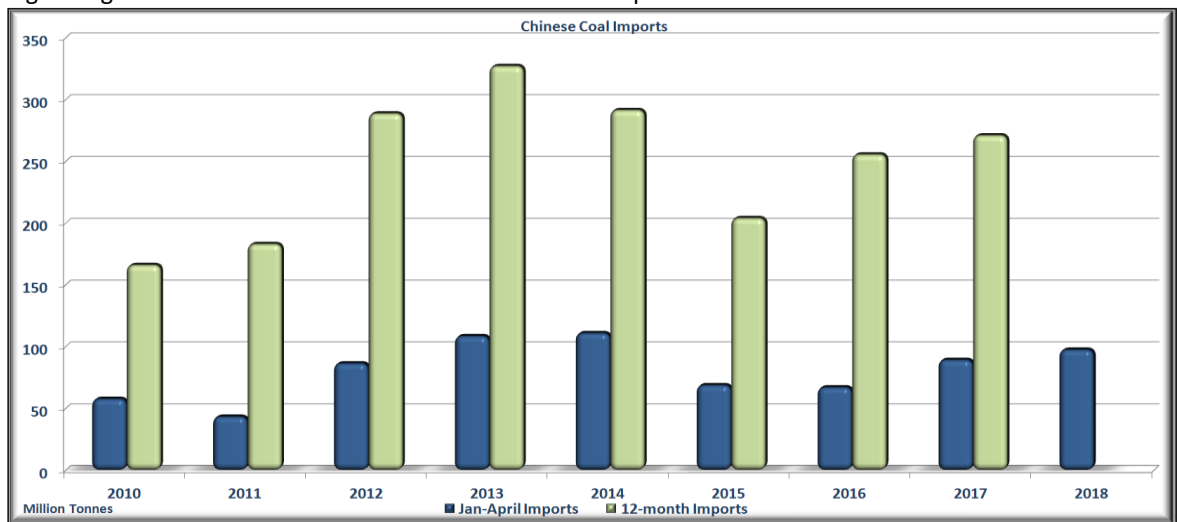
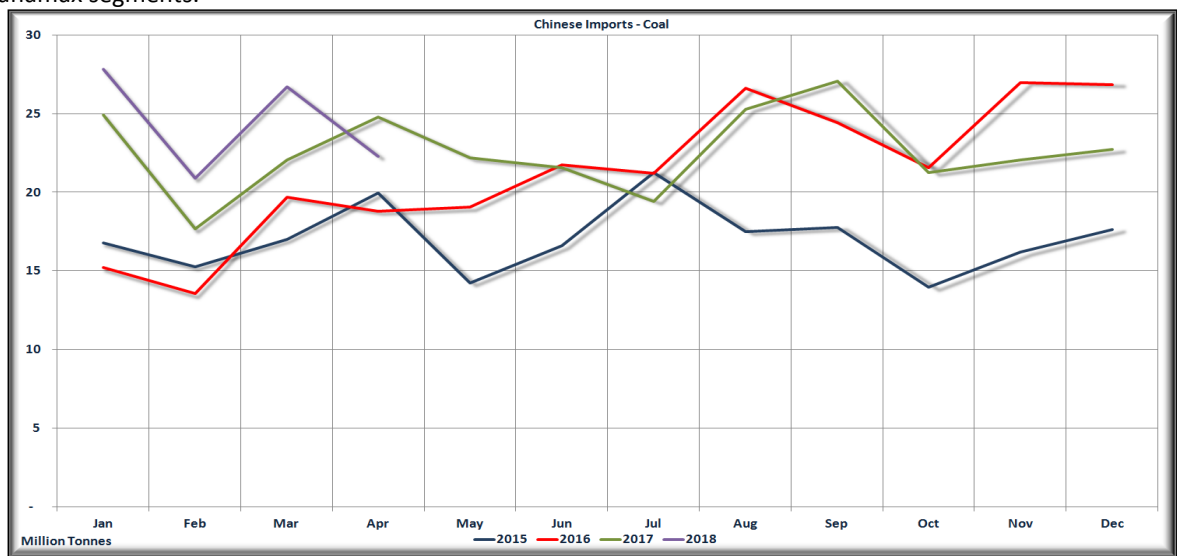


In a period that oil is stealing the show in the commodity space with its impressive price increase and geopolitics affecting its trade, coal is making a stronger mark in bulk shipping. The second largest traded dry bulk commodity shaped the course of the Baltic Dry Index yet again during the last eighteen months. The least loved major commodity found unexpectedly strong support from China and India, increasing its trading volume to unprecedented levels. Chinese seaborne coal imports, in particular, have once again proved supportive to shipping demand by increasing 12% in 2017, on an annual basis. In 2017, China's customs cleared a total of 228.5 million tonnes of coal imports via sea, compared to 204 million tonnes in 2016. Total Chinese imports of coal in 2017 were 271 million tonnes, compared to 255 million tonnes in 2016, indicating the increased reliance of China on international markets for supplementing their domestic production. Additionally, after sliding for two years, India's coal imports grew 8.1% in FY2017-18, On the back of increasing demand for coking coal from the growing Indian steel sector and for steam coal from the power and cement sectors.



Setting aside the medium-term trendsetting property of dry bulk shipping's "black gold", the freight market followed closely its ebb and flow in the short term too. For the first four months of the current year, the rebound in China's coal consumption propped up the BDI. Indicatively, for the period of January to April 2018, China imported 97.7 million tonnes of coal, or 9.2% higher than a year ago. However, this pace fell recently with April imports being well below last year's levels. In particular, Chinese customs cleared just 22.3 million tonnes in April 2018, or -11.2% Y-o-Y, with a bearing on the freight market, especially the Ultramax and Panamax segments.



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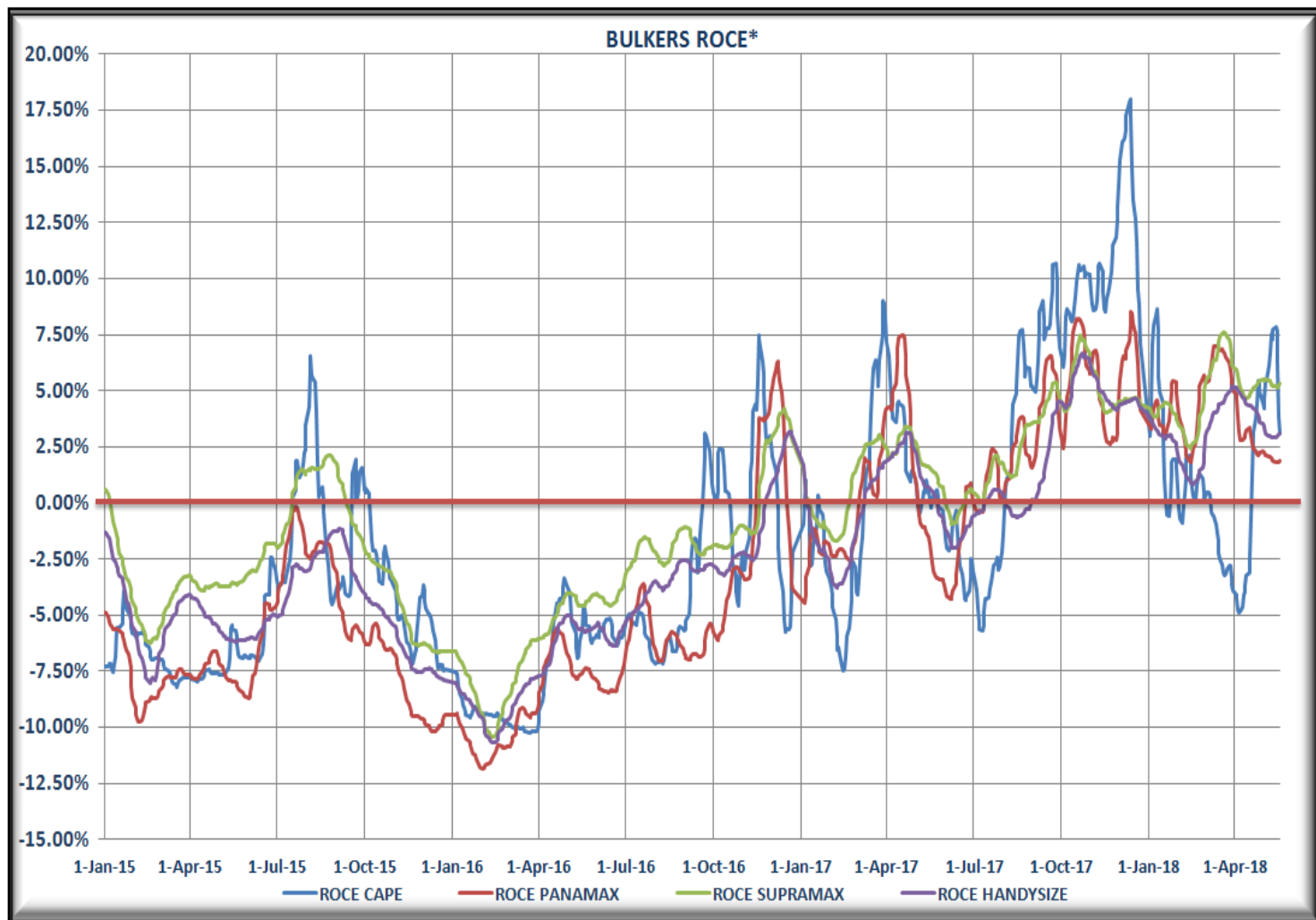
Since early May, however, coal-hungry Asia, led by China and India, increased its activity in coal trades, with the major coal-sensitive Baltic indices pointing up. The seasonal uptick in Chinese demand due to warmer-than-usual spring temperatures in combination with limited hydropower output as an effect of low reservoir levels has risen the demand of the world's biggest consumer of coal. Additionally, India's usual infrastructure issues, low inventories and the talk of a ban on petcoke consumption may further improve the prospects of seaborne coal for the months to come. In this context and with the seasonal stronger period of the year ahead of us, the dry bulk steam locomotive appeared to have the strength needed for the extra mile.

**Freight market 120yrs ago (page 12):** "The spurt that took place in freights at the beginning of last week was unfortunately, after all, only of a spasmodic nature, as the advances in rates have mostly been lost..."

## Dry Cargo Spot Market

Despite the promising week start, the freight market didn't manage to keep up with the good pace of the previous week. After scoring 2018 record levels of 1476 points on Monday, BDI lost 13.5% on the remaining four days, concluding at 1273 points. BCI gave up three-week gains in just four days, returning to mid-end April levels of 2053 points. Consistent on its mild downward trend, BPI declined to 1241 points, however, it finished above intra-week lows. BSI added another 16 points on its upward trend, ending at 1069 points, or up 4.6% M-o-M. After six weeks of losses, BHSI moved up to 590 points during the 20th week of the year.

At the box office, the after depreciation returns on capital employed of geared segments went up, whereas those of gearless moved to the opposite direction. In particular, having lost 460 basis points on a weekly basis, Capesize ROCE lay at 3.11%. Panamax returns drifted lower to ROCE levels of 1.86%. Marginal increases were reported in the returns of the geared segments, with Supramax and Handysize ROCEs lingering at 5.29% and 3.08% respectively.



Baltic Freight Indices					
Date	BDI	BCI 5TC	BPI - TCA	BSI - TCA	BHSI - TCA
14-May-18	1476	\$20,801	\$9,994	\$10,996	\$8,535
15-May-18	1468	\$20,646	\$9,971	\$10,959	\$8,552
16-May-18	1403	\$19,001	\$9,977	\$10,954	\$8,568
17-May-18	1305	\$16,511	\$9,993	\$11,002	\$8,594
18-May-18	1273	\$15,712	\$10,009	\$11,038	\$8,604
12-month High	1743	\$30,475	\$13,740	\$12,356	\$10,104
12-month Low	818	\$6,305	\$6,281	\$7,412	\$6,178
12-month Avg	1216	\$15,611	\$10,620	\$10,036	\$8,250
Avg. Cal 2017	1145	\$15,129	\$9,766	\$9,168	\$7,636
Avg. Cal 2016	673	\$7,388	\$5,562	\$6,236	\$5,214

\*Return on Capital Employed (ROCE) is the ratio of net operating profit of an investment to its capital employed. It measures the profitability of an investment by expressing its operating profit as a percentage of its capital employed. In other words, ROCE assesses how much profit an investment earns on every dollar employed.

By redefining what a bumpy ride might mean, **Capesize** freight market lost some \$4,900 in just three days. The most capricious among the segments touched year highs of \$20,801 daily on Monday and yet managed to end the week at \$15,712 daily.

In the Pacific basin, Rio Tinto stressed its belief on a supportive global macro environment, but with higher inflation and volatility looking ahead, according to its presentation at Bank of America Merrill Lynch 35th Annual Global Mining Metals & Steel Conference. In the spot arena, however, the short-sighted spot freight market focused on the local supply and demand forces and thus the Baltic West Australia to Qingdao index plunged to \$7.709 pmt. On the early side of the week, the super-eco 'Ormond' (180,986 dwt, 2015) was fixed with prompt delivery Nantong for a trip via Australia and redelivery Singapore-Japan at \$23,550 daily. A couple of days later, the 'Kinokawa Maru' (181,392 dwt, 2013) concluded at \$18,200 daily for an Australian round, basis delivery Jiangyin and redelivery China. The C10\_14 index (transpacific round) ended considerably lower at \$17,371 daily, but above intra-week lows. Jiangsu Steamship took the 'Charlotte Selmer' (175,154 dwt, 2011) for a pacific RV at \$14,500 daily, basis delivery Liuheng and redelivery Singapore-Japan.

In the Atlantic sub-market, in the same summit as Rio Tinto, Vale noted that "flight to quality" is a structural trend in the iron ore international market, whilst the steel demand is projected to remain accommodative, according to its projections. However, the spot market appeared to be influenced by the disruptions on the Guinea front. In particular, the C3 Baltic Index (Tubarao to Qingdao) reported nine-percentage-point losses on a weekly basis, ending this Friday at \$17.277 pmt. The 'CS Serenity' (180,364 dwt, 2014) reportedly went to CSN for a cargo eta 26 May to China at \$17.20 pmt. Little was transacted in the Atlantic, with the T/A index plunging to \$14,800 daily, or down 35%. Following the general trend, the fronthaul index (C9\_14) finished the week considerably lower at \$28,182 daily.

In the period market, with a dropping spot market and a forward losing big, it came with no surprise that activity appeared to be limited. Nevertheless, Louis Dreyfus took the 'lanthe' (180,018 dwt, 2009) from minimum 7 to about 9 months trading at \$20,650 daily, basis delivery Nagoya, indicating that sentiment remained quite strong.

Representative Capesize Fixtures								
Vessel	DWT	Built	Delivery	Date	Re-del	Rate	Charterers	Comment
Ormond	180,986	2015	Nantong	15/17 May	Singapore-Japan	\$23,550	Jiangsu Steamship	via Australia
Kinokawa Maru	181,392	2013	Jiangyin	20/22 May	China	\$18,200	Jiangsu Steamship	via east Australia
Mineral Faith	175,620	2012	CJK	19/21 May	Singapore-Japan	\$17,800	cnr	via Australia
Charlotte Selmer	175,154	2011	Liuheng	17/20 May	Singapore-Japan	\$14,500	Jiangsu Steamship	Pacific rv
lanthe	180,018	2009	Nagoya	05/15 Jun	WW	\$20,650	Louis Dreyfus	min 7/abt 9 months

In another trading week with limited volatility, **Panamaxes** moved sideways, ending at BPI TCA levels of \$10,009. Indicative of the flattish tone in this sub-market during the last six weeks is that the highest from the lowest closing of the BPI TCA was less than \$1,000 apart.

In the Pacific, the Baltic Transpacific RV index gained circa \$1,500 since the beginning of May, outperforming all other Panamax routes. Despite the increased activity across the board during the last period, trading faced a short pause lately, mainly due to a slowdown in NoPac grain cargoes. Nevertheless, in a rather dull week, market managed to close on a positive note. The fixture that singled out in this basin this week was that of 'Medi Newport' (81,600 dwt, 2017) securing a solid \$14,250 daily for a T/C trip most probably with petcoke, basis delivery Japan via NoPac and redelivery Pakistan. 'Star Betty' (81,168 dwt, 2011) was fixed at \$12,000 daily with 20/25 May delivery at Lianyungang for one T/C trip with fertilizers via NoPac to India, i.e. close to what grain was also paying for most of the week. Indonesian coal was fairly active this week, with most Charterers paying around \$11/12,000 daily depending on the position/dwt size. On the week's closing, 'Omicron Titina' (76,500 dwt, 2005) fixed a strong \$14,250 daily for one coal trip via Indonesia to S.Korea, basis delivery Philippines. The super-eco 'Graecia Aeterna' (81,001 dwt, 2014) fixed a back-haul trip with wood pellets, at \$6,000 with 17/18 May delivery at Qinhuangdao via NoPac to the UK. From down under, 'BTG Matterhorn' (81,060 dwt, 2016) concluded at \$14,750 daily, with 22/23 May delivery at Chiwan, for an alumina T/C trip via Bunbury to the Arabian Gulf and redelivery passing Muscat outbound.

In line with the horizontal movement of the general market, Atlantic trading did not leave much room for improvement in rates this week, in spite of the fact that prompt/spot tonnage was already covered. Charterers appeared heavily timid to commit in a declining market, subsequently the picture is blurry for next slot, i.e. early June loading shipments. On front-haul trips, there was noticeable activity on all major routes, with 'Zoi XL' (82,273 dwt, 2006) securing a strong \$20,000 daily with prompt delivery at Port Said via Turkey to the Far East and 'AM Krakow' (81,752 dwt, 2013) getting \$17,000 daily with 22/25 May delivery at Ghent for one T/C trip via Baltic to Malaysia. Similar levels were achieved by 'Medi Salerno' (81,702 dwt, 2008) but with delivery 21st May at San Ciprian, via NCSA to China. T/A was struggling on and off 5 digits for the larger sizes, i.e. Kamsarmax/Post Panamax, while L/M/E rates were hovering at \$7/8,000 daily. ECSA grains had a busy week, but rates remained just below last week's levels. Neither kamsarmax nor Panamax managed to surpass last done levels, with end May rates reaching down to \$13,500 plus \$350,000 in gbb.

Period rates managed to surprise positively, yielding a sound premium over the spot market. Indicatively, 'Port Star' (82,177 dwt, 2012) was reported fixed at \$14,000 daily for 1 year trading, with end May delivery at Mizushima. 'Bacco' (82,188 dwt, 2011) fixed at \$13,550 with delivery PMO on 19/20 May for a shorter duration of 5 to 9 months.

Representative Panamax Fixtures								
Vessel	DWT	Built	Delivery	Date	Re-del	Rate	Charterers	Comment
Zoi XL	82,273	2006	Port Said	prompt	Singapore-Japan	\$20,000	Pegasus	via Iskenderun
AM Krakow	81,752	2013	Ghent	22/25 May	Malaysia	\$17,000	cnr	via Baltic
Medi Salerno	81,702	2008	San Ciprian	21 May	China	\$17,000	Cargill	via NCSA
Omicron Titina	76,500	2005	Sual	20/23 May	Skorea	\$14,250	cnr	via Indo
Medi Newport	81,600	2017	Japan	end May	Pakistan	\$14,250	Cargill	via Nopac
Star Betty	81,168	2011	Lianyungang	20/25 May	India	\$12,000	Oldendorff	via Nopac (ferts)
BTG Matterhorn	81,060	2016	Chiwan	22/23 May	PMO	\$14,750	Oldendorff	Bunbury/pg (alumina)
Port Star	82,177	2012	Mizushima	20/30 May	worldwide	\$14,000	Pacific Bulk	1 yr
Bacco	82,188	2011	PMO	19/20 May	worldwide	\$13,550	Quadra	5/9 mos

It was a tale of two oceans for the **Supramax** this week. The Far East provided good pickings whereas the Atlantic lacked luster, to say the least.

Chinese coal appetite was the prime mover with India a close second. The 'Navios Oriana' (61,442 dwt, 2012) scored a solid \$17,500 to ship coal from Indonesia to West Coast India however her delivery at Cigading is a favourable start. Furthermore, with India entering monsoon season the redelivery is presently not that attractive. The 'Kmarin Melbourne' (63,253 dwt, 2015) fixed from same delivery point for shipping coal via Indonesia to China at \$15,750. From North Far East rates advanced with the 'EM Crystal' (57,357 dwt, 2011) fixing from North China to South East Asia, a positioning leg, at \$10,500 and the 'Toxotis' (56,713 dwt, 2010) from North China to Yangon at \$12,000. The 'Bridgegate' (53,477 dwt, 2010) achieved a solid \$12,750 from East coast Japan for a North Pacific trip to South East Asia.

In the Atlantic, market trended sideways, as the limited amount of fresh inquiry was insufficient to relieve the pressure from owners. Nevertheless, with the exception of USG where rates kept deflating, most other areas held close to their 'last done' levels. The S4A\_58 (Usg to Skaw-Passero) route of the Baltic exchange was the worst performer of the week, shedding another 8.9% w-o-w, ending up at \$13,056. On the same day, it was reported that the 'Nautical Jennifer' (63,495 dwt, 2015) agreed \$15,000 daily, basis spot delivery Southwest Pass for a petcoke run to Eastern Mediterranean, while one day earlier, the smaller 'Warrior' (56,700 dwt, 2010) fetched a much lower \$12,250 daily for a grain cargo from the same area to Israel. From ECSA, the 'Clear Sky' (63,601 dwt, 2014) was fixed for a trip to Red Sea at a decent \$15,250 daily, basis redelivery Port Said. The Continent appeared slightly more active. The 'Amilla' (58,444 dwt, 2011), was fixed for a fronthaul trip via St. Petersburg to Malaysia at \$15,500 daily basis delivery Bremen. The Black Sea was rather quiet, with most Owners deferring their hopes for a possible resurgence in the area until later in the summer.

Short to medium period activity was brisk with indicative fixtures those of the 'Mila' (63,519 dwt, 2018) at \$13,500 for 3/5 months, delivery at South Korea and the 'Ariande' (57,038 dwt 2010) at \$11,700 for 5/7 months starting from Shanghai.

Representative Supramax Fixtures								
Vessel	DWT	Built	Delivery	Date	Re-del	Rate	Charterers	Comment
Navios Oriana	61,442	2012	Cigading	prompt	WC India	\$17,500	cnr	trip via Indonesia
Kmarin Melbourne	63,253	2015	Cigading	18-19 May	China	\$15,750	Winning	trip via Indonesia
EM Crystal	57,357	2011	Caofeidian	24-26 May	SE Asia	\$10,500	cnr	steels cargo
Toxotis	56,713	2010	Huludao	18-21 May	Yangon	\$12,000	Chun An	trip via North China
Bridgegate	53,477	2010	Tagonoura	20-21 May	SE Asia	\$12,750	cnr	trip via Nopac
Ariadne	57,038	2010	CJK	17-19 May	Worldwide	\$11,800	Hyundai Glovis	5-7 months period
Mila	63,519	2018	Ulsan	25-26 May	Worldwide	\$13,500	Oldendorff	3-5 months period
Nautical Jennifer	63,495	2015	SW Pass	spot	Eastern Mediterranean	\$15,000	ED&F Man	petcoke cargo
Warrior	56,700	2010	USG	prompt	Israel	\$12,250	cnr	grain cargo
Clear Sky	63,601	2014	ECSA	prompt	Port Said	\$15,250	Norden	trip via Red Sea
Amilla	58,444	2011	Bremen	Spot	Malaysia	\$15,500	Aquavita	trip via St. Petersburg

Glimpses of hope in the Far East – Slow week in the Atlantic on the **Handysize**.

After several weeks of depression and difficult market conditions, the week ending today brings us some signs of optimism. The number of spot and prompt vessels in the Singapore-Japan range is decreasing and that, in conjunction with fresh cargoes which appeared, resulted to better fixtures. The 'Idship Bulker' (28,361 dwt, 2008) open at Zhoushan on the 18th of May fixed at \$9,100 dop for steels via Japan to South East Asia. The 'Four Emerald' (33,000 dwt, 2013) open at Dalian on the 23rd of May concluded at \$9,450 dop for a trip with steels from North China to Cebu. Finally the 'Xing Zun Hai' (38,000 dwt, 2015) open at Cjk on the 16th of May fixed at \$9,350 dop for steels ex North China to Malaysia. On the repositions front, the 'Navios Lyra' (34,000 dwt, 2012) open at Singapore on the 15th of May fixed bagged rice via Thailand to west coast Africa at \$7,400 dop for 75days and the balance at \$9,000. We anticipate that the positive trend will continue next week.

In the Atlantic, a quiet week was followed from yet another one. ECSA kept the pace of last week, with just the bare minimum of new enquiries and prompt tonnage starting to accumulate. The effect on rates is not yet detrimental, but questions start arising. A 39,879 dwt fixed from Santos a trip to Skaw - Passero range at \$13,000, while a 38,243 dwt fixed from P. Mole a steels trip to Turkey at \$12,800. In the USG, Handies are still waiting to see more activity and improvement on rates. A 38,767dwt fixed from Tampa a quick trip with woodchips to the Continent at \$11,000, while we heard of a 28,000dwt trading an inter-Caribs trip at just around \$7,000. The Continent moved sideways for the past week, which was mostly uneventful. We heard a rumour of a 32,000 dwt fixing a trip to USG at a strong \$11,000 from Brunsbuttel, but very few information emerged about it. Rates in the Med /Bl. Sea continued to soften, slowly but gradually. Most Owners are waiting to see how the market will react next week.

On the period desk, we heard a rumour of a 37,500dwt fixing a short period within Atlantic at \$10,250 with delivery in the West Continent.

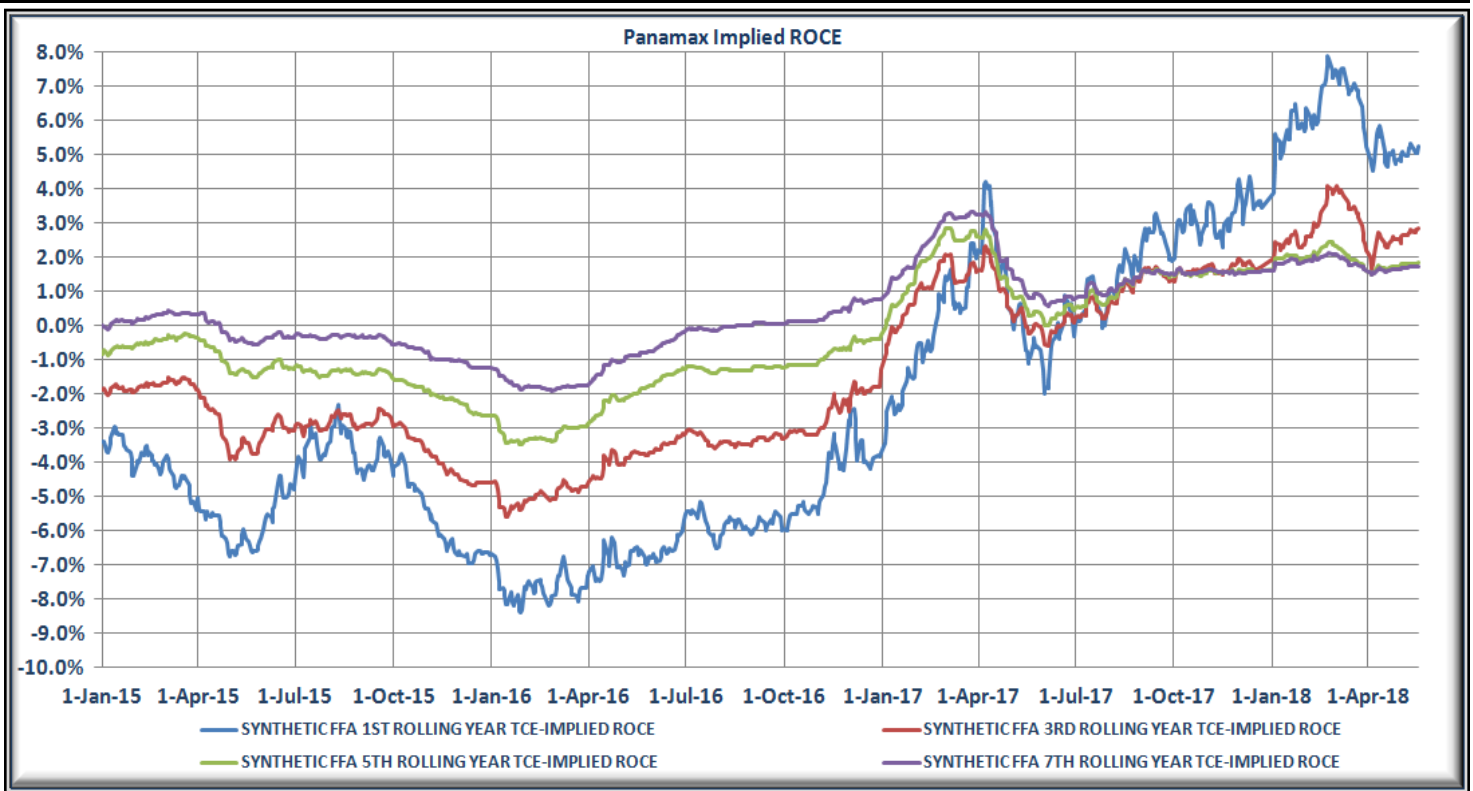
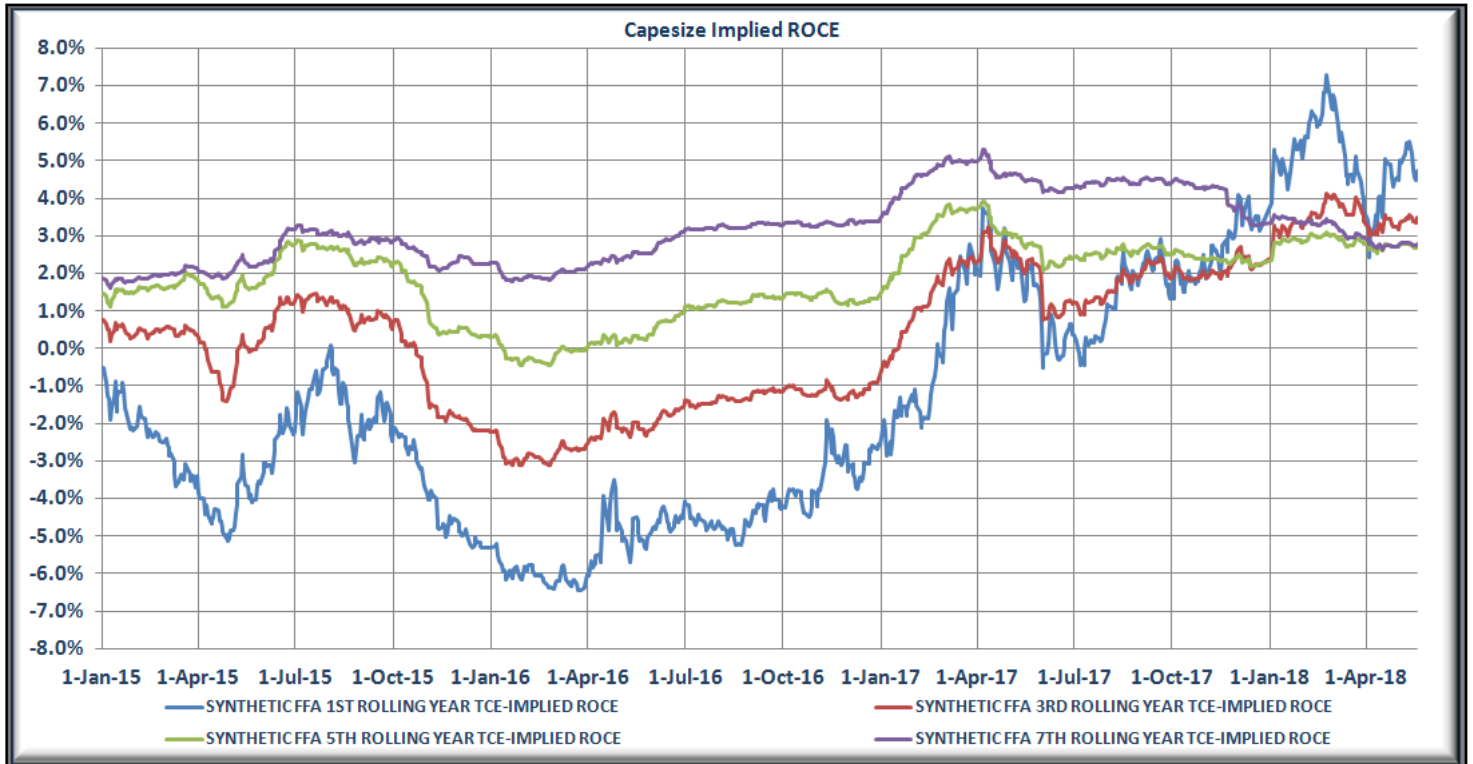
Representative Handysize Fixtures								
Vessel	DWT	Built	Delivery	Date	Re-del	Rate	Charterers	Comment
Idship Bulker	28,361	2008	Zhoushan	Prompt	Seasia	\$9,100	cnr	steels via Japan
Four Emerald	33,000	2013	Dalian	Prompt	Cebu	\$9,450	cnr	steels via N.China
Xing Zun Hai	38,000	2015	Cjk	Prompt	Malaysia	\$9,350	cnr	steels via N.China
Navios Lyra	34,000	2012	Singapore	Prompt	W.Africa	\$7,400 for 1st 75d, \$9,000 balance	cnr	bagged rice
Strategic Harmony	39,879	2014	Santos	15-20 May	Skaw/Passero	\$13,000	cnr	
Clipper Bari-Star	38,243	2011	P. Mole	prompt	Turkey	\$12,800	Cosmotrade	steels
Venture Joy	43,481	2016	Santos	prompt	Iraq	\$13,500 + \$350K bb	Cargill	
Interlink Mobility	38,767	2015	Tampa	prompt	UK/Continent	\$11,000	Lauritzen	



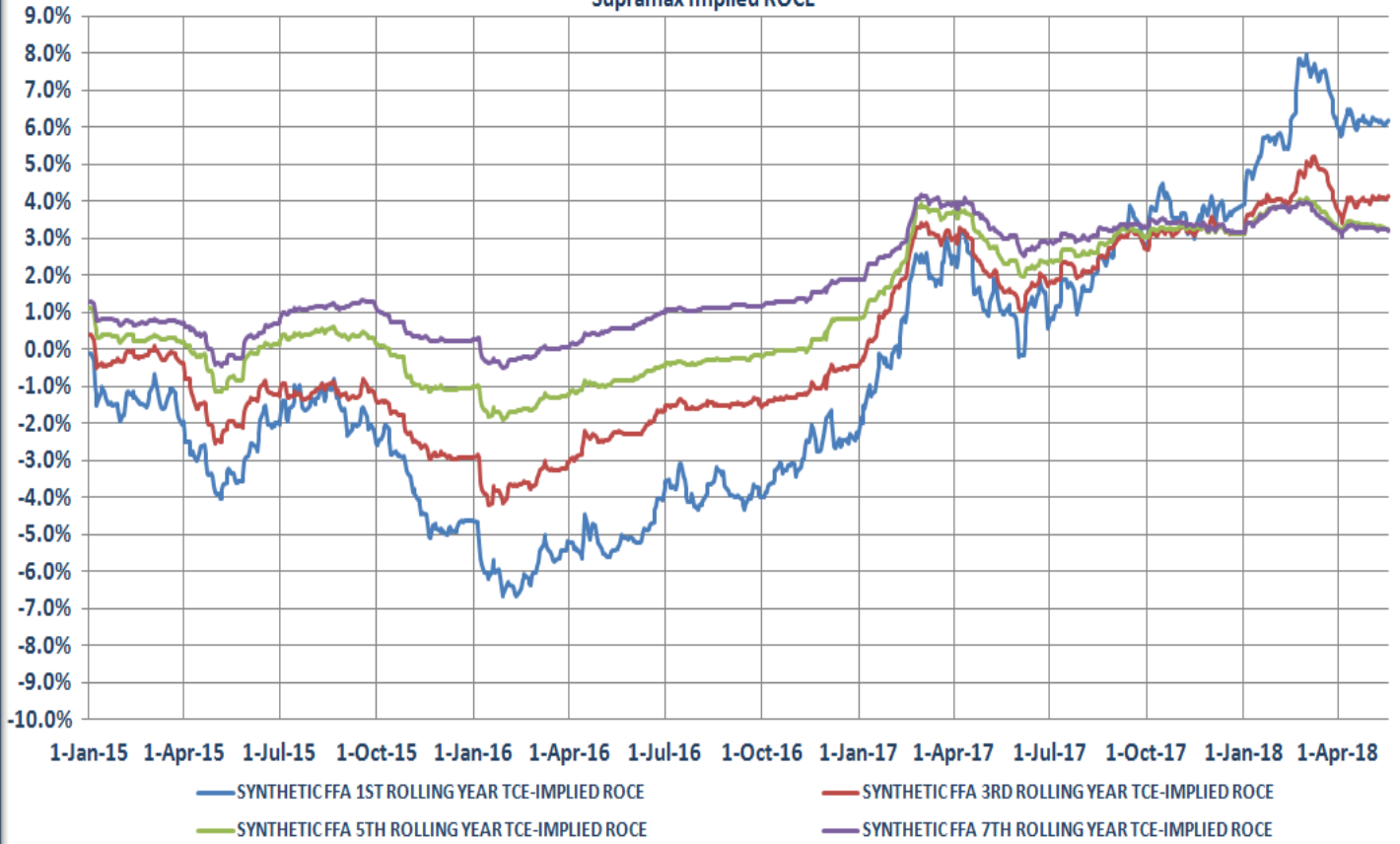
**FFA Market**

The sudden drop in the spot Capesize freights had a negative bearing in the forward market as well. The prompt months of all forward curves moved lower, being dragged down by the heavy steel of Capesizes. In particular, Capesize forward curve reported dramatic losses with June paper balancing at \$16,040 and July at \$16,210. The nearby months of the Panamax curve ended lower at \$11,560 and \$12,240 for June and July respectively. Softer sentiment appeared in the Supramax forward market too, with June lingering lower at \$11,355 and July at \$11,640. In its usual dull tone, the prompt Handysize contracts stood below previous Friday's levels with June at \$9,463. The back ends of all segments remained at previous levels without significant changes.

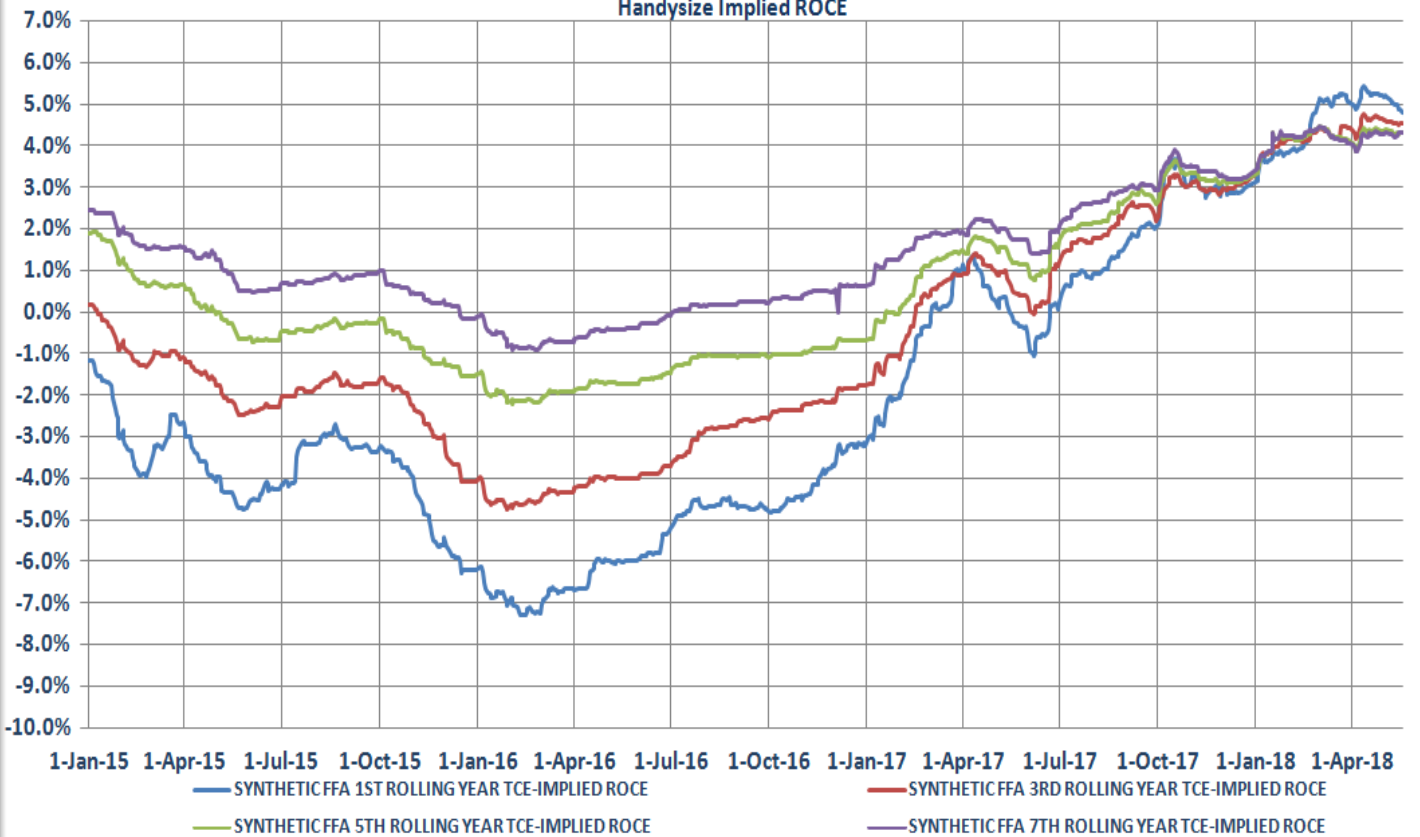
Capesize first rolling year implied ROCE declined by 0.8% this week at 4.7%, at the same time as that of Panamax slid to 5.2%. Geared segments implied ROCEs drifted lower, with Supramax at 6.1% and Handy at 4.8%.



Supramax Implied ROCE



Handysize Implied ROCE



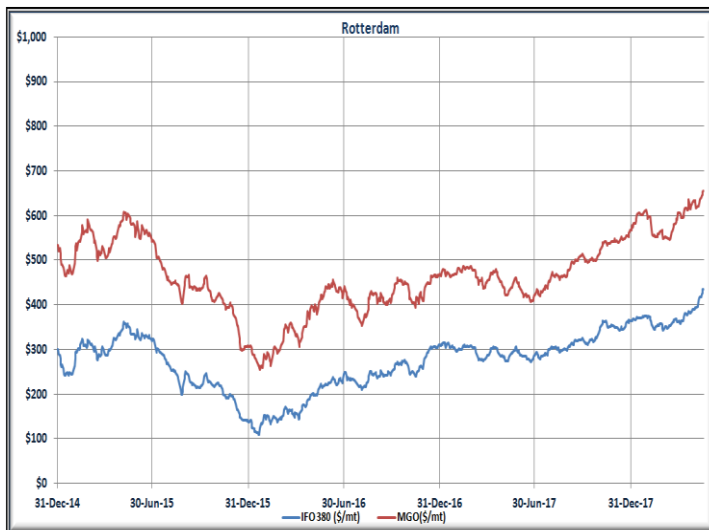
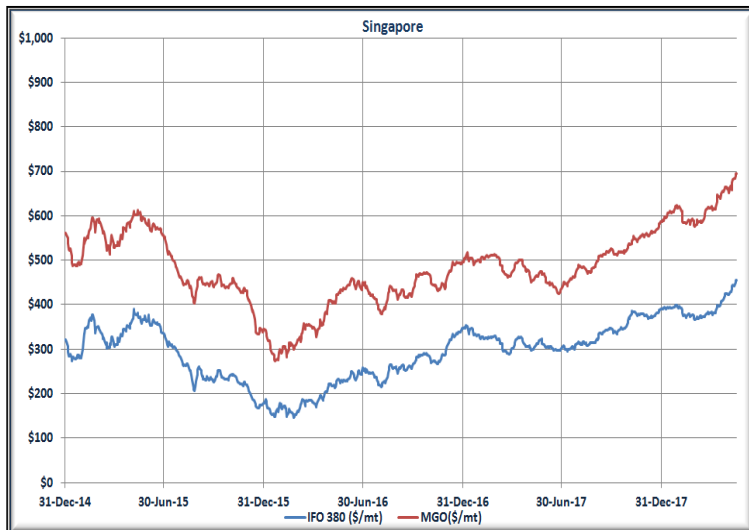
BFA Cape 5TC									
Date	May (18)	Jun (18)	July (18)	Q3 (18)	Q4 (18)	Q1 (19)	Cal 19	Cal 24	Cal 25
14-May-18	\$19,340	\$17,730	\$16,690	\$17,863	\$21,820	\$14,490	\$17,508	\$15,340	\$15,370
15-May-18	\$18,370	\$16,375	\$15,900	\$17,303	\$21,610	\$14,260	\$17,313	\$15,310	\$15,340
16-May-18	\$17,760	\$15,700	\$15,750	\$17,207	\$21,380	\$14,240	\$17,255	\$15,290	\$15,330
17-May-18	\$17,200	\$15,360	\$15,720	\$17,213	\$21,380	\$14,190	\$17,255	\$15,290	\$15,320
18-May-18	\$17,680	\$16,040	\$16,210	\$17,524	\$21,590	\$14,280	\$17,458	\$15,330	\$15,350
Week High	\$19,340	\$17,730	\$16,690	\$17,863	\$21,820	\$14,490	\$17,508	\$15,340	\$15,370
Week Low	\$17,200	\$15,360	\$15,720	\$17,207	\$21,380	\$14,190	\$17,255	\$15,290	\$15,320
Week Avg	\$18,070	\$16,241	\$16,054	\$17,422	\$21,556	\$14,292	\$17,358	\$15,312	\$15,342

BFA Panamax 4TC									
Date	May (18)	Jun (18)	July (18)	Q3 (18)	Q4 (18)	Q1 (19)	Cal 19	Cal 24	Cal 25
14-May-18	\$10,320	\$11,455	\$12,170	\$12,320	\$13,260	\$11,100	\$11,753	\$9,930	\$9,920
15-May-18	\$10,295	\$11,390	\$12,110	\$12,263	\$13,160	\$11,060	\$11,740	\$9,930	\$9,920
16-May-18	\$10,285	\$11,445	\$12,210	\$12,383	\$13,285	\$11,080	\$11,750	\$9,940	\$9,930
17-May-18	\$10,250	\$11,420	\$12,100	\$12,284	\$13,145	\$11,070	\$11,740	\$9,940	\$9,930
18-May-18	\$10,290	\$11,560	\$12,240	\$12,437	\$13,320	\$11,110	\$11,893	\$9,950	\$9,935
Week High	\$10,320	\$11,560	\$12,240	\$12,437	\$13,320	\$11,110	\$11,893	\$9,950	\$9,935
Week Low	\$10,250	\$11,390	\$12,100	\$12,263	\$13,145	\$11,060	\$11,740	\$9,930	\$9,920
Week Avg	\$10,288	\$11,454	\$12,166	\$12,337	\$13,234	\$11,084	\$11,775	\$9,938	\$9,927

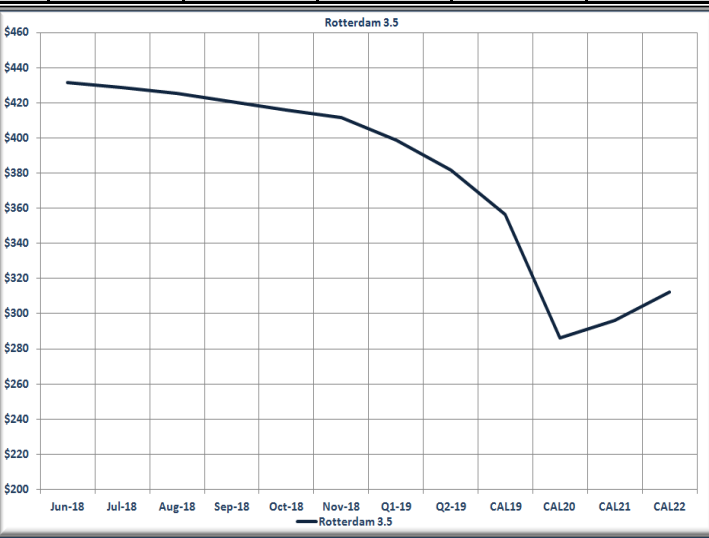
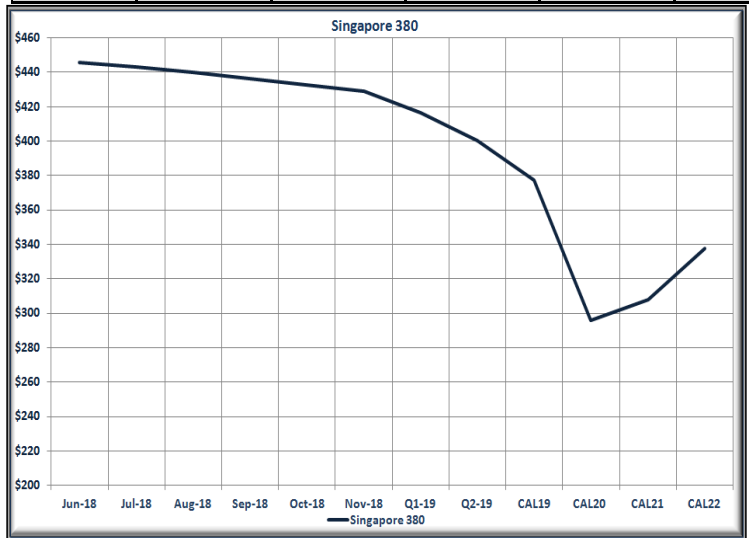
BFA Supra 5TC									
Date	May (18)	Jun (18)	July (18)	Q3 (18)	Q4 (18)	Q1 (19)	Cal 19	Cal 24	Cal 25
14-May-18	\$11,020	\$11,190	\$11,630	\$11,750	\$12,200	\$10,774	\$11,414	\$9,870	\$9,860
15-May-18	\$11,030	\$11,210	\$11,610	\$11,720	\$12,180	\$10,740	\$11,410	\$9,860	\$9,860
16-May-18	\$10,980	\$11,100	\$11,510	\$11,713	\$12,320	\$10,740	\$11,410	\$9,860	\$9,860
17-May-18	\$11,020	\$11,340	\$11,610	\$11,787	\$12,300	\$10,770	\$11,410	\$9,860	\$9,860
18-May-18	\$11,030	\$11,355	\$11,640	\$11,817	\$12,315	\$10,800	\$11,435	\$9,850	\$9,850
Week High	\$11,030	\$11,355	\$11,640	\$11,817	\$12,320	\$10,800	\$11,435	\$9,870	\$9,860
Week Low	\$10,980	\$11,100	\$11,510	\$11,713	\$12,180	\$10,740	\$11,410	\$9,850	\$9,850
Week Avg	\$11,016	\$11,239	\$11,600	\$11,757	\$12,263	\$10,765	\$11,416	\$9,860	\$9,858

BFA Handysize TC									
Date	May (18)	Jun (18)	July (18)	Q3 (18)	Q4 (18)	Q1 (19)	Cal 19	Cal 24	Cal 25
14-May-18	\$9,125	\$9,588	\$9,588	\$9,644	\$9,931	\$8,975	\$9,331	\$9,144	\$9,144
15-May-18	\$8,931	\$9,538	\$9,575	\$9,623	\$9,881	\$8,913	\$9,306	\$9,144	\$9,206
16-May-18	\$8,900	\$9,500	\$9,588	\$9,636	\$9,875	\$8,913	\$9,331	\$9,156	\$9,219
17-May-18	\$8,888	\$9,500	\$9,588	\$9,636	\$9,869	\$8,906	\$9,338	\$9,163	\$9,206
18-May-18	\$8,850	\$9,463	\$9,563	\$9,621	\$9,863	\$8,888	\$9,331	\$9,163	\$9,206
Week High	\$9,125	\$9,588	\$9,588	\$9,644	\$9,931	\$8,975	\$9,338	\$9,163	\$9,219
Week Low	\$8,850	\$9,463	\$9,563	\$9,621	\$9,863	\$8,888	\$9,306	\$9,144	\$9,144
Week Avg	\$8,939	\$9,518	\$9,580	\$9,632	\$9,884	\$8,919	\$9,327	\$9,154	\$9,196

## Bunker Market



	Rotterdam		Singapore		Fujairah		Gibraltar		Houston	
Date (\$/mt)	IFO 380	MGO	IFO 380	MGO	IFO 380	MGO	IFO 380	MGO	IFO 380	MGO
14-May-18	\$418	\$641	\$443	\$684	\$442	\$706	\$440	\$701	\$425	\$675
15-May-18	\$423	\$645	\$447	\$684	\$449	\$709	\$446	\$716	\$433	\$677
16-May-18	\$426	\$647	\$451	\$691	\$454	\$714	\$448	\$713	\$442	\$687
17-May-18	\$435	\$654	\$456	\$694	\$463	\$719	\$456	\$729	\$446	\$692
18-May-18	\$435	\$655	\$456	\$695	\$464	\$722	\$457	\$730	\$448	\$693
12-month High	\$435	\$655	\$456	\$695	\$464	\$722	\$457	\$730	\$448	\$693
12-month Low	\$272	\$407	\$295	\$426	\$296	\$540	\$295	\$462	\$263	\$430
12-month Avg	\$337	\$526	\$358	\$546	\$356	\$613	\$355	\$573	\$336	\$560



Singapore	18-May-18	Week max	Week low	Week Avg	RTDM 3.5	18-May-18	Week max	Week low	Week Avg
Jun-18	\$445.7	\$451.3	\$427.7	\$439.8	Jun-18	\$431.7	\$437.3	\$413.2	\$425.7
Jul-18	\$443.0	\$448.3	\$424.5	\$436.8	Jul-18	\$428.7	\$434.0	\$410.5	\$422.7
Aug-18	\$439.7	\$444.8	\$421.2	\$433.5	Aug-18	\$425.2	\$430.0	\$407.0	\$418.9
Sep-18	\$436.2	\$441.3	\$417.7	\$430.0	Sep-18	\$420.7	\$425.8	\$403.0	\$414.6
Oct-18	\$432.7	\$437.5	\$414.7	\$426.7	Oct-18	\$416.0	\$421.0	\$398.5	\$410.0
Nov-18	\$429.0	\$433.8	\$411.5	\$423.2	Nov-18	\$411.5	\$416.5	\$394.2	\$405.5
Q3-18	\$439.6	\$444.8	\$421.1	\$433.5	Q3-18	\$424.9	\$429.9	\$406.8	\$418.7
Q4-18	\$429.1	\$434.0	\$411.2	\$423.2	Q4-18	\$411.9	\$416.4	\$394.1	\$405.5
Q1-19	\$416.6	\$421.5	\$400.0	\$411.0	Q1-19	\$398.6	\$402.9	\$382.1	\$392.5
Q2-19	\$400.4	\$404.3	\$389.5	\$396.6	Q2-19	\$381.6	\$385.9	\$365.1	\$375.5
CAL19	\$377.3	\$380.7	\$359.2	\$370.2	CAL19	\$356.3	\$359.2	\$337.7	\$348.8
CAL20	\$295.8	\$316.2	\$294.7	\$302.3	CAL20	\$286.3	\$286.3	\$261.5	\$274.1
CAL21	\$307.8	\$328.2	\$306.7	\$314.3	CAL21	\$296.3	\$296.3	\$267.5	\$280.9
CAL22	\$337.6	\$357.9	\$336.5	\$344.1	CAL22	\$312.3	\$312.3	\$283.5	\$296.9



## Dry Bulk S&P Market

Following a period with many reported deals, the last few days appeared to have a quieter tone. However, the Star Bulk's acquisition of Songa's 15 operating vessels made headlines this week. In a ship-for-shares and cash transaction, Starbulk expanded its fleet by acquiring three Capes, ten Kamsarmaxes, one Ultra and one Supra en bloc, at a price very close to their gross asset values. In reference to the indicative prices, nothing has really changed over the last week, except for a circa USD 500K rise in Capesize newbuilding prices. However, if the freight market surpasses the current bumpy period, it will be quite difficult for the S&P market to remain calm.

With the vast majority of newbuilding and secondhand prices trending sideways this week, Tobin's Q ratios remained at previously reported levels. In contrast, the market for ten-year-old Capesizes and same-aged Handies balanced at just 13% and 22% off from their adjusted newbuilding prices respectively, with the former being influenced by increased newbuilding prices and the latter by an upward trend in its secondhand market. Age-adjusted ten-year-old Panamaxs and same-aged Supramaxes are in the market at a premium to their newbuilding prices.

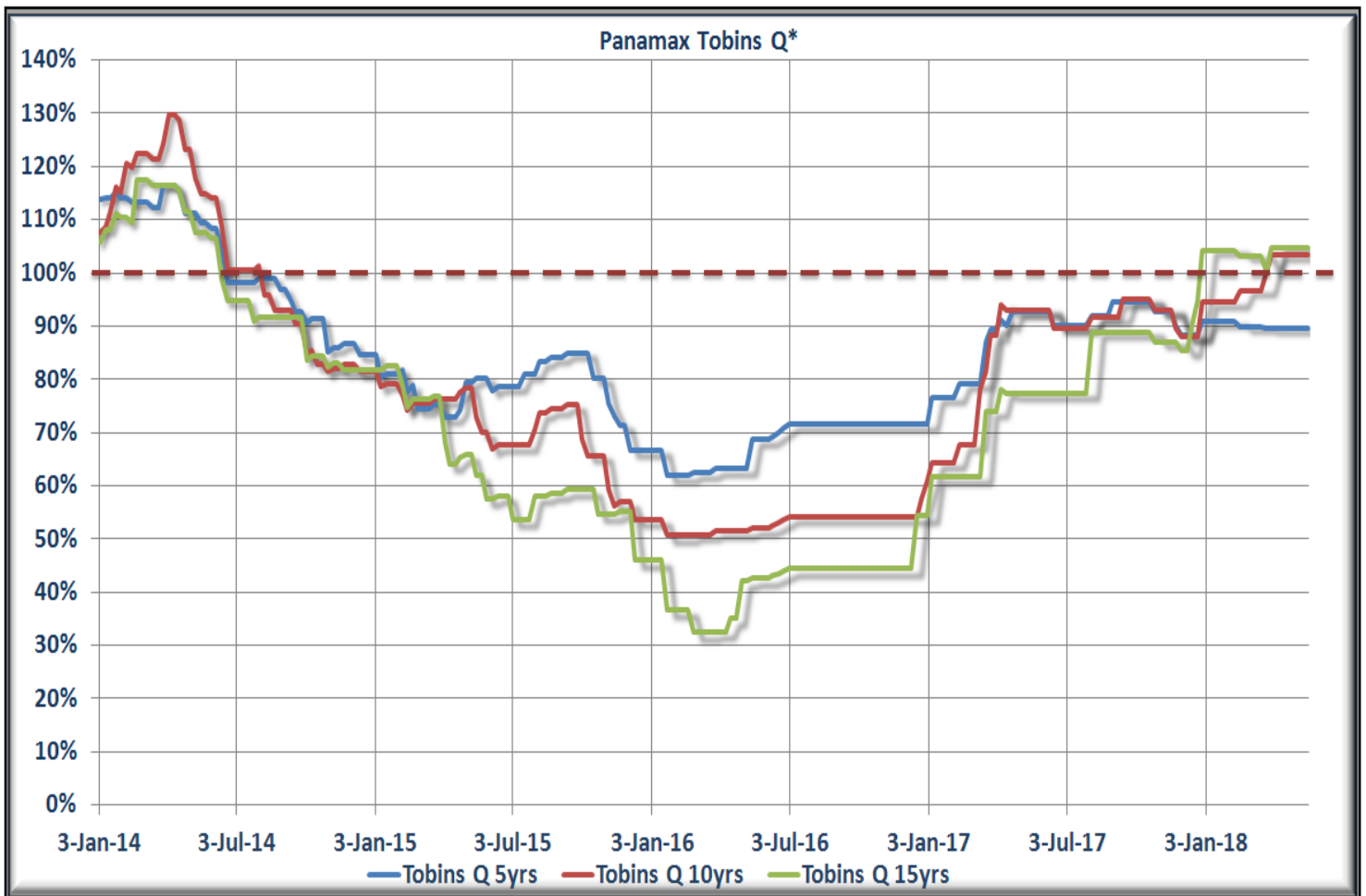
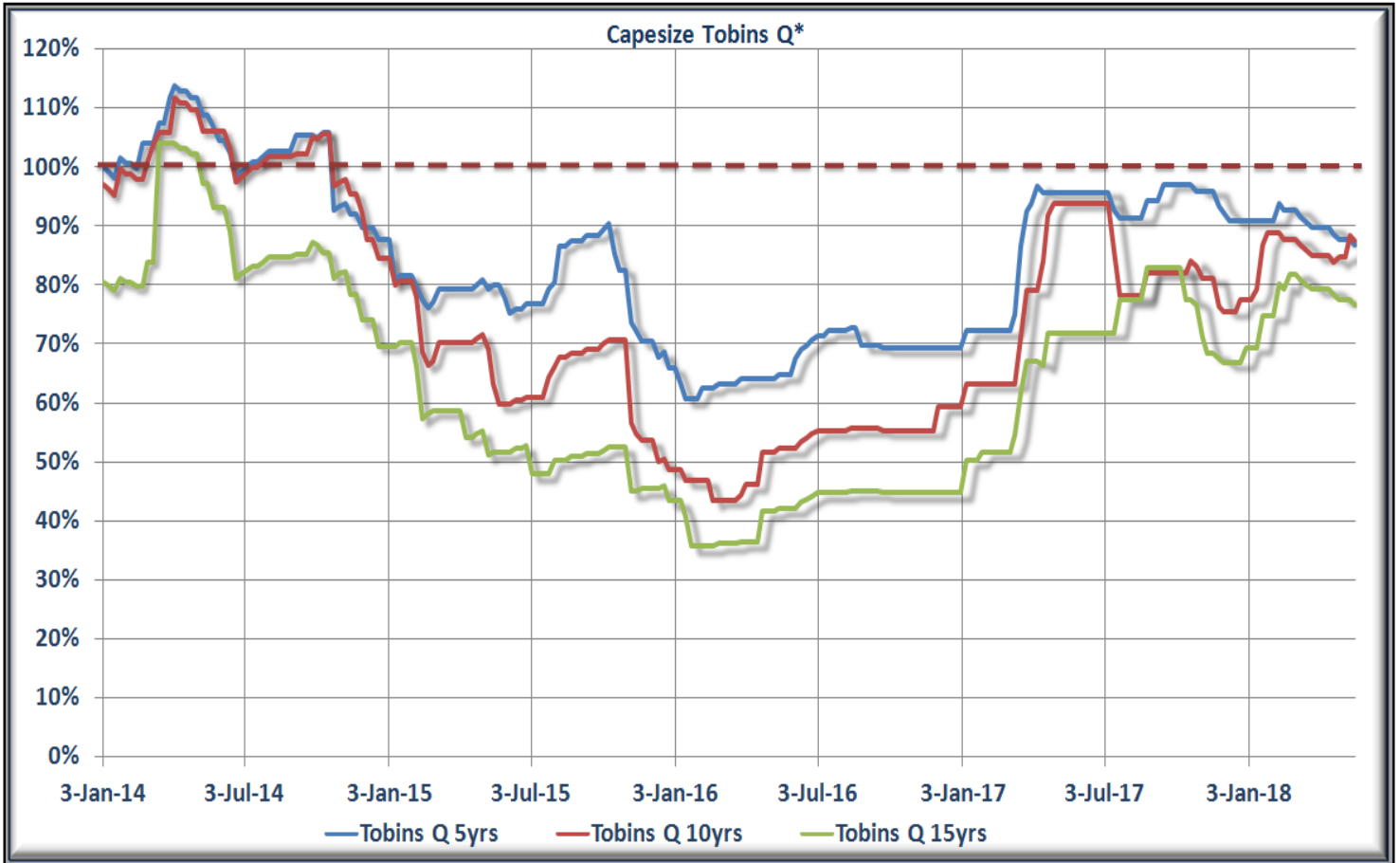
Indicative 5-Year-Old Secondhand Prices				
Date	Capesize 180K DWT	Panamax 76K DWT	Handymax 56K DWT	Handysize 32K DWT
18-May-2016	23.75	14.00	13.00	9.00
18-May-2017	33.50	18.50	17.00	14.00
18-May-2018	34.00	19.00	18.00	15.50
Δ% Y-o-Y	1.5%	2.7%	5.9%	10.7%
Δ% 2016-2018	43.2%	35.7%	38.5%	72.2%

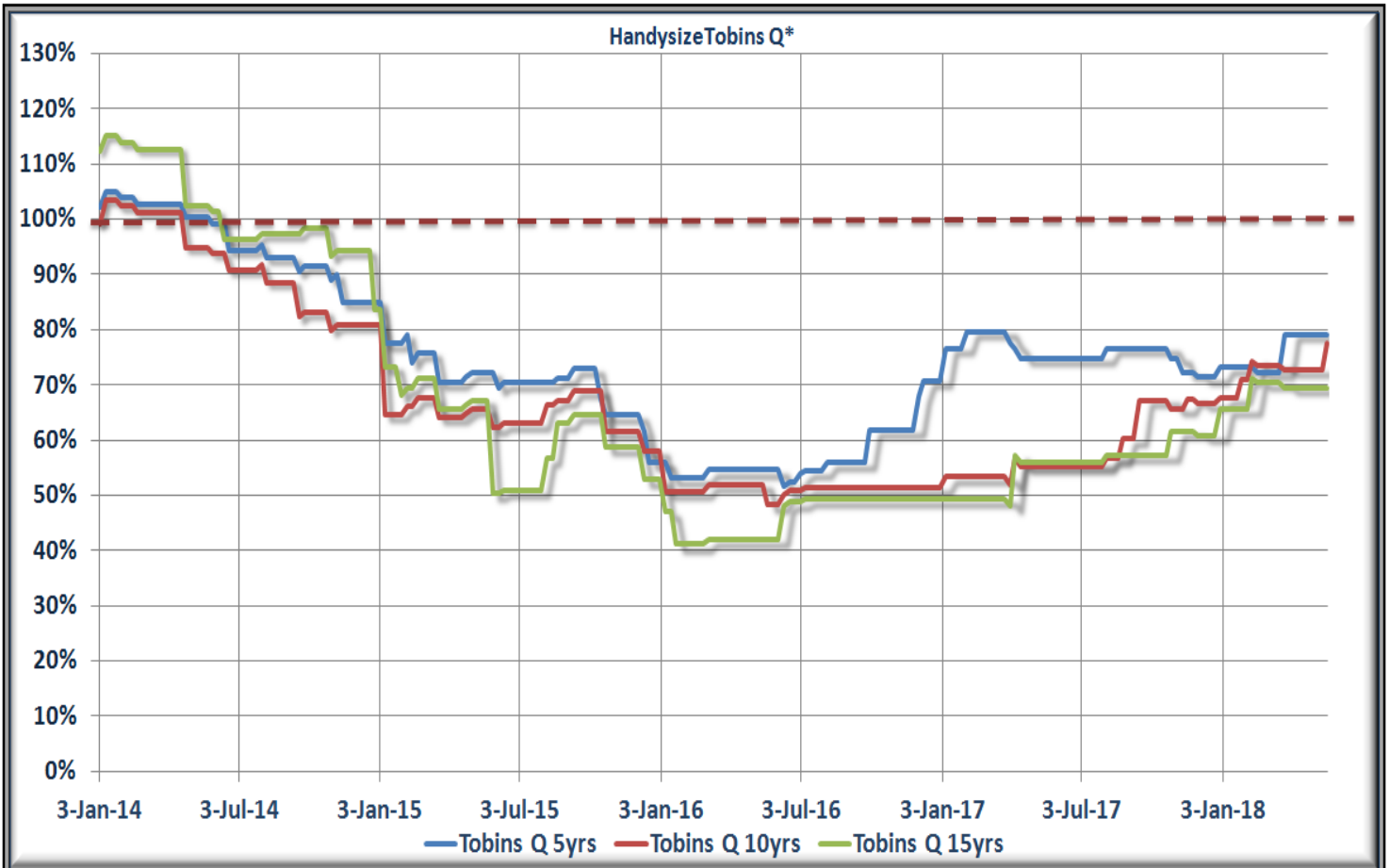
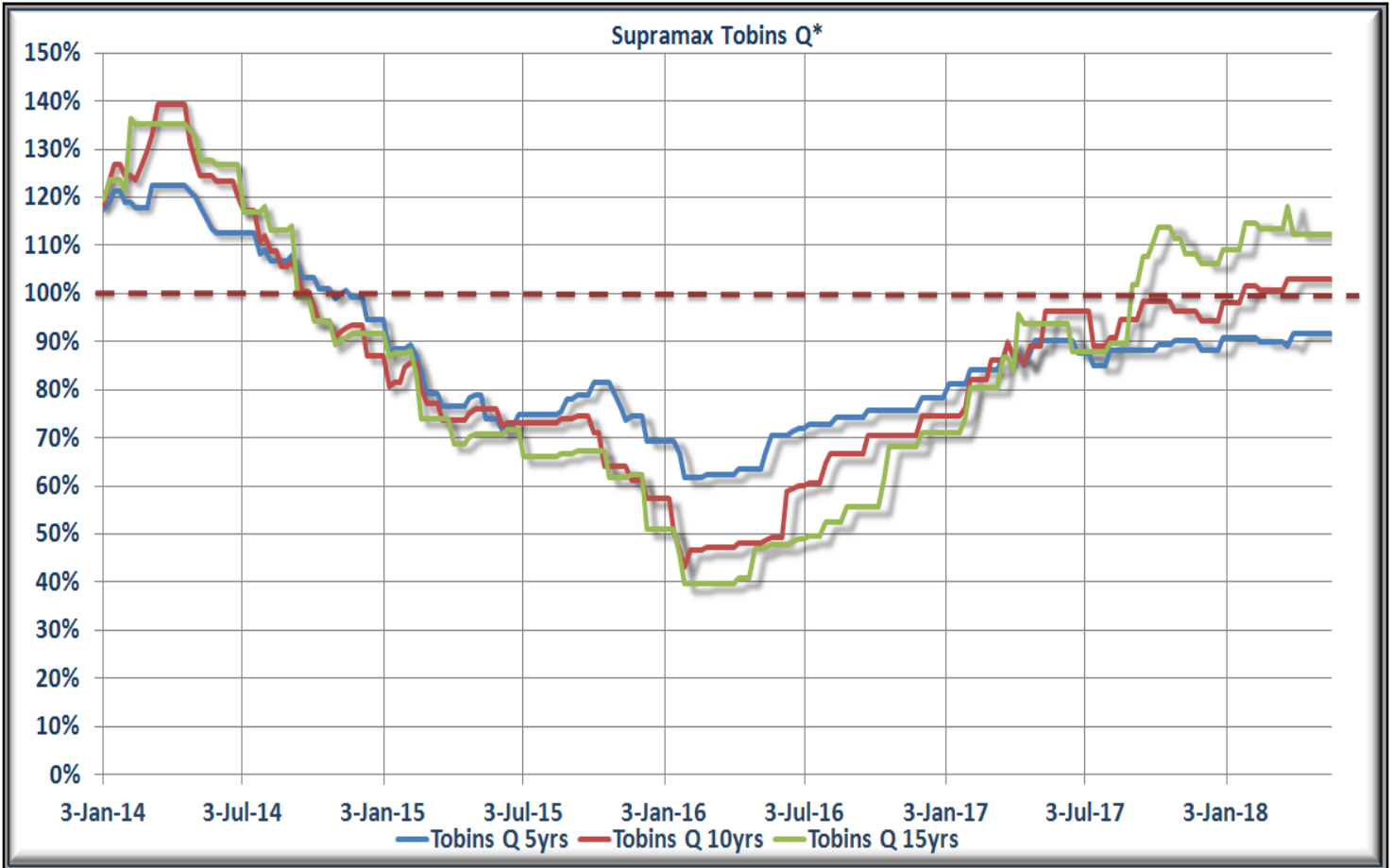
Reported Recent S&P Activity						
Vessel Name	DWT	Built	Yard/Country	Price \$Mil.	Buyer	Comments
Sonia	177,974	2009	SWS/China	26	Undisclosed	
Vogerrunner	176,838	2008	Namura/Japan	mid-high 23	Greek Buyers	
Ocean Commander	174,142	2007	Shanghai Waigaoqiao/China	21.5	Undisclosed	
Trade Quest	82,042	2016	YZJ/China	24.5	Greek Buyers	
Oriental Wise	81,601	2011	Afai/China	18	Greek Buyers	
BBG Ambition	82,108	2009	Tsuneishi/China	19	Greek Buyers	
Sincere Salute	85,778	2004	Oshima/Japan	low 13	Chinese Buyers	
Golden Eminence	79,444	2010	Jinhai/China	14.7	Undisclosed	
Eternal Grace	76,585	2006	Imabari/Japan	13.6	Undisclosed	
DR Bravo	76,806	2005	Sasebo/Japan	12.6	Undisclosed	DD due July 2018
Ionian Eagle	74,085	2001	Daewoo/S. Korea	10.2	Undisclosed	C 4x30
Tai Prize	73,000	2001	Sumitomo/Japan	8	Chinese Buyers	DD passed
Zola	55,831	2012	IHI Marine/Japan	17.5	Undisclosed	C 4x30
Ten Yoshi Maru	57,110	2011	Tsuneishi Zhoushan/China	High 16	Undisclosed	C 4x30
Alexandrit	57,015	2010	Hantong/China	11.2	Greek Buyers	C 4x36
Suprstar	57,000	2011	Qingshan/China	11.8	Undisclosed	C 4x30
EM Amber	58,018	2010	Yangzhou Dayang/China	12	Chinese Buyers	C 4x36
Luminous Halo	56,018	2006	Mitsui/Japan	12.5	Undisclosed	C 4x30
Blue Diamond	53,538	2008	Ha Long Quang/Vietnam	9.8	Undisclosed	C 4x36
Anna	52,466	2002	Sanoyas/Japan	high 8	Chinese Buyers	C 4x30
AT 40	43,246	1995	HHI/S. Korea	5.1	Undisclosed	C 4x25
Western Baltic	38,800	2015	Hantong/China	mid 17	Undisclosed	C 4x30
Santa Vista	38,206	2011	Naikai Zosen/Japan	14.5	Japanese Buyers	C 4x30
Nord Auckland	36,782	2011	Hyundai-Vinashin/Vietnam	13.3	Undisclosed	C 4x30
Cielo Di Tokyo	37,296	2008	Saiki/Japan	11.75	Samjin	C 4x30.5
SSI Spring	32,576	2007	Kanda/Japan	10.5	Far Eastern Buyers	C 4x30.5
North Wind	29,084	2011	Nantong/China	8.8	European Buyers	C 4x30
Zenith Explorer	28,343	2008	Imabari/Japan	low-mid 8	Taiwanese Buyers	SS due C 4x30.5
Filitsa	23,709	1996	Shin Kurushima/Japan	4	Undisclosed	C 4x30.5

Tobin's Q* Capesize-Panamax						
Date	Capesize 5yrs	Capesize 10yrs	Capesize 15yrs	Panamax 5yrs	Panamax 10yrs	Panamax 15yrs
Current ratio	87%	87%	77%	90%	103%	105%
12months High	97%	94%	83%	95%	103%	105%
12months Low	87%	76%	67%	88%	88%	77%
12months Avg	93%	84%	76%	91%	95%	93%

Tobin's Q* Supramax-Handysize						
Date	Supramax 5yrs	Supramax 10yrs	Supramax 15yrs	Handysize 5yrs	Handysize 10yrs	Handysize 15yrs
Current ratio	92%	103%	112%	79%	78%	70%
12months High	92%	103%	118%	79%	78%	71%
12months Low	85%	89%	88%	71%	55%	56%
12months Avg	90%	98%	105%	75%	66%	62%

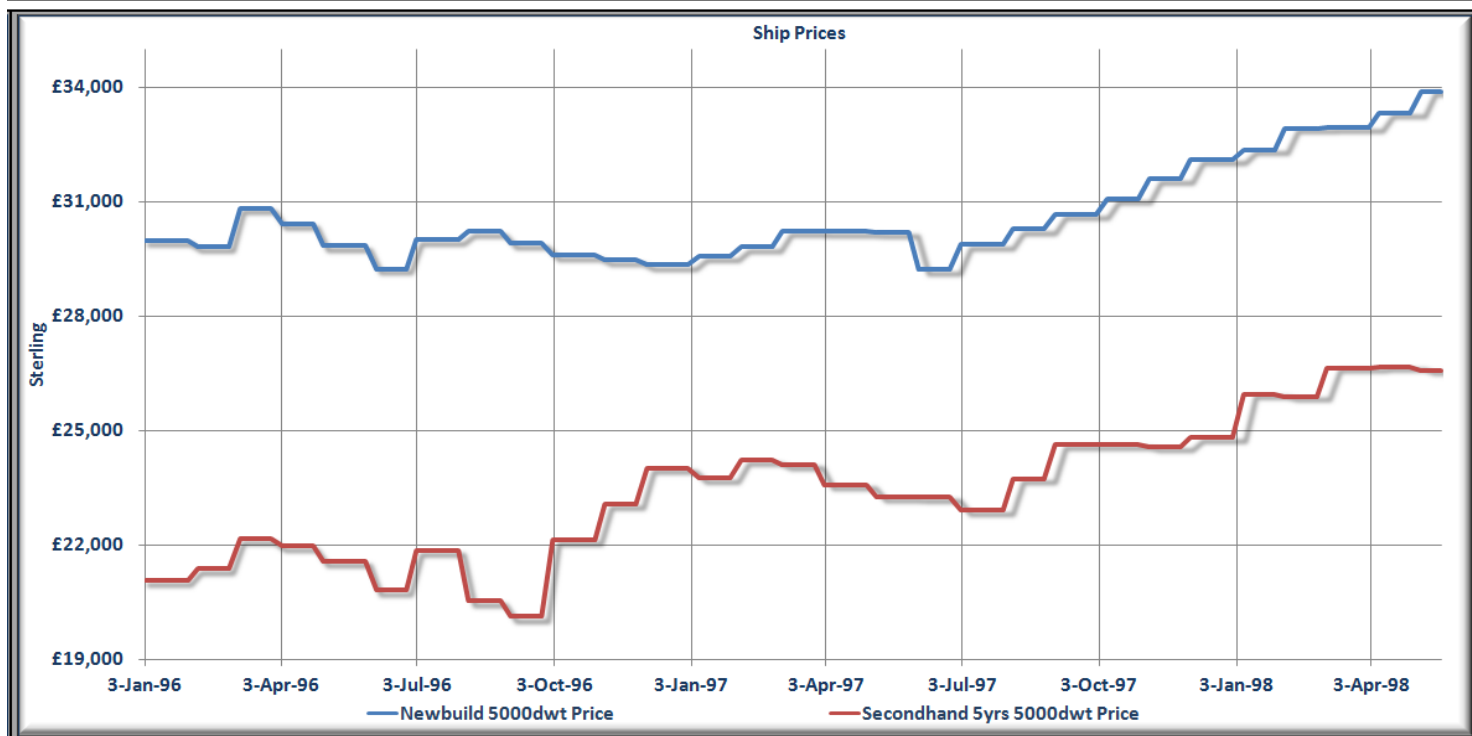
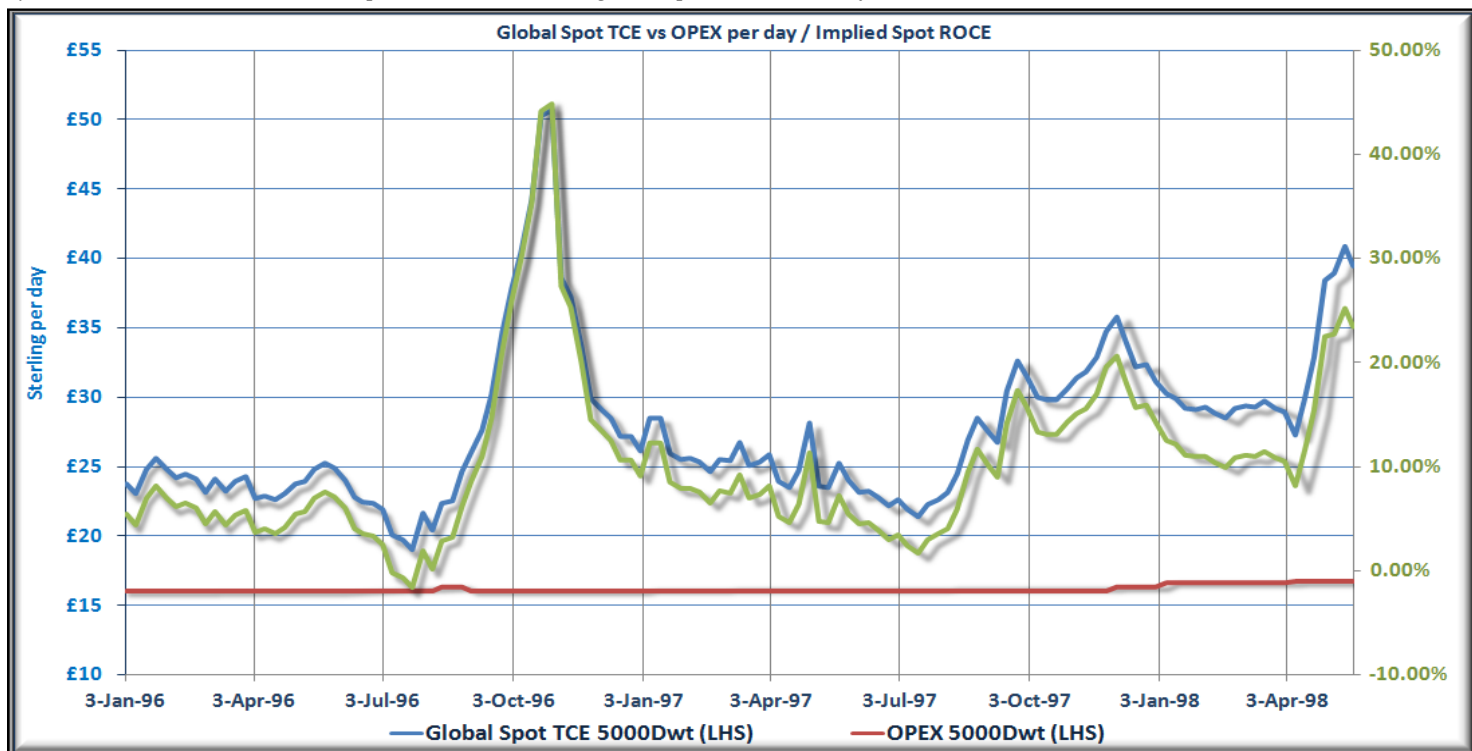
\*Tobin's Q represents the ratio between the market value and replacement value of a physical asset, with numerator and denominator adjusted to same age basis. According to economic theory, this ratio should be mean reverting towards 1 or 100%, for assets that do not face technological obsolescence.





## Market Insight 120 years ago

By: Michalis Voutsinas, Doric Shipbrokers S.A. and Angela Papanastasatou, Tufton Oceanic Ltd.



Weekly Spot Market	Current week	Previous week	Aug-99	Jul-99	Jun-99
Implied Spot Roce	23.6%	25.3%	14.5%	11.1%	10.6%
Global Spot TCE	£39.40	£40.78	£32.06	£29.22	£28.90
BlackSea Round	£38.00	£40.72	£31.97	£28.55	£28.06
East Round	£49.36	£53.95	£41.53	£34.42	£35.78
Med Round	£36.61	£34.31	£28.54	£27.32	£26.62
US Round	£45.94	£50.79	£35.13	£34.47	£33.11
River Plate Round	£47.85	£46.77	£32.07	£34.30	£37.36

S&P Market (5,000dwt)	Current week	Previous week	Aug-99	Jul-99	Jun-99
NB	£33,892	£33,892	£33,317	£32,941	£32,933
SH 5yrs old	£26,587	£26,587	£26,677	£26,651	£25,902
SH 10yrs old	£20,376	£20,376	£20,476	£20,448	£19,764
SH 15yrs old	£15,275	£15,275	£15,400	£15,366	£14,664

\*1 Sterling = 20Shillings, 50% of the World Fleet under British Ownership, Size Categories: "Small"=below 2,500dwt, "Handy"= 2,500-4,000dwt, "Large"=5,000dwt,"Very Large"= 6,000dwt, "Ultra Large"=above 6,000dwt, Assumptions for a 5,000dwt Benchmark Ship: Voyage Speed=9knots, Fuel Consumption 17.75tonnes of coal/day

History does not repeat itself but it does rhyme...

It is difficult to properly diagnose the situation, for in the first place unquestionably the phenomenal state of the grain markets has been primarily responsible for the movement in the freights, which must continue to a great extent to work automatically with the fluctuation of the grain trade. For instance, this is clearly seen by the rapid advance that took place in rates from the Black Sea, Azoff, etc., as soon as it became known that the French duty on wheat had been suspended until the 1<sup>st</sup> of July. In spite of the increased grain activity, the average returns on capital employed in shipping during this week (18-May-1898) lost some steam, balancing at 23.6%.

The demand for prompt tonnage was strong and a large business was done at splendid rates, but now that the most pressing requirements have been satisfied, rates of freight are receding in a ratio corresponding to that in which they advanced. Again taking the American business as example, the market has been very difficult to gauge, as one day there was abundance of orders for tonnage and the next day reports said that either grain is scarce for early shipments or that charterers decline to offer for tonnage. At this point in time, the principal grain charterer in the US, Mr. Joseph of Chicago, temporarily retires for a day or two from active competition for tonnage and the market is immediately "cabled" as weaker. When this occurs, owners should also withdraw their boats and endeavor to hold on until such time as it is cabled that Mr. Leiter is again in want of tonnage. Grain supplies have got to come from the US; there is yet a colossal business to be done, extending from now until the end of next August. Owners, therefore, should be in no dread of rates "breaking" if they will only act resolutely and refuse to negotiate at reduced quotations. The forward rates that are being offered fully indicate that chartering will continue brisk, which is the reason why owners should refuse to fix ahead for July and August at rates currently offering. A fair amount of business has been done from the East for May loading, and as tonnage will still have to be drawn to a considerable extent from the Mediterranean ports to run through the Canal in ballast, homeward rates should not seriously decline. Furthermore, tonnage has again got somewhat congested, as the available supply in the Mediterranean is for the time being in excess of the demand.

In the spot arena, Black Sea rates for May loading are weaker and business is difficult to bring about, especially for large boats. Berth quotations from Odessa, Sevastopol, etc., for L.H.A.R. hovered at 11s 10d per tonne grains. From Nicolaieff 12s 10d is nominally quoted for the same destination, with the option for Hamburg being prices at 6d more. Mediterranean business has been slightly more active, with one or two fixtures having been made from Spain for ore on full terms at rates leaving a very small profit margin. From Ergasteria to Maryport, business has been done at 11s per tonne ore. Increased activity in the East, with rates being a little easier, but this may be only temporary. Timber rates from Burmah to Bombay seem fairly good, as 16 rupees per load is obtainable for June/July loading. The American market is weaker, although little business has so far been effected at the lower quotations. Berth grain rates from the Northern range for June loading to UK, Antwerp or Rotterdam are 3s 7d per quarter. Calcutta berth rates for prompt loading are as follows: to London 35s, wheat or linseed, 40s rapeseed, to Hamburg 36s wheat or measurement. Coal rates from Calcutta are strong as follows: to Bombay 7.5 rupees, to Colombo 7 rupees and to Singapore 8 rupees. The River Plate market is again rather quieter, having taken several boats from San Lorenzo limit at 24s 6d and from lower ports 22s.

Representative Handysize Fixtures							
Vessel	DWT	Delivery	Date	Re-del	Rate	Charterers	Comment
SS Viola	2,500	Odessa	Prompt	Denmark	14s, opt 15s	cnr	1 discharge port, opt 2 ports
SS South Africa	3,500	Kurrachee	Prompt	UK/Cont.	32s	cnr	int Wheat
SS Balgownie	640 nrt	Oran	Prompt	Tayport	16s 6d	cnr	esparto
SS Haslingden	2,800	Ergasteria	Prompt	Maryport	11s	cnr	Ore
SS Rounton	3,300	San Lorenzo	Prompt	UK/Cont.	24s	cnr	grains
SS Lord Warwick	14,000 qrs	Northern Range US	Prompt	UK/Cont.	4s 3d per quarter	cnr	grains

There is an enormous demand for time-charter tonnage, mostly for the Atlantic trade, but there is plenty of inquiry for voyages out to the East, River Plate, etc., at rates varying from 7s 9d to 8s 6d.

On the S&P front, both the newbuilding and the secondhand market remained at previously reported levels. A typical newbuilding 5,000dwt British-build steamer is currently at the market for £33,900 – £600 higher than previous month levels – whereas a ten-year-old of the same dwt and specification at £20,300, or -0.5% M-o-M.