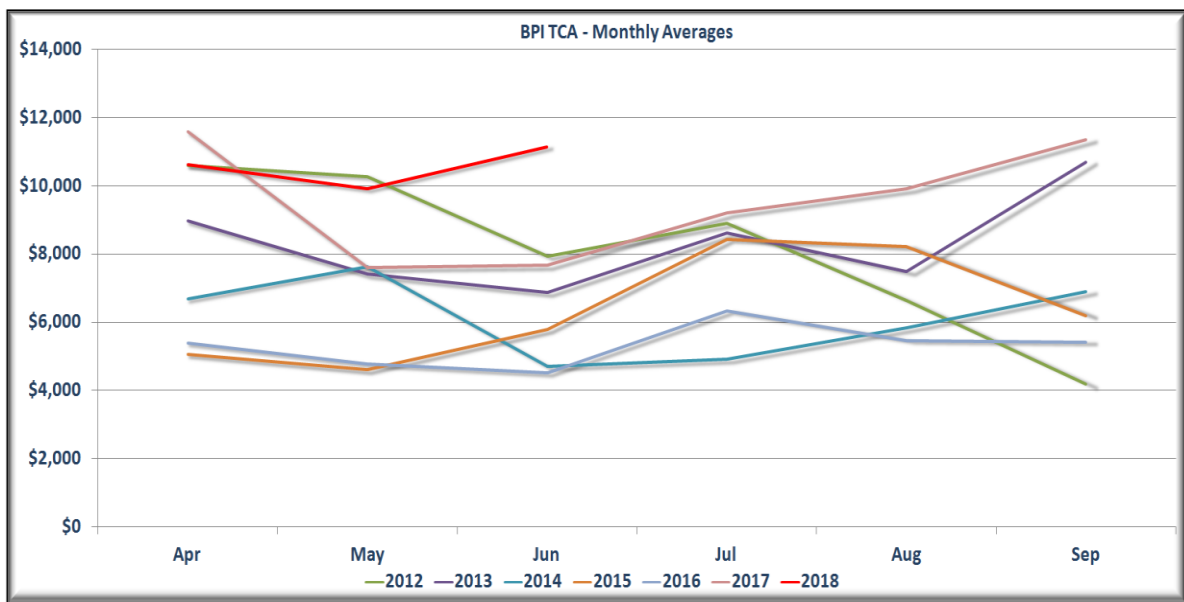
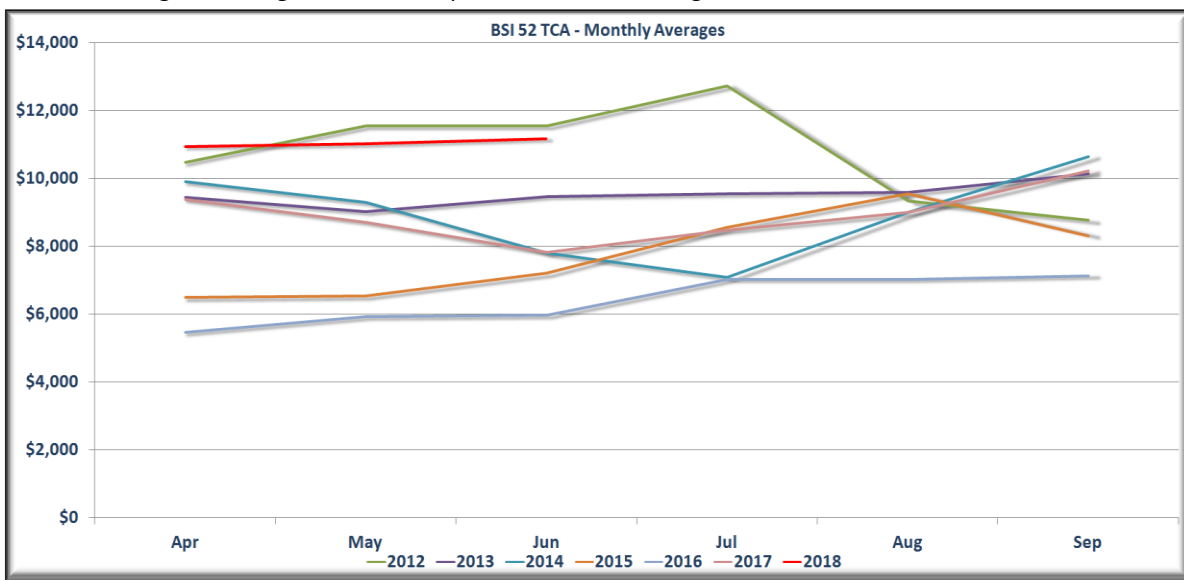


While forecasts remain positive for the short-term prospects of the sector and many market participants have taken long positions in the period market, spot market seems directionless lately. Having a 2018 average of 1212 points so far, the Baltic Dry Index has reported one of its strongest performances during the last seven trading years. However, the highest and the lowest 2018 index daily closings are just 263 and 264 points apart from this central tendency respectively, indicating a rather calm period for the notoriously volatile dry bulk spectrum. With the Capesize exception, all segments have seen their 2018 peaks and troughs being less than \$4,000 apart. In this context, the seasonally weak June trading activity was rather improbable to change the course of the sector.



Taking the last seven years as an example, although June BDI average levels were rarely higher than that of May, they never hovered above the averages of the other two summer months. This seasonal pattern is more obvious in the gearless segments, with Supras and Handies being influenced to a lesser extent.



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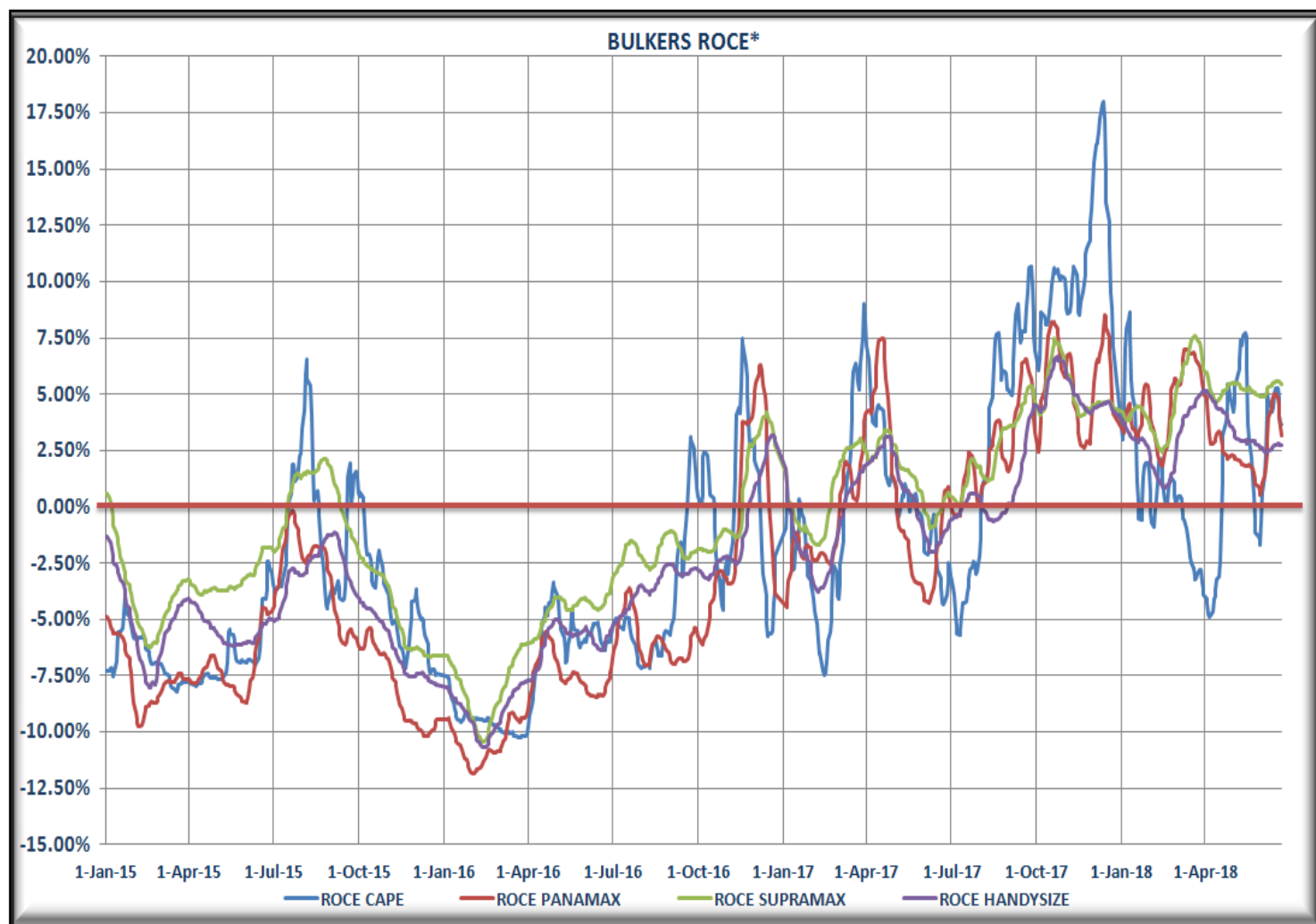
However, whilst shipping is under way for its seasonally strongest period, Wall Street and “Dr. Copper” turned their attention to trade war scenarios once again. Copper price tumbled to its lowest close in nearly three months at \$2.992/lb., or circa 10% lower than its peak earlier this month. Furthermore, concerns about escalating trade tensions between the US and China had again a negative bearing in financial markets, with China’s yuan sliding to a six-month low and the S&P 500 Index falling to its lowest level since May. On a diametrically different tone though, World Steel Association confirmed that global steel production remains robust. China increased its production to 81.1 Mt in May, pushing the global output higher to record levels of 154.9 Mt. Coupled with the decreasing from their multi-year highs iron ore inventories in Chinese ports, increased steel production has what it takes to push freight rates higher.

**Freight market 120yrs ago (page 12):** “Homeward rates have now declined to such a level that owners are quite indifferent as to chartering their tonnage for such miserable employment...”

## Dry Cargo Spot Market

In a rather dull week, spot market didn't manage to keep previous Friday's levels, concluding lower on a weekly basis. Although the geared segments remained stable, the gearless reported nine point five percent losses, dragging the Baltic Dry index down to 1341 points. Being in the red for four days in a row, Capesizes went down, ending the 26th week of the year at 2011 points. Following a period of eleven trading days with strong performance, Panamaxs balanced at 1355 points this Friday, or -9.5% W-o-W. The geared bulker kept moved sideways, maintaining their recent gains. Supramaxes moved marginally up to 1092 points at the same time as Handies were trending sideways to 593 points.

At the box office, the after depreciation returns on capital employed of geared segments stand at their previously reported levels, whereas those of the largest bulkers declined. In particular, Capesize ROCE hovered at 3.66% and Panamax ROCE at 3.18%, or down 159 and 181 basis points on a weekly basis respectively. Supramax ROCE balanced at 5.42% and Handy ROCE at 2.75%.



Baltic Freight Indices					
Date	BDI	BCI 5TC	BPI - TCA	BSI - TCA	BHSI - TCA
18-Jun-18	1442	\$18,233	\$11,911	\$11,311	\$8,659
19-Jun-18	1419	\$17,796	\$11,714	\$11,312	\$8,649
20-Jun-18	1373	\$16,862	\$11,409	\$11,303	\$8,643
21-Jun-18	1347	\$16,459	\$11,112	\$11,280	\$8,624
22-Jun-18	1341	\$16,492	\$10,896	\$11,226	\$8,640
12-month High	1743	\$30,475	\$13,740	\$12,356	\$10,104
12-month Low	820	\$6,305	\$8,496	\$7,948	\$6,584
12-month Avg	1255	\$16,060	\$10,971	\$10,346	\$8,448
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.

With all sub-market drifting lower, the Baltic **Capesize** TC index unwound all the gains of the previous week returning to early June lows of \$16,492 daily.

In the commodity news of the Pacific, Rio Tinto Iron Ore chief executive Chris Salisbury said "Our strategy is to optimise our Pilbara assets to deliver value for our shareholders. Our Iron Ore business delivered \$7.3 billion of free cash flow in 2017 and we will continue to maximise free cash flow by pursuing a value-over-volume approach, built on a portfolio of world-class assets that deliver our premium iron ore product, the Pilbara Blend. In the spot arena, the trendsetter of the Pacific i.e. C5 was under severe pressure throughout the week, finishing at 7.236 pmt, last seen late May. On such run, Rio Tinto allegedly took the 'Sun Orchid' (180,717 dwt, 2010) open Lanqiao 19-20 June from Dampier at an easier \$7.20. The 'Aquajoy' (171,009 dwt, 2003) concluded at \$13,750 daily for a trip via EC Australia, basis delivery Hong Kong and redelivery Singapore-Japan. The 'Anangel Destiny' (171,977 dwt, 1999) was fixed with prompt delivery Lianyungang for a trip via EC Australia and redelivery Singapore-Japan at \$15,000. The Baltic transpacific index (C10\_14), with a 16.3% weekly decrease, closed at \$14,892 daily.

In the Atlantic, there was modest output growth in the crude steel production in the EU and Turkey, up 1.8% to 15.0 Mt and up to 0.5% to 3.3 Mt respectively. On the other hand, Brazilian steel output fell by 8.6% to 2.7 Mt as industrial activity in the country was disrupted by a truckers' strike. Overall, global steel production surpassed the 150Mt/month mark in May, up 6.6% Y-o-Y. In the spot market the Baltic C3 index experienced a directionless week, finishing just \$0.2 pmt below previous week's closing at \$19.509 pmt. Vale booked the 'Leopold LD' (179,816 dwt, 2014) for a 5-7 July 170,000-tonne 10% cargo from Tubarao to Qingdao at \$19.50 with demurrage at \$20,000 daily. The fronthaul index (C9\_14) hovered at \$32,500 daily whereas the Transatlantic index (C8\_14) fell to \$17,025 daily, or down 3.6% and 11.2% W-o-W respectively.

On the period front, the 'Philadelphia' (206,040 dwt, 2012) secured employment for the next two years at \$20,000 daily, basis retro delivery Qingdao. For a shorter duration, the 'Golden Savannah' (181,044 dwt, 2017) was reported fixed at a rate of 119% of Cape 5TC average for 11/13 months, basis delivery July/August China.

Representative Capesize Fixtures								
Vessel	DWT	Built	Delivery	Date	Re-del	Rate	Charterers	Comment
Philadelphia	206,040	2012	retro Qingdao	prompt	WW	\$20,000	Koch Shipping	in d/c 2 years
Golden Savannah	181,044	2017	China	July/Aug	WW	119% of Cape 5TC	Glencore	11/13 months
Aquajoy	171,009	2003	Hong Kong	spot	Singapore-Japan	\$13,750	Jiangsu Steamship	via EC Australia
Anangel Destiny	171,977	1999	Lianyungang	26/27 Jun	Singapore-Japan	\$15,000	DHL	via EC Australia

With an almost 9.3% drop of the TCA and a universal reduction across all the areas for the **Panamax** how can it be a blissful weekend?

In the Pacific, the market rates eroded significantly. The mineral traders lowered their bids as much as \$2,000 daily within a day's work. On Indonesian coal rates, 'Pabur' (75,426 dwt, 2012) fixed \$14,000 with prompt dates in S.E. Asia and within two days, 'Aquaknight' (75,395 dwt, 2007) did not appear to think twice about agreeing to \$11,000 daily for similar. On the grains trade, 'Stella Eva' (81,323 dwt, 2016) fixed a strong \$13,500 with end June delivery Qinhuaudao for NoPac to Japan trip but the absence of cargoes from that area is more than apparent. Australia continued to absorb vessels this week, with most of the trades paying in the \$12,000 region. 'BBG Ambition' (82,108 dwt, 2009) fixed \$12,500 with end June delivery Taichung via Gove (in charterer's option loading from Weipa) and redelivery full China. 'Okeanos Bliss' (76,636 dwt, 2008) on week's closing rose some eyebrows when she was reported at \$13,500 with spot delivery at CJK for one East Australian round trip with coal.

Fresh requirements out of ECSA soothened the overall negative sentiment in the Atlantic basin. In particular, the ECSA front-haul grains were the only stimulating force as T/A did not follow suit. Most S.E. Asia/India ballasters have managed to fix at healthy levels, with 'Star Danai' (82,574 dwt, 2006) reported fixed \$12,900 daily with retro sailing delivery on the 09<sup>th</sup> June from Singapore for and ECSA with SE Asia redelivery which usually commands a slight discount over full Singapore-Japan. 'Andros' (82,158 dwt, 2010) set the bar high, fixing at \$16,400 daily plus \$640,000 GBB for late July loading, on the early side of the week. As the week progressed, rates seemed to ease, as most of the Baltic indices strolled with a negative sign. On TA trips, 'Astraea SB' (82,553 dwt, 2009) managed to get \$20,000 daily on APS EC South America for first half July loading with redelivery Skaw/Passero range, but with almost no activity recorded out of the Black Sea and Continent, TA bidding was under serious pressure. 'Artvin' (82,231 dwt, 2011) was reported at \$9,500 daily with end June delivery Rotterdam for one TC trip via Murmansk back to Skaw-Passero range. In order to see a real correction for the P1A, demand needs to pick up. On the positives, the current position list in the Continent/Mediterranean ranges is seemingly short.

The discussion over period deals continued this week. Despite the nervous paper market it was heard that Rio Tinto invested in a three year period deal with a post Panamax at \$15,000 whereas a Chinese Kamsar controlled by STDR with delivery ex building Yard in September fixed for 12 year about \$500 less at \$14,500. The latter two fixtures illustrating a confident outlook on the forward prospects.

Representative Panamax Fixtures								
Vessel	DWT	Built	Delivery	Date	Re-del	Rate	Charterers	Comment
Pabur	75,426	2012	Cai Mep	Prompt	S.China	\$14,000	Dragon	
Aquaknight	75,395	2007	Haimen	Prompt	Malaysia	\$11,000	cnr	via Indonesia
Stella Eva	81,323	2016	Qinhuaudao	Prompt	Japan	\$13,500	NYK	via NoPac
BBG Ambition	82,108	2009	Taichung	Prompt	China	\$12,500	Rio Tinto	via N.Aussie
Okeanos Bliss	76,636	2008	CJK	Prompt	Spore - Japan	\$13,500	Asahi	via E.Aussie
Star Danai	82,573	2006	retro Spore	9 June	S.E.Asia	\$12,900	Norden	via ECSA
Yasa H. Mulla	83,482	2011	Gibraltar	Prompt	Skaw - Gib	\$21,500	Klaveness	2-3lls
Artvin	82,231	2011	Rotterdam	Prompt	Skaw - Passero	\$9,500	Norden	via Murmansk
Astraea SB	82,253	2009	ECSA	6-8 July	Skaw - Passero	\$20,000	cnr	
Andros	82,158	2010	ECSA	25 July	Singapore - Japan	\$16,400 + \$640,000 bb	Bunge	

In an unexciting week, **Supramax** trended sideways, concluding at levels very close to previously reported. The Atlantic lost its panache whereas the Far East showed some solid signs of resilience.

The USG was a letdown as the prompt tonnage list accumulated and cargo enquiry failed to inspire. It felt rather dark and sticky like the petcoke that "Thor Achiever" (57,015-dwt, 2010) took for \$15,500 with delivery Houston via Corpus Christi to East Med. A little further South the larger "Venezia" (60,300-dwt, 2017) agreed a richer \$21,500 daily for a Colombian coal haul into Black Sea. From N. Brazil a dolphin 57dwt was rumored to have consented to \$15,000 level for a trip to E. Med which was more or less the consensus levels for T/A from ECSA. Up in the Continent Norden's festivities in Copenhagen were far more interesting than the rates obtained by Supras. A dolphin 57 is rumored to have fixed low \$11,000 passing Skaw for coal trip to Morocco whereas an Oshima 61 was linked to a ferts fronthaul with delivery ARAG via Baltic to SE Asia at high teens. From Black Sea, Glencore took a smaller and older Oshima to perform a grain fronthaul, "Papayianis" (51,029-dwt, 2000) with delivery Canakkale at \$14,250. On the other hand, Clipper broke the \$10,000 daily psychological barrier paying \$9,800 to 'STH Athens' (60,508-dwt, 2015) delivery Istanbul via Bl. Sea to W. Med.

In the Pacific, the week ended in a positive tone for the market participants. On the Indonesian front, a vast number of new requirements were introduced to the market and as a result, rates kept improving throughout the week. For such a round, "Tigris" (52,454 dwt, 2003) got \$13,000 with delivery Singapore for mid China direction whereas the "Hanton Trader III" (63,800 dwt, 2014) was fixed at \$15,000 delivery Cebu to W.C. India. Nickel ore wasn't feeling generous though, the "New Venture" (53,378 dwt, 2009) was reported at \$11,500 delivery Ningde via Philippines to China. Pacific round voyage indices were marginally lower compared to last week's even though there was substantial fresh requirement demand. Despite the end of the Ramadan and predictions that market would get a boost, Persian Gulf and West Coast India were slack and hardly any fixtures reported from these areas unlike EC India where some coastal activity in the \$10,000 to \$11,000 region will prevent some Singapore ballasters. Out of S. Africa, the "Mandarin River" (56,724 dwt, 2011) was able to secure an improved \$12,500 plus \$250,000 ballast bonus with delivery P. Elizabeth for a fronthaul run back to Singapore - Japan range.

On the period front, the 'Asian Majesty' (62000-dwt, 2016) Delivery S.F.D. Sul Prompt 3/6 Months redelivery Atlantic at \$14,750

Representative Supramax Fixtures								
Vessel	DWT	Built	Delivery	Date	Re-del	Rate	Charterers	Comment
New Venture	53,378	2009	Ningde	Prompt	China	\$11,500	cnr	Nickel ore
Tigris	52,454	2003	Singapore	Prompt	CJK	\$13,000	cnr	
Hanton Trader III	63,800	2014	Cebu	Prompt	WCI	\$15,000	cnr	
Mandarin River	56,724	2011	S.Africa	Prompt	Spore - Japan	\$12,500 + \$250,000 gbb	cnr	
Thor Achiever	57,015	2010	Houston	Prompt	E.Med	\$15,500	cnr	petcoke
Venezia	60,300	2017	Santa Marta	Prompt	B.Sea	\$21,500	cnr	
Papayianis	51,029	2000	Canakkale	Prompt	Spore - Japan	\$14,250	cnr	
STH Athens	60,508	2015	Istanbul	Prompt	W.Med	\$9,800	cnr	

The **Handysize** sails suffered from moody directional winds in the Far East boats whereas in the Atlantic it was Bitter Sweet Symphony.

On the one hand period enquiry seem to remain at healthy hire levels on the other, single trip rates are not as robust. We have noticed this inconsistency for some time now and we feel that it cannot last for long. 'Taurus' (28,000 dwt, 2011) performed an interesting trip with delivery Kinnura at \$8,500 for a trip with steels via Japan and petcoke ex CJK into the Persian gulf. 'Lovely Clara' (28,000 dwt, 2002) open at Hong Kong on the 17<sup>th</sup> of June fixed bulk sugar via Townsville to Japan at \$8,600 dop; distance from Hong Kong to Townsville being a day farther compared to Singapore. Participants in the Persian Gulf area did not seem to recover from the holiday mood throughout the week with an undeniable lack of prompt requirements.

In the Atlantic, the market tried to maintain a rhythm and capitalize on last week's momentum but this was largely unsuccessful. With the summer already underway, the reported fixtures signal a lack of clear drive. ECSA managed to hover at somewhat healthier levels compared to last done. Ionic Huntress (34,062-dwt, 2012) obtained \$12,500 aps for a Sugar haul via Santos to Morocco. In the USG despite a feeling of slight improvement levels remained fairly stable since last week. 'Team Challenge' (28.710 dwt, 2004) agreed \$9,500 for a trip with grains to Morocco. At the same time the swift inter-gulf petcoke runs remained at about \$8k aps Mississippi river which is certainly are not enjoyable even with short ballast. Up in the continent, despite the shrinking tonnage list, levels have barely improved. Added pressure is applied by the increasing number of spot ships in West Med. Indicatively, the 'Ha Long Bay' (32,000 dwt, 2007) open in Oran fixed basis Ushant for a trip with steels via Saint Petersburg to Bilbao at \$9,500. Further South in the Med - Black Sea range, the pressure continues due to the increasing position list. The 'Vigorous' (33,965 dwt, 2013) open at Iskenderun concluded at around mid \$6,000 for a trip with bagged cement to USG whereas the 'Teal Bay' (32,327-dwt, 2007) took low \$9,000 aps Antalya for a bagged cement trip to Freetown.

On the period front, 'IVS Raffles' (32,000 dwt, 2013) open at Penang on the 20th of June fixed 2-3 laden legs at \$10,000 dop. The 'Nord Taipei' (33,000 dwt, 2011) open at Cigading fetched \$10,500 dop for 2-3 laden legs.

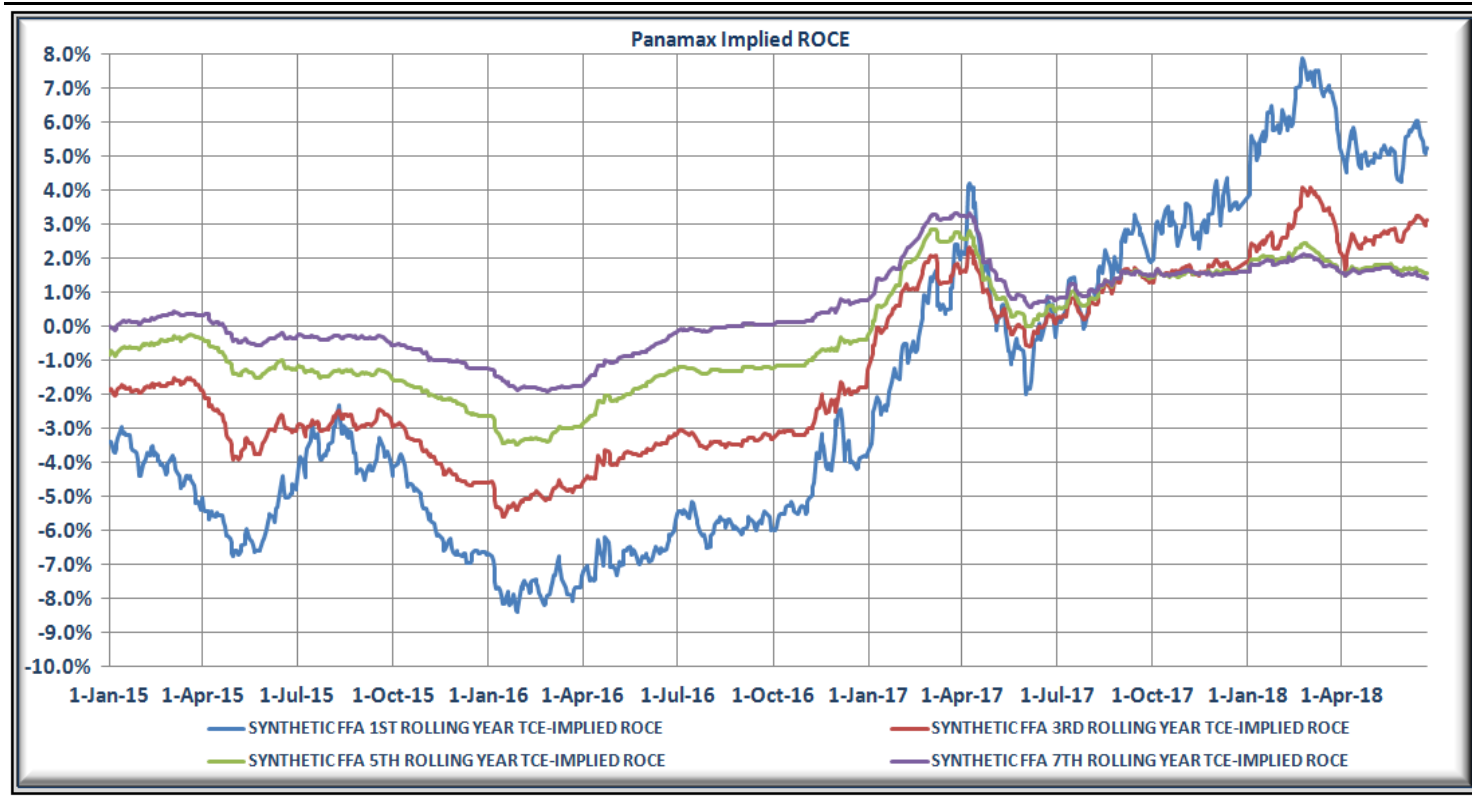
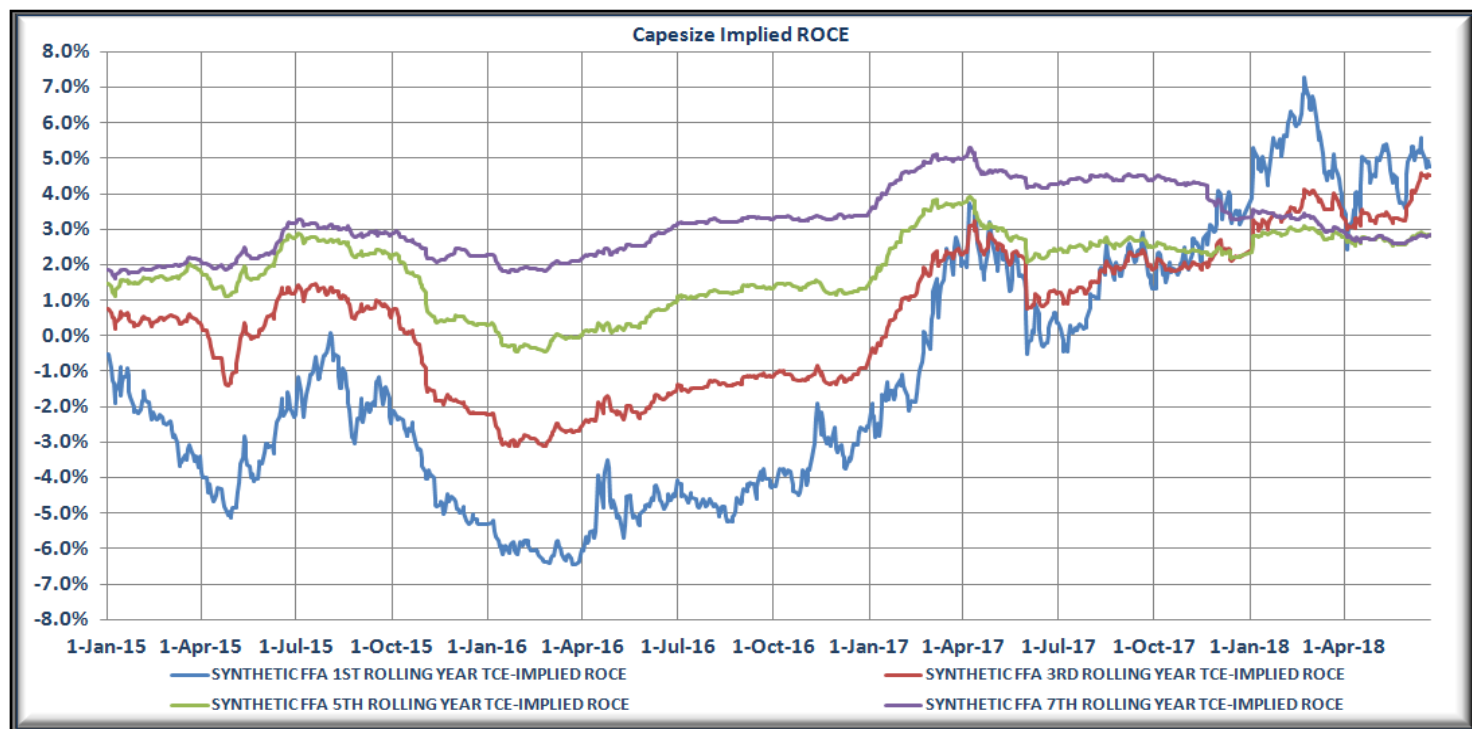
Representative Handysize Fixtures								
Vessel	DWT	Built	Delivery	Date	Re-del	Rate	Charterers	Comment
Taurus	28,000	2011	Japan	Prompt	PG	\$8,500	cnr	steels and petcoke
Lovely Clara	28,000	2002	Hong Kong	Prompt	Japan	\$8,600	cnr	sugar via Aussie
IVS Raffles	32,000	2013	Penang	Prompt	Spore -Japan	\$10,000	cnr	2-3 lls
Nord Taipei	33,000	2011	Cigading	Prompt	Spore -Japan	\$10,500	cnr	2-3 LLS
Team Challenge	28,170	2004	Nola	Prompt	Morocco	\$9,500	cnr	
Ha Long Bay	32,000	2007	Ushant	Prompt	Bilbao	\$9,500	cnr	via St. Petes
Vigorous	33,965	2013	Iskenderun	Prompt	USG	\$6,500	cnr	bagged cement



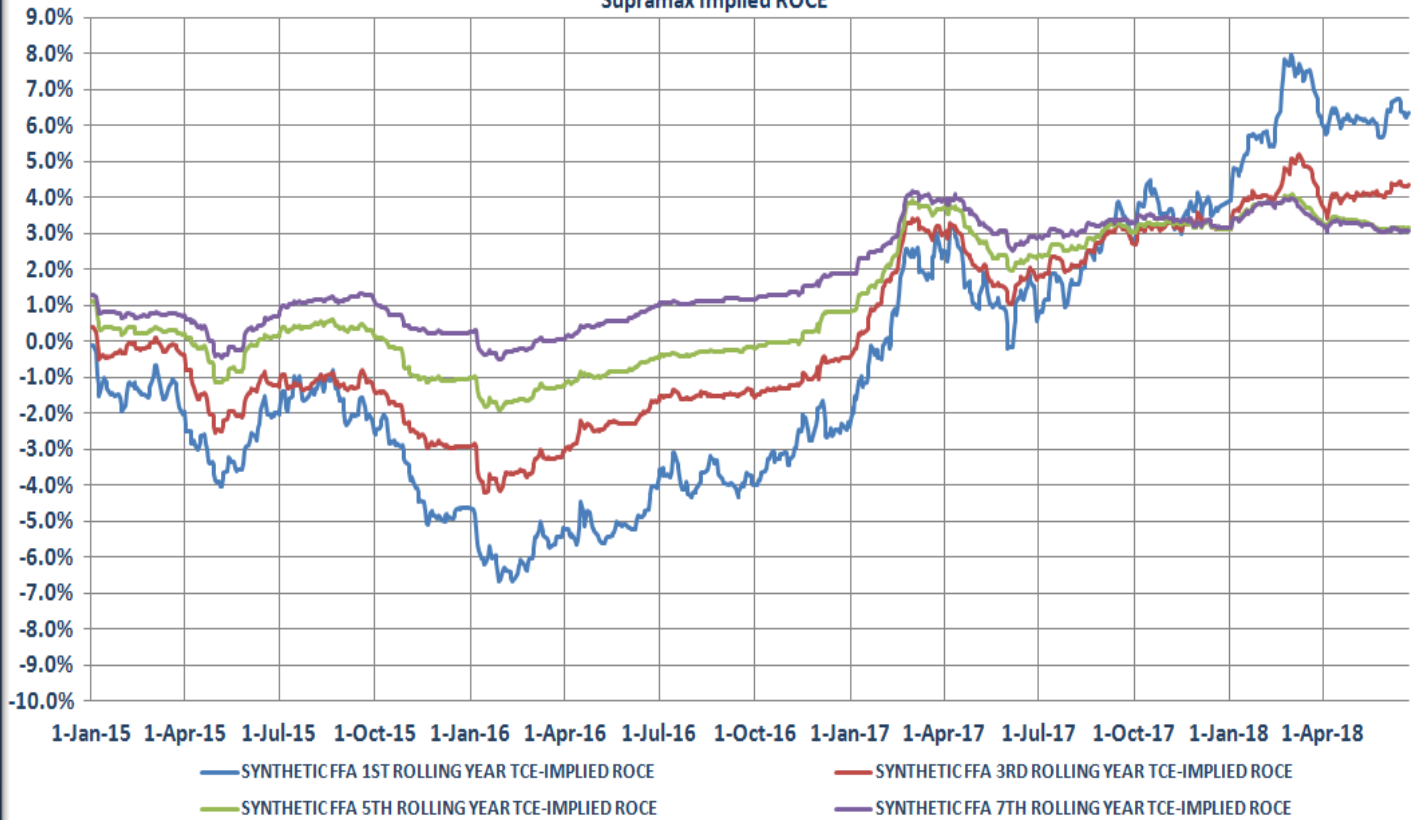
## FFA Market

The shape of the forward curves remained flattish with some backwardation parts, as the back end of all curves hovering below the short ends. The Capesize and Panamax prompt months headed south whilst the respective months of Supramaxes and Handysizes finished the week a tad lower than previously reported levels. In particular, Capesize forward curve went down with July paper balancing at \$15,560 and August at \$17,800. The nearby months of the Panamax curve followed closely, ending lower at \$11,385 and \$12,005 for July and August respectively. Softer sentiment appeared in the Supramax forward market, with July hovering lower at \$11,790 and August at \$11,900. Consistent on its usual static tone, the prompt Handysize contracts slid to July levels of \$9,138. The back ends of all segments remained at previous levels without significant changes.

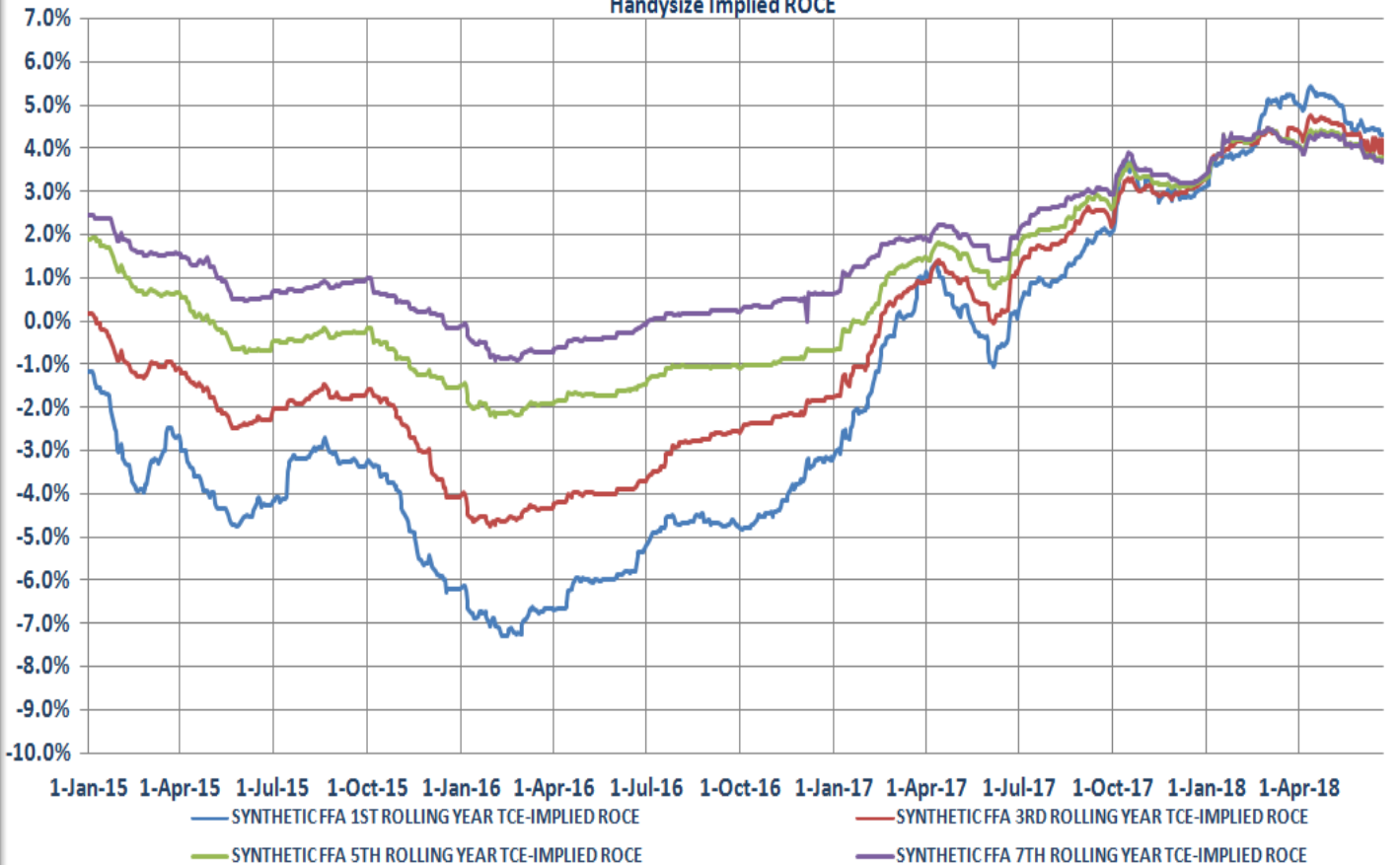
Capesize first rolling year implied ROCE lost 0.4% this week at 4.8% whilst that of Panamax went down as well, to 5.3%. Geared segments implied ROCEs remained almost stable, with Supramax at 6.3% and Handy at 4.3%.



Supramax Implied ROCE



Handysize Implied ROCE



**BFA Cape 5TC**

Date	Jun (18)	July (18)	Aug (18)	Q3 (18)	Q4 (18)	Q1 (19)	Cal 19	Cal 24	Cal 25
18-Jun-18	\$16,780	\$16,390	\$18,120	\$18,467	\$22,970	\$14,160	\$18,798	\$15,550	\$15,560
19-Jun-18	\$16,660	\$15,590	\$17,750	\$17,980	\$22,710	\$14,030	\$18,733	\$15,530	\$15,540
20-Jun-18	\$16,710	\$16,220	\$18,010	\$18,353	\$23,020	\$14,170	\$18,850	\$15,560	\$15,570
21-Jun-18	\$16,470	\$15,520	\$17,735	\$17,998	\$22,815	\$14,085	\$18,787	\$15,560	\$15,570
22-Jun-18	\$16,440	\$15,560	\$17,800	\$18,033	\$22,860	\$14,080	\$18,800	\$15,580	\$15,595
Week High	\$16,780	\$16,390	\$18,120	\$18,467	\$23,020	\$14,170	\$18,850	\$15,580	\$15,595
Week Low	\$16,440	\$15,520	\$17,735	\$17,980	\$22,710	\$14,030	\$18,733	\$15,530	\$15,540
Week Avg	\$16,612	\$15,856	\$17,883	\$18,166	\$22,875	\$14,105	\$18,794	\$15,556	\$15,567

**BFA Panamax 4TC**

Date	Jun (18)	July (18)	Aug (18)	Q3 (18)	Q4 (18)	Q1 (19)	Cal 19	Cal 24	Cal 25
18-Jun-18	\$11,270	\$11,970	\$12,160	\$12,302	\$13,290	\$11,540	\$12,495	\$9,860	\$9,820
19-Jun-18	\$11,180	\$11,690	\$11,910	\$12,057	\$13,065	\$11,350	\$12,325	\$9,850	\$9,810
20-Jun-18	\$11,150	\$11,430	\$11,920	\$12,000	\$13,080	\$11,340	\$12,298	\$9,850	\$9,810
21-Jun-18	\$11,120	\$11,345	\$11,930	\$12,045	\$13,145	\$11,420	\$12,358	\$9,850	\$9,810
22-Jun-18	\$11,120	\$11,385	\$12,005	\$12,107	\$13,205	\$11,445	\$12,379	\$9,840	\$9,810
Week High	\$11,270	\$11,970	\$12,160	\$12,302	\$13,290	\$11,540	\$12,495	\$9,860	\$9,820
Week Low	\$11,120	\$11,345	\$11,910	\$12,000	\$13,065	\$11,340	\$12,298	\$9,840	\$9,810
Week Avg	\$11,168	\$11,564	\$11,985	\$12,102	\$13,157	\$11,419	\$12,371	\$9,850	\$9,812

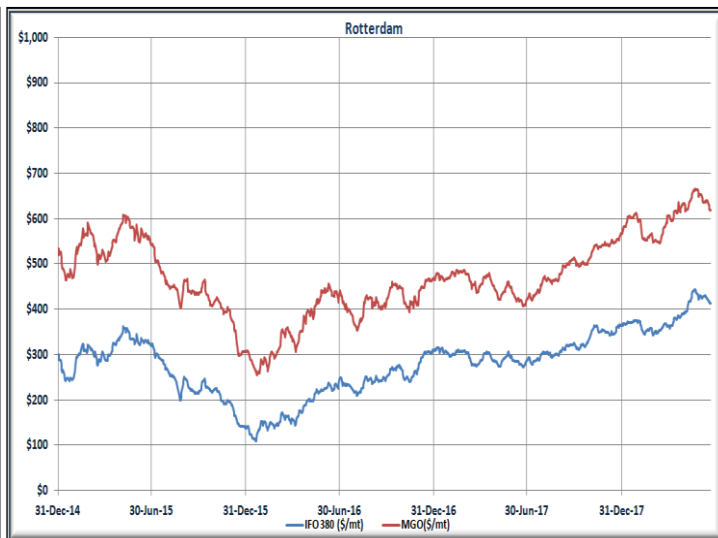
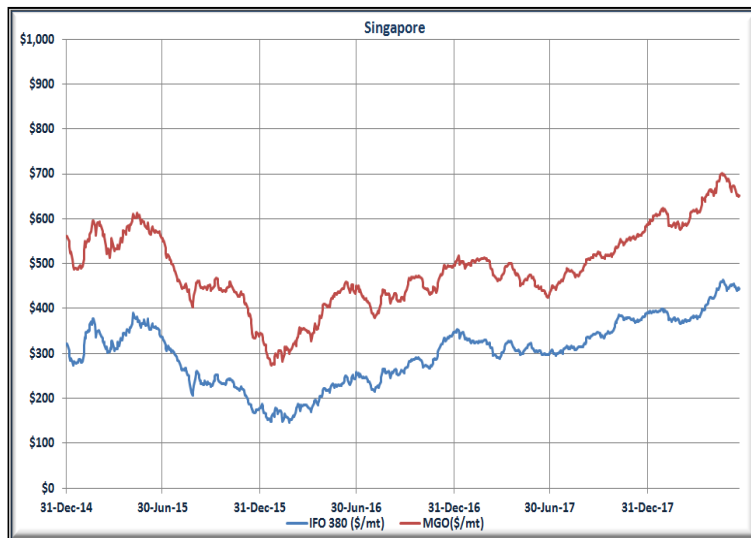
**BFA Supra 5TC**

Date	Jun (18)	July (18)	Aug (18)	Q3 (18)	Q4 (18)	Q1 (19)	Cal 19	Cal 24	Cal 25
18-Jun-18	\$11,300	\$11,800	\$11,920	\$11,933	\$12,570	\$10,990	\$12,050	\$9,870	\$9,850
19-Jun-18	\$11,260	\$11,730	\$11,850	\$11,857	\$12,505	\$10,950	\$11,990	\$9,870	\$9,850
20-Jun-18	\$11,220	\$11,690	\$11,790	\$11,793	\$12,505	\$10,940	\$11,970	\$9,870	\$9,850
21-Jun-18	\$11,240	\$11,760	\$11,870	\$11,903	\$12,590	\$10,980	\$11,995	\$9,880	\$9,870
22-Jun-18	\$11,235	\$11,790	\$11,900	\$11,923	\$12,600	\$10,990	\$12,000	\$9,880	\$9,870
Week High	\$11,300	\$11,800	\$11,920	\$11,933	\$12,600	\$10,990	\$12,050	\$9,880	\$9,870
Week Low	\$11,220	\$11,690	\$11,790	\$11,793	\$12,505	\$10,940	\$11,970	\$9,870	\$9,850
Week Avg	\$11,251	\$11,754	\$11,866	\$11,882	\$12,554	\$10,970	\$12,001	\$9,874	\$9,858

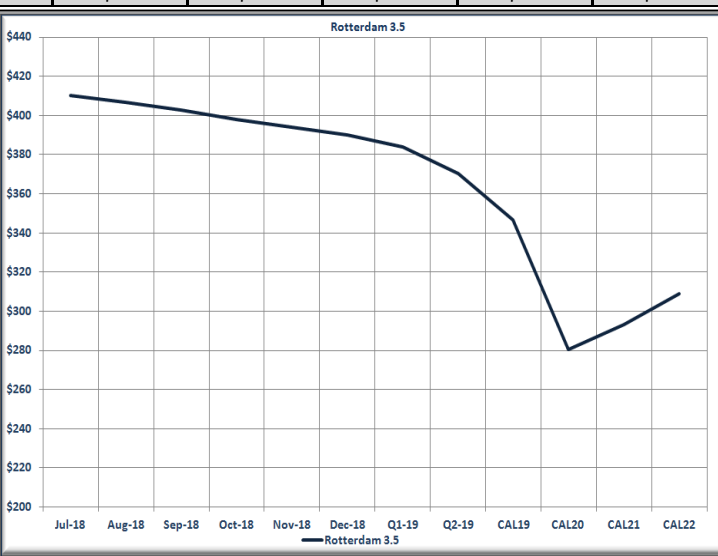
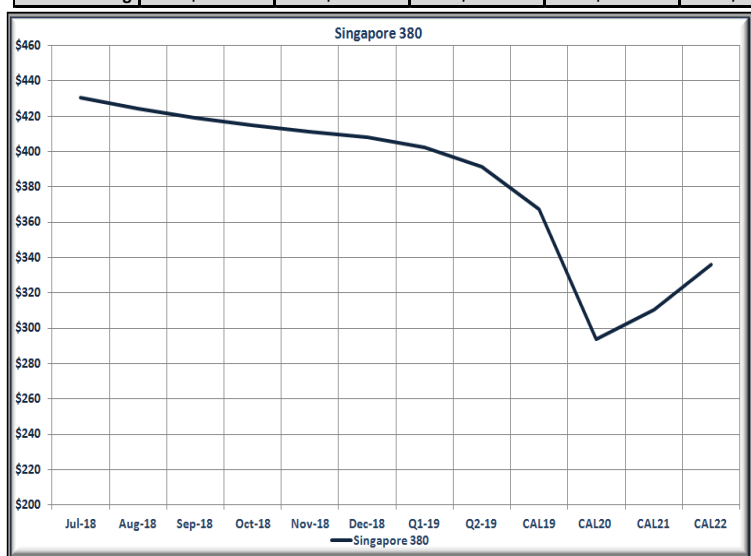
**BFA Handysize TC**

Date	Jun (18)	July (18)	Aug (18)	Q3 (18)	Q4 (18)	Q1 (19)	Cal 19	Cal 24	Cal 25
18-Jun-18	\$8,825	\$9,225	\$9,625	\$9,558	\$9,956	\$9,013	\$9,238	\$9,119	\$9,119
19-Jun-18	\$8,800	\$9,150	\$9,525	\$9,481	\$9,900	\$9,000	\$9,475	\$9,100	\$9,113
20-Jun-18	\$8,800	\$9,138	\$9,513	\$9,469	\$9,888	\$9,000	\$9,231	\$9,113	\$9,113
21-Jun-18	\$8,800	\$9,138	\$9,513	\$9,471	\$9,875	\$9,013	\$9,469	\$9,094	\$9,100
22-Jun-18	\$8,800	\$9,138	\$9,513	\$9,471	\$9,875	\$9,013	\$9,225	\$9,100	\$9,113
Week High	\$8,825	\$9,225	\$9,625	\$9,558	\$9,956	\$9,013	\$9,475	\$9,119	\$9,119
Week Low	\$8,800	\$9,138	\$9,513	\$9,469	\$9,875	\$9,000	\$9,225	\$9,094	\$9,100
Week Avg	\$8,805	\$9,158	\$9,538	\$9,490	\$9,899	\$9,008	\$9,328	\$9,105	\$9,112

## Bunker Market



Rotterdam			Singapore		Fujairah		Gibraltar		Houston	
Date (\$/mt)	IFO 380	MGO	IFO 380	MGO	IFO 380	MGO	IFO 380	MGO	IFO 380	MGO
18-Jun-18	\$417	\$633	\$440	\$651	\$444	\$705	\$450	\$686	\$411	\$666
19-Jun-18	\$418	\$630	\$444	\$654	\$444	\$709	\$454	\$687	\$413	\$673
20-Jun-18	\$417	\$622	\$446	\$650	\$449	\$703	\$453	\$682	\$417	\$670
21-Jun-18	\$414	\$620	\$443	\$650	\$445	\$699	\$457	\$673	\$414	\$662
22-Jun-18	\$414	\$618	\$445	\$651	\$446	\$713	\$452	\$675	\$423	\$669
12-month High	\$443	\$665	\$463	\$701	\$466	\$739	\$477	\$738	\$452	\$698
12-month Low	\$279	\$409	\$295	\$426	\$296	\$540	\$295	\$463	\$266	\$430
12-month Avg	\$350	\$547	\$372	\$568	\$370	\$628	\$370	\$594	\$350	\$581



Singapore	22-Jun-18	Week max	Week low	Week Avg	RTDM 3.5	22-Jun-18	Week max	Week low	Week Avg
Jul-18	\$430.4	\$431.4	\$422.2	\$426.6	Jul-18	\$410.2	\$413.4	\$402.9	\$408.2
Aug-18	\$424.2	\$426.7	\$416.7	\$421.5	Aug-18	\$406.9	\$409.7	\$399.4	\$404.7
Sep-18	\$418.9	\$421.2	\$411.7	\$416.6	Sep-18	\$402.7	\$405.2	\$395.2	\$400.4
Oct-18	\$414.7	\$416.7	\$407.4	\$412.4	Oct-18	\$398.2	\$400.4	\$390.7	\$396.0
Nov-18	\$411.4	\$412.9	\$403.9	\$408.9	Nov-18	\$393.9	\$396.2	\$386.4	\$391.8
Dec-18	\$408.2	\$409.4	\$400.7	\$405.6	Dec-18	\$389.9	\$392.2	\$382.4	\$387.7
Q3-18	\$424.5	\$426.4	\$416.8	\$421.6	Q3-18	\$406.6	\$409.4	\$399.2	\$404.5
Q4-18	\$412.4	\$413.3	\$404.0	\$409.3	Q4-18	\$393.8	\$396.2	\$385.9	\$391.6
Q1-19	\$402.4	\$403.0	\$393.8	\$399.2	Q1-19	\$383.8	\$386.2	\$375.9	\$381.6
Q2-19	\$391.4	\$391.4	\$382.3	\$388.2	Q2-19	\$370.3	\$372.7	\$362.4	\$368.1
CAL19	\$367.3	\$367.3	\$360.4	\$364.5	CAL19	\$346.5	\$346.5	\$338.9	\$343.3
CAL20	\$294.0	\$295.9	\$289.3	\$292.7	CAL20	\$280.5	\$280.5	\$272.9	\$277.3
CAL21	\$310.3	\$312.0	\$301.2	\$306.6	CAL21	\$293.0	\$293.0	\$285.4	\$289.8
CAL22	\$336.0	\$337.8	\$330.9	\$334.8	CAL22	\$309.0	\$309.0	\$301.4	\$305.8



## Dry Bulk S&P Market

The only meaningful changes in the indicative prices of the bulkers during the last two weeks were that of Capes. An investor to this specific segment will need circa \$48m or circa \$4m more than six months ago to acquire a newbuilding 180,000dwt vessel. Furthermore, five-year-old Capes are on the market for circa \$36m, or approximately ten million dollars more than ten-year-old ones, both substantial higher than early January levels. The older Cape tonnage reported double-digit gains on a semi-annual basis as well, with a price of a typical fifteen-year-old vessel balancing somewhere near \$16.5m.

The market for ten-year-old Capesizes and same-aged Panamaxs hovered at just 12% and 2% off their adjusted newbuilding prices respectively. Ten-year-old Supramaxes are on the market at a 6% discount to their newbuilding price, if we compare them on the same age basis, whereas same-aged Handies at a 14%.

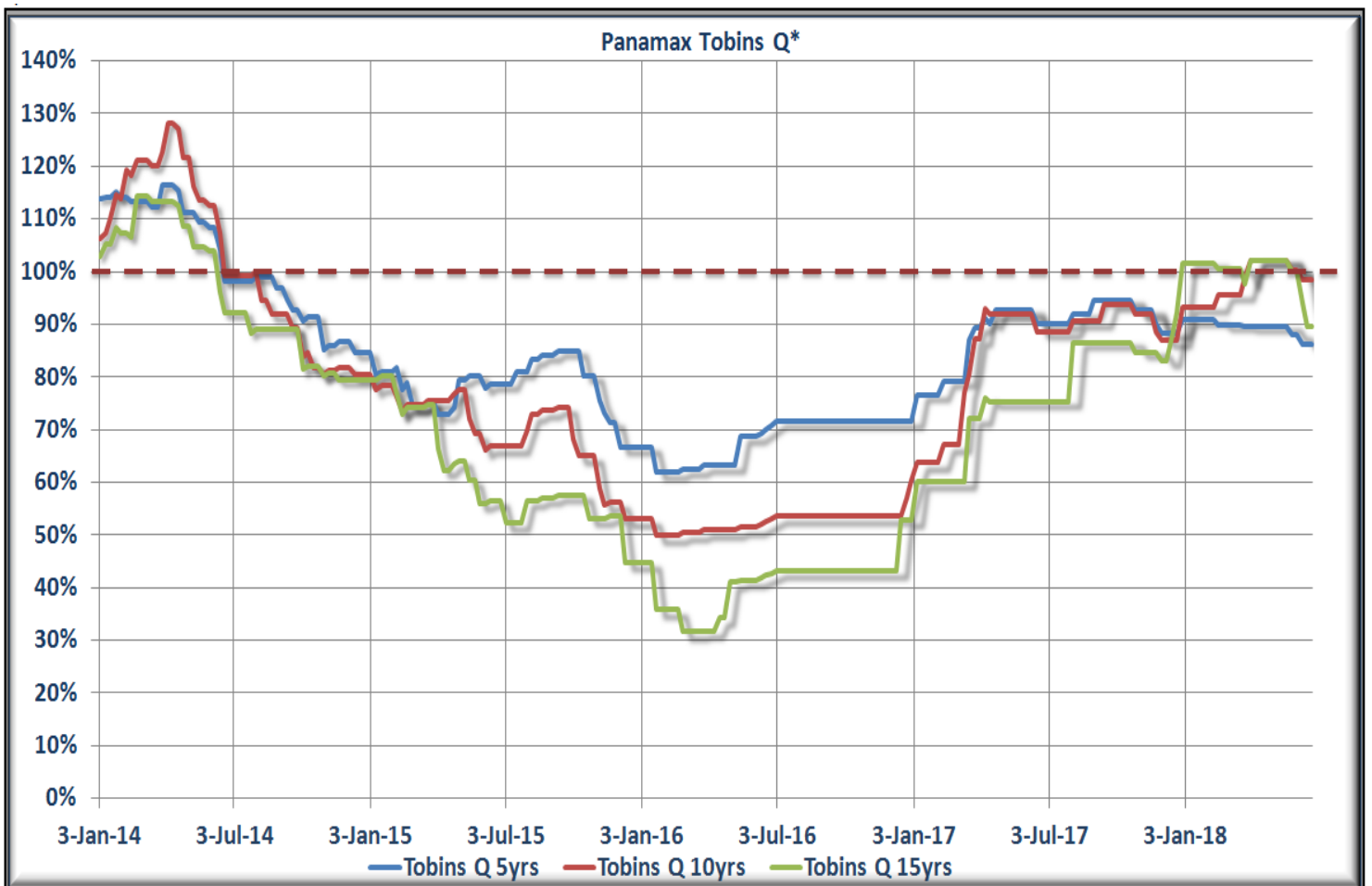
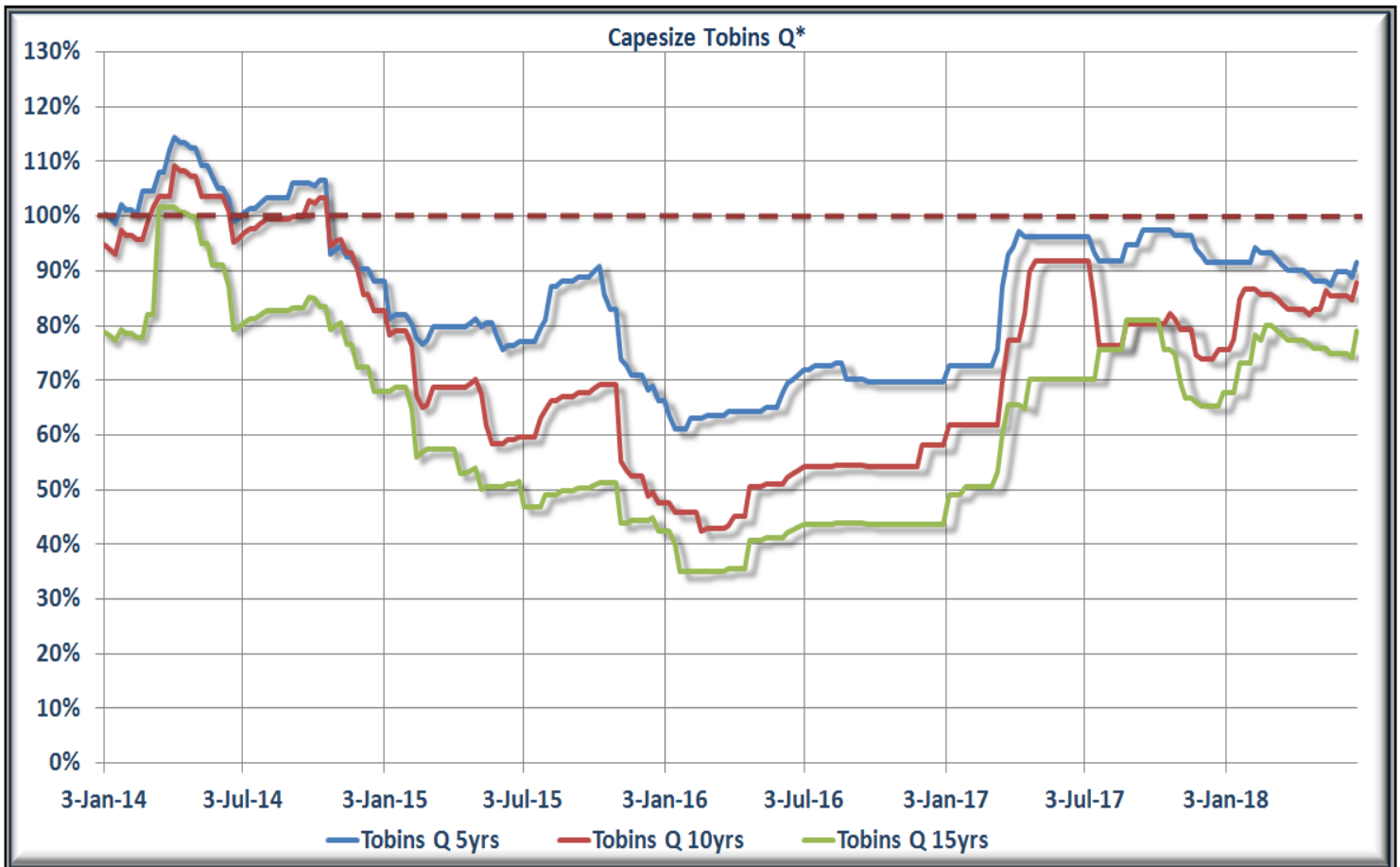
Indicative Five-Year-Old Secondhand Prices				
Date/ \$ mil.	Capesize 180K DWT	Panamax 76K DWT	Handymax 56K DWT	Handysize 32K DWT
22-Jun-2018	36.00	19.00	18.00	15.50
22-Jun-2017	33.50	18.00	16.50	14.00
22-Jul-2016	25.00	14.00	13.00	9.25
Δ% Y-o-Y	7.5%	5.6%	9.1%	10.7%
Δ% 2018-2016	44.0%	35.7%	38.5%	67.6%

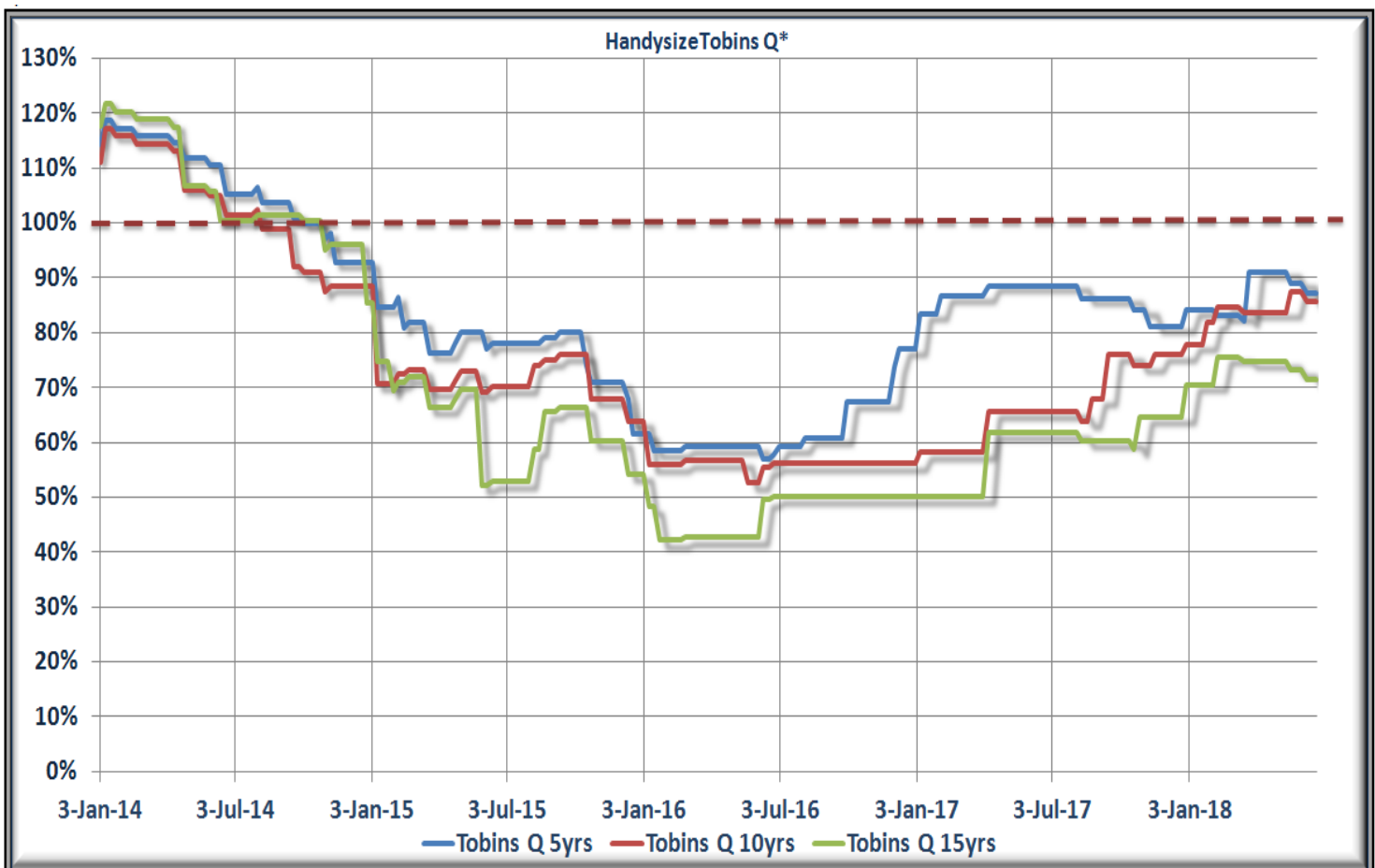
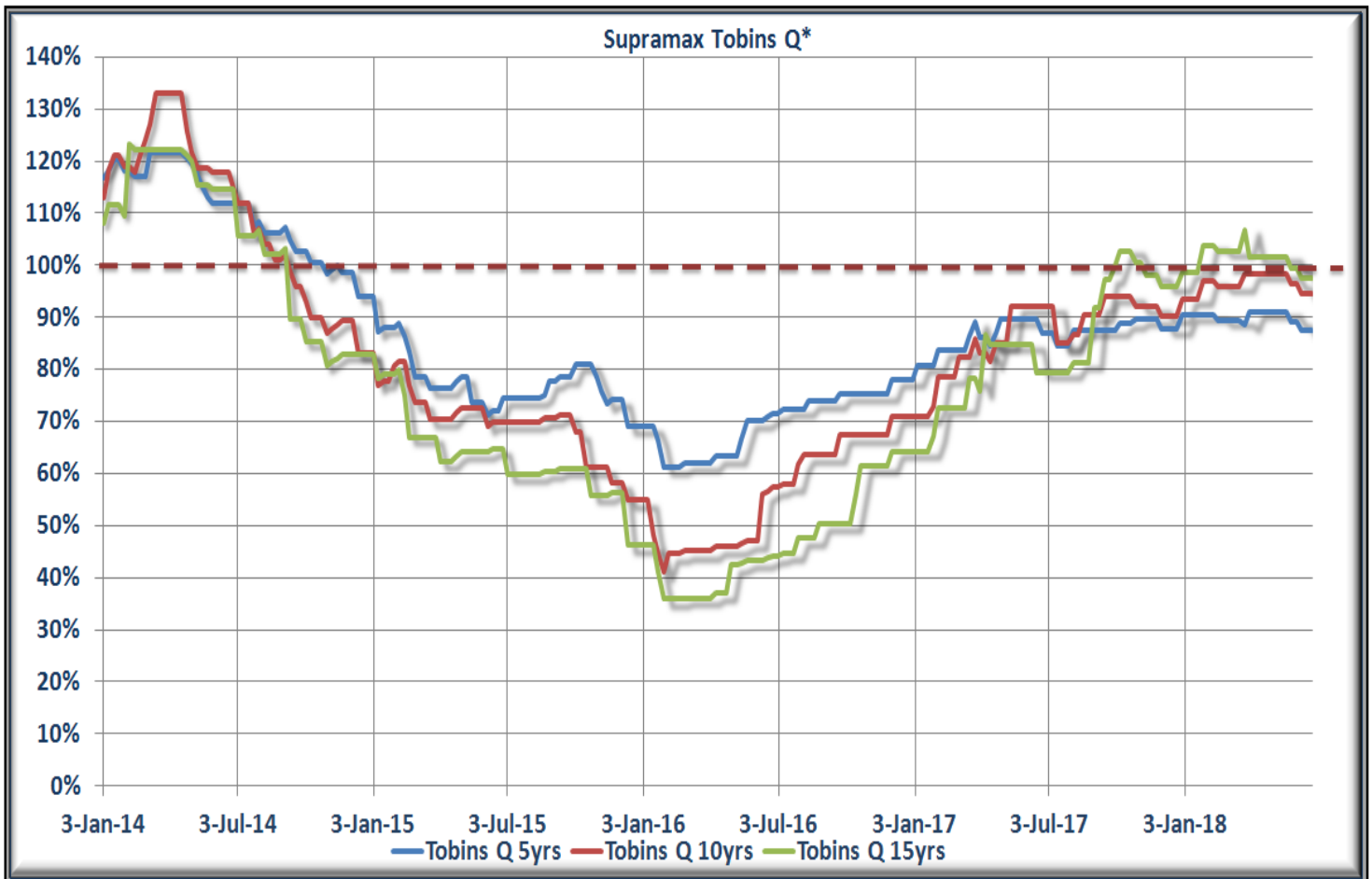
Reported Recent S&P Activity						
Vessel Name	DWT	Built	Yard/Country	Price \$Mil.	Buyer	Comments
Red Cherry	182,419	2015	JMU/Japan	45	Undisclosed	TC attached
Ocean Forte	81,616	2015	Guangzhou Longxue/China	23.8	Greek Buyers	
Key Mission	82,100	2013	Tsuneishi/Japan	22	Undisclosed	
Golden Spring	83,730	2008	Sanoyas Hishino/Japan	16.5	Greek Buyers	
Sincere Salute	85,778	2004	Oshima/Japan	low 13	Chinese Buyers	
Cemtex Prudence	80,000	2000	China Shipbuilding/China	low 8	Undisclosed	
Energy G	79,387	2010	Jiangsu/China	14.7	Chinese Buyers	
Medi Genova	75,767	2004	Sanoyas/Japan	mid 11	Undisclosed	distorted price
Bargara	74,832	2002	Hudongzhonghua/China	9.2	Chinese Buyers	
Energy Prosperity	77,828	1998	Sasebo/Japan	7.8	Undisclosed	
Sage Amazon	63,227	2012	Dayang/China	19.5	Undisclosed	C 4x35
Geraldine Manx	58,470	2010	Tsuneishi Zhoushan/China	15.5	Undisclosed	C 4x30
Ocean Skipper	56,815	2011	Xingang/China	low 11	Undisclosed	C 4x30
Bulk Power	57,005	2010	Zhoushan/China	11.5	Chinese Buyers	
Vela Ocean	53,549	2008	Iwagi/Japan	11.5	Undisclosed	C 4x30.5
Ocean Prefect	53,035	2003	Oshima/Japan	9.1	Chinese Buyers	C 4x30
Tamarita	52,292	2001	Tsuneishi Cebu/Philippines	8.5	Chinese Buyers	C 4x30
Paraskevi	45,950	1996	China Shipbuilding/Taiwan	4.8	Undisclosed	C 4x30
Ince Point	37,503	2015	Shimane Zosen/Japan	20.5	Undisclosed	C 4x30
Nord Auckland	36,782	2011	Hyundai-Vinashin/Vietnam	13.3	Undisclosed	C 4x30
Maple Glory	32,491	2011	Taizhou Maple/China	10	Undisclosed	C 4x30.5
Sider Dream	33,588	2005	Hakodate/Japan	9.5	Undisclosed	C 4x30
Boka	31,824	2000	Hakodate/Japan	7	Undisclosed	C 4x30.5
Prinsesa Sirena	28,378	2011	Iamabi/Japan	10	Skiatheis	C 4x30.5
Molat	28,355	2000	Tsuneishi Cebu/Philippines	5.5	Undisclosed	C 4x30
BMC Catherine	23,641	2000	Kanda/Japan	6	Chinese	C 4x30

Tobin's Q* Capesize-Panamax						
Date	Capesize 5yrs	Capesize 10yrs	Capesize 15yrs	Panamax 5yrs	Panamax 10yrs	Panamax 15yrs
Current ratio	92%	88%	79%	86%	98%	90%
12months High	98%	92%	81%	95%	102%	102%
12months Low	87%	74%	65%	86%	87%	75%
12months Avg	93%	82%	75%	91%	94%	92%

Tobin's Q* Supramax-Handysize						
Date	Supramax 5yrs	Supramax 10yrs	Supramax 15yrs	Handysize 5yrs	Handysize 10yrs	Handysize 15yrs
Current ratio	87%	94%	98%	87%	86%	72%
12months High	91%	98%	107%	91%	87%	76%
12months Low	84%	85%	79%	81%	64%	59%
12months Avg	89%	94%	96%	86%	77%	68%

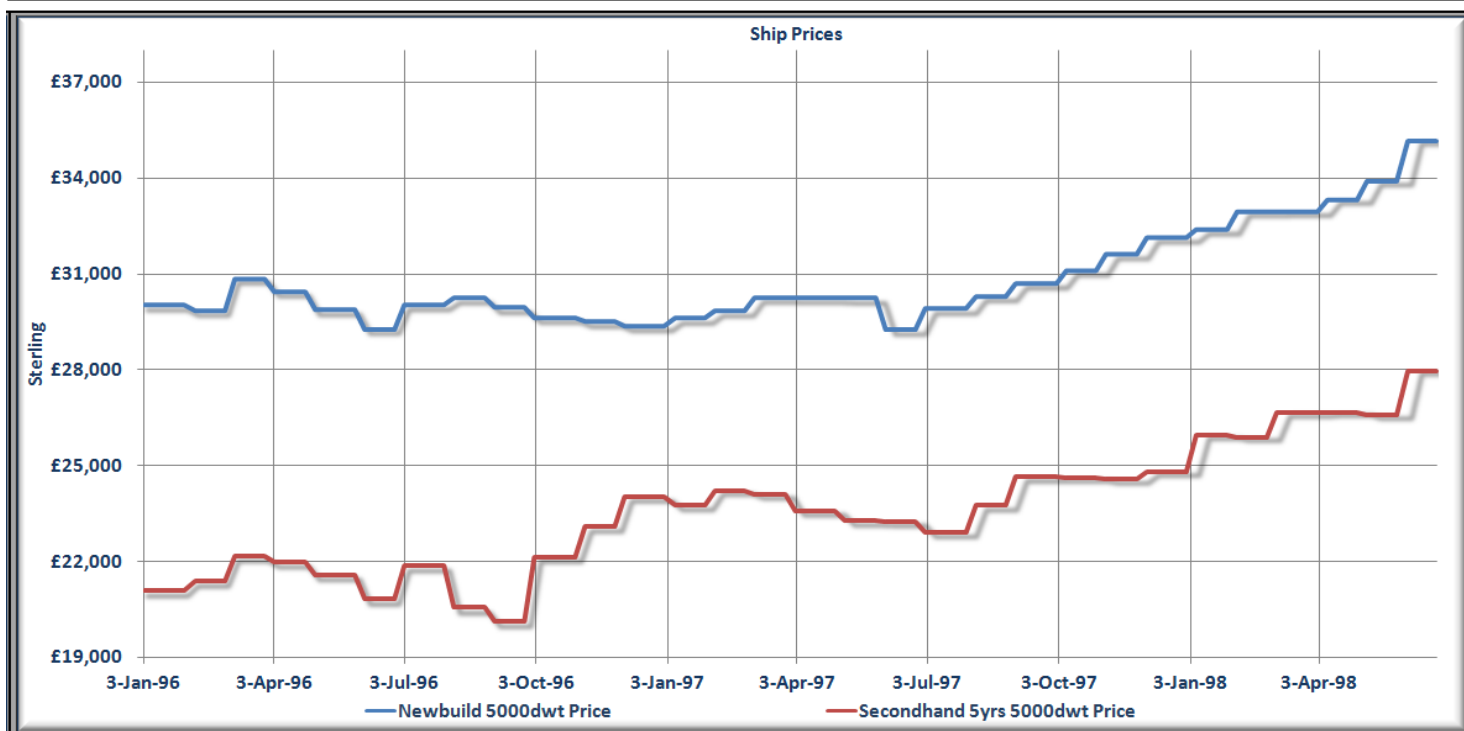
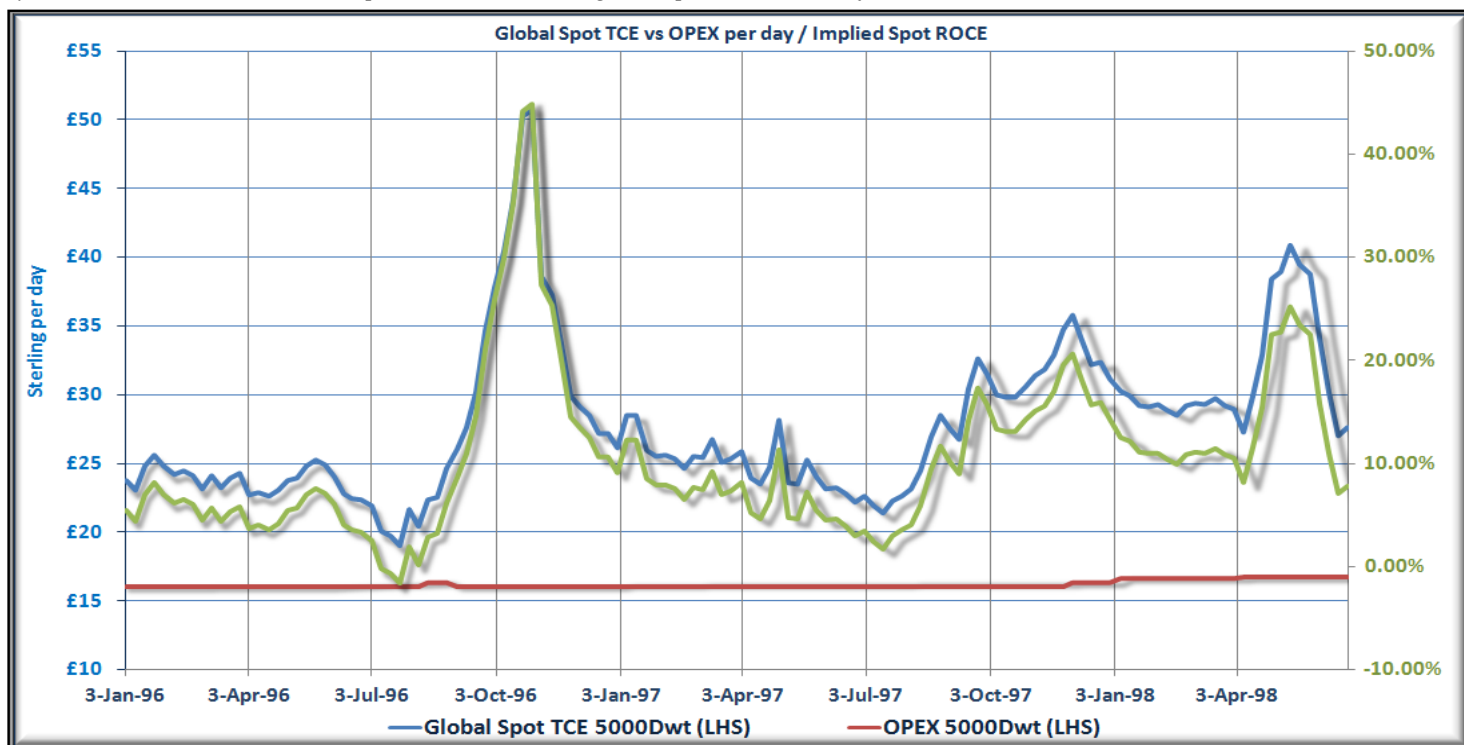
\*Tobin's Q represents the ratio between the market value and replacement value of a physical asset, with numerator and denominator adjusted to same age basis. According to economic theory, this ratio should be mean reverting towards 1 or 100%, for assets that do not face technological obsolescence.





## 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	May-00	Apr-00	Mar-00
Implied Spot Roce	7.9%	7.2%	23.6%	14.5%	11.1%
Global Spot TCE	£27.52	£26.93	£39.41	£32.06	£29.22
BlackSea Round	£27.64	£24.46	£38.95	£31.97	£28.55
East Round	£36.55	£36.82	£51.20	£41.53	£34.42
Med Round	£23.50	£26.02	£34.42	£28.54	£27.32
US Round	£32.31	£35.32	£47.59	£35.13	£34.47
River Plate Round	£27.56	£31.09	£44.81	£32.07	£34.30

S&P Market (5,000dwt)	Current week	Previous week	May-00	Apr-00	Mar-00
NB	£35,167	£35,167	£33,892	£33,317	£32,941
SH 5yrs old	£27,962	£27,962	£26,587	£26,677	£26,651
SH 10yrs old	£21,630	£21,630	£20,376	£20,476	£20,448
SH 15yrs old	£16,558	£16,558	£15,275	£15,400	£15,366

\*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...

The present state of the market may continue until the end of July. In the meantime, those owners who have tonnage arriving home should utilize this dull period in having their boats docked or put through their surveys. After such operations and loading coals outwards, it is pretty certain that by the time homeward employment has to be negotiated they will have very much better markets to work on. In this context, the average returns on capital employed in shipping during this week (23-June-1898) trended sideways to 7.9%.

Now that homeward rates are at about bottom, the freight speculators are clamouring for distant tonnage, hoping to entrap unwary owners into swallowing their baits by comparing them with the present quotations for prompt loading; and no doubt they will be successful to a small extent. It is impossible to stamp out the fixing ahead mania, for apparently some owners will always be victims to the affliction. For instance, it is reported that they have fixed ahead from the Danube to Antwerp or Rotterdam at 12s per tonne, for September loading. According to this, the equivalent rates from Sulina and Odessa would be 10s 3d. We wonder if any sane owner thinks of committing his tonnage months ahead and for the best period of the year for such rates as these. It was only a month or two ago that 14s to 15s was paid from Odessa, and this without regard to the autumnal voyages when tonnage must be chartered regardless of rates of freight to carry the proceeds of the enormous harvests to the home ports. We are therefore at a loss to discover any reason whatever why fixing ahead for September/October should be contemplated. If some owners will precipitately lose their heads and their money by such imprudent action, the only consolation for others will be that they will have less tonnage to compete with when the time arrives for securing employment. The Gulf and Atlantic charterers and speculators for cotton are asking for September/October tonnage at rates on the nrt basis, quite 10s below what the market should later on go to. Owners should not fix ahead except for a considerable advanced rates. Many owners have gloomy forebodings for the future because there is so much new tonnage being into competition this year. They certainly have some reason for this as far as next year is concerned, for with a return to normal times it looks as if the supply was fast outpacing the demand; but owners need have no qualms in regard to the present autumnal prospects, as there will be no lack of employment for all the tonnage afloat.

In the spot arena, there is no improvement to report in the condition of the Black Sea market. Berth rates from Odessa and Sulina for L.H.A.R. are 7s, Hamburg 7s 6d, for September 10s 3d and for October 10s 9d is offering. Salt rates from Eupatoria to the Baltic are without change at 11s 6d. From Odessa, tonnage has been fixed to Rotterdam for fir planks at 27s 9s per standard; this is equivalent to about 7s per unit for grain. Mediterranean business is very quiet. From Greece ore rates to UK are down to 7s 4d per tonne. Little or no business is doing in grain chartering from the US. Undoubtedly, the continued weakness of the grain markets this side accounts for the suspension of shipments and chartering. Berth rates to UK or Holland are nominally 2s 6d per quarter and for the French Atlantic, Elbe and Weser ports 2s 7d. Timber rates from Pensacola are weaker, with the most now obtainable for the UK being 119s 6d per standard. The Eastern market is very quiet, with scarcely any demand for tonnage; rates, consequently, are to a great extent only nominal. Coal rates from Calcutta are as follow: to Aden 10.5 rupees, to Tuticorin 7.5 ruppees and to Madras 6 rupees.

The demand for time-charter tonnage is now only on a very limited scale, mostly for American account. For modern boats 7s 7d is obtainable for long periods, with the option of charterers re-delivering in UK or Continent. For the Canadian coal trade, Handy boats are fixable for the remainder of the season at 9s 2d.

Representative Fixtures							
Vessel	DWT	Delivery	Date	Re-del	Rate	Charterers	Comment
SS Aarstein	2,300	Sulina	Prompt	UK/Cont	8s	cnr	barley
SS Crimea	2,300	Poti	Prompt	Garston	11s 9d	cnr	ore
SS Ragna	2,500	Eupatoria	Prompt	Newfairwater	11s 9d	cnr	salt
SS Rembrandt	13000 quarters	Gaza	Prompt	UK	9s	cnr	barley
SS Dartmoor	1609 nrt	Quebec	Prompt	WC UK	45s / std	cnr	deals

On the S&P front, both the newbuilding and the secondhand market remained stable at previously reported levels. A typical newbuilding 5,000dwt British-build steamer is currently at the market for £35,150, or up 20.3% on a yearly basis, whereas a ten-year-old of the same dwt and specification at £21,600, or 6.2% M-o-M.