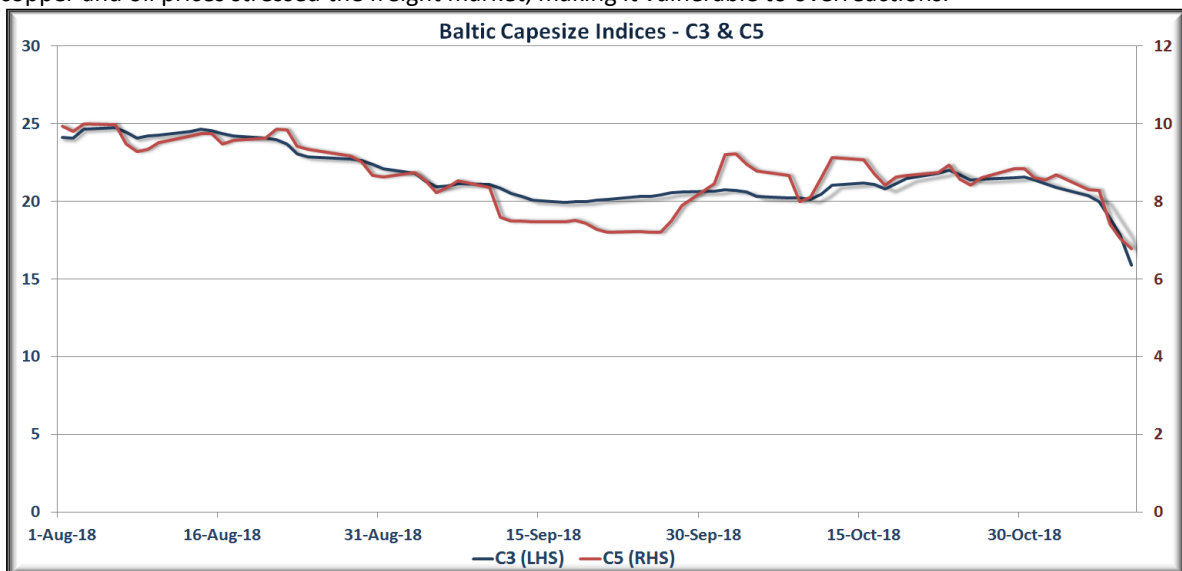
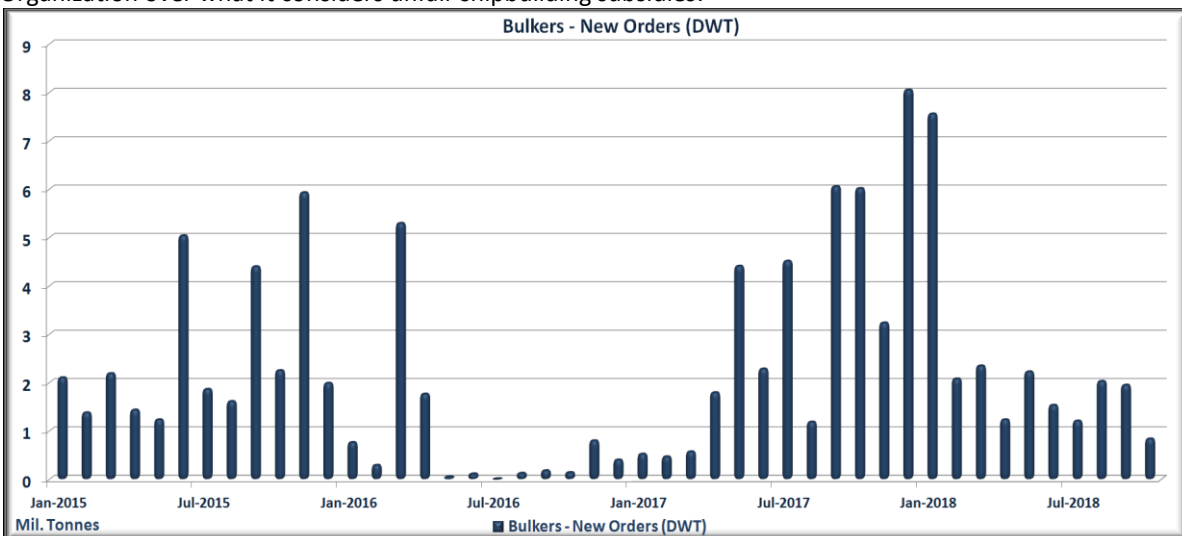


Having a little bit of everything except trading activity, the 45th week of the year was full of bold headlines, but it was not so fruitful in terms of trading volume. The plunge of the Capesize sub-market was the focal point of the freight market, with all Baltic Indices reporting double-digit losses. Indicatively, the concertmasters of the Pacific and Atlantic basin – i.e. C5 and C3 – balanced at \$15.909 pmt. and \$6.786 pmt. respectively, or circa -27% lower than their two-month highs in both cases. Apparently, the triggering event for this steep drop was the derailment of a train loaded with iron ore in one of the most valuable railroad of the world. The mixed signals from BHP Billiton on whether there is enough quantity of the rich in iron oxides rocks at Port Hedland were enough to send the Capesize market lingering to its six-month lows. However, markets tend to have an emotional response to new information if they are in anxiety. Amid a broad slide in industrial metals due to worries about higher U.S. interest rates and slowing Chinese economic growth, falling copper and oil prices stressed the freight market, making it vulnerable to overreactions.



Setting aside unforeseen events and general macro trends, geopolitics, regulations and major corporate events have a bearing in the shipping industry as well. This week's US mid-terms may prove to be a tipping point in the economic policy of the US. With Democrats now having a majority in the House and the Republicans in the Senate, President Trump's appearance in the G20 summit in Argentina may have a more dovish tone. On the contrary, strong US economic data puts Fed on track for a December rate rise, further extending its current tightening cycle. With trade dispute between the US and China dominating the news and restrictive monetary policies being on the horizon, the new orders for bulkers remained limited. Although the discipline of the supply side is injecting optimism in the freight market, yards are going through a lean period. In this context, the Japanese government is preparing to take South Korea to the World Trade Organization over what it considers unfair shipbuilding subsidies.



In a week that the freight market was influenced by supply chain disruptions, shifting of sentiment and the echo effects of many trade disputes, the Deepavali cultural festival in Singapore lit the complexity of the shipping world. As for Baltic indices, they have to search for beacons of light in the weeks to come.

**Freight market 120yrs ago (page 12):** "Freights even now are far from coming under the designation of "bad", for taking outward and homeward business in combination there is still a good margin of profit to be secured..."

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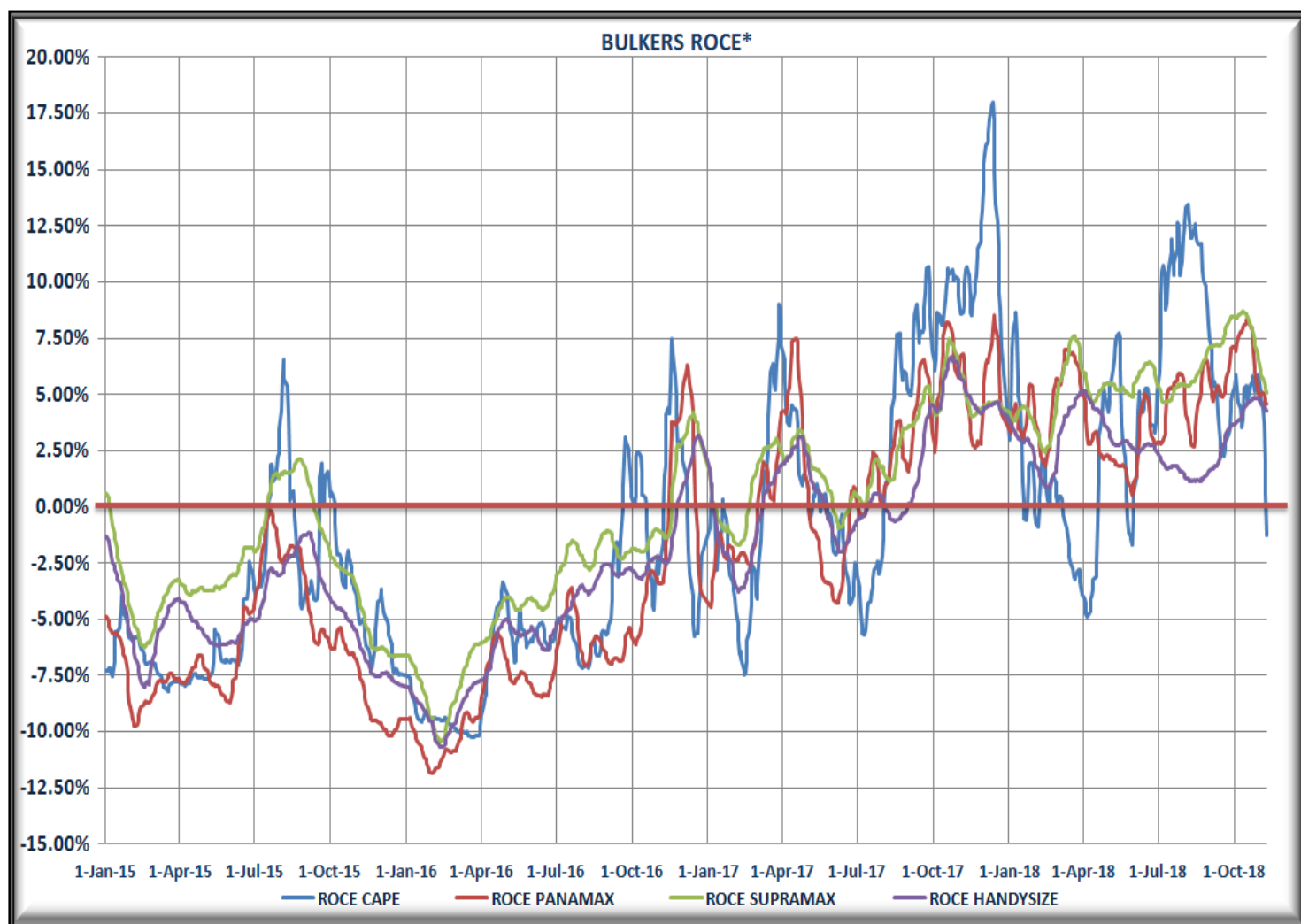
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## Dry Cargo Spot Market

With a harsh decrease of 21.3%, the Baltic dry index plunged during the 45th week of the year, concluding at 1147 points. Experiencing its own “Minsky moment”, Baltic Capesize returned violently to the end of May levels of 1461 points. Feeling shocked, Baltic Panamax index had no other choice but to track the lead of the largest bulkers, ending the week down at 1495 points. Lingering 16.7% below its recent maxima, Baltic Supramax index moved further south this week, balancing at 1003 points. With a 1.5% weekly decrease, BHSI slid to 656 points.

At the box office, returns on capital employed of all segments stood considerably lower than last Friday levels. In particular, Capesize ROCE turned negative, finishing at -1.26%. Panamax ROCE balanced for the week at 4.59%. Geared segments moved lower as well, with Supramax ROCE hovering at 5.08% and Handysize at 4.27%.



Baltic Freight Indices					
Date	BDI	BCI 5TC	BPI - TCA	BSI - TCA	BHSI - TCA
5-Nov-18	1428	\$17,768	\$12,276	\$11,633	\$9,599
6-Nov-18	1395	\$17,033	\$12,245	\$11,542	\$9,579
7-Nov-18	1304	\$14,959	\$12,107	\$11,424	\$9,529
8-Nov-18	1231	\$13,287	\$11,985	\$11,346	\$9,500
9-Nov-18	1147	\$11,250	\$11,975	\$11,254	\$9,474
12-month High	1774	\$30,475	\$14,385	\$13,431	\$9,772
12-month Low	-310	-\$7,162	-\$288	-\$489	-\$143
12-month Avg	1374	\$17,633	\$11,568	\$11,220	\$8,653
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.

Falling off the cliff, the Baltic **Capesize** TC lost some \$7,000 on a weekly basis, plummeting to \$11,250 daily. Laying 142.5% lower than its 2018 highs, the BCI-5TC dragged the whole market down along with it. On the iron ore front, Chinese January-October imports totaled at 891.9 Mt, after a soft October of 88.4 Mt.

In the Pacific, BHP Billiton was forced on Monday to derail a three-km-long train loaded with the commodity, disrupting one of the most crucial supply chains for the dry bulk shipping. In particular, BHP stressed on Wednesday that its reserves of the steelmaking ingredient at the Port Hedland were not expected to cover the entire period of disruption. However a few days later, the CEO of Anglo-Australian miner, Andrew Mackenzie, told media that the BHP would have the ability to supply its customers as they have contracted to do. In the meantime, the barometer of the Capesize Pacific sub-market, i.e. C5 plunged to \$6.786 pmt. On the early side of the week, Rio Tinto reportedly fixed two 20-22 November cargo from Dampier to Qingdao, one at \$7.85 and a second one at \$7.50. However, the market moved further down ever since, concluding almost a dollar below from the aforementioned levels. In line with the general market tone, the Baltic transpacific index (C10\_14) dropped to \$10,909 daily, or -40.1% W-o-W.

Despite the anemic activity in the freight market, Vale signed a four-year contract with Emirates Steel – the largest steel producer in the United Arab Emirates – to supply iron ore for steel production in Abu Dhabi. According to market estimates, Emirates Steel has an iron ore pellet requirement of ~6M metric tons/year, which Vale states that it can easily from its plants in Brazil and Oman. As far as the spot market goes, the Atlantic Ocean saw some very limited activity this week, with charterers bidding lower from both Brazil and the north Atlantic. Hence, the Baltic C3, the gauge of this basin, index reported big losses, concluding at \$15.909 pmt. On Wednesday, Koch Shipping reportedly took an Oldendorff Newcastlemax from Tubarao to Qingdao for 1-15 December at circa \$18.00 pmt. As the week progressed though, numbers kept moving south and thus this Friday's closing was 23.9% lower than the previous week. The front haul index (C9\_14) balanced at \$24,682 daily whereas the transatlantic index (C8\_14) at \$11,000 daily, or lower by 26.7% and by 37% W-o-W respectively.

With a plunging forward market, period activity was absent for yet another week.

Representative Capesize Fixtures								
Vessel	DWT	Built	Delivery	Date	Re-del	Rate	Charterers	Comment
Glovis Advance	170000/10	2012	Tubarao	01/10 Dec	Qingdao	\$17.30	cnr	
Lowlands Phoenix	130000/10	2004	West Australia	22/26 Nov	Taiwan	\$6.10	cnr	fio 75000shinc/38000shinc
Robusto	160000/10	2006	Saldanha Bay	01/05 Dec	Dangjin	\$13.55 (total 1.25%)	cnr	fio 90000shinc/30000shinc
Cymona Star	75000/10	2005	Seven Islands	21/30 Nov	Rotterdam	\$11.50	cnr	fio 60,000shinc/40,000shinc

**Panamax** rates carried on last week's downward trend, with the Baltic T/C Average route index losing 2.3 % w-o-w and concluding at \$11,975.

North Pacific grains showed some signs of life in the beginning of the week, but the lack of Indonesia and East Coast Australia stems, combined with mid week holidays and the sharp decline in the Capesize market towards the end of the week, put rates under serious pressure. 'Huayang Spirit' (75,784 dwt, 2013) was fixed at \$12,750 with 4-6 November delivery Weihai for trip via Nopac to Singapore-Japan. Further South, 'King Barley' (82,177 dwt, 2012) was fixed with delivery CJK 9-10 November for a trip via Indonesia to Japan at \$12,750 and 'Omicron Sky' (77,031 dwt, 2006) basis delivery Fangcheng spot for a trip via Indonesia to India was agreed at \$11,000. From Australia the 'Seneca' (83,975 dwt, 2013) achieved a strong rate of \$14,000 for a trip via East Coast to India basis dop CJK 9-10 November. 'Wen De' (81,200 dwt, 2013) was concluded at \$11,000 basis prompt delivery Shanghai was fixed for a trip via Australia with to India.

After a slow start early in the week, the North Atlantic sub-market trended sideways, as the availability of tonnage remained thin towards the end of the week. Rates were maintaining last done levels or even slightly improving. 'Great Mind' (75,474 dwt, 2011) was fixed with delivery Algeciras 14-16 November for a trip via USG and redelivery Skaw-Gibraltar at \$14,000. ECSA was fairly active, albeit with levels remaining flat for end November dates, giving charterers the opportunity to sit back and to bid early December ballasters at lower levels. 'Sasebo Eco' (77,888 dwt, 2014) was fixed with delivery retro Hazira 4 November for a trip via ECSA Back to SE Asia at \$15,000 and 'Bulk Finland' (77,126 dwt, 2014) was reported at \$16,500 + \$650,000 bb with delivery ECSA 22 November also with direction SEASIA.

On the Period front, charterers seemed keen to cover on a 2/3 LL basis or short period, but limited actual fixtures were reported as owners seemed to resist the current levels. 'Fyla' (84,104 dwt, 2013) was reported at \$14,500 for 3-5 months, delivery Haldia, whilst 'Nuri Bey' (80,459 dwt, 2011) was re-let at \$15,250 + \$500,000 with delivery Gdynia 8-15 Nov for bop until February-April 2019.

Representative Panamax Fixtures								
Vessel	DWT	Built	Delivery	Date	Re-del	Rate	Charterers	Comment
Huayang Spirit	75,784	2013	Wei Hai	04/06 Nov	Singapore-Japan	\$12,750	Pacific Basin	via Nopac
King Barley	82,177	2012	CJK	09/10 Nov	Japan	\$12,750	MOL	via Indonesia
Omicron Sky	77,031	2006	Fangcheng	Spot	India	\$11,000	LDC	via Indonesia
Seneca	83,975	2013	CJK	09/10Nov	India	\$14,000	Libra	via Eaus
Wen De	81,200	2013	Shanghai	Prompt	India	\$11,000	LDC	via Eaus
Great Mind	75,474	2011	Algeciras	14/16 Nov	Skaw-Gib	\$14,000	Bunge	USG
Sasebo Eco	77,888	2014	Hazira	04Nov	Seasia	\$15,000	Cofco	via ECSA w/grains
Bulk Finland	77,126	2014	ECSA	22 Nov	Seasia	\$16,500+650k gbb	Ausca	via ECSA w/grains
Fyla	84,104	2013	Haldia	08/09Nov	ww	\$14,500	LDC	3/5 Months
Nuri Bey	80,459	2011	Gdynia	08/15 Nov	ww	\$15,250 + \$500k gbb	Oldendorff	bop Feb-Apr 2019

Being four weeks under downward pressure, the Baltic **Supramax** TC index ended this Friday at \$11,254 daily.

The Supramax market In the East did not manage to resist the pressure and hits received from all fronts throughout this week. The free fall of the cape indices, the lack of Australian cargoes, Holidays in the East and the major disruption in bunker supply from Singapore created an exploding cocktail and took their toll on the Supra segment. The Indices show a loss of about \$600 on daily average earnings, which on some occasions might not be as bleak as actual figures exchanged between market participants. The 'Amfitriti' (58,814 dwt, 2010) was fixed at \$9,000 with delivery port Kelang for a trip via Indonesia to Thailand. 'DK Initio' (58,665 dwt, 2010) was concluded at \$8,000 daily for a nickel ore run back to china basis delivery Ningde. On Australian rounds, the 'Tienwa Maru' (57,763 dwt, 2017) opted for a coal cargo at \$9,500 dop Davao. Backhaul levels receded further at approximately \$3,000 daily whilst on NoPac rounds we heard that levels charterers bid were below \$10k on aps basis with a discounted bb of \$200-250k. The only area with better numbers available is the Indian subcontinent where the 'Olympic Pegasus' (56,726 dwt, 2011) was reported at \$18,000 per day for a trip with urea from Oman to West Coast India.

In the Atlantic, the trading week began at a slow pace with rates correcting further. Some fresh inquiry, however, provided the necessary support to the market to meet a resistance point. From the USG, which seemingly gained some ground w-o-w, it was heard that a 56,000 tonner secured \$25,000 daily for a petcoke run to India. On coastal business, the 'Medi Perth' (60,477 dwt, 2017) was fixed at \$17,500 daily basis delivery USG for a trip to NCSA. Meanwhile, vessels in ECSA were trading at slightly discounted rates in comparison to recent weeks. A 63,000 tonner was fixed for a trip to PG at \$15,250 daily plus \$525,000 ballast bonus. Across the pond, Continent is still lacking sufficient cargo flow, forcing Supramax owners to seek employment elsewhere, while being outperformed by handies on similar routes. A clear example was the 'Amoy Fortune' (56,975 dwt, 2011) which, according to rumours, was fixed at \$12,000 daily basis delivery Auginish, for a trip via Morocco to West Africa. The Black Sea on the other hand held relatively well, with owners being able to repeat 'last done' levels. The 'Paqueta Island' (58,707 dwt, 2009) achieved \$18,000 daily basis delivery Aliaga, for a trip via Black Sea to West Africa, excluding Nigeria.

On period deals, it was heard that a 56,000 tonner locked \$15,000 daily for 10-12 months trading basis delivery USEC.

Representative Supramax Fixtures								
Vessel	DWT	Built	Delivery	Date	Re-del	Rate	Charterers	Comment
Amfitriti	58,814	2010	Port Kelang	9-10 Nov	Thailand	\$9,000	cnr	Trip via Indonesia
DK Initio	58,665	2010	Ningde	Prompt	China	\$8,000	cnr	Intention nickel ore
Tenwa Maru	57,763	2017	Davao	Prompt	China	\$9,500	cnr	Intention coal via Australia
Olympic Pegasus	56,726	2011	Duqm	Prompt	WC India	\$18,000	cnr	Urea via Oman
Medi Perth	60,477	2017	USG	Prompt	NCSA	\$17,500	Clipper	
Amoy Fortune	56,975	2011	Auginish	Prompt	West Africa	\$12,000	cnr	Trip via Morocco
Paqueta Island	58,707	2009	Aliaga	Prompt	West Africa	\$18,000	Cargill	Trip via Bsea to W.Afr. Excl. Nigeria

Bunker disruptions in the Far East – 'La Résistance' in the Atlantic for the **Handysize**.

The task of preparing a market report every week is an achievable one, especially if one gathers the relevant information and has the tools needed. However when we face irregularities in the market the task becomes quite harder. Reference is made to the absence of available bunkers at Singapore. Market sources advise that bunker suppliers are either charging an exorbitant premium for spot delivery or the alternative is to fix delivery after even two weeks. Seasia is greatly affected by this disruption. Indicative of the market situation, are some of the reported fixtures. 'Taurus' (28,000 dwt, 2011) open at Phu My on the 6th of November fixed at \$8,750 aps Kohsichang for a sugar trip via Thailand to Indonesia. 'Fools Gold' (28,000 dwt, 2010) open at Penang on the 4th of November agreed at \$7,250 basis delivery passing Singapore for a salt run via Australia to Philippines. 'Cape Flattery' (28,000 dwt, 2004) open at Miyazu on the 5th of November opted for a steels trip via Japan to Thailand at \$7,750 dop. In the Indian subcontinent and PG areas the interest remains on whether the recent exclusion on sanctions to Iran's oil exports will be able to restore some equilibrium in the already turbulent market.

In the Atlantic, there is pressure from Charterers, mostly on the backing of Cape falling off the sky, but Owners are resisting so far. ECSA kept the pace of last week, and continued more or less on positive ground. We heard earlier in the week of a 39,000 dwt fixing from within the river, a trip to WCSA at a strong \$24,250 and rumours of a 30,000 dwt getting a bb for a grains cargo to W. Africa. USG was the area that received the most pressure was from Charterers, but it seems that Owners are still fighting strong. A 34,266 dwt fixed a grains cargo to Eire at \$17,500 and a 39,071 dwt one fixed a cargo to Plate at \$16,000. On the other side of the pond up in the In the continent, we saw a somehow mixed market. It was not exactly a volatile one, but rather a fluid one. We even saw a 28,000dwt fixing 2-3 legs at decent levels out of there. Further south in the Bl. Sea, the week started off a bit slow, but quickly picked up again. It seems there is still a lot of cargo around for Owners to choose from. We heard of a 39,998 dwt fixing \$13,000 from E. Med to USG, while a 32,657 dwt fixed \$13,500 with delivery Marmara for an inter-Med grains cargo.

On the period desk, 'Melina' (28,418dwt, 2008) fixed 2-3 legs within Atlantic at \$10,000 from Ghent.

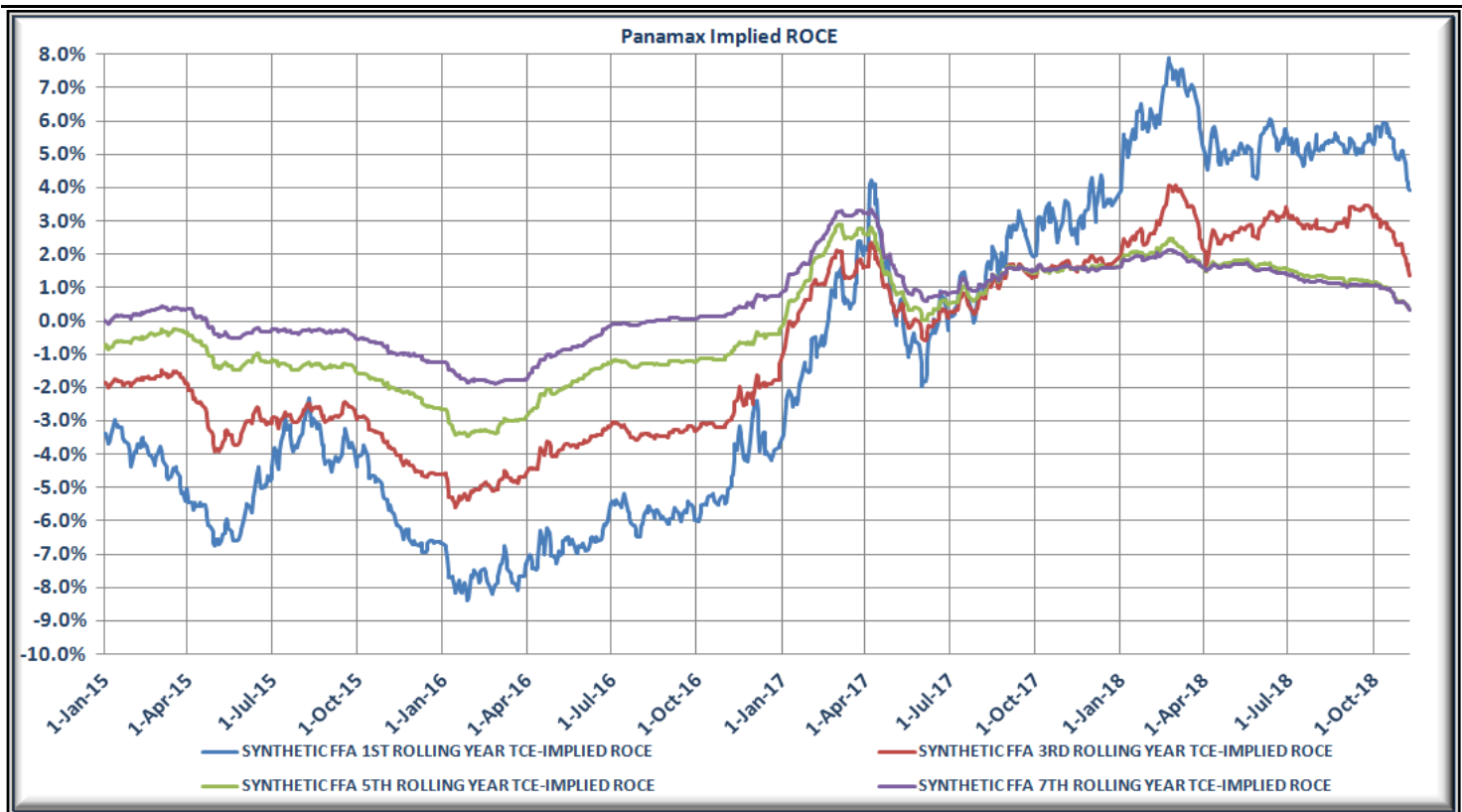
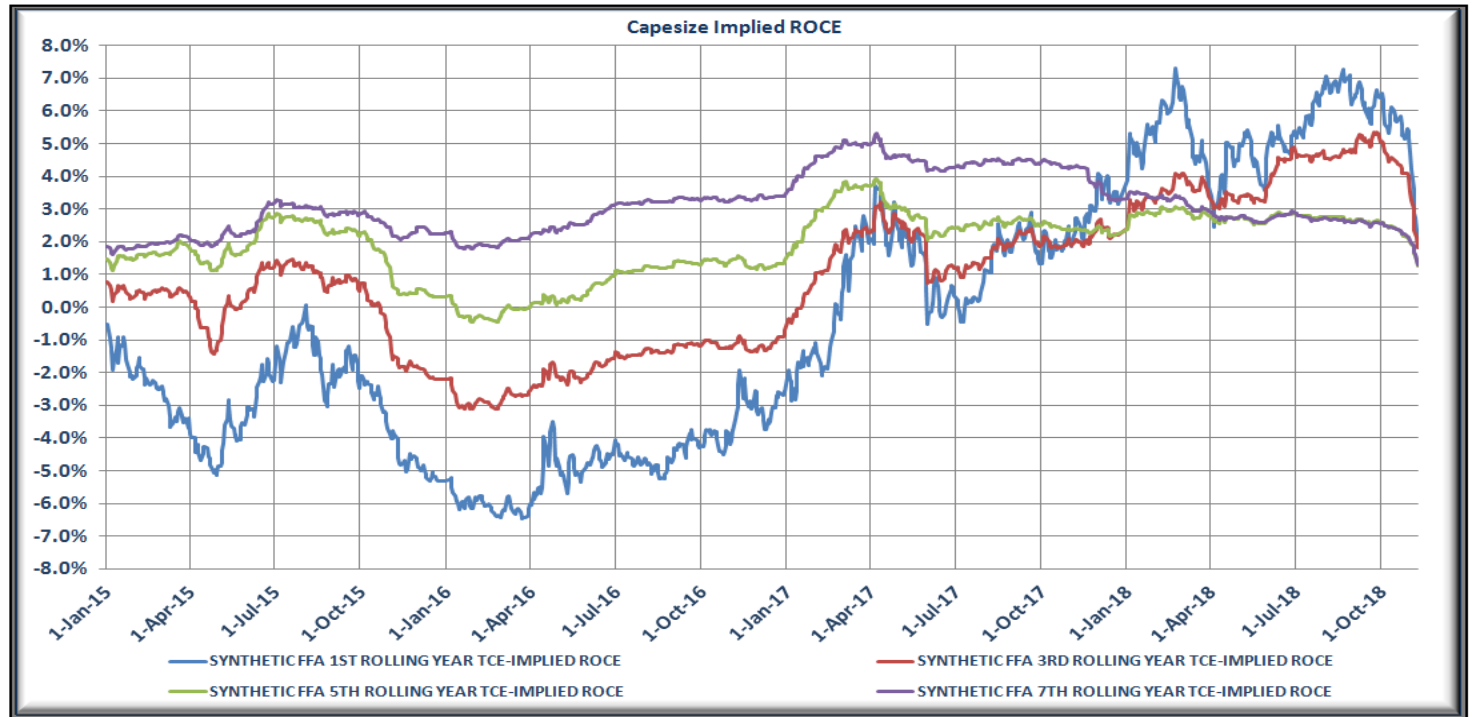
Representative Handysize Fixtures								
Vessel	DWT	Built	Delivery	Date	Re-del	Rate	Charterers	Comment
Taurus	28,000	2011	Caofeidian	Prompt	WCSA	\$7,250 for 62 days, \$10K balance	cnr	
Fools Gold	28,000	2010	Singapore	Prompt	Philippines	\$7,250	cnr	salt via Australia
Cape Flattery	28,000	2004	Japan	Prompt	Thailand	\$7,750	cnr	
Shan Hu Hai	39,780	2016	San Lorenzo	Prompt	WCSA	\$24250	Fednav	
Szare Szeregi	39,071	2015	SW Pass	Prompt	Plate	\$16000	Trithorn	
Moleson	34,266	2010	SW Pass	Prompt	Ireland	\$17500	Oldendorff	grains
Vil Atlantic	37,812	2010	Dneprob.	Prompt	Continent	\$12500	cnr	
Rabea	39,998	2018	Damietta	8-10 Nov	USG	\$13000	Ultrabulk	gens/steels
St. George	32,657	2009	Istanbul	Prompt	Med	\$13500	cnr	grains



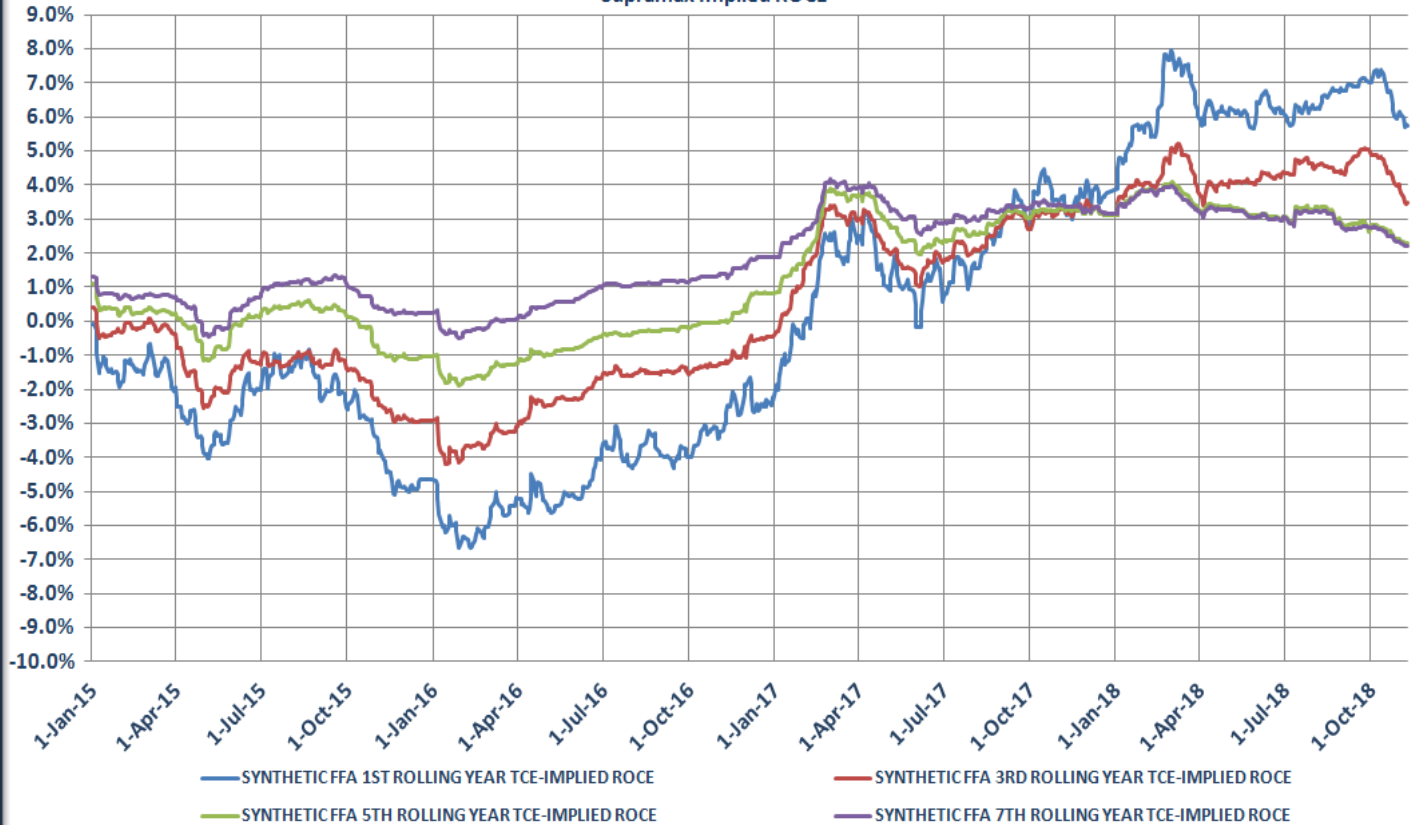
## FFA Market

With spot market being under severe pressure, the forward market followed closely. The sell off that had started on Monday continued throughout the week, with November Capesize contracts balancing at \$11,296 and December at \$12,375. With all spot indices being in red during the 44th week of the year, the front end of the Panamax forward curve moved down, with both November and December reporting losses at \$11,767 and \$11,604 respectively. The Supramax forward market lost its previous heights, with November hovering at \$11,221 and December at \$11,229. In another motionless week, prompt Handy contracts trended sideways to November levels of \$9,413.

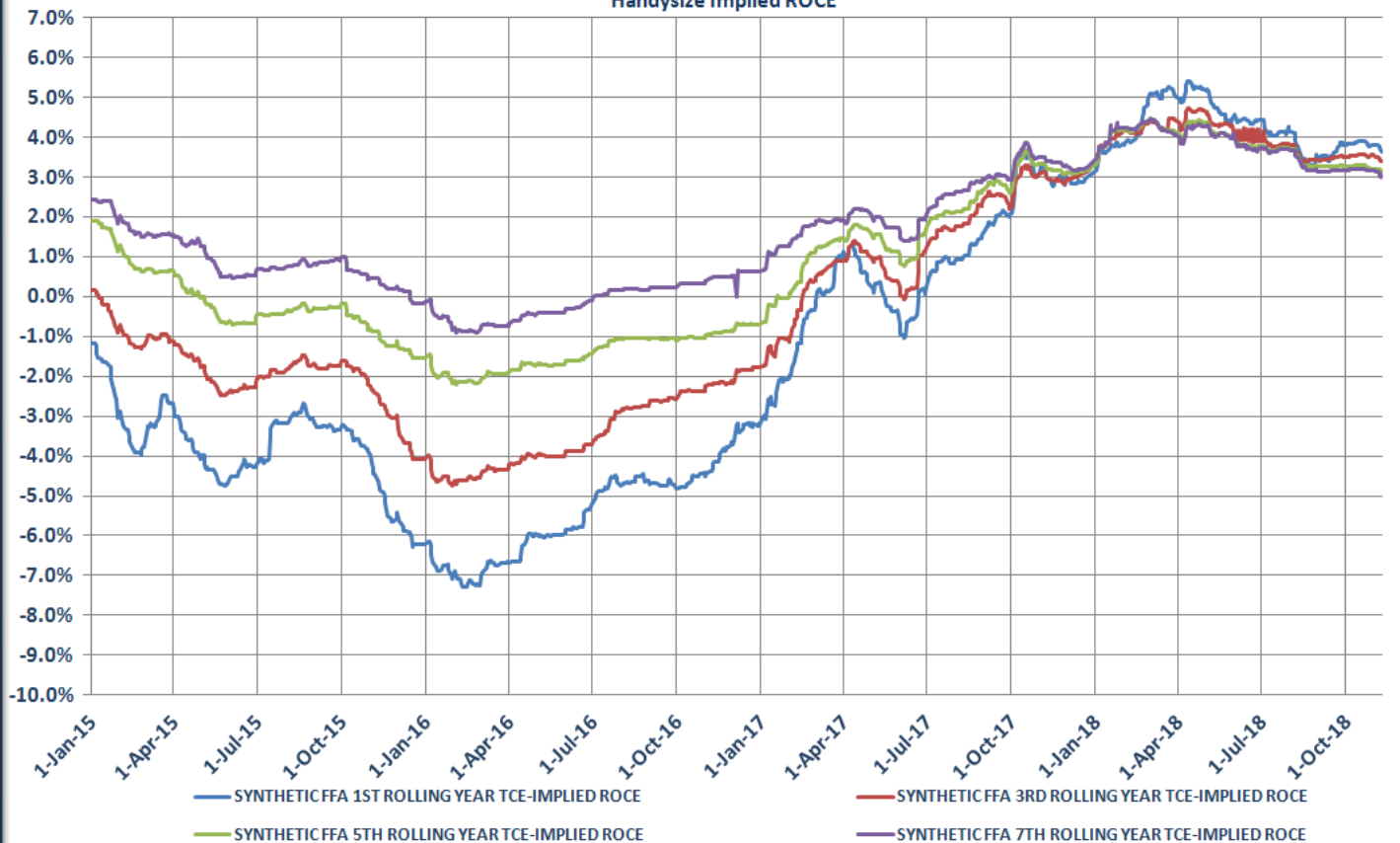
Capesize first rolling year implied ROCE lost another 240 basis this week, finishing at 1.8%. In sync, Panamax ROCE balanced below previously reported levels at 3.9%. Geared segments implied ROCEs moved downwards as well, with Supramax ending at 5.7% and Handy at 3.7%.



Supramax Implied ROCE



Handysize Implied ROCE



**BFA Cape 5TC**

Date	Nov (18)	Dec (18)	Jan (19)	Q1 (19)	Q2 (19)	Q3 (19)	Cal 19	Cal 24	Cal 25
5-Nov-18	\$16,367	\$17,942	\$13,667	\$12,569	\$13,692	\$18,933	\$17,486	\$14,875	\$14,908
6-Nov-18	\$15,258	\$16,367	\$12,667	\$11,794	\$13,067	\$18,221	\$16,662	\$14,650	\$14,683
7-Nov-18	\$14,175	\$15,292	\$12,550	\$11,661	\$13,267	\$18,067	\$16,534	\$14,575	\$14,592
8-Nov-18	\$12,583	\$13,567	\$11,967	\$11,294	\$12,992	\$17,775	\$16,238	\$14,383	\$14,392
9-Nov-18	\$11,296	\$12,375	\$11,221	\$10,829	\$12,696	\$16,996	\$15,659	\$14,229	\$14,229
Week High	\$16,367	\$17,942	\$13,667	\$12,569	\$13,692	\$18,933	\$17,486	\$14,875	\$14,908
Week Low	\$11,296	\$12,375	\$11,221	\$10,829	\$12,696	\$16,996	\$15,659	\$14,229	\$14,229
Week Avg	\$13,936	\$15,109	\$12,414	\$11,629	\$13,143	\$17,998	\$16,516	\$14,542	\$14,561

**BFA Panamax 4TC**

Date	Nov (18)	Dec (18)	Jan (19)	Q1 (19)	Q2 (19)	Q3 (19)	Cal 19	Cal 24	Cal 25
5-Nov-18	\$12,400	\$12,404	\$11,388	\$11,542	\$12,475	\$11,733	\$12,064	\$9,363	\$9,379
6-Nov-18	\$11,958	\$11,942	\$11,046	\$11,281	\$12,171	\$11,421	\$11,784	\$9,333	\$9,354
7-Nov-18	\$11,800	\$11,771	\$10,971	\$11,229	\$12,163	\$11,371	\$11,744	\$9,313	\$9,333
8-Nov-18	\$11,671	\$11,538	\$10,850	\$11,128	\$12,071	\$11,302	\$11,657	\$9,292	\$9,313
9-Nov-18	\$11,767	\$11,604	\$10,771	\$11,079	\$12,000	\$11,150	\$11,582	\$9,263	\$9,267
Week High	\$12,400	\$12,404	\$11,388	\$11,542	\$12,475	\$11,733	\$12,064	\$9,363	\$9,379
Week Low	\$11,671	\$11,538	\$10,771	\$11,079	\$12,000	\$11,150	\$11,582	\$9,263	\$9,267
Week Avg	\$11,919	\$11,852	\$11,005	\$11,252	\$12,176	\$11,395	\$11,766	\$9,313	\$9,329

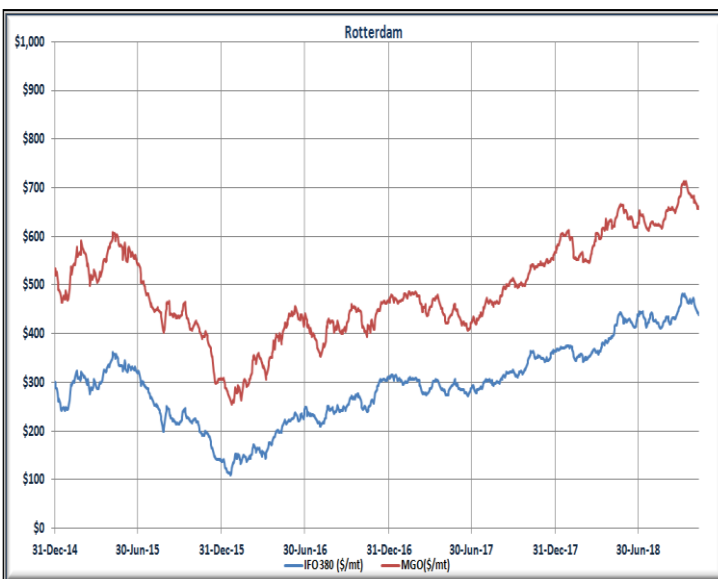
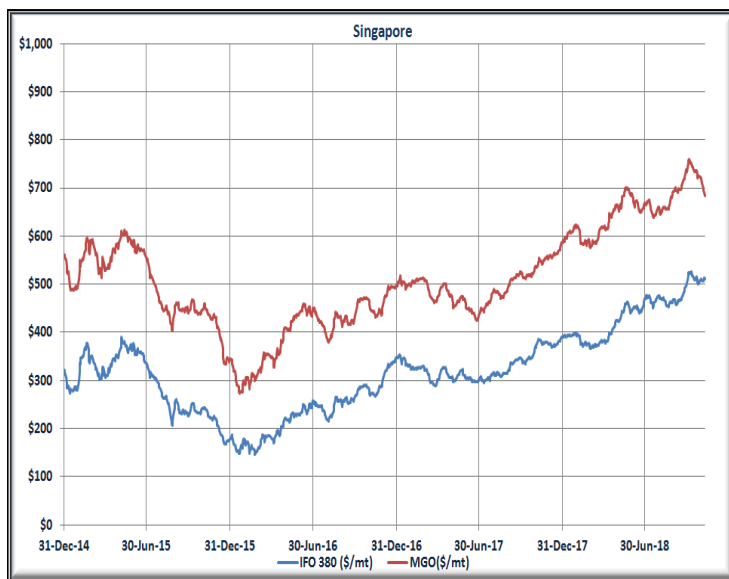
**BFA Supra 10TC**

Date	Nov (18)	Dec (18)	Jan (19)	Q1 (19)	Q2 (19)	Q3 (19)	Cal 19	Cal 24	Cal 25
5-Nov-18	\$11,517	\$11,638	\$11,163	\$11,002	\$12,208	\$11,650	\$11,885	\$9,558	\$9,538
6-Nov-18	\$11,271	\$11,354	\$10,967	\$10,831	\$12,050	\$11,504	\$11,737	\$9,529	\$9,521
7-Nov-18	\$11,200	\$11,146	\$10,958	\$10,844	\$12,033	\$11,504	\$11,735	\$9,542	\$9,525
8-Nov-18	\$11,196	\$11,183	\$11,017	\$10,887	\$12,067	\$11,563	\$11,788	\$9,526	\$9,513
9-Nov-18	\$11,221	\$11,229	\$10,988	\$10,844	\$12,046	\$11,563	\$11,769	\$9,529	\$9,513
Week High	\$11,517	\$11,638	\$11,163	\$11,002	\$12,208	\$11,650	\$11,885	\$9,558	\$9,538
Week Low	\$11,196	\$11,146	\$10,958	\$10,831	\$12,033	\$11,504	\$11,735	\$9,526	\$9,513
Week Avg	\$11,281	\$11,310	\$11,019	\$10,882	\$12,081	\$11,557	\$11,783	\$9,537	\$9,522

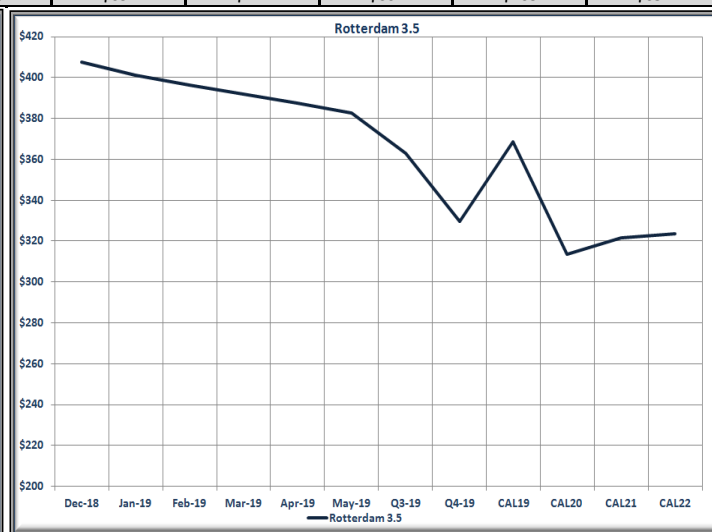
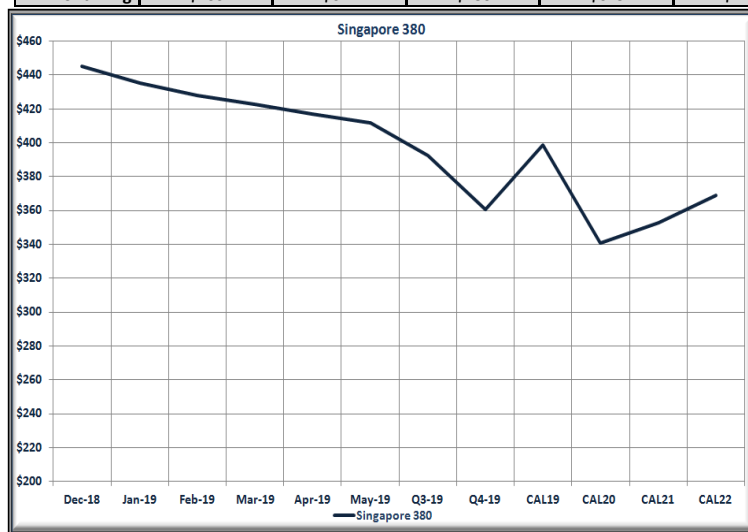
**BFA Handysize TC**

Date	Nov (18)	Dec (18)	Jan (19)	Q1 (19)	Q2 (19)	Q3 (19)	Cal 19	Cal 24	Cal 25
5-Nov-18	\$9,413	\$9,200	\$8,950	\$8,784	\$9,381	\$9,256	\$9,256	\$8,919	\$8,913
6-Nov-18	\$9,406	\$9,163	\$8,913	\$8,754	\$9,375	\$9,250	\$9,225	\$8,900	\$8,888
7-Nov-18	\$9,400	\$9,181	\$8,919	\$8,742	\$9,344	\$9,231	\$9,213	\$8,894	\$8,863
8-Nov-18	\$9,413	\$9,169	\$8,894	\$8,717	\$9,300	\$9,175	\$9,169	\$8,875	\$8,838
9-Nov-18	\$9,413	\$9,156	\$8,850	\$8,696	\$9,288	\$9,175	\$9,169	\$8,875	\$8,863
Week High	\$9,413	\$9,200	\$8,950	\$8,784	\$9,381	\$9,256	\$9,256	\$8,919	\$8,913
Week Low	\$9,400	\$9,156	\$8,850	\$8,696	\$9,288	\$9,175	\$9,169	\$8,875	\$8,838
Week Avg	\$9,409	\$9,174	\$8,905	\$8,739	\$9,338	\$9,217	\$9,206	\$8,893	\$8,873

## Bunker Market



	Rotterdam		Singapore		Fujairah		Gibraltar		Houston	
Date (\$/mt)	IFO 380	MGO	IFO 380	MGO	IFO 380	MGO	IFO 380	MGO	IFO 380	MGO
5-Nov-18	\$448	\$665	\$508	\$700	\$496	\$768	\$499	\$730	\$439	\$712
6-Nov-18	\$445	\$660	\$508	\$695	\$496	\$768	\$499	\$716	\$445	\$717
7-Nov-18	\$444	\$658	\$513	\$692	\$492	\$773	\$493	\$716	\$443	\$717
8-Nov-18	\$443	\$662	\$514	\$690	\$496	\$783	\$490	\$721	\$436	\$716
9-Nov-18	\$440	\$658	\$511	\$685	\$489	\$780	\$486	\$718	\$431	\$712
12-month High	\$483	\$712	\$526	\$759	\$529	\$798	\$510	\$768	\$750	\$767
12-month Low	\$342	\$533	\$367	\$542	\$360	\$600	\$359	\$574	\$342	\$564
12-month Avg	\$400	\$614	\$430	\$643	\$428	\$697	\$424	\$667	\$403	\$652



Singapore	09-Nov-18	Week max	Week low	Week Avg	RTDM 3.5	02-Nov-18	Week max	Week low	Week Avg
Dec-18	\$445.0	\$465.9	\$445.0	\$456.2	Dec-18	\$407.5	\$427.1	\$407.5	\$417.5
Jan-19	\$435.2	\$455.9	\$435.2	\$446.1	Jan-19	\$401.2	\$420.4	\$401.2	\$410.9
Feb-19	\$428.0	\$447.9	\$428.0	\$438.3	Feb-19	\$396.5	\$414.9	\$396.5	\$405.7
Mar-19	\$422.5	\$441.9	\$422.5	\$432.5	Mar-19	\$392.0	\$409.9	\$392.0	\$400.8
Apr-19	\$417.2	\$436.1	\$417.2	\$427.0	Apr-19	\$387.5	\$405.4	\$387.5	\$396.2
May-19	\$412.0	\$430.4	\$412.0	\$421.3	May-19	\$382.7	\$400.4	\$382.7	\$391.3
Q1-19	\$428.6	\$448.5	\$428.6	\$439.0	Q1-19	\$396.6	\$415.0	\$396.6	\$405.8
Q2-19	\$412.3	\$430.3	\$412.3	\$421.2	Q2-19	\$383.1	\$400.3	\$383.1	\$391.3
Q3-19	\$392.3	\$408.0	\$392.3	\$399.8	Q3-19	\$363.1	\$378.5	\$363.1	\$370.3
Q4-19	\$360.8	\$374.3	\$360.8	\$367.0	Q4-19	\$329.6	\$343.3	\$329.6	\$335.9
CAL19	\$398.5	\$414.5	\$398.5	\$407.4	CAL19	\$368.5	\$383.5	\$368.5	\$376.6
CAL20	\$340.5	\$346.7	\$335.4	\$342.5	CAL20	\$313.5	\$323.0	\$313.5	\$318.8
CAL21	\$352.8	\$358.0	\$341.6	\$351.8	CAL21	\$321.5	\$332.0	\$319.1	\$325.0
CAL22	\$368.8	\$374.0	\$357.6	\$367.8	CAL22	\$323.8	\$334.3	\$321.4	\$327.3



## Dry Bulk S&P Market

With the Capesize market being trapped in a downward spiral, the sentiment in the S&P market appeared to be softer as well. Despite the increased activity lately in the sub-market of the secondhand tonnage, prices didn't proceed along. In particular, five-year-old Capesizes balanced for the week lower at \$35.5m and ten-year-old ones at \$24m, or -2.1% and -4.0% M-o-M respectively. In addition, the older Capesize tonnage also drifted lower, hovering shy of \$15m. In all the other segment and ages, indicative prices trended sideways, following closely the freight market on its static tone.

In reference to the Tobin's Q, Capesize ratios moved downwards, lingering at 87% and 78% for the five-year-old and ten-year-old tonnage respectively. In our secondhand to newbuilding comparison for the Panamax segment, fifteen-year-old "ladies" are on the market at a 24% discount off their newbuilding prices, if we compare them on the same age basis. Five-year-old Supramaxes and Handies are offered at a 14% and 17% discount respectively compared to the newbuilding ones.

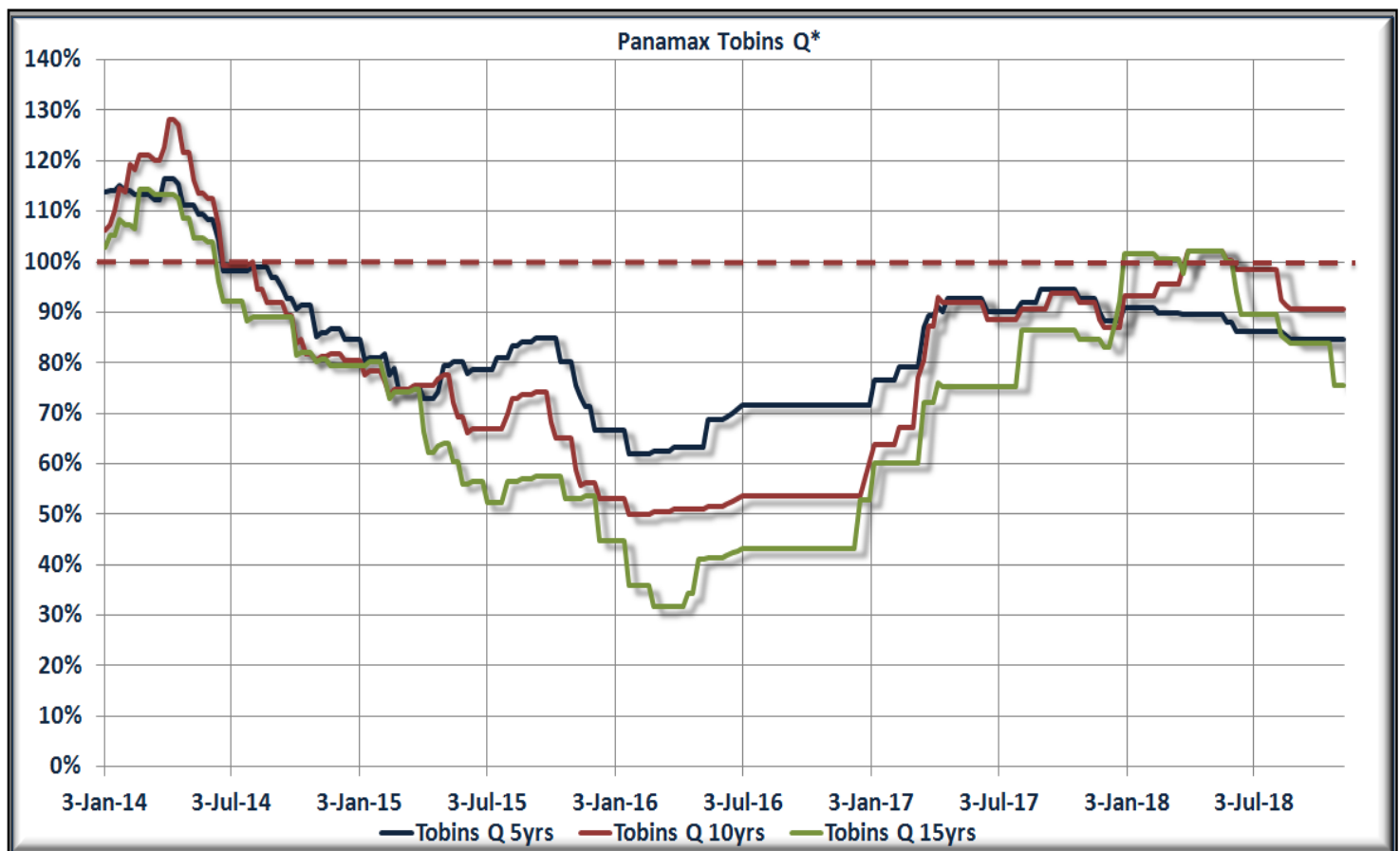
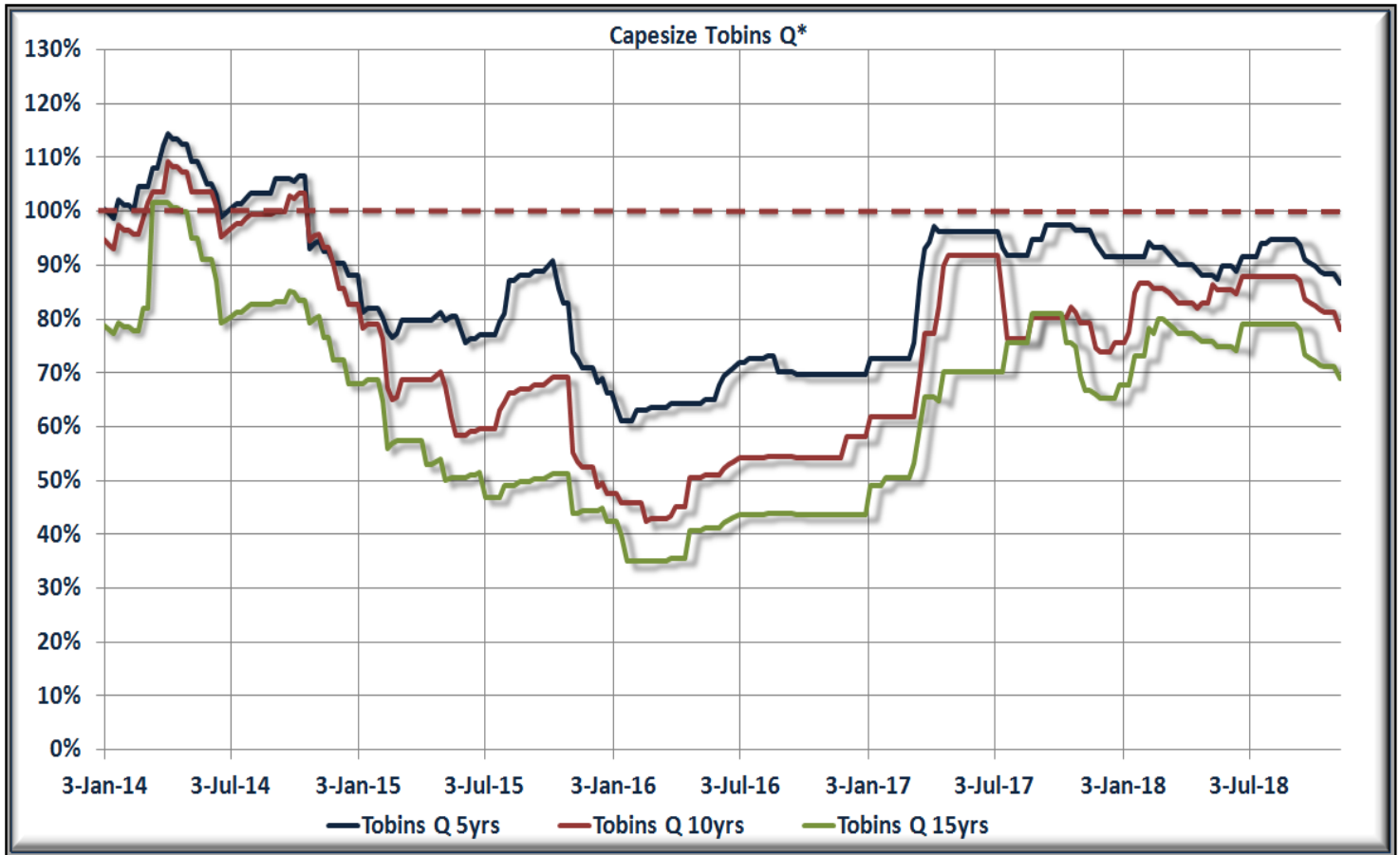
Indicative Ten-Year-Old Tonnage Prices				
Date/ USD mil.	Capesize 180K DWT	Panamax 75K DWT	Supramax 56K DWT	Handysize 32K DWT
02-Nov-2018	24.00	15.50	14.00	11.50
10-Nov-2017	21.00	14.00	13.00	9.75
11-Nov-2016	14.00	8.00	9.00	6.75
Δ% Y-o-Y	14.3%	10.7%	7.7%	17.9%
Δ% 2016-2018	71.4%	93.8%	55.6%	70.4%

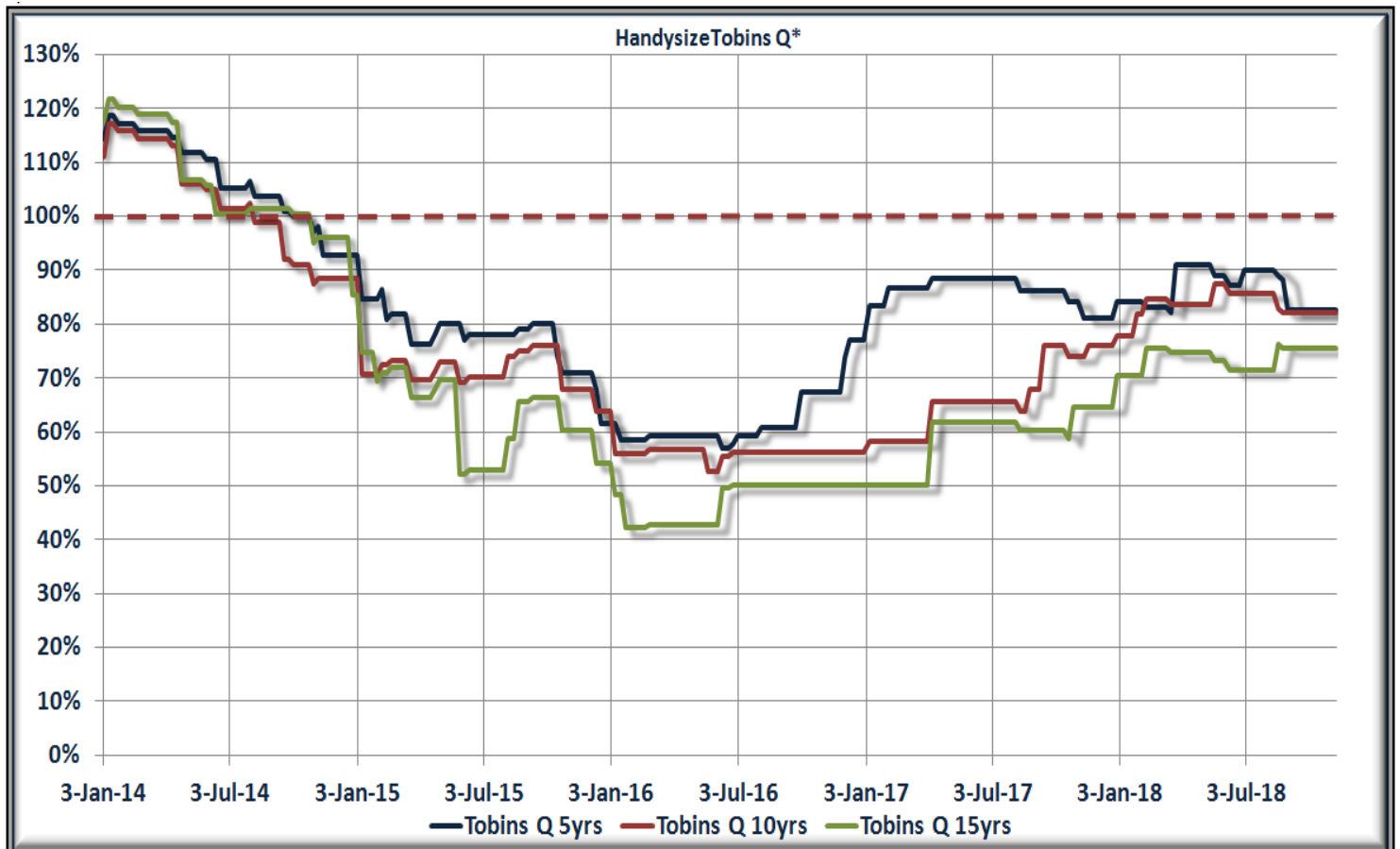
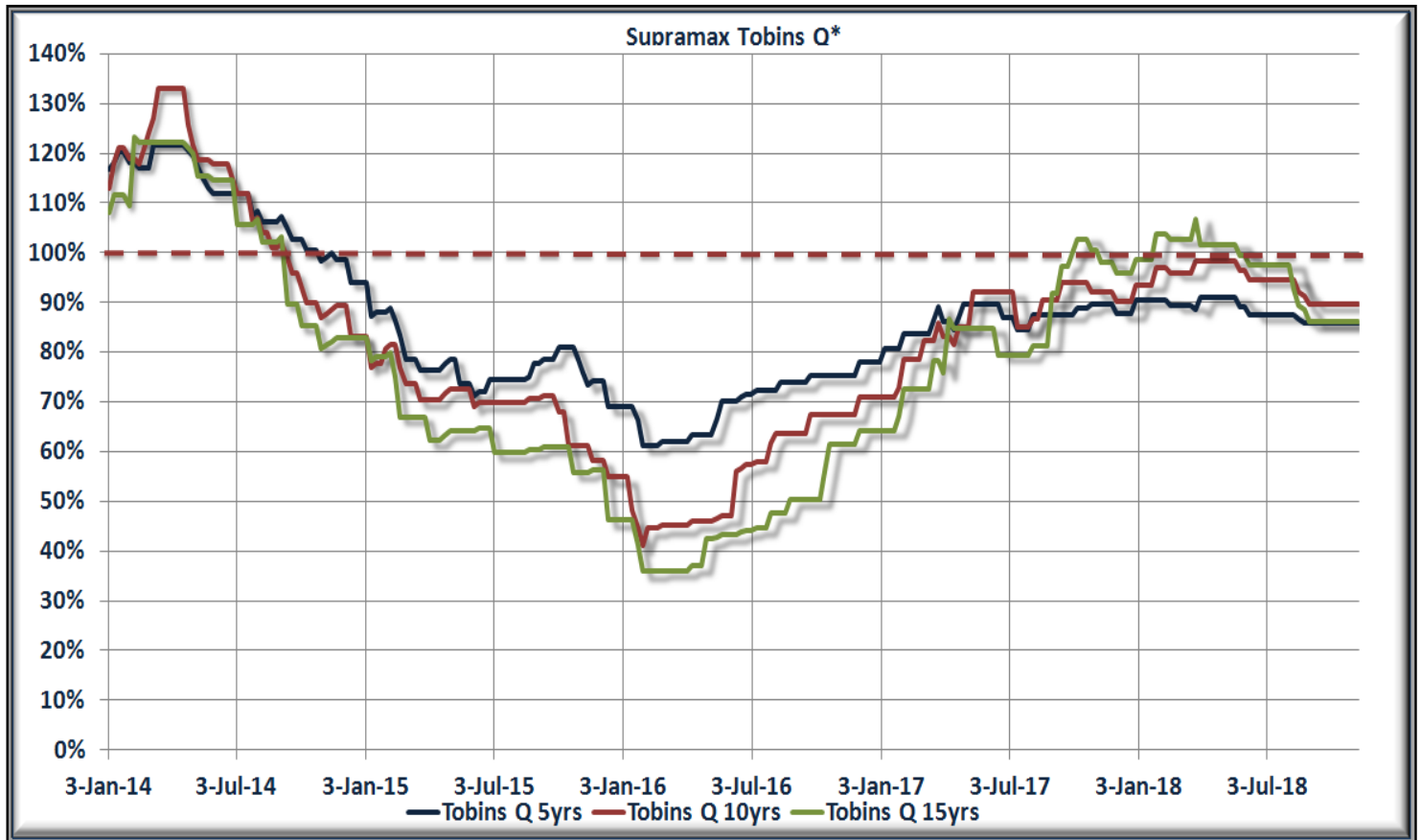
Reported Recent S&P Activity						
Vessel Name	DWT	Built	Yard/Country	Price \$Mil.	Buyer	Comments
Qingdao Yangfan 206K	206,000	2018	Qingdao Yangfan/China	mid 40	Undisclosed	
Shanghai Wai Gaoqi Ao H1461	180,000	2019	Shanghai Waigaoqiao/China	49.25	UK buyers	
Bulk Asia	181,380	2014	Imabari/Japan	40	Undisclosed	
Frontier Ambition	180,253	2010	Koyo Mihara/Japan	29	Undisclosed	
SC Lotta	169,000	2009	Sungdong/S.Korea	20.75	Greek buyers	
Cape Dover	185,805	2006	Kawasaki/Japan	22	Greek buyers	
Lowlands Longeviy	173,018	2001	Daewoo/S.Korea	11.5	S.Korean Buyers	
Scandinavian Express	93,038	2010	Cosco Dalian/China	15.8	Greek buyers	
Ikan Kedewas	88,279	2006	Imabari/Japan	12.5	Greek buyers	
Olga V	81,645	2017	Namura/Japan	30	Undisclosed	
Prime Lily	81,507	2012	SPP/S.Korea	20.6	Greek buyers	
Global Star	83,601	2010	Sanoyas/Japan	18.9	Undisclosed	
Eisho	74,930	2012	Sasebo/Japan	18.5	Greek buyers	
Taurus Ocean	78,819	2008	Sanoyas Hishino	14.5	Undisclosed	
Star Of Nippon	75,611	2004	Sanoyas/Japan	9.8	Undisclosed	
Triton	75,336	2001	Samho HI	7.35	Undisclosed	
New Herald	72,875	1997	Daedong/S.Korea	5	Chinese buyers	
Dragongate	63,503	2016	Imabari/Japan	26.6	Undisclosed	C 4x31
Sage Baylorcom	63,500	2015	Yangzhou Dayang/China	22.95	Greek buyers	C 4x35
Aquapride	61,465	2012	Iwagi/Japan	20	Undisclosed	C 4x30,7
Nord Crest	61,654	2011	Oshima/Japan	19.5	Greek buyers	C 4x30
Queen Halo	58,096	2010	Tsuneishi Cebu/Philippines	15.2	Undisclosed	C 4x30
Medi Firenze	58,722	2008	Tsuneishi Cebu/Philippines	low/mid 13	Greek buyers	C 4x30
Tron Legacy	56,444	2012	Qingshan/China	13.1	Chinese buyers	C 4 X 30
Gemini Pioneer	55,624	2008	Mitsui/Japan	13.7	Undisclosed	C 4x30
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
Cieolo Di Jari	39,000	2016	Yangfan/China	20	Undisclosed	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
Skelt	34,601	2010	SPP/S. Korea	12.9	Undisclosed	C 4x35
Splendeur	33,440	2004	Kanda/Japan	11	Undisclosed	C 4x30,5
Loveland Island	28,316	2010	Imabari/Japan	9.5	Undisclosed	C 4x30,5
Oceanic Hawk	29,027	2010	Shikoku/Japan	9.2	Undisclosed	C 4X 30,5
Van Imabari	28,397	2008	Shimanami/Japan	8.4	Greek buyers	C 4x30,5
Golden Kiku	29,700	2005	Shikoku/Japan	7.5	Undisclosed	C 4x31
Voula Seas	28,495	2002	Kanda/Japan	6.5	Undisclosed	C 4x30
Gloria Hayne	28,392	1996	Imabari/Japan	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	87%	78%	69%	85%	91%	76%
12months High	96%	88%	80%	93%	102%	102%
12months Low	87%	74%	65%	85%	87%	76%
12months Avg	91%	83%	75%	88%	95%	92%

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%	76%	65%
12months Avg	88%	94%	96%	86%	83%	73%

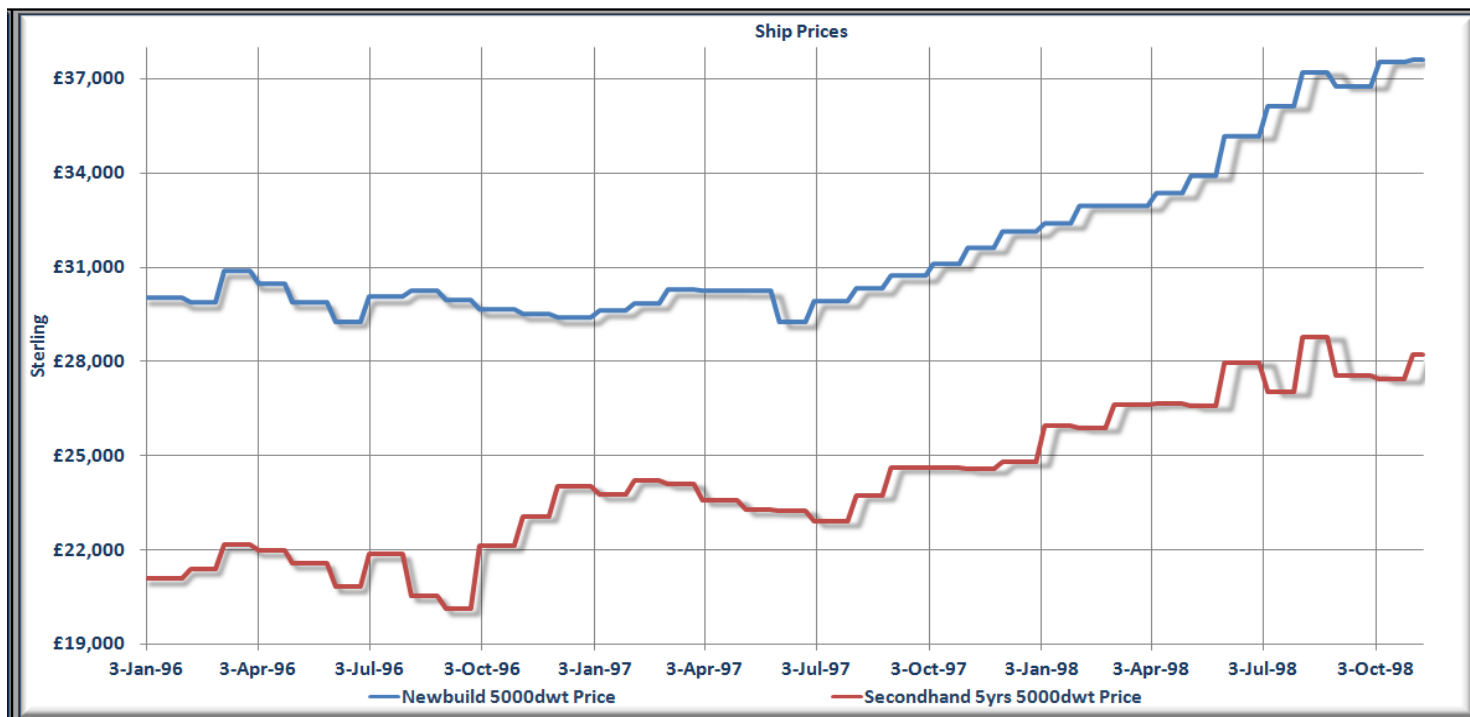
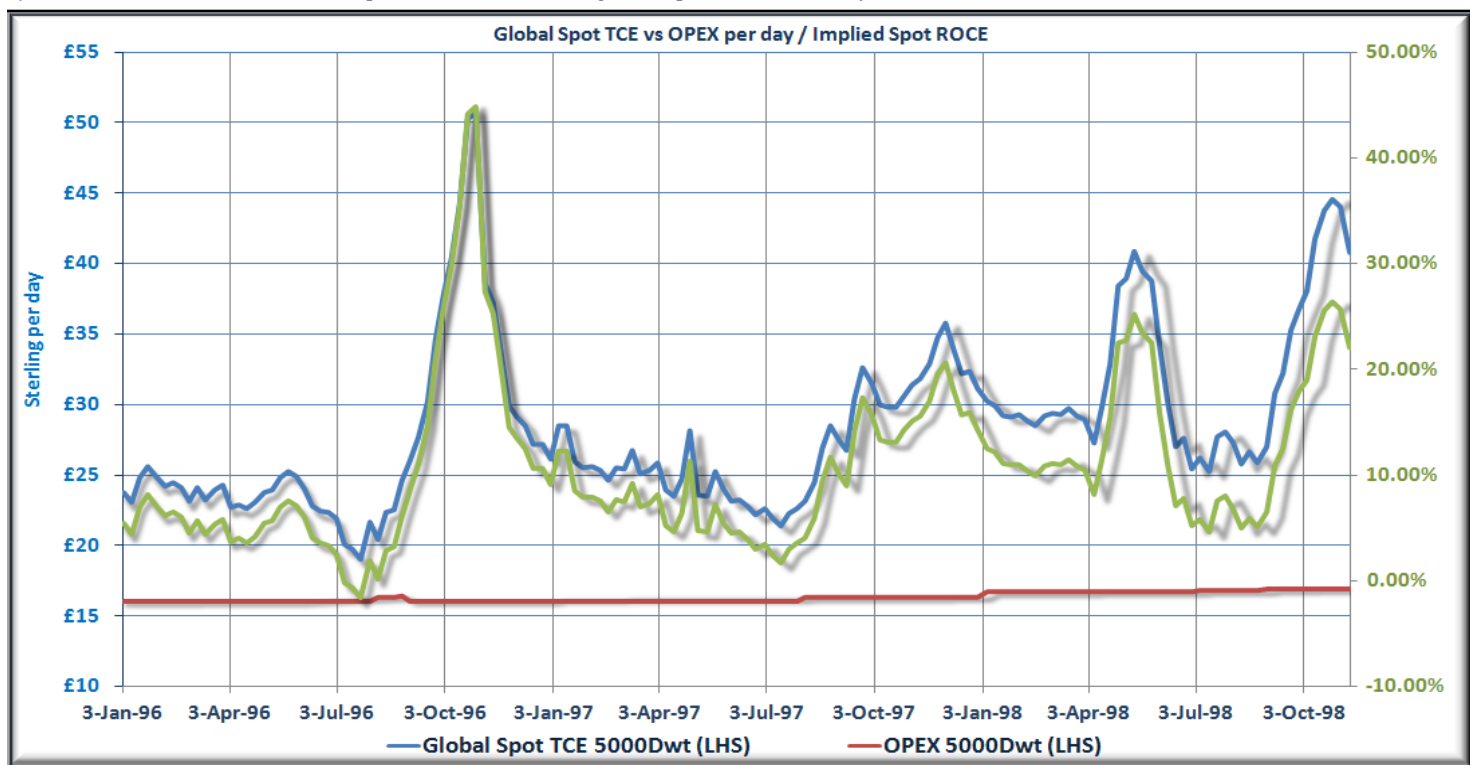
\*Tobin's Q represents the ratio between the market value and replacement value of a physical asset, with numerator and denominator adjusted to same age basis. According to economic theory, this ratio should be mean reverting towards 1 or 100%, for assets that do not face technological obsolescence.





## 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	Oct-00	Sep-00	Aug-00
Implied Spot Roce	22.1%	25.8%	23.6%	12.9%	5.8%
Global Spot TCE	£40.73	£43.96	£41.99	£32.30	£26.31
BlackSea Round	£41.32	£46.06	£44.25	£32.83	£26.80
East Round	£43.25	£45.52	£44.66	£42.11	£34.40
Med Round	£37.89	£39.57	£36.86	£27.51	£22.23
US Round	£44.90	£46.79	£44.84	£35.27	£27.61
River Plate Round	£44.46	£42.99	£41.99	£33.85	£30.55

S&P Market (5,000dwt)	Current week	Previous week	Jun-01	May-01	Apr-01
NB	£37,599	£37,599	£37,509	£36,760	£37,180
SH 5yrs old	£28,241	£28,241	£27,443	£27,579	£28,786
SH 10yrs old	£21,672	£21,672	£20,974	£21,170	£22,358
SH 15yrs old	£16,334	£16,334	£15,658	£15,947	£17,272

\*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...

Owners will have to act cautiously in arranging future employment, for the markets are in such a state that a congestion of vessels in any particular direction would at once bring about a further retrograde movement. Tonnage, consequently, should be well distributed. If the US market further weakens this may be taken as an indication that it cannot go on indefinitely absorbing tonnage in such an enormous and unprecedented ratio as within the last few weeks. Attention should therefore be given to other employment and especially longest voyages, with the view of getting over the words of the winter months. Probably coal business to the River Plate and Brazils may prove attractive. Additionally, plenty of time-charter employment is expected, so that there is no occasion for precipitate action in fixing up tonnage available for the end of November, or even December loading. There is no doubt that the coal charterers to the Mediterranean and Adriatic would welcome a better supply of boats, while the ore charterers from the Mediterranean must be getting behind with their shipments. Another point that should be borne in mind by owners is that a good percentage of the business recently done emanates from speculative sources. Until the charterers have disburdened themselves to some extent they will not be very keen to contract fresh liabilities, except perhaps at a good discount on present quotations. Obviously, the time to speculate in freights is when they are rising and not when the tendency is downwards. If boats are therefore offered out for say December and January loading unsuccessfully, the sooner they are entirely withdrawn the better. In every other case, the ulterior result will be that each successive fixture will be worse than the former, until the market has been dragged down to a limit that even the fixers ahead could not digest.

Coal rates from both Wales and the E.C. UK have been fairly well maintained, as chartering has not been on a large scale. From Wales to W.C. Italy 11s 3d is quoted, for Port Said, Alexandria, Piraeus, Constantinople, etc. 11s 2d might be obtained. These are splendid rates, but unfortunately, as we intimated last week, they must mean a heavy blow to some of the South Wales firms, while some of the E.C charterers evidently are not escaping without severe chastisement. We hope some good may emanate from the painful experience freight contractors are now having. It is seldom that freight contracting with a view of selling coal proves advantageous to the contractors, or in the long run even to shipowners. They commit themselves to a risk of freight over twelve months based on a previously low standard, and apparently never take into their deliberations the innumerable contingencies that may do occur over such a long period. If charterers worked more in conjunction with owners, they would not make the losses they frequently do. We will assume, for instance, that a charterer has an inquiry from Italy for 10,000 tons of coal for delivery over two or three months. The buyer wants a c.i.f quotation, instead of giving this, the vendor should refuse the freight risk unless he can find an owner willing to guarantee boats at such a rate as makes the business worth committing tonnage ahead for. If most of the Italian receivers had to charter through the collieries, the prospects are that owners would get better freights. Additionally, the collieries would also come in for a share of chartering profits, instead of paying a premium. Many contractors get a boat firm in hand before offering at a c.i.f. price; this is to a great extent sound business, because it protects them from possible loss and on the other hand, the owner is not subjected to "counter offers". If the c.i.f. offer is confirmed for shipment by a named boat it would be too risky for the charterer to do otherwise than accept outright the owner's offer. Large contracts may be difficult to arrange on such a basis, but this is the direction in which there is the best chance of avoiding such losses as those now being made.

In the spot arena, the American market is considerably weaker, in consequence of owners not allowing the charterers time to digest the enormous quantity of tonnage now under charter. Shoals of boats have been offered out this week for December/January and even February loading and in most cases there has not been a "counter bid". Black sea business is considerably weaker, berth rates from Odessa, Sulina, etc. for L.H.A.R. being 10s 9d. From Poti to UK/Rotterdam 14s 3d may be obtainable, but owners will be taking a great risk unless they stipulate for "running days both ends, and cargo and berth guaranteed on arrival." Mediterranean business has been rather more active, the ore charterers now having a chance to get their cargoes shipped at rates far less burdensome than owners were demanding a week ago. The Eastern market is steady. The River Plate market has been active, several boats having been fixed for January/February loading from the San Lorenzo limit at 21s, which can be repeated.

On the S&P front, the newbuilding and the secondhand market remained stable. A typical newbuilding 5,000dwt British-build steamer is currently at the market for £37,600, or up 24.1% on a yearly basis, whereas a five-year-old of the same dwt and specification at £28,241, or 2.9% M-o-M.