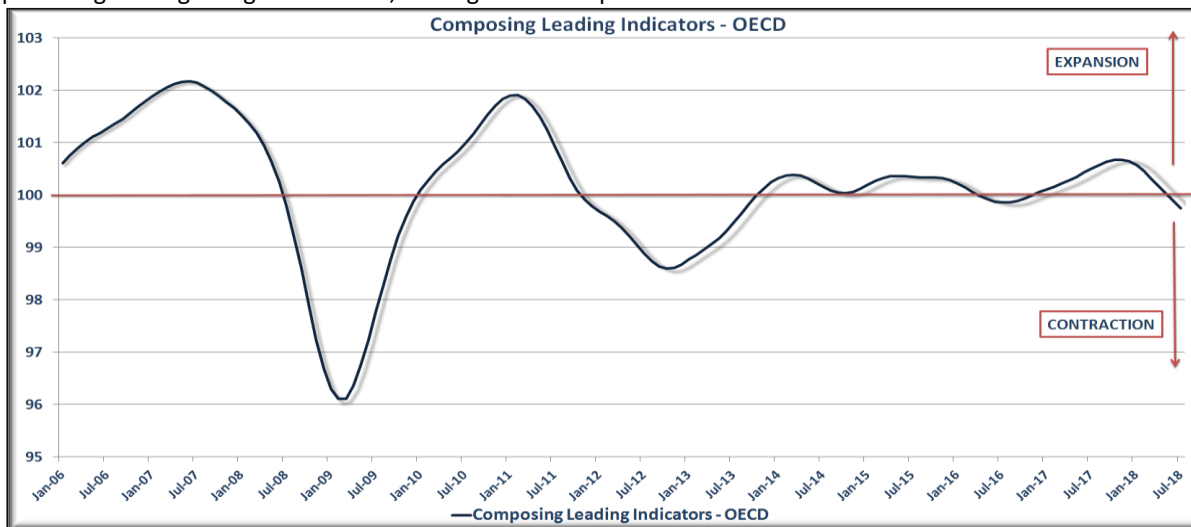


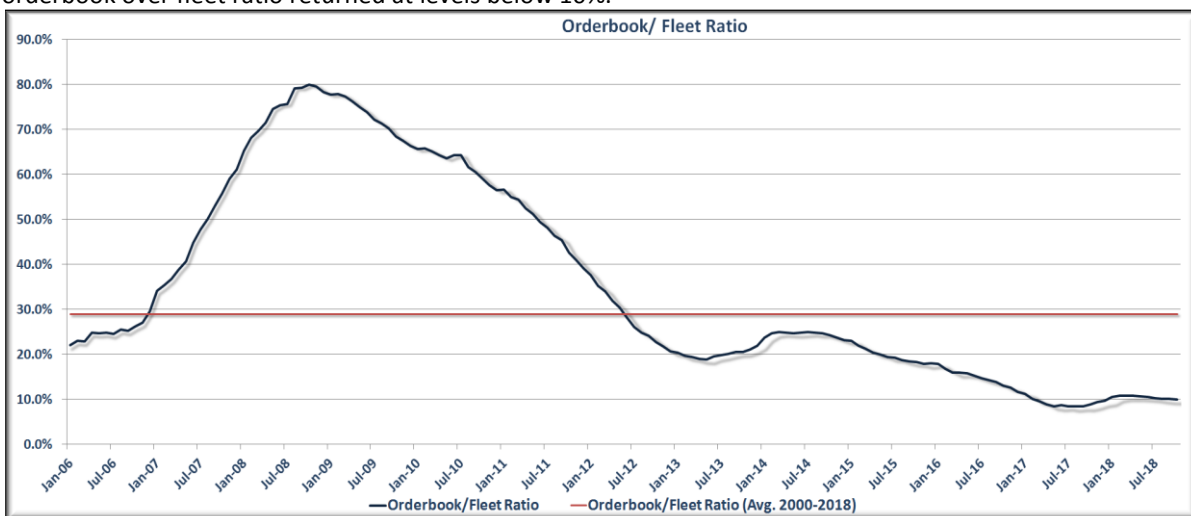
Amidst rising trade tensions and surging oil prices to four-year highs, the US unemployment rate has fallen to its lowest levels since 1969, according to the Bureau of Labor Statistics. With the US economy being on track for 3 per cent growth and the local job market further tightening, Fed's decisions for further interest rate increases may become easier. In this context, emerging market and European stocks moved further south on Friday, with equity markets most probably reacting to a hawkish scenario in reference to the US interest rate hikes.

Setting aside the rosy picture of the US economy, the IMF appeared to be more cautious. On the occasion of the ten years from the Lehman bankruptcy, the median general government debt-GDP ratio stands at 52 percent, up from 36 percent before the crisis. Additionally, central bank balance sheets, particularly in advanced economies, are several multiples of the size they were before the crisis and emerging market and developing economies now account for 60 percent of global GDP in purchasing-power-parity terms – compared with 44 percent in the decade before the crisis – reflecting a weak recovery in advanced economies. In sync, the latest update of the Composite Leading Indicators (CLI) from OECD pointed an easing in the OECD momentum as a whole. Among major non-European OECD economies, the CLIs point to stable growth momentum in the United States and Japan. In the emerging economies spectrum, the CLIs for China and India point to growth gaining momentum, while growth is expected to ease in Brazil and Russia.



Source: OECD, Doric Research

The uncertainties related to the course of the global economy after the era of unconventional monetary policies, the escalating trade tensions between the two largest economies of the globe and the causing confusion new shipping regulations seem to have a bearing in investors' decision to stay away from the Far Eastern yards. Most importantly though, secondhand prices – lately on a softer tone – kept lingering below their age-adjusted newbuilding ones and lower than their ten-year averages. At this juncture, the orders for new tonnage remained on the low end, albeit considerably higher than a couple of years ago. In any case, the orderbook over fleet ratio returned at levels below 10%.



Even though the spot market has been hovering over healthy territory for the past twelve months, a rhetoric about Baltic Indices closing to their peak gains popularity. Concerns about a softer tone from the demand side of the market has fuelled this scenario, however the supply side discipline may suffice to refute same.

**Freight market 120yrs ago (page 12):** "A large amount of business has been done from the United States, and although cotton rates are no higher, the fixtures indicating that quotations have been well maintained..."

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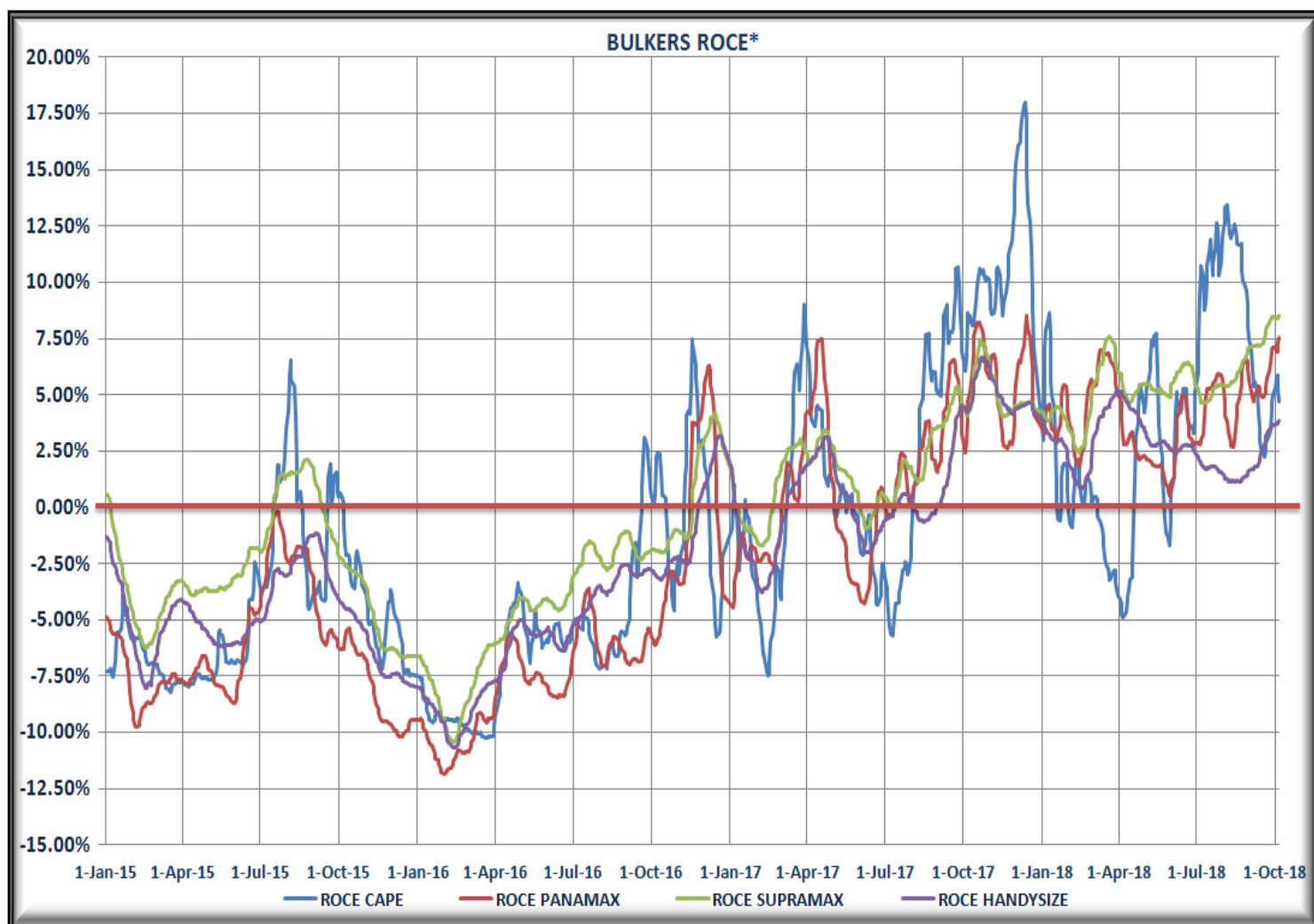
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## Dry Cargo Spot Market

The main trend that started a couple of weeks ago continued throughout this week as well, not letting the general Baltic Dry Index move higher. Thus, BDI concluded at 1536 points, or -0.3% W-o-W. In another bumpy week, Baltic Capesize Index managed to stand above last Friday's levels at 2081 points, albeit lower than its intra-week maxima. Baltic Panamax Index moved further up, scoring fresh 2018 highs of 1727 points. After a soft week start, Baltic Supramax Index returned to positivity, finishing at 1197 points. BHSI added another eight points on its attempt to surpass 2018 highs, laying at 637 points.

At the box office, returns of all segments, in sync, stayed very close to those of the previous week. Particularly, Capesize ROCE balanced at 4.71% and Panamax ROCE at 7.52%, or down 28 and up 40 basis points on a weekly basis respectively. Supramax ROCE increased to 8.52% at the same time as Handy ROCE was moving further up to 3.84%.



Baltic Freight Indices					
Date	BDI	BCI 5TC	BPI - TCA	BSI - TCA	BHSI - TCA
1-Oct-18	1555	\$18,749	\$13,577	\$13,274	\$9,178
2-Oct-18	1570	\$19,217	\$13,461	\$13,235	\$9,187
3-Oct-18	1574	\$19,319	\$13,470	\$13,244	\$9,209
4-Oct-18	1554	\$18,639	\$13,685	\$13,270	\$9,232
5-Oct-18	1536	\$18,026	\$13,849	\$13,327	\$9,260
12-month High	1774	\$30,475	\$13,849	\$13,327	\$10,104
12-month Low	948	\$7,051	\$9,262	\$9,350	\$7,530
12-month Avg	1389	\$18,177	\$11,582	\$11,174	\$8,725
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.

Morgan Stanley sees China's overall iron ore demand peaking this year at 1.28B tons and gradually falling by 180M tons through 2023, driven by falling crude steel production and increasing scrap use. Setting aside the bearish tone of the American multinational investment bank, Baltic **Capesize** TC Index moved timidly higher at \$18,026 daily this Friday.

In the Pacific basin, following similar announcements by BHP Billiton and Fortescue Metals, Rio Tinto and its joint venture partners will spend about \$1.55 billion to maintain production capacity at two iron ore projects in Western Australia. However, these investments are related to production replacement rather than expansion. The move comes as Rio has been selling off its coal assets, with a view to focusing on its core commodities, such as iron ore. In the spot arena, the C5 Baltic index firmed up, reporting double-digit increase on a weekly basis at \$8.785 pmt. Rio Tinto fixed two ships reportedly taking fixing 16-18 October positions from Dampier to Qingdao at \$9.25 and \$9.30 pmt. MOL took the 'KSL Sapporo' (180,960 dwt, 2014) from Oita for an Aussie round to Singapore-Japan at \$24,000 daily. The 'Mineral Honshu' (181,408 dwt, 2012) was reported fixed at \$20,750 for a trip via Australia, basis delivery CJK and redelivery Singapore-Japan. The Baltic transpacific index (C10\_14) balanced substantially higher at \$18,795 daily, or +16% W-o-W.

In the Atlantic basin, Brazilian prosecutors said that they have reached a final compensation deal with Vale, BHP Billiton and their jointly held Samarco venture in the fatal 2015 dam burst. Vale said it expects the Samarco unit to resume operations in 2018 or early next year, but it has pushed back forecasts several times. In reference to the spot market, the trendsetter of this basin remained unchanged, the Baltic C3 index, concluding at 20.32 pmt. Vale reportedly took a couple of Newcastlemaxes for October dates from Tubarao to Qingdao at around low \$20.00s. Atlantic indices didn't support the upward movement of the Pacific indices, with the front haul index (C9\_14) ending at \$36,205 daily whereas the transatlantic index (C8\_14) at \$16,944 daily, or lower by 5.0% and by 11.4% W-o-W respectively. For a transatlantic run, Uniper took the 'Golden Cumulus' (180,499 dwt, 2018) for a trip via USEC at \$19,000 daily, basis delivery Gibraltar and redelivery Gibraltar-Skaw.

There was no reported period activity this week, whilst the forward market was trending downwards.

Representative Capesize Fixtures								
Vessel	DWT	Built	Delivery	Date	Re-del	Rate	Charterers	Comment
KSL Sapporo	180,960	2014	Oita	prompt	Singapore-Japan	\$24,000	MOL	via EC Australia <fixed 3/10>
Mineral Honshu	181,408	2012	CJK	06/08 Oct	Singapore-Japan	\$20,750	K-Line	via Australia
Lowlands Phoenix	177,036	2004	CJK	06/08 Oct	Singapore-Japan	\$16,000 1st 30d, \$20,500 balance	Hyundai Glovis	via West Australia
Golden Cumulus	180,499	2018	Gibraltar	spot	Gibraltar-Skaw	\$19,000	Uniper	via USEC

The Chinese holidays did not seem to have a major effect on the **Panamax** market which; to most participants' surprise, has recorded a fierce upswing in both activity and rates.

In the Pacific, the continuous Indo-coal demand has lead to a healthier fixing activity, with Charterers paying up South East Asia candidates, against a pretty lively ECSA market. More than 15 reported fixtures concluded out of all major loading areas; with Australia and NoPac paying on average in the mid teens for India direction. 'Cosmar' (82,025 dwt, 2016) reported today having fixed \$15,500 daily with 5-6 October delivery CJK via East Australia to India. 'Sunny Young' (81,966 dwt, 2011) got a sturdy \$19,000 daily with 12-13 October delivery Tanjung Bin for one coal trip via Indonesia to India. Despite the quiet NoPac the, very eco, 'BTG Matterhorn' (81,060 dwt, 2016) got \$15,000 daily for 7-8 October delivery in Rizhao, keeping further stability in the Pacific, thus reinforcing an obvious optimism on the forthcoming week.

The ECSA grains have once again kept the Atlantic market robust, with most trades concluding close to last done. The ballaster 'BTG Olympos' (80,800 dwt, 2015) fixed at \$16,800 daily with 8-9 October delivery Surabaya for one front-haul T/C trip via ECSA to Singapore-Japan range. The Transatlantic index has gained a lot of strength with Charterers pushed against the ropes to face wealthier bids. 'Glory Trader' (77,684 dwt, 2004) achieved \$25,000 daily for a trip with steel slabs for 13-16 October delivery to Skaw-Gibraltar range. The, bigger, 'Key Guardian' (83,468 dwt, 2011) got \$24,500 daily for forward dates (late October) delivery Tubarao for one TC trip with iron ore to Ghent. 'Darya Devi' (81,930 dwt, 2013) fixed \$15,500 with 5 October delivery Wilhelmshaven for one trip via Baltic, back to Skaw-Passero. Across the Atlantic, 'SBI Bolero' (81,210 dwt, 2015) fixed one tct ex US Gulf to Red Sea, at \$16,000 daily with 2 October delivery-redelivery Gibraltar. Black sea trading kept firm but not much was reported.

A rich period trading was noticed this week, with a pretty strong market, both physical and on paper. 'Star Kamila' (82,769 dwt, 2005) managed \$14,500 with 6-8 October delivery Phu My for 6 to 8 months. 'Star Mariella' (82,266 dwt, 2006) got same, for 6 to 9 months but delivery Haldia. In the Atlantic, 'SBI Mazurka' (81,232 dwt, 2017) rumored fixed at \$16,500 with 11 October delivery Canakkale for 7 to 9 months. 'Despina V' (81,200 dwt, 2018) got \$20,000 daily in direct continuation with delivery Bordeaux and redelivery back to Head Owners up to 6 months from now.

Representative Panamax Fixtures								
Vessel	DWT	Built	Delivery	Date	Re-del	Rate	Charterers	Comment
Darya Devi	81,930	2013	Wilhelmshaven	05 Oct	Skaw-Passero	\$15,500	Oldendorff	via Baltic
SBI Bolero	81,210	2015	Gibraltar	02 Oct	Gibraltar	\$16,000	Damico	via USG/Red sea
BTG Olympos	80,800	2015	Surabaya	08/09 Oct	Singapore-Japan	\$16,800	LDC	via ECSA
Glory Trader	77,684	2004	Brazil	13/16 Oct	Skaw-Gibraltar	\$25,000	Ultrabulk	w/st.slabs
Key Guardian	83,468	2011	Tubarao	25 Oct	Ghent	\$24,500	Klaveness	w/iore
Sunny Young	81,966	2011	Tanjung Bin	12/13 Oct	India	\$19,000	K-Line	via Indo
BTG Matterhorn	81,060	2016	Rizhao	07/08 Oct	Singapore-Japan	\$15,000	Pacific Bulk	via NoPac
Cosmar	82,025	2016	CJK	05/06 Oct	India	\$15,500	LSS	via Eaus
SBI Mazurka	81,232	2017	Canakkale	11 Oct	worldwide	\$16,500	Bunge	7/9 mos
Despina V	81,200	2018	Bordeaux	13/18 Oct	worldwide	\$20,000	Oldendorff	max 6 mos
Star Kamila	82,769	2005	Phu My	08/09 Oct	worldwide	\$14,500	Bunge	6/8 mos
Star Mariella	82,266	2006	Haldia	05 Oct	worldwide	\$14,500	cnr	6/9 mos

Reaching new year highs this week, the Baltic Supramax TC index concluded at \$13,327.

With the Chinese participants being absent this week, the market appeared rather quiet especially in terms of export activity originating from China. Despite the sluggishness in the north, the Indonesian coal front headed towards positive direction. "Ionic Unicorn" (60,411 dwt, 2016) reported fixing \$13,000 basis delivery Phu My for coal via Indonesia to Philippines whereas for Indo-China the "Maria" (57,070 dwt, 2010) was able to secure delivery at Visakhapatnam at a quite decent \$11,500 daily. With minimal activity being reported in the north, rumours had the "Unity Explorer" (60,678 dwt, 2016) fetching around \$13,000 for a Nopac round but no further details surfaced on whether the vessel was actually covered at these levels. The market in the Arabian Gulf remained unchanged with a steady flow of cargoes keeping the rates balanced. "Shropshire" (56,812 dwt, 2009) open in Jubail fixed a limestone cargo delivery Mina Saqr to Ec India. The South African front kept the momentum which is being built over the last couple of weeks with "Orion Ocean" (61,321 dwt, 2015) making headlines at \$13,500 plus \$360,000 ballast bonus for delivery Richards Bay and direction to PG-WCI.

In the Atlantic, market held on effortlessly to the levels achieved over the last few weeks. Nonetheless, excitement has cooled and expectations for a continuation of the rally are slowly fading. From the USG, the 'SBI Perseus' (62,235 dwt, 2016) was rumoured to have fixed a trip with grains to Israel at \$23,000 daily. Rates in ECSA made another small step forward as several Ultramaxs were covered on fronthaul business, achieving \$16k levels plus ballast bonus of \$600k or more. One such was the 'CP Nanjing' (63,526 dwt, 2017) which secured \$16,000 daily plus \$650,000 ballast bonus for a trip with grains via ECSA to the Far East. Across the pond, rates from the Continent seem to have slightly decreased over last few days. The 'Anastasia S' (52,808 dwt, 2004) was fixed on a scrap run via St. Petersburg to Eastern Mediterranean at \$12,000 daily, basis delivery passing Skaw. Despite the apparent lack of reported fixtures, activity in the Black Sea remained steady and without any noticeable fluctuation on rates. It was heard that a large Supramax secured \$17,000 for a trip to SE Africa, basis delivery Istanbul and redelivery passing Durban.

On period charters, the 'Pacific Award' (61,411 dwt, 2015) was reported to have fixed \$15,425 daily for 4-6 months employment, basis delivery Tamatave and redelivery worldwide.

Representative Supramax Fixtures								
Vessel	DWT	Built	Delivery	Date	Re-del	Rate	Charterers	Comment
Shropshire	56,812	2009	Jubail	2-4 Oct	ECI	\$14,500	Victory Shipping	Limestone via Mina Saqr
Orion Ocean	61,321	2015	Richards Bay	10 Oct	Arabian Gulf	\$13,500 + \$360K gbb	BG Shipping	
Maria	57,070	2010	Visakhapatnam	prompt	China	\$11,500	cnr	trip via Indonesia
Ionic Unicorn	60,411	2016	Phu My	5-6 Oct	Philippines	\$13,000	Norden	trip via Indonesia
SBI Perseus	62,235	2016	USG	prompt	Israel	\$23,000	Cargill	trip with grains
CP Nanjing	63,526	2017	ECSA	prompt	Far East	\$16,000 + \$650K gbb	cnr	
Anastasia S	52,808	2004	Passing Skaw	prompt	Eastern Mediterranean	\$12,000	Mainline	scrap via St. Petersburg
Pacific Award	61,411	2015	Tamatave	1-6 Oct	worldwide	\$15,425	Jaldhi	4-6 mnts period

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

A second week of holidays ends today in the East with hopes for potential positive signs being hidden behind a 'cloud' of an increasing position list, which in connection with spot ships is causing rates to decline. On the one hand we do feel that the market has bottomed out but on the other one we cannot be confident that improvement is around the corner. 'Ch Clare' (33,000 dwt, 2010) open at Hong Kong fixed at \$8,000 dop for a coal shipment via Indonesia to North China. 'Pretty Team' (35,200 dwt, 2013) open at Lumut on the 01st of October opted to take \$9,500 dop for salt via Australia to China. On the period front, 'DL Marigold' (33,700 dwt, 2012) open at CJK on the 30th of September secured \$9,500 dop for 3-5 months trading. In the East Coast of India, mv 'Darya Krishna' (34,800 dwt, 2016) open at Haldia on the 2nd of October fixed at \$7,500 dop for a trip with pig iron via East Coast India to Thailand.

In the Atlantic, we continued witnessing good fixtures across the board. In ECSA, for the larger size handies we saw some great numbers been fixed. For example, a 37,000dwt fixed \$17,000 from Paranagua for a trip to the Baltic, and rumours were heard of a 35,000dwt managing from Recalada a long duration grains trip into Cuba at \$16,000. Similarly in USG, the few ships that were around were in good demand. We heard a 37,489dwt fixing from NCSA a trip to Norway at \$12,750 and of a 27,112dwt fixing from USEC a trip to Italy at \$11,000. In the Continent, there was some more action present, but still seems it is the only area in Atlantic that is lacklustre. We heard of a 34,167dwt fixing from UK a trip with coal from White Sea back to Continent at \$10,900 and rumours of the usual scrap cargoes to E. Med going around \$11,000. To the contrary, Med/Bl. Sea has almost caught on fire, with the numbers heard going from "high" to "higher" with every fixture. The week started with a 32,745dwt securing a trip to Morocco at \$12,000, then a 32,500dwt fixed a trip to Spain at \$13,500, then a 33,628 dwt achieved \$14,000 for a trip to Continent, and then a 30,420dwt got the same number for such a trip!

On the period desk, we heard rumours of a 36,000dwt fixing from USG/Caribs 3-5 months within Atlantic at low teens.

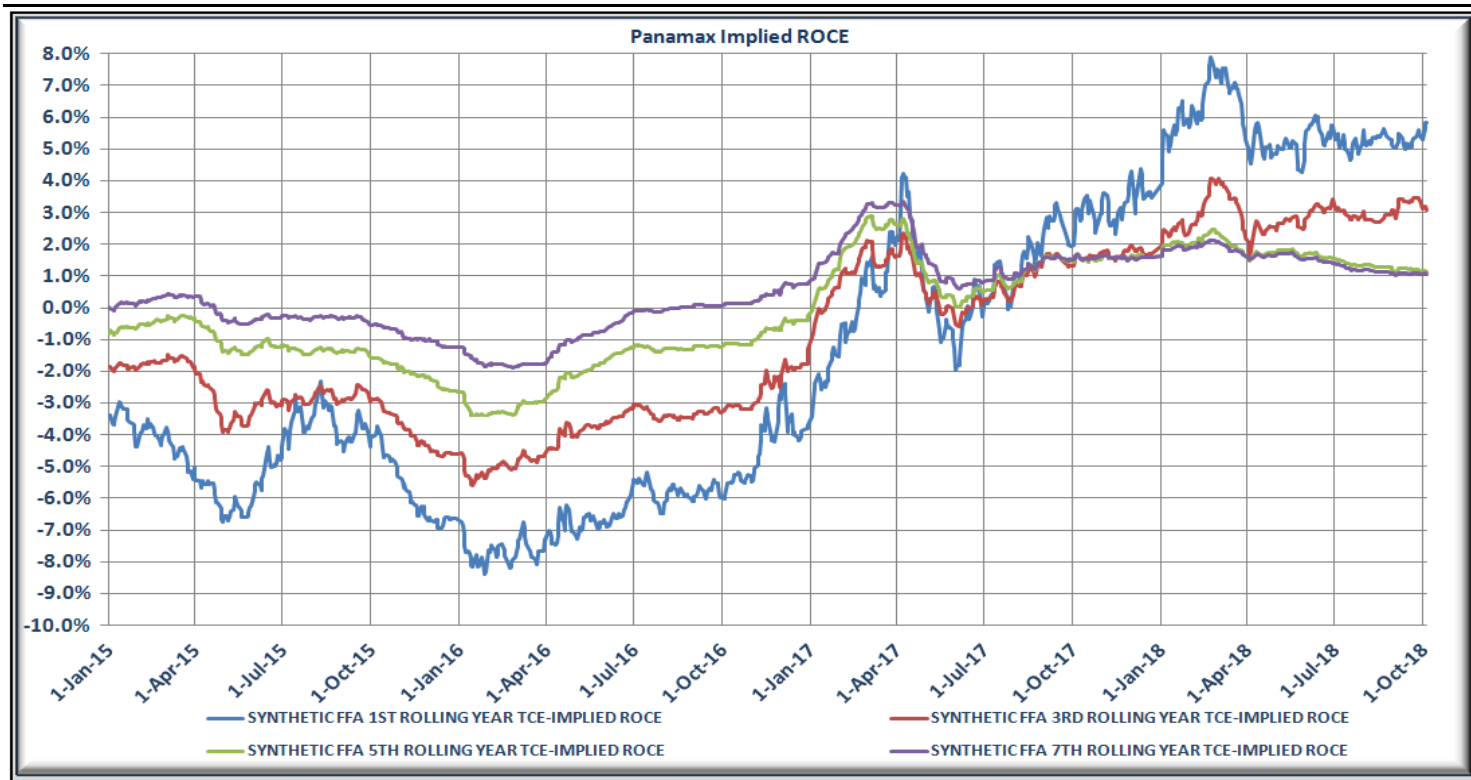
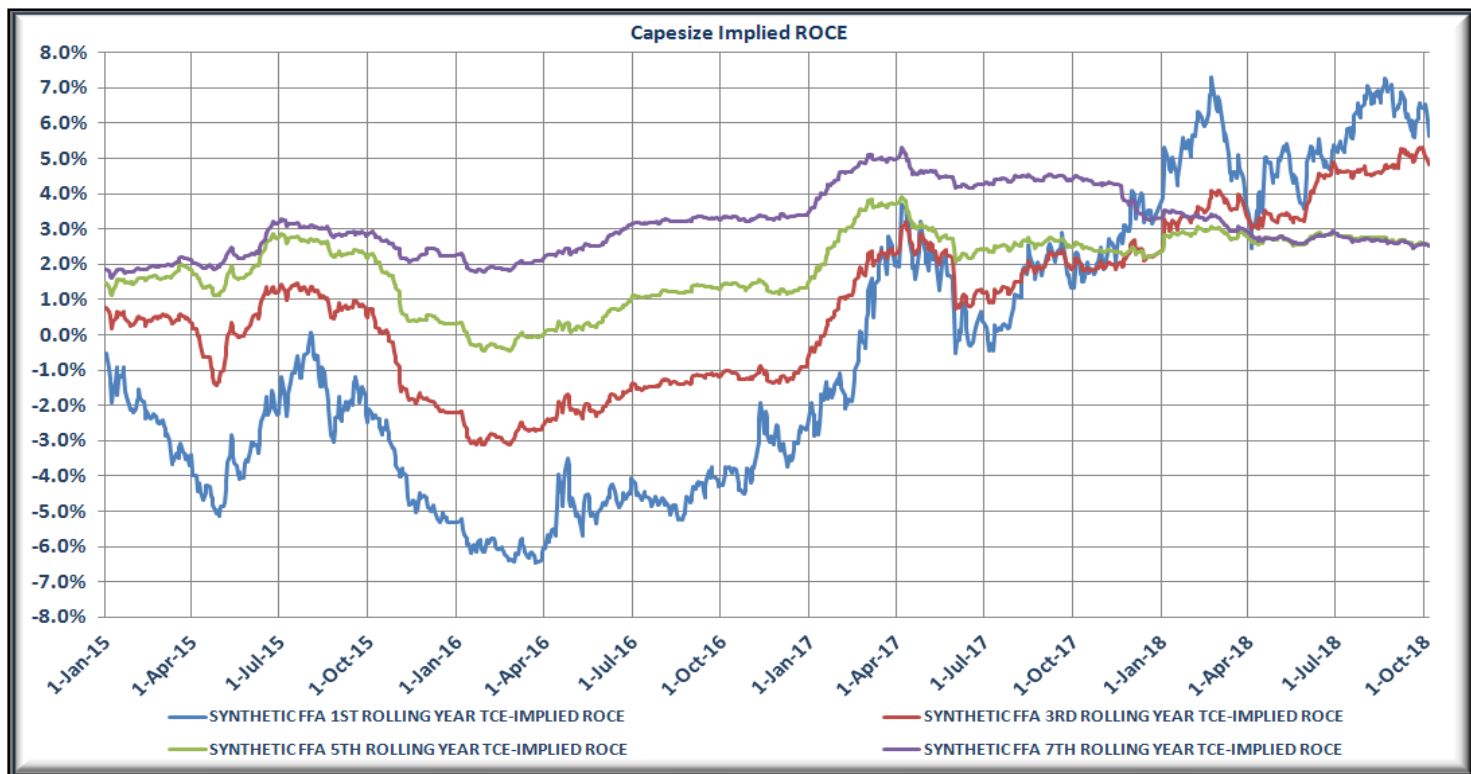
Representative Handysize Fixtures								
Vessel	DWT	Built	Delivery	Date	Re-del	Rate	Charterers	Comment
CH Claire	33,000	2010	Hong Kong	Prompt	N.China	\$8,000	cnr	coal via Indo
Pretty Team	35,200	2013	Lumut	Prompt	China	\$9,500	cnr	salt via Australia
DL Marigold	33,700	2012	CJK	Prompt	ww	\$9,500	cnr	3-5 months
Darya Krishna	34,800	2016	Haldia	Prompt	Thailand	\$7,500	cnr	pig iron
Ultra Tolhuaca	37,429	2015	Paranagua	Prompt	Baltic	\$17,000	Pola	
Charlie	34,167	2011	Londonderry	Prompt	Continent	\$10,900	cnr	coal fm White Sea
Privlaka	27,112	2005	Fairless Hills	Prompt	Italy	\$11,000	ACE	woodchips
Carlota Bolten	37,489	2015	Barranquilla	Prompt	Norway	\$12,750	WBC	
Ocean Star	32,745	2007	Dneprob	10-12 Oct	Morocco	\$12,000	Norden	
CS Caroline	30,420	2010	Dneprob	Prompt	Continent	\$14,000	cnr	



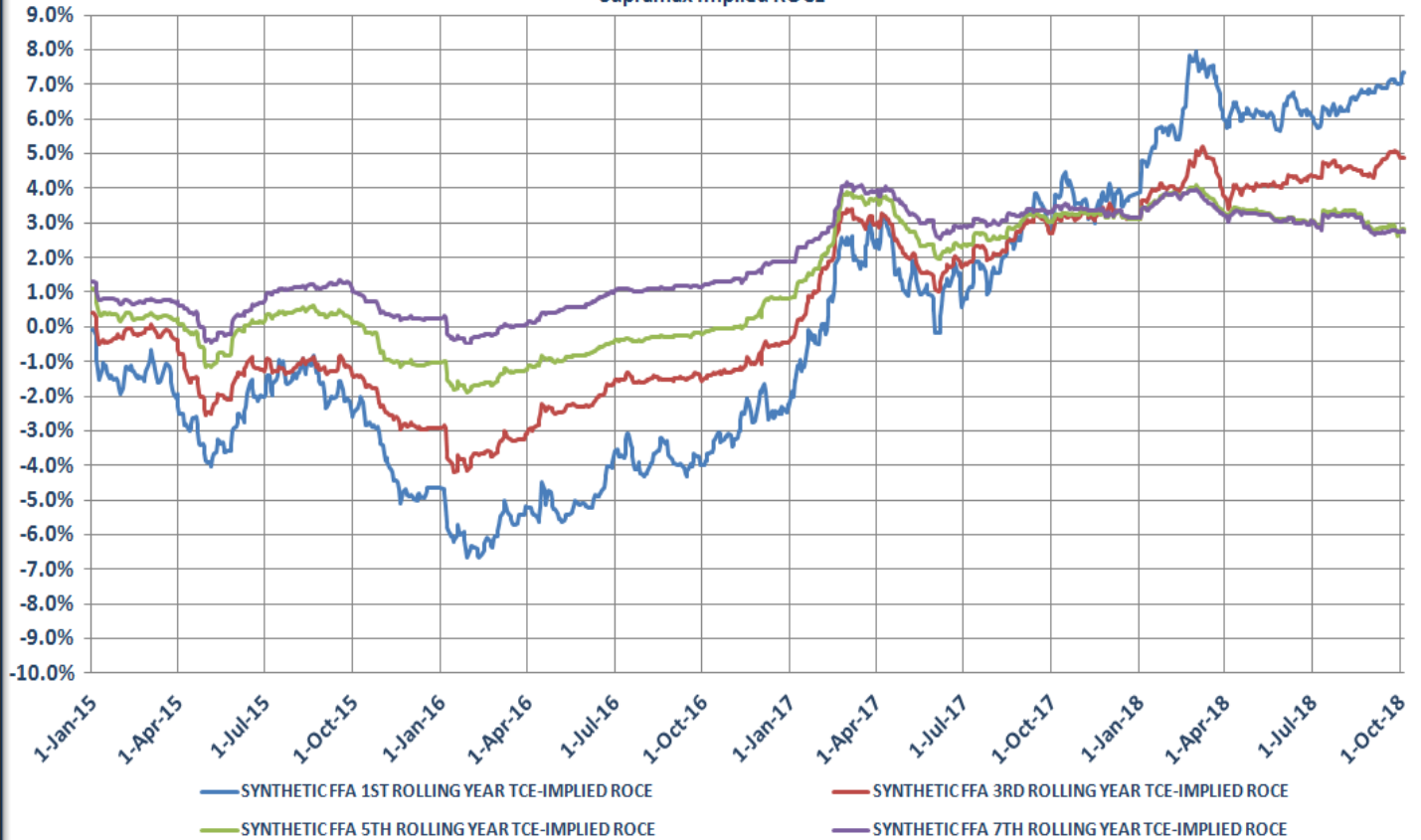
## FFA Market

With the sound Capesize exception, the short end of all forward curves went up, following closely the positive sentiment of the spot market. With a directionless spot market, the prompt months of the Capesize forward curve moved south, with October contracts balancing at \$18,882 and November at \$21,999. In the opposite direction, the Panamax curve went up to \$13,550 and \$13,092 for October and November respectively. Reporting circa \$400 gains, Supramax forward market stood higher than previous week closing, with October balancing at \$13,483 and November at \$13,400. In another curveless week, prompt Handy contracts remained at previous Friday's levels, with November at \$9,563.

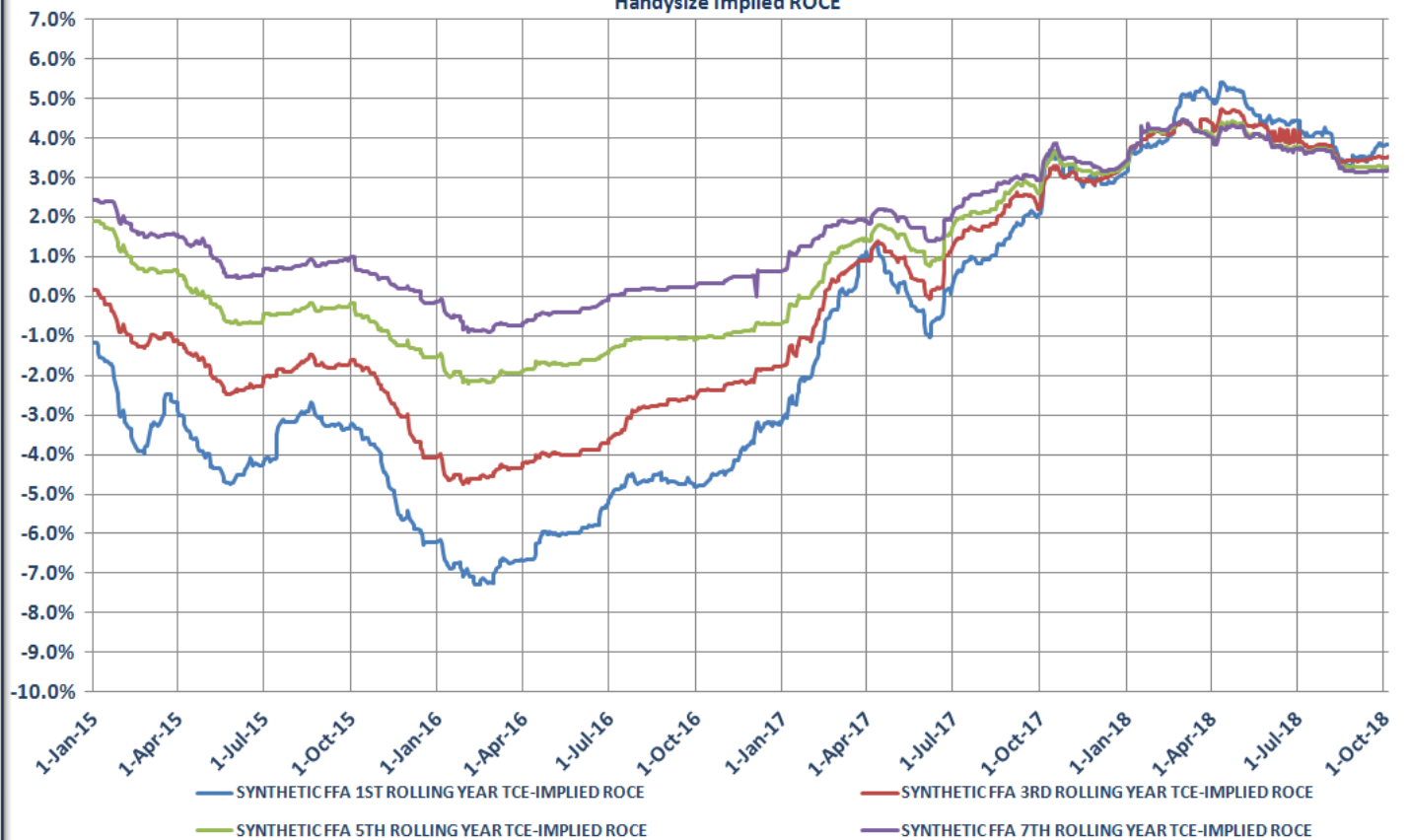
Capesize first rolling year implied ROCE lost 0.8% this week at 5.6% at the same time as that of Panamax was balancing at 5.8%. Geared segments implied ROCEs trended upwards, with Supramax at 7.4% and Handy at 3.9%.



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
1-Oct-18	\$21,635	\$24,946	\$24,033	\$23,538	\$15,817	\$16,567	\$20,531	\$15,588	\$15,580
2-Oct-18	\$21,950	\$25,325	\$24,592	\$23,956	\$15,963	\$16,650	\$20,625	\$15,605	\$15,597
3-Oct-18	\$21,208	\$24,750	\$24,108	\$23,356	\$15,717	\$16,483	\$20,472	\$15,583	\$15,575
4-Oct-18	\$20,133	\$23,679	\$23,583	\$22,466	\$15,492	\$16,242	\$20,261	\$15,567	\$15,550
5-Oct-18	\$18,882	\$21,999	\$22,429	\$21,104	\$15,170	\$15,962	\$19,997	\$15,524	\$15,524
Week High	\$21,950	\$25,325	\$24,592	\$23,956	\$15,963	\$16,650	\$20,625	\$15,605	\$15,597
Week Low	\$18,882	\$21,999	\$22,429	\$21,104	\$15,170	\$15,962	\$19,997	\$15,524	\$15,524
Week Avg	\$20,762	\$24,140	\$23,749	\$22,884	\$15,632	\$16,381	\$20,377	\$15,573	\$15,565

**BFA Panamax 4TC**

Date	Oct (18)	Nov (18)	Dec (18)	Q4 (18)	Q1 (19)	Q2 (19)	Cal 19	Cal 24	Cal 25
1-Oct-18	\$12,713	\$12,475	\$12,367	\$12,518	\$11,758	\$12,758	\$12,593	\$9,729	\$9,721
2-Oct-18	\$12,979	\$12,650	\$12,479	\$12,703	\$11,908	\$12,904	\$12,711	\$9,738	\$9,738
3-Oct-18	\$13,121	\$12,883	\$12,642	\$12,882	\$12,021	\$12,996	\$12,768	\$9,738	\$9,729
4-Oct-18	\$13,442	\$13,104	\$12,729	\$13,092	\$12,192	\$13,117	\$12,871	\$9,739	\$9,730
5-Oct-18	\$13,550	\$13,092	\$12,763	\$13,135	\$12,238	\$13,108	\$12,850	\$9,717	\$9,708
Week High	\$13,550	\$13,104	\$12,763	\$13,135	\$12,238	\$13,117	\$12,871	\$9,739	\$9,738
Week Low	\$12,713	\$12,475	\$12,367	\$12,518	\$11,758	\$12,758	\$12,593	\$9,717	\$9,708
Week Avg	\$13,161	\$12,841	\$12,596	\$12,866	\$12,023	\$12,977	\$12,759	\$9,732	\$9,725

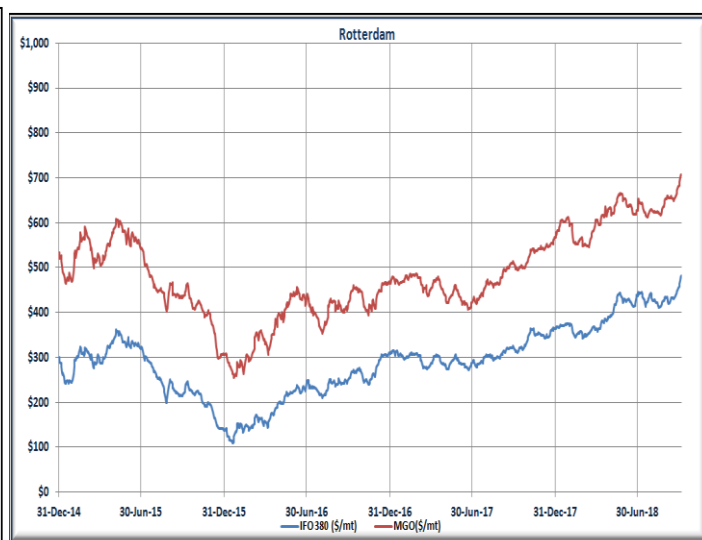
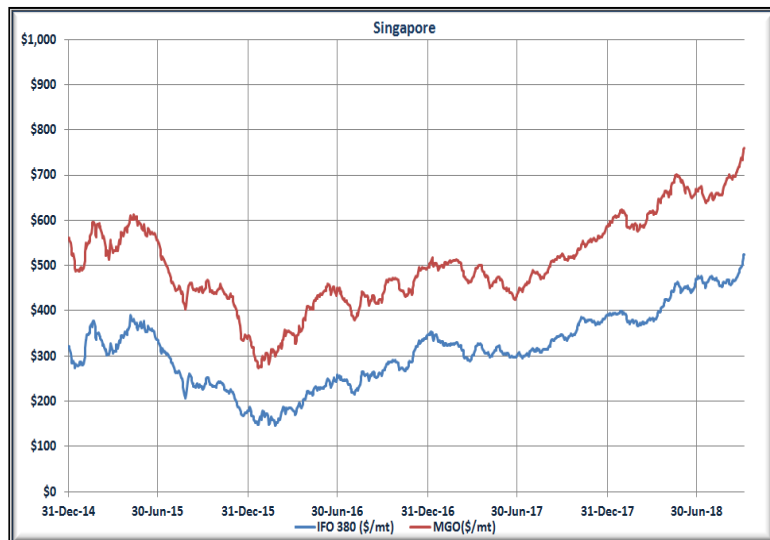
**BFA Supra 10TC**

Date	Oct (18)	Nov (18)	Dec (18)	Q4 (18)	Q1 (19)	Q2 (19)	Cal 19	Cal 24	Cal 25
1-Oct-18	\$13,063	\$12,917	\$12,629	\$12,870	\$11,683	\$12,708	\$12,514	\$9,877	\$9,842
2-Oct-18	\$13,138	\$13,042	\$12,646	\$12,942	\$11,683	\$12,738	\$12,533	\$9,877	\$9,842
3-Oct-18	\$13,329	\$13,188	\$12,788	\$13,101	\$11,721	\$12,838	\$12,572	\$9,877	\$9,846
4-Oct-18	\$13,442	\$13,321	\$12,929	\$13,231	\$11,838	\$12,908	\$12,639	\$9,885	\$9,871
5-Oct-18	\$13,483	\$13,400	\$12,988	\$13,290	\$11,846	\$12,875	\$12,628	\$9,868	\$9,850
Week High	\$13,483	\$13,400	\$12,988	\$13,290	\$11,846	\$12,908	\$12,639	\$9,885	\$9,871
Week Low	\$13,063	\$12,917	\$12,629	\$12,870	\$11,683	\$12,708	\$12,514	\$9,868	\$9,842
Week Avg	\$13,291	\$13,174	\$12,796	\$13,087	\$11,754	\$12,813	\$12,577	\$9,877	\$9,850

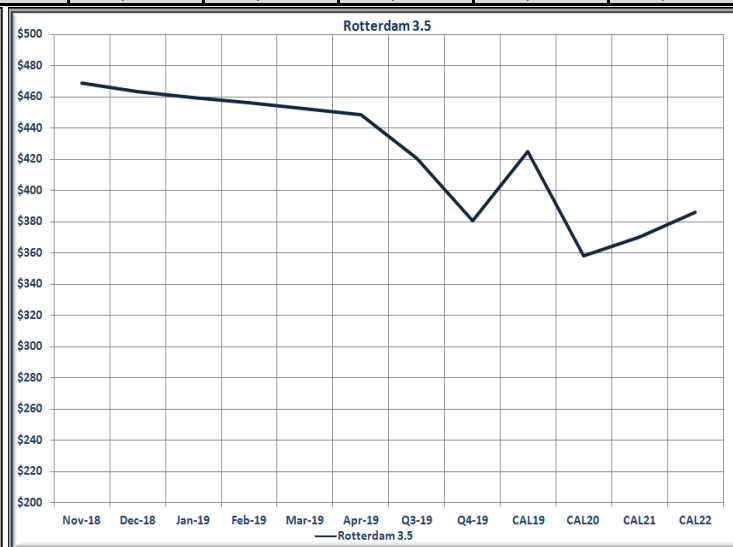
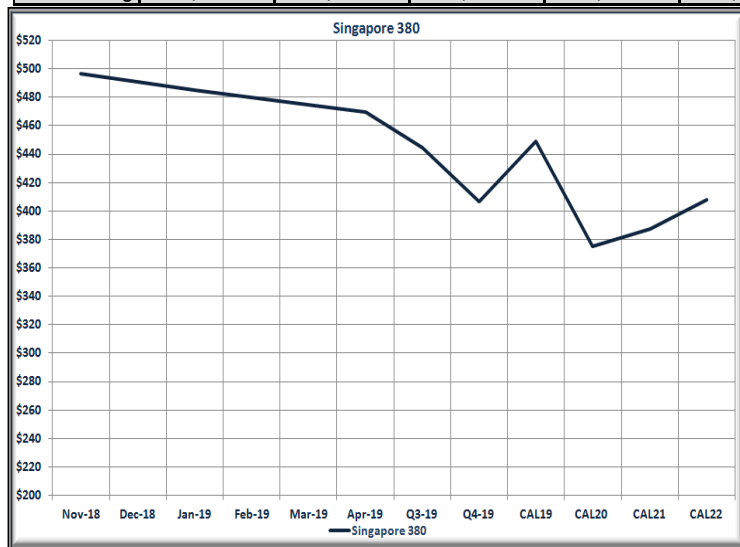
**BFA Handysize TC**

Date	Oct (18)	Nov (18)	Dec (18)	Q4 (18)	Q1 (19)	Q2 (19)	Cal 19	Cal 24	Cal 25
1-Oct-18	\$9,388	\$9,550	\$9,263	\$9,400	\$8,813	\$9,394	\$9,213	\$8,956	\$8,925
2-Oct-18	\$9,356	\$9,550	\$9,238	\$9,381	\$8,813	\$9,400	\$9,213	\$8,956	\$8,925
3-Oct-18	\$9,356	\$9,550	\$9,238	\$9,381	\$8,838	\$9,400	\$9,213	\$8,956	\$8,925
4-Oct-18	\$9,356	\$9,550	\$9,238	\$9,381	\$8,838	\$9,400	\$9,213	\$8,956	\$8,925
5-Oct-18	\$9,356	\$9,563	\$9,250	\$9,389	\$8,838	\$9,413	\$9,225	\$8,963	\$8,931
Week High	\$9,388	\$9,563	\$9,263	\$9,400	\$8,838	\$9,413	\$9,225	\$8,963	\$8,931
Week Low	\$9,356	\$9,550	\$9,238	\$9,381	\$8,813	\$9,394	\$9,213	\$8,956	\$8,925
Week Avg	\$9,362	\$9,553	\$9,245	\$9,386	\$8,828	\$9,401	\$9,215	\$8,957	\$8,926

## Bunker Market



Rotterdam			Singapore		Fujairah		Gibraltar		Houston	
Date (\$/mt)	IFO 380	MGO	IFO 380	MGO	IFO 380	MGO	IFO 380	MGO	IFO 380	MGO
1-Oct-18	\$458	\$684	\$502	\$735	\$505	\$783	\$479	\$754	\$465	\$745
2-Oct-18	\$465	\$692	\$510	\$742	\$511	\$783	\$486	\$756	\$471	\$757
3-Oct-18	\$471	\$701	\$518	\$754	\$515	\$798	\$490	\$761	\$473	\$756
4-Oct-18	\$481	\$706	\$524	\$758	\$528	\$798	\$496	\$767	\$479	\$765
5-Oct-18	\$482	\$707	\$525	\$759	\$529	\$790	\$497	\$768	\$480	\$767
12-month High	\$482	\$707	\$525	\$759	\$529	\$798	\$497	\$768	\$480	\$767
12-month Low	\$312	\$496	\$335	\$511	\$332	\$578	\$328	\$528	\$309	\$532
12-month Avg	\$388	\$597	\$415	\$624	\$413	\$679	\$410	\$649	\$390	\$634



Singapore	05-Oct-18	Week max	Week low	Week Avg	RTDM 3.5	05-Oct-18	Week max	Week low	Week Avg
Nov-18	\$496.7	\$496.7	\$483.6	\$492.9	Nov-18	\$468.7	\$468.7	\$458.4	\$465.8
Dec-18	\$490.9	\$490.9	\$478.6	\$487.3	Dec-18	\$463.4	\$463.7	\$454.1	\$461.0
Jan-19	\$485.2	\$485.2	\$473.6	\$481.8	Jan-19	\$459.7	\$460.0	\$450.4	\$457.2
Feb-19	\$479.7	\$479.7	\$468.6	\$476.4	Feb-19	\$456.2	\$456.5	\$447.1	\$453.8
Mar-19	\$474.7	\$474.7	\$463.6	\$471.4	Mar-19	\$452.4	\$452.7	\$443.6	\$450.2
Apr-19	\$469.9	\$469.9	\$456.6	\$464.8	Apr-19	\$448.7	\$449.0	\$439.6	\$446.4
Q1-19	\$479.8	\$479.8	\$468.6	\$476.6	Q1-19	\$456.1	\$456.4	\$447.0	\$453.8
Q2-19	\$464.7	\$464.7	\$454.5	\$461.7	Q2-19	\$443.8	\$443.8	\$434.8	\$441.3
Q3-19	\$444.7	\$444.7	\$435.5	\$442.0	Q3-19	\$420.8	\$420.8	\$411.8	\$418.4
Q4-19	\$406.9	\$406.9	\$399.0	\$404.5	Q4-19	\$380.8	\$380.8	\$373.8	\$378.8
CAL19	\$449.2	\$449.8	\$433.3	\$444.5	CAL19	\$425.2	\$425.8	\$416.3	\$422.5
CAL20	\$375.4	\$377.1	\$365.3	\$372.3	CAL20	\$357.9	\$358.1	\$350.8	\$355.7
CAL21	\$387.2	\$388.8	\$381.0	\$384.8	CAL21	\$370.2	\$370.3	\$361.5	\$367.6
CAL22	\$407.7	\$409.3	\$401.5	\$405.3	CAL22	\$386.2	\$386.3	\$377.5	\$383.6



## Dry Bulk S&P Market

Not having the opportunity yet to fully deploy their arguments, the “Clean Shipping Alliance 2020” and the “experience-building phase team” have to look into a third possible solution to the emissions curb issue. Speaking at the Malta Maritime Summit, Mr Prokopiou proposed that regulators should introduce mandatory slow steaming as a giant step towards long-term emissions. A very similar approach was adopted from some traditional Greek owners in the Naftemporiki Shipping Conference in Athens. Given the above and a freight market lacking clear direction, secondhand market trended sideways for yet another week.

In our secondhand to age-adjusted newbuilding comparison, the market for five-year-old Capesizes and same-aged Panamaxs lay at just 10% 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.

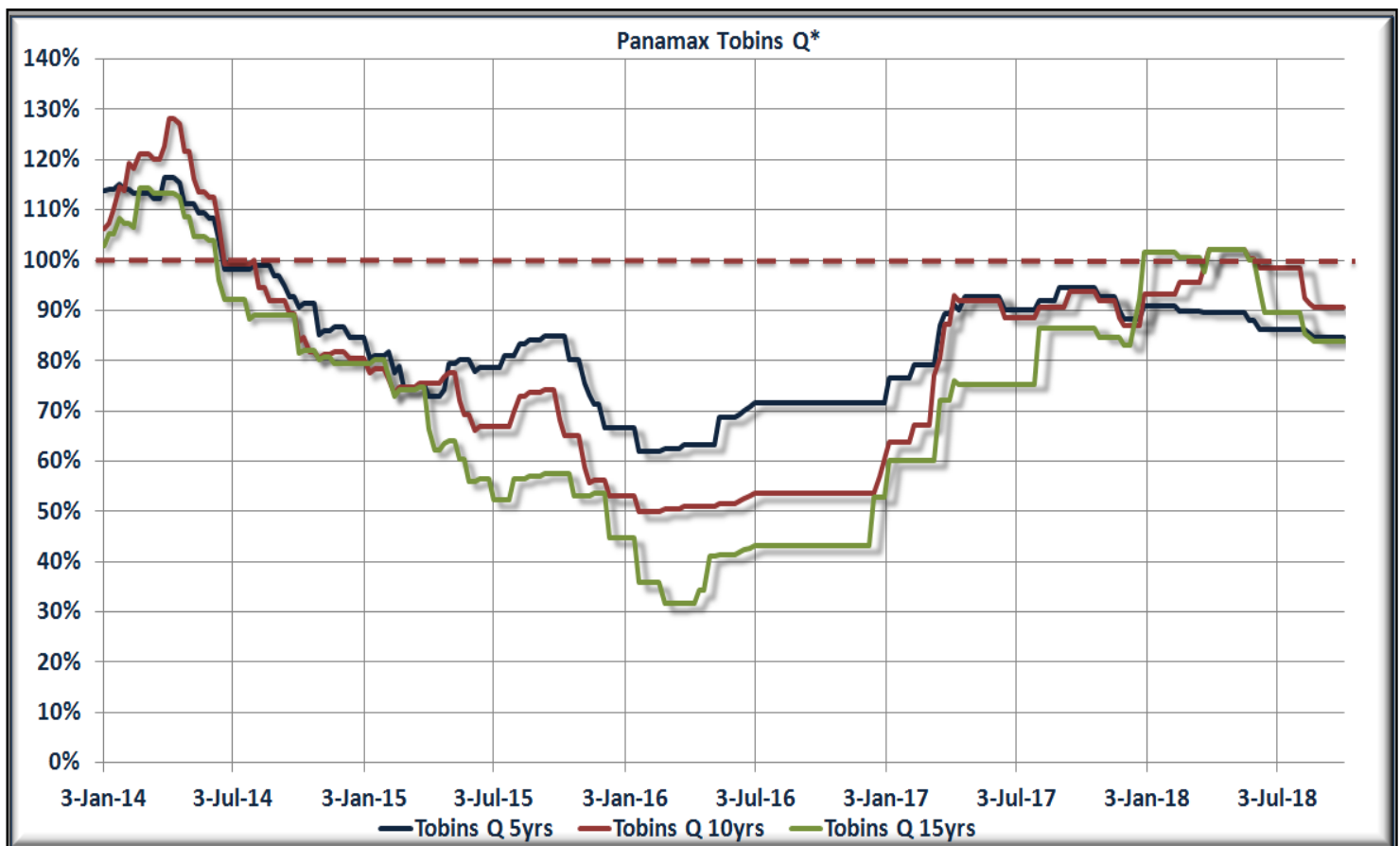
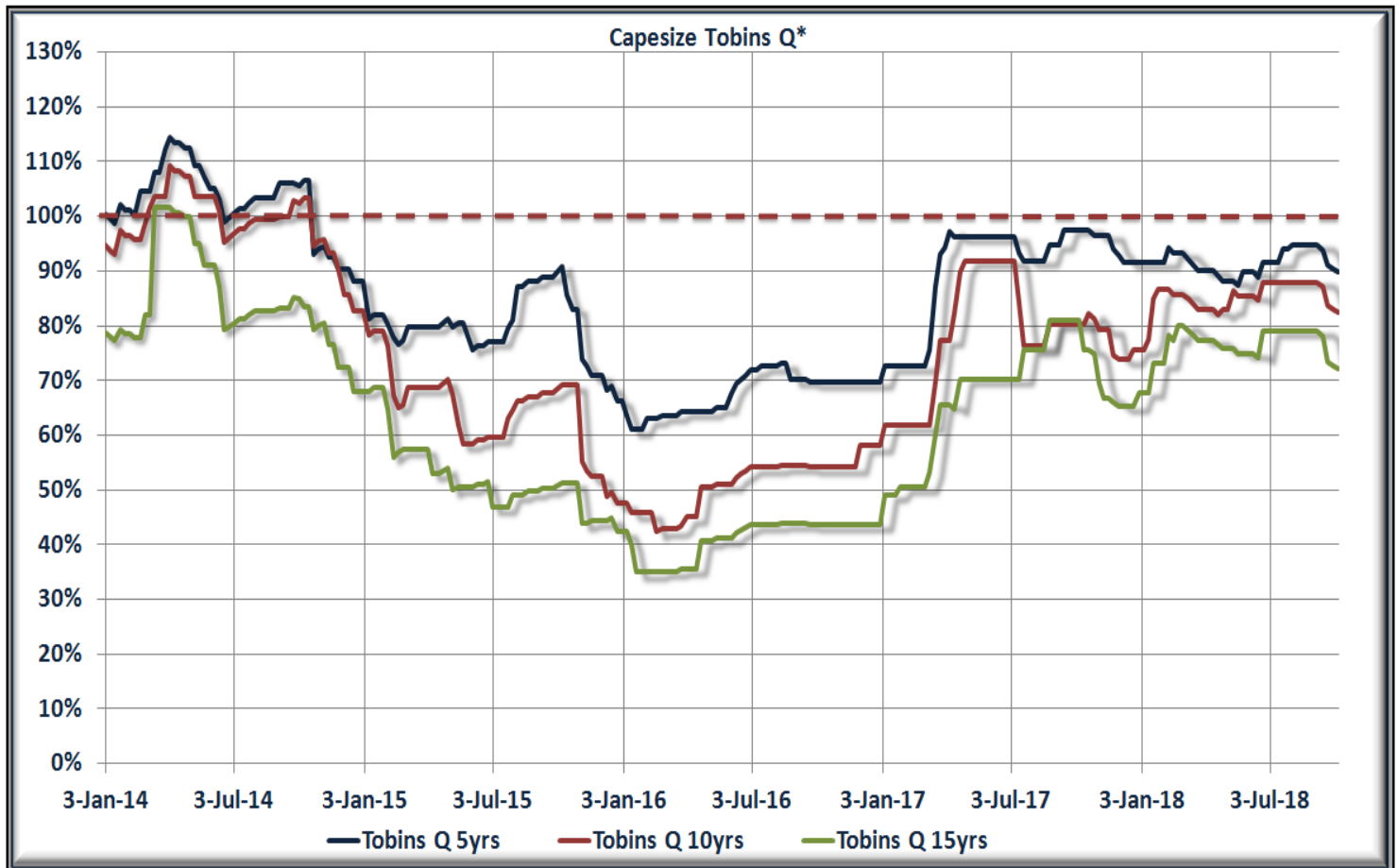
Indicative Five-Year-Old Prices				
Date/ \$ Mil.	Capesize 180K DWT	Panamax 76K DWT	Supramax 56K DWT	Handysize 32K DWT
05-Oct-2018	36.25	19.00	18.00	15.00
05-Oct-2017	34.00	18.50	16.50	14.00
05-Oct-2016	24.00	14.00	13.50	10.50
Δ% Y-o-Y	6.6%	2.7%	9.1%	7.1%
Δ% 2018-2016	51.0%	35.7%	33.3%	42.9%

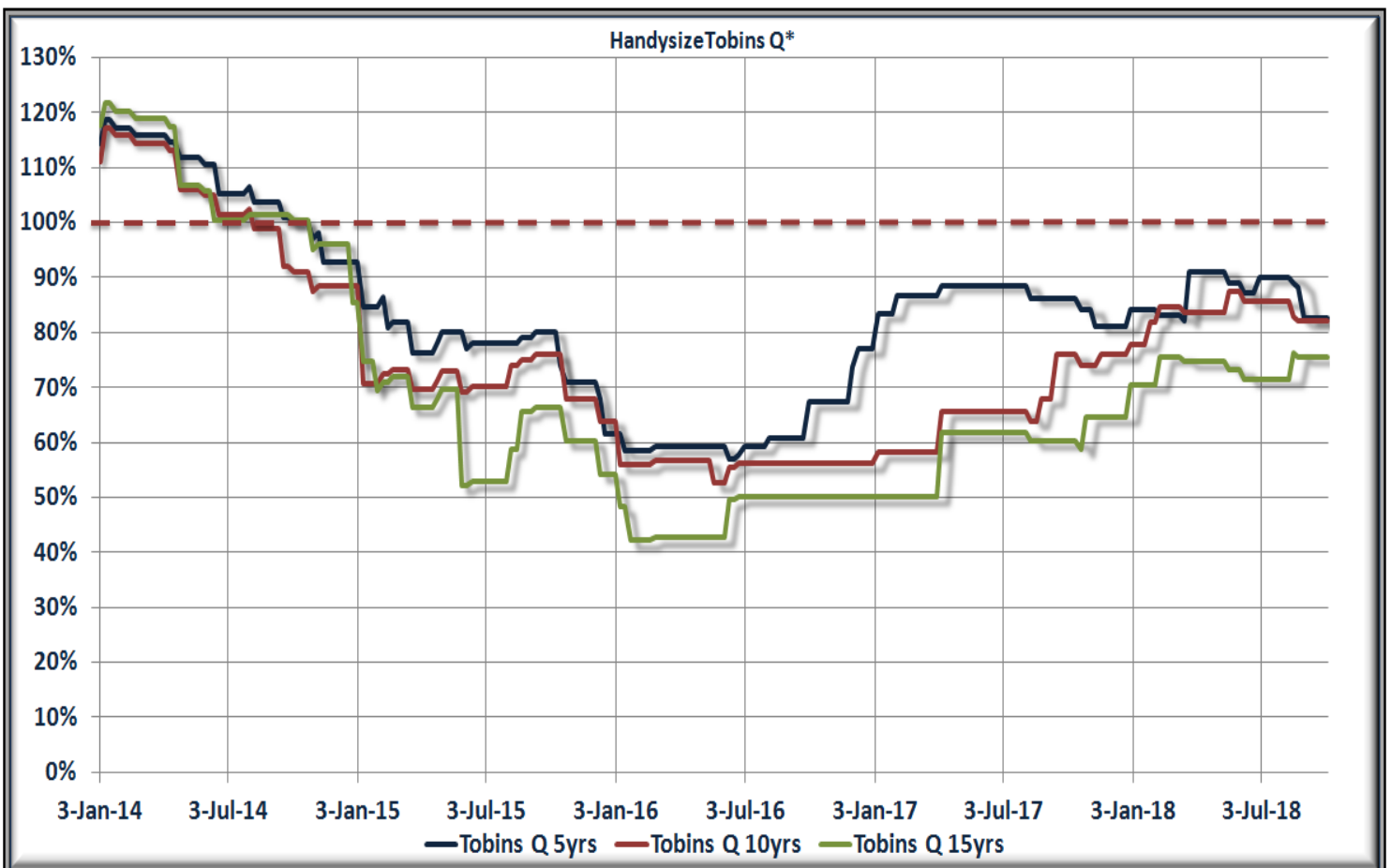
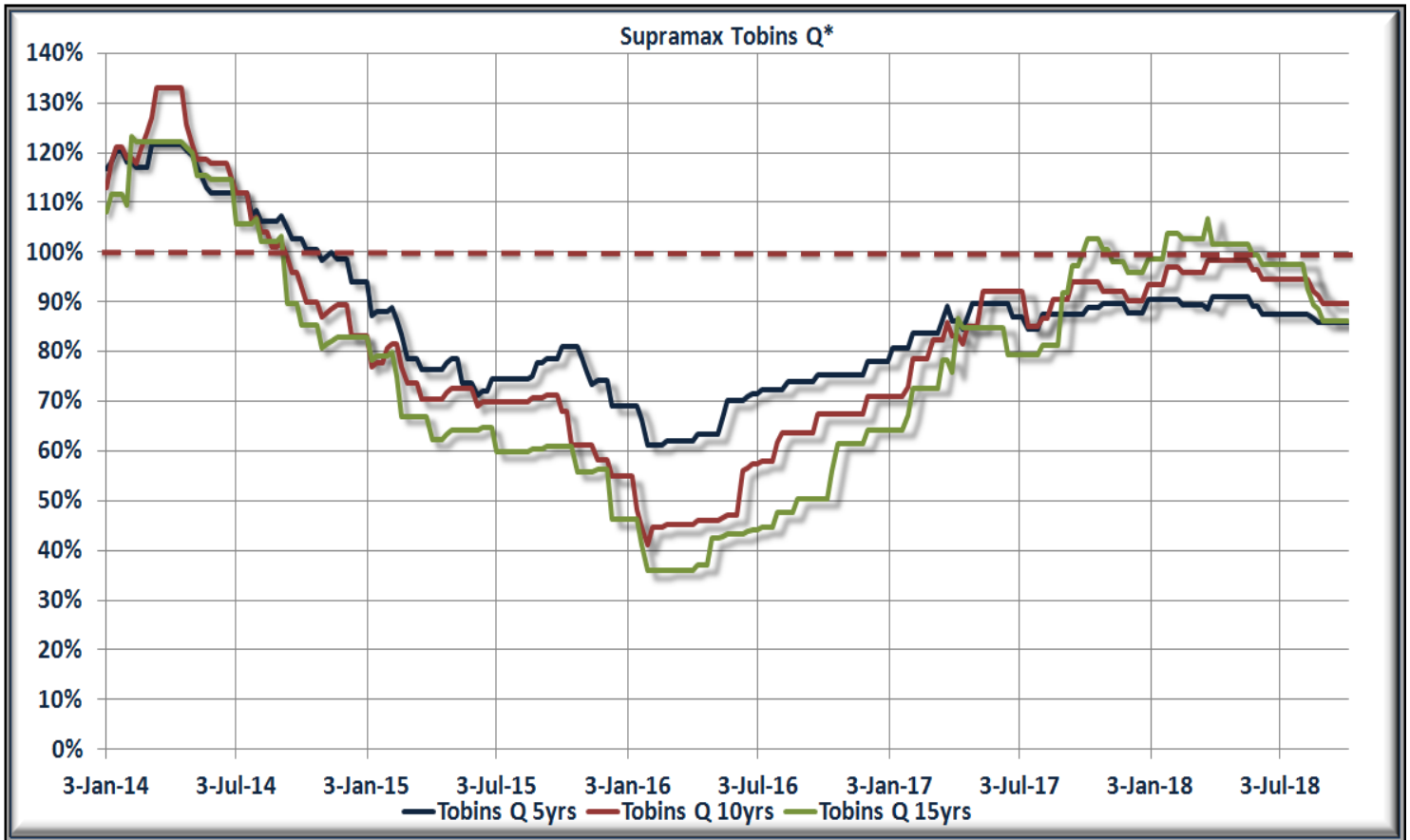
Reported Recent S&P Activity						
Vessel Name	DWT	Built	Yard/Country	Price \$Mil.	Buyer	Comments
Tenshu Maru	180,630	2010	Tsuneishi Cebu/Philippines	Rgn 30	Undisclosed	eco
New Dalian	180,371	2010	Dalian/China	27	Greek buyers	
Cape Dover	185,805	2006	Kawasaki/Japan	22	Greek buyers	
Mineral Antwerpen	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	
Ikan Kedewas	88,279	2006	Imabari/Japan	12.5	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	Long TC attached
Golden Trader II	79,516	2012	Jinhai/China	15.5	Greek buyers	
Double Prosperity	76,633	2005	Imabari/Japan	10.6	Middle Eastern Buyers	
Alkyon	74,875	2001	Hitachi/Japan	9.75	Undisclosed	
Navios Felicity	73,867	1997	Sumitomo/Japan	4.9	Undisclosed	
SBI Hermes	61,272	2016	I-S/Japan	20.5	Undisclosed	C 4x30.7 BBB
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
Shropshire	56,812	2009	Yangzhou Guoyu/China	9.3	Undisclosed	C 4x36
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
Bright Ocean III	37,062	2013	Saiki/Japan	18	Undisclosed	BBHP
Unicorn Ocean	38,503	2011	Minami-Nippon/Japan	15.2	Undisclosed	C 4x30
Greenfinch	32,298	2010	Kanda/Japan	11.8	Middle Eastern 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
Sider Boston	29,084	2011	Nantong Nikka/China	10	Greek buyers	C 4x30
Van Imabari	28,397	2008	Shimanami/Japan	8.4	Greek buyers	C 4x30.5
Golden Kiku	29,700	2005	Shikoku/Japan	7	Greek buyers	C 4x30.5
Ourania	27,786	1998	Naikai Zosen/Japan	mid 5	Undisclosed	C 4x30
Gloria Hayne	28,392	1996	Imabari	4.2	Undisclosed	C 4x30.5

Tobin's Q* Capesize-Panamax						
Date	Capesize 5yrs	Capesize 10yrs	Capesize 15yrs	Panamax 5yrs	Panamax 10yrs	Panamax 15yrs
Current ratio	90%	82%	72%	85%	91%	84%
12months High	98%	88%	80%	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%	72%

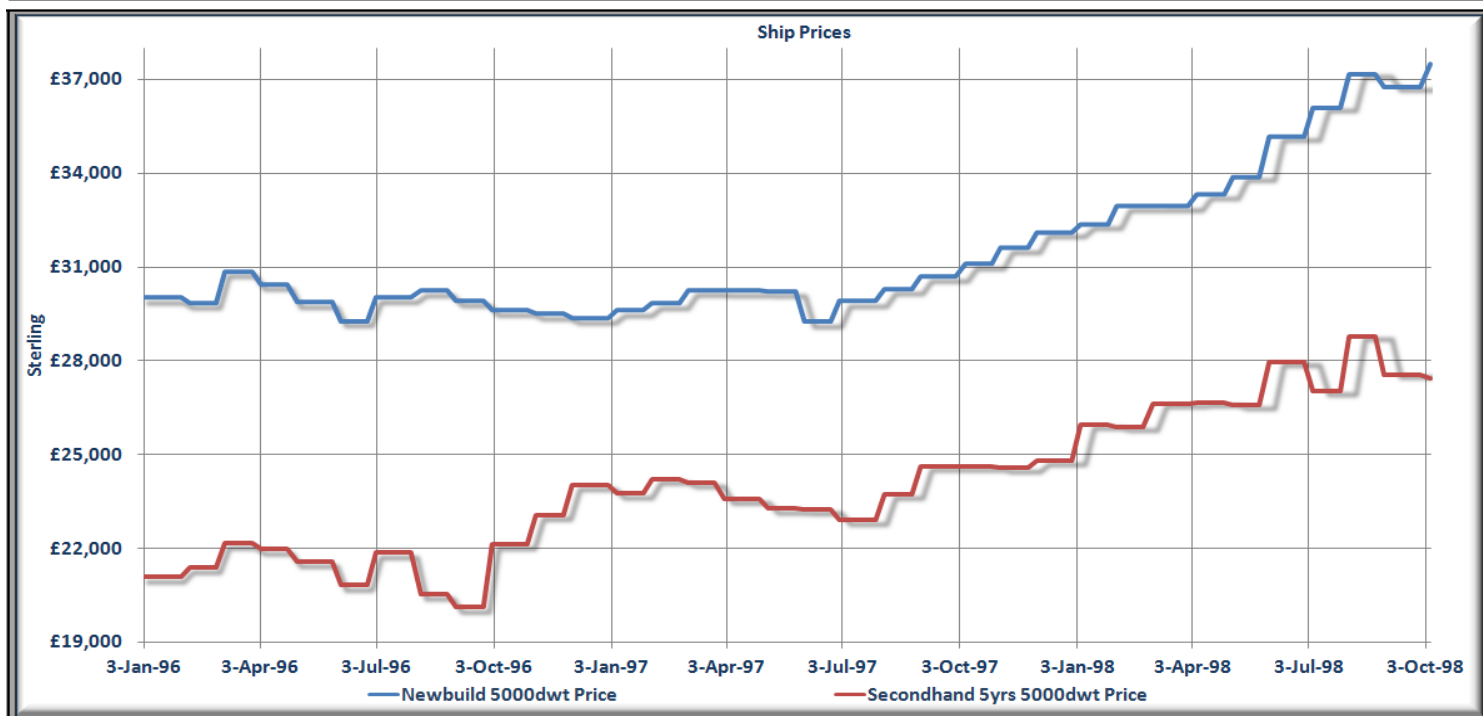
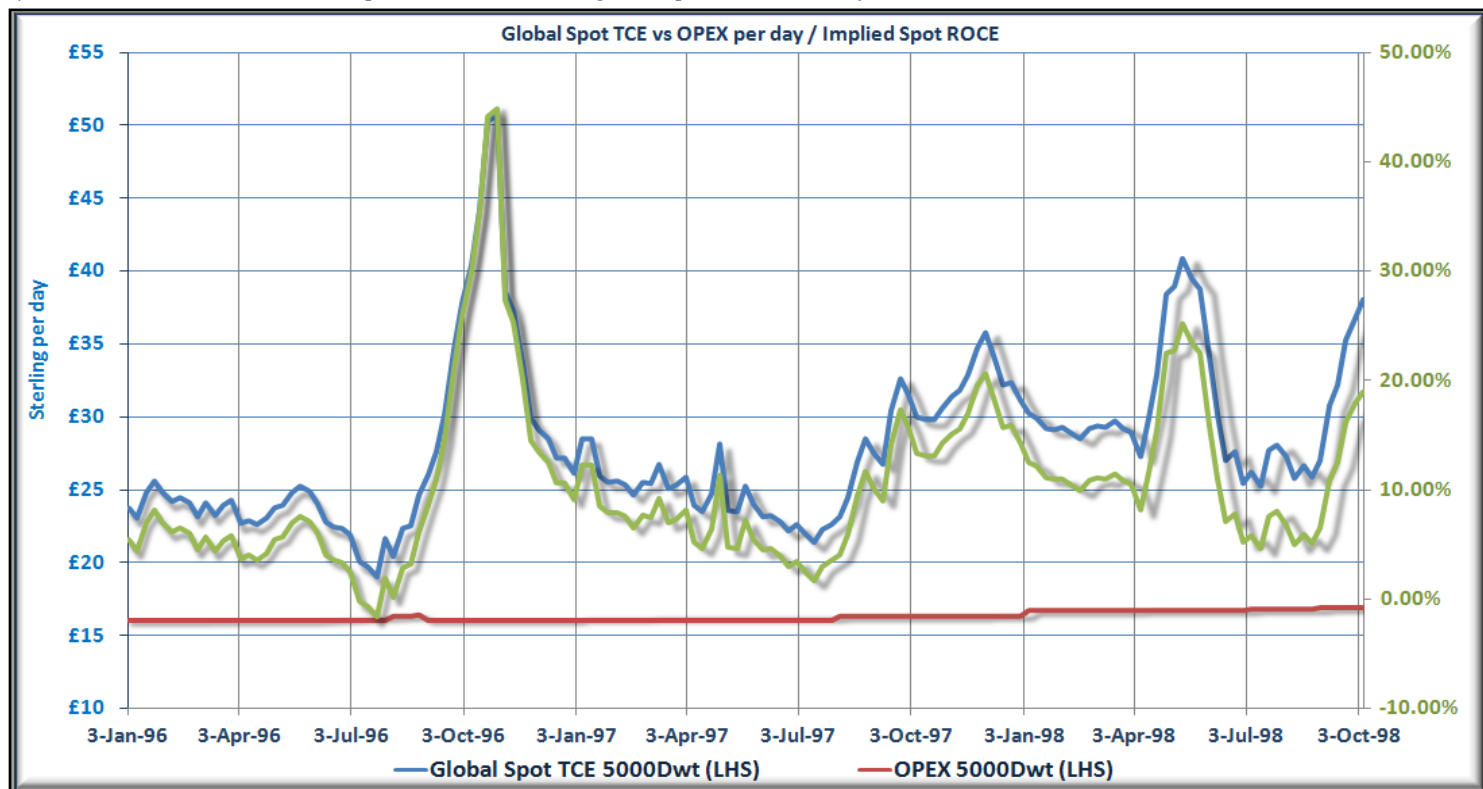
\*Tobin's Q represents the ratio between the market value and replacement value of a physical asset, with numerator and denominator adjusted to same age basis. According to economic theory, this ratio should be mean reverting towards 1 or 100%, for assets that do not face technological obsolescence.





## Market Insight 120 years ago

By: Michalis Voutsinas, Doric Shipbrokers S.A. and Angela Papanastasiou, Tufton Oceanic Ltd.



Weekly Spot Market	Current week	Previous week	Sep-00	Aug-00	Jul-00
Implied Spot Roce	19.0%	18.0%	12.9%	5.8%	6.6%
Global Spot TCE	£38.02	£36.69	£32.30	£26.31	£26.71
BlackSea Round	£40.17	£39.19	£32.83	£26.80	£26.12
East Round	£42.30	£42.38	£42.11	£34.40	£34.93
Med Round	£31.99	£29.85	£27.51	£22.23	£24.22
US Round	£43.78	£40.35	£35.27	£27.61	£31.57
River Plate Round	£38.91	£38.56	£33.85	£30.55	£25.81

S&P Market (5,000dwt)	Current week	Previous week	Sep-00	Aug-00	Jul-00
NB	£37,509	£36,760	£36,760	£37,180	£36,104
SH 5yrs old	£27,443	£27,579	£27,579	£28,786	£27,034
SH 10yrs old	£20,974	£21,170	£21,170	£22,358	£20,727
SH 15yrs old	£15,658	£15,947	£15,947	£17,272	£15,562

\*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...

IN the Atlantic basin, grain rates are firmer, with several fixtures from the Northern range having been effected on berth terms at splendid rates. One very hopeful indication in this market is the strong demand for all positions, even into next January. For distance loading, the requirements may emanate from a speculative source, but this should tend to stimulate owners to hold on and avoid prematurely committing their tonnage. If the charterers consider it a pretty safe speculation to take boats months ahead at a big discount on October rates, it should pay owners to adopt a waiting policy. If they will only continue to keep their tonnage this side until fixed home there is no reason why October rates should not be paid for November and December loading. There is another reason why American rates should be maintained for some time to come. Given a strong market, this will prevent owners from fixing ahead at comparatively low rates from other directions. For instance, if anywhere near October rates are likely to be had for December and January loading, few owners would think of going East for the miserable inducement that so far is offering for early next year's loading. If tonnage is generally well held the prospects are that other markets will have to come within a close parity of the United States market, and in this case a continuance of prosperity would be ensured for about the next six months. Outward rates generally continue to be very strong, which may be taken as an indication that tonnage is getting distributed and that there is no scarcity of employment. Again, the demand for boats on time-charter is daily increasing, and the rates recently paid are as good as for many years past. As high as 9s to 9s 3d per tonne has been forthcoming for long periods for the Atlantic, US, Australian and other trades. This is encouraging, for if the time-charterers have sufficient trade to keep many of these leviathans fully employed, their absence from other markets will give more moderate-sized boats the chance of obtaining remunerative employment.

In the spot arena, the Black Sea market is steady, not being advanced as might have been expected for October loading. The reason, no doubt to a great extent, is that recently a considerable proportion of tonnage having been fixed out to the Mediterranean, many of these boats have been diverted to the US, so that the available supply is not so formidable. The prospects, therefore, are that the market will improve not only for October but for November loading. There is a fairly demand for tonnage from the Danube, principally for Antwerp or Rotterdam at 15s 3d per tonne. There is but little Mediterranean business doing, except from Alexandria, which is a firm market. The prospects are that the demand for tonnage will be good over October, November and December. A big business has again been done from the US and principally from the Atlantic ports. The cotton contingent are not so hungry and owners must give them time to digest a good proportion of tonnage now under charter. Later on, there will be another flutter and scramble for boats. There is little change to report in the River Plate market. Rates are rather weak for October and early November loading. The Eastern market is quiet generally.

There is an enormous demand in all directions for tonnage on time-charter, but principally for the American trade, with boats being easily fixable for long periods at 8s 3d to 8s 9d, with delivery and redelivery in the US or UK/Cont. For many years past owners have been paying 5 per cent. commission on most of the Atlantic time-charters; this is quite double what it ought to be and owners generally ought resolutely to oppose a continuance of the practice. It is an innovation of recent years, and we think emanates from the US. Formerly most time-charters were arranged for one-third of 5 per cent. , or at most at 2.5 per cent. We are told that the actual charterers participate, in cases where 5 per cent. is demanded, to the extent of 2.5 per cent. This is correct in some cases, but there are others where they have not cut in, notwithstanding that 5 per cent. has been paid by owners.

Outward coal rates from Wales to the Mediterranean are very strong for prompt tonnage on the basis of basis of 9s 9d to 10s 3d to West Italy and 10s to Alexandria. For Las Palmas 8s to 8s 3d can be got, and for the Plate 18s 6d to 19s.

On the S&P front, the newbuilding market trended upwards whilst the secondhand market remained stable at previously reported levels. A typical newbuilding 5,000dwt British-build steamer is currently at the market for £37,500, or up 25.5% on a yearly basis, whereas a five-year-old of the same dwt and specification at £24,400, or -1.9% M-o-M.