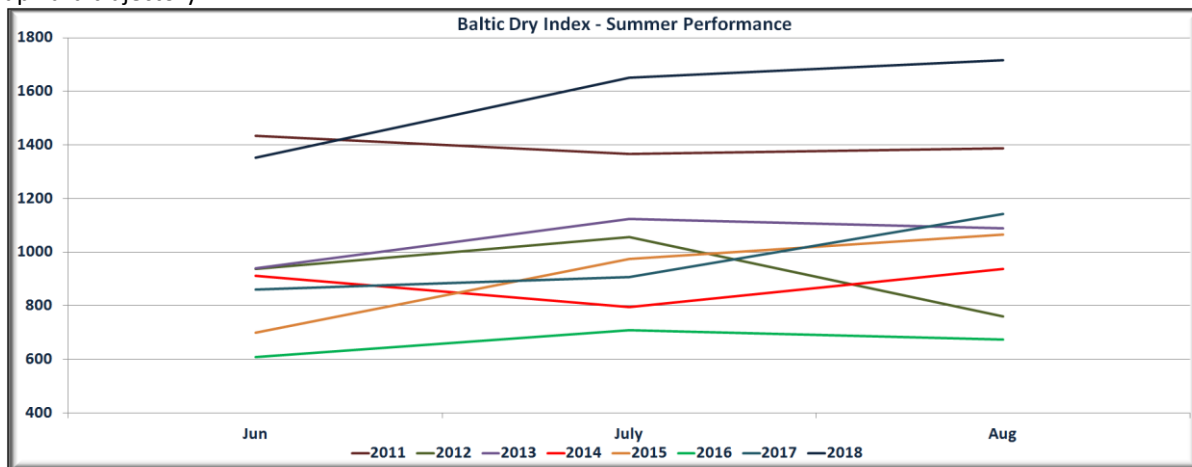
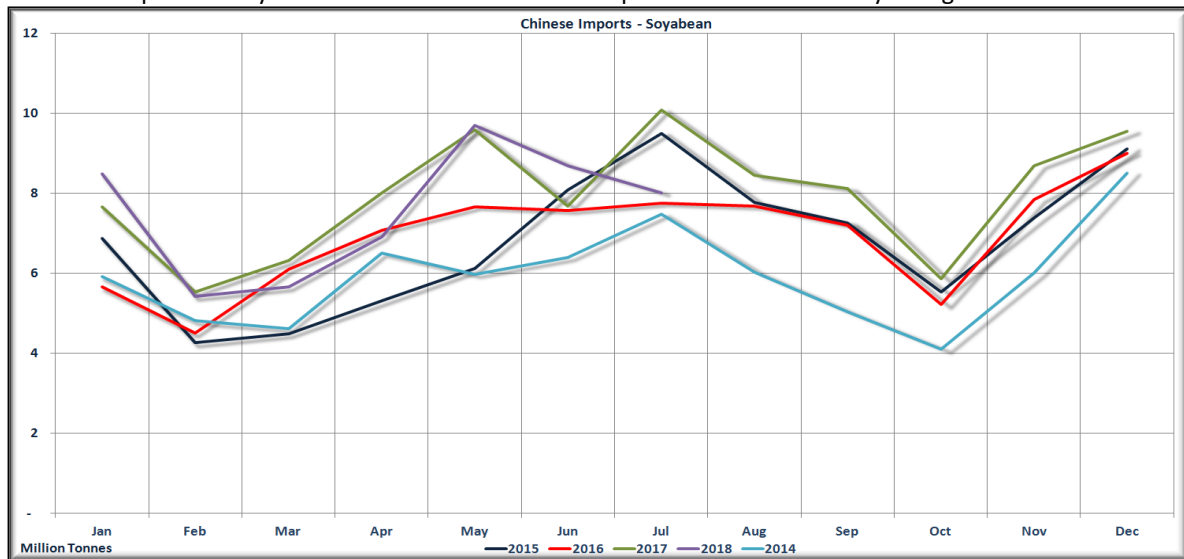


In one of the best trading years of the last decade, the Baltic Dry Index reported a monthly average of 1716 points in August. With Panamaxs being in a good shape and Capesizes balancing above 3000 points for the 19 out of 22 August trading days, the average levels of the freight market stood higher than the respective ones of the last eight years. However, the last month of the summer leave a tart aftertaste as the general Baltic index concluded at 1579 points on the last Friday of this summer, moderating the positive sentiment of the previous period. On the S&P front, market activity was rather limited, with few reported deals very close to last month price levels. Exception to this general trend was the newbuilding sub-market, with indicative prices kept firming up. In spite of the restricted number of new orders, yards' price ideas remained consistent on an upward trajectory.



Leaving behind a quite fruitful first eight months of the year, Baltic indices have the seasonal strongest period ahead of them. Whilst the trading activity lingered at healthy levels so far, there is an underline sense in the market that the dry bulk locomotive has some extra steam to move further north. In particular, Chinese iron ore port stockpiles decreased by 1.9 Mt in the week ending 24 August. Stockpiles fell for a third week in a row to an eight-month low of 149.9 Mt, still remaining 13.0 Mt higher than previous year. Additionally, following a strong July in reference to Chinese coal imports – highest in 4-1/2 years –, August activity remained robust supporting the freight market in both basins. Furthermore, in grain trades, after a period with a muted tone, US corn exports in the five weeks to 23 August rose from 4.5 Mt to 6.9 Mt – + 55 % year-on-year –, according to data provided by the US Department of Agriculture show. Conversely, being in the eye of the storm, combined exports of soybeans and wheat over the same period fell 1.9% on the year-ago level to 6.1 Mt.



## Contents

Spot Market .....	2
FFA Market.....	5
Bunker Market.....	8
S&P Market.....	9
Distant Past Market.....	12

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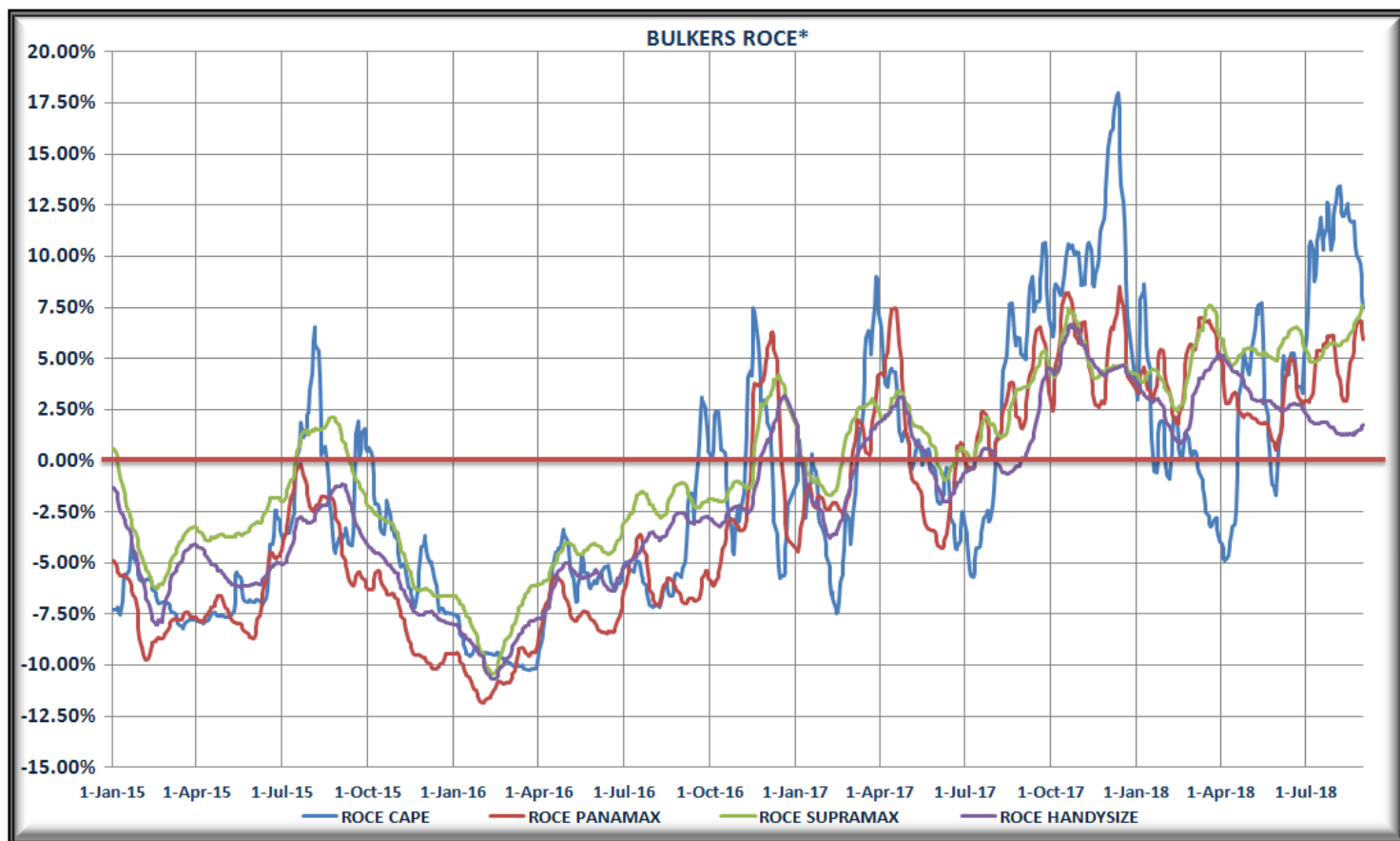
Whilst iron ore and coal trades seem to be influenced only indirectly from the looming trade tension, at least up to now, soybeans have been placed at the epicenter of it. For the first seven months of the current trading year, China imported 52.9m tonnes of soybeans, or 3.6% less than the respective period of the previous year. This decrease is in line with the recently published bearish USDA estimation, but indicating something more important than that. Global supply chains and trade patterns are not bendy and it takes time to do the necessary adjustments. In this context, the freight market should expect some 30m tonnes or more of soybeans to be cleared by the custom of the world's largest importer of the protein-rich bean.

**Freight market 120yrs ago (page 12):** "With the exception of the Eastern trade, business rates all around are disappointing..."

## Dry Cargo Spot Market

Steaming in relative calm seas over the last three weeks, the general Baltic Index concluded this Friday at 1579 points. Although August has started from an encouraging level of 1760 points, the tone of the BDI was rather bearish, finishing at thirty-eight-day lows this week. After thirty-three trading days above 3000 points, BCI balanced this week at 2732 points, dragging the general index down along with it. In spite of the strong mid August rally that push the BPI to its 2018 highs this Monday, a softer tone appeared in the market as the week moved on, forcing the Baltic Panamax Index to report a Friday's closing of 1571 points. At the other end of the spectrum, geared bulkers were in a better mood this week. Balancing for thirty-four consecutive trading days above the 1000-point mark, BSI ended at 1132 points this Friday, scoring new year maxima. BHSI ended the week at 562 points, or some 19 points higher than mid August levels.

At the box office, Capesize ROCE lost the double-digit heights whereas the after depreciation returns on capital employed of all other segments kept lingering at one-digit levels. Indicatively, an investment in Panamaxes is currently generating 5.9 cents in every dollar invested whilst that in Capesizes circa 7.45 cents. Supramax ROCE hovered at 7.6%. Lagging the other segments, Handies had a ROCE of 1.74% on this Friday closing.



Baltic Freight Indices					
Date	BDI	BCI 5TC	BPI - TCA	BSI - TCA	BHSI - TCA
28-Aug-18	1684	\$23,037	\$13,156	\$12,261	\$8,038
29-Aug-18	1661	\$22,404	\$13,125	\$12,376	\$8,071
30-Aug-18	1614	\$21,354	\$12,876	\$12,442	\$8,112
31-Aug-18	1579	\$20,671	\$12,582	\$12,475	\$8,144
12-month High	1774	\$30,475	\$13,740	\$12,475	\$10,104
12-month Low	948	\$7,051	\$9,262	\$9,350	\$7,115
12-month Avg	1378	\$18,378	\$11,425	\$10,914	\$8,673
Avg. Cal 2017	1145	\$15,129	\$9,766	\$9,168	\$7,636
Avg. Cal 2016	669	\$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.

Following a rosy period with double-digit returns on capital employed for the **Capesize** owners, Baltic TC index drifted lower this week, concluding at \$20,671 daily. In the commodity spectrum, "Dr. Copper" is now ~18% below its four-year high reached in June, hurt by worries that a trade war between the US and China will weaken the Chinese economy.

In the Pacific basin, Australia's most densely populated state, Victoria, released a Mineral Resources Strategy 2018–2023 this week in which the government presents its ideas to give the mining sector a boost. The report cites a 79 per cent Y-o-Y growth in mineral spending to March 2018, which is nearly three times the national rate and the highest level since 2011. The Baltic C5 index reported a 7.5% decrease on a weekly basis, concluding at \$8.636 pmt. FMG reportedly took the 'Philippus A' (175,108 dwt, 2011) for a 10-12 September 160,000-tonne 10% cargo from Port Hedland to Qingdao at \$8.75. The 'Anangel Explorer' (174,000 dwt 2007) concluded at \$20,000 daily for a trip via West Australia, basis delivery Caofedien and redelivery Singapore-Japan. The 'Cape Victory' (177,000 dwt 2010) was reported fixed with prompt delivery Dangjin for a trip via West Australia to China at \$23,000 daily. The Baltic transpacific index (C10\_14) ended lower at \$19,900 daily, or -14.6% W-o-W.

In the Atlantic basin, Vale CEO, Fabio Schvartsman, stated that the company would only operate at its full capacity of 450 million tonnes when commodity prices increase. Until then, production would be maintained at about 400 million tonnes. Schvartsman's comment came after Vale reported last month that it had record iron ore production in the second quarter of the year. In the spot arena, the Baltic C3 index lost three point three percentage points on a weekly basis, ending at \$22.136 pmt. Late Wednesday, ECTP booked the Newcastlemax 'Global Commander' (207,953 dwt, 2011) for a 1-10 October 180,000-tonne 10% cargo from CSN to Qingdao at \$22.75 pmt. The fronthaul index (C9\_14) balanced at \$37,350 daily whereas the Transatlantic index (C8\_14) lay at \$20,075 daily, or substantially lower by 6.1% and by 14.3% W-o-W respectively.

On the period front, the 'Aquamarine' (178,896 dwt, 2012) secured employment for the next 12/14 months at \$22,000 daily, basis delivery Qingdao.

Representative Capesize Fixtures								
Vessel	DWT	Built	Delivery	Date	Re-del	Rate	Charterers	Comment
Anangel Explorer	174,000	2007	Caofedien	29-Aug	Singapore-Japan	\$20,000	cnr	via West Australia
Cape Victory	177,000	2010	Dangjin	29/31 Aug	Singapore-Japan	\$23,000	K-Line Tokyo	via West Australia
Shinyo Brilliance	172,589	2001	Fangcheng	29/31 Aug	Singapore-Japan	\$24,000	Pacific Bulk	via Australia <fixed 23/8>
Aquamarie	178,896	2012	Qingdao	10/15 Sep	WW	\$22,000	SwissMarine	12/14 months

There has been a steady decline in all **Panamax** Baltic indices, after a sturdy August trading period.

In the Pacific, charterers stepped down significantly and were holding off, especially after seeing a growing tonnage list. Only a few fresh NoPac requirements emerged for mid-September loading, not enough to support prompt/spot tonnage in the North. In the south, Indonesian coal trade kept at a slow mode while Australian coal round rates struggled to maintain the previous week levels. The 'Yu Hong' (82,000 dwt, 2013) fixed at \$11,000 for one coal T/C trip via East Australia to Taiwan, with prompt delivery at Jingtang. The 'Rosco Sandalwood' (76,801 dwt, 2004) got \$11,000 for an Indonesian coal round trip, with 4th September delivery at Xinsha. Earlier on the week, despite being larger, 'Pedhoulas Farmer' (81,541 dwt, 2012) was linked to \$14,300 daily with Phu My delivery for an Indonesia to India coal trip. Grain trading was somehow slower from Australia. It was leaked that a Panamax managed to achieve high \$11s low \$12s for one trip to Iraq but it was not confirmed. NoPac trades were paying similar levels, where 'Aquaknight' (75,395 dwt, 2007) got \$12,000 daily with 05/06 September delivery at Nagoya for carrying bulk petcoke back to Singapore-Japan ranges. A growing list in the Arabian Gulf is putting further pressure on the South African market and ballasters to ECSA, despite the 'last done' of 'Jimmy T' (81,704 dwt, 2017) which fixed at \$16,400 daily with spot delivery PMO for one T/C trip with grains via EC South America to the Far east.

In the Atlantic, ECSA has slowed down both in activity and monies paid, especially for late September dates. Kamsarmax tonnages were struggling to keep the bids over the \$16,000 daily plus \$600,000 gbb, which seems to be the bottom for such types. The very eco kamsarmax 'BTG Fuji' (80,800 dwt, 2016) fixed a strong \$17,000 daily plus \$700,000 gbb for 14/15 September delivery at EC South America. On the smaller size, 'Paquis' (74,143 dwt, 2005) was fixed at \$15,650 daily plus \$560,000 gbb for 20 September delivery at ECSA. Further North, 'Oratorio' (81,842 dwt, 2014) reported at \$22,000 daily with late September delivery at Ponta Da Madeira for one T/C trip to Swinoujscie. LMEs fixed TA rounds at \$15,000 daily levels, as in the case of 'Tiger East' (76,213 dwt, 2012) fixed with 02 September delivery Hamburg for one T/C trip via Murmansk to Skaw-Porto Torres range. Activity was strong in the Med-Black Sea region with short inter-med trips paying healthy levels and front-haul ranging from mid to high \$20,000 daily. 'Nord Capella' (81,944 dwt, 2014) reported at \$27,500 daily for 2-4 September delivery at Black Sea to South Korea, whilst sources claim that the rate was closer to \$29,000 daily.

On the period front, 'KM Keelung' (82,072 dwt, 2010) was reported at \$13,750 daily for 1 year period with first half September delivery at Jingtang. A Panamax was asking low \$12,000 levels with Pacific ranges delivery for short period of about 5/7 or 6/8 months.

Representative Panamax Fixtures								
Vessel	DWT	Built	Delivery	Date	Re-del	Rate	Charterers	Comment
Yu Hong	82,000	2013	Jingtang	30 Aug	Taiwan	\$11,000	Taho	via Eaus
Nord Capella	81,944	2014	Black Sea	02/04 Sept	South Korea	\$27,500	Bunge	
Jimmy T	81,704	2017	PMO	spot	Singapore-Japan	\$16,400	Crystal Sea	via ECSA
Oratorio	81,842	2014	PDM	20/25 Sept	Swinousjcie	\$22,000	Element	
BTG Fuji	80,800	2016	ECSA	14/15 Sept	Singapore-Japan	\$17,000+\$700,000 gbb	Bunge	
Rosco Sandalwood	76,801	2004	Xinsha	04 Sept	Schina	\$11,000	Kaishun	via Indo
Aquaknight	75,395	2007	Nagoya	05/06 Sept	Singapore-Japan	\$12,000	DHL	via NoPac/petcoke
Paquis	74,143	2005	ECSA	20 Sept	Singapore-Japan	\$15,650+\$560,000	K-Line	
Tiger East	76,213	2012	Hamburg	02 Sept	Skaw-Porto Torres	\$15,000	Norden	via Baltic
KM Keelung	82,072	2010	Jingtang	03/10 Sept	worldwide	\$13,750	cnr	11/13 mos

The geared workhorses are trotting into higher grounds, with **Supramax** owners enjoying an overall better market across both basins.

For the past three weeks since our last edition, the market for Supramaxes in the Pacific has improved considerably. There was a rise documented on all sub routes of the BSI ranging from 5% up to 9%. This has also been reflected in actual reported fixtures and has inspired expectations for the weeks to come. The week that ends today however was a bit slower than the previous ones. There was a lot of activity recorded in the North. Early in the week the 'Mandarin Sky' (56,930 dwt, 2009) agreed \$11,500 with delivery Ningde for nickel ore run back to China, whilst on Friday the 'Bao Glory' (53,463 dwt, 2009), open at the same port was fixed at \$10,500 dop for the exact same run. On Australian runs, the 'Rising Sky' (63,405 dwt, 2017) concluded at \$13,000 basis delivery Longkou for a trip via port Kembla to Vietnam. The 'Ikan Pulas' (63,520 dwt, 2016) managed a nice \$12,250 for a NoPac round back to Singapore with delivery Kwangyang. The heat was also on further down in SEASIA. 'Bulk Pegasus' was fixed at \$14,000 daily basis delivery Singapore for a trip via Indonesia to China. Increased period activity was noted in the Persian Gulf area, with 'Kiran Australia' (63,700 dwt, 2013) standing out at \$14,250 for minimum four to about seven months period and worldwide redelivery.

In the Atlantic basin things are positive for this Supra segment. In the USG the "Diamond Sea" (55,437dwt, 2011) took little over USD 20,000 for a petcoke for a trip to Med whereas the larger 'SBI Apollo' (60,437dwt, 2016) agreed 23,250 for the same trip. A bit further south the 'Navios Mercury' (61,393dwt, 2013) obtained a "Panamax rate" of \$15,100 plus \$510,000 GBB for Santos bulk sugar haul into Bangladesh. On transatlantic trips the 'Nautical Loredana' (63,556dwt, 2015) fixed at \$18,000 aps Plate to med with Glencore. Across the pond the continent is not as active with the 'Swan' (53,487dwt, 2006) with delivery Londonderry for a scrap trip into East Med at \$13,500. However in the Black Sea some firecrackers seem to be popping with the 'Songa Wave' (61,491dwt, 2017) getting a dop Pakistan hire of almost \$14,000 for a trip into SE Asia and people are wondering if this will continue through to September.

Representative Supramax Fixtures								
Vessel	DWT	Built	Delivery	Date	Re-del	Rate	Charterers	Comment
Mandarin Sky	56,930	2009	Ningde	Prompt	China	\$11,500	cnr	nickel ore
Rising Sky	63,405	2017	Longkou	Prompt	Vietnam	\$13,000	cnr	via port Kembla
Ikan Pulas	63,520	2016	Kwangyang	Prompt	Singapore	\$12,250	cnr	Nopac RV
Kiran Australia	63,700	2013	PG	Prompt	WW	\$14,250	cnr	4/7 months
Nautical Loredana	63,556	2015	Up River	Prompt	Mediterranean	\$18,000	Glencore	
Navios Mercury	61,393	2013	Santos	10/15 Sept	Chittagong	\$15,100 + \$510,000 bb	Victory Shipping	Sugar
Songa Wave	61,491	2017	Karachi	Prompt	SE Asia	\$13,800	cnr	via Black Sea
Swan	53,487	2006	Londonderry	Prompt	E Med	\$13,500	cnr	via Antwerp
Diamond Sea	55,437	2011	US Gulf	Prompt	Med	\$20,100	cnr	Petcoke
SBI Apollo	60,437	2016	Port Everglades	12-Sep	E Med	\$23,250	cnr	Petcoke

The **Handysize** was positive across both basins however it remains to be seen if this will continue through to September

In the Pacific, the week ended with a positive close for a change but very little emerged in terms of fixtures. From the N. China the "Latika Naree" (33,000 dwt, 2013) fixed a quick metcoke trip to Japan at USD 8,500 whereas the larger "Strategic Spirit" (37,000 dwt, 2015) agreed to USD 9,000 for petcoke via Yangtze river into PG. In the south a rice backhaul trip from Thailand was fixed at USD 7,500 for 65 days and USD 9,500 for the balance on "SFL Kent" (34,601 dwt, 2012). The smaller "Daytona Beach" (28,341 dwt, 2008) fixed with a steel operator with delivery North Vietnam into the neighboring Thailand.

In the Atlantic, we saw a strong demand for ships in the North (USG, Continent, Bl. Sea), which drove the rates higher. Unlike what is happening in the South, where rates are rather timid. In ECSA lack of fresh cargo inquiry and an abundance of ships, is keeping the rates down. Rates for 32-34,000 dwt vessels are around \$11,000 aps for trips to Skaw/Passero, and the only interesting fixture we saw was on a 43,500dwt which booked a trip to Far East at \$14,000 + \$400,000 bonus. In the USG the whole of August was rather interesting for Owners. There was a sudden 'hike' on rates, which was craved for some time from Owners. We heard of a 38,700 dwt fixing a trip to Med at \$13,500 aps, while last week he heard of a 38,900 dwt fixing a trip to Plate at \$11,500. Continent kept steadily on the rise, with a 35,100 dwt fixing a local trip with coal at \$10,800, while we heard of a larger handy fixing a trip to Brazil at a strong \$10,500. The Med-Bl. Sea saw a turnaround on sentiment and rates the last few days, following once again the strong rates of the supras and ultras. We have heard of a 32,000dwt fixing a trip to Continent at \$10,500, while some rumours were heard that another 32,000dwt fixed from Algeria, fertilizers via Bl. Sea to S. Brazil at an enormous \$9,250.

On the period desk we heard of a large Handy fixing tick less than USD 10,000 with delivery Atlantic and WW trading. In the Far East "Mount Owen" (28,000 dwt, 2008) open S.China obtained \$8,500 dop for 2/II.

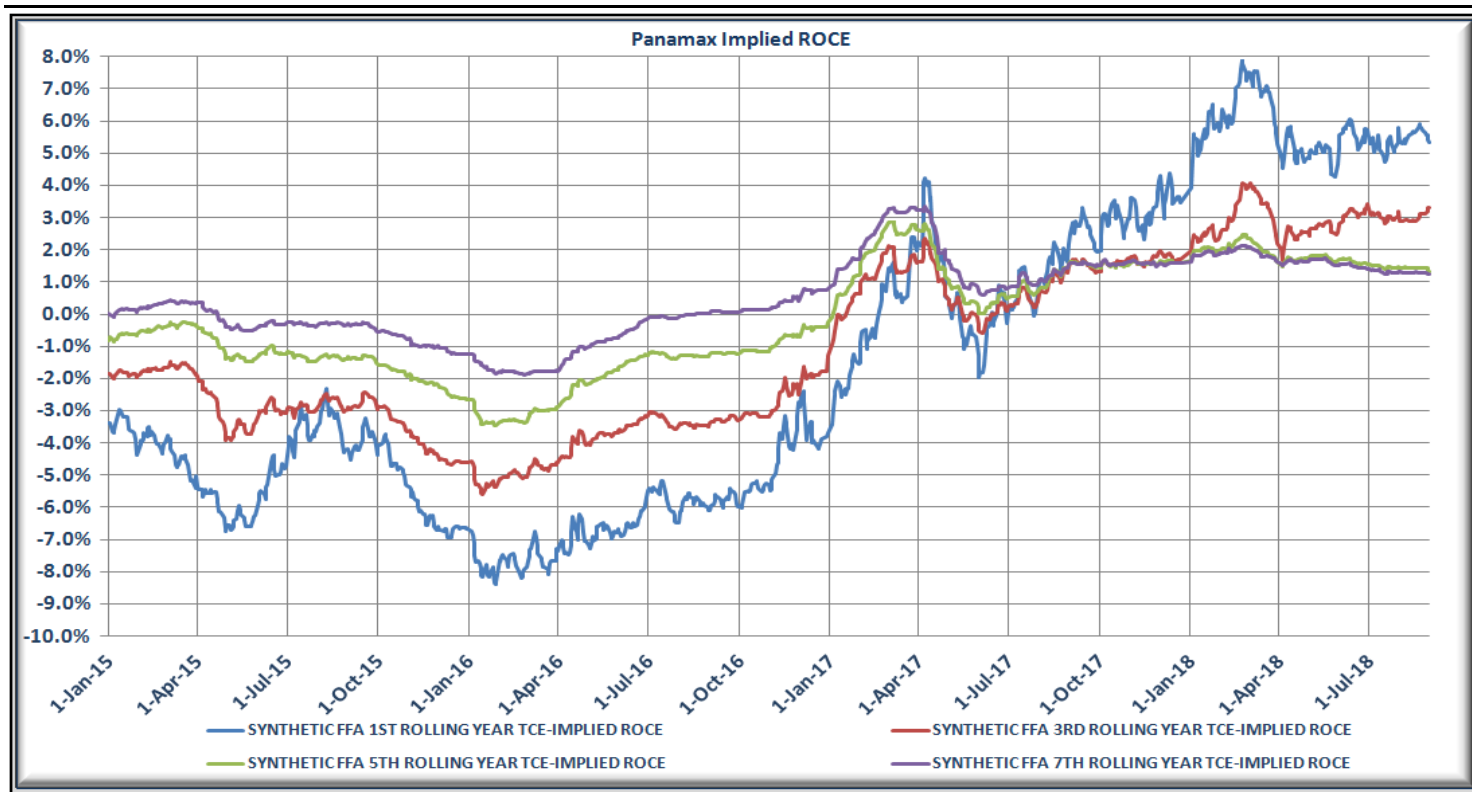
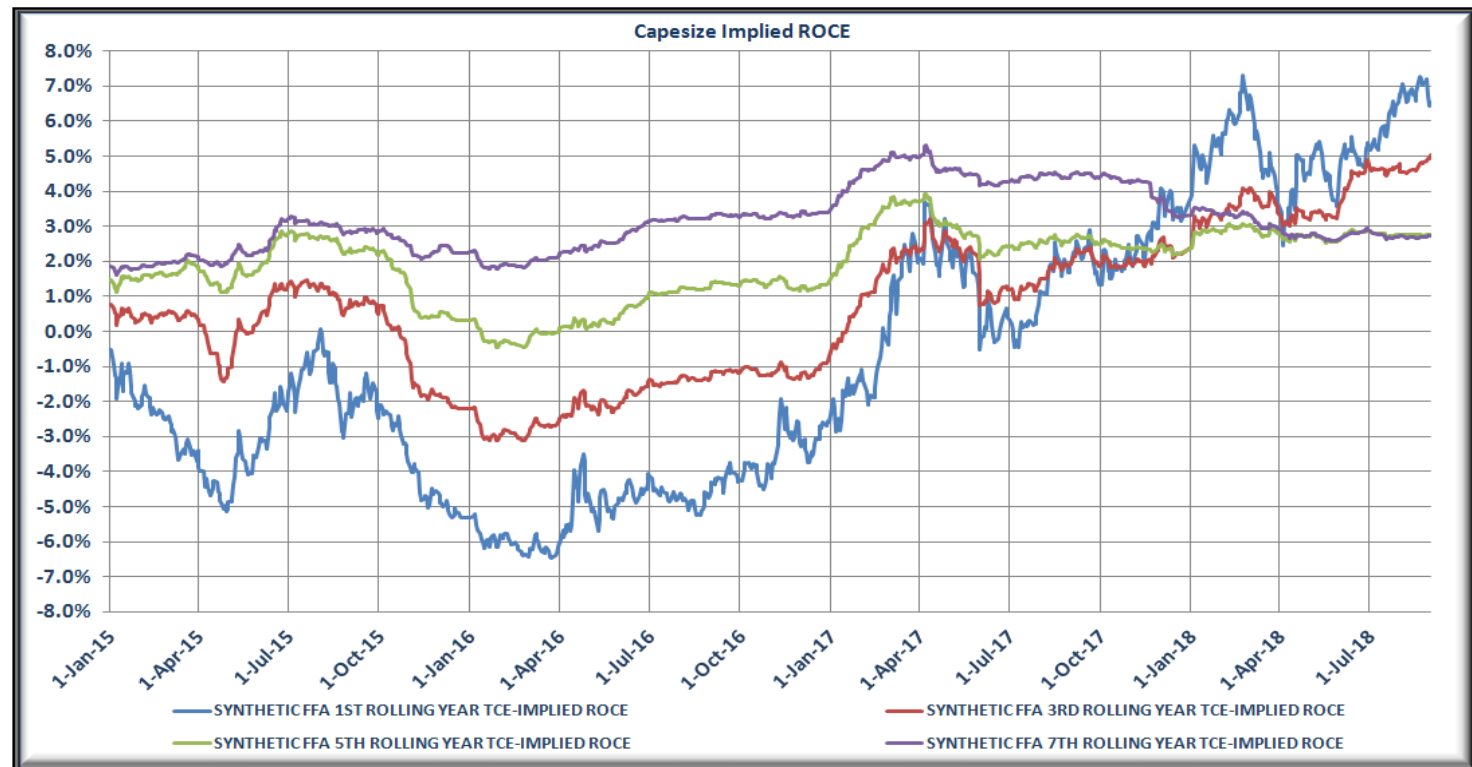
Representative Handysize Fixtures								
Vessel	DWT	Built	Delivery	Date	Re-del	Rate	Charterers	Comment
SFL Kent	34,601	2012	Kohsichang	Prompt	west Africa	\$7,500 1st 65 days, \$ 9,500 balance	cnr	bagged rice
Gladiator	28,341	2008	Merak	25/30 Aug	Singapore-Japan	\$8,500	cnr	2/3 laden leg <fixed last week>
Daytona Beach	28,233	2012	Campha	spot	Thailand	\$7,950	cnr	steel
Mount Owen	28,000	2008	Zhenjiang	22-Aug	Singapore-Japan	\$8,500		2/3 laden leg
Strategic spirit	37,000	2015	CIK	28-Aug	PG	\$9,000	cnr	
Baltic Breeze	34,386	2010	Recalada	Prompt	UK/Cont	\$11,000	cnr	
Venture Joy	43,532	2016	Brazil	Prompt	PG/Spore	\$14000+ \$400K bb	cnr	
Orhan	35,318	2013	Rotterdam	Prompt	Continent	\$10,800	cnr	coal
Jian Guo Hai	38,766	2016	SWP	5-10 Sept	Tunisia	\$13,500	Falcon	
Nanjin Confidence	38,916	2017	USG	Prompt	Plate	\$11,500	Pola	
Crystalgate	28,183	2010	Damietta	Prompt	Bangladesh	\$12,250	cnr	ferts



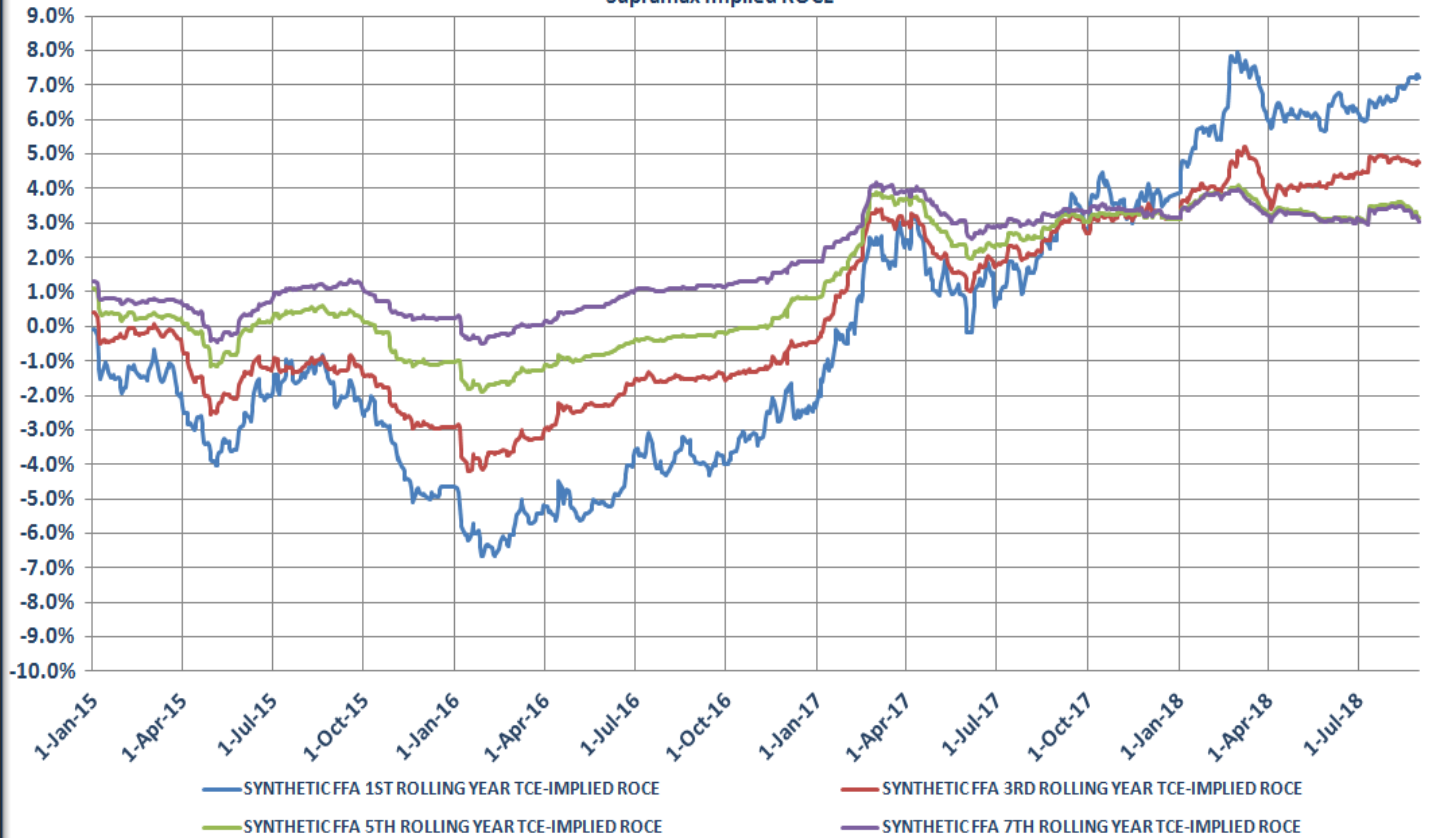
## FFA Market

The market continued on its downward trajectory as the front ends of the curves were sold into heavily. The Capesize prompt months witnessed a sizeable drop, with September balancing at \$21,960 daily and October hovering at \$25,030 daily. In line, the short end of the Panamax curve trended downwards, with both September and October finishing lower at \$12,240 and \$12,375 respectively. In the opposite direction from their spot market, the Supramax forward market went marginally down, with September lingering at \$12,570 and October at \$12,790. The prompt Handysize contracts reported minor losses to September levels of \$8,850. The back ends of all segments remained at previous levels without significant changes.

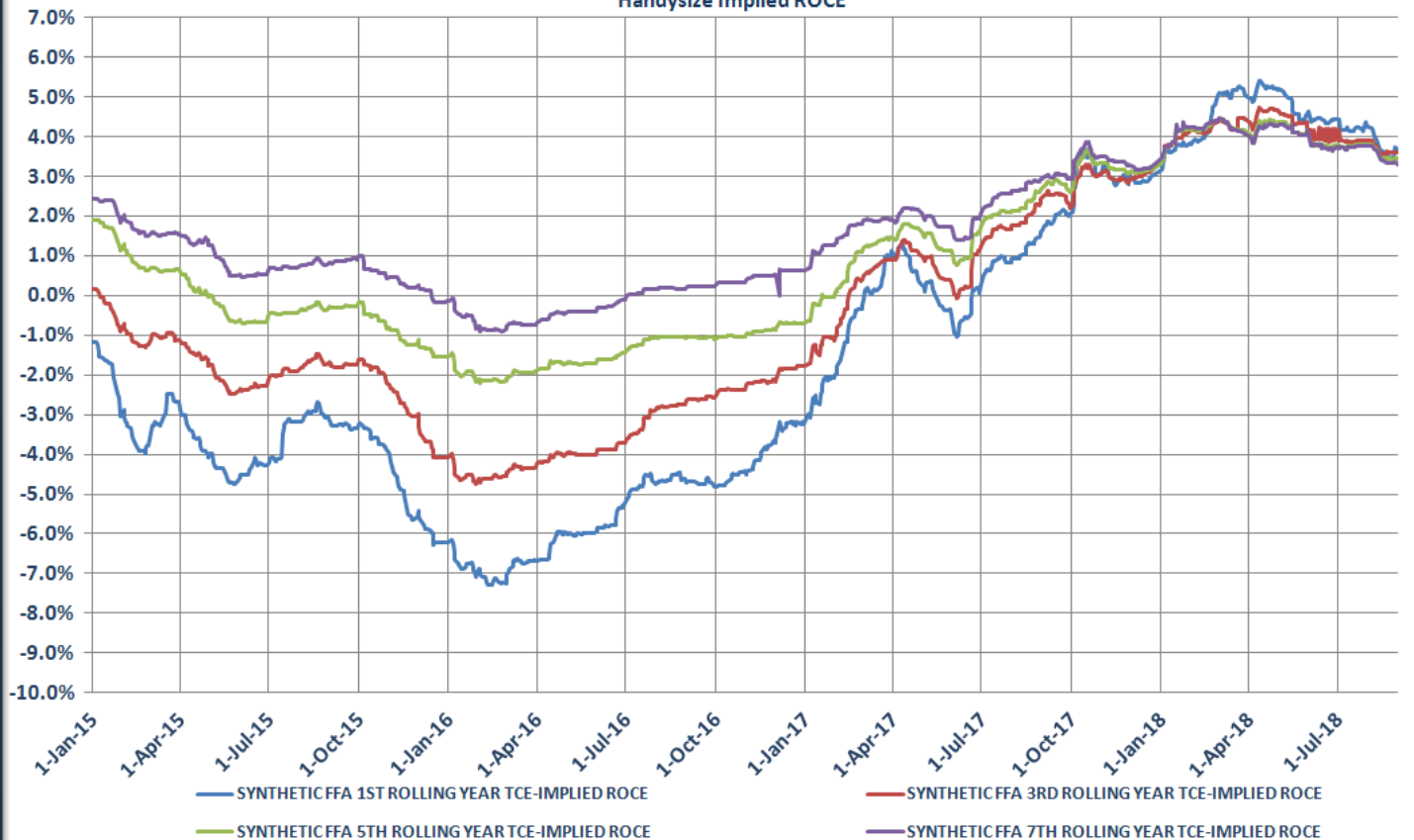
Capesize first rolling year implied ROCE decreased to 6.5% this week, while at the same time the returns of Panamax followed closely to 5.3%. Geared segments implied ROCEs gained few basis points, with Supramax concluding at 6.2% and Handy at 3.7%.



Supramax Implied ROCE



Handysize Implied ROCE



**BFA Cape 5TC**

Date	Sept (18)	Oct (18)	Nov (18)	Q4 (18)	Q1 (19)	Q2 (19)	Cal 19	Cal 24	Cal 25
28-Aug-18	\$23,550	\$26,800	\$27,360	\$26,507	\$15,155	\$16,540	\$20,099	\$15,440	\$15,440
29-Aug-18	\$22,950	\$26,320	\$27,210	\$26,207	\$15,230	\$16,590	\$20,160	\$15,450	\$15,450
30-Aug-18	\$21,900	\$25,040	\$26,790	\$25,443	\$15,030	\$16,440	\$19,995	\$15,460	\$15,460
31-Aug-18	\$21,960	\$25,030	\$26,900	\$25,477	\$15,230	\$16,540	\$20,165	\$15,470	\$15,470
Week High	\$23,550	\$26,800	\$27,360	\$26,507	\$15,230	\$16,590	\$20,165	\$15,470	\$15,470
Week Low	\$21,900	\$25,030	\$26,790	\$25,443	\$15,030	\$16,440	\$19,995	\$15,440	\$15,440
Week Avg	\$22,590	\$25,798	\$27,065	\$25,909	\$15,161	\$16,528	\$20,105	\$15,455	\$15,455

**BFA Panamax 4TC**

Date	Sept (18)	Oct (18)	Nov (18)	Q4 (18)	Q1 (19)	Q2 (19)	Cal 19	Cal 24	Cal 25
28-Aug-18	\$12,350	\$12,665	\$12,870	\$12,692	\$11,740	\$12,785	\$12,561	\$9,735	\$9,715
29-Aug-18	\$12,220	\$12,530	\$12,745	\$12,555	\$11,680	\$12,765	\$12,527	\$9,730	\$9,710
30-Aug-18	\$12,040	\$12,455	\$12,710	\$12,508	\$11,505	\$12,630	\$12,453	\$9,715	\$9,700
31-Aug-18	\$11,825	\$12,355	\$12,660	\$12,423	\$11,485	\$12,590	\$12,415	\$9,710	\$9,700
Week High	\$12,350	\$12,665	\$12,870	\$12,692	\$11,740	\$12,785	\$12,561	\$9,735	\$9,715
Week Low	\$11,825	\$12,355	\$12,660	\$12,423	\$11,485	\$12,590	\$12,415	\$9,710	\$9,700
Week Avg	\$12,109	\$12,501	\$12,746	\$12,545	\$11,603	\$12,693	\$12,489	\$9,723	\$9,706

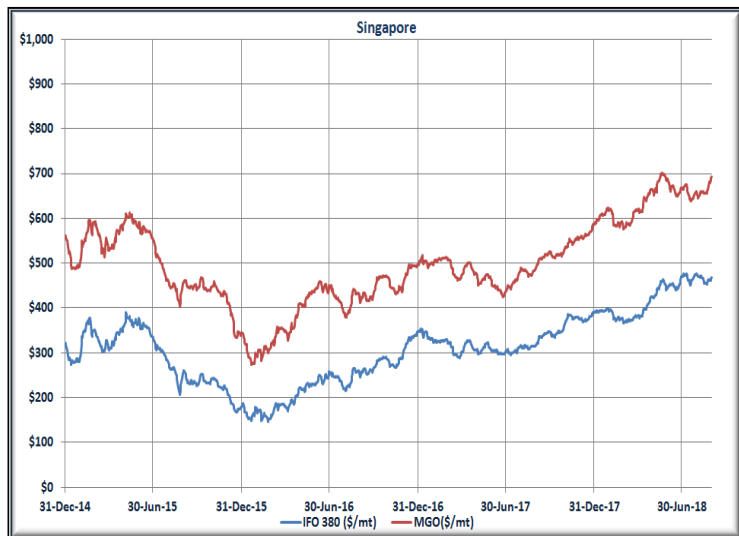
**BFA Supra 5TC**

Date	Sept (18)	Oct (18)	Nov (18)	Q4 (18)	Q1 (19)	Q2 (19)	Cal 19	Cal 24	Cal 25
28-Aug-18	\$12,580	\$12,885	\$13,010	\$12,848	\$11,475	\$12,450	\$12,430	\$9,940	\$9,930
29-Aug-18	\$12,685	\$12,980	\$13,100	\$12,937	\$11,535	\$12,470	\$12,430	\$9,910	\$9,900
30-Aug-18	\$12,760	\$12,930	\$13,110	\$12,930	\$11,560	\$12,480	\$12,450	\$9,900	\$9,890
31-Aug-18	\$12,570	\$12,790	\$13,040	\$12,833	\$11,530	\$12,440	\$12,420	\$9,850	\$9,830
Week High	\$12,760	\$12,980	\$13,110	\$12,937	\$11,560	\$12,480	\$12,450	\$9,940	\$9,930
Week Low	\$12,570	\$12,790	\$13,010	\$12,833	\$11,475	\$12,440	\$12,420	\$9,850	\$9,830
Week Avg	\$12,649	\$12,896	\$13,065	\$12,887	\$11,525	\$12,460	\$12,433	\$9,900	\$9,888

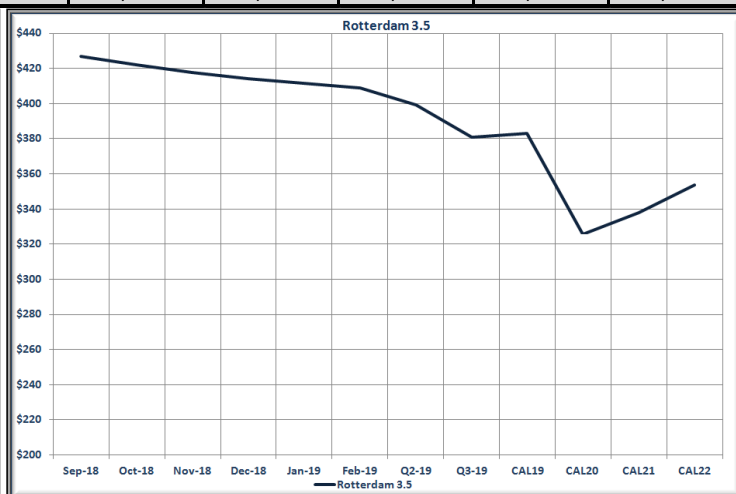
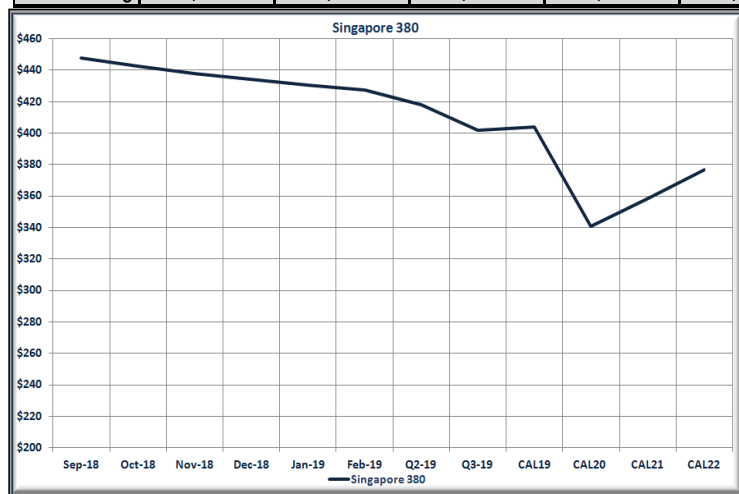
**BFA Handysize 2C**

Date	Sept (18)	Oct (18)	Nov (18)	Q4 (18)	Q1 (19)	Q2 (19)	Cal 19	Cal 24	Cal 25
28-Aug-18	\$8,888	\$9,238	\$9,394	\$9,244	\$8,700	\$9,263	\$9,100	\$8,938	\$8,919
29-Aug-18	\$8,888	\$9,263	\$9,413	\$9,256	\$8,688	\$9,263	\$9,100	\$8,950	\$8,931
30-Aug-18	\$8,863	\$9,225	\$9,381	\$9,231	\$8,663	\$9,256	\$9,106	\$8,938	\$8,919
31-Aug-18	\$8,850	\$9,219	\$9,369	\$9,225	\$8,638	\$9,256	\$9,106	\$8,938	\$8,906
Week High	\$8,888	\$9,263	\$9,413	\$9,256	\$8,700	\$9,263	\$9,106	\$8,950	\$8,931
Week Low	\$8,850	\$9,219	\$9,369	\$9,225	\$8,638	\$9,256	\$9,100	\$8,938	\$8,906
Week Avg	\$8,872	\$9,236	\$9,389	\$9,239	\$8,672	\$9,260	\$9,103	\$8,941	\$8,919

## Bunker Market



	Rotterdam		Singapore		Fujairah		Gibraltar		Houston	
Date (\$/mt)	IFO 380	MGO	IFO 380	MGO	IFO 380	MGO	IFO 380	MGO	IFO 380	MGO
27-Aug-18	\$426	\$636	\$462	\$681	\$465	\$734	\$457	\$707	\$433	\$695
28-Aug-18	\$426	\$635	\$462	\$681	\$468	\$736	\$456	\$707	\$434	\$698
29-Aug-18	\$428	\$645	\$461	\$687	\$469	\$738	\$457	\$706	\$434	\$694
30-Aug-18	\$434	\$649	\$466	\$692	\$475	\$750	\$458	\$710	\$442	\$705
31-Aug-18	\$435	\$651	\$467	\$693	\$476	\$751	\$459	\$711	\$443	\$707
12-month High	\$446	\$665	\$478	\$701	\$476	\$751	\$477	\$738	\$462	\$707
12-month Low	\$305	\$477	\$318	\$489	\$316	\$554	\$320	\$516	\$309	\$531
12-month Avg	\$376	\$581	\$402	\$605	\$398	\$660	\$398	\$631	\$378	\$619



Singapore	31-Aug-18	Week max	Week low	Week Avg	RTDM 3.5	31-Aug-18	Week max	Week low	Week Avg
Sep-18	\$447.5	\$447.5	\$438.7	\$444.3	Sep-18	\$427.0	\$427.0	\$419.0	\$424.0
Oct-18	\$442.5	\$442.5	\$433.7	\$439.3	Oct-18	\$422.0	\$422.0	\$414.0	\$419.0
Nov-18	\$438.0	\$438.5	\$430.2	\$435.3	Nov-18	\$417.8	\$417.8	\$410.0	\$414.8
Dec-18	\$434.3	\$435.0	\$427.2	\$432.0	Dec-18	\$414.0	\$414.3	\$406.5	\$411.3
Jan-19	\$430.8	\$431.3	\$424.2	\$428.5	Jan-19	\$411.5	\$412.0	\$404.2	\$409.0
Feb-19	\$427.5	\$427.8	\$421.2	\$425.3	Feb-19	\$409.0	\$409.8	\$402.0	\$406.6
Q4-18	\$438.3	\$438.7	\$430.4	\$435.5	Q4-18	\$417.9	\$418.0	\$410.1	\$415.0
Q1-19	\$427.5	\$427.8	\$421.5	\$425.3	Q1-19	\$408.9	\$409.3	\$402.1	\$406.4
Q2-19	\$418.0	\$418.5	\$412.5	\$416.1	Q2-19	\$399.4	\$400.8	\$393.6	\$397.7
Q3-19	\$402.0	\$403.5	\$397.5	\$400.8	Q3-19	\$380.9	\$382.3	\$375.1	\$379.2
CAL19	\$404.1	\$406.1	\$401.7	\$403.8	CAL19	\$383.1	\$383.1	\$378.5	\$381.1
CAL20	\$340.6	\$342.1	\$337.7	\$339.9	CAL20	\$325.8	\$325.8	\$322.8	\$324.6
CAL21	\$358.6	\$360.3	\$356.0	\$358.1	CAL21	\$337.8	\$337.8	\$334.8	\$336.6
CAL22	\$376.6	\$378.3	\$374.0	\$376.1	CAL22	\$353.8	\$353.8	\$350.8	\$352.6



## Dry Bulk S&P Market

The summer lull affected the S&P market for yet another August and thus the reported activity was rather limited. In reference to the prices, the secondhand tonnage remained very close to the "last dones" whereas the newbuilding indicative prices headed north. As an example, five-year-old Panamaxs are on the market for circa USD 19m, without any significant change during the last months. Conversely, the indicative prices for newbuilding Panamaxs have seen a two-percentage-point increase on a monthly basis, balancing at circa USD 27m. Mirror image is the market for all other segments with newbuilding prices being the only ones moving higher.

In our secondhand to age-adjusted newbuilding comparison, the market for five-year-old Capesizes and same-aged Panamaxs hovered at just 5% and 15% off their adjusted newbuilding prices respectively. Five-year-old Supramaxes are on the market at 14% less than their newbuilding price, if we compare them on the same age basis, whereas same-aged Handies at a larger discount of 17%.

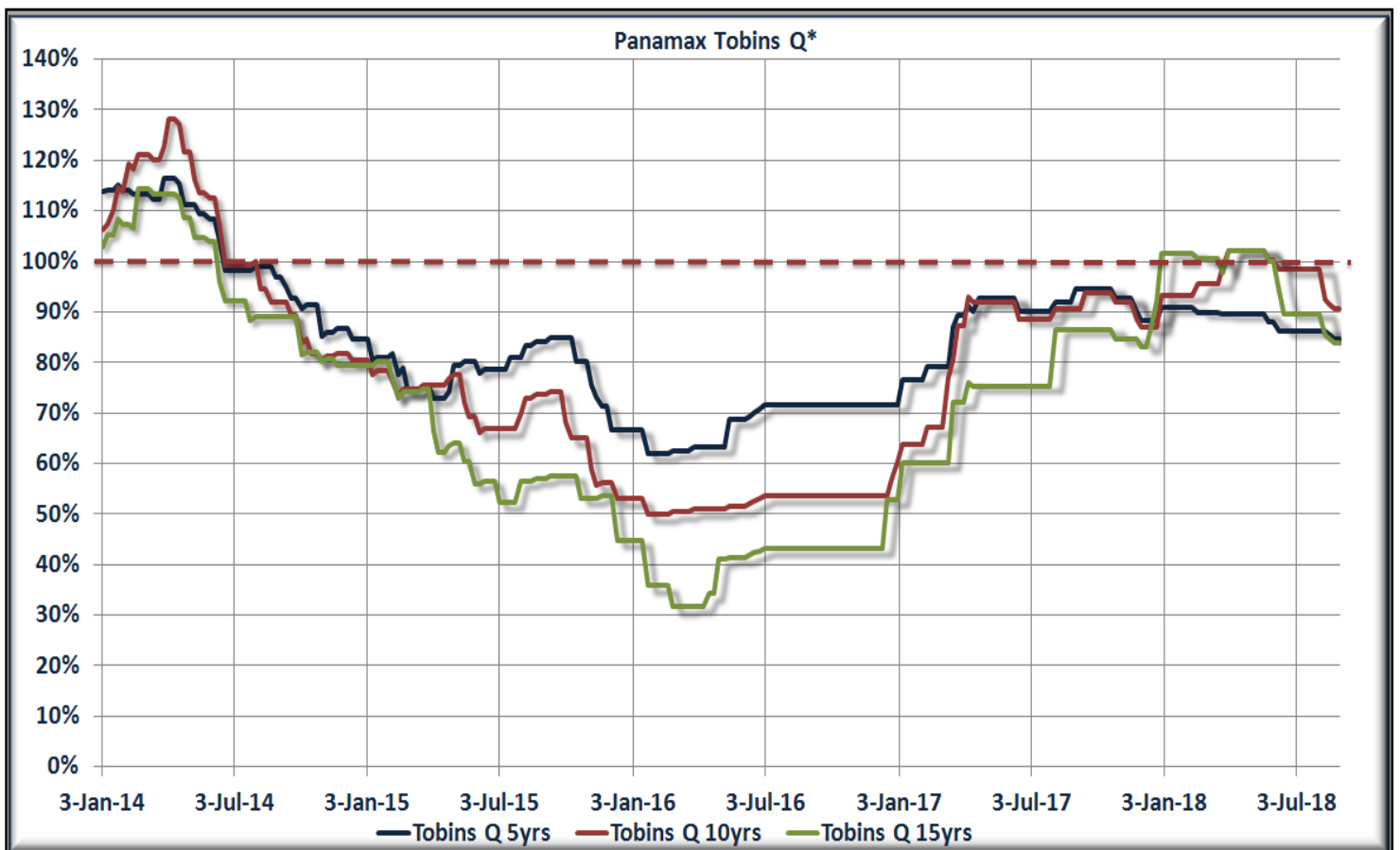
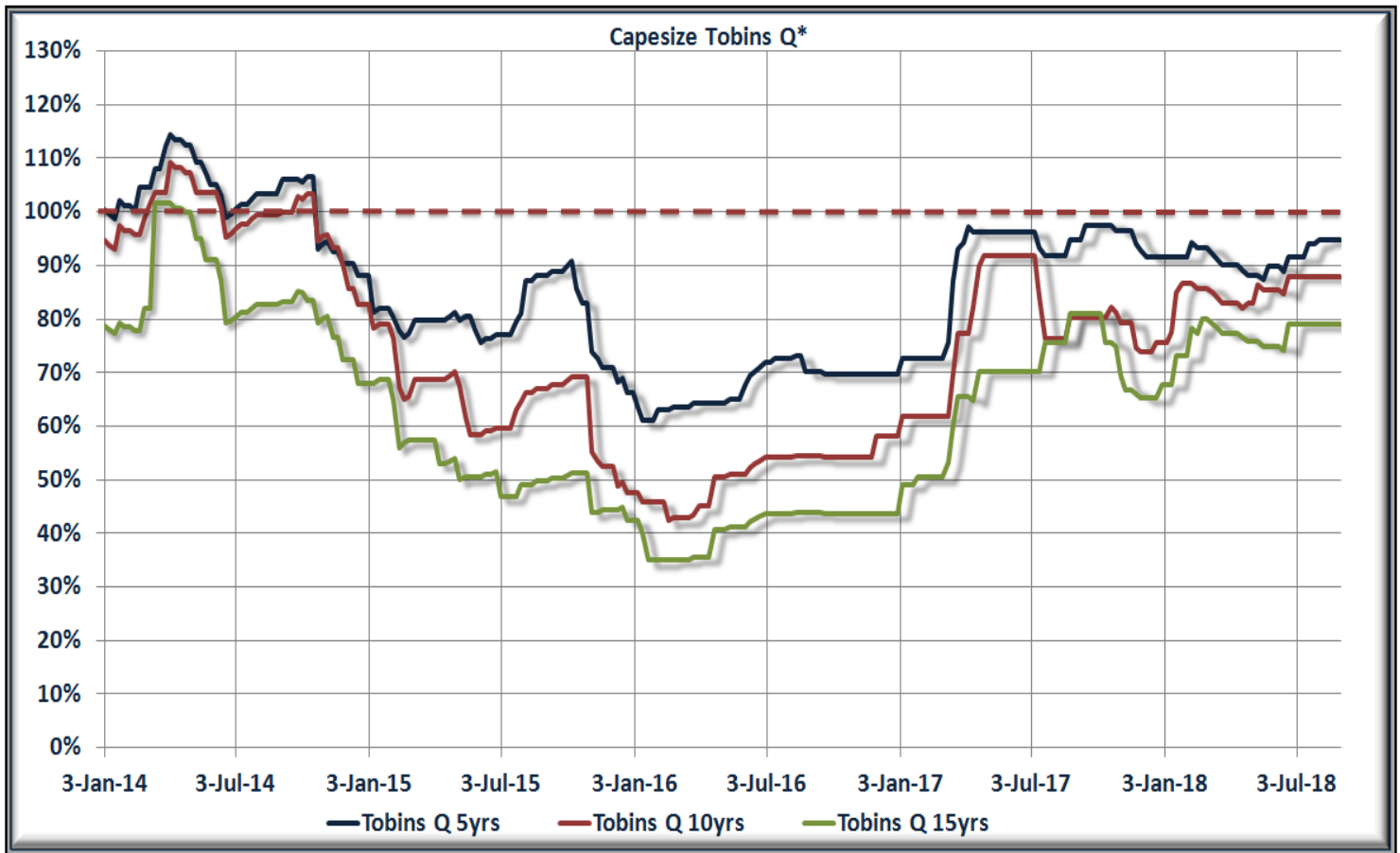
Indicative Newbuilding Prices				
Date/ \$ mil.	Capesize 180K DWT	Panamax 76K DWT	Ultramax 62K DWT	Handysize 38K DWT
31-Aug-2018	48.00	27.50	26.00	24.00
31-Aug-2017	42.50	24.00	23.00	21.00
31-Aug-2016	41.75	24.00	22.25	19.50
Δ% Y-o-Y	12.9%	14.6%	13.0%	14.3%
Δ% 2018-2016	15.0%	14.6%	16.9%	23.1%

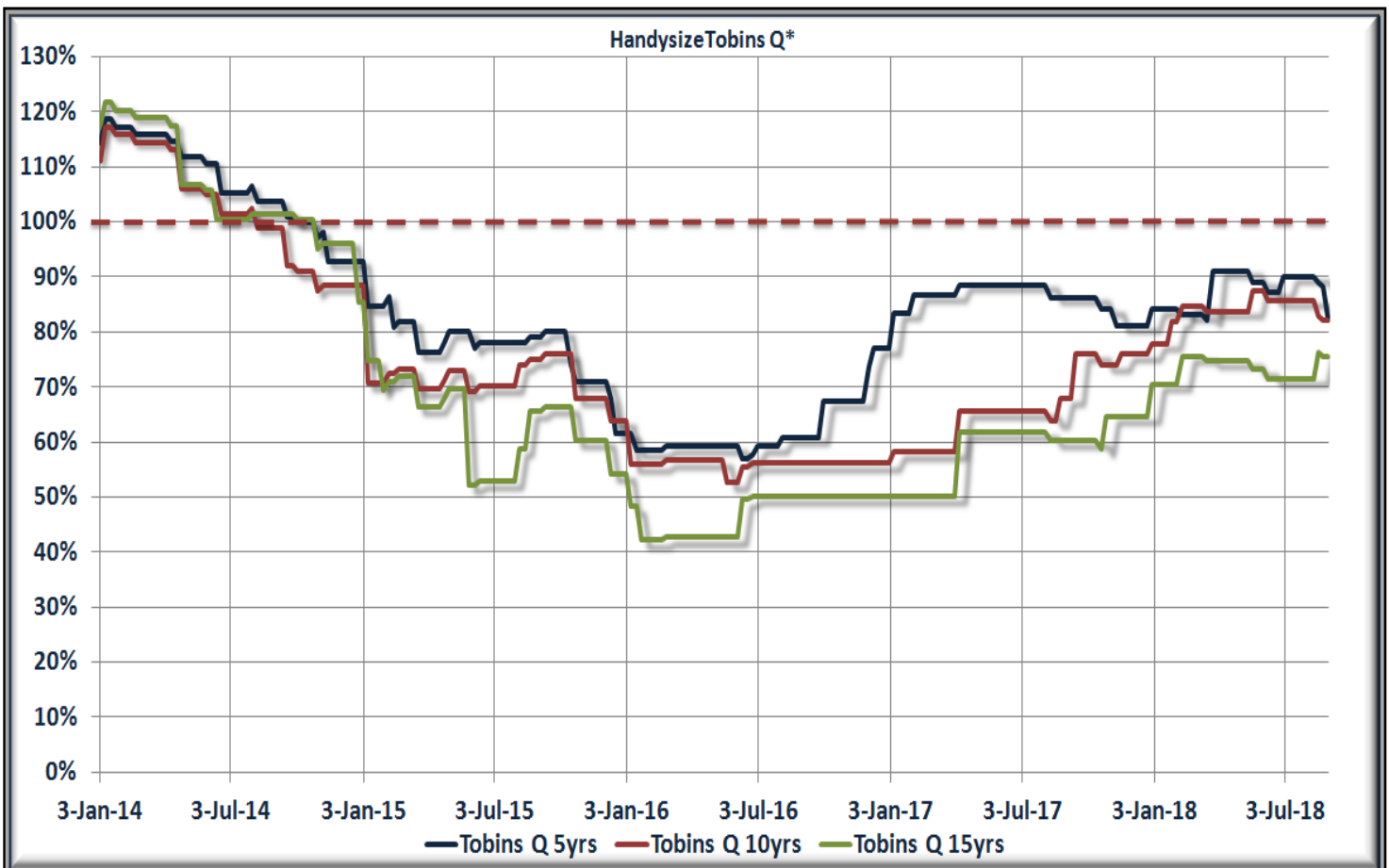
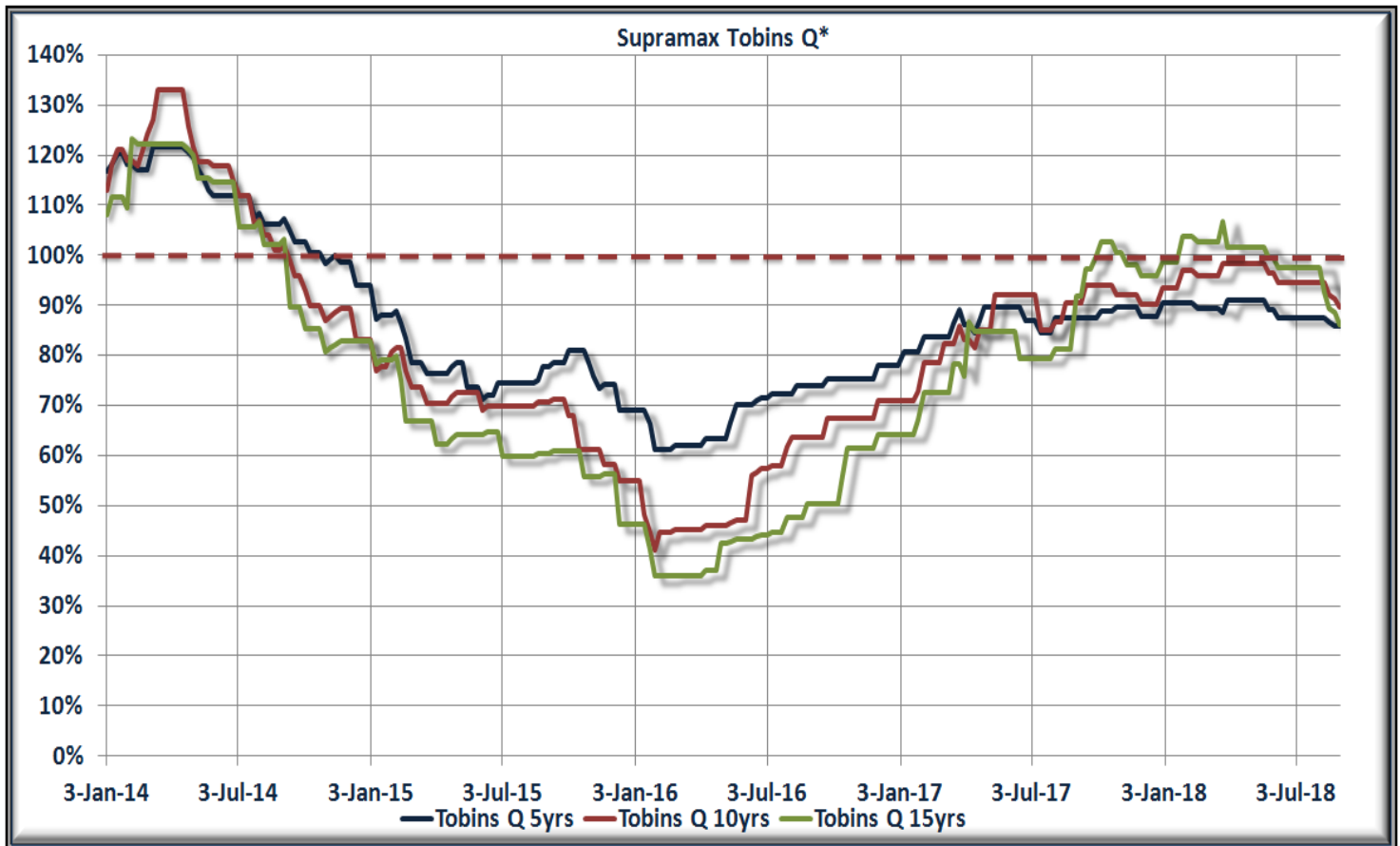
Reported Recent S&P Activity						
Vessel Name	DWT	Built	Yard/Country	Price \$Mil.	Buyer	Comments
CPO Oceania	179,701	2010	Daewoo/S.Korea	27.2	Undisclosed	
Five Stars Fujian	181,383	2009	Sasebo/Japan	25	Greek buyers	
NSS Grandeur	176,882	2006	Mitsui/Japan	20.5		
Ten Jin Maru	98,681	2011	Tsuneishi Zhoushan/China	20.5	Undisclosed	
Ocean Scorpio	81,687	2013	Yangfan/China	17.5	Chinese buyers	Part of en bloc
Hampton Bay	81,508	2009	Universal/Japan	17.9	undisclosed	
Alkyon	74,875	2001	Hitachi/Japan	9.75	Undisclosed	
Genco Surprise	72,495	1998	Imabari/Japan	5.5	Chinese buyers	
Ocean Broaden	63,562	2013	Taizhou Kouan/China	15.7	Far Eastern buyers	C 4x30
Aquapride	61,465	2012	Iwagi/Japan	20	Undisclosed	C 4x30,7
Nord Crest	61,654	2011	Oshima/Japan	19.5	Greek buyers	C 4x30
Nautical Aventurin	56,778	2012	Hantong/China	low-mid 13	Chinese buyers	C 4x30
Em Crystal	57,353	2011	STX/China	12	Chinese buyers	C 4x30
Sagar Jyoti	58,110	2011	Tsuneishi Zhoushan/China	16.5	HK buyers	C 4x30
Genco Cavalier	53,617	2007	Yangzhou Dayang/China	Low 10	Undisclosed	
Jin Cheng	52,961	2003	Oshima/Japan	8.7	Chinese buyers	C 4x30
Ocean Glory	45,500	2000	Imabari/Japan	6	Undisclosed	C 4x30.5
Avlemon	42,584	1997	Brodosplit/Croatia	3.2	Chinese buyers	C 4x30 auction sale
Newchang	38,800	2017	Huanghai/China	18.9	Singaporean buyers	C 4x30
Global Arc	33,438	2013	Shin Kochi/Japan	15.25	Far Eastern buyers	C 4x30
Signe Bulker	32,755	2010	Jiangmen Nanyang/China	9.6	Greek buyers	C 4x30.5
Tequila Sunrise	31,612	2009	Saiki/Japan	11.3	Greek buyers	C 4x30
Clipper Valour	34,790	2003	Tianjin Xingang/China	6.2	Undisclosed	C 4x30
Bright Rainbow	28,397	2013	I-S/Japan	11	Undisclosed	C 4x30.5
Gloria Island	28,401	2012	I-S/Japan	13	Undisclosed	C 4x30.7
Di Sheng	27,641	2010	Zhejiang Tianshi/China	9.2	Chinese buyers	C 4x30 auction sale
IVS Shikra	29,664	2008	Shikoku/Japan	7.8	Greek buyers	C 4x30.5
Vinalines Fortuna	26,369	1991	Hakodate/Japan	2.3	Undisclosed	C 4x30.5

Tobin's Q* Capesize-Panamax						
Date	Capesize 5yrs	Capesize 10yrs	Capesize 15yrs	Panamax 5yrs	Panamax 10yrs	Panamax 15yrs
Current ratio	95%	88%	79%	85%	91%	84%
12months High	98%	88%	81%	95%	102%	102%
12months Low	87%	74%	65%	85%	87%	83%
12months Avg	93%	83%	75%	90%	95%	93%

Tobin's Q* Supramax-Handysize						
Date	Supramax 5yrs	Supramax 10yrs	Supramax 15yrs	Handysize 5yrs	Handysize 10yrs	Handysize 15yrs
Current ratio	86%	89%	86%	83%	82%	76%
12months High	91%	98%	107%	91%	87%	76%
12months Low	86%	89%	86%	81%	68%	59%
12months Avg	89%	94%	99%	86%	81%	70%

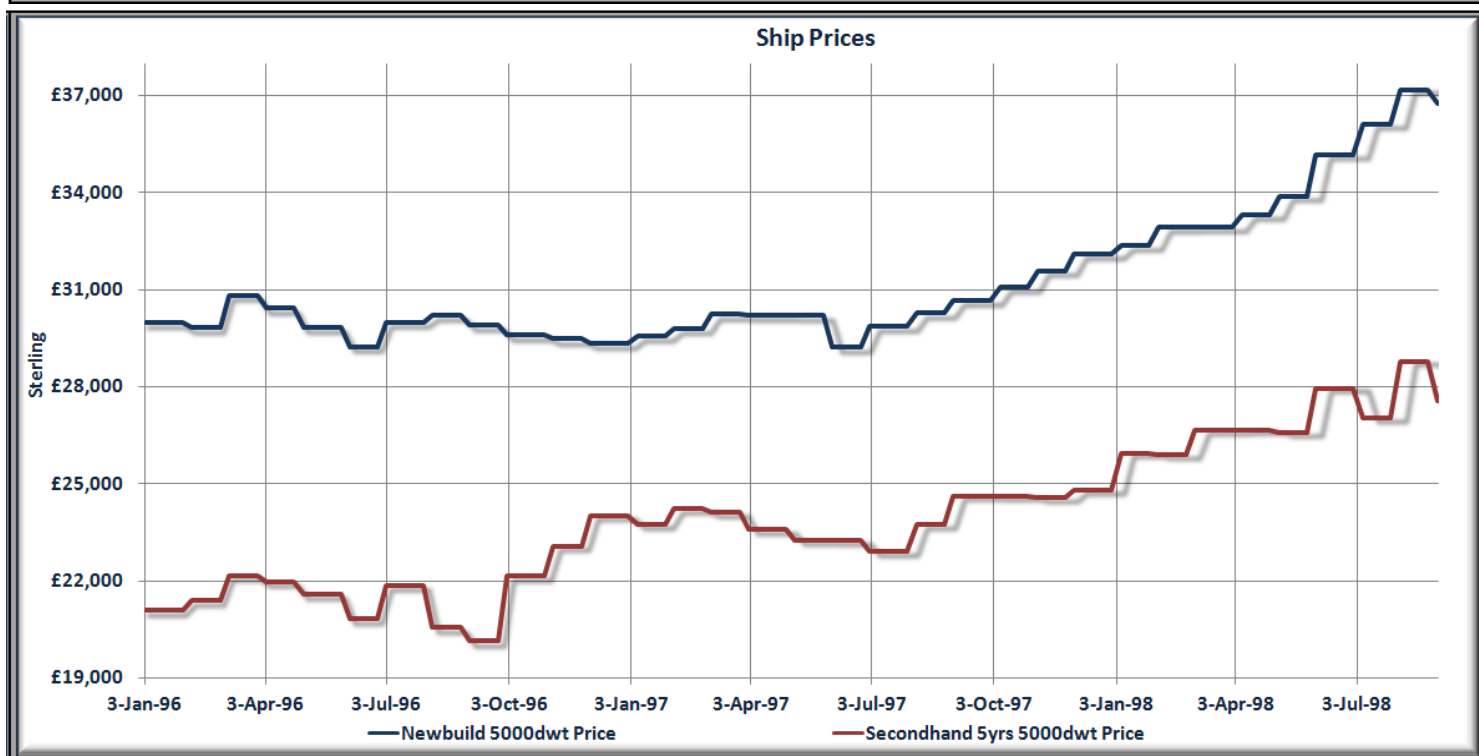
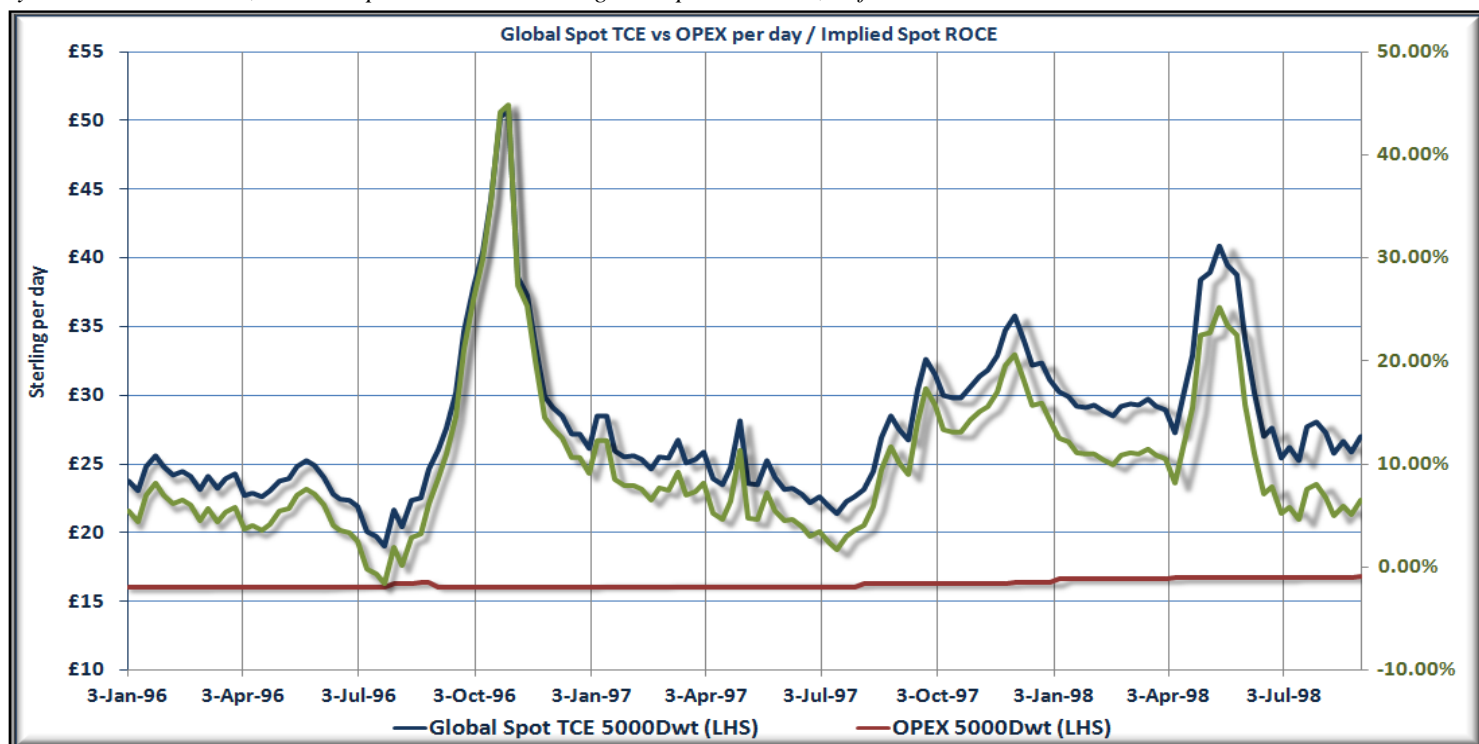
\*Tobin's Q represents the ratio between the market value and replacement value of a physical asset, with numerator and denominator adjusted to same age basis. According to economic theory, this ratio should be mean reverting towards 1 or 100%, for assets that do not face technological obsolescence.





## 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-98	Jul-98	Jun-98
Implied Spot Roce	6.6%	5.2%	5.8%	6.6%	9.5%
Global Spot TCE	£26.90	£25.82	£26.31	£26.71	£28.76
BlackSea Round	£26.45	£26.79	£26.80	£26.12	£27.37
East Round	£41.41	£36.86	£34.40	£34.93	£38.62
Med Round	£22.06	£19.84	£22.23	£24.22	£26.51
US Round	£30.05	£26.31	£27.61	£31.57	£35.54
River Plate Round	£29.66	£32.94	£30.55	£25.81	£30.71

S&P Market (5,000dwt)	Current week	Previous week	Aug-98	Jul-98	Jun-98
NB	£36,760	£37,180	£37,180	£36,104	£35,167
SH 5yrs old	£27,579	£28,786	£28,786	£27,034	£27,962
SH 10yrs old	£21,170	£22,358	£22,358	£20,727	£21,630
SH 15yrs old	£15,947	£17,272	£17,272	£15,562	£16,558

\*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...

A good deal of the current demoralization is no doubt due to the state of the grain markets this side, for with the prospects of good harvests foreign cereals are neglected, while again indirectly and to a great extent, the prolonged coal struggle has brought about considerable disorganization. As we said last week, tonnage has got congested and employment reduced to a large extent for the time being. Even were the strike to end this week, we doubt if it would now materially improve the condition of the homeward markets for September, as the available supply of tonnage is ample for all requirements. In this context, the average returns on capital employed in shipping during this week (01-September-1898) trended sideways, concluding at 6.6%.

For October loading, prospects would be different and more encouraging, as a large proportion of tonnage would be out of position for loading home during that month. In the meantime, business seems to drag along wearily. Especially from the US, grain rates are still ranging from close upon the lowest on record. Additionally, Black Sea rates can hardly be called remunerative taken in conjunction with what employment owners have obtained outwards and also considering the enormously increased cost of bunkers. River Plate rates are disappointing as well, as from Up River only 16s 3d is quoted and from the lower ports 11s 9d for prompt loading. For later shipments rates are better, but still far below what might reasonably be expected for such position. The only direction that has exhibited much animation is the East, with rates all around having been firm and many fairly good fixtures concluded.

Black Sea business, especially as far as Odessa is concerned, is hampered by the insignificant arrivals of the new season's crop. Boats were taken up long ago in anticipation of there being plenty of grain for shipment on their arrival, but this not being the case as long delay is experienced in loading. As soon as the new grain comes forward this congestion should speedily be removed. The Odessa berth rate to L.H.A.R. is 10s and for September-October 11s. From Poti, a considerable business has been done for September loading at 14s to Rotterdam, 14s 2d to Middlesbrough and 13s to Wales. If these boats are going to experience the delay that has recently occurred at this port, the profit by reason of the increased rates paid will soon vanish and the business will turn out to be somewhat the reverse. There has been little animation in the Danube market. Mediterranean business has been restricted to an insignificant amount of chartering. From Smyrna and the Sea of Marmora 11s 4d is quoted for London, Hull or Leith. From the Syrian Coast to UK 13s per tonne for barley may be obtainable. The only ore charters effected appear to be those of one or two boats from Carloforte. In the American market, grain rates are slightly better and there is a little more inquiry for grain, with berth rates from the Northern ports to UK/Cont. being 2s 5d per quarter. From the Gulf Ports, tonnage for the 15th/30<sup>th</sup> September loading worth 13s 7d and for later loading 14s 2d. From Pensacola, Ship Island, Mobile, etc. Sept/Oct timber tonnage is worth 112s 6d to 113s 9d per standard for UK, Holland, Belgium or Elbe. River Plate are inactive, but if the reports for the available supply of grain for export are correct, there ought soon to be some improvement in this direction. The Eastern market has continued firm and the prospects are that rates will be well maintained, if not advanced, as the demand is outpacing the supply. Outward coal rates in all directions are considerably firmer in anticipation of an early settlement of the coal strike.

On the S&P front, both the newbuilding and the secondhand market trended downwards. A typical newbuilding 5,000dwt British-build steamer is currently at the market for £36,750, or down 1.1% on a monthly basis, whereas a five-year old of the same dwt and specification at circa £27,500, or -4.2% M-o-M.