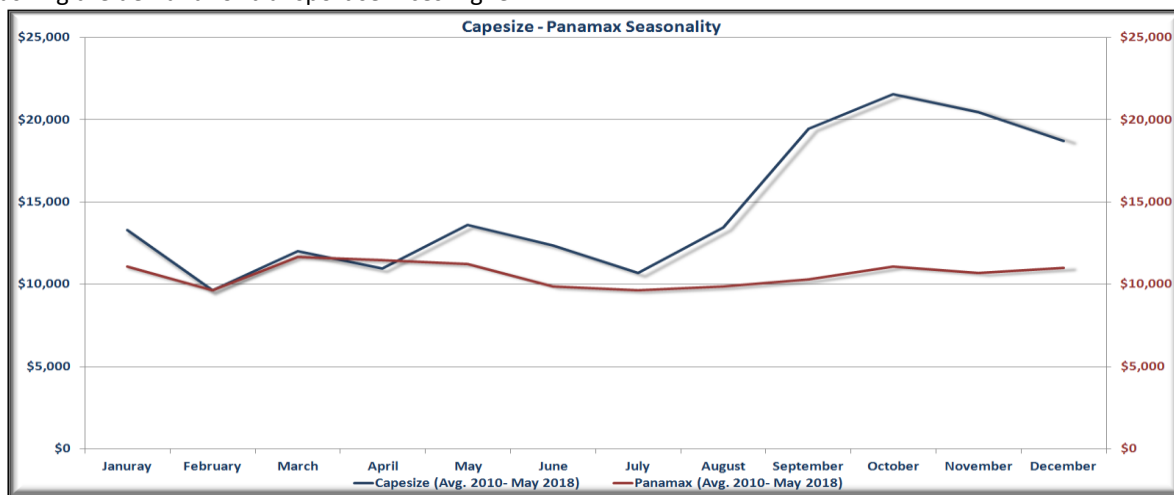
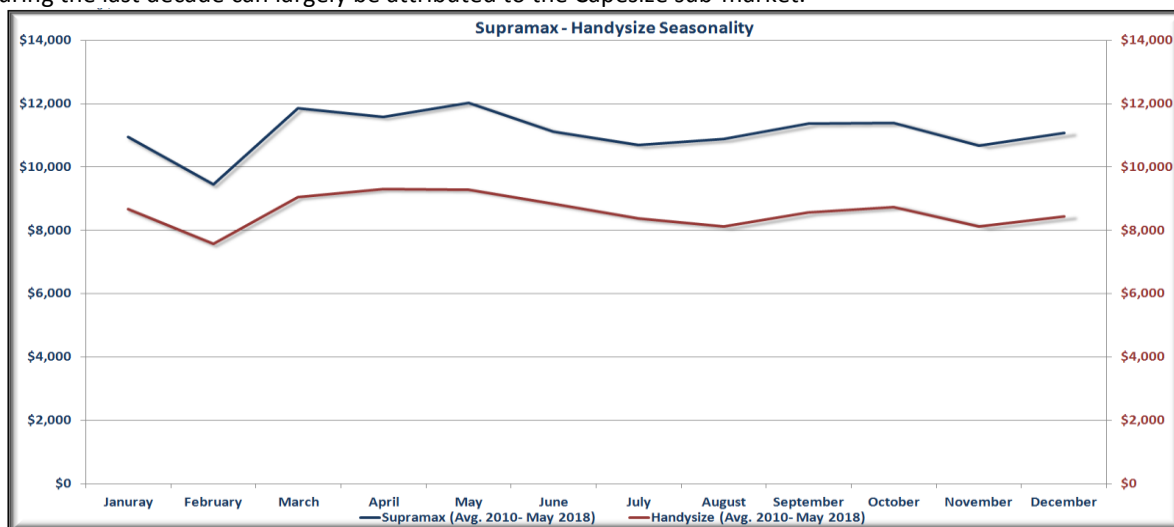


Just a few days after touching its highest level for 2018 at 1476 points, the Baltic Dry Index turned red, concluding this week at 1077 points, or -26.8% on a biweekly basis. Undoubtedly, the main reason behind this steep fall was the pace in the Capesize sub-market. Panamax also came in softer, ending the week some 430 points below their 2018 record levels. Whilst the geared segments were in a mood of moving higher, that was not enough to counterbalance the downward pressure of the largest sizes in the BDI. Having only one trading week left, May 2018 has reported, so far, a BDI average of 1346 points which is slightly higher than the respective average of the last nine years. Since 2010, Mays were among the strongest months in the first half of each trading year, averaging at 1296 points. Before the summer lull, the last month of spring is usually supportive to all dry segments as both geared and gearless tonnage secured employment at above H1 averages during this period. The next two months, being between the two large grain seasons and with temperatures in the Northern hemisphere shifting to higher levels, appeared to have a softer tone. Thus, setting aside the notoriously low Februaries, the first two summer months lingered very closely to year lows during the last nine trading seasons. The third and the fourth quarter of the year are typically the strongest, with the Northern hemisphere grain season in full swing, increased need for energy and strong Chinese appetite for iron ore pushing the demand for transport services higher.



Source: Baltic Exchange, Doric Research

As the graphs suggest, although the sector as a whole has its peak season during mid-late autumn, the strength of this seasonal pattern is not uniformly spread out across the board. Interestingly, the largest increase in their balancing freight rates belongs to Capesizes, whilst all other segments seemed to be influenced to a lesser extent. The most volatile largest bulkers have seen their revenues increased on average by five digit numbers from July lows to October highs, whereas the geared bulkers reported only mid three-digit rises, on dollar per day basis, over the same period. Additionally, Panamaxes were in between, having a nine-year October average of \$11,061 daily or circa \$1,500 above that of July. Hence, the seasonal upswing being noted in the sector during the last decade can largely be attributed to the Capesize sub-market.



Source: Baltic Exchange, Doric Research

Having said all this, past performance cannot always serve as the best guarantor of future results and the unfolding of seasonal patterns is in most cases trickier than the theory suggests. However, there seems to be solid grounding the current strong demand especially for the staples of bulkers, namely iron ore, coal and grain.

Freight market 120yrs ago (page 12): "Although homeward rates have still further receded, yet taking outward and homeward business in combination, owners have experienced little difficulty in procuring remunerative employment..."

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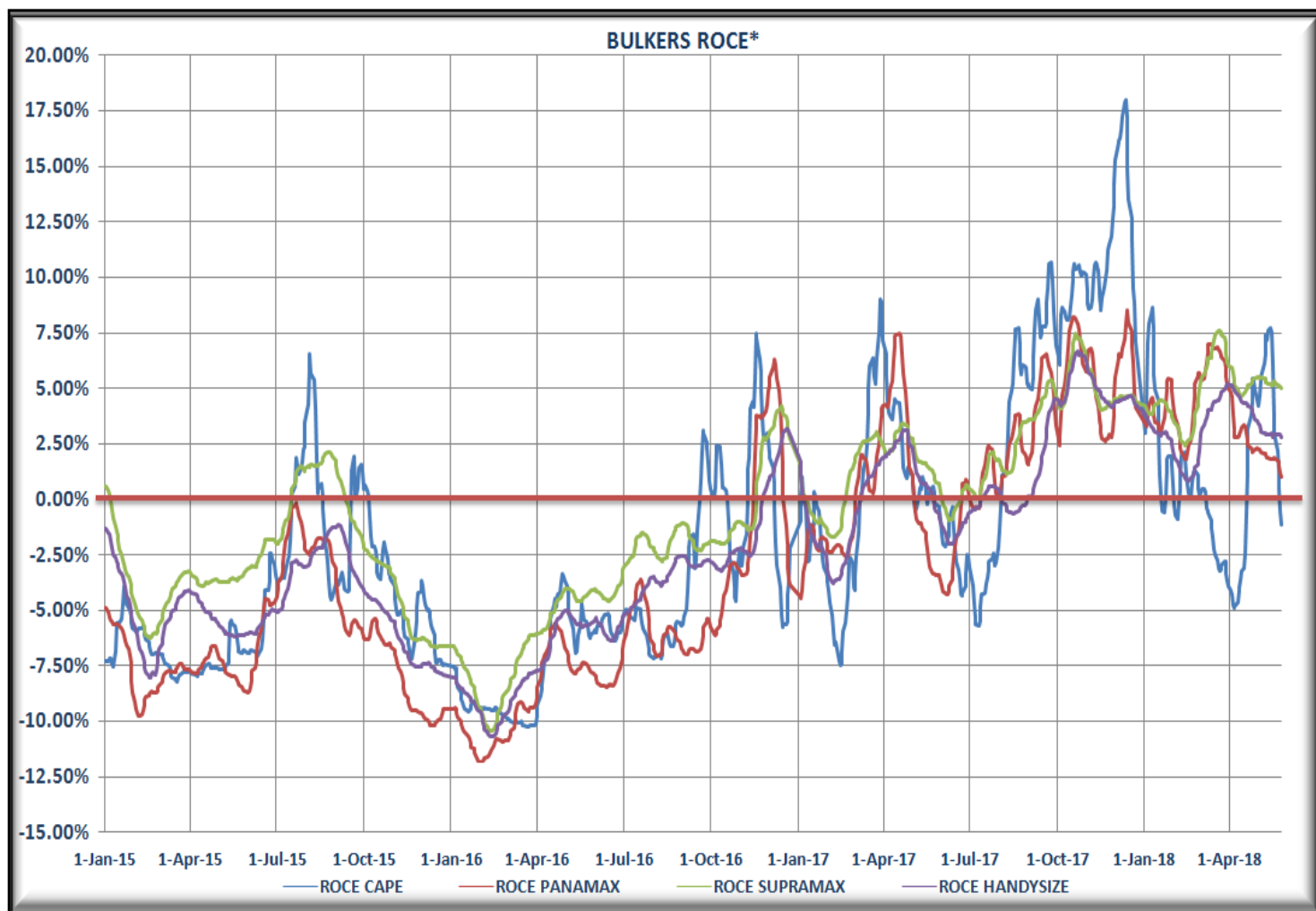
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Dry Cargo Spot Market

With Capesizes being in freefalling mode again, the general market trend followed closely. Having lost circa 400 points during the last fortnight, BDI balanced at local minima of 1077 points this Friday. Reporting three-digit-point losses for eight days in a row, BCI concluded at 1395 points. On the same wavelength, BPI lost its previous Friday's levels, finishing lower at 1187 points. In one of their most flattish weeks, geared segments remained stable, with BSI at 1071 points and BHSI at 587 points.

At the box office, the after depreciation returns on capital employed of Capesizes turned negative, whilst the other segment remained at the profit-generating zone. In particular, Capesize ROCE lay at -1.16%, or circa 411 bps lower than last Friday. Supramax ROCE slid to 4.98%, as the BSI 52TC balancing a tad below last week's closing. Panamax returns lingered at 1.02%, at its lowest level since early August 2017. An investment in Handies is currently generating 2.8 cents in every dollar invested, or circa 0.5 cents less than the average of the first four trading months.



| Baltic Freight Indices | | | | | |
|------------------------|------|----------|-----------|-----------|------------|
| Date | BDI | BCI 5TC | BPI - TCA | BSI - TCA | BHSI - TCA |
| 21-May-18 | 1239 | \$14,833 | \$10,018 | \$11,050 | \$8,623 |
| 22-May-18 | 1199 | \$13,867 | \$9,987 | \$11,053 | \$8,612 |
| 23-May-18 | 1162 | \$13,052 | \$9,854 | \$11,031 | \$8,627 |
| 24-May-18 | 1109 | \$11,848 | \$9,692 | \$11,011 | \$8,607 |
| 25-May-18 | 1077 | \$11,177 | \$9,572 | \$10,973 | \$8,559 |
| 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 | 1220 | \$15,626 | \$10,678 | \$10,084 | \$8,280 |
| 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.

Sir Isaac Newton revisited the **Capesize** market this week to see how gravity changes the course of an object. Having lost circa \$9,000 in less than a month, BCI 5TC did not manage to resist the downward pressure, concluding at \$11,177 daily.

In the Pacific, in the commodity news, Chinese iron-ore imports are expected to increase between 1% and 1.5% per year over the next decade, according to the industry experts attending the Singapore Iron Ore Forum this week. In the spot arena, experiencing another week of falling rates across the board, the benchmark of the Pacific basin followed the trend by dropping to \$7.018 pmt. BHP Billiton covered a 7-9 June position on this run at \$7.15 pmt. Jiangsu Steamshi took in direct continuation the 'Shinyo Endeavour' (170,578 dwt, 2002) for an Australian round at an easier \$11,000 daily, basis delivery Shanghai. Earlier in the week, the 'Genco Hadrian' (169,025 dwt, 2008) was reported fixed with prompt delivery Lianyungang for a trip via EC Australia and redelivery S.China at \$12,500 daily, with the option of N.China being priced at \$1,000 more. Additionally, the 'KSL Sapporo' (180,960 dwt, 2014) with retro delivery Jintang was fixed for a trip via Vanino to Mailiao at \$16,200 daily. The Baltic transpacific index (C10_14), with a 21.4% weekly decrease, closed at \$11,950 daily.

In the Atlantic, Vale reportedly expects iron ore production at its SD11 mine in Brazil to reach 58M metric tons this year, higher than its official forecast of 50M-55M metric tons. Limited activity in the spot market though had as a result all Baltic indices to close the week considerably lower. Indicatively, the concertmaster Tubarao-Qingdao Baltic index finished below \$17 pmt for the first time the last month, at \$16.018 pmt. Mid week, a rumour was surfaced that U Ming allegedly put tonnage on subjects for a C3 cargo at low \$16.00s but it was not clear if the business was actually concluded. There were no time charter fixtures reported on this basin. The fronthaul index (C9_14) hovered at \$21,955 daily whereas the Transatlantic index (C8_14) plummeted to \$9,750 daily, or down 22.1% and 34.1% W-o-W respectively.

On the period front, the fifteen-year-old 'Lin Jie' (177,359 dwt, 2003) secured employment for the next 18/20 months at \$15,350, basis delivery Zhoushan. Last week, Koch Shipping took the 'PS Palios' (179,134 dwt, 2013) for 12-14 months at \$17,350, basis delivery CJK and redelivery worldwide.

| Representative Capesize Fixtures | | | | | | | | |
|----------------------------------|---------|-------|---------------|--------|----------------------|------------------------|-------------------|-------------------------------|
| Vessel | DWT | Built | Delivery | Date | Re-del | Rate | Charterers | Comment |
| Shinyo Endeavour | 170,578 | 2002 | Shanghai | prompt | China | \$11,000 | Jiangsu Steamship | via Newcastle - in d/c |
| Genco Hadrian | 169,025 | 2008 | Lianyungang | 23-May | S.China opt. N.China | \$12,500 opt. \$13,000 | cnr | via EC Australia |
| KSL Sapporo | 180,960 | 2014 | retro Jintang | 21-May | Mailiao | \$16,200 | Oldendorff | via Vanino |
| Lin Jie | 177,359 | 2003 | Zhoushan | prompt | WW | \$15,350 | Koch Shipping | 18/20 months |
| PS Palios | 179,134 | 2013 | CJK | spot | WW | \$17,350 | Koch Shipping | 12-14 months -fixed last week |

A significant dive witnessed on all Baltic **Panamax** indices this week, with both paper and physical market under strong pressure.

In the Pacific basin, rates failed to maintain the steam gained in the beginning of the week and closed on a negative tone. The increasing early June tonnage list has piled up over spot-prompt vessels and this resulted in a sudden drop in rates. On the early side of the week, 'Tai Knowledge' (82,000 dwt, 2017) managed \$12,800 daily with 24 May delivery at Dalian for one quick trip with iron ore to Japan. On a similar note, the over-aged 'Dubai Pride' (74,401 dwt, 2001) fixed for one trip with fertilizers with North China delivery on 27-30 May and redelivery India at \$11,500 daily. On the minerals trading, 'Sea Pearl' (77,215 dwt, 2007) with forward delivery at Cigading on 07-14 June fixed one Indonesian coal trip at approximate \$16,000 daily. 'Sakizaya Justice' (81,691 dwt, 2017) achieved a strong \$13,000 daily with 25-26 May delivery at Longkou via East Australia also with direction to India. This week in particular, it was the grain trade that gave an early boost in the region but on Thursday-Friday activity came into a short pause. Early this week, 'Navios Prosperity' (82,535 dwt, 2007) concluded at \$12,500 for 27-31 May delivery at Kimitsu for a round trip with grains via NoPac. 'Capetan Giorgis' (76,447 dwt, 2005) fixed at \$12,000 with 24-27 May delivery Machong for one trip with grains but via S.Australia to P.G. and redelivery passing Muscat outbound.

The Atlantic region saw market struggling throughout the week with almost all major routes at a stalemate. The second half June loading window out of ECSA seems to be strong, but for now prompt-spot trading is under strong stress. With ECSA front-haul under pressure and the lacking of transatlantic rounds, the sentiment could not firm up. The few TA fixtures reported, showcased the blurry sentiment. The post-panamax 'Ikan Bagang' (83,651 dwt, 2009) fixed at approximately \$6,000 with 24-25 May delivery at Rotterdam for a round trip via Baltic. Across the Atlantic, 'Yasa Team' (75,621 dwt, 2006) managed to fix at \$7,000 with delivery 28-31 May at Gibraltar via USEC. Further south, 'New Ascent' (82,179 dwt, 2012) fixed with early June delivery at Rio Grande at \$15,250 daily. On the front-haul side, 'Theodor Oldendorff' (77,717 dwt, 2008) obtained a solid \$16,000 with 28-30 May in Tarragona for one trip loading in U.S. Gulf via Panama Canal to Japan. The fixtures reported out of ECSA this week, were staggeringly few. 'Anna S' (75,966 dwt, 2001) with first half June delivery basis APS E.C. South America secured a healthy \$13,500 daily plus \$350,000 gbb and redelivery at Singapore – Japan range but generally the sentiment for first half June is intensely weak.

On the period front, 'King Loong' (77,430 dwt, 2006) secured \$13,000 for 4 to 6 months with prompt delivery at CJK. On longer period, the post-panamax 'Prabhu Shakti' (83,690 dwt, 2009) fixed for one year at \$13,250 with 25-27 May delivery at Songxia.

| Representative Panamax Fixtures | | | | | | | | |
|---------------------------------|--------|-------|------------|-----------|-----------------|------------------------|---------------|--------------------|
| Vessel | DWT | Built | Delivery | Date | Re-del | Rate | Charterers | Comment |
| Dubai Pride | 74,401 | 2001 | N.China | 27/30 May | India | \$11,500 | Nasco | (fertilizers) |
| Sea Pearl | 77,215 | 2007 | Cigading | 07/14 Jun | Singapore-Japan | \$16,000 | cnr | via Indo |
| Navios Prosperity | 82,535 | 2007 | Kimitsu | 27/31 May | Singapore-Japan | \$12,500 | Marubeni | via NoPac (grains) |
| Capetan Giorgis | 76,447 | 2005 | Machong | 24/27 May | PMO | \$12,000 | Panocean | via Saus (grains) |
| Yasa Team | 75,621 | 2006 | Gibraltar | 28/31 May | Skaw-Gibraltar | \$7,000 | cnr | via USEC |
| New Ascent | 82,179 | 2012 | Rio Grande | 31/02 Jun | Skaw-Gibraltar | \$15,250 | Louis Dreyfus | |
| Anna S | 75,966 | 2001 | ECSA | 01/10 Jun | Singapore-Japan | \$13,500+\$350,000 gbb | ECTP | |
| King Loong | 77,430 | 2006 | CJK | 25 May | worldwide | \$13,000 | cnr | 4/6 mos |
| Prabhu Shakti | 83,690 | 2009 | Songxia | 25/27 May | worldwide | \$13,250 | Jera Trading | 12 mos |

Lacking highly volatile movements, **Supramax** moved sideways for the week, concluding at BSI 52-TCA levels of 10,973 daily.

Following four consecutive weeks of improvement, the market in South East Asia moved sideways unexpectedly during the 21st week of the year. Although a relatively steady flow of coal cargoes was maintained, supply of tonnage surpassed the current demand volume and as a result, softer rates were noticed. A benchmark fixture was the "Pure Vision" (56,830dwt, 2011) which was done at \$12,750 delivery Singapore for coal cargo via Indo to China. Market condition on the North front was indisputably healthier. "Rinia" (56,746dwt, 2012) fixed a metcoke cargo at \$13,500 delivery Tianjin to full India whereas the "Nautical Sif" (63,549dwt, 2015) scored an impressive \$11,000 for the first 55 days and \$13,750 thereafter for a backhaul to West Africa, basis delivery Bayuquan, even though this was mentioned as last week's fixture. The West Indian coast is much affected by the monsoon season and as a consequence the tonnage list in the area keeps growing pushing the rates further down. Out of South Africa, "Pacific Advance" (63,507dwt, 2015) was reported fixed at \$12,250 plus \$280,000 ballast bonus delivery Port Elizabeth for fronthaul to Far East.

In the Atlantic, pressure on owners persisted. Although activity appeared to pick up on the surface, actual demand was not sufficient to cover the increased number of prompt tonnage in order to build some momentum. Consequently, a minor drop in hire rates was noticeable across the board. The USG sub-market, known for its barometer-like sensitivity, ended up with recording a loss of 3.7% w-o-w on the S4A_58 route (USG trip to Skaw-Passero). On this route, we heard a few rumors of Ultramaxs fixing between \$14-15,000 for grains to the Mediterranean, while on fronthaul deals it was reported that the 'KM London' (63,385 dwt, 2017) secured \$19,000 daily basis delivery Port Rhoades for a trip to China. Switching to the ECSA front, a 55,000 tonner fetched \$13,000 daily basis delivery Recalada for a trip to the Baltic. Across the pond, Continent-Turkey scrap rounds were rumored to pay numbers in the \$14,000 on small Supramax units. It also emerged that a 60,000 tonner was fixed for a trip from Continent to South Africa, achieving a rate in the \$13,000s. From the Mediterranean-Black Sea areas there was talk about a number of vessels that losing subjects. It was also rumored that a 52,000 tonner was fixed on a front haul trip at mid teen levels.

Period-wise, it was reported that a 63,000 tonner open Qingdao, locked \$13,500 daily for 4-6 months trading, redelivery worldwide.

| Representative Supramax Fixtures | | | | | | | | |
|----------------------------------|--------|-------|----------------|-----------|-----------------|------------------------------------|------------|-------------------|
| Vessel | DWT | Built | Delivery | Date | Re-del | Rate | Charterers | Comment |
| Pacific Advance | 63,507 | 2015 | Port Elizabeth | Prompt | Singapore-Japan | \$12,500 + \$280,000 | cnr | |
| Rinia | 56,746 | 2012 | Tianjin | 27/30 May | India | \$13,500 | cnr | Intention Metcoke |
| Pure Vision | 56,830 | 2011 | Singapore | 25-May | China | \$12,750 | AUSCA | Via Indonesia |
| Nautical SIF | 63,549 | 2015 | Bayuquan | 26/27 May | West Africa | \$11,000 1st 55d, \$13,750 Balance | cnr | Last Week Fixture |
| KM London | 63,385 | 2017 | Port Rhoades | Prompt | China | \$19,000 | cnr | |

Mixed signals in the Far East – Dull week in the Atlantic on the **Handysize**.

Another week with mixed results ends for Handies in the East. Although some of the single time charter trip rates are softer, the appetite of charterers for period might be an encouraging sign. No one can predict where Handies market is heading as the trading is rather peculiar. The thought fact that major charts book period, gives grounds for hope. The gap between spot and period trading is evident in the following fixtures. The 'Seacliff' (28,000 dwt, 2009) open at Gresik on the 22nd of May fixed at \$8,800 dop for logs ex Australia to China, while the 'Double Diamond' (33,000 dwt, 2011) open at Kemaman on the 25th of May fixed at \$10,000 dop for 3/5 months. Further to the above the 'Ivs Nightjar' (32,000 dwt, 2004) open at CJK around the 20th of May, fixed at \$10,150 dop for 3/5 months, despite her being 14 years old. On the other hand, the 'Occitan Pauillac' (29,231 dwt, 2008) open at Honk Kong on the 20th of May had to ballast to HCMC to get alumina to the Persian Gulf at \$8,000 aps. Next week begins with a public holiday in several countries. We do expect a slow start, but since the downward movement on the bigger sizes ended today, there is expectation for better days for the Handies as well.

In the Atlantic, market was so quiet that most of the participants were more concerned about the 'GDPR' coming into force, rather than fixing ships. ECSA slid into even lower levels, and most Owners are in despair, fearing of the days ahead. A 36,768 dwt fixed a coastal trip from Necochea back to Brazil at \$9,350 and we also heard a rumour of a 28,000dwt fixing a grains cargo from Plate to S.E. Asia on voyage basis, at a rate which roughly calculates at something in the \$10,000's aps. In the USG, things remain pretty much unchanged, with the week starting with some shades of hope, but quickly turning towards lower levels. A 37,500dwt though, managed to fix a fair \$12,500 for a trip from Port Arthur to the W. Med. Nothing exciting was heard from the Continent, with most Owners saying that they are being increasingly pressed to lower their numbers. The few deals concluded remained under wraps. For yet another week, the Med /Bl. Sea kept the flat pace it had, without a lot of fresh inquiry and with most business failing on subs. There are rumours of a 34,000dwt that is seeing rates around \$7,500 for trips to USEC/USG.

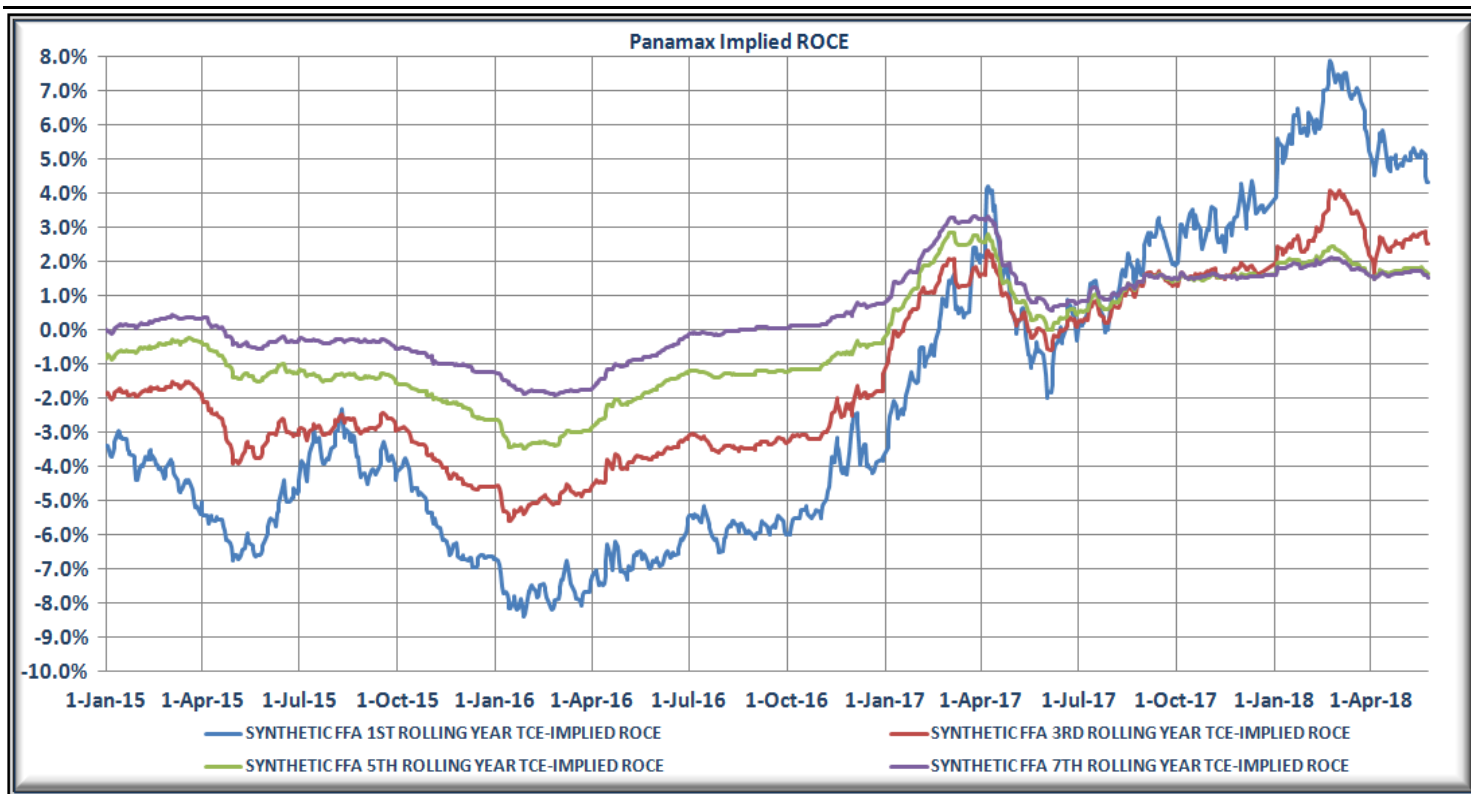
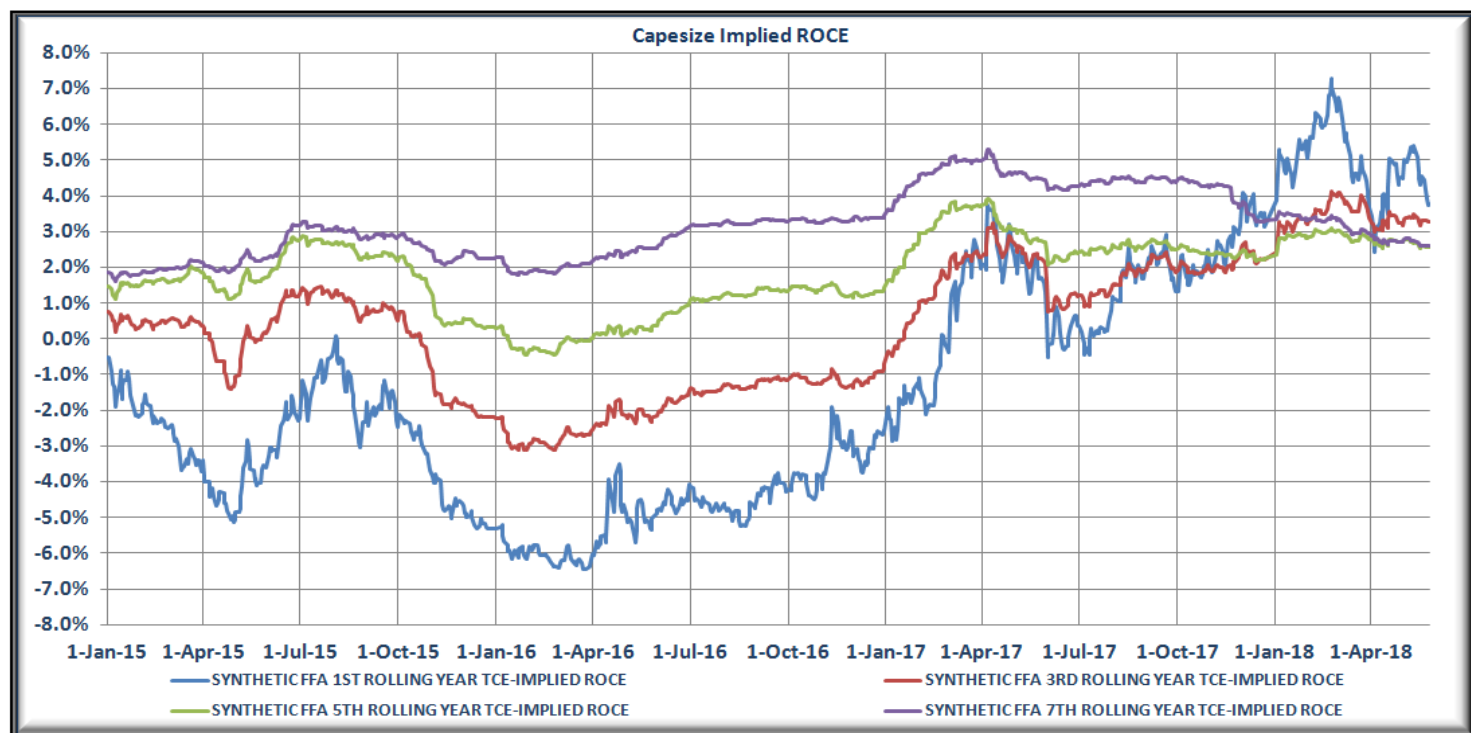
On the period desk, we heard a rumour of a 37,000dwt fixing a short period within Atlantic, but not W. Africa, in the \$10,000's and delivery in the Baltic.

| Representative Handysize Fixtures | | | | | | | | |
|-----------------------------------|--------|-------|-----------|-----------|-----------|----------|------------|--------------------|
| Vessel | DWT | Built | Delivery | Date | Re-del | Rate | Charterers | Comment |
| Seacliff | 28,000 | 2009 | Gresik | Prompt | China | \$8,800 | cnr | logs via Australia |
| Double Diamond | 33,000 | 2011 | Kemaman | Prompt | ww | \$10,000 | cnr | 3-5 months |
| IVS Nightjar | 32,000 | 2004 | CJK | Prompt | ww | \$10,150 | cnr | 3-5 months |
| Occitan Pauillac | 29,231 | 2008 | HoChiMinh | Prompt | PG | \$8,000 | cnr | |
| Iraklis | 45,635 | 2002 | Recalada | 25-31 May | Med | \$12,000 | cnr | |
| Quest | 36,768 | 2011 | Necochea | Prompt | Brazil | \$9,350 | Pola | grains |
| AEC Ability II | 37,500 | 2006 | P.Arthur | Prompt | Wmed | \$12,500 | Oldendorff | |
| Tate J | 34,439 | 2012 | NCSA | Prompt | WCSA | \$15,500 | Bunge | |
| Aviator | 18,957 | 2007 | Poti | Prompt | EC Mexico | \$8,500 | cnr | malt |

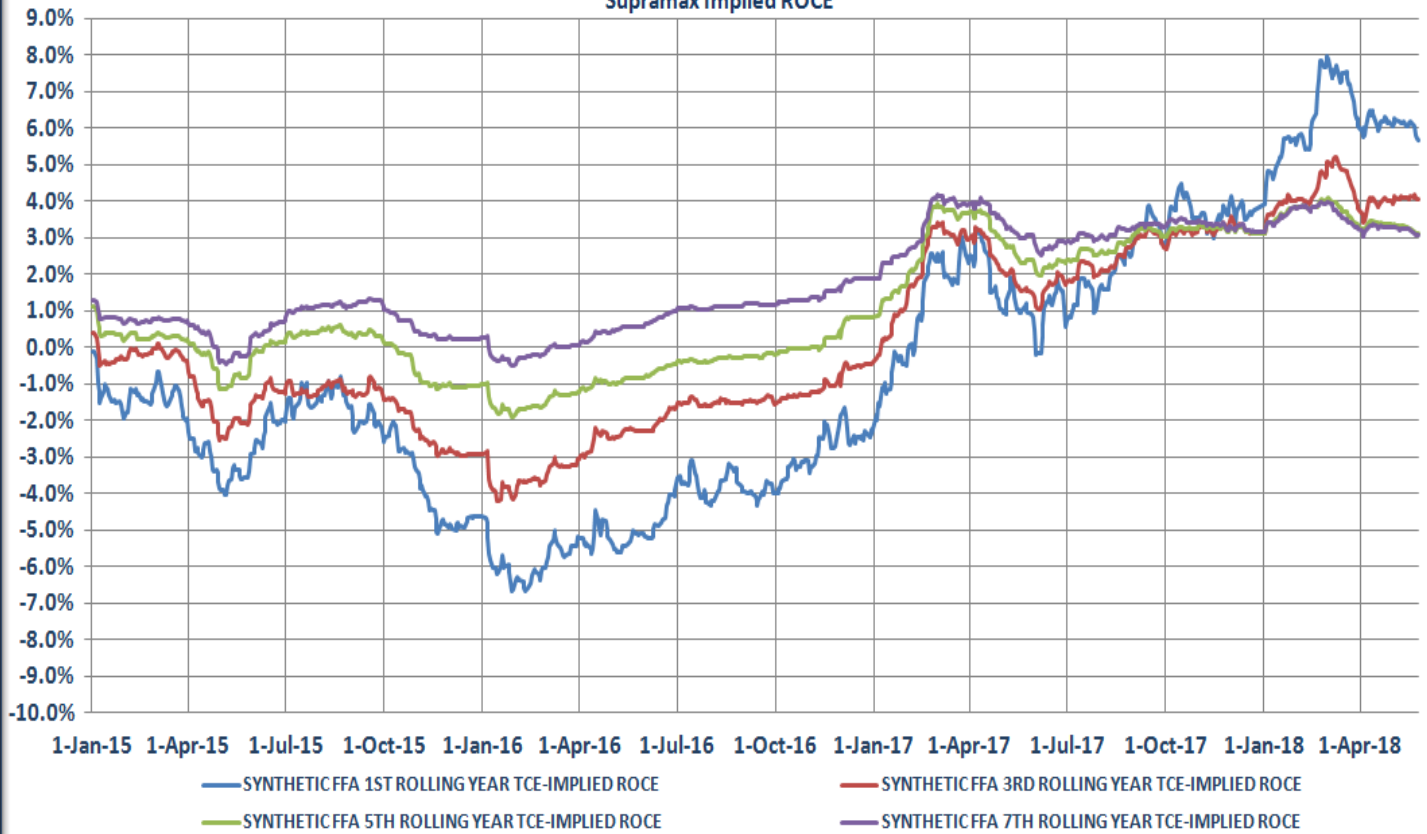
FFA Market

Despite the downward pressure in the prompt months of the forward curves, the long end of all curves lingering below the short ends. The Capesize and Panamax prompt months moved considerably lower whilst the respective months of Supramaxes and Handysizes went marginally down. Further losses were made on the Capesize forward curve this week, with June paper balancing at \$12,830 and July at \$14,270. The prompt months of the Panamax curve ended lower at \$10,255 and \$11,285 for June and July respectively. Consistent on its softer tone, Supramax forward market hovered lower at \$11,040 and at \$11,370 for June and July respectively. The prompt Handysize contracts stood below previous Friday's levels with June at \$9,225. The back ends of all segments remained at previous levels without significant changes.

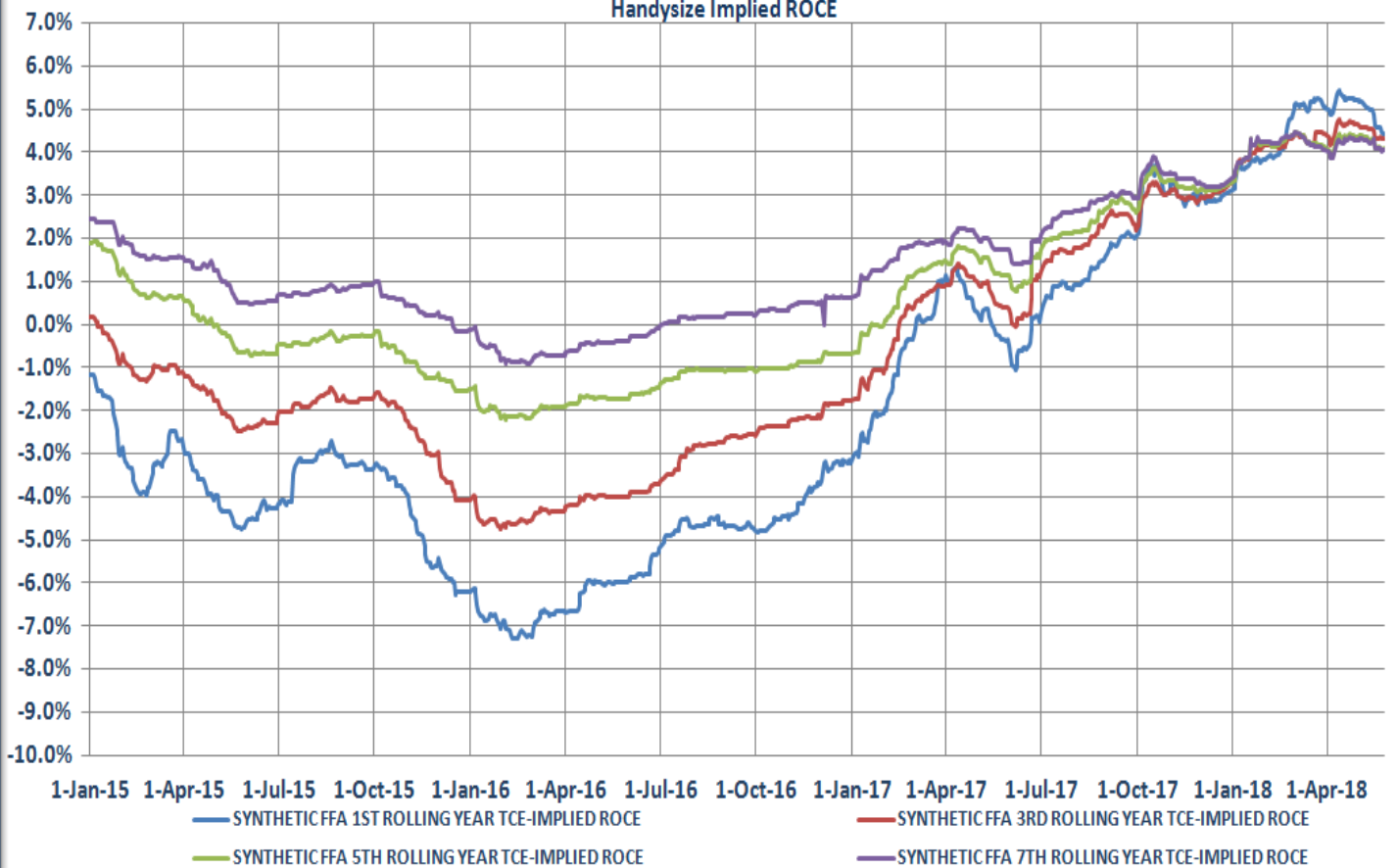
Capesize first rolling year implied ROCE lost 0.7% this week at 3.8% at the time as that of Panamax went down to 4.3%. Geared segments implied ROCEs reported marginal losses, with Supramax at 5.7% and Handy at 4.4%.



Supramax Implied ROCE



Handysize Implied ROCE



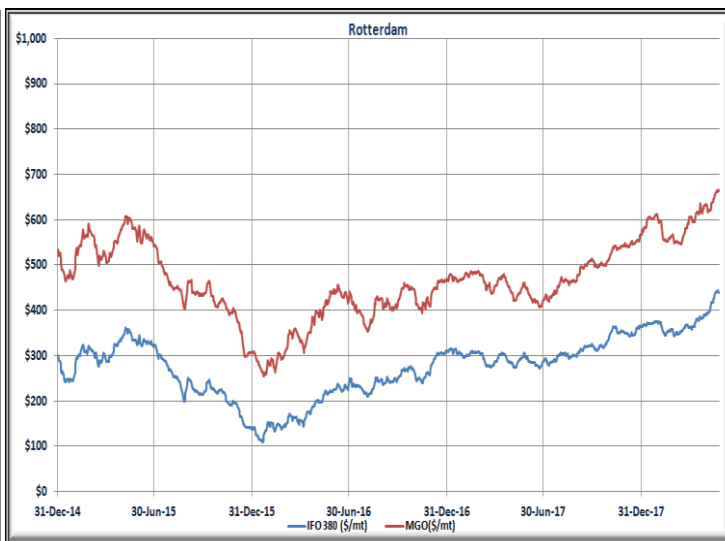
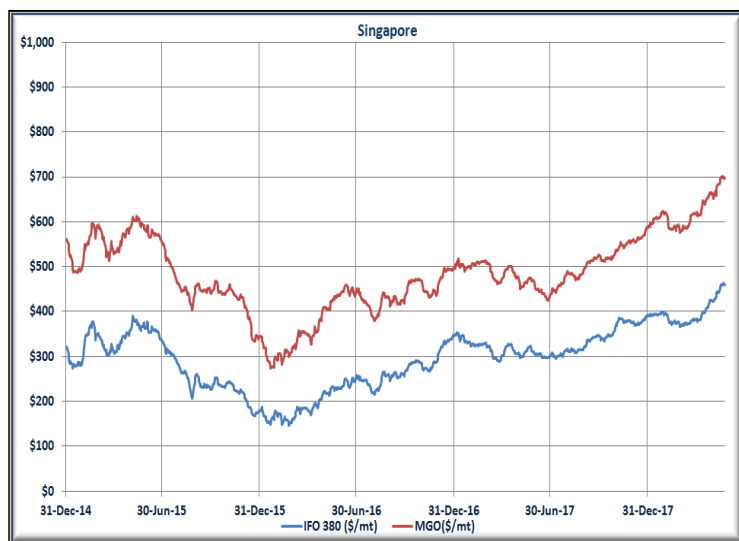
| BFA Cape 5TC | | | | | | | | | |
|--------------|----------|----------|-----------|----------|----------|----------|----------|----------|----------|
| Date | May (18) | Jun (18) | July (18) | Q3 (18) | Q4 (18) | Q1 (19) | Cal 19 | Cal 24 | Cal 25 |
| 21-May-18 | \$17,340 | \$15,780 | \$16,050 | \$17,397 | \$21,550 | \$14,230 | \$17,420 | \$15,330 | \$15,350 |
| 22-May-18 | \$16,700 | \$14,480 | \$15,520 | \$17,066 | \$21,420 | \$14,100 | \$17,333 | \$15,300 | \$15,350 |
| 23-May-18 | \$16,430 | \$13,600 | \$14,900 | \$16,693 | \$21,280 | \$14,000 | \$17,243 | \$15,300 | \$15,350 |
| 24-May-18 | \$16,270 | \$12,840 | \$14,280 | \$16,390 | \$21,240 | \$13,870 | \$17,145 | \$15,280 | \$15,340 |
| 25-May-18 | \$16,240 | \$12,830 | \$14,270 | \$16,380 | \$21,350 | \$13,890 | \$17,188 | \$15,290 | \$15,340 |
| Week High | \$17,340 | \$15,780 | \$16,050 | \$17,397 | \$21,550 | \$14,230 | \$17,420 | \$15,330 | \$15,350 |
| Week Low | \$16,240 | \$12,830 | \$14,270 | \$16,380 | \$21,240 | \$13,870 | \$17,145 | \$15,280 | \$15,340 |
| Week Avg | \$16,596 | \$13,906 | \$15,004 | \$16,785 | \$21,368 | \$14,018 | \$17,266 | \$15,300 | \$15,346 |

| BFA Panamax 4TC | | | | | | | | | |
|-----------------|----------|----------|-----------|----------|----------|----------|----------|---------|---------|
| Date | May (18) | Jun (18) | July (18) | Q3 (18) | Q4 (18) | Q1 (19) | Cal 19 | Cal 24 | Cal 25 |
| 21-May-18 | \$10,270 | \$11,530 | \$12,310 | \$12,497 | \$13,420 | \$11,230 | \$12,000 | \$9,950 | \$9,935 |
| 22-May-18 | \$10,225 | \$11,325 | \$12,215 | \$12,465 | \$13,370 | \$11,270 | \$12,020 | \$9,950 | \$9,935 |
| 23-May-18 | \$10,085 | \$10,615 | \$11,560 | \$11,947 | \$13,000 | \$11,010 | \$11,780 | \$9,930 | \$9,920 |
| 24-May-18 | \$9,965 | \$10,315 | \$11,300 | \$11,820 | \$12,895 | \$10,985 | \$11,762 | \$9,930 | \$9,920 |
| 25-May-18 | \$9,985 | \$10,255 | \$11,285 | \$11,813 | \$12,915 | \$10,980 | \$11,753 | \$9,900 | \$9,870 |
| Week High | \$10,270 | \$11,530 | \$12,310 | \$12,497 | \$13,420 | \$11,270 | \$12,020 | \$9,950 | \$9,935 |
| Week Low | \$9,965 | \$10,255 | \$11,285 | \$11,813 | \$12,895 | \$10,980 | \$11,753 | \$9,900 | \$9,870 |
| Week Avg | \$10,106 | \$10,808 | \$11,734 | \$12,108 | \$13,120 | \$11,095 | \$11,863 | \$9,932 | \$9,916 |

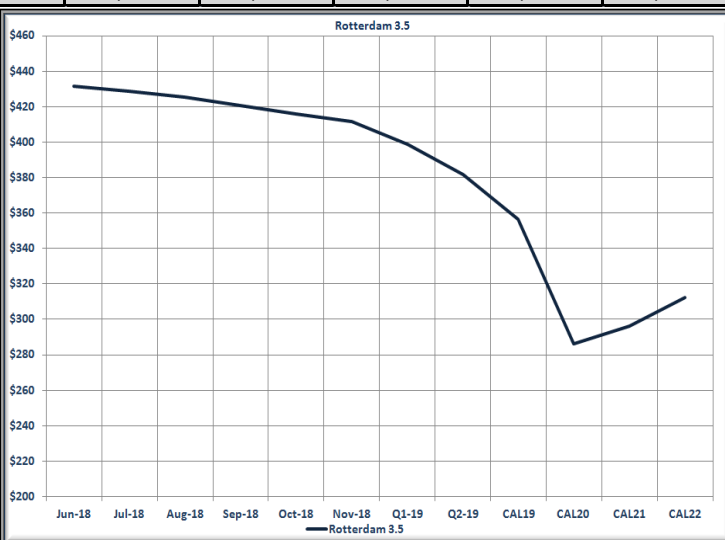
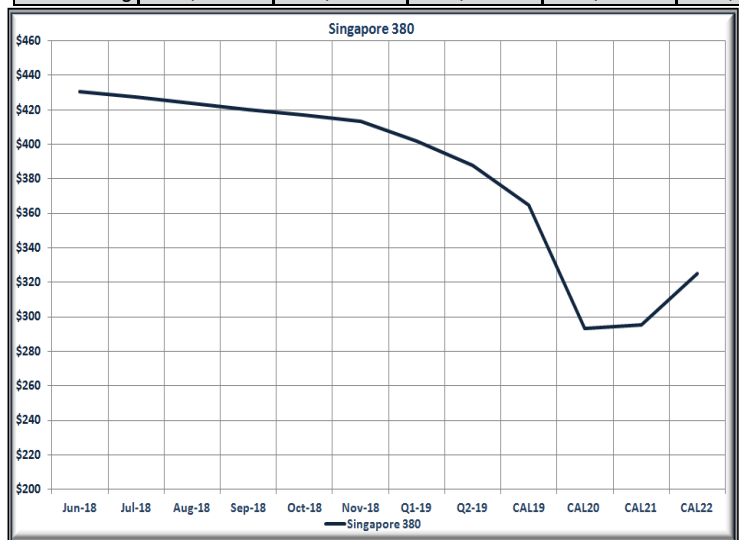
| BFA Supra 5TC | | | | | | | | | |
|---------------|----------|----------|-----------|----------|----------|----------|----------|---------|---------|
| Date | May (18) | Jun (18) | July (18) | Q3 (18) | Q4 (18) | Q1 (19) | Cal 19 | Cal 24 | Cal 25 |
| 21-May-18 | \$11,040 | \$11,400 | \$11,700 | \$11,882 | \$12,385 | \$10,830 | \$11,525 | \$9,880 | \$9,870 |
| 22-May-18 | \$11,025 | \$11,360 | \$11,680 | \$11,850 | \$12,375 | \$10,835 | \$11,505 | \$9,880 | \$9,870 |
| 23-May-18 | \$10,950 | \$11,120 | \$11,510 | \$11,723 | \$12,190 | \$10,740 | \$11,360 | \$9,860 | \$9,860 |
| 24-May-18 | \$10,975 | \$11,060 | \$11,400 | \$11,613 | \$12,100 | \$10,720 | \$11,345 | \$9,860 | \$9,860 |
| 25-May-18 | \$10,985 | \$11,040 | \$11,370 | \$11,580 | \$12,090 | \$10,730 | \$11,340 | \$9,860 | \$9,860 |
| Week High | \$11,040 | \$11,400 | \$11,700 | \$11,882 | \$12,385 | \$10,835 | \$11,525 | \$9,880 | \$9,870 |
| Week Low | \$10,950 | \$11,040 | \$11,370 | \$11,580 | \$12,090 | \$10,720 | \$11,340 | \$9,860 | \$9,860 |
| Week Avg | \$10,995 | \$11,196 | \$11,532 | \$11,730 | \$12,228 | \$10,771 | \$11,415 | \$9,868 | \$9,864 |

| BFA Handysize TC | | | | | | | | | |
|------------------|----------|----------|-----------|---------|---------|---------|---------|---------|---------|
| Date | May (18) | Jun (18) | July (18) | Q3 (18) | Q4 (18) | Q1 (19) | Cal 19 | Cal 24 | Cal 25 |
| 21-May-18 | \$8,850 | \$9,450 | \$9,575 | \$9,629 | \$9,869 | \$8,875 | \$9,338 | \$9,156 | \$9,213 |
| 22-May-18 | \$8,838 | \$9,438 | \$9,550 | \$9,609 | \$9,863 | \$8,869 | \$9,350 | \$9,144 | \$9,206 |
| 23-May-18 | \$8,800 | \$9,350 | \$9,450 | \$9,521 | \$9,813 | \$8,850 | \$9,325 | \$9,119 | \$9,181 |
| 24-May-18 | \$8,838 | \$9,250 | \$9,400 | \$9,496 | \$9,806 | \$8,838 | \$9,325 | \$9,131 | \$9,181 |
| 25-May-18 | \$8,838 | \$9,225 | \$9,388 | \$9,496 | \$9,806 | \$8,863 | \$9,325 | \$9,131 | \$9,181 |
| Week High | \$8,850 | \$9,450 | \$9,575 | \$9,629 | \$9,869 | \$8,875 | \$9,350 | \$9,156 | \$9,213 |
| Week Low | \$8,800 | \$9,225 | \$9,388 | \$9,496 | \$9,806 | \$8,838 | \$9,325 | \$9,119 | \$9,181 |
| Week Avg | \$8,833 | \$9,343 | \$9,473 | \$9,550 | \$9,831 | \$8,859 | \$9,333 | \$9,136 | \$9,192 |

Bunker Market



| | Rotterdam | | Singapore | | Fujairah | | Gibraltar | | Houston | |
|---------------|-----------|-------|-----------|-------|----------|-------|-----------|-------|---------|-------|
| Date (\$/mt) | IFO 380 | MGO | IFO 380 | MGO | IFO 380 | MGO | IFO 380 | MGO | IFO 380 | MGO |
| 21-May-18 | \$442 | \$663 | \$460 | \$701 | \$465 | \$719 | \$470 | \$724 | \$451 | \$695 |
| 22-May-18 | \$443 | \$662 | \$463 | \$697 | \$465 | \$724 | \$472 | \$731 | \$452 | \$697 |
| 23-May-18 | \$443 | \$665 | \$461 | \$697 | \$465 | \$724 | \$474 | \$728 | \$449 | \$698 |
| 24-May-18 | \$441 | \$664 | \$461 | \$699 | \$465 | \$729 | \$477 | \$738 | \$446 | \$697 |
| 25-May-18 | \$440 | \$663 | \$460 | \$697 | \$464 | \$725 | \$476 | \$736 | \$445 | \$696 |
| 12-month High | \$443 | \$665 | \$463 | \$701 | \$466 | \$729 | \$477 | \$738 | \$452 | \$698 |
| 12-month Low | \$272 | \$407 | \$295 | \$426 | \$296 | \$540 | \$295 | \$462 | \$263 | \$430 |
| 12-month Avg | \$340 | \$530 | \$361 | \$550 | \$359 | \$616 | \$358 | \$577 | \$339 | \$564 |



| Singapore | 25-May-18 | Week max | Week low | Week Avg | RTDM 3.5 | 25-May-18 | Week max | Week low | Week Avg |
|-----------|-----------|----------|----------|----------|----------|-----------|----------|----------|----------|
| Jun-18 | \$430.3 | \$453.0 | \$430.3 | \$444.3 | Jun-18 | \$431.7 | \$437.3 | \$413.2 | \$425.7 |
| Jul-18 | \$427.3 | \$450.2 | \$427.3 | \$441.5 | Jul-18 | \$428.7 | \$434.0 | \$410.5 | \$422.7 |
| Aug-18 | \$423.7 | \$447.0 | \$423.7 | \$438.1 | Aug-18 | \$425.2 | \$430.0 | \$407.0 | \$418.9 |
| Sep-18 | \$420.0 | \$443.7 | \$420.0 | \$434.5 | Sep-18 | \$420.7 | \$425.8 | \$403.0 | \$414.6 |
| Oct-18 | \$416.7 | \$440.2 | \$416.7 | \$431.1 | Oct-18 | \$416.0 | \$421.0 | \$398.5 | \$410.0 |
| Nov-18 | \$413.2 | \$436.7 | \$413.2 | \$427.6 | Nov-18 | \$411.5 | \$416.5 | \$394.2 | \$405.5 |
| Q3-18 | \$423.7 | \$447.0 | \$423.7 | \$438.0 | Q3-18 | \$424.9 | \$429.9 | \$406.8 | \$418.7 |
| Q4-18 | \$413.7 | \$436.7 | \$413.7 | \$427.7 | Q4-18 | \$411.9 | \$416.4 | \$394.1 | \$405.5 |
| Q1-19 | \$401.7 | \$424.7 | \$401.7 | \$415.6 | Q1-19 | \$398.6 | \$402.9 | \$382.1 | \$392.5 |
| Q2-19 | \$387.7 | \$411.5 | \$387.7 | \$401.6 | Q2-19 | \$381.6 | \$385.9 | \$365.1 | \$375.5 |
| CAL19 | \$364.7 | \$388.5 | \$364.7 | \$379.3 | CAL19 | \$356.3 | \$359.2 | \$337.7 | \$348.8 |
| CAL20 | \$293.2 | \$317.0 | \$293.2 | \$305.8 | CAL20 | \$286.3 | \$286.3 | \$261.5 | \$274.1 |
| CAL21 | \$295.2 | \$319.0 | \$295.2 | \$309.8 | CAL21 | \$296.3 | \$296.3 | \$267.5 | \$280.9 |
| CAL22 | \$325.0 | \$348.7 | \$325.0 | \$339.5 | CAL22 | \$312.3 | \$312.3 | \$283.5 | \$296.9 |

Dry Bulk S&P Market

Newbuilding prices trended upwards for another consecutive month. Indicatively, price index of a 38,800dwt Handysize moved up 1% to \$22.6m, while that of a 64,000 dwt Ultramax grew 0.8% to \$25.6m. At the same time, 82,000dwt Kamsarmax prices balanced at \$27.2m and that of 180,000dwt Capesize at \$46.6, both higher than the previous month. In sync, 210,000dwt Newcastlemaxes were sold for \$48.9m, according to the China Newbuilding Price Index. All prices above are based on the International Maritime Organization's Tier III emission rules.

Despite the downward reaction of the freight market lately, last period's improved market sentiment in the spot market seems to have also positively affected the psychology of investors in both the secondhand and the newbuilding markets. However, the most noticeable change in the indicative prices remains that of the secondhand market, pushing Tobin's Q ratios very close to parity or in some cases even above that.

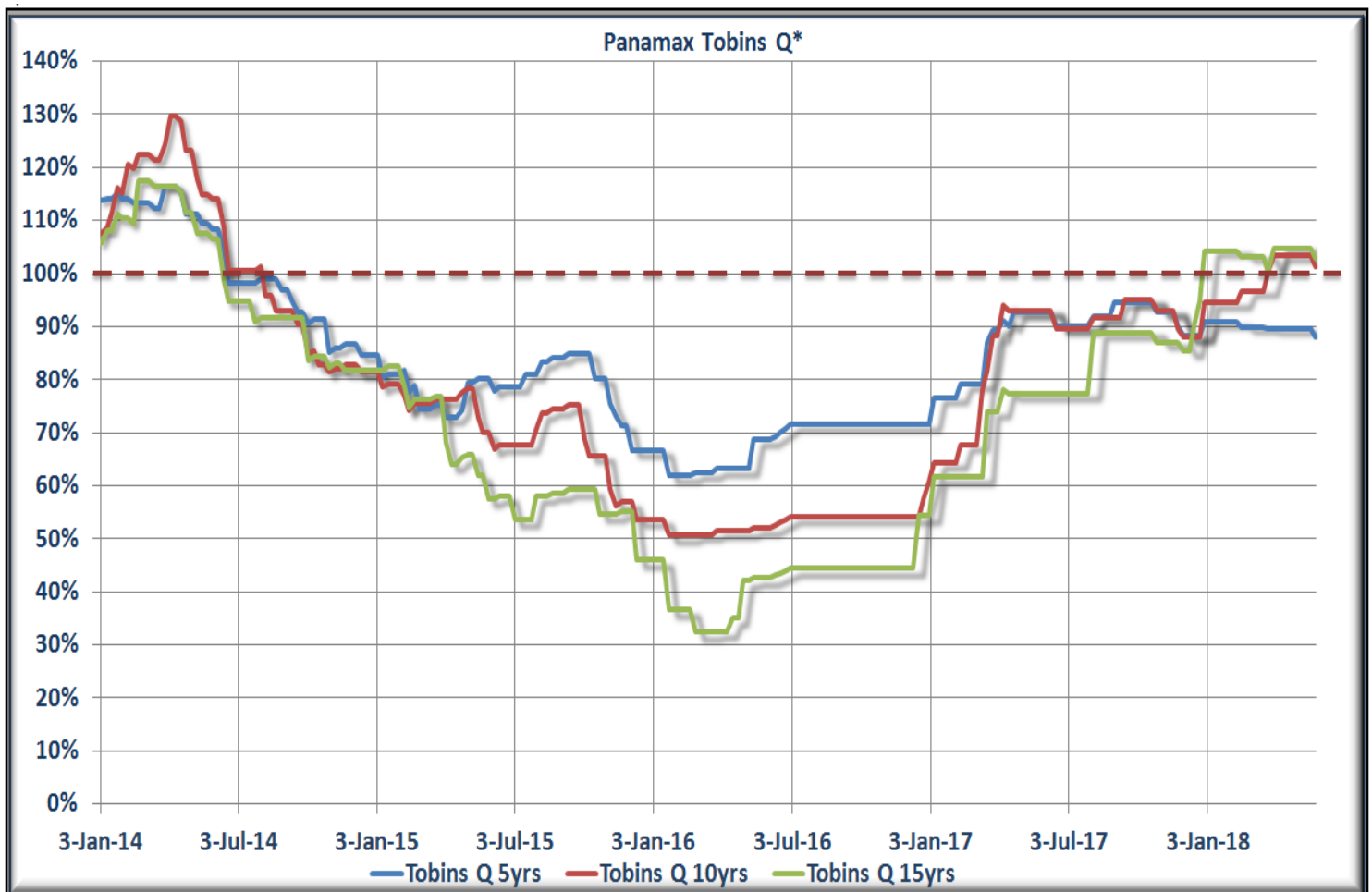
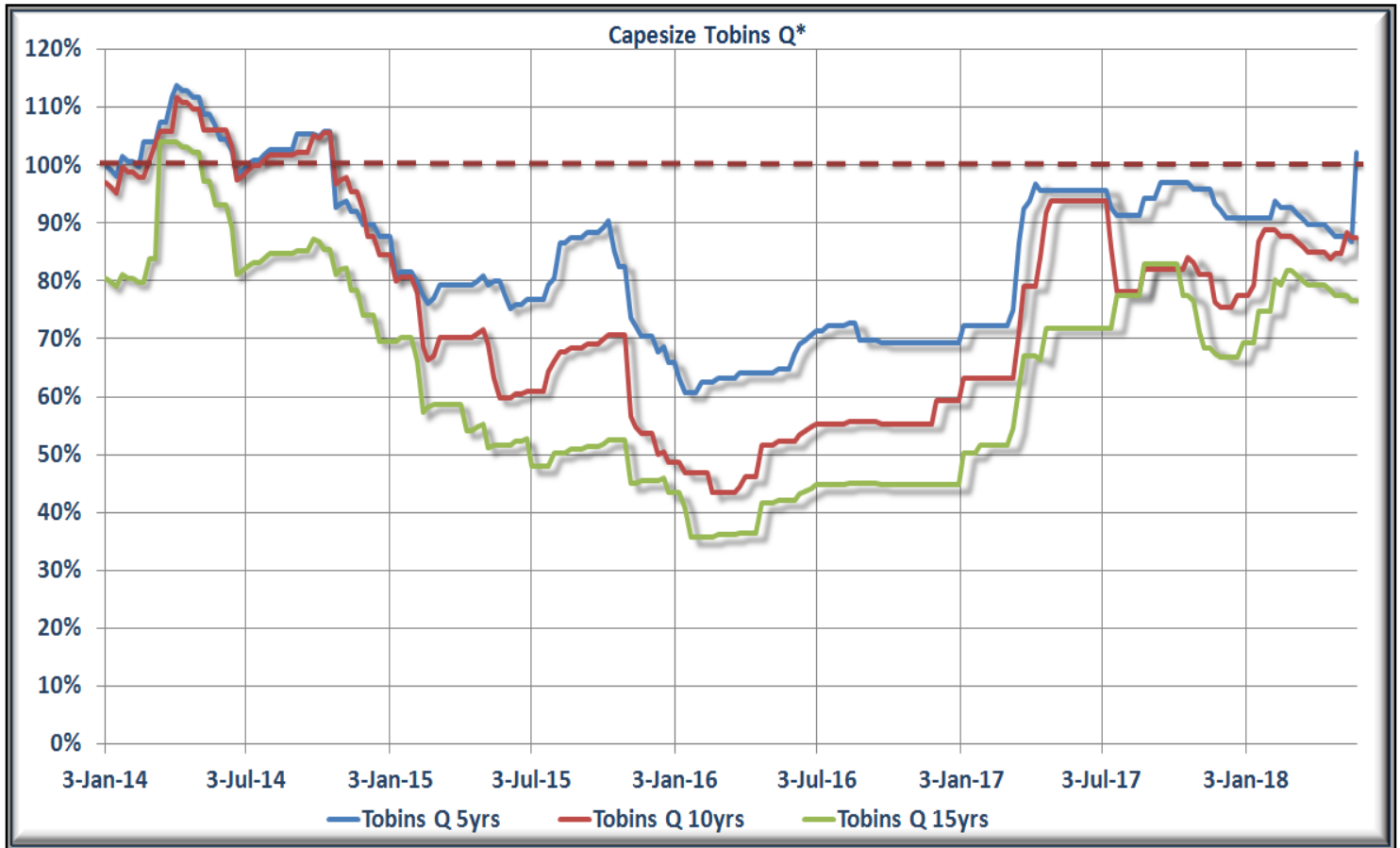
| Indicative Five-Year-Old Secondhand Prices | | | | |
|--|-------------------|-----------------|------------------|-------------------|
| Date/ \$ mil. | Capesize 180K DWT | Panamax 76K DWT | Handymax 56K DWT | Handysize 32K DWT |
| 25-May-2018 | 40.00 | 19.00 | 18.00 | 15.50 |
| 25-May-2017 | 33.50 | 18.50 | 17.00 | 14.00 |
| 25-May-2016 | 23.75 | 14.00 | 13.00 | 9.00 |
| Δ % Y-o-Y | 19% | 3% | 6% | 11% |
| Δ % 2016 - 2018 | 68% | 36% | 38% | 72% |

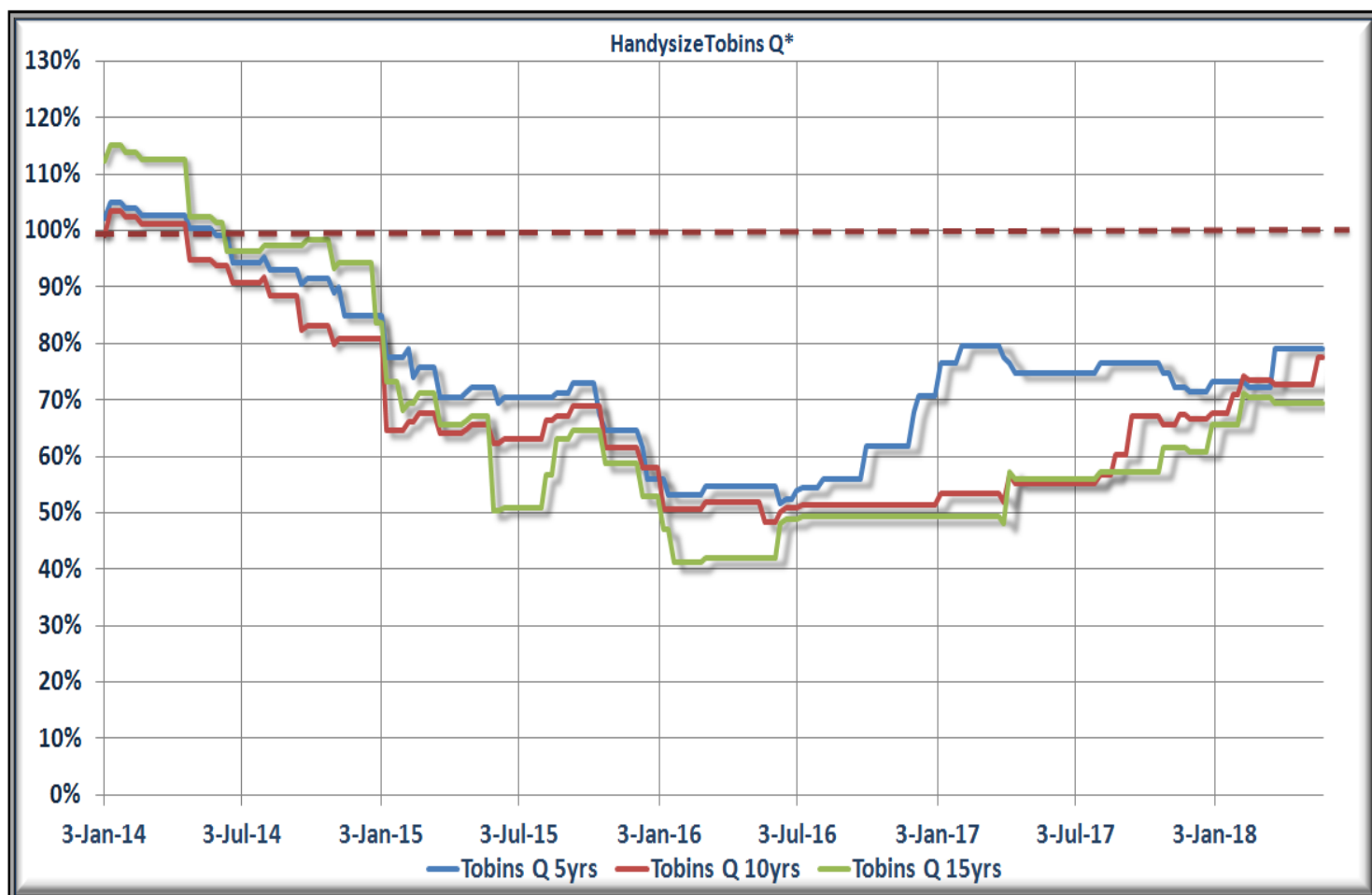
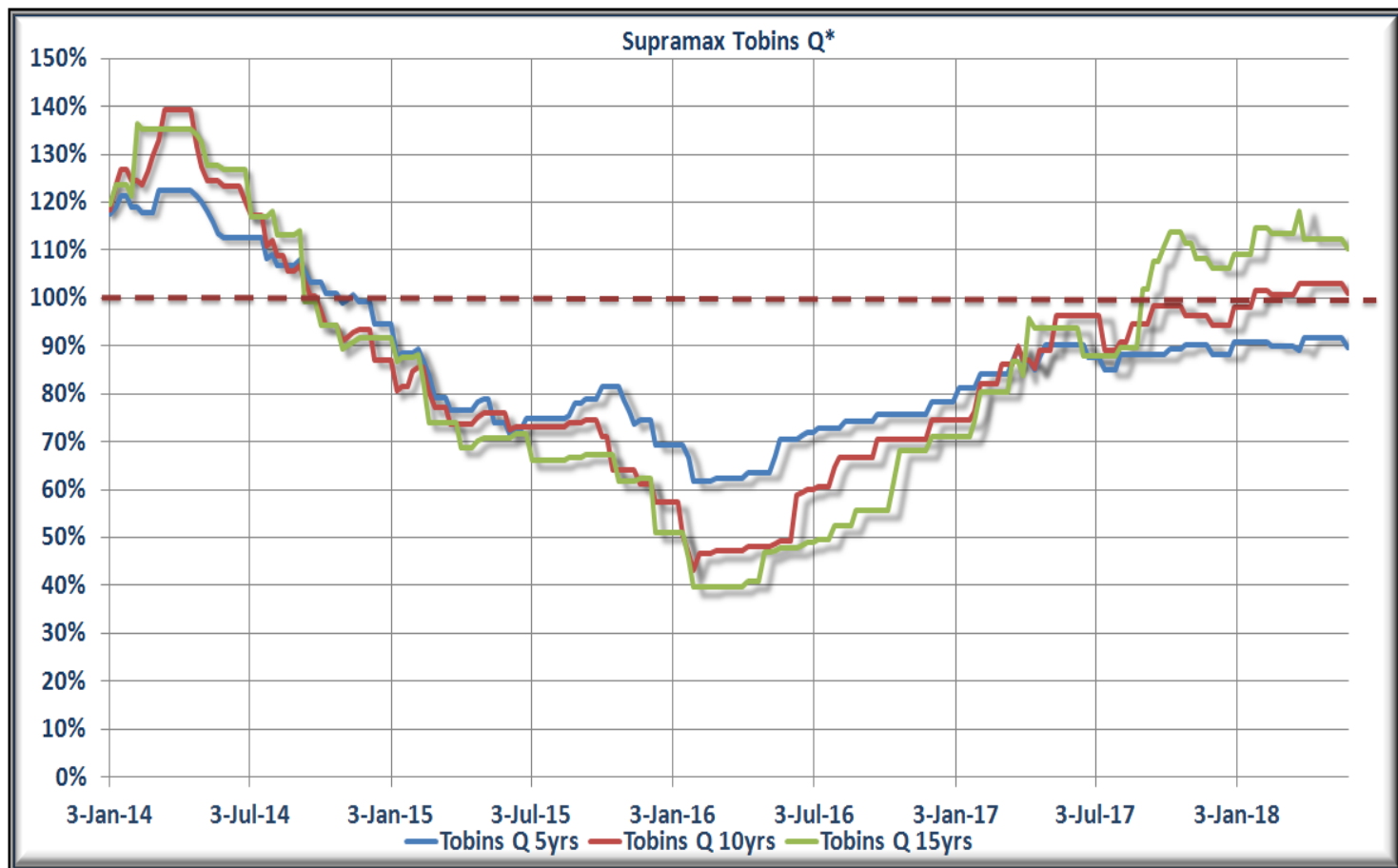
| Reported Recent S&P Activity | | | | | | |
|------------------------------|---------|-------|---------------------------|--------------|--------------------|------------------|
| Vessel Name | DWT | Built | Yard/Country | Price \$Mil. | Buyer | Comments |
| New Mighty | 179,851 | 2011 | HHIC/Philippines | 27.5 | Undisclosed | |
| Sonia | 177,974 | 2009 | SWS/China | 26 | Undisclosed | |
| Vogerunner | 176,838 | 2008 | Namura/Japan | mid-high 23 | Greek Buyers | |
| Ocean Commander | 174,142 | 2007 | Shanghai Waigaoqiao/China | 21.5 | Undisclosed | |
| Trade Spirit | 82,045 | 2016 | Jiangsu Newyangzi/China | 24.5 | Undisclosed | |
| Oriental Wise | 81,601 | 2011 | Afai/China | 18 | Greek Buyers | |
| Golden Spring | 83,730 | 2008 | Sanoyas Hishino/Japan | 16.5 | 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 |
| Geraldine Manx | 58,470 | 2010 | Tsuneishi Zhoushan/China | 15.5 | Undisclosed | C 4x30 |
| Suprstar | 57,000 | 2011 | Qingshan/China | 11.8 | Undisclosed | C 4x30 |
| EM Amber | 58,018 | 2010 | Yangzhou Dayang/China | 12 | Chinese Buyers | C 4x36 |
| Magnum Force | 53,630 | 2008 | Yangzhou Dayang/China | 10 | Chinese Buyers | C 4x35 |
| Blue Diamond | 53,538 | 2008 | Ha Long Quang/Vietnam | 9.8 | Undisclosed | C 4x36 |
| Alithini | 50,296 | 2001 | Mitsui/Japan | 8.5 | 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 |
| Lowland Saguenay | 37,152 | 2013 | Yangfan/China | 14.25 | Undisclosed | C 4x30 |
| Nord Auckland | 36,782 | 2011 | Hyundai-Vinashin/Vietnam | 13.3 | Undisclosed | C 4x30 |
| Cielo Di Tokyo | 37,296 | 2008 | Saiki/Japan | High 11 | Undisclosed | C 4x30.5 |
| SSI Spring | 32,576 | 2007 | Kanda/Japan | 10.5 | Far Eastern Buyers | C 4x30.5 |
| Perseverance | 30,000 | 2013 | Tsuji/China | 10 | Undisclosed | |
| Glorious Sentosa | 28,346 | 2010 | I-S Shipyard | 9.5 | Greek Buyers | C 4x30.5 |
| Clipper Lasco | 28,371 | 2004 | Imabari/Japan | 6.8 | Undisclosed | C 4x30.5 |
| UBC Baton Rouge | 24,034 | 1998 | Saiki/Japan | 4.8 | Undisclosed | C 4x30 |

| Tobin's Q* Capesize-Panamax | | | | | | |
|-----------------------------|---------------|----------------|----------------|--------------|---------------|---------------|
| Date | Capesize 5yrs | Capesize 10yrs | Capesize 15yrs | Panamax 5yrs | Panamax 10yrs | Panamax 15yrs |
| Current ratio | 102% | 87% | 77% | 88% | 101% | 103% |
| 12months High | 102% | 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 | 90% | 101% | 110% | 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% | 63% |

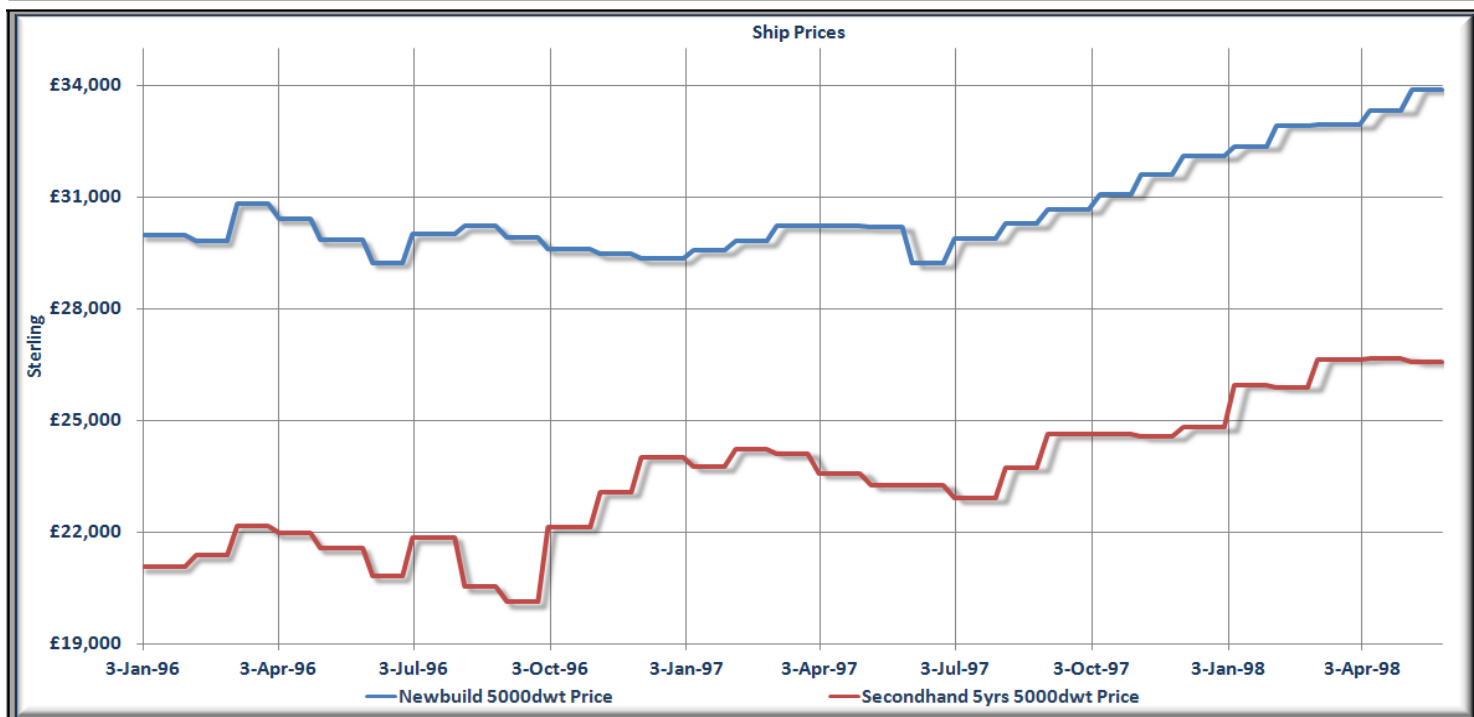
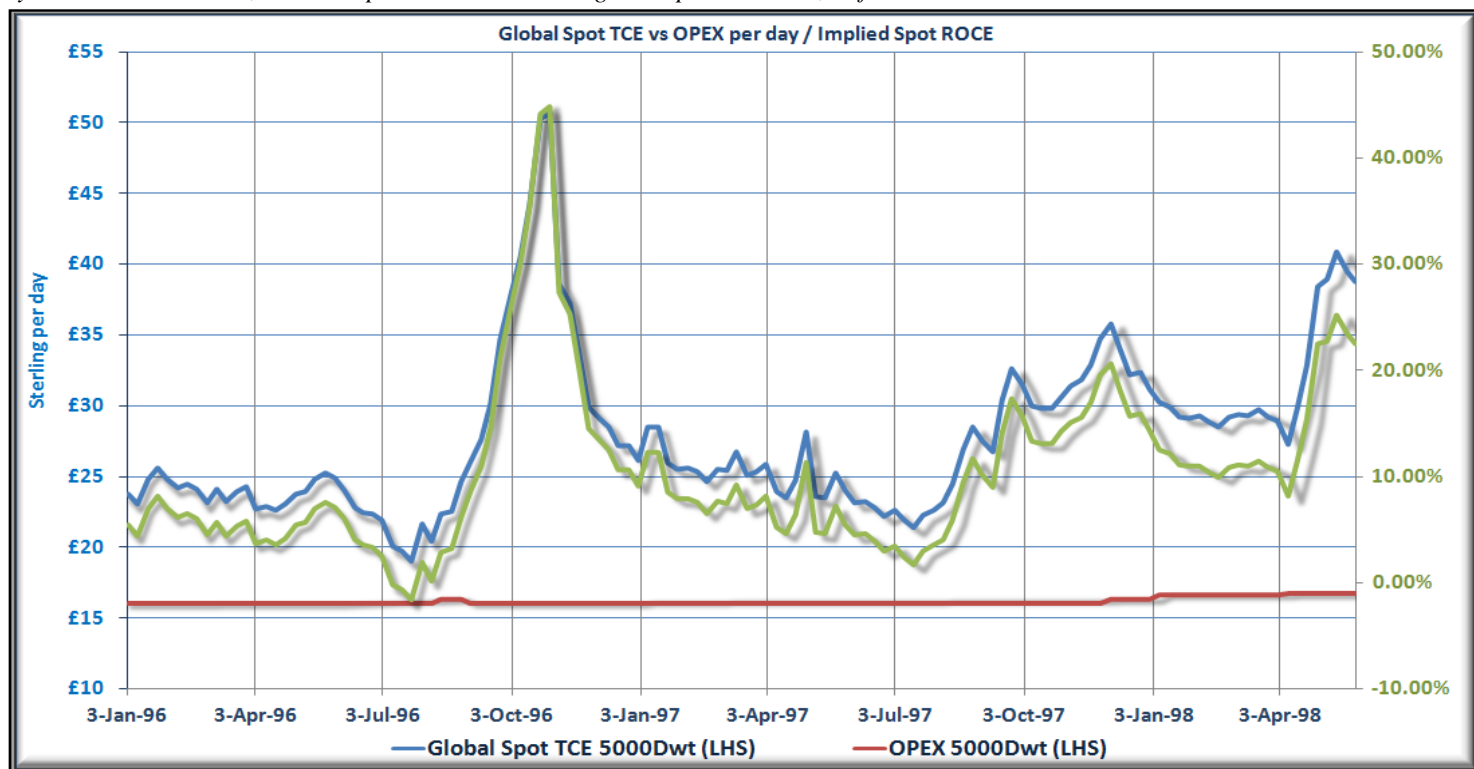
*Tobin's Q represents the ratio between the market value and replacement value of a physical asset, with numerator and denominator adjusted to same age basis. According to economic theory, this ratio should be mean reverting towards 1 or 100%, for assets that do not face technological obsolescence.





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 | Oct-99 | Sep-99 | Aug-99 |
|--------------------|--------------|---------------|--------|--------|--------|
| Implied Spot Roce | 22.6% | 23.6% | 14.5% | 11.1% | 10.6% |
| Global Spot TCE | £38.66 | £39.40 | £32.06 | £29.22 | £28.90 |
| BlackSea Round | £38.96 | £38.00 | £31.97 | £28.55 | £28.06 |
| East Round | £47.27 | £49.36 | £41.53 | £34.42 | £35.78 |
| Med Round | £34.21 | £36.61 | £28.54 | £27.32 | £26.62 |
| US Round | £42.73 | £45.94 | £35.13 | £34.47 | £33.11 |
| River Plate Round | £43.44 | £47.85 | £32.07 | £34.30 | £37.36 |

| S&P Market (5,000dwt) | Current week | Previous week | Oct-99 | Sep-99 | Aug-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...

Outward coal rates to the Mediterranean/Adriatic, to South America and the Western Islands, etc. , are still strong and on their present level they would enable most boats to return in ballast without losing money. Consequently, owners, having good outward freights to commence their voyages on can well afford to hold in regard to homeward fixing, or at any rate they can avoid operating at low forward rates. Prospects, in general, are encouraging; for while some markets may be a little sick, there are others that have so far taken comparatively little tonnage and must before very long be actively competing. In this context, the average returns on capital employed in shipping during this week (25-May-1898) balanced slightly lower at 22.6%.

As time goes by, if charterers, especially for deals, timber and phosphate do not soon cover most of their tonnage requirements by taking up June/July boats, it is almost certain that they will have to advance their rates further. There is still an enormous quantity of grain that will have to be shipped from the US and Canada. It should provide plenty of profitable employment for some time to come, but much depends on the grain markets, which again will be affected by the turn of events in regard to the war. One of the most promising features for the near future seems to be the large and continued demand at good rates for tonnage on time charter for almost all the various trades, but particularly for Atlantic service. It may be that some of the charterers have got caught on low freight contracts, but the most probable reason for the demand is that they are uneasy in regard to the future movements of the markets and are consequently desirous of limiting their liabilities to some extent by having tonnage on hand at a uniform price for the next six to twelve months. There are other time-charterers who have an optimistic opinion of the future and are taking up tonnage hoping to make a substantial profit on it by the time the charters have run off. However, the fact of there being such a demand is of great subsidiary value to the markets, tending to induce in owners a more independent and fighting attitude. They have now to face the two dull months of the year – June and July – but there is no reason to anticipate that freights on the whole are going to be lower than they are at present, over that period, after which most owners are confidently looking forward to another “boom” to finish up their trading for this year. As soon as the Welsh coal strike is over – and we believe it cannot last very much longer – there is bound to be a good demand for tonnage, not only for the short, but particularly for the long voyage trades. This should absorb an enormous quantity of early tonnage and should indirectly assist in restoring the equilibrium between supply and demand.

In the spot arena, the Black Sea market is quiet, with berth rates from Odessa for L.H.A.R. (London –Hull – Antwerp – Rotterdam) being 11s 6d per tonne grains. From Azoff, a fair amount of business has been done. Mediterranean business keeps quiet. Ore rates on full terms from Elba to UK/Cont. are 9s 4d per tonne and from Greece 9s 3d is quoted, free of despatch. The American market is generally somewhat weaker. Berth grain rates for June loading from the Northern range to UK/Cont. are 3s 4d per quarter. Several boats have been fixed for phosphate at fair rates and further tonnage is wanted from the Atlantic ports to UK/Cont. at 19s 9d per tonne. From the Gulf pitch-pine ports 133s 9d per standard has been paid for UK/Cont. for June/July loading, but the best now obtainable to a range of picked ports is 128s 9d. From New Orleans and Galveston prompt tonnage upon the net grain charter is worth 17s 3d and for later loading 15s 9d. Very little business has been done from the Plate, with only one or two June/July boats being fixed from the San Lorenzo limit at 21s per tonne. Eastern rates are easier, with the last fixture from Bombay for June loading being 25s 3d to UK/Cont., which can be repeated. Similar rates are offering from Kurrachee.

Fairly modern boats, almost without regard to size, are fixable on time-charter for periods ranging from four to twelve months for the Atlantic, West Indian and South American trades at 8s 3d. For other trades there is a good demand at equivalent rates.

| Representative Handysize Fixtures | | | | | | | |
|-----------------------------------|---------------|----------------|--------|-----------------|-----------------|------------|--------------------------|
| Vessel | DWT | Delivery | Date | Re-del | Rate | Charterers | Comment |
| SS Garlands | 3,000 | Odessa | Prompt | UK/Cont. | 12s | cnr | opt. Hamburg 6d extra |
| SS Verna | 2,000 | Novorossisk | Prompt | UK/Cont. | 12s 6d | cnr | opt. Hamburg 6d extra |
| SS Seaham Harbour | 2,500 | Ergasteria | Prompt | Middlesbrough | 9s 3d | cnr | |
| SS Brantwood | 16,000 qrs | Northern Range | Prompt | Cork For Orders | 3s 9d / quarter | cnr | |
| SS Whitby | 3,000 | San Lorenzo | Prompt | UK/Cont. | 21s | cnr | |
| SS Eden | 600 standards | UK | Prompt | UK/Cont. | 600 pounds | cnr | Baltic trade over season |

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.