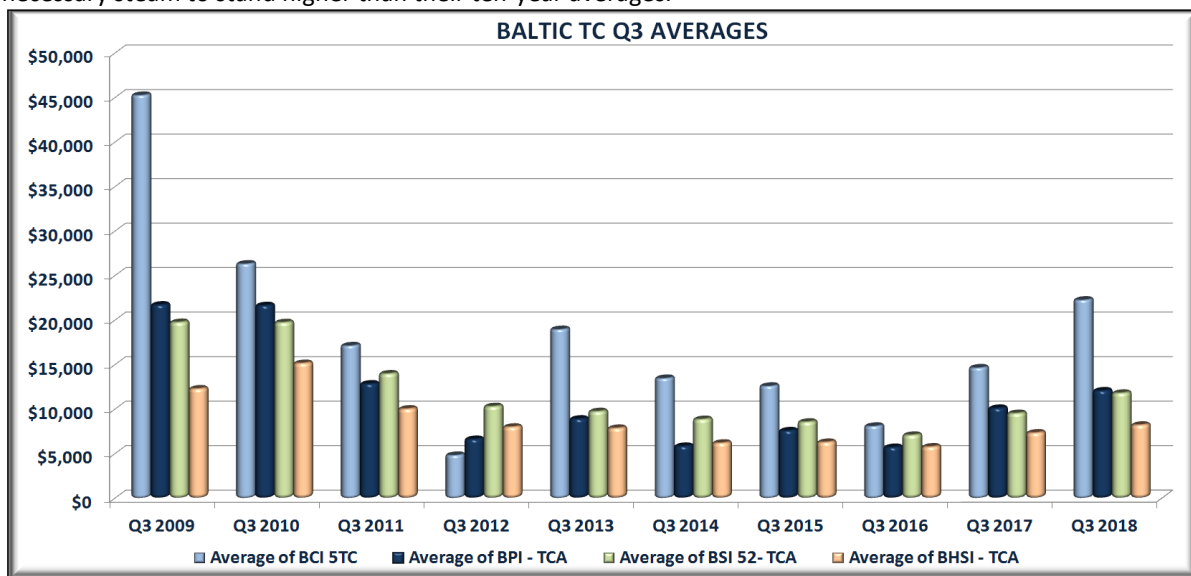
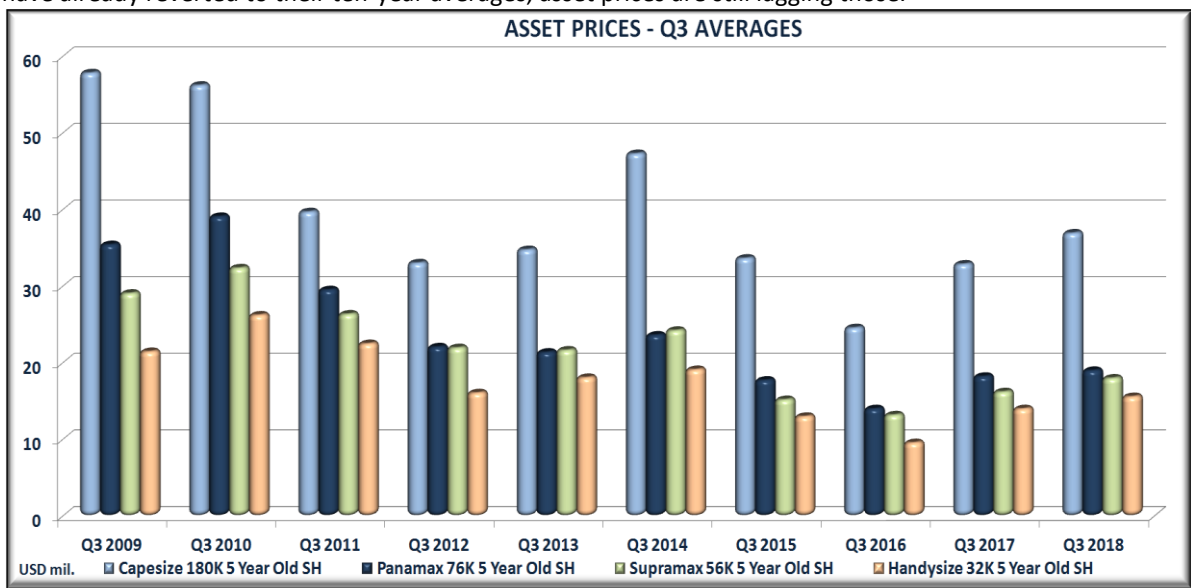


We have to go back many years in order to see such a healthy Q3 in the freight market of the dry bulk sector. With BCI 5TC averaging at \$22,268, BPI-TCA at \$12,094, BSI 58-TCA at \$11,830 and BSHI-TCA at \$8,240 daily, all segments reported multi-year highs. In particular, Capesizes, with their July-August performance, surpassed the previous seven years whilst Panamaxs returned to the solid 2011 heights. On the same wavelength, geared segments moved materially higher, hovering at seven-year maxima. Considering the medium-term averages, all segments managed to significantly surpass them by 21%-57%. In fact, Capesizes stood 56.6% above their Q3 five-year average whilst in the same time the Panamaxs were 45.9% better than the average of the respective period. The less volatile Supramaxes and Handies lingered higher as well, with the former being 28.8% and the latter 21.4% higher than their trailing five-year average levels. On a broader ten-year basis though, whilst gearless vessels secured, on average, better rates, the geared ones didn't have so far the necessary steam to stand higher than their ten-year averages.



As for asset market, following a period of meteoric rise in secondhand prices, the third quarter of 2018 appeared to be stable. With the Capesize exception, all other segments have seen their indicative prices remaining at late May levels. With an average price of USD 37m for Q3, five-year old Capes stood two millions higher than their five-year average. Panamax average prices came in at USD 19m, surpassing by USD 500K their five-year average of the respective period. The market for five-year-old Supramaxes and same-aged Handies was on average at USD 18m and USD 15.5m respectively. These levels were 3.6% and 9.3% above their average prices on the Q3s of the last five years. However, if we look further back, whilst freight rates have already reverted to their ten-year averages, asset prices are still lagging those.



Being unaffected –at large– from the whole rhetoric of trade tension, freight market has been remained consistent on its upward for the tenth quarter in a row. Conversely, asset prices have reached a certain plateau, indicating a more cautious approach from the investors compared to previous freight rate rallies.

Freight market 120yrs ago (page 12): "Since the last report, the markets generally have continued to improve, with the great characteristic being the enormous amount of chartering effected from the US..."

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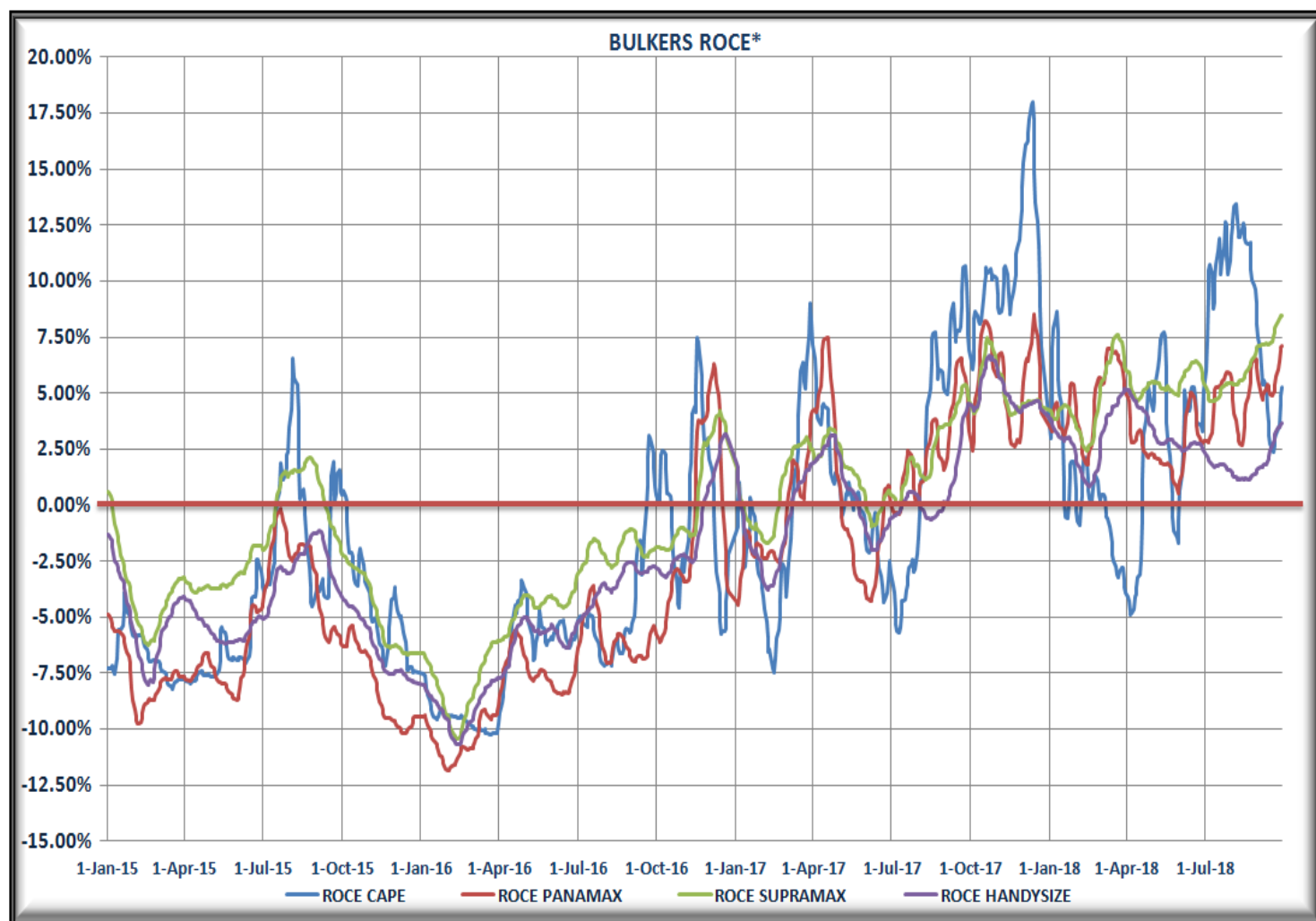
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Dry Cargo Spot Market

With mid-size segments touching new year records, Baltic Dry Index balanced above 1500 points for the first time during the last 15 trading days, concluding at 1540 points this Friday. Hovering some 100 points above its local minima, Baltic Capesize index finished the week at 2000 points. With a solid 6.9% increase, Baltic Panamax index ended the third quarter of the year at 1695 points, last seen in mid December 2017. In harmony, Baltic Supramax Index moved strongly up to four-year highs of 1194 points. On an upward trend, BHSI reported gains, laying at 629 points.

At the box office, returns of all segments, in sync, headed north. Particularly, Capesize ROCE balanced for the week at 5.24% and Panamax ROCE at 7.12%, or up 211 and 135 basis points on a weekly basis respectively. Supramax ROCE increased to 8.43% at the same time as Handy ROCE was moving further up to 3.63%.



Baltic Freight Indices					
Date	BDI	BCI 5TC	BPI - TCA	BSI - TCA	BHSI - TCA
24-Sep-18	1434	\$16,308	\$12,916	\$13,136	\$9,065
25-Sep-18	1450	\$16,484	\$13,150	\$13,208	\$9,070
26-Sep-18	1503	\$17,535	\$13,455	\$13,269	\$9,123
27-Sep-18	1524	\$17,969	\$13,552	\$13,282	\$9,137
28-Sep-18	1540	\$18,350	\$13,595	\$13,273	\$9,155
12-month High	1774	\$30,475	\$13,740	\$13,282	\$10,104
12-month Low	948	\$7,051	\$9,262	\$9,350	\$7,530
12-month Avg	1385	\$18,175	\$11,519	\$11,114	\$8,721
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.

With a solid 8.7% weekly increase, **Capesize** segment concluded at \$18,350 daily, or some \$2,300 above last week's closing.

In the Pacific, China aims to launch iron ore options next year, as the world's top buyer of the steelmaking raw material looks to offer more hedging tools to iron ore producers and steelmakers. Following the opening of its iron ore futures to foreign investors in May, China's plan would challenge iron ore options in Singapore, where the bulk of global trades is concentrated. In the shipping's main stage, the benchmark of this basin i.e. C5 rose, finishing at \$7.9 pmt, \$0.695 above intra-week lows. Rio Tinto fixed the 'Anangel Trust' (180,391 dwt, 2012) at \$7.45 basis 3.75% for a 9 October onwards cargo from Dampier to Qingdao. The 'Mount Troodos' (179,383 dwt, 2012) was reported fixed for a trip via West Australia to China at \$17,250 daily, basis delivery Hong Kong. For a trip via the other coast of the "land down under", the 'Aquarange' (179,842 dwt, 2011) secured \$16,000 daily, basis delivery Hadong and redelivery Singapore-Japan. The Baltic transpacific index (C10_14), with a 12.4% weekly increase, closed at \$16,208 daily.

In the Atlantic, after Glencore completed an earlier \$1bn programme, the miner and commodity trader, announced plans to repurchase a further \$1bn of its own shares. Signaling management's belief that the current share price is fundamentally undervalued, Goldman Sachs saw behind this programme a positive development. In the spot market the Baltic C3 index moved marginally higher, lingering \$0.445 pmt above previous week's closing at \$20.609 pmt. Tonnage has tightened in the Atlantic, but for the past couple of days, hardly any of the ships reported fixed have been confirmed as fixed, according to the Baltic Exchange. The fronthaul index (C9_14) balanced at \$38,114 daily, whilst the Transatlantic index (C8_14) concluded at \$19,125 daily, or up 4.1% and 50.5% W-o-W respectively. The 'Anangel Hope' (179,445 dwt, 2015) with prompt delivery Rotterdam was fixed for a trip via Seven Islands to Singapore-Japan at \$40,000 daily.

There was no reported period activity this week, at the same time as the forward market was trending sideways.

Representative Panamax Fixtures								
Vessel	DWT	Built	Delivery	Date	Re-del	Rate	Charterers	Comment
Mount Troodos	179,383	2012	Hong Kong	prompt	China	\$17,250	Oldendorff	via West Australia
Aquarange	179,842	2011	Hadong	prompt	Singapore-Japan	\$16,000	GNS	via EC Australia
Anangel Hope	179,445	2015	Rotterdam	30 Sept/02 Oct	Singapore-Japan	\$40,000	ECTP	via Seven Islands redel

A slowdown in trading was noticed in both basins, on week's closing, after a tremendous week in the **Panamax** segment. All eyes are set in the beginning of the next week, which signals the last lap, as we enter the last quarter of 2018.

The minerals demand in the Pacific, has shown no signs of easing with numerous fixtures from both Indonesia and East Australia. The 'hot' ECSA market has started to attract ballasters from the Far East, bringing further balance over the tonnage list and the regional demand. 'Konkar Venture' (82,099 dwt, 2015) fixed at a powerful \$17,000 daily with prompt delivery Phu My for one TC trip via Indonesia to India. Surprisingly enough, India has kept paying a rich premium over China-Japan destinations for the past two weeks. 'Xin Hong' (82,226 dwt, 2013) reported at \$14,500 with early October delivery Dalian for one coal TC trip via East Australia to India. Similarly 'Yangtze Xing Xiu' (81,602, dwt, 2013) fixed at \$14,750 daily but for China redelivery. NoPac round trips were trading at same levels but not many fixtures reported. 'Ocean Trader I' (76,596 dwt, 2006) fixed at \$17,000 daily for a salt business from Dampier back to China, with end September delivery at Lumut.

With the ECSA in the front seat, most of the Atlantic trading routes showed incomparable improvement. The TA round trips were paying in the mid teens, as in the case of 'Stella Dora' (81,600 dwt, 2014) reported at \$15,250 daily with 30 September delivery Immingham via Baltic to Skaw/Cape Passero range. The Black sea front-haul was bidding well described kamsarmax tonnage at \$24,000 daily versus \$27,000 daily asked from owners, but no fixtures reported for such trades. From the other side of the Atlantic, there were improved rates all over. Namely 'Darya Aum' (81,109 dwt, 2018) managed to get \$15,500 daily with prompt delivery Gibraltar for one round trip via Itacoatiara. A strong come back in the north as well, with 'Key Action' (82,168 dwt, 2010) reported on Monday, at \$22,500 daily with 27 September delivery Gibraltar for a front-haul trip via US Gulf to Vietnam (via Cape of Good Hope) setting the bar high for the rest of the week. Out of ECSA, fixtures were heavily stronger than last week, with 'Karlovasi' (82,354 dwt, 2016) making headlines at \$16,900 daily with Cai Mep delivery for one T/C trip via ECSA back to Far east.

On the period front, 'W Pacific' (82,000 dwt, 2013) reported fixed at \$14,250 daily with prompt delivery Zhoushan for 5 to 8 months. Similar monies were paid more or less throughout the week on similar size vessels with similar delivery/period.

Representative Panamax Fixtures								
Vessel	DWT	Built	Delivery	Date	Re-del	Rate	Charterers	Comment
Stella Dora	81,600	2014	Immingham	30 Sept	Skaw-Cape Passero	\$15,250	MOL	via Murmansk
Key Action	82,168	2010	Gibraltar	27 Sept	SE Asia (Intn V'nam)	\$22,500	Bunge	via USG/COGH
Darya Aum	81,109	2018	Gibraltar	26 Sept	Skaw-Gibraltar	\$15,500	Norden	via Itacoatiara
Karlovasi	82,354	2016	Cai Mep	27 Sept	Singapore-Japan	\$16,900	CJ Int'l	via ECSA
Konkar Venture	82,099	2015	Phu My	prompt	India	\$17,000	cnr	via Indo
Xin Hong	82,226	2013	Dalian	02/08 Oct	India	\$14,500	Tata NYK	via Eaus
W Pacific	82,000	2013	Zhoushan	29 Sept	China	\$14,750	cnr	via Eaus

After scoring fresh new year highs of \$13,282 daily on Thursday, the Baltic **Supramax** TC index concluded a few dollars lower at \$13,273 daily.

Despite a strong start on Monday, the market in the Pacific stalled throughout the rest of the week. With the National Day Golden Week approaching on the 1st of October on which the Chinese will leave their work desks, many expecting a slow next week in terms of activity. On the Indonesian coal front, some ships open in favourable positions were still able to secure decent employment. "Neos Kosmos" (56,011dwt, 2005) was reported fixed at \$13,500 delivery Samalaju (Malaysia) for a short trip via Indonesia to Thailand. For nickel ore, "Flc Fortune" (53,456dwt, 2010) open in Beihai secured \$12,000 via Philippines to China. From the north, "Common Galaxy" (63,294dwt, 2015) stood out by scoring \$12,000 with a split rate after 35 days at \$14,000 delivery Tianjin to Vietnam-Thailand range whereas rumours had a 55k dwt vessel getting fixed at 9,000 delivery South Korea via Cis to similar direction. With Middle East and India remaining relatively healthy and with the bunker prices continue raising, less and less owners decide to ballast their vessels towards South Africa thus creating some pressure in the area. "Aurelia" (58,110dwt, 2009) was fixed forward at a decent \$13,500 plus \$350,000 ballast bonus delivery Durban to Singapore/Japan for mid-October dates.

In the Atlantic, momentum kept building up. From the USG, it was rumoured that a 58,000 tonner fetched \$27,500 daily, for a trip with grains to Japan; later reports, however, claimed that the deal didn't go through in the end. Some rather strong numbers were reported from ECSA too. Among them, the 'Genco Bourgogne' (58,018 dwt, 2010) which secured \$19,250 daily for a trip from Paranagua to the Continent. Across the pond the 'Hawk I' (50,296 dwt, 2001) was fixed at \$12,850 daily basis delivery Amsterdam, for trip with scrap via Baltic to Turkey. The Black Sea kept just followed the trend and this was clearly shown on the relevant S1B_58 (Canakkale via Med/Bsea to Feast) route of the Baltic Exchange, which gained another \$1864 w-o-w, ending up this Friday at \$23,443. On actual fixtures, the 'Nord Kitten' (60,195 dwt, 2017) was covered for a trip via Black Sea to Chittagong at \$24,000 daily, basis delivery passing Canakkale.

On the period desk, the 'Esperia' (56,763 dwt, 2012) locked \$13,500 daily for 3-5 months period, basis delivery Kandla and redelivery worldwide.

Representative Supramax Fixtures								
Vessel	DWT	Built	Delivery	Date	Re-del	Rate	Charterers	Comment
Aurelia	58,110	2009	Durban	mid Oct	Singapore/Japan	\$13,500 + 300K bb	CNR	
Common Galaxy	63,294	2015	Tianjin	26 Sept	Vietnam/Thailand	\$12,000 1st 35d, \$14,000 balance	CNR	
Flc Fortune	53,456	2010	Beihai	27 Sept	China	\$12,000	CNR	Nickel ore via Philippines
New Kosmos	56,011	2005	Samalaju	Prompt	Thailand	\$13,500	Dooyang	Coal via Indo
Genco Bourgogne	58,018	2010	Paranagua	2 Oct	Continent	\$19,250	Bunge	
Hawk I	50,296	2001	Amsterdam	prompt	Turkey	\$12,850	ACB	scrap via Baltic
Nord Kitten	60,195	2017	Canakkale	early Oct	Chittagong	\$24,000	ADMI	
Esperia	56,763	2012	Kandla	prompt	worldwide	\$13,500	Oldendorff	3-5 months period

Imminent holidays in the Far East – 'Good Times in the Atlantic for the **Handysize**.

In the East, we are in the middle of holidays. Practically the major market participants were only fully operational for the second half of the week. More holidays around the corner next week. This obviously affected activity across the board for the Handies. 'DI Lilac' (33,000 dwt, 2012) open at Singapore on the 5th of October fixed at \$7,400 dop for a trip via Australia to west coast Mexico. Opening at the same area, at Belawan, 'Umm Ad Dalkh' (36,400 dwt, 2011) fixed at \$9,250 dop for alumina via Australia to Persian Gulf. It has to be noted that owners were eager to reposition the ship in that area. Finally on the period front, the 'Broadgate' (37,900 dwt, 2017) open at Port Kelang on the 5th of October secured \$10,850 for 2 laden legs with Oldendorff.

In the Atlantic, the upbeat market continued its small rally. In ECSA, although the 'fire' of last week slowed down a bit, the few ships around still reaped the benefits with rates in the 'more than healthy' levels. Remains to be seen what will happen next week though. We heard of a 37,668dwt fixing a trip to Continent/Baltic at \$15,500 from Santos, and rumours of a 28,000dwt fixing from same position a trip to S.E. Asia around \$15,500. Similarly in USG, Owners were on the driver's seat and rates were pushed up. No real details have surfaced though. Continent seemed also to move upwards. The short supply of tonnage from W. Med was mostly the reason. We heard rumours of a 28,000dwt fixing grains from Rouen to Algeria, at levels around \$11,250 aps. and trips to the East with fertilizers from Baltic were rated at mid teens from Rotterdam for 32,000dwt size ships. South in the Med/Bl. Sea area, things kept on the pace of past weeks. We heard of a 37,850dwt fixing from Varna to Portugal a grains cargo at \$12,100.

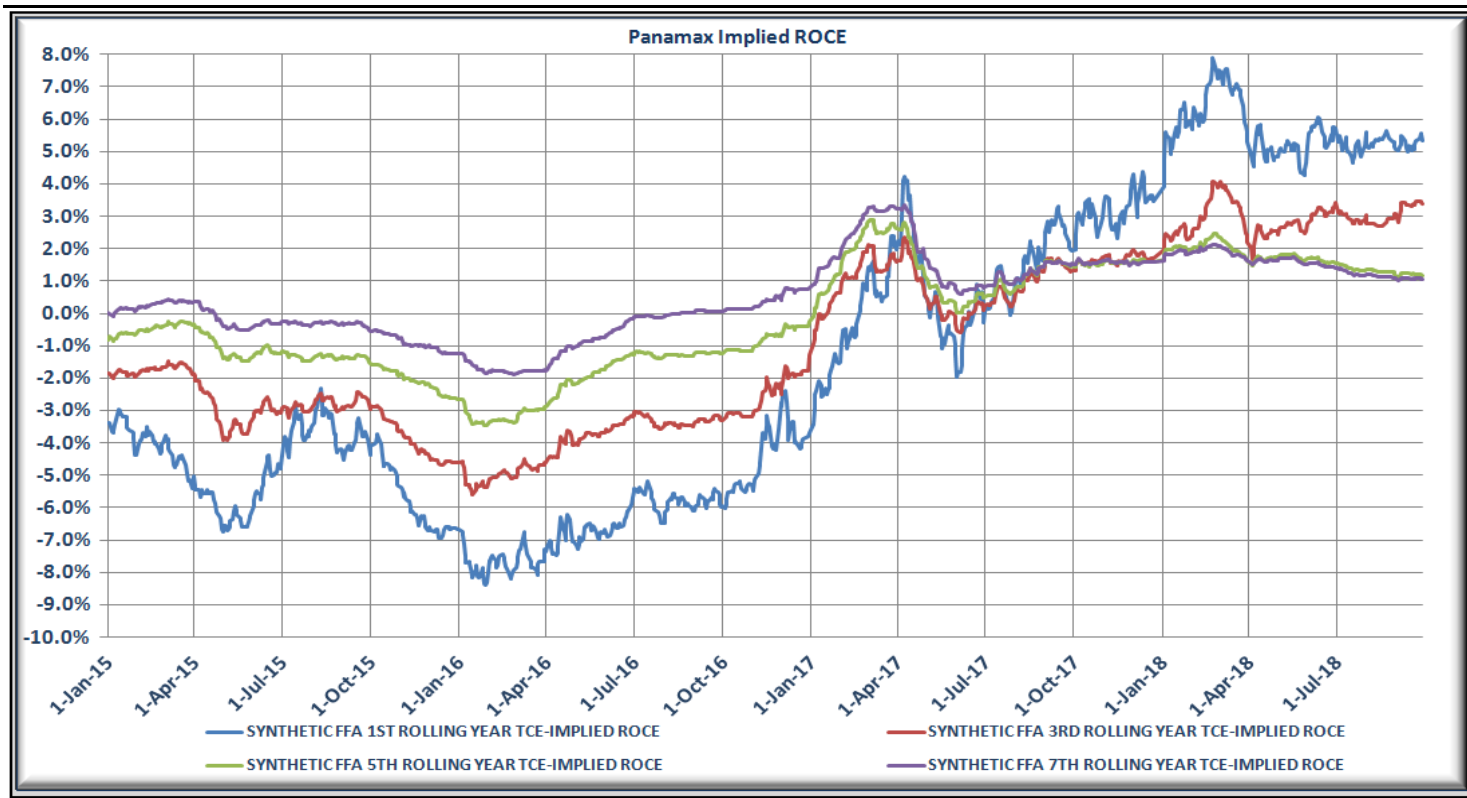
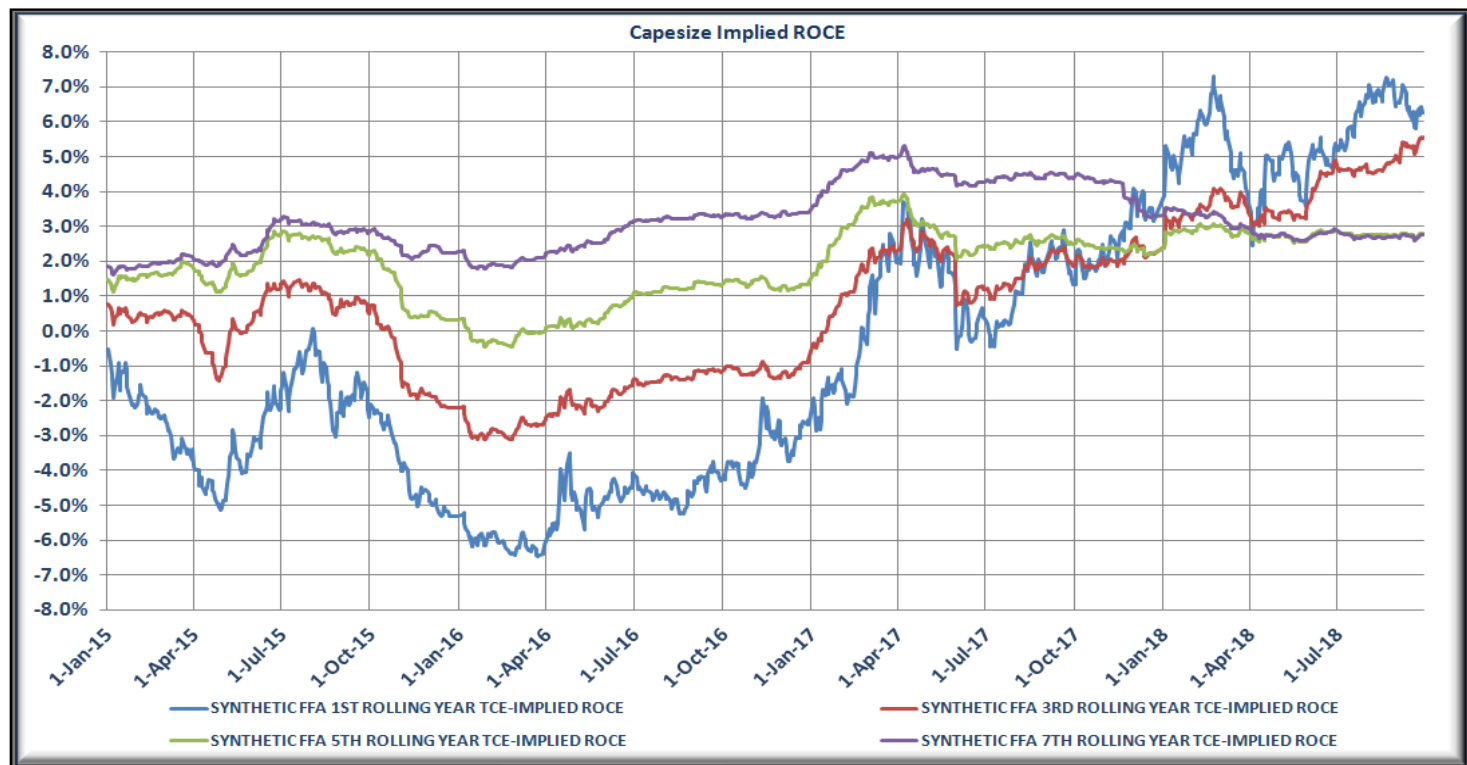
On the period desk, we heard of 'Seapearl' (32,955dwt, 2013) fixing from Canakkale 3-5 months within Atlantic at \$10,000.

Representative Handysize Fixtures								
Vessel	DWT	Built	Delivery	Date	Re-del	Rate	Charterers	Comment
DI Lilac	33,000	2012	Singapore	Prompt	west Mexico	\$7,400	cnr	via Aussie
Umm Ad Dalkh	36,400	2011	Belawan	Prompt	Persian Gulf	\$9,250	cnr	alumina via Australia
Broadgate	37,900	2017	Port Kelang	Prompt	spore-japan	\$10,850	cnr	2-3 laden legs
Iberian Bulker	37,668	2017	Santos	Prompt	Cont/Baltic	\$15,500	Pola	
Rook	37,851	2010	Varna	Prompt	Spain/Portugal	\$12,100	cnr	grains

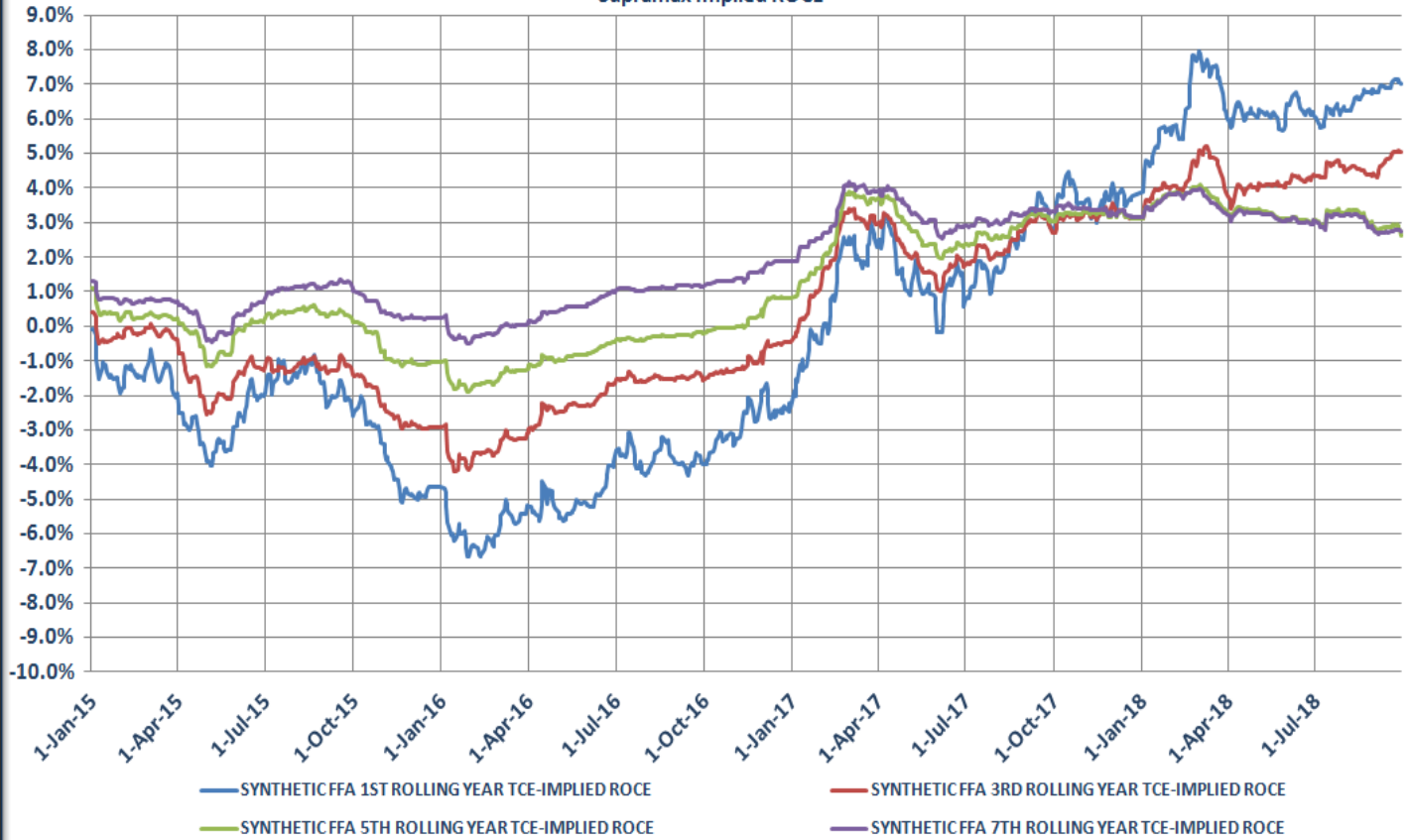
FFA Market

The paper market was a mirror image of the spot market during this week. The short end of all forward curves went up, tracking with the positive sentiment of the spot market. In the same direction with the spot market, the prompt months of the Capesize forward curve surpassed their previous heights, with October contracts balancing at \$21,783 and November at \$25,167. In line, the Panamax curve moved marginally higher to \$12,804 and \$12,604 for October and November respectively. A softer tone appeared in the Supramax forward market, with October balancing at \$13,038 and November at \$12,913. Consistent on its usual static tone, prompt Handy contracts remained at previous Friday's levels, with November at \$9,550.

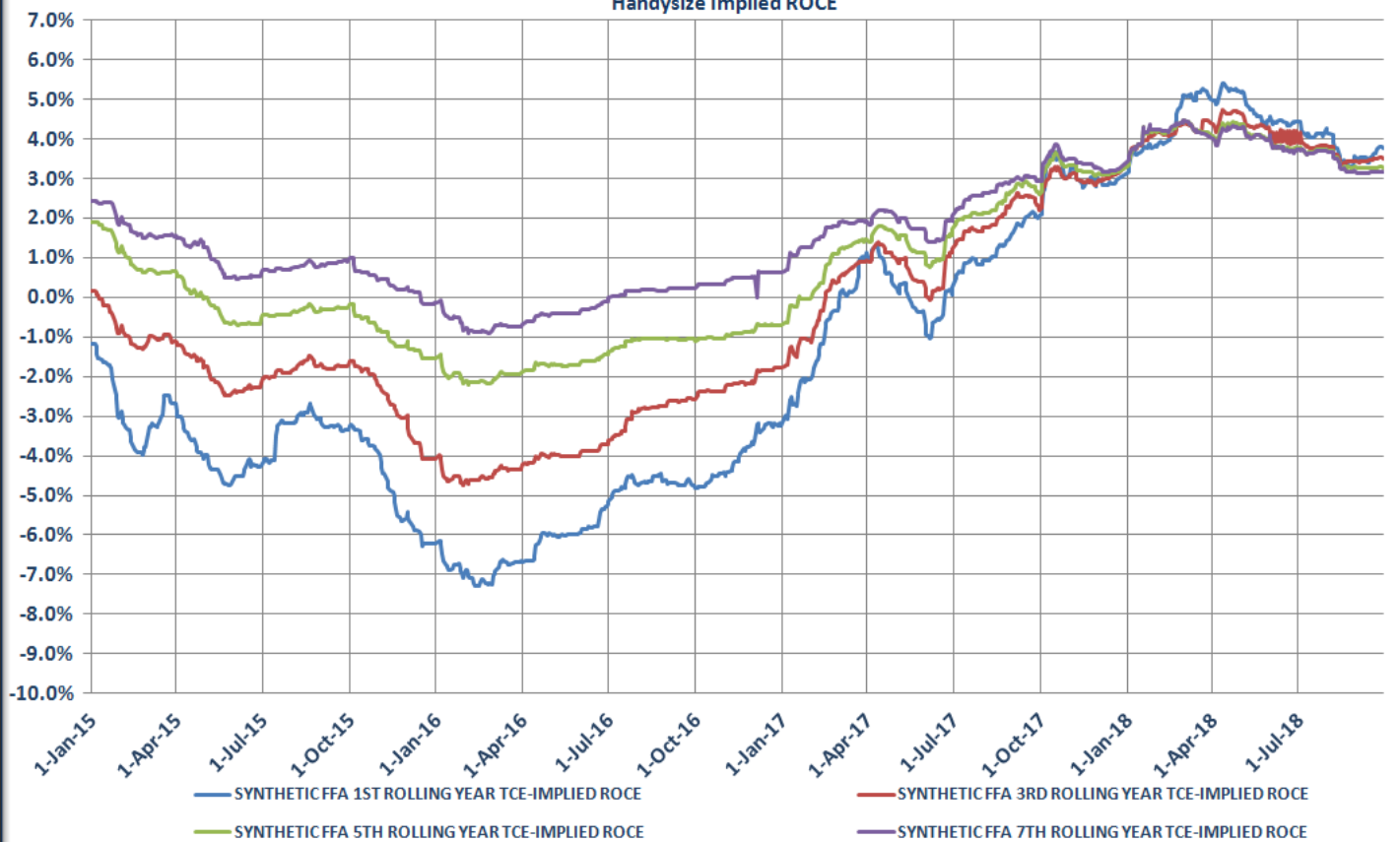
Capesize first rolling year implied ROCE gained 0.1% this week at 6.4% at the same time as that of Panamax was balancing at 5.3%. Geared segments implied ROCEs remained almost stable, with Supramax at 7% and Handy at 3.8%.



Supramax Implied ROCE



Handysize Implied ROCE



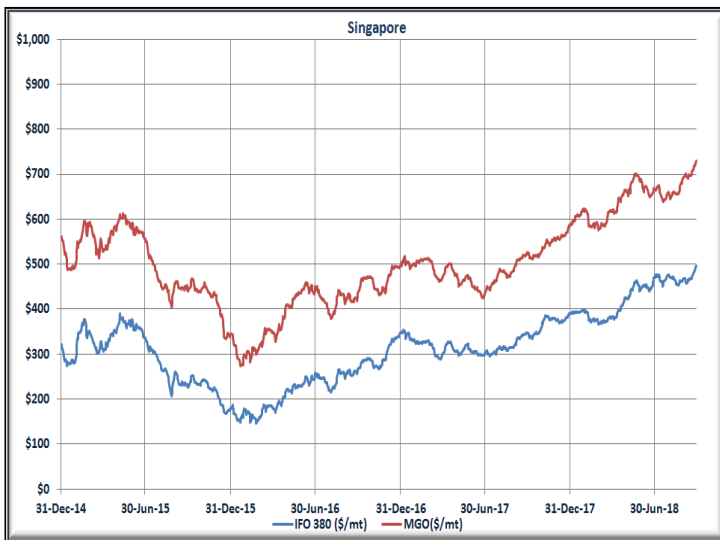
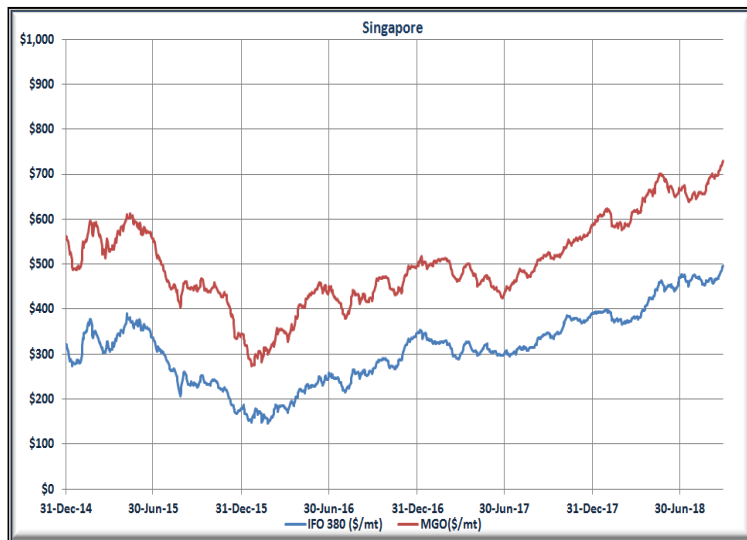
BFA Cape 5TC									
Date	Oct (18)	Nov (18)	Dec (18)	Q4 (18)	Q1 (19)	Q2 (19)	Cal 19	Cal 24	Cal 25
24-Sep-18	\$21,896	\$25,767	\$24,692	\$24,118	\$15,996	\$16,567	\$20,602	\$15,583	\$15,533
25-Sep-18	\$21,167	\$25,096	\$24,104	\$23,456	\$15,796	\$16,525	\$20,519	\$15,583	\$15,550
26-Sep-18	\$22,058	\$25,613	\$24,542	\$24,071	\$15,975	\$16,725	\$20,648	\$15,608	\$15,567
27-Sep-18	\$21,700	\$25,117	\$24,242	\$23,686	\$15,817	\$16,592	\$20,528	\$15,608	\$15,567
28-Sep-18	\$21,783	\$25,167	\$24,258	\$23,736	\$15,833	\$16,575	\$20,538	\$15,597	\$15,580
Week High	\$22,058	\$25,767	\$24,692	\$24,118	\$15,996	\$16,725	\$20,648	\$15,608	\$15,580
Week Low	\$21,167	\$25,096	\$24,104	\$23,456	\$15,796	\$16,525	\$20,519	\$15,583	\$15,533
Week Avg	\$21,721	\$25,352	\$24,368	\$23,813	\$15,883	\$16,597	\$20,567	\$15,596	\$15,559

BFA Panamax 4TC									
Date	Oct (18)	Nov (18)	Dec (18)	Q4 (18)	Q1 (19)	Q2 (19)	Cal 19	Cal 24	Cal 25
24-Sep-18	\$12,735	\$12,588	\$12,373	\$12,565	\$11,942	\$12,883	\$12,677	\$9,750	\$9,739
25-Sep-18	\$12,858	\$12,629	\$12,427	\$12,638	\$11,961	\$12,842	\$12,675	\$9,750	\$9,748
26-Sep-18	\$13,083	\$12,746	\$12,532	\$12,787	\$12,050	\$12,950	\$12,755	\$9,738	\$9,731
27-Sep-18	\$13,054	\$12,717	\$12,525	\$12,765	\$11,992	\$12,933	\$12,753	\$9,729	\$9,723
28-Sep-18	\$12,804	\$12,604	\$12,438	\$12,615	\$11,807	\$12,821	\$12,655	\$9,729	\$9,721
Week High	\$13,083	\$12,746	\$12,532	\$12,787	\$12,050	\$12,950	\$12,755	\$9,750	\$9,748
Week Low	\$12,735	\$12,588	\$12,373	\$12,565	\$11,807	\$12,821	\$12,655	\$9,729	\$9,721
Week Avg	\$12,907	\$12,657	\$12,459	\$12,674	\$11,950	\$12,886	\$12,703	\$9,739	\$9,732

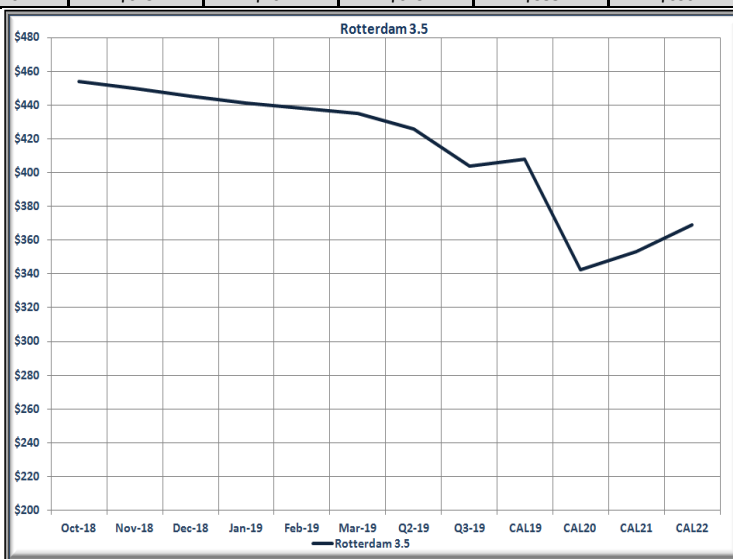
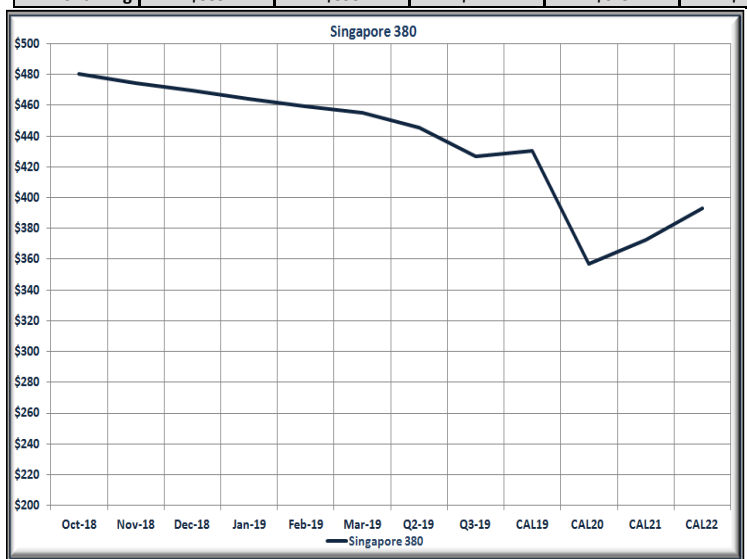
BFA Supra 10TC									
Date	Oct (18)	Nov (18)	Dec (18)	Q4 (18)	Q1 (19)	Q2 (19)	Cal 19	Cal 24	Cal 25
24-Sep-18	\$13,067	\$13,100	\$12,700	\$12,956	\$11,733	\$12,800	\$12,592	\$9,892	\$9,854
25-Sep-18	\$13,125	\$13,092	\$12,692	\$12,969	\$11,742	\$12,788	\$12,604	\$9,892	\$9,858
26-Sep-18	\$13,108	\$13,042	\$12,675	\$12,942	\$11,692	\$12,750	\$12,563	\$9,892	\$9,850
27-Sep-18	\$13,117	\$13,000	\$12,675	\$12,931	\$11,683	\$12,733	\$12,546	\$9,892	\$9,850
28-Sep-18	\$13,038	\$12,913	\$12,617	\$12,856	\$11,675	\$12,717	\$12,514	\$9,888	\$9,842
Week High	\$13,125	\$13,100	\$12,700	\$12,969	\$11,742	\$12,800	\$12,604	\$9,892	\$9,858
Week Low	\$13,038	\$12,913	\$12,617	\$12,856	\$11,675	\$12,717	\$12,514	\$9,888	\$9,842
Week Avg	\$13,091	\$13,029	\$12,672	\$12,931	\$11,705	\$12,758	\$12,564	\$9,891	\$9,851

BFA Handysize TC									
Date	Oct (18)	Nov (18)	Dec (18)	Q4 (18)	Q1 (19)	Q2 (19)	Cal 19	Cal 24	Cal 25
24-Sep-18	\$9,463	\$9,613	\$9,288	\$9,454	\$8,869	\$9,394	\$9,219	\$8,963	\$8,913
25-Sep-18	\$9,463	\$9,613	\$9,288	\$9,454	\$8,869	\$9,394	\$9,219	\$8,963	\$8,913
26-Sep-18	\$9,463	\$9,613	\$9,288	\$9,454	\$8,869	\$9,394	\$9,219	\$8,963	\$8,913
27-Sep-18	\$9,463	\$9,613	\$9,288	\$9,454	\$8,869	\$9,394	\$9,219	\$8,963	\$8,913
28-Sep-18	\$9,388	\$9,550	\$9,250	\$9,396	\$8,813	\$9,394	\$9,213	\$8,956	\$8,925
Week High	\$9,463	\$9,613	\$9,288	\$9,454	\$8,869	\$9,394	\$9,219	\$8,963	\$8,925
Week Low	\$9,388	\$9,550	\$9,250	\$9,396	\$8,813	\$9,394	\$9,213	\$8,956	\$8,913
Week Avg	\$9,448	\$9,600	\$9,280	\$9,442	\$8,858	\$9,394	\$9,218	\$8,962	\$8,915

Bunker Market



Rotterdam			Singapore		Fujairah		Gibraltar		Houston	
Date (\$/mt)	IFO 380	MGO	IFO 380	MGO	IFO 380	MGO	IFO 380	MGO	IFO 380	MGO
24-Sep-18	\$442	\$663	\$484	\$719	\$485	\$774	\$463	\$726	\$441	\$720
25-Sep-18	\$445	\$666	\$486	\$719	\$488	\$775	\$465	\$730	\$449	\$726
26-Sep-18	\$448	\$672	\$492	\$724	\$489	\$772	\$468	\$735	\$448	\$727
27-Sep-18	\$453	\$679	\$494	\$726	\$490	\$772	\$468	\$737	\$550	\$727
28-Sep-18	\$456	\$686	\$496	\$729	\$492	\$773	\$469	\$740	\$552	\$728
12-month High	\$456	\$686	\$496	\$729	\$492	\$775	\$477	\$740	\$552	\$728
12-month Low	\$312	\$496	\$335	\$511	\$332	\$576	\$328	\$528	\$309	\$532
12-month Avg	\$385	\$593	\$412	\$619	\$410	\$675	\$407	\$645	\$388	\$630



Singapore	28-Sep-18	Week max	Week low	Week Avg	RTDM 3.5	28-Sep-18	Week max	Week low	Week Avg
Oct-18	\$480.2	\$480.2	\$463.6	\$470.5	Oct-18	\$454.2	\$454.2	\$439.6	\$445.3
Nov-18	\$474.4	\$474.4	\$458.6	\$465.0	Nov-18	\$449.7	\$449.7	\$435.6	\$441.0
Dec-18	\$469.4	\$469.4	\$454.1	\$460.2	Dec-18	\$445.2	\$445.2	\$431.6	\$436.8
Jan-19	\$464.4	\$464.4	\$449.6	\$455.5	Jan-19	\$441.4	\$441.4	\$428.4	\$433.4
Feb-19	\$459.7	\$459.7	\$445.1	\$451.0	Feb-19	\$438.2	\$438.2	\$425.4	\$430.4
Mar-19	\$455.2	\$455.2	\$441.1	\$446.8	Mar-19	\$434.9	\$434.9	\$422.4	\$427.3
Q4-18	\$474.7	\$474.7	\$458.8	\$465.3	Q4-18	\$449.7	\$449.7	\$435.6	\$441.0
Q1-19	\$459.6	\$459.6	\$445.3	\$451.1	Q1-19	\$438.2	\$438.2	\$425.1	\$430.4
Q2-19	\$445.3	\$445.3	\$432.3	\$437.8	Q2-19	\$425.9	\$425.9	\$413.9	\$418.9
Q3-19	\$426.8	\$426.8	\$414.3	\$419.6	Q3-19	\$403.9	\$403.9	\$391.4	\$396.5
CAL19	\$430.2	\$430.2	\$418.5	\$422.3	CAL19	\$408.0	\$408.0	\$396.5	\$400.1
CAL20	\$356.7	\$356.7	\$345.0	\$348.8	CAL20	\$342.5	\$342.5	\$329.1	\$333.3
CAL21	\$372.5	\$372.5	\$360.7	\$364.6	CAL21	\$353.2	\$353.2	\$339.8	\$344.0
CAL22	\$393.0	\$393.0	\$381.2	\$385.1	CAL22	\$369.2	\$369.2	\$355.8	\$360.0

Dry Bulk S&P Market

A tug of war scenery has been set lately around the low Sulphur IMO 2020 regulation. On the one end of rope, INTERTANKO, INTERCARGO, BIMCO and a group of flag states proposing an “experience-building phase” before full implementation of the new rules. On the other end, Carnival, Frontline, Star Bulk and Oldendorff formed the “Clean Shipping Alliance 2020” advocating scrubbers and urging IMO to keep to scheduled January 1, 2020 deadline. In this context, secondhand market trended sideways this week, with asset indicative prices hovering very close to the “last dones”. On the newbuilding front, Capesize prices moved up, whilst all other segments didn’t see any material change in their newbuilding prices.

The market for five-year-old Capesizes and same-aged Panamaxs hovered at just 12% and 15% off their adjusted newbuilding prices respectively. Five-year-old Supramaxes are on the market at a 14% discount to their newbuilding price whereas same-aged Handies at a 17%, if we compare them on the same age basis.

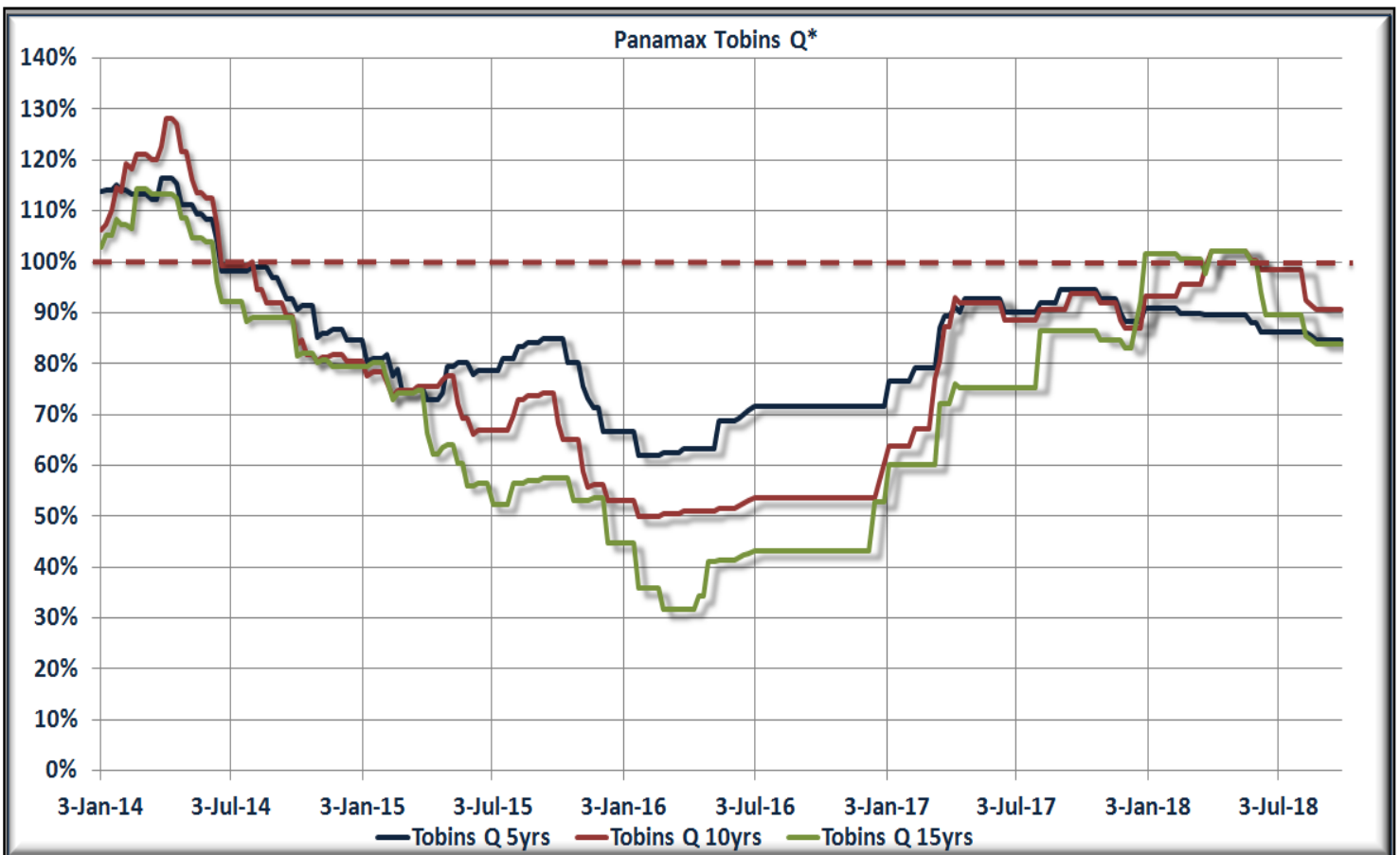
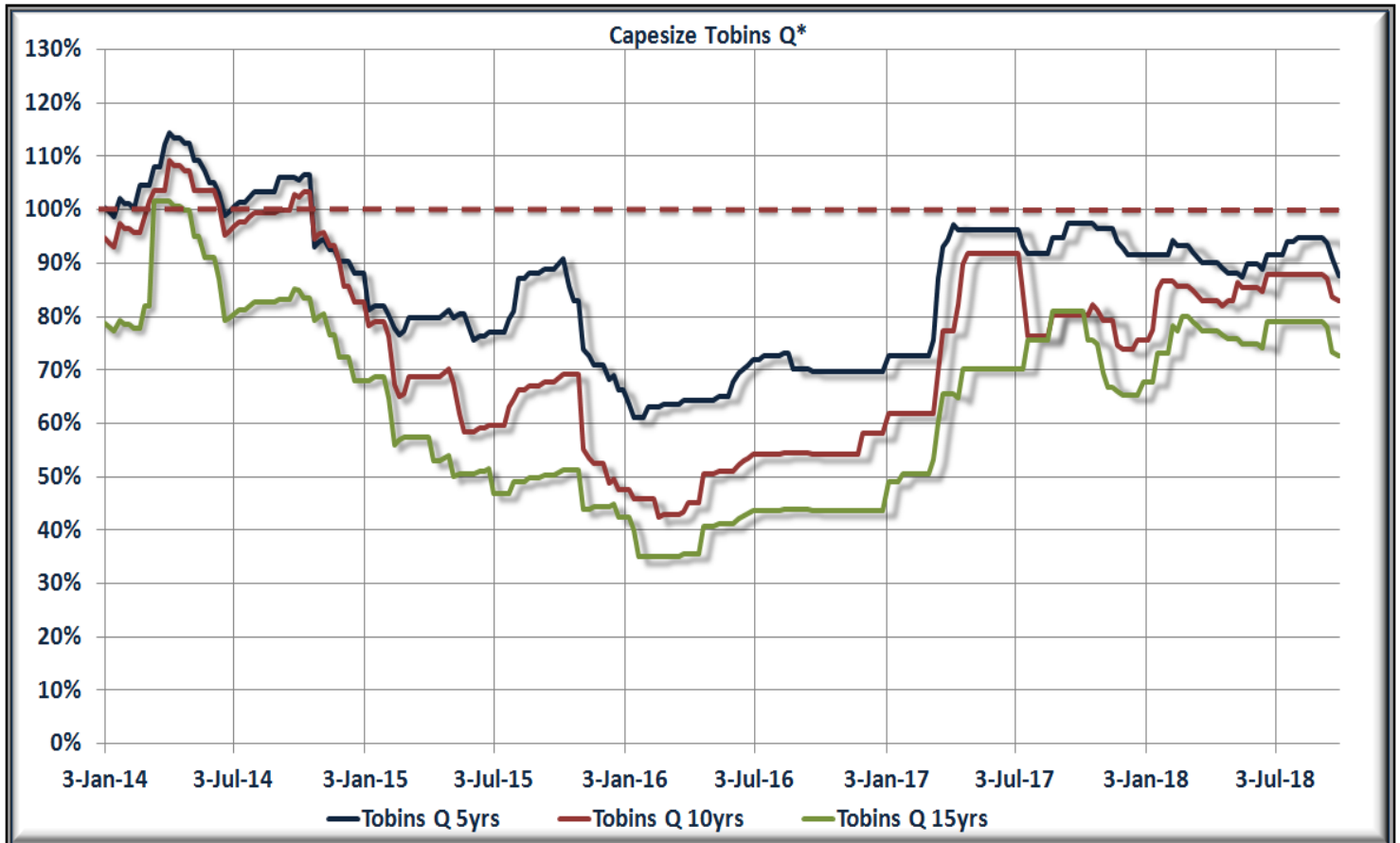
Indicative Newbuilding Prices				
Date/ \$ Mil.	Capesize 180K DWT	Panamax 76K DWT	Supramax 63K DWT	Handysize 30K DWT
28-Sep-2018	49.00	27.50	26.00	21.55
28-Sep-2017	42.50	24.00	23.00	19.25
28-Sep-2016	42.00	24.00	22.25	18.50
Δ% Y-o-Y	15.3%	14.6%	13.0%	11.9%
Δ% 2018-2016	16.7%	14.6%	16.9%	16.5%

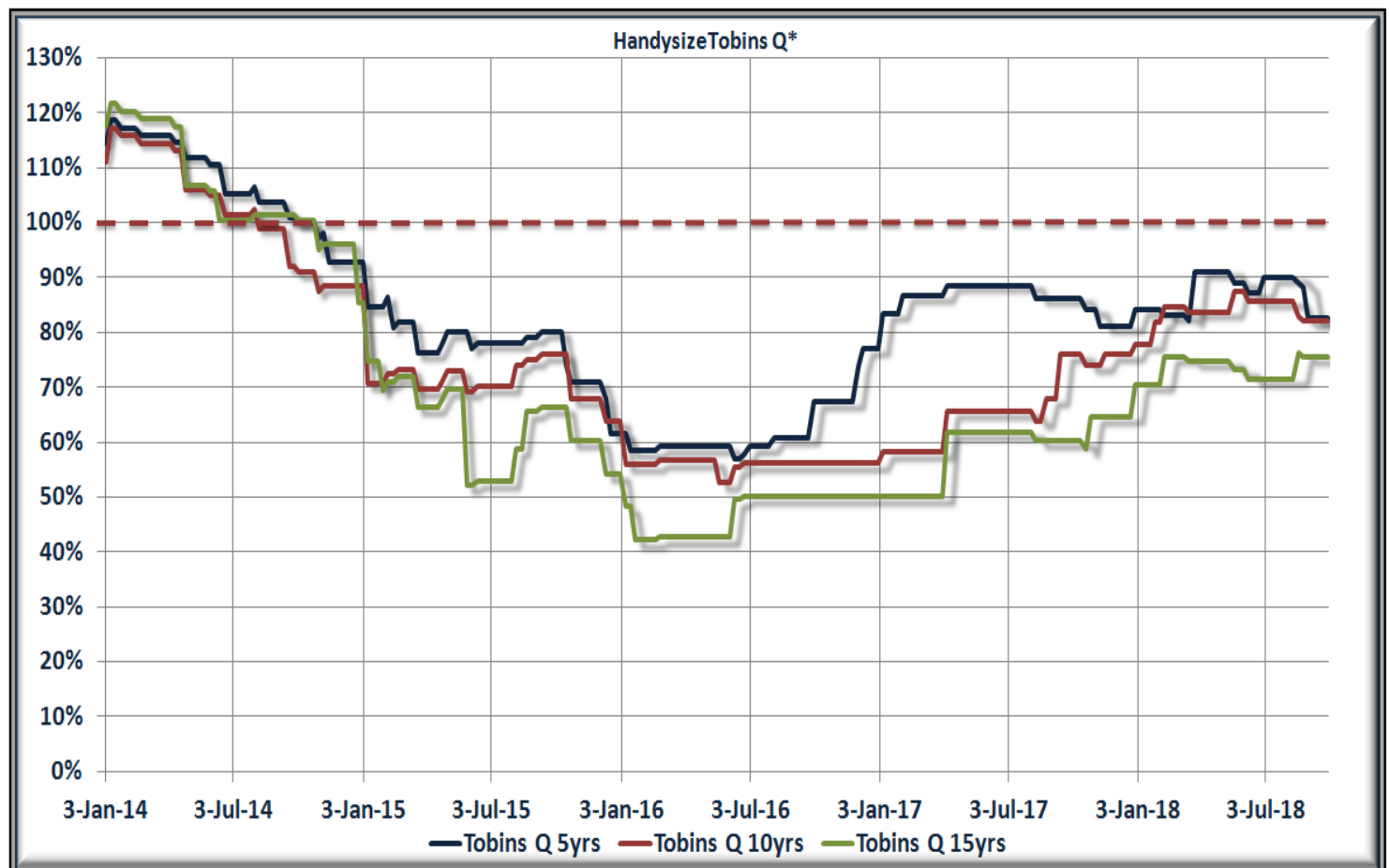
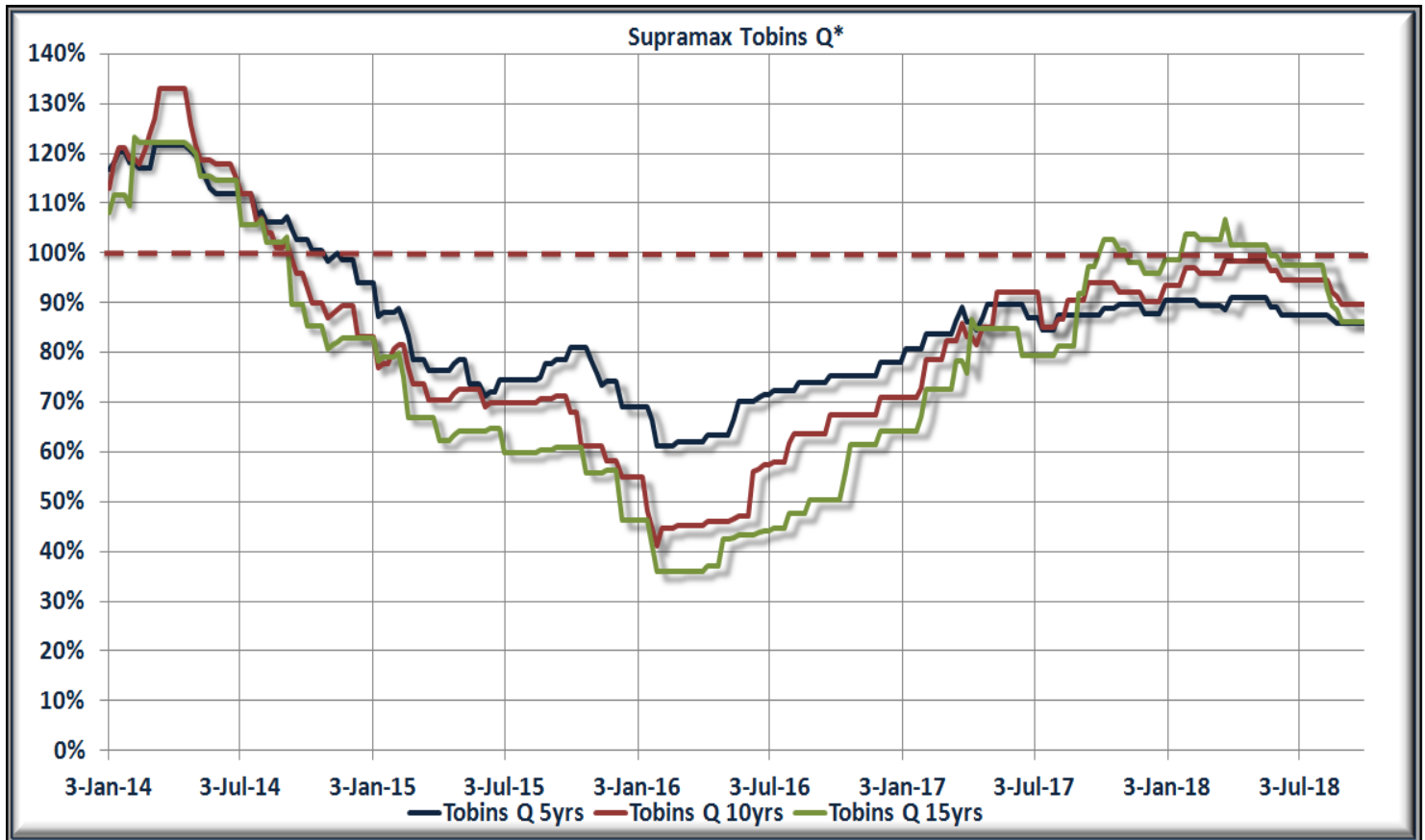
Reported Recent S&P Activity						
Vessel Name	DWT	Built	Yard/Country	Price \$Mil.	Buyer	Comments
Tenshu Maru	180,630	2010	Tsuneishi Cebu/Philippines	Rgn 30	Undisclosed	eco
Five Stars Fujian	181,383	2009	Sasebo/Japan	25	Greek buyers	
Cape Dover	185,805	2006	Kawasaki/Japan	22	Greek buyers	
Mineral Antwerpen	172,424	2003	Daewoo /S.Korea	14.5	Greek buyers	
Ten Jin Maru	98,681	2011	Tsuneishi Zhoushan/China	20.5	Undisclosed	
Talia	92,000	2011	Taizhou Catic/China	17	Greek buyers	
Ocean Scorpio	81,687	2013	Yangfan/China	17.5	Chinese buyers	Part of en bloc
Jag Arya	80,480	2011	SPP/Japan	18.8	Undisclosed	
Sky Jade	81,487	2010	Universal/Japan	18.75	Undisclosed	
Golden Trader II	79,516	2012	Jinhai/China	15.5	Greek buyers	
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
Majulah Singapura	57,982	2014	Tsuneishi/Japan	19	Undisclosed	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
JPO Delphinus	56,819	2009	Hantong/China	high 9	Undisclosed	C 4x35
Persus Ocean	53,549	2007	Iwagi/Japan	11	Indonesian Buyers	C 4x30.5
Eigen	50,249	1999	Mitsui/Japan	7.2	Indonesian Buyers	C 4x30
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
Ocean Wealth	38,243	2012	Imabari/Japan	14.8	Greek buyers	C 4x30.5
Unicorn Ocean	38,503	2011	Minami-Nippon/Japan	15.2	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
Van Imabari	28,397	2008	Shimanami/Japan	8.4	Greek buyers	C 4x30.5
Ourania	27,786	1998	Naikai Zosen/Japan	mid 5	Undisclosed	C 4x30
Mukarnas	23,712	1995	Kanasashi/Japan	4	Chinese buyers	C 4x30

Tobin's Q* Capesize-Panamax						
Date	Capesize 5yrs	Capesize 10yrs	Capesize 15yrs	Panamax 5yrs	Panamax 10yrs	Panamax 15yrs
Current ratio	88%	83%	73%	85%	91%	84%
12months High	98%	88%	81%	95%	102%	102%
12months Low	87%	74%	65%	85%	87%	83%
12months Avg	92%	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%	98%	86%	82%	71%

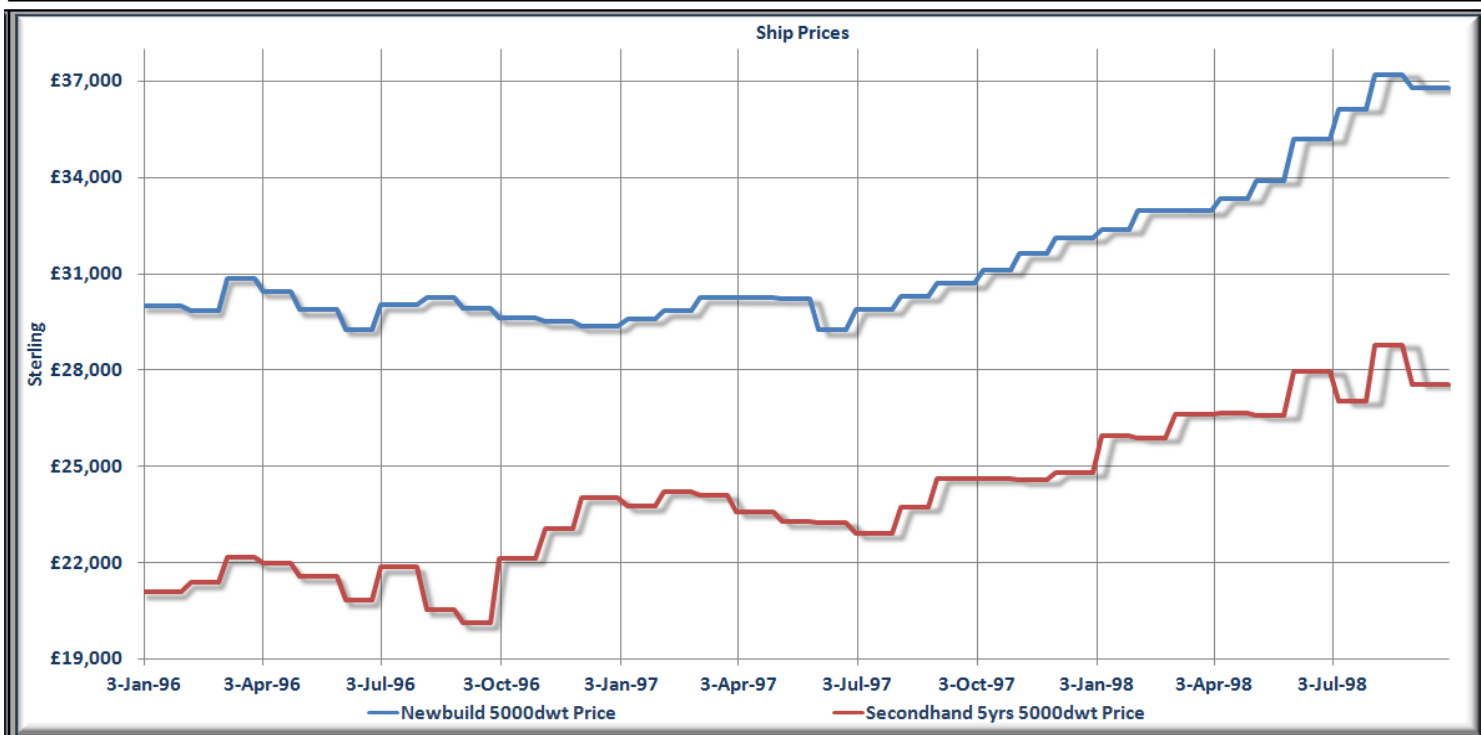
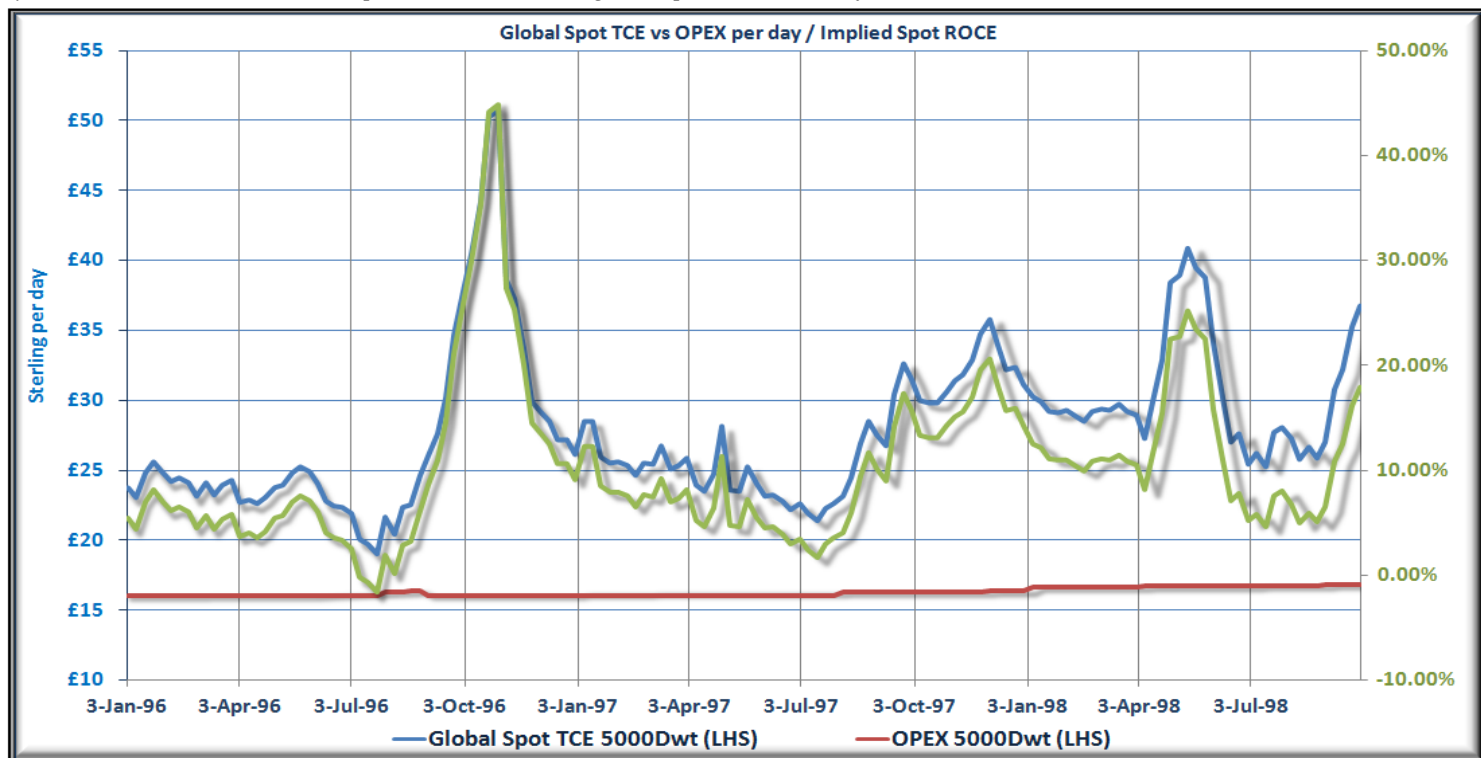
*Tobin's Q represents the ratio between the market value and replacement value of a physical asset, with numerator and denominator adjusted to same age basis. According to economic theory, this ratio should be mean reverting towards 1 or 100%, for assets that do not face technological obsolescence.





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-00	Jul-00	Jun-00
Implied Spot Roce	18.0%	16.2%	5.8%	6.6%	9.5%
Global Spot TCE	£36.69	£35.16	£26.31	£26.71	£28.76
BlackSea Round	£39.19	£36.62	£26.80	£26.12	£27.37
East Round	£42.38	£42.01	£34.40	£34.93	£38.62
Med Round	£29.85	£29.85	£22.23	£24.22	£26.51
US Round	£40.35	£37.54	£27.61	£31.57	£35.54
River Plate Round	£38.56	£37.63	£30.55	£25.81	£30.71

S&P Market (5,000dwt)	Current week	Previous week	Jul-00	Jun-00	May-00
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...

Although the fixtures reported represent an almost unprecedented amount of business effected within a week, a considerable proportion of the transactions have been kept private, not only charters but berth engagements, etc. The squeeze has been and continues to be for October tonnage, which is now getting very scarce and daily more valuable, as for instance the rates on the n.r. basis from the Gulf ports to London commencing from the beginning of the week at 45s to 47s 6d have now advanced to 48s 9d to 51s 3d, business having been effected for Liverpool at 50s to 51s 2d and 1s 3d to 2s 6d extra for Havre or Bremen. Of course the best prices have been paid for the modern boats giving 135 ft. to 140 ft. of grain space for cargo to each n.r. tonne, but boats of less capacity have been fixed at relatively more money, which goes to prove that tonnage with very small n.r. in proportion to carrying does not obtain a freight for cotton *pro rata* to the boats having indifferent cubical capacity to their registers. This probably accounts for many owners giving preference to loading on the berth and running the risk of the lb. quotations. Some owners may be somewhat disappointed with their fixtures quite recently concluded now that rates have still further run up, but they have acted rightly in fixing up before proceeding out in ballast, for it is the very fact of most boats making their way across the Atlantic being under charter that is now forcing the charterers to offer more inducement to bring further tonnage out from this side. If continued firmness is displayed by owners and they are not afraid to ask higher rates and hold for them, there is no telling to what extent rates can be driven.

A great deal of business has been done and has yet to be done from the Gulf ports on the net grain charter basis. Why so many owners prefer this charter to fixing on the n.r. basis we fail to see, as under the net grain charter charterers can ship "any lawful merchandise". They can ship a full cargo of cotton, paying freight on so much per tonne on the steamer's guaranteed deadweight cargo capacity, or they can ship a mixed cargo of weight and measurement and to any port within the Bordeaux-Hamburg range at the same rates as would be paid if going to Liverpool, whereas owners fixing on the n.r. basis invariably obtain an extra rate for the Continent over the UK and certainly a very considerable advance for ports other than Bremen. Why, then, should charterers so successfully throw dust in owners' eyes when they have an indifferent cargo for an objectionable Continental port by securing their tonnage on the so-called net grain charter, which gives them the full range of Continental ports at the UK rate? On the Cork For Orders basis from the Northern ports, the Continental rate is 3d per quarter extra. Why should there be such a distinction between the Atlantic and Gulf ports? Going outside the US market, there is always 9d per unit extra for the Continent on the new Black Sea, Azoff and Danube charters. If owners about fixing on the n.r. basis for Liverpool were asked to throw in Hamburg at the same rate, is it likely that they would do any such thing? And yet in taking 17s on the net charter for UK, they throw in any objectionable Continental port. How can this be explained? We are glad to hear that most owners share our views in regard to the iniquitous loading time of one and a quarter lay-days for every 100 tonnes n.r. provided by the Anglo form and they are now resolutely refusing to give more than one day per 100 tonnes n.r. The difference between Anglo days and reasonable lay-days amounts to 1s 3d per n.r. tonne; owners therefore should see that they are not tempted to swallow this Anglo concoction in its entirety.

In the spot arena, the Black Sea market is steady. River Plate business continues to show considerable vitality, with rates having again advanced since the last report. The Eastern market has been somewhat quiet, with very little chartering having been effected. There is very little Mediterranean business, the usual ore charterers as usual sitting still until climatic circumstances prevent tonnage from going to Azoff.

There is a strong demand for tonnage on time-charter, mostly for the Atlantic trade, but also to run from the US to East Australia. Fairly modern boats are fixable for periods ranging from three to nine months at 9s per tonne with delivery UK/Cont. and redelivery US; with delivery US and redelivery UK/Cont. 9s 6d could be got.

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.