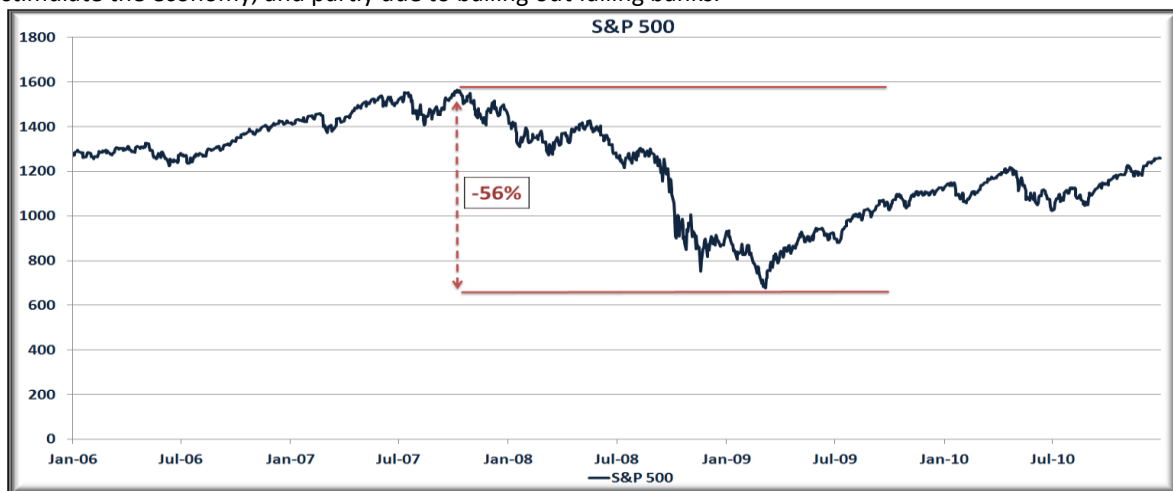
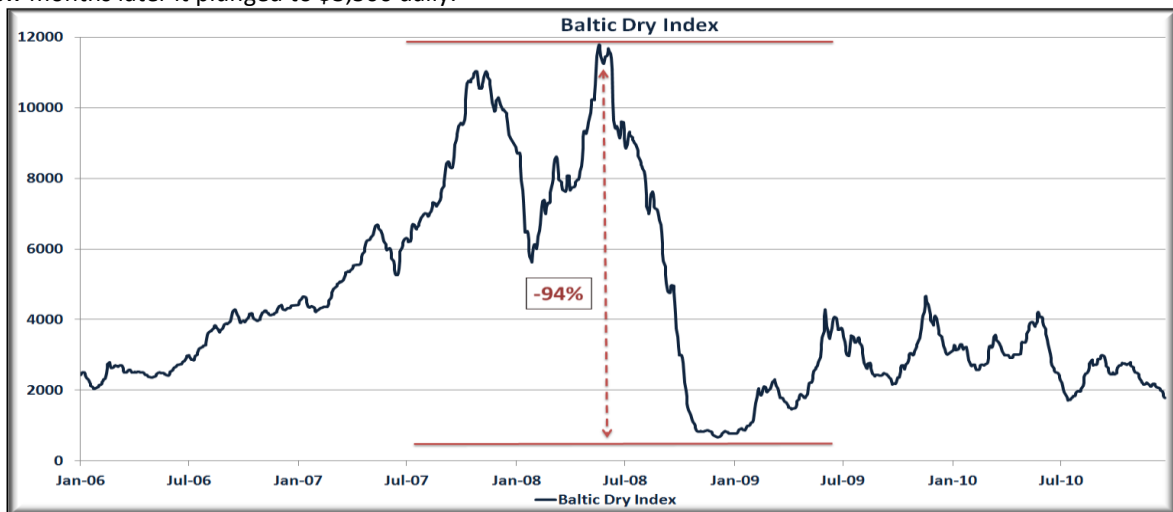


In Greek mythology, Lethe was one of the five rivers of the underworld of Hades. It was believed that all those who drank from it experienced complete forgetfulness. Lethe was also the name of the Greek spirit of forgetfulness and oblivion, with whom the river was often identified. In contrast to Lethe, the river of memory, namely Mnemosyne, offered the flip side. According to the myth, those who chose to refresh themselves here sharpened their memory. Mnemosyne was also the goddess of memory in Greek mythology. Ten years after the Lehman collapse, the managing director of IMF, Christine Lagarde, brought back one of the defining events of our time - Lehman Brothers filing for bankruptcy. Lehman earthquake and its seismic waves that moved through and around the whole financial system pushed the S&P 500 down, with the latter reporting 56-percentage-point losses in just few months. Furthermore, the collapse of the bank triggered a broader run leading to systemic financial crisis. All told, twenty-four countries fell victim to the ensuing banking crises, and activity has still not returned to trend in most of them. Public debt in advanced economies rose by more than 30 percentage points of GDP – partly due to economic weakness, partly due to efforts to stimulate the economy, and partly due to bailing out failing banks.



Being at the epicenter of the global economy, the shipping industry couldn't have remained unaffected from the tsunami generated by this financial shock. In particular, the Baltic Dry Index fell off the cliff, having a firsthand experience of what a "Wile E Coyote moment" means. It took BDI less than 150 trading days to plunge from 11,793 points to just 663 points, or -94%. To put it into perspective, when Greek shipping community left the office for a summer break, the Baltic Capesizes 4TC hovered at circa \$150,000 daily, whilst a few months later it plunged to \$3,500 daily.



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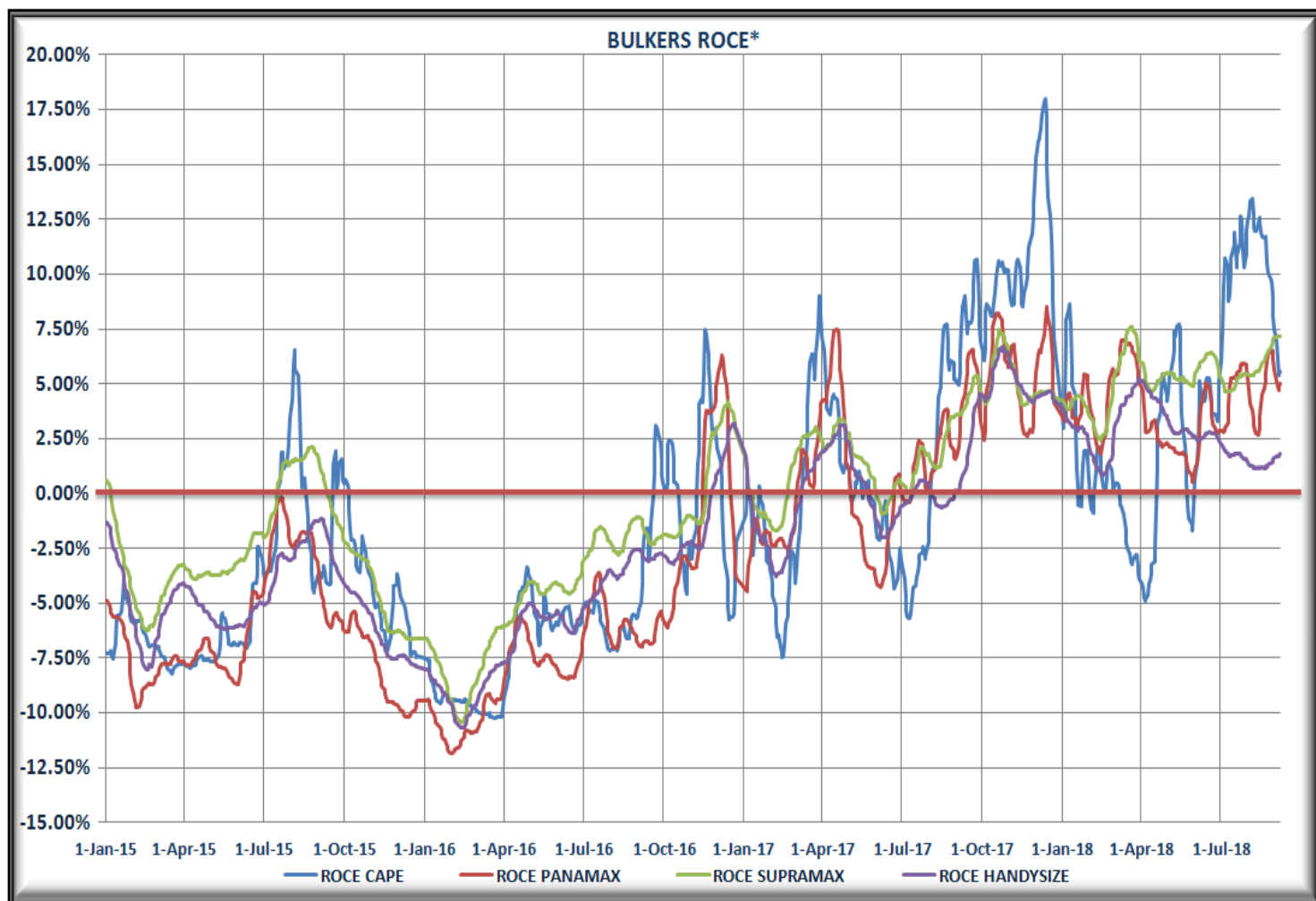
Ten years later, the global economy and dry bulk sector appear to be in much better shape. Although the policy response to these pre-crisis risks was inadequate, the immediate one was impressive, according to Christine Lagarde. The governments of the major economies represented by the G20 coordinated policies on a global scale. Central banks slashed policy rates and later sailed deep into unknown seas with unconventional monetary policy. Governments propped up demand with large fiscal stimuli. These exceptional measures increased the demand for shipping services but also the supply of tonnage. It took roughly ten years to global economy and shipping industry to leave behind the Lehman shock and prove that they have the ability to move higher. From now on, they have also to demonstrate that they can stand alone on their own feet, without accommodative economic policies supporting them.

**Freight market 120yrs ago (page 12):** "The South Wales strike is at last at an end. It will be a long time before the losses can be retrieved..."

## Dry Cargo Spot Market

With the rates of gearless segments being under pressure, the general index touched a two-month low of 1477 points on Wednesday, before edging up to 1490 points on this Friday closing. Capesizes headed further south, concluding below 2500 points for the first time in the last two months at 2411 points. After scoring their highest levels for the current year on last Monday, Panamaxes drifted lower to 1528 points on this week closing. After a period of downward movement, geared bulkers extended their rally during the 36th week. With a two-point rise, BSI ended at 1134 points, reporting new year highs of 1135 points on Thursday. On the same wavelength, BHSI balanced at 568, last seen at early July.

At the box office, Capesize ROCE balanced at 5.53%, or circa 700 basis points lower than its recent maxima. A tad lower than that, Panamax ROCE lay at 5.01%. Supramax and Handysize ROCEs moved up to 7.17% and 1.79% respectively.



| Baltic Freight Indices |      |          |           |           |            |
|------------------------|------|----------|-----------|-----------|------------|
| Date                   | BDI  | BCI 5TC  | BPI - TCA | BSI - TCA | BHSI - TCA |
| 3-Sep-18               | 1557 | \$20,293 | \$12,337  | \$12,491  | \$8,168    |
| 4-Sep-18               | 1513 | \$19,344 | \$12,148  | \$12,509  | \$8,177    |
| 5-Sep-18               | 1477 | \$18,493 | \$12,049  | \$12,514  | \$8,196    |
| 6-Sep-18               | 1484 | \$18,600 | \$12,151  | \$12,512  | \$8,200    |
| 7-Sep-18               | 1490 | \$18,676 | \$12,249  | \$12,514  | \$8,233    |
| 12-month High          | 1774 | \$30,475 | \$13,740  | \$12,514  | \$10,104   |
| 12-month Low           | 948  | \$7,051  | \$9,262   | \$9,350   | \$7,433    |
| 12-month Avg           | 1384 | \$18,404 | \$11,464  | \$10,967  | \$8,692    |
| 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.

It was a bearish summer for commodities, with price declines on the back of protectionism, the prospects for rising interest rates, and a stronger dollar. In sync, **Capesizes** landed to a two-month low of \$18,676 daily on this Friday's closing.

In the Pacific basin, the 2018 Beijing Summit of the Forum on China-Africa Cooperation made headlines. African leaders spoke highly of the summit and agreed that it was a historic meeting strengthening Africa-China solidarity and cooperation. They expressed support and appreciation for the Belt and Road Initiative, believing that the joint building of the Belt and Road by Africa and China will speed up African regional integration. Chinese President Xi Jinping said they have decided to firmly uphold an open world economy and the multilateral trading system, while opposing protectionism and unilateralism. In reference to the freight market, the Baltic C5 index slid to \$8.536 pmt, or 3.1% lower than the 35th week of the year. Pacific Bulk booked the 'Rosco Maple' (181,453 dwt, 2010) for a trip via Australia at \$18,000 daily, basis delivery Rizhao and redelivery Singapore-Japan. Last week, 'Sealink' (180,116 dwt, 2010) was reported fixed to perform a similar trip at \$20,000 daily. The Baltic transpacific index (C10\_14) ended higher at \$19,225 daily, or -5.9% W-o-W.

In the Atlantic basin, Brazil exported 35.6 Mt of iron ore in August, up by 1.5 Mt year-on-year and the fifth consecutive month of annual growth, according to official data. As far as the freight market is concerned, the Baltic C3 index trended downwards to \$21.173 pmt. On Tuesday, U Ming took a 2014 Newcastlemax for a 15-20 September 180,000-tonne 10% cargo from CSN to Qingdao at \$21.25. The fronthaul index (C9\_14) ended at \$35,568 daily whereas the Transatlantic index (C8\_14) lingered at \$15,995 daily, or lower by 5.6% and by 18.1% W-o-W respectively. For a fronthaul run, the 'Xin Chang Hai' (178,361 dwt, 2017) was fixed at \$35,000 daily for a trip via Trinidad or Brazil, basis delivery Gibraltar and redelivery Singapore-Japan.

On the period front, the 'Lowlands Orchid' (176,193 dwt, 2005) secured employment for the next 4/6 months at \$25,250 daily, basis delivery China and redelivery worldwide.

| Representative Capesize Fixtures |         |       |           |           |                 |          |              |   |
|----------------------------------|---------|-------|-----------|-----------|-----------------|----------|--------------|---|
| Vessel                           | DWT     | Built | Delivery  | Date      | Re-del          | Rate     | Charterers   | Comment                                     |
| Rosco Maple                      | 181,453 | 2010  | Rizhao    | 10-Sep    | Singapore-Japan | \$18,000 | Pacific Bulk | via Australia                               |
| Anangel Virtue                   | 180,391 | 2012  | Beilun    | prompt    | Singapore-Japan | \$19,500 | Cargill      | via west Australia                          |
| Sealink                          | 180,116 | 2010  | Lanshan   | spot      | Singapore-Japan | \$20,000 | cnr          | via Australia - fixed last week             |
| Shinyo Diligence                 | 176,955 | 2006  | CJK       | 10/15 Sep | China           | \$19,750 | RGL          | in d/c trip via Australia - fixed last week |
| Xin Chang Hai                    | 178,361 | 2017  | Gibraltar | 06-Sep    | Singapore-Japan | \$35,000 | Oldendorff   | via Trinidad or Brazil                      |
| Lowlands Orchid                  | 176,193 | 2005  | China     | 7 Sep     | WW              | \$25,250 | Oldendorff   | 4/6 months                                  |

With overall sentiment struggling to recover from last weeks' short pause, Baltic **Panamax** Index concluded down at \$12,249 daily, but higher than intra-week lows.

The Pacific region has showed strong and positive signs of recovery this week. Australian and NoPac demand has picked up significantly enough to attract spot/prompt tonnage out of CJK/Japan range. South China/South East Asia tonnage was absorbed in minerals trading, which helped to maintain rates at healthy levels and in some cases push slightly over last done. 'Zheng Hui' (81,797 dwt, 2014) reported fixed at \$12,500 daily with 05 September delivery at Ningde for a coal trip via Indonesia to India. A busy Australian coal trading was recorded this week with around 15 reported fixtures. 'LMZ Bianca' (81,630 dwt, 2013) who got \$12,000 daily with 08 September delivery at Nantong for a coal trip via East Australia to India. L/M/E 'Medi Vitoria' (76,615 dwt, 2016) fixed at \$11,800 daily with 10/15 September delivery at CJK for an East Australian round trip, intended redelivery in South China. Increased activity out of NoPac, with Charterers paying healthier rates comparing to what we've seen throughout the summer. 'CBC Fuyi' (81,604 dwt, 2014) reported at \$13,250 daily hire, with 11/15 September delivery at Tomakomai for a grain trip via NoPac to Singapore/Japan range. 'Boreal' (74,181 dwt, 2002) was employed to carry petcoke via NoPac back to the Fareast, at \$13,000 daily with prompt delivery at Kinuura.

A tough week in the Atlantic, with t/a rates suffering a sharp discount, while front-haul trading seemed blurry with no conventional 'last done' base rate. 'Mv Vision' (81,502 dwt, 2015) fixed at \$16,250 daily plus \$625,000 GBB for 21/30 September loading in ECSA. The smaller and older 'Bonanza YR' (76,453 dwt, 2006) got slightly lower than \$16,000 daily plus \$600,000 GBB, while on week's closing 'Axios' (82,000 dwt, 2017) achieved tick less than \$17,000 daily plus \$700,000 GBB. No grain activity recorded from the northern Atlantic major grain ports, except 'Aeolian Light' (82,014 dwt, 2007), who managed to get \$13,100 daily plus \$310,000 gbb from US Gulf for a trip back to Liverpool. With most major trades in slow motion, T/A was bidding in the mid \$10,000 levels from either sides of the North Atlantic. 'Key Pacifico' (81,812 dwt, 2015) achieved a \$16,000 daily with 07/09 September delivery at Brake for a trip via Murmansk and Turkey, with redelivery Passero. 'Key Opus' (81,864 dwt, 2015) managed to get \$14,000 daily with 05 September delivery Gibraltar for one T/C trip via USEC back to Skaw/Gibraltar range.

On the period front, 'Medusa' (82,194 dwt, 2010) was linked to grain house in direct continuation at \$14,000 daily for 3 September delivery at Chiba for a long period of 13 to 15 months duration. On shorter duration, 'MBA Liberty' (82,217 dwt, 2010) reported fixed at \$13,500 with 10/11 September delivery at Fangcheng for 4 to 6 months.

| Representative Panamax Fixtures |        |       |             |            |                 |                     |                |                     |
|---------------------------------|--------|-------|-------------|------------|-----------------|---------------------|----------------|---------------------|
| Vessel                          | DWT    | Built | Delivery    | Date       | Re-del          | Rate                | Charterers     | Comment             |
| Key Pacifico                    | 81,812 | 2015  | Brake       | 07/09 Sept | Passero         | \$16,000            | Klaveness      | via Murmansk/Turkey |
| Key Opus                        | 81,863 | 2015  | Gibraltar   | 05 Sept    | Skaw-Gibraltar  | \$14,000            | NS United      | via USEC            |
| Aeolian Light                   | 82,014 | 2007  | US Gulf     | 08 Sept    | Liverpool       | \$13,100+\$310k gbb | XO Shipping    | w/grains            |
| Axios                           | 82,000 | 2017  | ECSA        | 20/30 Sept | Singapore-Japan | \$16,900+\$690k gbb | Marubeni       |                     |
| Zheng Hui                       | 81,797 | 2014  | pass Ningde | 05 Sept    | India           | \$12,500            | LSS            | via Indo            |
| CBC Fuyi                        | 81,604 | 2014  | Tomakomai   | 11/15 Sept | Singapore-Japan | \$13,250            | Sinotrans      | via NoPac           |
| Boreal                          | 74,181 | 2002  | Kinuura     | prompt     | Singapore-Japan | \$13,000            | Oldendorff     | via NoPac/w/petcoke |
| LMZ Bianca                      | 81,630 | 2013  | Nantong     | 08 Sept    | India           | \$12,000            | Hyundai Glovis | via Aus             |
| Medi Vitoria                    | 76,616 | 2004  | CJK         | 10/15 Sept | S.China         | \$11,800            | Pacific Bulk   | via EAus            |
| Medusa                          | 82,194 | 2010  | Chiba       | 3 Sept     | worldwide       | \$14,000            | Cargill        | 13/15 mos (in d/c)  |
| MBA Liberty                     | 82,217 | 2010  | Fangcheng   | 10/11 Sept | worldwide       | \$13,500            | Nordic         | 4/6 mos             |

Without significant change, **Supramaxes** have seen the BSI TCA trending sideways to \$12,514 daily.

The market in the Pacific appeared relatively softer with decreased flow of fresh cargoes entering the market which pushed the indices on a negative stream. The North was affected less than the rest of the Far East and South East Asia regions as the tonnage list remains somewhat shorter. The "Star Norita" (58,097dwt, 2012) was reported fixed at \$9,000 delivery Panjin for a petcoke cargo to India but it wasn't revealed whether was ending up in the east coast or west coast. On Nickel ore runs, the "Josco Hangzhou" (58,669dwt, 2012) was fixed for a trip via Philippines to south or north China at \$11,750 or \$12,250 respectively, basis delivery Lianyungang. On the Indonesian coal front, rumours had the Indian Ocean ballaster "Belita" (60,479dwt, 2017) being on subs at a healthy \$17,000 for trip to China, basis delivery Singapore, but no further details surface whether fixture was materialised. From the west coast of India, the "Alik Force" concluded at a descent \$12,000 with delivery very near to the loadport for a trip with salt to China.

This week the market for Supramaxes in the Atlantic started with some momentum from the previous one but soon stabilized and remained relatively flat on most areas. USG remained quiet and little information emerged. From USEC the 'Amis Glory' (55,474 dwt, 2016) was fixed for a trip with grains to continent at \$21,250. Similar was the flow of information in the South Atlantic as well. Nothing concrete emerged apart from rumours having a 58k dwt fixing at around \$17k aps ECSA to MED. The silence from the Continent – Baltic area was deafening with nothing reported or heard. The only notable exception of the sector was the Black Sea which saw even further improvement this week. There was increased activity on fixtures with direction to SEASIA. A notable deal was the one of 'STH Athens' which managed to secure \$22,000 daily basis delivery Canakkale and redelivery SEASIA.

On the period front 'Clipper Kalavryta' (63,325 dwt, 2015) took advantage of her position and locked \$15,000 daily for minimum five months and redelivery Atlantic basis delivery El Dekheila.

| Representative Supramax Fixtures |        |       |             |            |                    |                 |            |                            |
|----------------------------------|--------|-------|-------------|------------|--------------------|-----------------|------------|----------------------------|
| Vessel                           | DWT    | Built | Delivery    | Date       | Re-del             | Rate            | Charterers | Comment                    |
| Alik Force                       | 58,419 | 2011  | Pipavav     | prompt     | China              | \$12,000        | Dooyang    | Sulphur cargo              |
| Josco Hangzhou                   | 58,669 | 2009  | Lianyungang | 06/08 Sept | S.China or N.China | \$11,750/12,250 | Gbc        | Nickel ore via Philippines |
| Star Norita                      | 58,097 | 2009  | Panjin      | prompt     | India              | \$9,750         | Tongli     | Petcoke                    |
| Amis Glory                       | 55,474 | 2016  | Norfolk     | Prompt     | Continent          | \$21,250        | cnr        |                            |
| STH New York                     | 60,309 | 2015  | Canakkale   | Prompt     | SEASIA             | \$22,000        | cnr        |                            |
| Clipper Kalavryta                | 63,325 | 2015  | El Dekheila | Prompt     | Atlantic           | \$15,000        | cnr        | min 5 months               |

Glimpses of hope in the Far East – 'Mixed Grill' once again in the Atlantic on the **Handysize**.

Since mid-July, the Handysize market in the east has been very quiet and rates were in decline. Annual holidays and regional religious holidays factored in, along with a poor crop in Australia which had a major impact. This week the market is trying to find its pace. After several poor fixtures reported, it was heard that Pacific Basin fixed 'New Leader' (36,800 dwt, 2010) open at Gresik on the 12th of September at \$11,500 dop for a trip via Australia to Persian Gulf. This fixture constitutes the first positive sign after many weeks. In the north, 'Imke Selmer' (32,600 dwt, 2010) open at Pohang on the 4th of September fixed steels via Japan to South East Asia at \$8,250 dop. Furthermore, 'Pacific Cypress' (38,000 dwt, 2012) open at Tonda on the 3rd of September fixed at \$9,000 dop for steels ex CIS to Taiwan. There were wide spread rumors that a 28,000 dwt open in Thailand on the 10th of September fixed short period at \$9,000 dop for trades ex Australia/New Zealand. This is definitely improved as last done for short period in the east was around \$8,500.

In the Atlantic, market sentiment was pretty mixed for the past week. In ECSA, things started slow and remained pretty timid. There was an Overall lack of activity. It seems that there is not enough cargo for the few ships around. We heard of 37,300 dwt fixing a trip to Algeria at \$12,250 from Recalada, while a big number was paid on another one but only for a trip to PG. North in the USG, we had a different scenario. There is plenty of cargo around and hence the numbers are getting higher. A lot was kept under wraps, but a 35,000 dwt fixed a trip from NCSA to Med with HBI at \$15,000, while we heard rumours of a 34,000dwt fixing a cargo from the same area to UK/Continent at low \$10,000's. Continent on the other hand, slowed down dramatically, almost like someone pulled the plug on the market. A 38,800 dwt had to fix a trip to S. Africa in order to see \$14,500. South at the Med/BI. Sea things kept on rising. There is strong demand for the few ships that seems to be around. A 38,800 dwt fixed from Varna a steels cargo to Continent at \$12,000, a definitely stronger number than what was done last week.

On the period desk we have heard rumours of a SPP fixing 1 year period at \$9,750 from W. Africa.

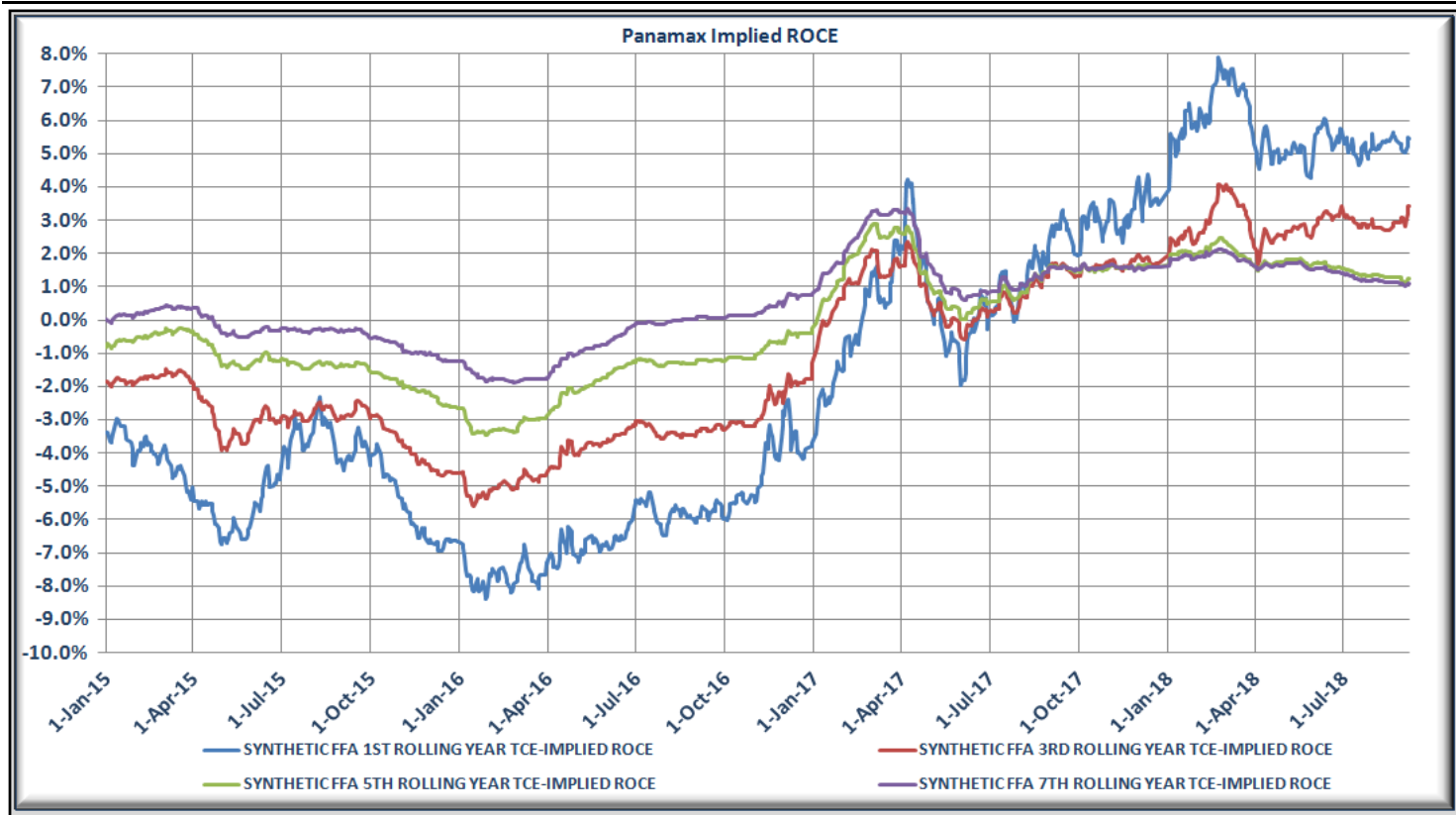
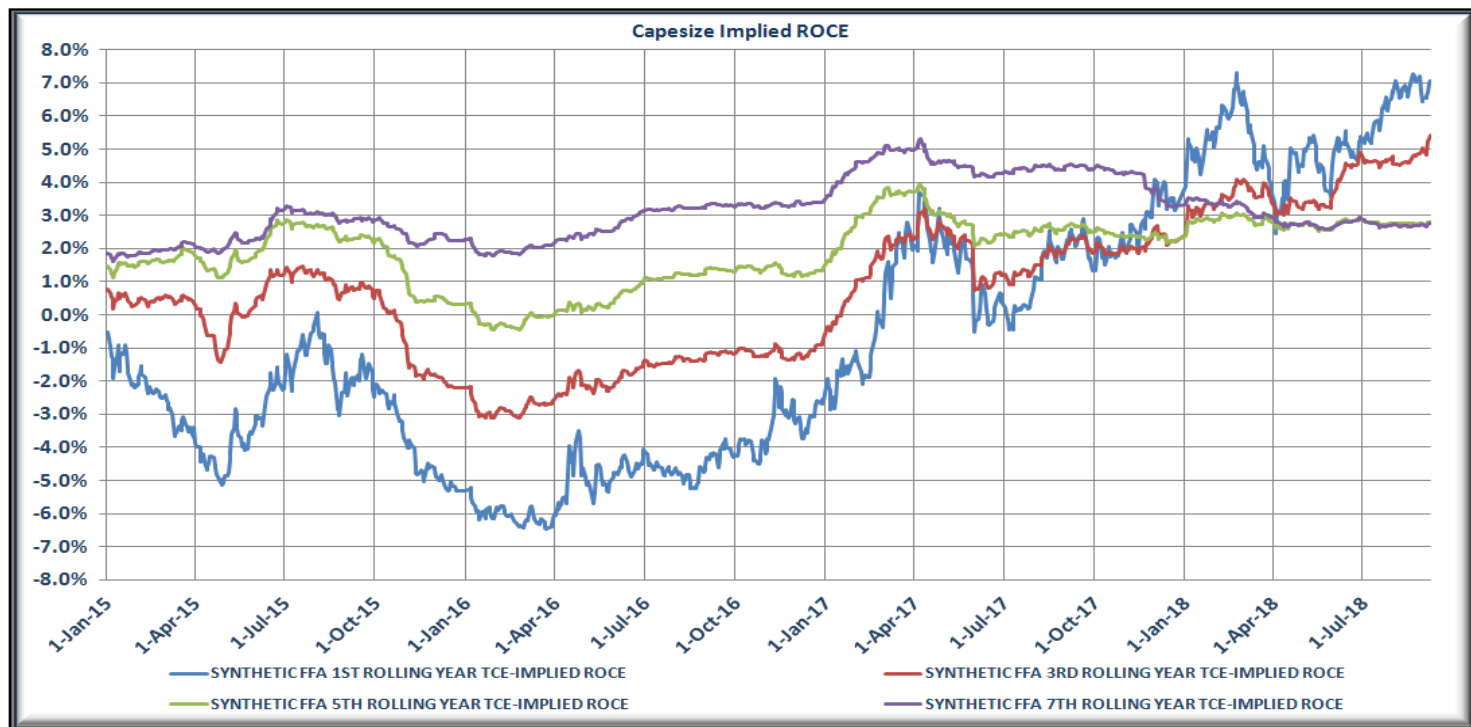
| Representative Handysize Fixtures |        |       |          |        |           |          |            |                      |
|-----------------------------------|--------|-------|----------|--------|-----------|----------|------------|----------------------|
| Vessel                            | DWT    | Built | Delivery | Date   | Re-del    | Rate     | Charterers | Comment              |
| New Leader                        | 36,800 | 2010  | Gresik   | 12-Sep | PG        | \$11,500 | cnr        | via Australia        |
| Imke Selmer                       | 32,600 | 2010  | Pohang   | 04-Sep | SEASIA    | \$8,250  | cnr        | via Japan - Steel    |
| Pacific Cypress                   | 38,000 | 2012  | Tonda    | 03-Sep | Taiwan    | \$9,000  | cnr        | steels               |
| Nordic Alianca                    | 37,500 | 2014  | Santos   | Prompt | PG        | \$19,500 | cnr        | petcoke via Imbituba |
| Interlink Celerity                | 38,762 | 2017  | Brazil   | Prompt | WCSA      | \$15,500 | Weco       | grains               |
| Interlink Comity                  | 37,301 | 2010  | Recalada | Prompt | Algeria   | \$12,250 | Pola       |                      |
| Livadi                            | 25,058 | 2011  | NCSA     | Prompt | Med       | \$15,000 | Ashley     | hbi                  |
| LV Song Hai                       | 38,863 | 2016  | Varna    | Prompt | Continent | \$12,000 | cnr        | steels               |
| Crystalgate                       | 28,183 | 2010  | Damietta | Prompt | PG        | \$11,800 | cnr        | grains (correction)  |



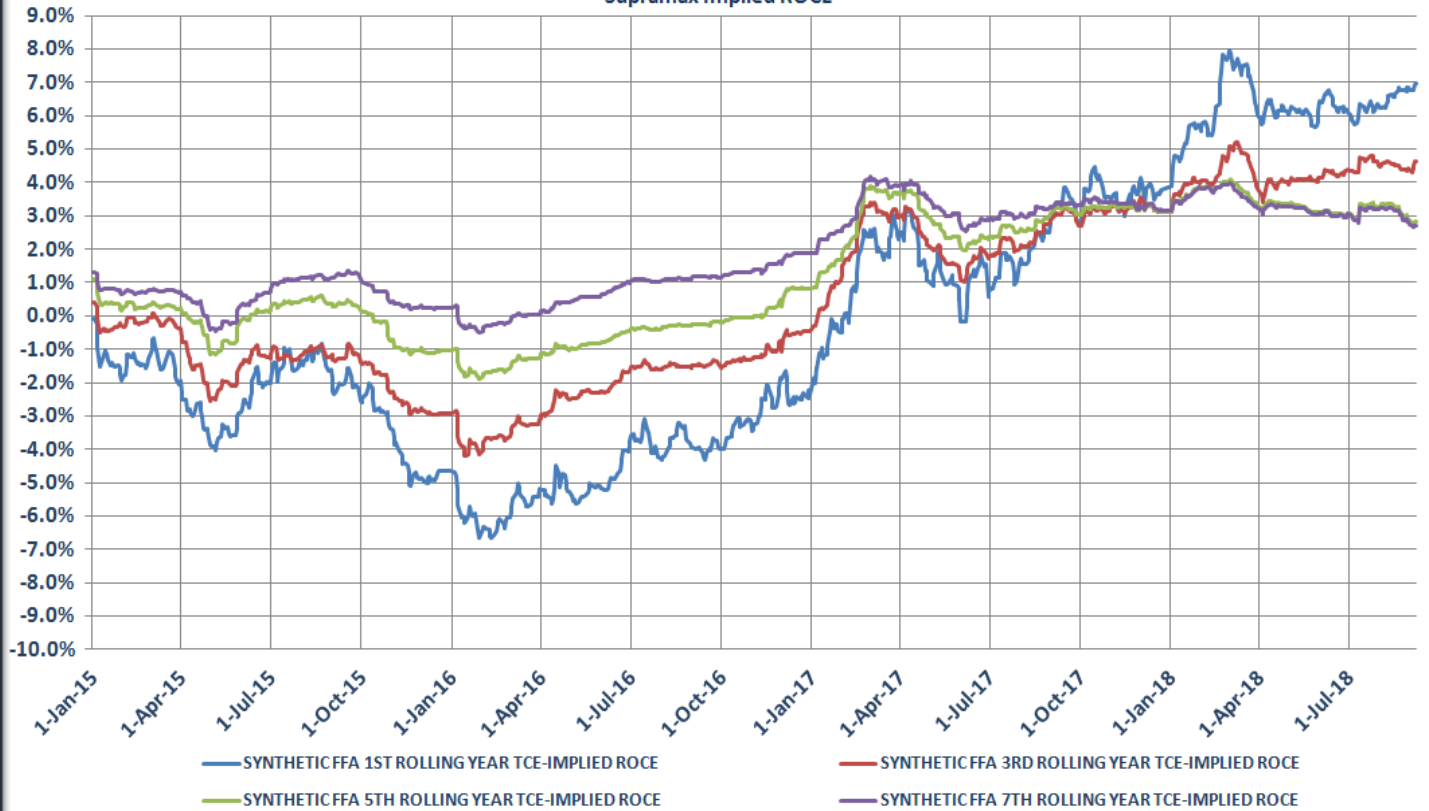
## FFA Market

In a positive week for the FFA market, forward curves moved up. In spite of the softer tone on Cape paper on the early side of the week, prompt months closed higher, with October balancing at \$25,688 daily and November at \$27,225 daily. The short end of the Panamax curve concluded substantially above last Friday's levels, with both October and November finishing higher at \$12,792 and \$12,958 respectively. In the same direction with the spot market, the Supramax forward market went up, with October balancing at \$12,821 and November at \$13,038. The prompt Handysize contracts reported marginal losses to October levels of \$9,175. The back ends of all segments remained virtually unchanged.

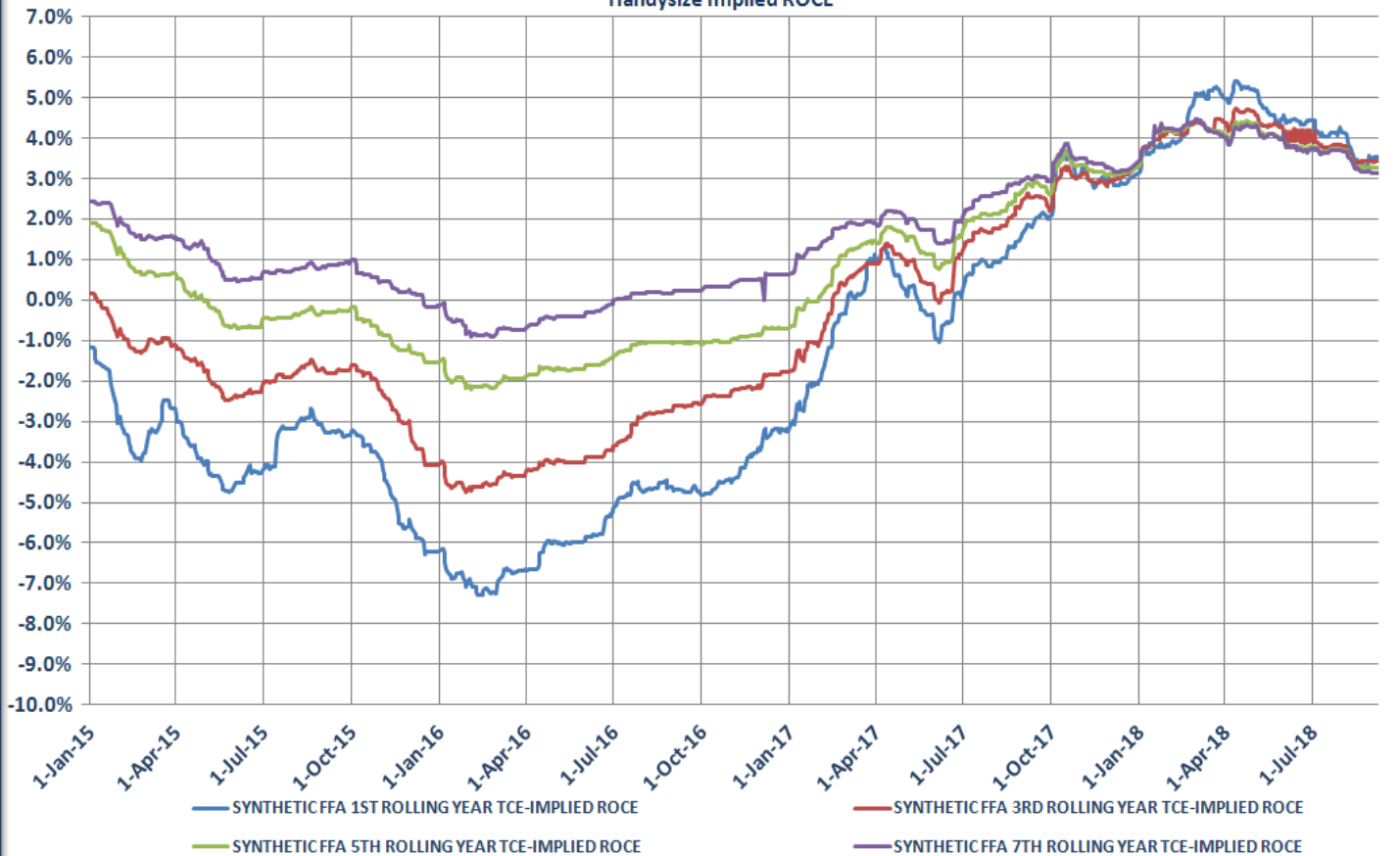
Capesize first rolling year implied ROCE moved up to 7.1% this week, while at the same time the returns of Panamax followed closely to 5.4%. Being on an upward trend, Supramax implied ROCE balanced at 7%. Handy forward ROCE remained unchanged at 3.5%.



Supramax Implied ROCE



Handysize Implied ROCE



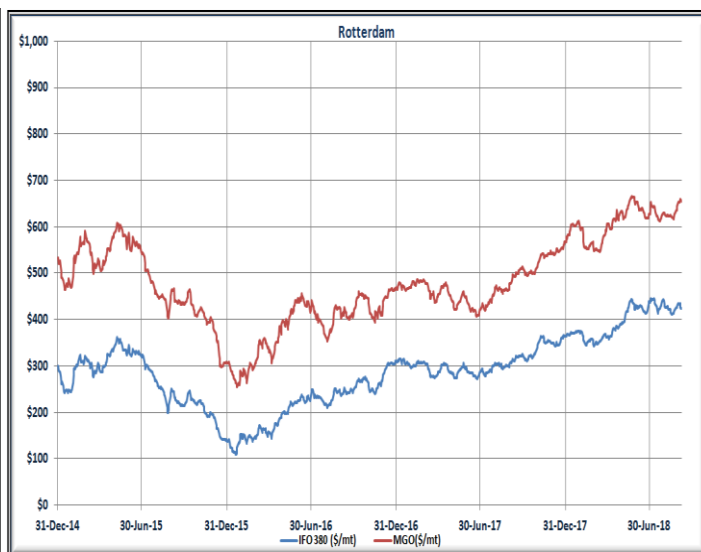
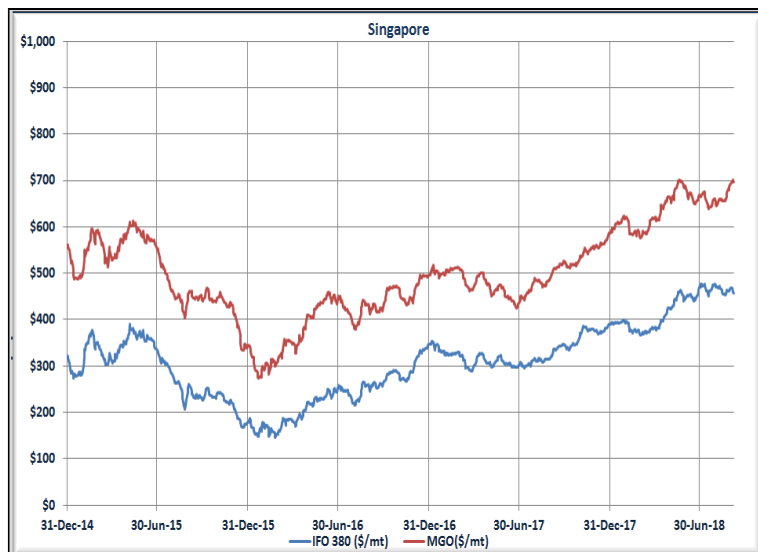
| BFA Cape 5TC |           |          |          |          |          |          |          |          |          |
|--------------|-----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Date         | Sept (18) | Oct (18) | Nov (18) | Q4 (18)  | Q1 (19)  | Q2 (19)  | Cal 19   | Cal 24   | Cal 25   |
| 3-Sep-18     | \$21,967  | \$25,025 | \$27,125 | \$25,569 | \$15,375 | \$16,671 | \$20,341 | \$15,502 | \$15,489 |
| 4-Sep-18     | \$21,783  | \$25,188 | \$26,963 | \$25,531 | \$15,458 | \$16,767 | \$20,461 | \$15,517 | \$15,507 |
| 5-Sep-18     | \$21,325  | \$25,163 | \$27,013 | \$25,568 | \$15,642 | \$16,833 | \$20,640 | \$15,558 | \$15,550 |
| 6-Sep-18     | \$21,913  | \$25,979 | \$27,475 | \$26,053 | \$15,950 | \$17,033 | \$20,838 | \$15,583 | \$15,583 |
| 7-Sep-18     | \$21,583  | \$25,688 | \$27,225 | \$25,889 | \$15,992 | \$17,083 | \$21,059 | \$15,600 | \$15,600 |
| Week High    | \$21,967  | \$25,979 | \$27,475 | \$26,053 | \$15,992 | \$17,083 | \$21,059 | \$15,600 | \$15,600 |
| Week Low     | \$21,325  | \$25,025 | \$26,963 | \$25,531 | \$15,375 | \$16,671 | \$20,341 | \$15,502 | \$15,489 |
| Week Avg     | \$21,714  | \$25,409 | \$27,160 | \$25,722 | \$15,683 | \$16,877 | \$20,668 | \$15,552 | \$15,546 |

| BFA Panamax 4TC |           |          |          |          |          |          |          |         |         |
|-----------------|-----------|----------|----------|----------|----------|----------|----------|---------|---------|
| Date            | Sept (18) | Oct (18) | Nov (18) | Q4 (18)  | Q1 (19)  | Q2 (19)  | Cal 19   | Cal 24  | Cal 25  |
| 3-Sep-18        | \$11,863  | \$12,375 | \$12,667 | \$12,446 | \$11,475 | \$12,617 | \$12,440 | \$9,704 | \$9,696 |
| 4-Sep-18        | \$11,967  | \$12,433 | \$12,713 | \$12,494 | \$11,567 | \$12,696 | \$12,524 | \$9,729 | \$9,713 |
| 5-Sep-18        | \$12,008  | \$12,458 | \$12,754 | \$12,525 | \$11,617 | \$12,733 | \$12,586 | \$9,742 | \$9,721 |
| 6-Sep-18        | \$12,338  | \$12,796 | \$13,025 | \$12,771 | \$11,863 | \$12,879 | \$12,737 | \$9,758 | \$9,729 |
| 7-Sep-18        | \$12,429  | \$12,792 | \$12,958 | \$12,721 | \$11,863 | \$12,875 | \$12,710 | \$9,758 | \$9,729 |
| Week High       | \$12,429  | \$12,796 | \$13,025 | \$12,771 | \$11,863 | \$12,879 | \$12,737 | \$9,758 | \$9,729 |
| Week Low        | \$11,863  | \$12,375 | \$12,667 | \$12,446 | \$11,475 | \$12,617 | \$12,440 | \$9,704 | \$9,696 |
| Week Avg        | \$12,121  | \$12,571 | \$12,823 | \$12,591 | \$11,677 | \$12,760 | \$12,599 | \$9,738 | \$9,718 |

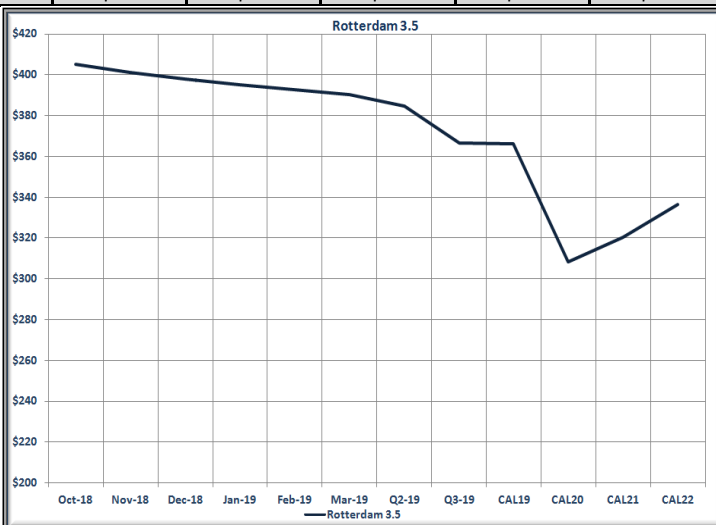
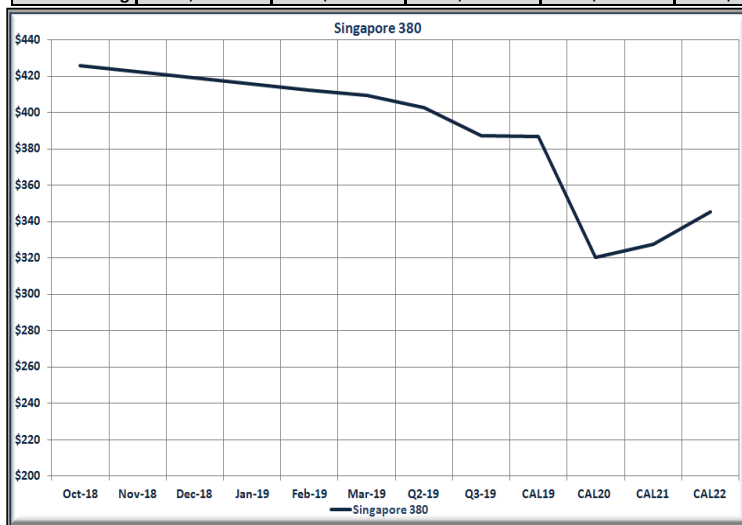
| BFA Supra 5TC |           |          |          |          |          |          |          |         |         |
|---------------|-----------|----------|----------|----------|----------|----------|----------|---------|---------|
| Date          | Sept (18) | Oct (18) | Nov (18) | Q4 (18)  | Q1 (19)  | Q2 (19)  | Cal 19   | Cal 24  | Cal 25  |
| 3-Sep-18      | \$12,492  | \$12,738 | \$12,933 | \$12,744 | \$11,567 | \$12,486 | \$12,413 | \$9,833 | \$9,815 |
| 4-Sep-18      | \$12,538  | \$12,738 | \$12,913 | \$12,747 | \$11,579 | \$12,521 | \$12,413 | \$9,821 | \$9,792 |
| 5-Sep-18      | \$12,579  | \$12,763 | \$12,929 | \$12,774 | \$11,608 | \$12,563 | \$12,500 | \$9,825 | \$9,800 |
| 6-Sep-18      | \$12,688  | \$12,817 | \$13,038 | \$12,857 | \$11,654 | \$12,638 | \$12,563 | \$9,850 | \$9,821 |
| 7-Sep-18      | \$12,704  | \$12,821 | \$13,038 | \$12,853 | \$11,729 | \$12,629 | \$12,588 | \$9,846 | \$9,817 |
| Week High     | \$12,704  | \$12,821 | \$13,038 | \$12,857 | \$11,729 | \$12,638 | \$12,588 | \$9,850 | \$9,821 |
| Week Low      | \$12,492  | \$12,738 | \$12,913 | \$12,744 | \$11,567 | \$12,486 | \$12,413 | \$9,821 | \$9,792 |
| Week Avg      | \$12,600  | \$12,775 | \$12,970 | \$12,795 | \$11,627 | \$12,567 | \$12,495 | \$9,835 | \$9,809 |

| BFA Handysize TC |           |          |          |         |         |         |         |         |         |
|------------------|-----------|----------|----------|---------|---------|---------|---------|---------|---------|
| Date             | Sept (18) | Oct (18) | Nov (18) | Q4 (18) | Q1 (19) | Q2 (19) | Cal 19  | Cal 24  | Cal 25  |
| 3-Sep-18         | \$8,850   | \$9,219  | \$9,369  | \$9,225 | \$8,638 | \$9,256 | \$9,106 | \$8,938 | \$8,906 |
| 4-Sep-18         | \$8,775   | \$9,200  | \$9,369  | \$9,219 | \$8,650 | \$9,275 | \$9,125 | \$8,938 | \$8,906 |
| 5-Sep-18         | \$8,763   | \$9,200  | \$9,369  | \$9,219 | \$8,650 | \$9,275 | \$9,125 | \$8,938 | \$8,906 |
| 6-Sep-18         | \$8,700   | \$9,175  | \$9,369  | \$9,211 | \$8,650 | \$9,275 | \$9,125 | \$8,938 | \$8,906 |
| 7-Sep-18         | \$8,688   | \$9,175  | \$9,369  | \$9,211 | \$8,650 | \$9,275 | \$9,125 | \$8,938 | \$8,906 |
| Week High        | \$8,850   | \$9,219  | \$9,369  | \$9,225 | \$8,650 | \$9,275 | \$9,125 | \$8,938 | \$8,906 |
| Week Low         | \$8,688   | \$9,175  | \$9,369  | \$9,211 | \$8,638 | \$9,256 | \$9,106 | \$8,938 | \$8,906 |
| Week Avg         | \$8,755   | \$9,194  | \$9,369  | \$9,217 | \$8,648 | \$9,271 | \$9,121 | \$8,938 | \$8,906 |

## Bunker Market



|               | Rotterdam |       | Singapore |       | Fujairah |       | Gibraltar |       | Houston |       |
|---------------|-----------|-------|-----------|-------|----------|-------|-----------|-------|---------|-------|
| Date (\$/mt)  | IFO 380   | MGO   | IFO 380   | MGO   | IFO 380  | MGO   | IFO 380   | MGO   | IFO 380 | MGO   |
| 3-Sep-18      | \$433     | \$654 | \$468     | \$694 | \$474    | \$752 | \$461     | \$716 | \$443   | \$709 |
| 4-Sep-18      | \$434     | \$659 | \$468     | \$698 | \$473    | \$755 | \$462     | \$723 | \$444   | \$708 |
| 5-Sep-18      | \$427     | \$659 | \$460     | \$701 | \$467    | \$752 | \$457     | \$720 | \$436   | \$709 |
| 6-Sep-18      | \$425     | \$657 | \$460     | \$697 | \$473    | \$751 | \$456     | \$716 | \$435   | \$708 |
| 7-Sep-18      | \$423     | \$656 | \$458     | \$696 | \$472    | \$750 | \$455     | \$714 | \$434   | \$707 |
| 12-month High | \$446     | \$665 | \$478     | \$701 | \$476    | \$755 | \$477     | \$738 | \$462   | \$709 |
| 12-month Low  | \$311     | \$492 | \$333     | \$509 | \$325    | \$565 | \$328     | \$528 | \$309   | \$532 |
| 12-month Avg  | \$378     | \$584 | \$404     | \$608 | \$401    | \$664 | \$400     | \$635 | \$380   | \$622 |



| Singapore | 07-Sep-18 | Week max | Week low | Week Avg | RTDM 3.5 | 07-Sep-18 | Week max | Week low | Week Avg |
|-----------|-----------|----------|----------|----------|----------|-----------|----------|----------|----------|
| Oct-18    | \$426.0   | \$441.1  | \$426.0  | \$433.0  | Oct-18   | \$405.3   | \$420.6  | \$405.3  | \$412.5  |
| Nov-18    | \$422.5   | \$437.3  | \$422.5  | \$429.5  | Nov-18   | \$401.3   | \$416.6  | \$401.3  | \$408.6  |
| Dec-18    | \$419.3   | \$434.1  | \$419.3  | \$426.3  | Dec-18   | \$397.8   | \$413.1  | \$397.8  | \$405.1  |
| Jan-19    | \$415.8   | \$430.6  | \$415.8  | \$422.9  | Jan-19   | \$395.3   | \$410.6  | \$395.3  | \$402.6  |
| Feb-19    | \$412.3   | \$427.1  | \$412.3  | \$419.4  | Feb-19   | \$392.8   | \$408.1  | \$392.8  | \$400.1  |
| Mar-19    | \$409.3   | \$424.1  | \$409.3  | \$416.3  | Mar-19   | \$390.3   | \$405.3  | \$390.3  | \$397.5  |
| Q4-18     | \$422.6   | \$437.5  | \$422.6  | \$427.6  | Q4-18    | \$401.4   | \$416.7  | \$401.4  | \$407.0  |
| Q1-19     | \$412.4   | \$426.9  | \$412.4  | \$417.7  | Q1-19    | \$393.2   | \$408.5  | \$393.2  | \$398.6  |
| Q2-19     | \$402.9   | \$417.2  | \$400.3  | \$406.6  | Q2-19    | \$384.7   | \$399.2  | \$379.5  | \$387.8  |
| Q3-19     | \$387.4   | \$401.9  | \$362.3  | \$386.7  | Q3-19    | \$366.4   | \$380.5  | \$341.0  | \$365.4  |
| CAL19     | \$386.9   | \$405.2  | \$386.9  | \$395.2  | CAL19    | \$366.4   | \$384.2  | \$366.4  | \$374.4  |
| CAL20     | \$320.4   | \$341.7  | \$320.4  | \$329.8  | CAL20    | \$308.4   | \$327.0  | \$308.4  | \$315.5  |
| CAL21     | \$327.4   | \$359.7  | \$327.4  | \$341.2  | CAL21    | \$320.4   | \$339.0  | \$320.4  | \$326.5  |
| CAL22     | \$345.4   | \$377.7  | \$345.4  | \$359.2  | CAL22    | \$336.4   | \$355.0  | \$336.4  | \$342.5  |



## Dry Bulk S&P Market

In a period with muted demolition activity, dry bulk fleet has been growing at circa 1.8%. Although there was not a single month with a double-digit number of bulkers to be demolished, the deliveries of new vessels were roughly half those of the previous year. During the first eight months, 56 new Ultras and Supras have been added to world fleet, whilst the respective number for Capesizes and Panamaxs is much lower at 27 and 44 for the former and the latter respectively. On the price front, S&P market is on a relative calm period, with the reported deals remained very close to "last donees".

In our secondhand to age-adjusted newbuilding comparison, the market for ten-year-old Capesizes and same-aged Panamaxs hovered at just 12% and 9% off their adjusted newbuilding prices respectively. Ten-year-old Supramaxes are on the market at just 11% less than their newbuilding price, if we compare them on the same age basis, whereas same-aged Handies at a larger discount of 18%.

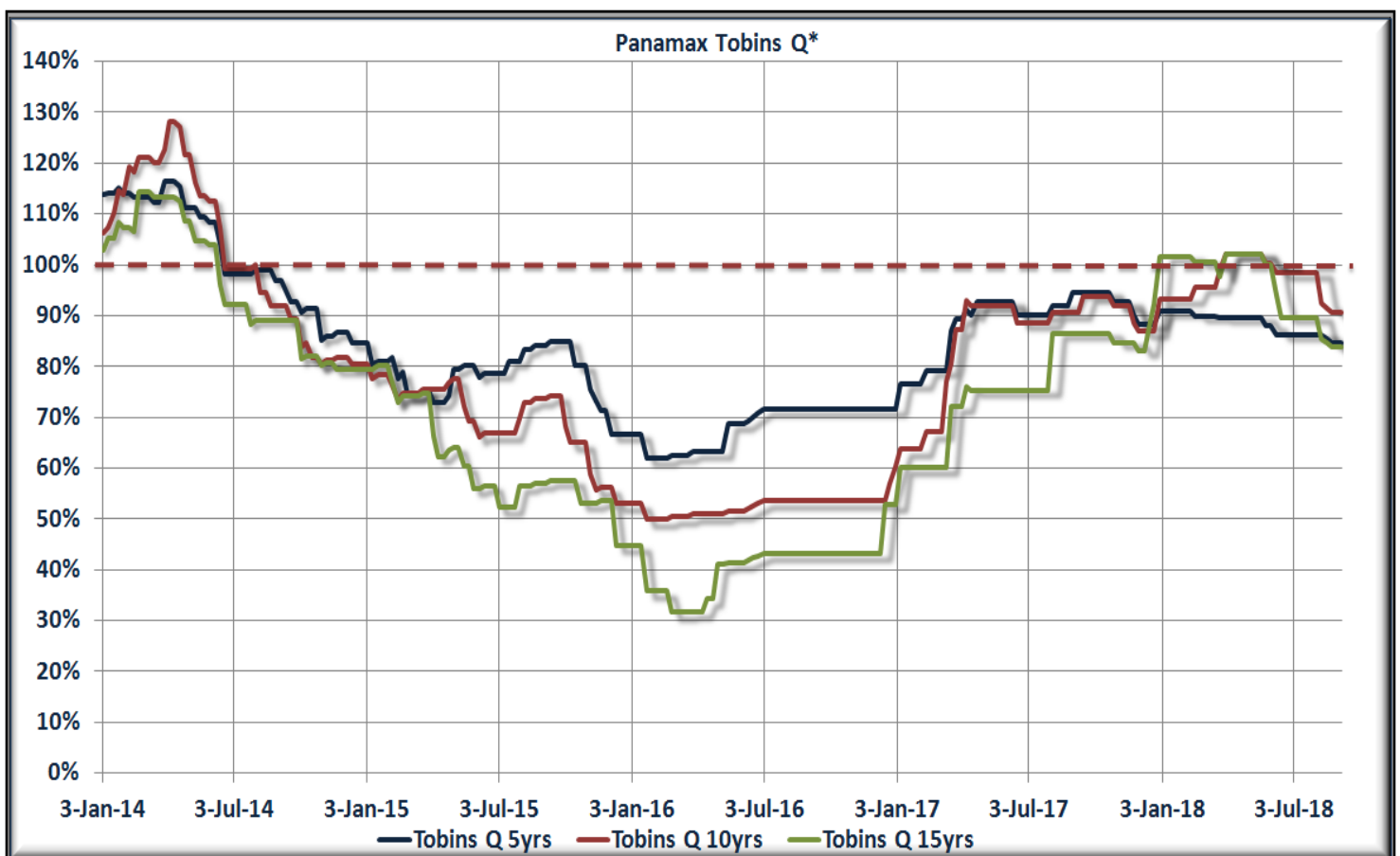
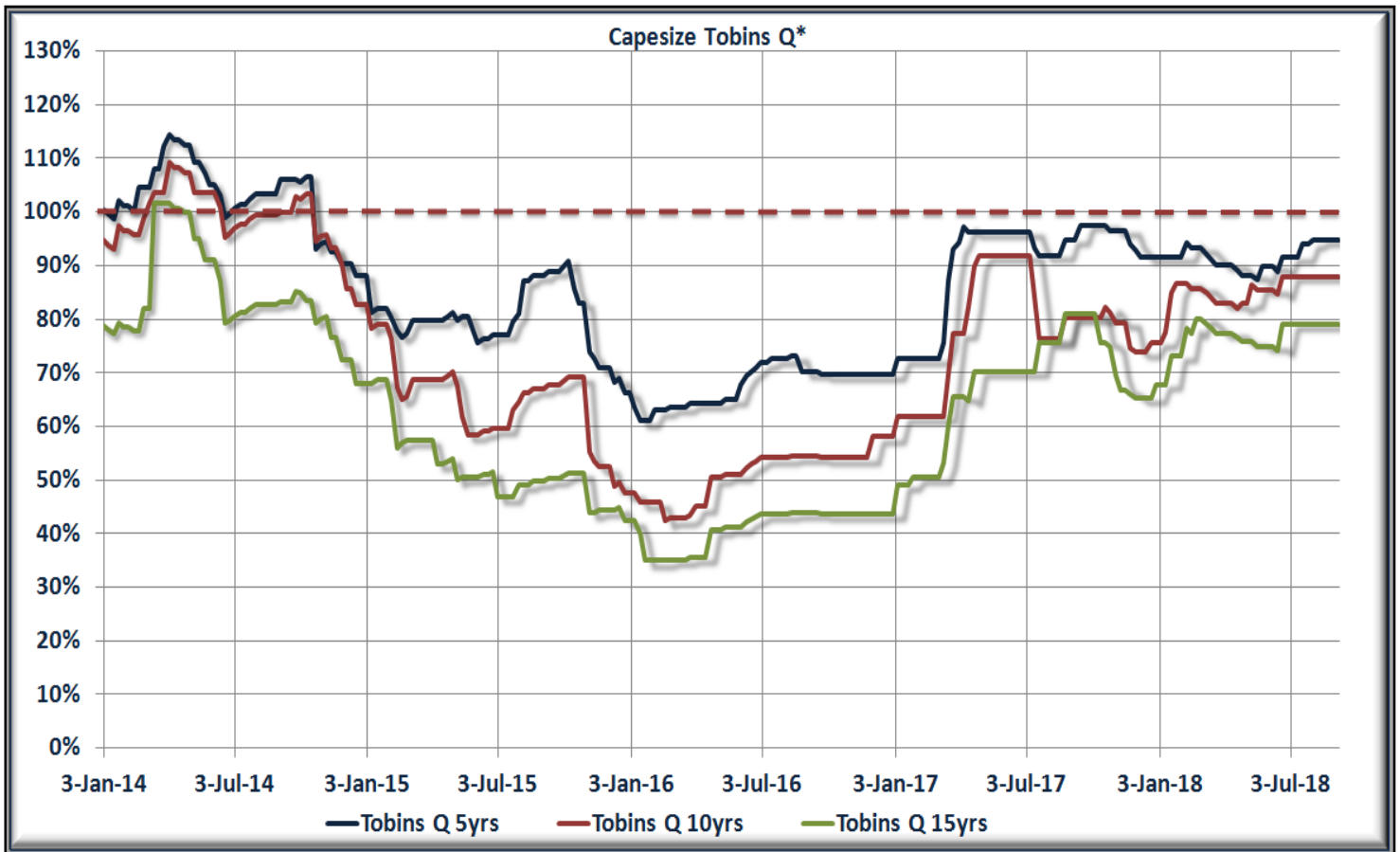
| Indicative Five-Year-Old Prices |                   |                 |                  |                   |
|---------------------------------|-------------------|-----------------|------------------|-------------------|
| Date                            | Capesize 180K DWT | Panamax 76K DWT | Supramax 56K DWT | Handysize 32K DWT |
| 07-Sep-2018                     | 37.25             | 19.00           | 18.00            | 15.00             |
| 07-Sep-2017                     | 34.00             | 18.50           | 16.25            | 14.00             |
| 07-Sep-2016                     | 24.00             | 14.00           | 13.25            | 9.50              |
| Δ% Y-o-Y                        | 9.6%              | 2.7%            | 10.8%            | 7.1%              |
| Δ% 2018- 2016                   | 55.2%             | 35.7%           | 35.8%            | 57.9%             |

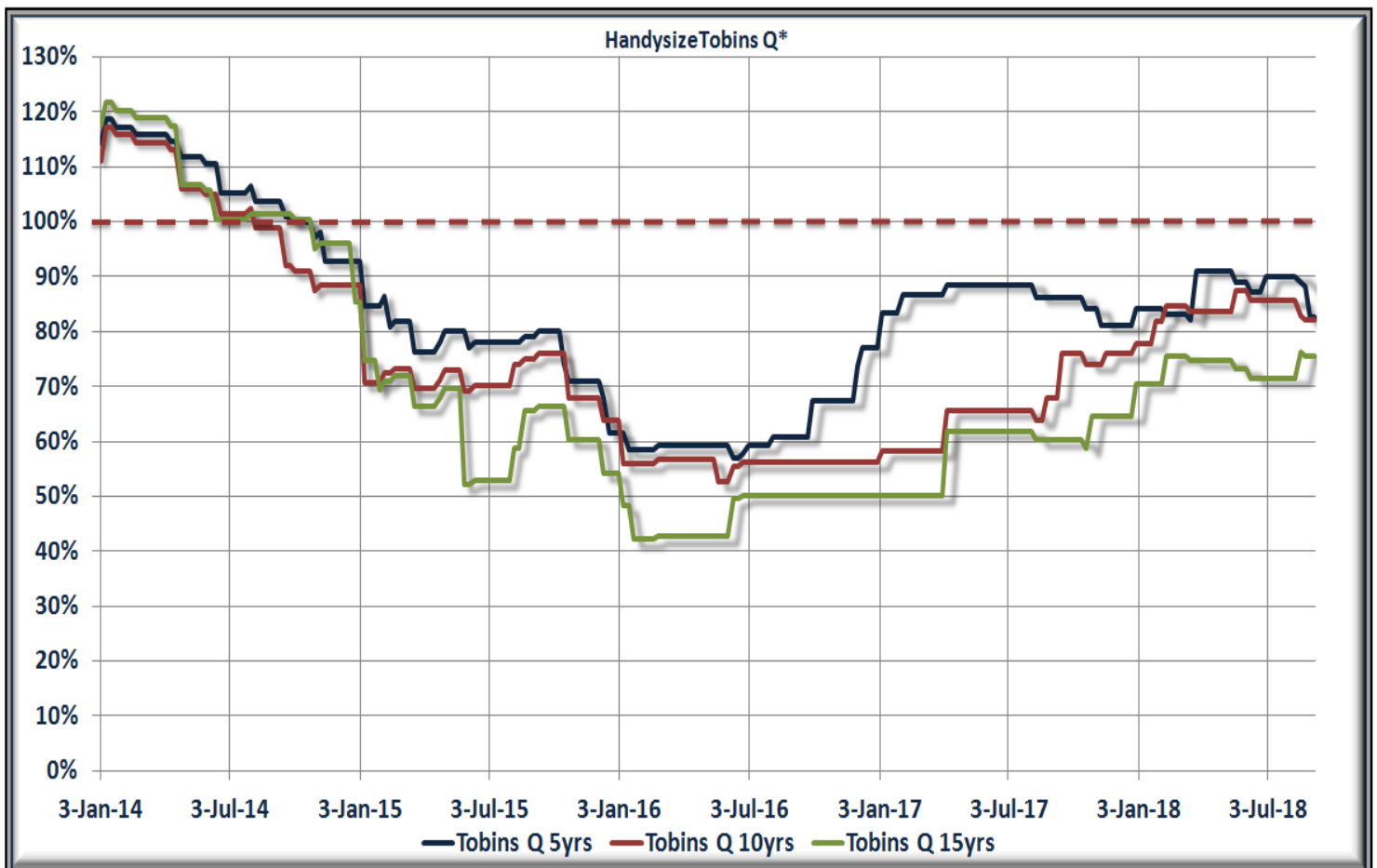
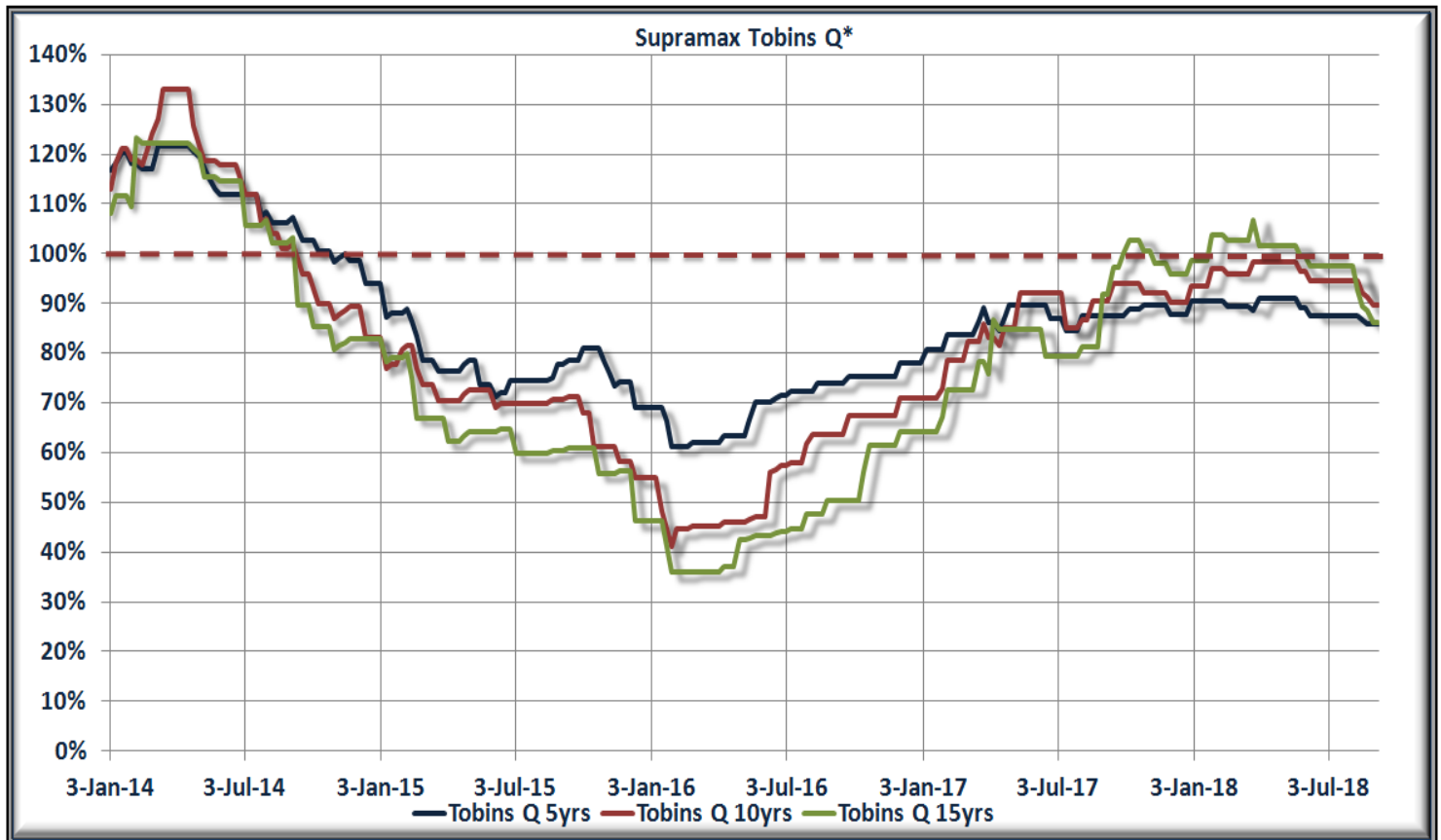
| Reported Recent S&P Activity |         |       |                          |              |                    |                     |
|------------------------------|---------|-------|--------------------------|--------------|--------------------|---------------------|
| Vessel Name                  | 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         |                    |                     |
| Ocean Celebrity              | 177,638 | 2003  | Mitsui/Japan             | 13.5         | Greek buyers       |                     |
| Ten Jin Maru                 | 98,681  | 2011  | Tsuneishi Zhoushan/China | 20.5         | Undisclosed        |                     |
| Ocean Scorio                 | 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              |
| U Noble                      | 57,000  | 2012  | Xiamen/China             | 12.75        | Greek 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              |
| Maemi Spirit                 | 53,482  | 2008  | Iwagi Zosen              | 11.5         | Undisclosed        | C 4x31              |
| Patriot                      | 52,454  | 2004  | Tsuneishi/Japan          | 7.7          | Undisclosed        | C 4x30 Auction Sale |
| 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              |
| Clipper Valour               | 34,790  | 2003  | Tianjin Xingang/China    | 6.2          | Undisclosed        | C 4x30              |
| Signe Bulker                 | 32,755  | 2010  | Jiangmen Nanyang/China   | 9.6          | Greek buyers       | C 4x30.5            |
| K&A Se                       | 32,295  | 2008  | Kanda/Japan              | 10.65        | Undisclosed        |                     |
| Maestro Tiger                | 31,828  | 1999  | Saiki/Japan              | 6.5          | 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            |
| Bobae Frontier               | 28,387  | 1996  | Imabari/Japan            | 4.3          | Chinese 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%            | 89%          | 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%            | 74%             | 59%             |
| 12months Avg                  | 89%           | 94%            | 99%            | 86%            | 81%             | 70%             |

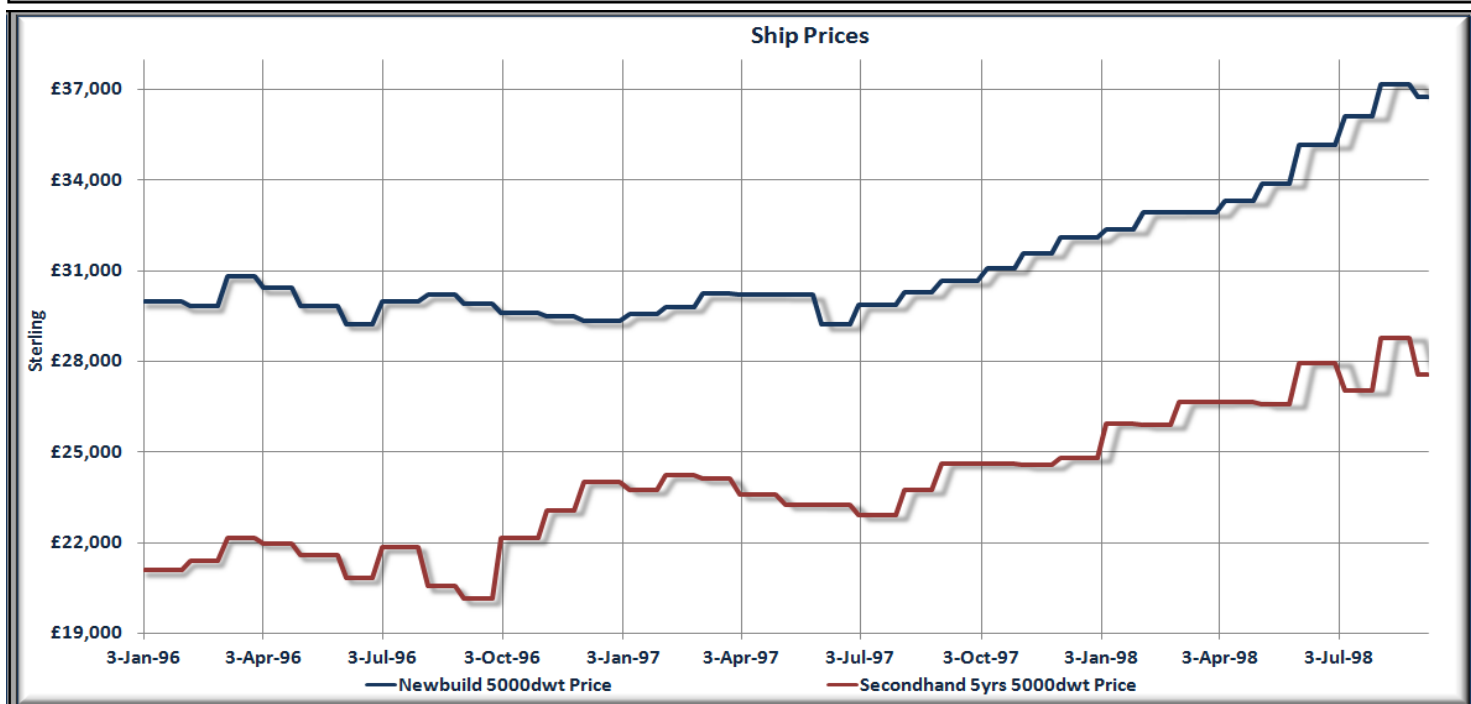
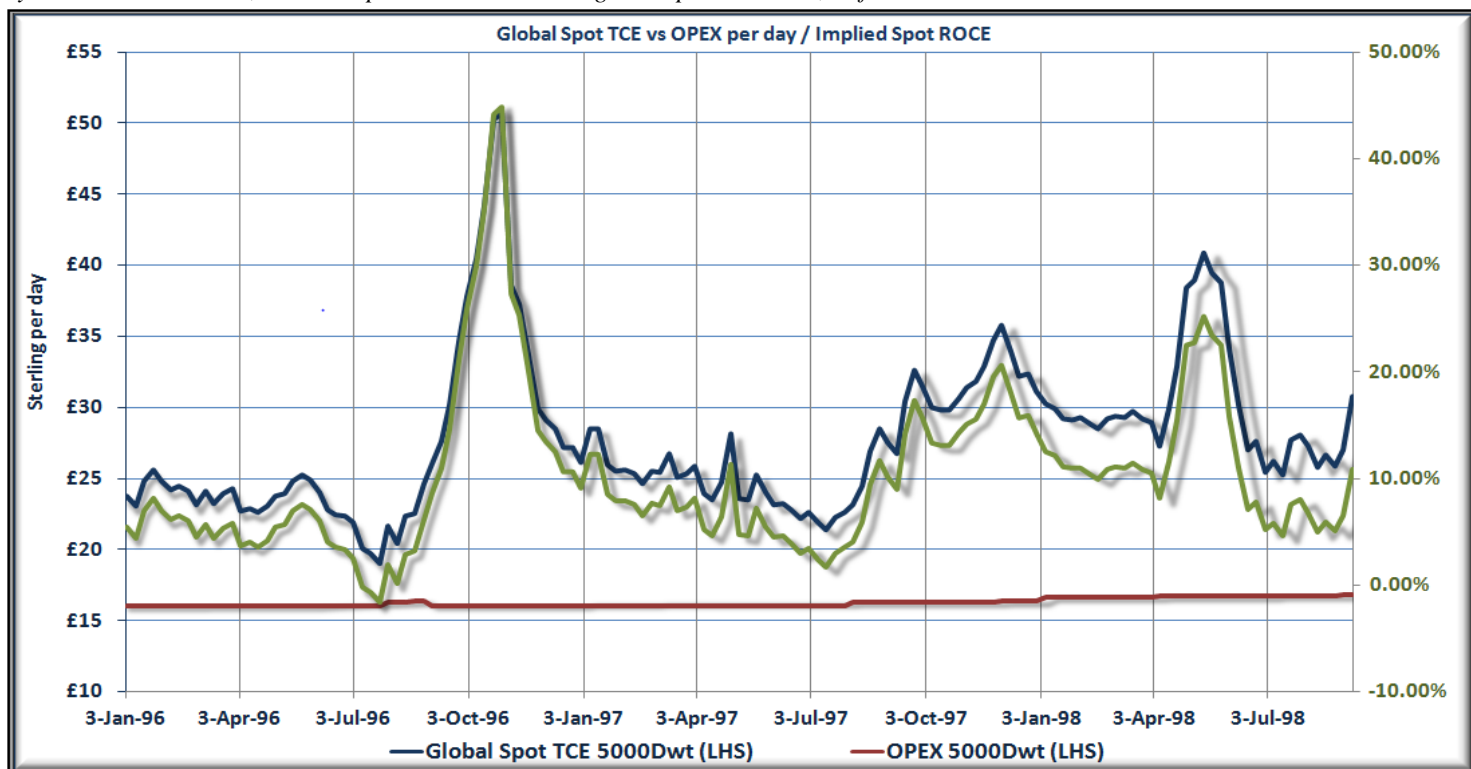
\*Tobin's Q represents the ratio between the market value and replacement value of a physical asset, with numerator and denominator adjusted to same age basis. According to economic theory, this ratio should be mean reverting towards 1 or 100%, for assets that do not face technological obsolescence.





## 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  | 10.9%        | 6.6%          | 5.8%   | 6.6%   | 9.5%   |
| Global Spot TCE    | £30.68       | £26.90        | £26.31 | £26.71 | £28.76 |
| BlackSea Round     | £30.07       | £26.45        | £26.80 | £26.12 | £27.37 |
| East Round         | £41.38       | £41.41        | £34.40 | £34.93 | £38.62 |
| Med Round          | £27.75       | £22.06        | £22.23 | £24.22 | £26.51 |
| US Round           | £32.46       | £30.05        | £27.61 | £31.57 | £35.54 |
| River Plate Round  | £31.85       | £29.66        | £30.55 | £25.81 | £30.71 |

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

Following the South Wales coal strike, it is doubtful whether certain South Wales connections will ever be wholly recovered. American coal has been found a satisfactory substitute for the best Welsh, and at certain periods of the year there will be no difficulty in shipping it upon a c.i.f. basis just as cheaply as the best South Welsh coal. The crisis being ended, it is to be hoped that the energy and vigour that has remained so long dormant will now be worked up to a high pressure condition, so that as much lost ground may be recovered as possible. As far as shipowners are concerned, the end of the struggle has been wearily anticipated for some time past and will now be particularly welcome as having come just in time to save them from having a bad half-year. Tonnage will be wanted to a large extent for the Mediterranean and Adriatic ports, and should also be in good demand for the East, while for South America the shipments under contract will have to be resumed as soon as possible. Given a substantial demand for coal tonnage, this should stimulate the homeward markets and especially as far as America is concerned, for owners finding satisfactory outward employment obtainable will not be inclined to entertain running in ballast to the US for the unsatisfactory grain and cotton rates now offering for the end of September and October loading. A good outward freight always stimulates owners to speculate for higher homeward rates. This is well in the River Plate market, for with such an outward freight, for instance, as 18s 6d owners can afford to defer homeward chartering until arrival or even being half discharged, knowing that in case of necessity they can move their boats round to the West Coast for nitrate or run them up to the US; but with such an outward rate as 10s they cannot afford to run very much risk in arranging homeward employment, as there is no margin left out of the coal freight for such contingencies as a long ballast run to the next loading port. The homeward markets, with the exception of Eastern business, have for some time past been in a desultory condition, the charterers waiting in expectation of owners finding the dearth of employment such as to cause them to knuckle down to their dictates in regard to rates of freight; but now that the coal strike is over they may find they have held the trump card too long, for the time is fast approaching when they will have to charter heavily. In the meantime, we suppose they will resort to the old methods of concealing their exact position by reporting that crops are late, or that they are engaging room very largely by the liners at rates so cheap that it does not pay them to charter tramp tonnage. In this context, the average returns on capital employed in shipping during this week (07-September-1898) reported gains, concluding at 10.9%.

In the spot arena, Black Sea business is better, especially for distant loading. Odessa berth rates for L.H.A.R. for prompt loading are 10s 3d to 10s 6d and for later loading 11s. It is difficult to quote what rates are really obtainable from the Danube, as the market is very uncertain. For prompt loading, berth rates for Antwerp or Rotterdam are called 11s 6d to 12s. The available supply of prompt tonnage is too much, but this should not be the case much longer, as American rates have only to harden a little more for owners to be ordering their boats westward in ballast from their Mediterranean discharging ports in preference to taking such miserable rates as are now current from the Black Sea direction. In any case, the ordering of tonnage up to Constantinople unfixed home should be stopped until there is more of an equilibrium between supply and demand.

The American market is considerably firmer as far as grain rates are concerned, with berth rates from the Northern range to UK/Cont. for September loading being 2s 10s per quarter. From the Gulf ports, September boats are 14s per tonne, whilst for October/November loading 15s can be got. Deal freights are firmer from British North America, one or two boats having been fixed at better rates than have recently been accepted. From the Bay of Fundy to WC England 43s 9d per standard and can be repeated. The Eastern market continues firm, with several fixtures having been made at advancing rates. From Calcutta, September tonnage to UK/Cont. is worth 32s 7d, jute basis, and for October loading 32s. Calcutta coal rates for September loading continues firm at about previous quotations. Deal rates from the Baltic and White Sea are strong, but so far comparatively little tonnage has been fixed. The River Plate market is dull, with rates Up River being 16s 6d per tonne and from lower ports 12s 3d.

Coal rates from Wales are firm, with a tendency to further improve, as tonnage is somewhat scarce for September loading. Rates, however, from the Clyde and North-country are stationary, with shippers now being unable to compete for tonnage with Welsh charterers.

On the S&P front, both the newbuilding and the secondhand market trended sideways. A typical newbuilding 5,000dwt British-build steamer is currently at the market for £36,750, or up 19.8% on a yearly basis, whereas a ten-year old of the same dwt and specification at £21,150, or 13.6% Y-o-Y.