNERS

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Abstract
We analyze the importance of certain financial indicators that provide important information for both potential investors and the management of a company. We reach to a conclusion regarding the effect, negative or positive, of selected financial indices particularly on a public listed shipping company's stock return. We consider these indices critical for a shipping company in its efforts both to achieve high stock returns and become "attractive" for future investors.

1. Introduction

In an effort to deal with the question regarding the factors affecting the performance of a shipping company, financial performance plays a critical role. The aim of this paper is to analyze some key financial indicators affecting the performance of a public-listed, leading shipping company, paying attention to the information provided in particular on its liquidity, capital structure and return on equity.

In this regard, we have taken CAPITAL PRODUCT PARTNERS as a case study (CPR), looking at how its stock performance interacts with eight (8) key financial ratios, comparing, at the same time, its performance with the NASDAQ INDEX in which our selected shipping company is listed. We consider CPR as a representative company as it is well diversified operating in all three (3) markets, dry cargo, liquid cargo and containerships. In order to proceed to our empirical research, we calculate the following eight (8) key financial ratios: ROA, ROE, ROS, FIXED ASSET RATIO, TIE, DEBT EQUITY RATIO, SOLVENCY RATIO, and CURRENT RATIO, taken from the published financial statements of CPP. We also take the NASDAQ INDEX return for commercial transportation on a quarterly basis for the period 2008 – 2015 and then we examine if and how they interact each other.

In the end, we come up with an overview that contains additional information for stock analysts, investors as well as for the management of the company itself, so that more secure conclusions can be reached as to which factors one should focus on shaping an effective strategy and achieving performance goals.

2. Financial indices analysis

We use financial indices to analyze both historical as well as financial accounting data (current situation). It should be stressed that an index implies a strict proportionality between the numerator and the denominator, which is expressed by the index value. The main advantage of the indicators, apart from their ease of calculation, is that they allow comparisons regardless of the size of individual businesses, so they can be used to analyze cross-sectional and longitudinal data.

This makes them extremely useful for a number of applications, the main ones being:
• Assessing the viability of a unit
• Assessing the effectiveness of an investment plan (or, more generally, an action plan).
• Provision for bankruptcy

• Valuing the value of a business.

Following our survey from the quarterly published financial statements of the company, we have calculated eight (8) financial indices for the period 2008-2015 on a quarterly basis. Before proceeding with the conclusions of our data processing, we present below a brief analysis of these ratios.

YEAR	QUARTER	ROE	ROA	ROS	Fixed Assets Efficiency Ratio	Current Ratio	Solvency	TIE	Debt Equity Ratio
2008	1st	0,0522	0,0163	0,3509	0,0171	24,5894	0,0380	0,1572	2,1928
	2nd	0,0636	0,0196	0,3931	0,0207	16,8647	0,0415	0,5144	2,1621
	3rd	0,0787	0,0226	0,4343	0,0241	25,2171	0,0448	0,4511	2,3835
	4th	0,0828	0,0204	0,3937	0,0222	10,2502	0,0399	0,8974	2,7530
2009	1st	0,0624	0,0130	0,2914	0,0139	2,9754	0,0292	0,2188	3,3597
	2nd	0,0494	0,0117	0,2594	0,0124	2,4241	0,0286	0,0738	2,8887
	3rd	0,0451	0,0104	0,2339	0,0111	3,2911	0,0268	0,0698	2,9942
	4th	0,0336	0,0077	0,1794	0,0083	3,1724	0,0234	0,0256	3,0166
2010	1st	0,0346	0,0094	0,2260	0,0102	5,2926	0,0270	0,1489	2,4238
	2nd	0,0267	0,0071	0,1742	0,0075	1,9987	0,0244	0,2859	2,4602
	3rd	0,0150	0,0047	0,1344	0,0050	3,4721	0,0220	0,4703	1,9748
	4th	0,0100	0,0032	0,0961	0,0034	3,8299	0,0203	0,2767	1,9770
2011	1st	0,0100	0,0032	0,1117	0,0034	3,9735	0,0204	0,3238	1,9866
	2nd	0,0492	0,0179	0,6737	0,0204	3,1016	0,0433	0,2887	1,6222
	3rd	0,1300	0,0560	3,0066	0,0631	1,2156	0,1106	1,2964	1,1840
	4th	0,0020	0,0009	0,0327	0,0010	1,6588	0,0196	0,3794	1,2247
2012	1st	0,0063	0,0027	0,1206	0,0031	0,9857	0,0232	0,5159	1,2240
	2nd	0,0053	0,0030	0,1675	0,0033	1,4928	0,0310	0,1881	0,7251
	3rd	0,0115	0,0064	0,3746	0,0071	1,5041	0,0388	0,2187	0,7388
	4th	-0,0610	-0,0327	-1,6711	-0,0365	1,3834	-0,0464	0,6090	0,7988
2013	1st	0,0383	0,0208	0,9435	0,0237	1,1948	0,0672	1,2202	0,7844
	2nd	0,0585	0,0322	1,4448	0,0377	1,9341	0,0948	0,7960	0,7600
	3rd	0,0413	0,0233	1,1412	0,0279	2,0576	0,0752	0,9212	0,7268
	4th	0,0025	0,0014	0,0581	0,0017	1,8941	0,0262	0,9365	0,7465
2014	1st	0,0146	0,0081	0,3654	0,0097	2,1590	0,0417	0,7349	0,7581
	2nd	0,0104	0,0057	0,2563	0,0068	2,0565	0,0360	0,4747	0,7737
	3rd	0,0127	0,0084	0,3865	0,0094	3,7816	0,0444	0,4277	0,6533
	4th	0,0157	0,0092	0,4640	0,0115	3,7771	0,0452	0,5320	0,6623
2015	1st	-0,0042	-0,0024	-0,1202	-0,0030	2,3633	0,0170	0,3784	0,6924
	2nd	0,0145	0,0091	0,3791	0,0011	2,4120	0,0504	0,4572	0,5469
	3rd	0,0145	0,0087	0,3103	0,0102	1,6587	0,0482	0,5711	0,6004
	4th	0,0164	0,0098	0,3426	0,0115	1,6028	0,0521	0,4912	0,6095

• Return on Equity (ROE)

This index reflects the profitability of a business and provides an indication as to whether the objective of achieving a satisfactory result from the use of shareholder funds has been achieved. In other words, it measures the efficiency with which the funds of the company's shareholders are employed in it. It is the main indicator that a company's management, in case of a positive result, tends to show in the most prominent way in the annual report. The indicator comes from dividing net profit for the period with total equity.

• Return on Assets (ROA)

This index measures the performance of an enterprise's total assets and allows an assessment of the effectiveness of its operations. The index shows the ability of the enterprise to survive and to attract funds for investment, "rewarding" them accordingly. We take this index by dividing all net profits into total assets.

• Return on Sales (ROS)

This index (ROS = Net Income / Total Revenues) is the net profit per unit of sales. This indicator is used for a simplified estimation of future profits, based on predicted sales, provided of course that it has a durable stability. In fact, ROS incorporates the result of a number of changes in the company's financial figures, so its values may be highly volatile. A

steady increase in ROS means that the company grows more efficiently, and if it diminishes over time, it points to emerging economic problems.

• Fixed Assets Efficiency Ratio

The Fixed Asset Efficiency Index calculates the ability of a company to use its fixed assets (ships) to generate revenue.

Fixed Assets Efficiency Ratio = Net income/Fixed assets

• Current Ratio Index

This index shows the liquidity measure of an enterprise and the margins of security so that it is able to meet the payment of the daily necessary obligations. The more predictable a company's money inflows, lower price of this index are generally accepted, although this is mainly in line with the sector in which the firm belongs. The General Liquidity index is found by dividing current assets by short-term liabilities. This ratio must be greater than the unit, which means that the working capital is positive and that the total of current assets and cash is higher than the short-term liabilities.

General Liquidity Indicator = Current Assets / Current Liabilities

• Solvency

$$\text{Solvency Ratio} = \frac{\text{Net Income (or After-Tax Profit)} + \text{Depreciation}}{\text{Short-Term Liabilities} + \text{Long-term Liabilities}}$$

The Solvency index indicates the company's ability to meet its obligations or more simply stated how many times the company can cover its costs. Ideal index values vary per business sector.

**• Times Interest Earned (TIE)**

TIE is an index that shows how many times a company receives interest expenses by showing alternatively how many times a company's borrowing can be increased and the business unit to be able to repay it. This index is calculated by dividing EBIT by interest expenses.

• Debt to Equity (DTE)

This index measures the structure of the enterprise's funds and its borrowing burden, by showing the amount of assets funded by creditors in relation to the funds provided by its shareholders. The larger this index is, the more the company relies on financing its assets in foreign capital and less on its own. Prices above the unit mean that the contribution of the enterprise's shareholders is greater than the creditors' contribution. This index also shows how much the equity-capital is able to cover a unit of creditors' capital.

This indicator is used by the lenders of the firm to assess the degree of collateral that is being provided by equity capital but it is also used by the firm's management and its shareholders to assess the capital leverage level. This index is calculated by dividing the total liabilities by total equity capital.

We present below some useful conclusions resulting from the processing of our data for stock analysts, investors, management of the company, providing, at the same time, the corresponding diagrams as well.

FIXED ASSETS EFFICIENCY RATIO

CURRENT RATIO

SOLVENCY
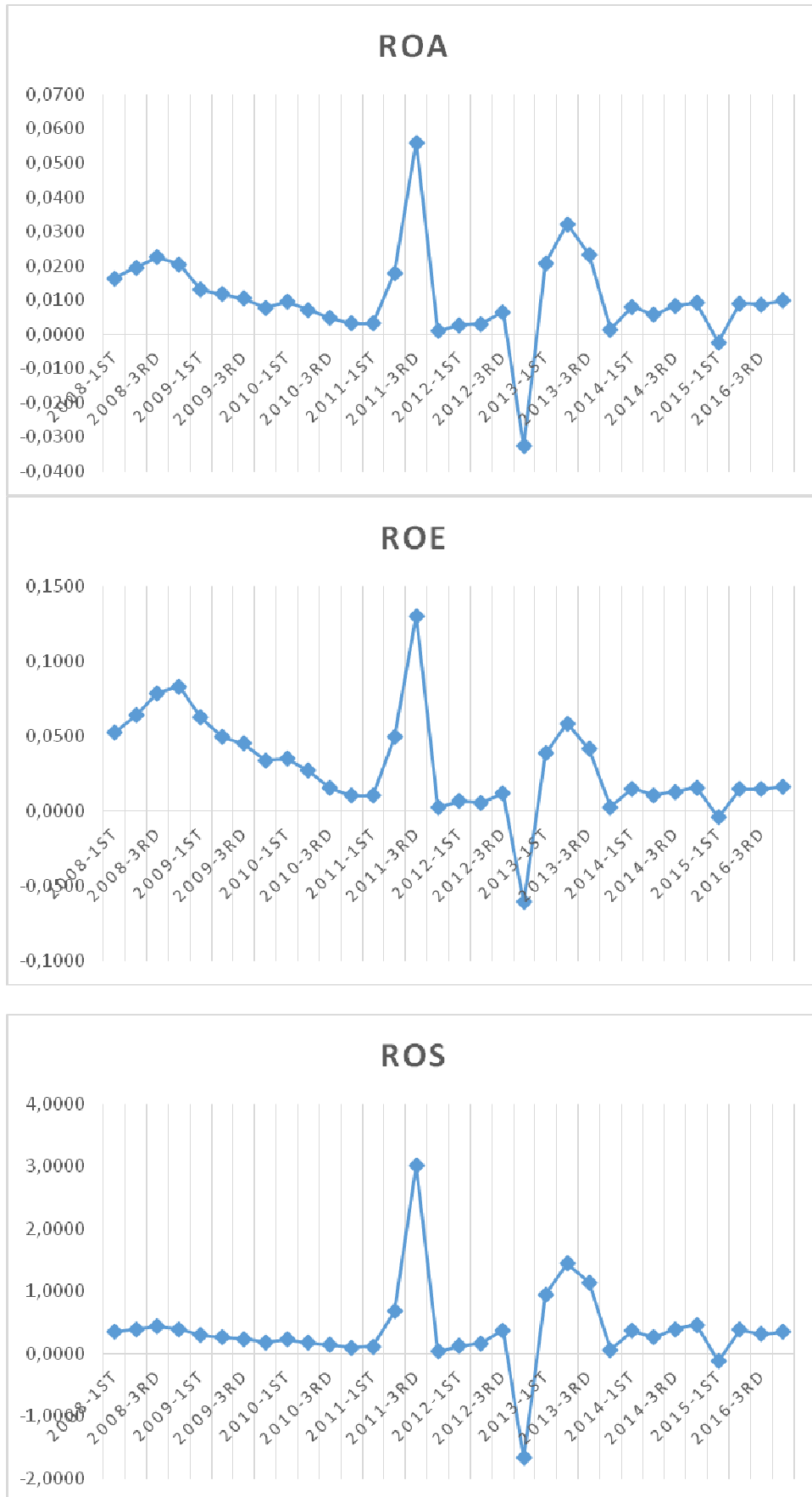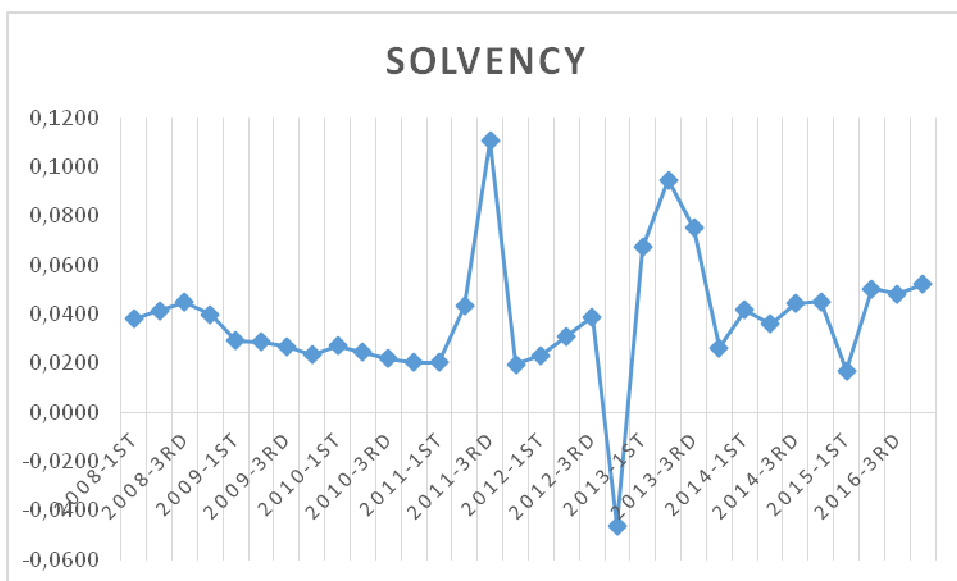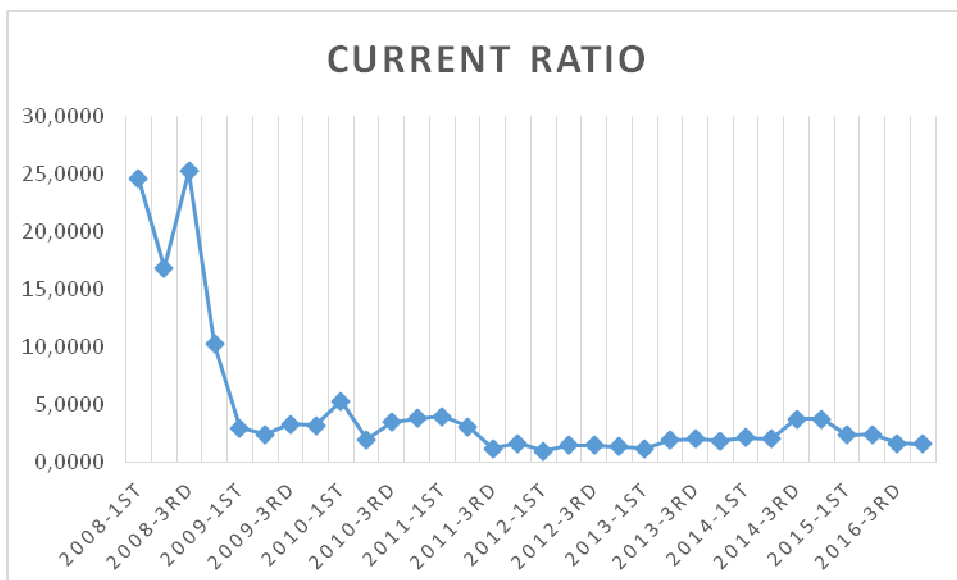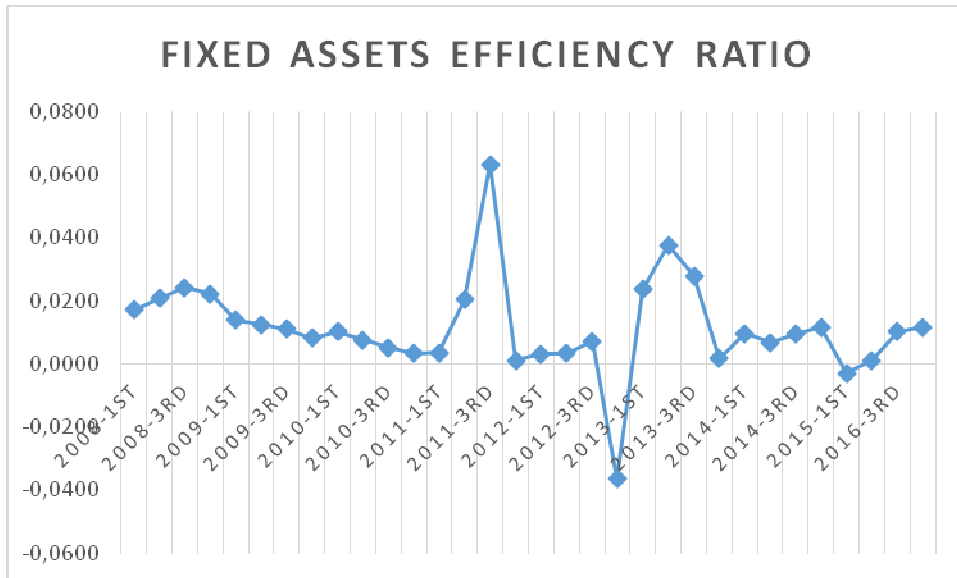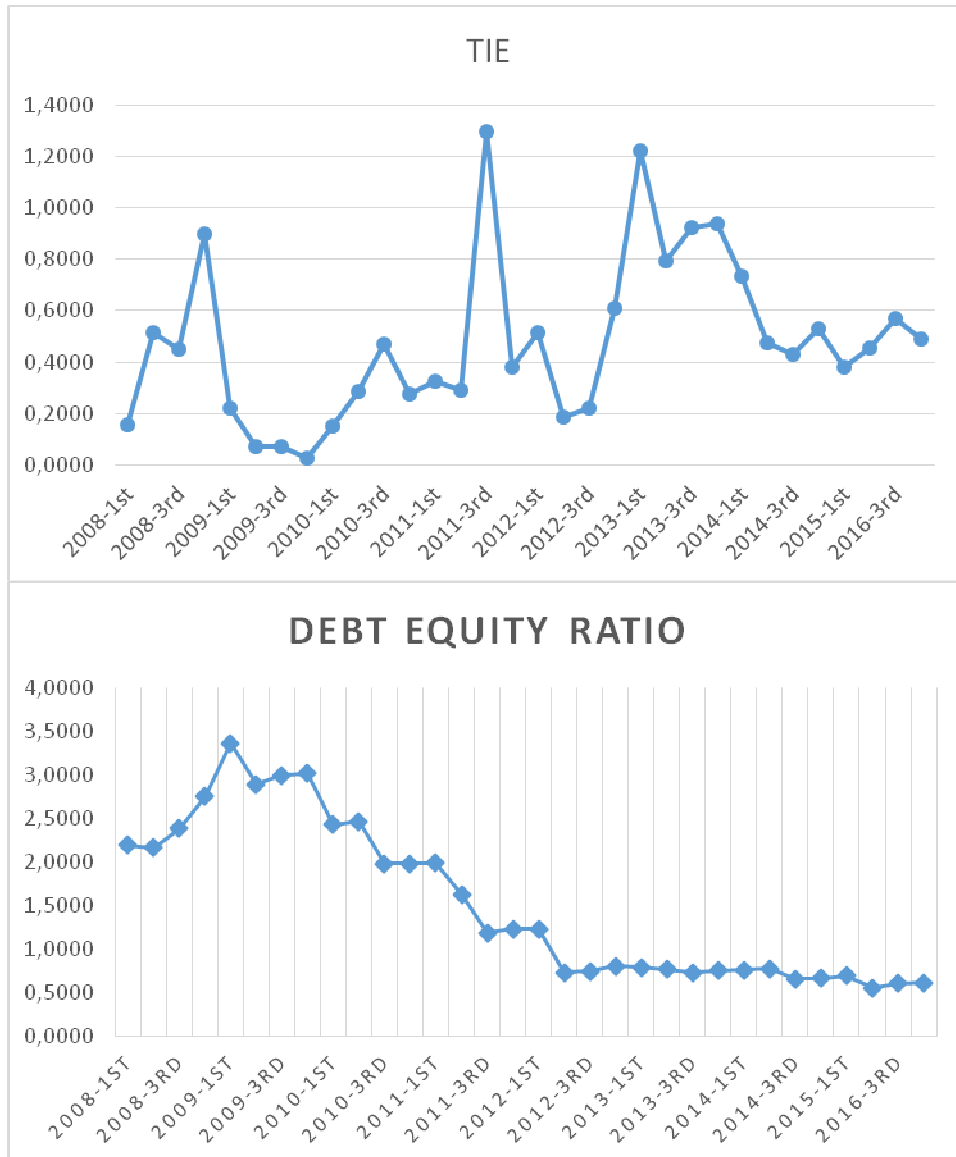
From the data processing of these indices, we have noticed that, given the great drop in the freight market during 2008-2015, Capital Product Partners L.P. indices for the period 2008-2015 are positive, and only from the third quarter of 2012 to the third quarter of 2013 some indices appear negative (ROE, ROA, ROS, FIXED ASSET, and SOLVENCY). This suggests that the capital structure of the company combined with its operational function gives the company the advantage of coping with long-term negative market changes.

More specifically, we observe that:

1. ROE, ROS, ROA after the third quarter of 2013 remain positive with some price fluctuations, which is reasonable given that in the period 2013-2015 the BDI index has hit historically low.

2. FIXED ASSETS EFFICIENCY RATIO is also positive. It should be emphasized that especially for the period 2013-2015 it is particularly important, since during this period many companies had their vessels laid up, which proves that although the low freight market the company exploits its fleet positively, which is also the main revenue producer.

3. CURRENT RATIO remains positive for the entire period 2008-2015, which is very important for company's liquidity as it proves that it can meet its daily basic debt obligations.

4. SOLVENCY RATIO, the ideal prices of which vary as per industry, with the exception of the period from the third quarter of 2012 to the third quarter of 2013, show positive fluctuations.

5. TIE for the period 2018-2015 also shows positive fluctuations, which is positive because the company can increase its borrowing in order to finance new investment programs.

6. DEPT EQUITY RATIO from 2009 to 2012 is declining and from 2012 to 2015 shows stability, so we have reached to the conclusion that the company has reduced its borrowing and this fact is positive for future investors as in the period of the financial crisis, was in line with its debt obligations. In particular, it is obvious that the pressures exerted during this period of the international financial crisis, the beginning of which has been placed during the time of the collapse of LEHMAN BROTHERS, which had and continues to have negative impact on the maritime sector. This has led to an unprecedented crisis in both developed and developing economies, resulting in a sharp decline in world trade. The effect of this was also the reduction of demand for shipping commercial transport which coupled with oversupply tonnage, resulted in large fluctuations in the freight market, and thus to a decline of the revenues for shipping companies. The consequence was that many public listed shipping companies were quoted as being subject to oversight, delisting or even bankruptcy. From the above, it becomes clear that the financial indices of a public listed shipping company incorporate and reflect all the above mentioned developments that ultimately affect its stock performance.

The decoding of the financial indicators is a useful instrument, not only for future investors who seek to invest in such a company. It isalso useful for the management of every company willing to benefit through both monitoring the progress of these indicators and taking the necessary feedback to make - if necessary – effective adjustments to its strategic planning.

To sum up, we see how important is to examine and study the performance of financial ratios that affect the performance of each public-listed shipping company, especially for the sector of shipping commercial transport that is strongly affected by external factors such as (Stopford 2009):

- Political decisions leading to social / political / economic turmoil (e.g. Middle East war, Venezuelan crisis, embargo on Russia).

- Government decision to increase / decrease stockpiles of raw materials (see China), which have a direct impact on the freight market.

- Export of US oil.

The sustainability and profitability of a public listed shipping company are shown through the performance of financial indicators presented above. The analysis and the results are of critical importance for the management of a company so its leaders can take all necessary measures for improving the performance of the company.

3. DATA ANALYSIS – METHODOLOGY

YEAR	QUARTER	ROE	ROA	ROS	Fixed Assets Efficiency Ratio	Current Ratio	Solvency	TIE	Debt Equity Ratio	NASDAQ RETURN QUARTELY AVERAGE	STOCK RETURN QUARTELY AVERAGE
2008	1st	0,0522	0,0163	0,3509	0,0171	24,5894	0,0380	0,1572	2,1928	-0,0004	0,0027
	2nd	0,0636	0,0196	0,3931	0,0207	16,8647	0,0415	0,5144	2,1621	0,0016	-0,0013
	3rd	0,0787	0,0226	0,4343	0,0241	25,2171	0,0448	0,4511	2,3835	0,0020	0,0089
	4th	0,0828	0,0204	0,3937	0,0222	10,2502	0,0399	0,8974	2,7530	0,0014	0,0030
2009	1st	0,0624	0,0130	0,2914	0,0139	2,9754	0,0292	0,2188	3,3597	0,0041	0,0024
	2nd	0,0494	0,0117	0,2594	0,0124	2,4241	0,0286	0,0738	2,8887	-0,0024	-0,0059
	3rd	0,0451	0,0104	0,2339	0,0111	3,2911	0,0268	0,0698	2,9942	-0,0010	-0,0003
	4th	0,0336	0,0077	0,1794	0,0083	3,1724	0,0234	0,0256	3,0166	-0,0009	-0,0009
2010	1st	0,0346	0,0094	0,2260	0,0102	5,2926	0,0270	0,1489	2,4238	-0,0009	0,0006
	2nd	0,0267	0,0071	0,1742	0,0075	1,9987	0,0244	0,2859	2,4602	0,0012	0,0007
	3rd	0,0150	0,0047	0,1344	0,0050	3,4721	0,0220	0,4703	1,9748	-0,0023	-0,0010
	4th	0,0100	0,0032	0,0961	0,0034	3,8299	0,0203	0,2767	1,9770	-0,0022	-0,0026
2011	1st	0,0100	0,0032	0,1117	0,0034	3,9735	0,0204	0,3238	1,9866	0,0005	-0,0021
	2nd	0,0492	0,0179	0,6737	0,0204	3,1016	0,0433	0,2887	1,6222	-0,0003	0,0023
	3rd	0,1300	0,0560	3,0066	0,0631	1,2156	0,1106	1,2964	1,1840	0,0046	0,0053
	4th	0,0020	0,0009	0,0327	0,0010	1,6588	0,0196	0,3794	1,2247	-0,0021	-0,0009
2012	1st	0,0063	0,0027	0,1206	0,0031	0,9857	0,0232	0,5159	1,2240	-0,0018	-0,0046
	2nd	0,0053	0,0030	0,1675	0,0033	1,4928	0,0310	0,1881	0,7251	0,0014	0,0007
	3rd	0,0115	0,0064	0,3746	0,0071	1,5041	0,0388	0,2187	0,7388	0,0009	-0,0013
	4th	-0,0610	-0,0327	-1,6711	-0,0365	1,3834	-0,0464	0,6090	0,7988	-0,0015	0,0024
2013	1st	0,0383	0,0208	0,9435	0,0237	1,1948	0,0672	1,2202	0,7844	-0,0010	-0,0041
	2nd	0,0585	0,0322	1,4448	0,0377	1,9341	0,0948	0,7960	0,7600	-0,0011	-0,0023
	3rd	0,0413	0,0233	1,1412	0,0279	2,0576	0,0752	0,9212	0,7268	-0,0009	0,0005
	4th	0,0025	0,0014	0,0581	0,0017	1,8941	0,0262	0,9365	0,7465	-0,0007	-0,0025
2014	1st	0,0146	0,0081	0,3654	0,0097	2,1590	0,0417	0,7349	0,7581	-0,0011	-0,0017
	2nd	0,0104	0,0057	0,2563	0,0068	2,0565	0,0360	0,4747	0,7737	-0,0015	-0,0006
	3rd	0,0127	0,0084	0,3865	0,0094	3,7816	0,0444	0,4277	0,6533	0,0015	0,0019
	4th	0,0157	0,0092	0,4640	0,0115	3,7771	0,0452	0,5320	0,6623	-0,0036	0,0030
2015	1st	-0,0042	-0,0024	-0,1202	-0,0030	2,3633	0,0170	0,3784	0,6924	0,0004	-0,0034
	2nd	0,0145	0,0091	0,3791	0,0011	2,4120	0,0504	0,4572	0,5469	0,0017	0,0027
	3rd	0,0145	0,0087	0,3103	0,0102	1,6587	0,0482	0,5711	0,6004	0,0003	0,0028
	4th	0,0164	0,0098	0,3426	0,0115	1,6028	0,0521	0,4912	0,6095	0,0002	0,0017

YEAR	1st QUARTER NASDAQ AVERAGE	2nd QUARTER NASDAQ AVERAGE	3rd QUARTER NASDAQ AVERAGE	4th QUARTER NASDAQ AVERAGE
2008	-0,0004	0,0016	0,0020	0,0014
2009	0,0041	-0,0024	-0,0010	-0,0009
2010	-0,0009	0,0012	-0,0023	-0,0022
2011	0,0005	-0,0003	0,0046	-0,0021
2012	-0,0018	0,0014	0,0009	-0,0015
2013	-0,0010	-0,0011	-0,0009	-0,0007
2014	-0,0011	-0,0015	0,0015	-0,0036
2015	**0,0004**	**0,0017**	**0,0003**	**0,0002**

Dependent Variable: STOCK_RETURN_QUARTELY_AV
Method: Least Squares
Date: 05/06/17   Time: 12:11
Sample (adjusted): 2008Q1 2015Q2
Included observations: 30 after adjustments

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-0.002250	0.005597	-0.402041	0.6919
CURRENT_RATIO	0.000343	0.000176	1.948019	0.0656
DEBT_EQUITY_RATIO	-0.001352	0.001730	-0.781465	0.4437
ROA	-1.245462	1.002908	-1.241851	0.2287
FIXED_ASSETS_EFFICIENCY_	-0.091000	0.307131	-0.296291	0.7701
NASDAQ_RETURN_QUARTELY_A	0.298426	0.371026	0.804326	0.4307
ROE	0.281258	0.159819	1.759857	0.0937
ROS	0.010673	0.007684	1.388984	0.1801
SOLVENCY	0.128441	0.170800	0.751994	0.4608
TIE	-0.000307	0.002326	-0.131804	0.8965

R-squared	0.521700	Mean dependent var		4.51E-05
Adjusted R-squared	0.306465	S.D. dependent var		0.003094
S.E. of regression	0.002576	Akaike info criterion		-8.823732
Sum squared resid	0.000133	Schwarz criterion		-8.356666
Log likelihood	142.3560	Hannan-Quinn criter.		-8.674314
F-statistic	2.423862	Durbin-Watson stat		2.411654
Prob(F-statistic)	0.047588			

Heteroskedasticity Test: Breusch-Pagan-Godfrey

F-statistic	1.200327	Prob. F(9,20)	0.3476
Obs*R-squared	10.52134	Prob. Chi-Square(9)	0.3099
Scaled explained SS	3.213293	Prob. Chi-Square(9)	0.9552

Test Equation:
Dependent Variable: RESID^2
Method: Least Squares
Date: 05/06/17   Time: 13:00
Sample: 2008Q1 2015Q2
Included observations: 30

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	2.96E-05	1.11E-05	2.662498	0.0150
CURRENT_RATIO	-4.72E-07	3.49E-07	-1.350657	0.1919
DEBT_EQUITY_RATIO	-9.48E-06	3.44E-06	-2.756072	0.0122
FIXED_ASSETS_EFFICIENCY_	-3.48E-05	0.000610	-0.057013	0.9551
NASDAQ_RETURN_QUARTELY_A	-0.000972	0.000737	-1.318035	0.2024
ROA	0.002022	0.001993	1.014714	0.3224
ROE	7.03E-05	0.000318	0.221346	0.8271
ROS	-2.11E-05	1.53E-05	-1.383942	0.1816
SOLVENCY	-0.000531	0.000339	-1.563264	0.1337
TIE	-8.29E-06	4.62E-06	-1.793586	0.0880

R-squared	0.350711	Mean dependent var		4.42E-06
Adjusted R-squared	0.058531	S.D. dependent var		5.28E-06
S.E. of regression	5.12E-06	Akaike info criterion		-21.26592
Sum squared resid	5.24E-10	Schwarz criterion		-20.79885
Log likelihood	328.9888	Hannan-Quinn criter.		-21.11650
F-statistic	1.200327	Durbin-Watson stat		2.168246
Prob(F-statistic)	0.347618			

CORRELATION MATRIX									
	C	CURRENT..	DEBT_EQUI..	ROA	FIXED_ASS..	NASDAQ_R...	ROE	ROS	SOLVENCY	TIE
C	3.13E-05	-6.81E-07	-7.60E-06	0.004059	-6.08E-05	0.000188	-0.000421	-2.84E-05	-0.000855	-7.15E-06
CURRENT..	-6.81E-07	3.09E-08	1.64E-07	-0.000120	2.20E-06	-8.46E-06	1.16E-05	1.11E-06	1.87E-05	1.34E-07
DEBT_EQUI..	-7.60E-06	1.64E-07	2.99E-06	-0.000543	1.06E-05	0.000132	-2.82E-05	5.63E-06	0.000145	2.51E-06
ROA	0.004059	-0.000120	-0.000543	1.005824	-0.114839	0.070569	-0.132376	-0.006220	-0.149737	-0.000257
FIXED_ASS..	-6.08E-05	2.20E-06	1.06E-05	-0.114839	0.094329	0.039979	0.000783	-0.000163	0.007115	-0.000112
NASDAQ_R...	0.000188	-8.46E-06	0.000132	0.070569	0.039979	0.137660	-0.028695	-0.000886	-0.009815	3.75E-05
ROE	-0.000421	1.16E-05	-2.82E-05	-0.132376	0.000783	-0.028695	0.025542	0.000835	0.019728	-2.40E-05
ROS	-2.84E-05	1.11E-06	5.63E-06	-0.006220	-0.000163	-0.000886	0.000835	5.90E-05	0.000886	4.15E-06
SOLVENCY	-0.000855	1.87E-05	0.000145	-0.149737	0.007115	-0.009815	0.019728	0.000886	0.029173	8.66E-05
TIE	-7.15E-06	1.34E-07	2.51E-06	-0.000257	-0.000112	3.75E-05	-2.40E-05	4.15E-06	8.66E-05	5.41E-06

Using the E-views and the least mean squares method, we have examined how eight (8) financial indices and the return of the NASDAQ INDEX for commercial transports affect CAPITAL PRODUCT PARTNERS's stock performance. These indices have been calculated on a quarterly basis from the Company's published financial statements, additionally the stock return and NASDAQ INDEX return for commercial transports are their logarithmic quarterly values. We define stock performance as dependent variable and as independent variables the eight (8) financial indices and the return of the NASDAQ INDEX for commercial transports, where the following occurs:

EQUATION:
STOCK_RETURN_QUARTELY_AV = C(1) + C(2)*CURRENT_RATIO +
C(3)*DEBT_EQUITY_RATIO + C(4)*ROA + C(5)*FIXED_ASSETS_EFFICIENCY_ +
C(6)*NASDAQ_RETURN_QUARTELY_A + C(7)*ROE + C(8)*ROS + C(9)*SOLVENCY +
C(10)*TIE

STOCK_RETURN_QUARTELY_AV = -0.00225040047433 +
0.00034260892561*CURRENT_RATIO - 0.00135230074861*DEBT_EQUITY_RATIO -
1.24546159241*ROA - 0.0910002693187*FIXED_ASSETS_EFFICIENCY_ +
0.298425650562*NASDAQ_RETURN_QUARTELY_A + 0.281258179302*ROE +
0.0106734331174*ROS + 0.128440824123*SOLVENCY - 0.000306591008469*TIE

From the data processing of the above we have reached to the conclusion that our equation based on the fact that Adjusted R squared is equal to 0.306, interprets 30.00% of the company's share yield, which is particularly high as 70,00% that remains unmodified confirms that stock returns are affected by a multitude of variables according to the relevant literature (Grammenos and Arcoulis 2002, Grammenos and Marcoulis 1996, Bhandari 1988).

In addition, we can see that based on the equation that emerges from our sample and in combination with the Beta coefficients of the independent variables, it is confirmed that the performance of the firm's stock has a more pronounced impact from the most important financial indices, based on the relevant literature. These indices are:
1) ROA (highest negative correlation b = -1.245),
2) ROE (positive correlation b = + 0.281),
3) SOLVENCY RATIO (positive correlation b = + 0.128)
4) Additionally the performance of the NASDAQ index to which the company is listed has a positive impact on stock's performance (positive correlation b = + 0.298).

On the contrary FIXED ASSET RATIO (b = -0.091) does not affect the performance of the stock, although it shows how efficiently the company uses its assets, where in the case of shipping sector is quite important because the firm's vessels are the main generator of its

revenue. Of course, this can be attributed to the fact that due to the international financial crisis, the international freight market as well presents a great volatility in freight rates, which does not lead to the optimal usage of vessels by the firms of the shipping sector.

Finally, we have noticed that CURRENT RATIO (b = + 0.0003), TIE (b = b = -0.0003) and DEBT EQYITY RATIO (b = -0.001), ROS (b = + 0.010) have a quite low impact on the performance of firm's stock. Probably, due to the international financial and maritime crisis, these indices which are related with factors such as liquidity and the structure of equity capital, debt capital are moving towards these insignificant levels of impact due to the loan restructuring that has been effected by healthy and non-healthy firms of the shipping sector. This confirms that investors are focusing on key financial indicators.

4. CONCLUSIONS

From an overview of the above, we conclude that:

1) Based on indicators showing above a positive correlation with share return:

- ROE and ROA after the third quarter of 2013 remain positive with some fluctuations in their prices, which is logical as the BDI index has historically low in the period 2013-2015.

- SOLVENCY RATIO, which prices vary by industry, with the exception of the third quarter of 2012 and the third quarter of 2013, show positive fluctuations.

2) Based on indices that do not correlate with the share return:

FIXED ASSETS EFFICIENCY RATIO also remains positive, and we can state that especially for the period 2013-2015 is particularly important, since at this time many companies have laid up their ships, which proves that despite the low ratio price is achieving positive exploit of its fleet, which is also the main revenue producer.

3) Based on indices that have a low correlation with share return:

- TIE for the period 2018-2015 also shows positive fluctuations, which is positive because the company can increase its borrowing in order to finance new investment programs.

- DEPT EQUITY RATIO from 2009 to 2012 is declining and from 2012 to 2015 shows stability, from this we conclude that the company has reduced its borrowing and is a sign of solvency for its creditors, investors, as in the financial period crisis, was in line with its borrowing obligations.

- The current ratio remains positive for the entire 2008-2015 period, which is very important for the company's liquidity because it proves that it can meet its daily basic debt obligations.

Finally, we have reached to the conclusion that every public-listed shipping company cannot, of course, influence the factors from its external political and geoeconomic environment mentioned above.

In this paper, in chapter 2 we have analyzed the importance of financial indicators as to the fact that their continuous monitoring provides important information for both potential investors and the management of the company in order to achieve both profitability and sustainability goals. In chapter 3, we have reached to an answer regarding the effect, negative or positive, of selected financial indices on a public listed shipping company's stock return. We consider this as critical information for the management of the company in its effort to increase further positive effects and mitigate any negative ones in order to achieve high stock returns and become "attractive" to future investors.

5. References

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