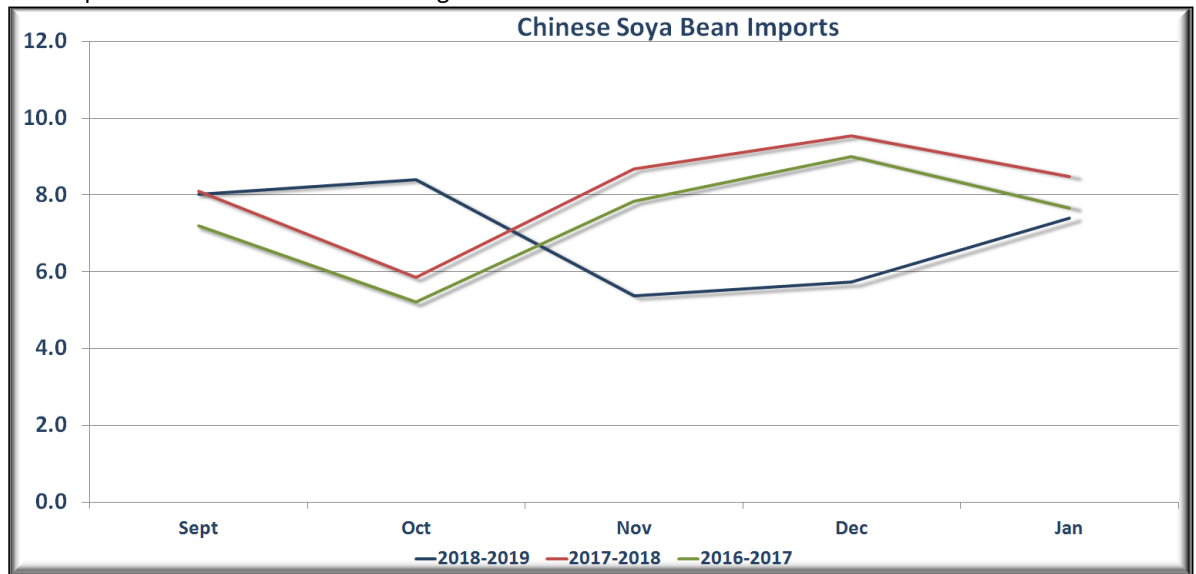


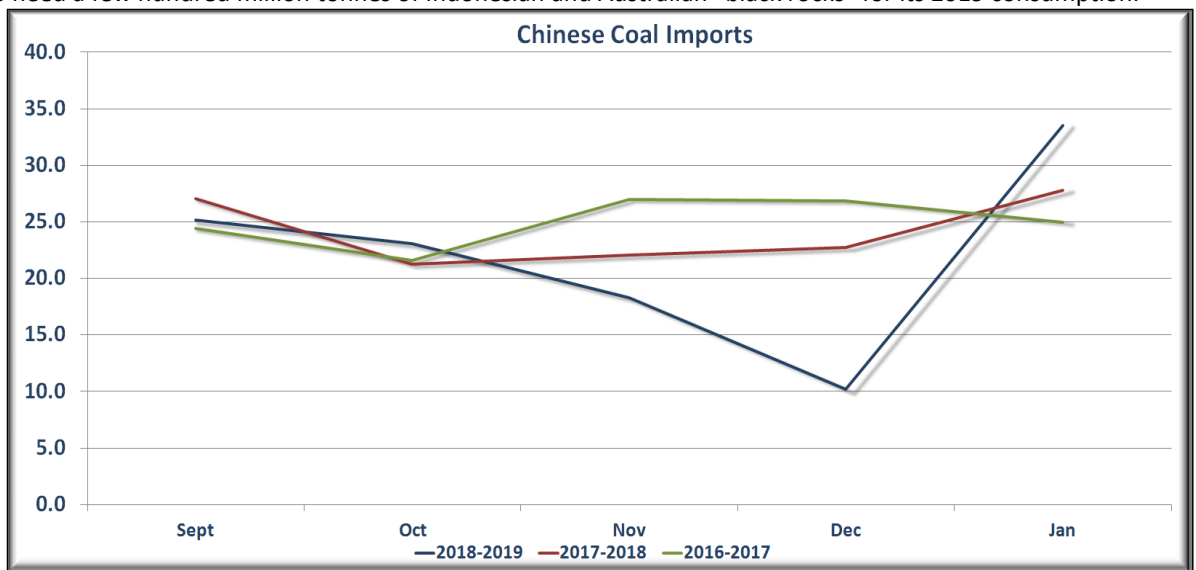
One swallow does not make a summer and one positive week does not materially change the balancing levels of the market. However, following a period of two months during which the Baltic Dry Index kept losing one supporting level after the other, the gains of the BDI during the seventh week of this trading year look much more appealing than what they might actually have been.

In addition, preliminary data of the Chinese customs released this week showed January's soybean imports being the highest in the last three months, rising to 7.38 million tonnes or 29 percent higher than the weak 5.72 million tonnes reported for December 2018. Soybeans were the single largest US commodity hit since the initial rounds of higher tariffs coming into force. Although the January figures were higher than expected, they still remained 1.1 million tonnes lower than the same month of the previous year. The customs department didn't disclose the origin of imports, but it is quite safe to assume that the vast majority of them came from the southern hemisphere. Looking forward, the slow activity in the soybean runs during the last three months and the anticipation of the 10 million tonnes agreed in the trade truce should result in increased volumes.



Source: Chinese Customs, Doric Research

In sync, coal imports by the world's top consumer of the material used for power generation, heating and steelmaking rose in the first month of 2019 to 33.5 million tonnes, or up 227.5% M-o-M. Following a dramatic fall in the last two months of 2018, Beijing's customs cleared the highest quantity of coal in five years this January. However, these figures are not representative of the current demand dynamics for two reasons. Firstly, Chinese New Year fell on the early side of February this year, increasing the imported quantities in the second half of January. Secondly, the substantial delays in the clearance of coal shipments during December 2018 brought forward to 2019 some of this activity. Nevertheless, setting aside the distortions, China is going to need a few hundred million tonnes of Indonesian and Australian "black rocks" for its 2019 consumption.



Source: Chinese Customs, Doric Research

Being utilized in the soybean and coal trades, the mid-sized segments can anticipate a friendlier environment for the months to come. The respective Baltic indices showed some of their willpower to overcome the bumpy road this year has started on.

Freight market 120yrs ago (page 12): "Last year 4,906 vessels of 1,87m tonnes paid tonnage rates at Swansea, against 4,531 vessels of 1,82m tonnes two years ago, according to the report of the Trustees of Swansea Harbour..."

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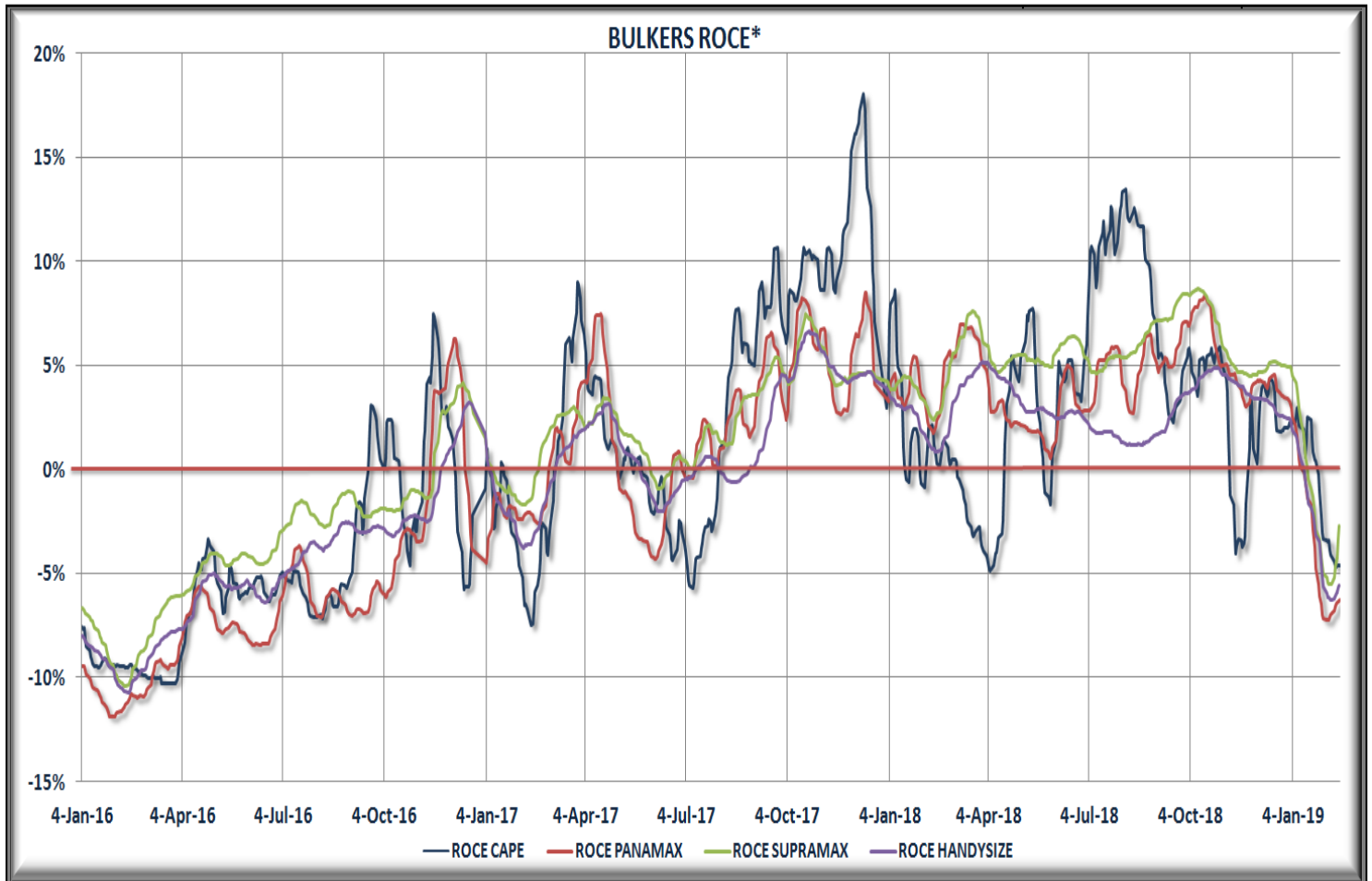
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Dry Cargo Spot Market

Some positive reaction at last! The Baltic Dry Index, after eight consecutive weeks under severe pressure, reported gains during the seventh week of year, concluding at 639 points. Being the only index with a negative tone, the Baltic Capesize Index ended the week down at 727 points. With an 8.7% weekly increase, the Baltic Panamax Index balanced at 624 points. Geared segments appeared to be in a better mood as well. The Baltic Supramax Index, with an impressive 34.9% jump, finished considerably higher at 560 points. With a 25-point boost, the Baltic Handy Index hovered at 315 points.

At the box office, the after depreciation returns on capital employed of all segments kept lingering into the negative territory. Capesize returns stood below previous week levels at -4.7%. As both the BPI-TCA and BSI-TCA concluded higher for the week, the returns for Panamax and Supramaxes ended at -6.3 and -2.7 cents in every dollar invested respectively. Handysize ROCE balanced 68 basis points above previous Friday's quotations at -5.6%.



| Baltic Freight Indices | | | | | |
|------------------------|------|----------|-----------|-----------|------------|
| Date | BDI | BCI 5TC | BPI - TCA | BSI - TCA | BHSI - TCA |
| 11-Feb-19 | 595 | \$7,561 | \$4,714 | \$5,038 | \$4,229 |
| 12-Feb-19 | 598 | \$7,326 | \$4,828 | \$5,345 | \$4,285 |
| 13-Feb-19 | 608 | \$7,284 | \$4,919 | \$5,634 | \$4,372 |
| 14-Feb-19 | 628 | \$7,342 | \$4,988 | \$6,161 | \$4,486 |
| 15-Feb-19 | 639 | \$7,308 | \$5,029 | \$6,529 | \$4,544 |
| 12-month High | 1774 | \$27,283 | \$14,385 | \$13,431 | \$9,772 |
| 12-month Low | 595 | \$7,051 | \$4,435 | \$4,837 | \$4,198 |
| 12-month Avg | 1313 | \$16,120 | \$11,153 | \$11,047 | \$8,414 |
| Avg. Cal 2018 | 1353 | \$16,529 | \$11,609 | \$11,487 | \$8,700 |
| Avg. Cal 2017 | 1145 | \$15,129 | \$9,766 | \$9,168 | \$7,636 |

*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.

In a week that the **Capesize** 5TC Average dropped further to \$7,308 daily, Star Bulk's CEO Petros Pappas commented on Vale's accident that it might slightly affect dry bulk shipping demand for the first quarter. However, he stressed that the psychological effect is significant considering it took place on the slowest quarter of the year.

In the Pacific basin, China's strict environmental regime means domestic iron ore mines won't boost output to meet any supply shortfall after Vale SA's dam disaster, according to the head of a major Chinese mining group. In reference to the spot market of the Pacific, the C5 Baltic Index gained 12.2% W-o-W, concluding at \$5.5 pmt. For this route, FMG moved a cargo of 160,000 10% iron ore from Port Hedland to Qingdao for 25/27 Feb at \$ 5.20 pmt. The 'Golden Fulham' (182,610 dwt, 2016) was fixed basis retro Rizhao 11 Feb to Singapore- Japan range at \$ 8,000 daily. The 'Pelorus' (179,329 dwt, 2014) with spot delivery Dandong was reported fixed for a trip via Australia to China with Hyundai Glovis at \$7,000 daily. The Baltic Transpacific index (C10_14) moved upwards as well, reaching \$7,091 daily up a strong 33.6% W-o-W.

In the commodity news of the Atlantic, Colombia's coal production and exports are likely to remain steady this year, companies said on Wednesday, amid predictions international prices for the fuel will fall in 2019. A bit southern, Brazil's government intends to make Vale "private again" by selling its shares and pushing out quasi-state pension funds, according to a senior official. In the spot arena, the C3 index showed some resistance since the end of last week, closing at \$13.269 pmt. For such a run, Pacific Bulk was linked with 'Simon LD' for a 170,000 10% cargo from Tubarao option Acu for beginning March at \$13.85 pmt. The Transatlantic Index (C8_14) closed at \$8,010 daily, or 21.9% lower W-o-W. The Fronthaul index (C9-14) moved below the \$20,000 mark at \$19,518, losing 34.1% since last month.

Period activity was more vivid with Anglo American fixing the 'Dream Canary' (180,528 dwt, 2015) with delivery Lianyungang 20-25 Feb for 2 years at 123% of BCI 5TC. Phaethon took the 'Dong A Astrea' (179,329 dwt, 2010) with delivery Rizhao 13-14 Feb for 1 year period at \$10,750 daily. Polaris was linked with 'Zamba Blue' (178,459 dwt, 2011) with prompt delivery Hong Kong 22-24 Feb at \$13,100 daily.

| Representative Capesize Fixtures | | | | | | | | |
|----------------------------------|---------|-------|--------------|-----------|-----------------|--------------|----------------|---------------|
| Vessel | DWT | Built | Delivery | Date | Re-del | Rate | Charterers | Comment |
| Golden Fulham | 182,610 | 2016 | retro Rizhao | 11 Feb | Singapore-Japan | \$8,000 | cnr | via Newsastle |
| Peloreus | 182,476 | 2014 | Dandong | Spot | Singapore-Japan | \$7,000 | Hyundai Glovis | via Australia |
| Dong A Astrea | 179,329 | 2010 | Rizhao | 13-14 Feb | WW | \$10,750 | Phaethon | 10-13 months |
| Dream Canary | 180,528 | 2015 | Lianyungang | 20-25Feb | WW | 123% BCI 5TC | Anglo American | 2 Years |
| Zampa Blue | 178,459 | 2011 | Hong Kong | 22-24 Feb | WW | \$13,100 | Polaris | 1 Year |

The **Panamax** market showed no real direction this week, whilst sentiment was rather mixed in both parts of the world.

The Pacific market appeared much busier and all routes, with indices slightly improving from last week. There has been increased activity in NoPac grains as well as in both Australian and Indonesian coal terminals. All fresh cargoes that emerged provided some short-term alternative for tonnage that has not headed off in ballast, although South America continued to draw ships from the area. The 'Inception' (80,327 dwt, 2011) has gone for a round trip via East Coast Australia to India at \$6,500 daily with prompt delivery at CJK. In the Indonesia-China routes, despite a sudden boost in activity, rates moved rather sideways. The 'Adriatica Graeca' agreed to \$4,500 daily but with 14-17 February delivery North at Samcheonpo. On the NoPac front, 'Lyric Harmony' (81,500 dwt, 2012) achieved \$8,350 with 19-20 February delivery Chiba via NoPac back to Singapore-Japan range.

In the Atlantic basin, bids looked more 'vulnerable' with most index routes drifting off as Charterers continued to push rates further down. Evidently, both sides risked waiting a bit more, both in anticipation that the market will favor them next week. Especially, the ECSA grain activity which slowed down with fewer and fewer prompt (i.e. end February-early March) stems being fixed. The long list of ballasters looks like it might improve next week, as several Owners opted for a quick South African round trip to India (or China) with minerals, instead of fixing a longer ECSA front-haul. 'Faye' (76,619 dwt, 2010), sailed from Kandla earlier this week, gone at \$11,000 daily plus \$135,000 gbb with 28 February delivery at Richards Bay for a trip to India with coal. ECSA front-haul rates in general showed no cheer with 'Rich Future' (82,197 dwt, 2013) getting \$12,500 daily plus \$250,000 gbb for end February delivery, which was the all around 'price tag' seen for most kamsarmaxes. The TA round trips were paying similar levels as per last week. 'Theresa Guangdong' (82,000 dwt, 2012) was reported at a poor \$7,650 daily with 17-19 February delivery North Brazil to Skaw-Passero range. The sentiment in the rest of the Atlantic was rather negative with Baltic round trips paying in the \$3,000 daily as in the case of 'Loch Long' (81,994 dwt, 2013) with 16 February delivery Liverpool via Baltic back to Skaw-Gibraltar ranges.

Demand for period tonnage was fairly quiet this week. 'Alan' (81,712 dwt, 2012) was fixed at \$11,500 daily with Atlantic delivery, at Ghent for 4 to 6 months. In the East, it was leaked that 'Rosalia D'Amato' (74,716 dwt, 2001) agreed to \$5,500 for the first 45 days and \$8,500 thereafter for 8 to 10 months trading, with Qinzhou delivery on 18-20 February.

| Representative Panamax Fixtures | | | | | | | | |
|---------------------------------|--------|-------|------------|---------------|-----------------|-------------------------------|------------|--------------|
| Vessel | DWT | Built | Delivery | Date | Re-del | Rate | Charterers | Comment |
| Adriatica Graeca | 74,133 | 2002 | Samcheonpo | 14/17 Feb | China | \$4,500 | cnr | via Indo |
| Lyric Harmony | 81,500 | 2012 | Chiba | 19/20 Feb | Singapore-Japan | \$8,350 | cnr | via NoPac |
| Inception | 80,327 | 2011 | CJK | 12 Feb | India | \$6,500 | Cargill | via Eaus |
| Loch Long | 81,994 | 2013 | Liverpool | 16 Feb | Skaw Gibraltar | \$3,000 | MOL | via Murmansk |
| Rich Future | 82,197 | 2013 | ECSA | 26/27 Feb | Singapore-Japan | \$12,500+\$250k gbb | Ausca | |
| Faye | 76,619 | 2010 | RBCT | 28 Feb/05 Mar | India | \$11,000+\$135k gbb | Jaldhi | |
| Alan | 81,712 | 2012 | Ghent | 17/20 Feb | worldwide | \$11,500 | Norden | 4/6 mos |
| Rosalia D'Amato | 74,716 | 2001 | Qinzhou | 18/20 Feb | worldwide | \$5,500 for 45d, \$8,500 taft | Phaethon | 8/10 mos |

Being the star-performer this week, the Baltic **Supramax** TC index bounced to \$5,029 daily this Friday.

With the market participants largely back in their workstations, we noticed an explosive rise of the average time charter rate of the Far Eastern routes. This average, deriving from the S.China via Indonesia to Ecli (S8_58), S.China via Indo round (s10_58) and round M.China via Australia or NoPac (S11_558) showed an increase of about 38,5%, marking a long awaited halt on the drop of the market and also raising hopes for a recovery. As expected the main drive of the market were the coal trips to china. Fixtures reported throughout the week we showing increasing numbers and also managed to reach 5 digits. One such example was the 'Ultra Agility' (61,213 dwt, 2016) which was reported at \$10,000 basis delivery Surabaya for a trip with coal via Indonesia to China. Earlier in the week 'Nautical Elisabeth' (63,537 dwt, 2015) opted to reposition towards "warmer" climates and agreed \$4,000 for 65 days and \$11,500 thereafter, basis delivery S.Korea and redelivery within Continent – Med range. From the Persian Gulf 'Fareast Harmony' (56,756 dwt, 2012) was concluded at \$6,350 from Jubail with direction to China. Healthier levels were also noticed in S.Africa. 'Triton Swan' (61,457 dwt, 2012) was fixed at \$10,250 plus \$125,000 bb for a trip to PG.

In the Atlantic, we saw the market bouncing back rapidly. The driving force currently is the USG where rates have already picked up by roughly \$5-6,000 above their recent lows, while S4A_58 (USG to Skaw-Passero) increased impressively by 85% w-o-w. The 'Tai Splendor' (60,618 dwt, 2015) was fixed for a trip from USG to Israel with petcoke cargo at \$14,500 daily. In the South Atlantic, improvement was visible, yet milder compared to USG. It was heard that a 63,000 dwt Ultramax was fixed at mid-high \$7k levels basis delivery Bahia Blanca for a trip via Plate to the Mediterranean. Across the Atlantic, rates remained rather depressed, showing only a marginal positive reaction, attributable to sentiment rather than actual changes in spot supply-demand dynamics. The 'Lowlands Beacon' (61,400 dwt, 2010) was fixed for a trip via Baltic to the Mediterranean at \$6,000 daily basis delivery passing Skaw. It was also heard that the 'Stonington Eagle' (63,301 dwt, 2012) was fixed at \$11,000 daily basis delivery Klaipeda for a trip to India. Moving on to the Mediterranean, the 'Dalian Star D' (56,010 dwt, 2007) was fixed for a trip via Turkish Med to West Africa at \$6,000 daily.

For the 2nd consecutive week, there were no reports of period fixtures.

| Representative Supramax Fixtures | | | | | | | | |
|----------------------------------|--------|-------|--------------|--------|---------------|--|-------------|---------------|
| Vessel | DWT | Built | Delivery | Date | Re-del | Rate | Charterers | Comment |
| Ultra Agility | 61,123 | 20016 | Surabaya | Prompt | China | \$10,000 | | |
| Nautical Elisabeth | 63,537 | 2015 | S.Korea | Prompt | Conti-Med | \$4,000 for 65 days and \$11,500 balance | | |
| Fareast Harmony | 56,756 | 2012 | Kuwait | Prompt | China | \$6,350 | | |
| Triton Swan | 61,457 | 2012 | Richards Bay | Prompt | Persian Gulf | \$10,250 + \$125,000 bb | | |
| Tai Splendor | 60,618 | 2015 | USG | Prompt | Israel | \$14,500 | Norvic | Petcoke cargo |
| Lowlands Beacon | 61,400 | 2010 | Skaw | Prompt | Mediterranean | \$6,000 | XO Shipping | |
| Stonington Eagle | 63,301 | 2012 | Klaipeda | Prompt | India | \$11,000 | Norden | |
| Dalian Star D | 56,010 | 2007 | Turkish Med | Prompt | West Africa | \$6,000 | cnr | |

Mixed signals in the Far East – "Ready for lift off? Not yet... But ok" in the Atlantic for the **Handysize**.

In the Far East, another week of high pressure for owners ends today, despite the long awaited end of the Chinese New Year festivities. Indices have improved across the board but actual fixtures were inconsistent. News and rumors left and right of fixtures with very low numbers are suppressing hopes for recovery. The fixture of 'Port Botany' (28,000 dwt,2001), open in Bangkok on the 15th of February at \$6,000 for a quick trip with sugar to Indonesia brought some optimism for a couple of days, as the last done was at \$4,500, however that did not last for long. We heard that MUR booked a 35,000 dwt ship from Ciwandan at \$4,500 dop for trip with concentrates via Amamapare to China and almost right afterwards mv 'Western Lima' (39,300 dwt, 2015) open at Balingsag on the 12th of February was reported fixed at \$4,100 aps Indonesia for a trip with steels via Indonesia to the Mediterranean. In the Persian Gulf, 'Seaglass II' (29,124 dwt, 2008) open at Kuwait on the 15th of February fixed at \$6,850 dop for a trip with ferts via Jubail to Colombo.

An overall positive week for handy owners in the Atlantic just ended. Owners, of course, will say that this was only the beginning of a rally, but let's hold back on that and be a bit more realistic before we set the bulls free. ECSA saw some more activity and with more fresh cargoes to go around, it was just logical to see rates jump up about \$1,000 per day. Larger vessels were able to trade at around \$8,000 for t/a trips but smaller units struggled a bit more to get \$5,000 to USG, or \$6,750 to WCSA. Even more positive were things in the USG, where the bad weather delayed a lot of ships, and caught by surprise charterers who played things spot and now had to rush to get the few prompt ships. Don't get me wrong, this was not the only reason the market improved, but it definitely accentuated the trend. The Continent saw some more scrap runs and rates also picked up. 'Baby steps', but still, steps made to the right direction. The depression of the past weeks was at least gone. The Med and Bl. Sea followed in suite and some more fresh cargoes popped up, especially for inter-Med destinations. Rates from Canakkale for mid-size units were around \$5-5,500 for such trips and we even saw a \$6,750 being paid for a 34,417dwt but with the logical delivery inside the Bl. Sea.

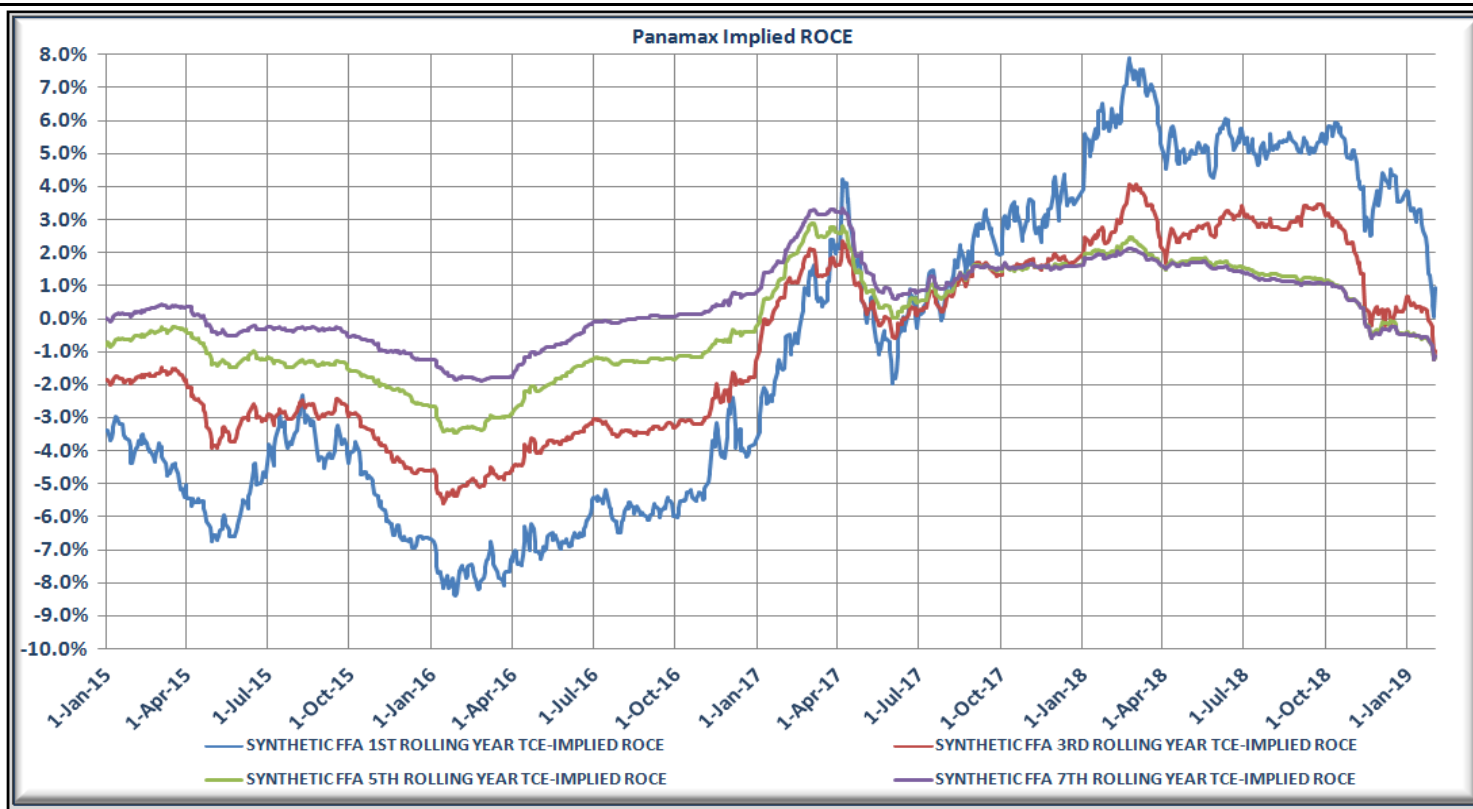
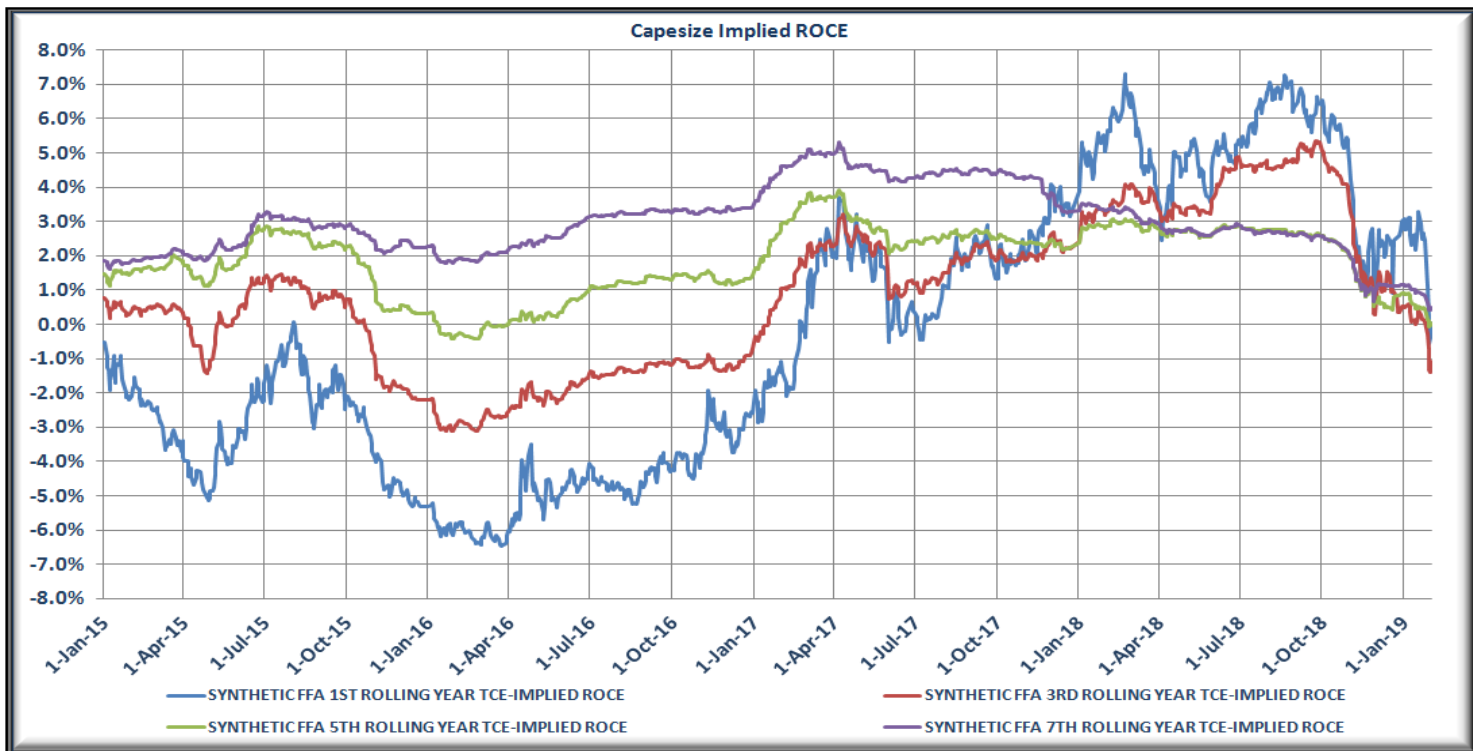
On the period desk, we heard of a rumour of a 37,000dwt fixing from Recalada 2-3 legs within Atlantic at \$9,000.

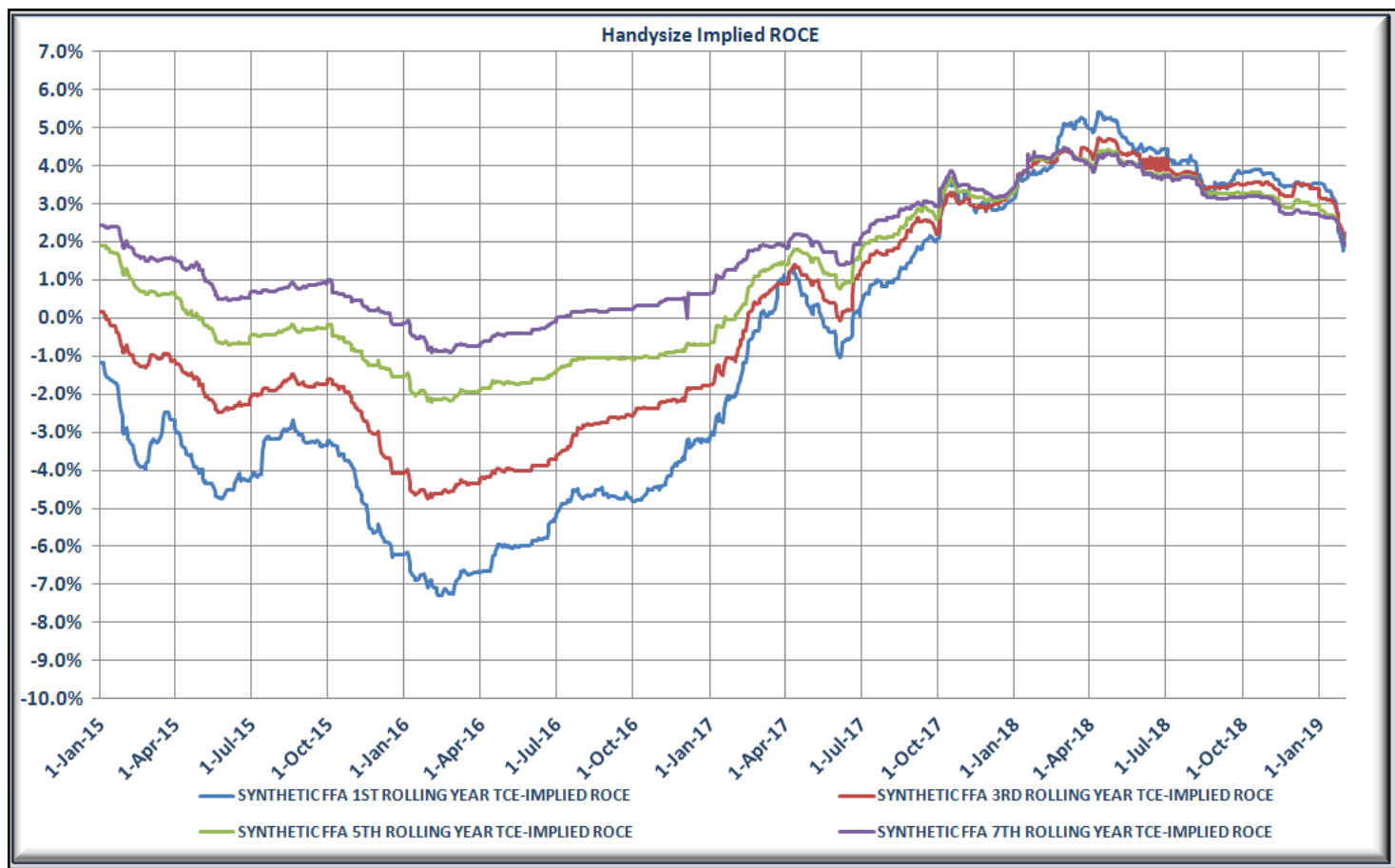
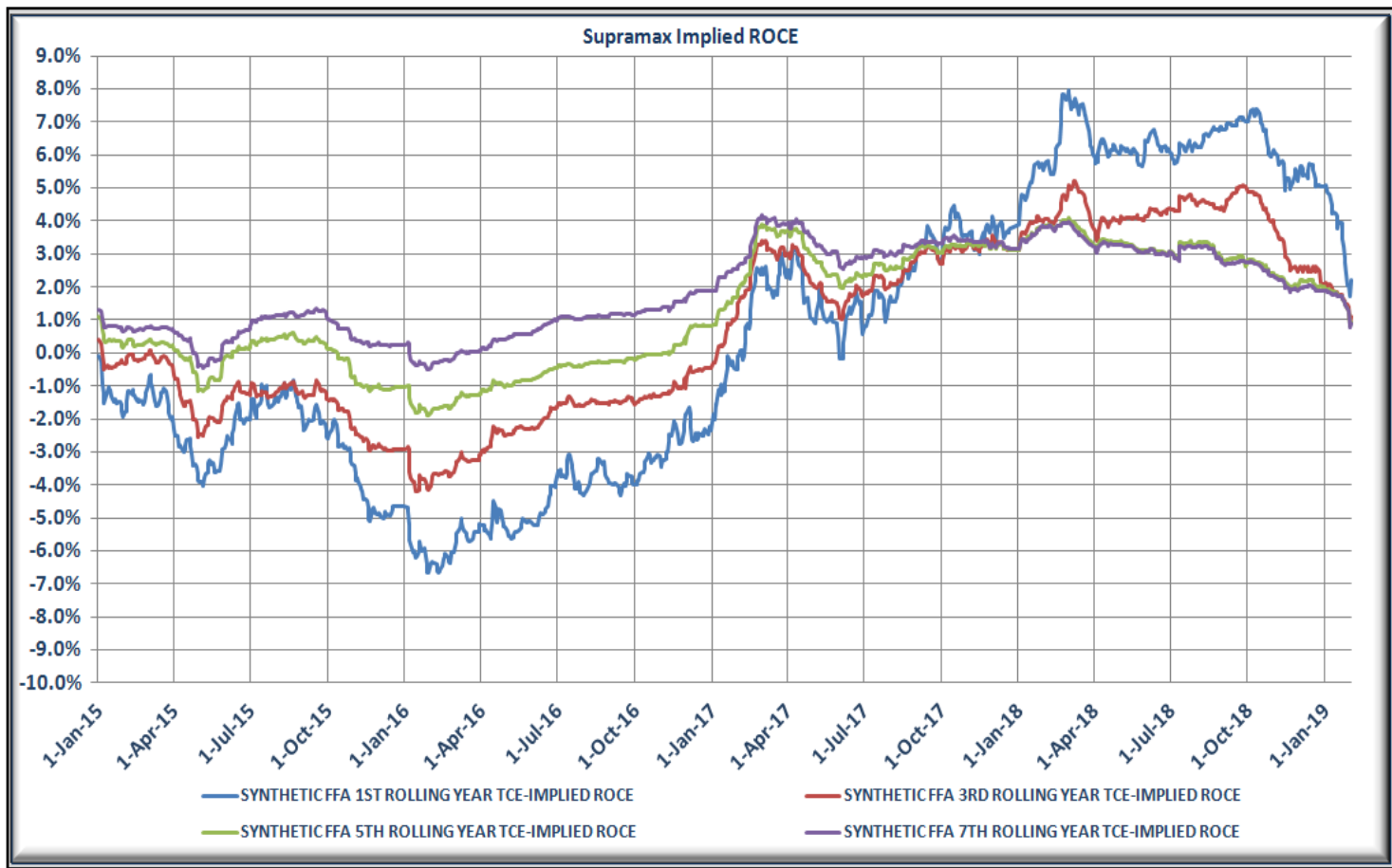
| Representative Handysize Fixtures | | | | | | | | |
|-----------------------------------|--------|-------|-----------|--------|-----------|---------|------------|-----------------|
| Vessel | DWT | Built | Delivery | Date | Re-del | Rate | Charterers | Comment |
| Port Botany | 28,000 | 2001 | Bangkok | Prompt | Indonesia | \$6,000 | cnr | sugar |
| Western Lima | 39,300 | 2015 | Indonesia | Prompt | Med | \$4,100 | cnr | |
| Seaglass II | 29,124 | 2008 | Kuwait | Prompt | Colombo | \$6,850 | cnr | |
| Western London | 39,260 | 2015 | Salvador | Prompt | Med | \$8,100 | cnr | |
| Basic Princess | 38,037 | 2012 | Ctown | Prompt | PG | \$9,750 | MuR | grains via ECSA |
| Wuchow | 39,090 | 2013 | Beaumont | Prompt | Morocco | \$9,500 | Navision | sulphur |
| Ocean Fortune | 37,595 | 2014 | SWPass | Prompt | Continent | \$7,650 | Oldendorff | |
| Oriana C | 34,417 | 2012 | Samsun | Prompt | Emed | \$6,750 | cnr | |
| Horizon | 30,192 | 2007 | Constanza | Prompt | Izmir | \$5,500 | Norden | grains |

FFA Market

Mixed sentiment appeared in the forward market this week, with the forward curves lacking clear direction. In particular, the prompt months of the Capesize forward curve moved up, with March contracts balancing at \$7,475 and April at \$8,067. In the opposite direction, the Panamax curve went down to \$7,117 and \$8,579 for March and April respectively, concluding above intra-week lows though. Being in the black, Supramax forward market stood above previous week closing, with March balancing at \$8,492 and April at \$9,900. Trending upwards, prompt Handy contracts ended at March levels of \$7,025.

Capesize first rolling year implied ROCE increased to -1.2% this week at the same time as that of Panamax was balancing higher at 1.0%. Geared segments implied ROCEs trended upwards, with Supramax at 3.1% and Handy at 1.8%.





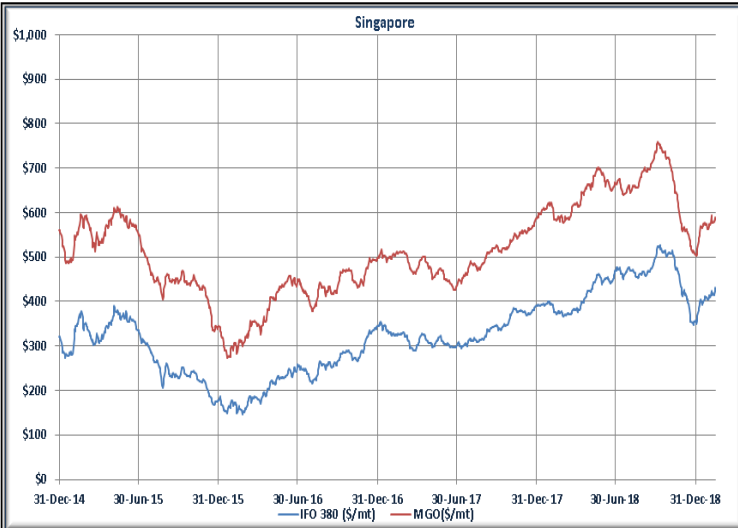
| BFA Cape 5TC | | | | | | | | | |
|--------------|----------|----------|----------|---------|----------|----------|----------|----------|----------|
| Date | Feb (19) | Mar (19) | Apr (19) | Q2 (19) | Q3 (19) | Q4 (19) | Cal 20 | Cal 24 | Cal 25 |
| 11-Feb-19 | \$7,650 | \$7,733 | \$8,433 | \$8,753 | \$11,817 | \$14,950 | \$12,142 | \$12,783 | \$12,800 |
| 12-Feb-19 | \$7,808 | \$7,583 | \$8,475 | \$8,814 | \$12,025 | \$15,142 | \$12,192 | \$12,758 | \$12,767 |
| 13-Feb-19 | \$7,817 | \$7,675 | \$8,242 | \$8,647 | \$11,958 | \$14,858 | \$12,033 | \$12,700 | \$12,717 |
| 14-Feb-19 | \$7,792 | \$7,558 | \$8,092 | \$8,532 | \$11,833 | \$14,908 | \$12,017 | \$13,225 | \$13,242 |
| 15-Feb-19 | \$7,717 | \$7,475 | \$8,067 | \$8,619 | \$11,908 | \$14,950 | \$12,142 | \$13,263 | \$13,283 |
| Week High | \$7,817 | \$7,733 | \$8,475 | \$8,814 | \$12,025 | \$15,142 | \$12,192 | \$13,263 | \$13,283 |
| Week Low | \$7,650 | \$7,475 | \$8,067 | \$8,532 | \$11,817 | \$14,858 | \$12,017 | \$12,700 | \$12,717 |
| Week Avg | \$7,757 | \$7,605 | \$8,262 | \$8,673 | \$11,908 | \$14,962 | \$12,105 | \$12,946 | \$12,962 |

| BFA Panamax 4TC | | | | | | | | | |
|-----------------|----------|----------|----------|---------|----------|----------|----------|----------|----------|
| Date | Feb (19) | Mar (19) | Apr (19) | Q2 (19) | Q3 (19) | Q4 (19) | Cal 20 | Cal 24 | Cal 25 |
| 11-Feb-19 | \$5,100 | \$7,350 | \$8,767 | \$9,095 | \$9,921 | \$10,908 | \$9,063 | \$8,367 | \$8,367 |
| 12-Feb-19 | \$5,850 | \$8,346 | \$9,450 | \$9,558 | \$10,258 | \$11,196 | \$9,208 | \$8,367 | \$8,367 |
| 13-Feb-19 | \$5,283 | \$7,800 | \$9,017 | \$9,244 | \$10,042 | \$11,000 | \$9,104 | \$8,358 | \$8,358 |
| 14-Feb-19 | \$5,100 | \$7,350 | \$8,767 | \$9,095 | \$9,921 | \$10,908 | \$9,063 | \$8,367 | \$8,367 |
| 15-Feb-19 | \$5,133 | \$7,117 | \$8,579 | \$9,135 | \$10,329 | \$11,113 | \$9,117 | \$8,350 | \$8,350 |
| Week High | \$7,817 | \$7,733 | \$8,475 | \$8,814 | \$12,025 | \$15,142 | \$12,192 | \$13,263 | \$13,283 |
| Week Low | \$7,650 | \$7,475 | \$8,067 | \$8,532 | \$11,817 | \$14,858 | \$12,017 | \$12,700 | \$12,717 |
| Week Avg | \$7,757 | \$7,605 | \$8,262 | \$8,673 | \$11,908 | \$14,962 | \$12,105 | \$12,946 | \$12,962 |

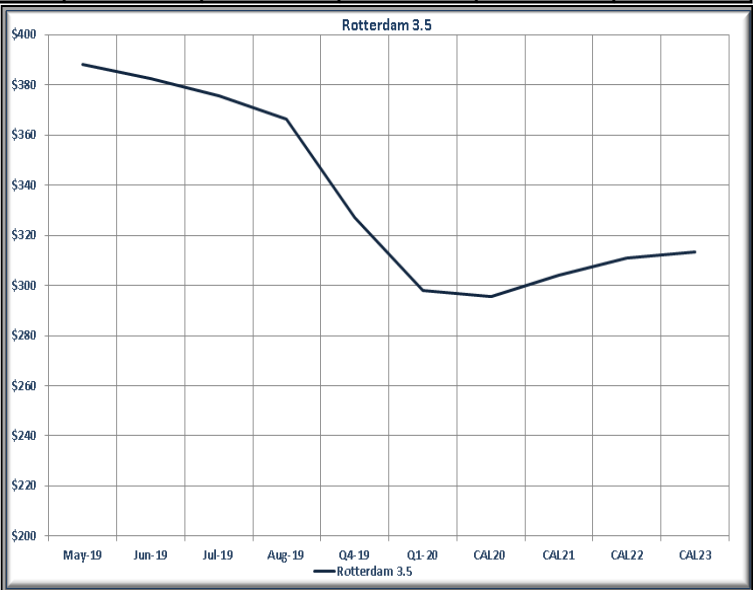
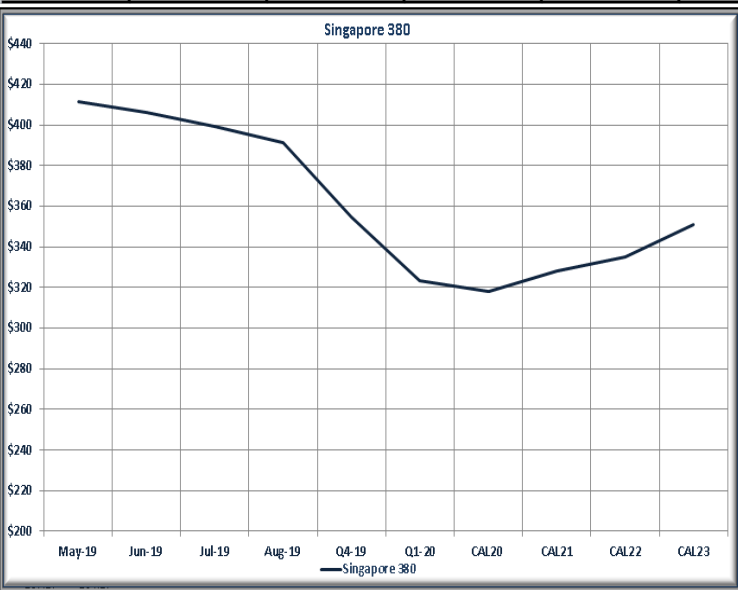
| BFA Supra 10TC | | | | | | | | | |
|----------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Date | Feb (19) | Mar (19) | Apr (19) | Q2 (19) | Q3 (19) | Q4 (19) | Cal 20 | Cal 24 | Cal 25 |
| 11-Feb-19 | \$6,142 | \$8,721 | \$10,138 | \$10,247 | \$10,404 | \$11,125 | \$9,250 | \$8,792 | \$8,783 |
| 12-Feb-19 | \$6,238 | \$8,858 | \$10,342 | \$10,446 | \$10,708 | \$11,400 | \$9,513 | \$8,917 | \$8,908 |
| 13-Feb-19 | \$6,158 | \$8,617 | \$10,158 | \$10,214 | \$10,700 | \$11,313 | \$9,654 | \$8,900 | \$8,883 |
| 14-Feb-19 | \$6,142 | \$8,675 | \$9,979 | \$10,102 | \$10,779 | \$11,304 | \$9,650 | \$8,925 | \$8,904 |
| 15-Feb-19 | \$6,100 | \$8,492 | \$9,900 | \$10,175 | \$10,867 | \$11,292 | \$9,654 | \$8,938 | \$8,900 |
| Week High | \$7,817 | \$7,733 | \$8,475 | \$8,814 | \$12,025 | \$15,142 | \$12,192 | \$13,263 | \$13,283 |
| Week Low | \$7,650 | \$7,475 | \$8,067 | \$8,532 | \$11,817 | \$14,858 | \$12,017 | \$12,700 | \$12,717 |
| Week Avg | \$7,757 | \$7,605 | \$8,262 | \$8,673 | \$11,908 | \$14,962 | \$12,105 | \$12,946 | \$12,962 |

| BFA Handysize TC | | | | | | | | | |
|------------------|----------|----------|----------|---------|----------|----------|----------|----------|----------|
| Date | Feb (19) | Mar (19) | Apr (19) | Q2 (19) | Q3 (19) | Q4 (19) | Cal 20 | Cal 24 | Cal 25 |
| 11-Feb-19 | \$5,563 | \$7,038 | \$7,769 | \$7,992 | \$8,213 | \$9,113 | \$8,388 | \$8,288 | \$8,288 |
| 12-Feb-19 | \$5,463 | \$7,050 | \$7,794 | \$8,010 | \$8,225 | \$9,113 | \$8,413 | \$8,300 | \$8,300 |
| 13-Feb-19 | \$5,375 | \$7,025 | \$7,763 | \$7,979 | \$8,175 | \$9,100 | \$8,406 | \$8,300 | \$8,300 |
| 14-Feb-19 | \$5,338 | \$7,000 | \$7,750 | \$7,967 | \$8,163 | \$9,088 | \$8,400 | \$8,294 | \$8,288 |
| 15-Feb-19 | \$5,338 | \$7,025 | \$7,775 | \$7,992 | \$8,175 | \$9,100 | \$8,406 | \$8,294 | \$8,294 |
| Week High | \$7,817 | \$7,733 | \$8,475 | \$8,814 | \$12,025 | \$15,142 | \$12,192 | \$13,263 | \$13,283 |
| Week Low | \$7,650 | \$7,475 | \$8,067 | \$8,532 | \$11,817 | \$14,858 | \$12,017 | \$12,700 | \$12,717 |
| Week Avg | \$7,757 | \$7,605 | \$8,262 | \$8,673 | \$11,908 | \$14,962 | \$12,105 | \$12,946 | \$12,962 |

Bunker Market



| | Rotterdam | | Singapore | | Fujairah | | Gibraltar | | Houston | |
|---------------|-----------|-------|-----------|-------|----------|-------|-----------|-------|---------|-------|
| Date (\$/mt) | IFO 380 | MGO | IFO 380 | MGO | IFO 380 | MGO | IFO 380 | MGO | IFO 380 | MGO |
| 11-Feb-19 | \$381 | \$533 | \$416 | \$579 | \$404 | \$727 | \$409 | \$607 | \$399 | \$612 |
| 12-Feb-19 | \$386 | \$534 | \$416 | \$579 | \$402 | \$722 | \$413 | \$620 | \$407 | \$611 |
| 13-Feb-19 | \$390 | \$536 | \$423 | \$587 | \$409 | \$728 | \$414 | \$616 | \$413 | \$619 |
| 14-Feb-19 | \$398 | \$544 | \$430 | \$590 | \$417 | \$736 | \$423 | \$625 | \$421 | \$631 |
| 15-Feb-19 | \$396 | \$540 | \$425 | \$585 | \$412 | \$730 | \$418 | \$620 | \$418 | \$627 |
| 12-month High | \$483 | \$712 | \$526 | \$759 | \$529 | \$798 | \$510 | \$768 | \$750 | \$767 |
| 12-month Low | \$309 | \$469 | \$347 | \$502 | \$336 | \$660 | \$352 | \$545 | \$328 | \$539 |
| 12-month Avg | \$401 | \$605 | \$436 | \$638 | \$433 | \$722 | \$430 | \$665 | \$406 | \$652 |



| Singapore | 15-Feb-18 | Week max | Week low | Week Avg | RTDM 3.5 | 15-Feb-18 | Week max | Week low | Week Avg |
|-----------|-----------|----------|----------|----------|----------|-----------|----------|----------|----------|
| Mar-19 | \$418.7 | \$418.7 | \$393.5 | \$406.9 | Mar-19 | \$397.0 | \$397.0 | \$369.5 | \$384.2 |
| Apr-19 | \$415.5 | \$415.5 | \$389.0 | \$403.1 | Apr-19 | \$393.2 | \$393.2 | \$365.2 | \$380.0 |
| May-19 | \$411.2 | \$411.2 | \$383.7 | \$398.2 | May-19 | \$388.5 | \$388.5 | \$360.0 | \$374.9 |
| Jun-19 | \$406.0 | \$406.0 | \$377.5 | \$392.3 | Jun-19 | \$382.7 | \$382.7 | \$354.0 | \$368.8 |
| Jul-19 | \$399.2 | \$399.2 | \$370.5 | \$385.1 | Jul-19 | \$375.7 | \$375.7 | \$346.7 | \$361.4 |
| Aug-19 | \$391.2 | \$391.2 | \$361.7 | \$376.5 | Aug-19 | \$366.5 | \$366.5 | \$337.2 | \$351.8 |
| Q2-19 | \$410.9 | \$410.9 | \$383.4 | \$397.9 | Q2-19 | \$388.1 | \$388.1 | \$359.7 | \$374.6 |
| Q3-19 | \$390.4 | \$390.4 | \$361.1 | \$375.6 | Q3-19 | \$366.1 | \$366.1 | \$336.7 | \$351.2 |
| Q4-19 | \$354.9 | \$354.9 | \$328.4 | \$341.6 | Q4-19 | \$327.1 | \$327.1 | \$301.2 | \$314.5 |
| Q1-20 | \$323.4 | \$323.4 | \$300.4 | \$312.7 | Q1-20 | \$298.1 | \$298.1 | \$275.5 | \$287.5 |
| CAL20 | \$318.3 | \$318.3 | \$297.5 | \$308.1 | CAL20 | \$295.8 | \$295.8 | \$275.0 | \$285.6 |
| CAL21 | \$328.1 | \$328.1 | \$304.5 | \$317.1 | CAL21 | \$304.3 | \$304.3 | \$283.7 | \$294.2 |
| CAL22 | \$335.1 | \$335.1 | \$311.5 | \$324.1 | CAL22 | \$311.1 | \$311.1 | \$291.0 | \$301.0 |
| CAL23 | \$351.1 | \$351.1 | \$327.5 | \$340.1 | CAL23 | \$313.3 | \$313.3 | \$293.2 | \$303.3 |

Dry Bulk S&P Market

The most noticeable development in the S&P market this week was the large order of Cosco Shipping Bulk. According to market sources, the Chinese shipping and logistics services supplier placed orders of 16 Newcastlemaxes and secured options for up to 30 bulkers in total at a price of circa USD 880mil. On the secondhand front, limited activity was reported as the downward trending freight market had a negative bearing in market sentiment. The indicative prices of the largest bulkers followed closely the trend of the Baltic Dry Index, whilst those of the other segments remained unchanged.

Thus, with the Capesize exception, Tobin's Q ratios remained at previously reported levels. In reference to the Capesizes, ten-year-old vessels are in the market at a larger discount of 22% off their adjusted newbuilding prices this week, whilst five-year-old Capes at 26%. Tobin's Q of ten-year-old Panamaxs and same-aged Supras balanced at 82% and 86%. Lastly, the ten-year-old Handies Tobin's Q ratio moved sideways to 82%.

| Indicative Ten-Year-Old Prices | | | | |
|--------------------------------|-------------------|-----------------|------------------|-------------------|
| Date | Capesize 180K DWT | Panamax 76K DWT | Supramax 56K DWT | Handysize 32K DWT |
| 15-Feb-2019 | 24.50 | 14.00 | 13.50 | 11.50 |
| 15-Feb-2018 | 23.50 | 15.00 | 14.00 | 11.00 |
| 15-Feb-2017 | 16.00 | 10.00 | 10.50 | 7.00 |
| Δ% Y-o-Y | 4.3% | -6.7% | -3.6% | 4.5% |
| Δ% 2019-2017 | 53.1% | 40.0% | 28.6% | 64.3% |

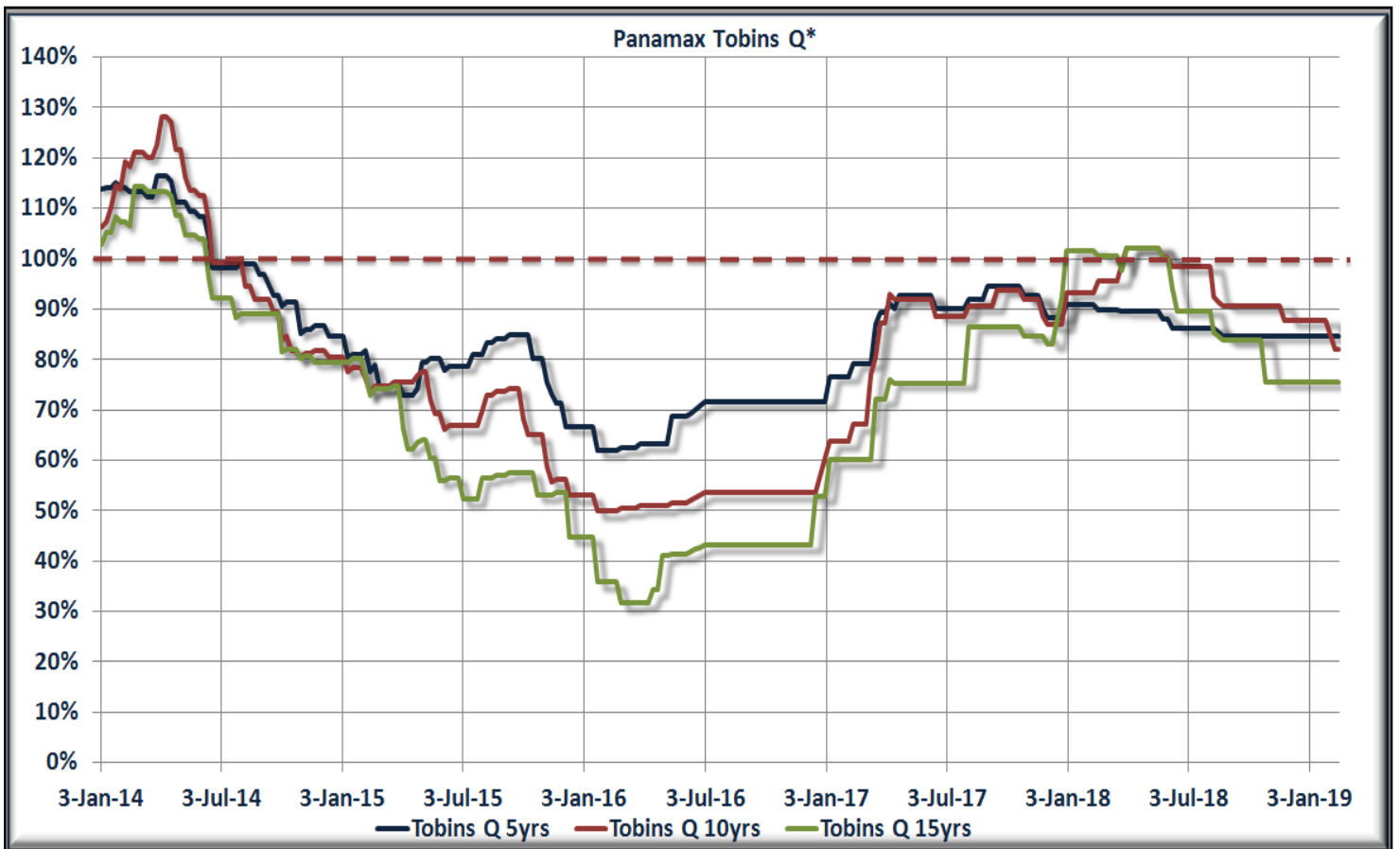
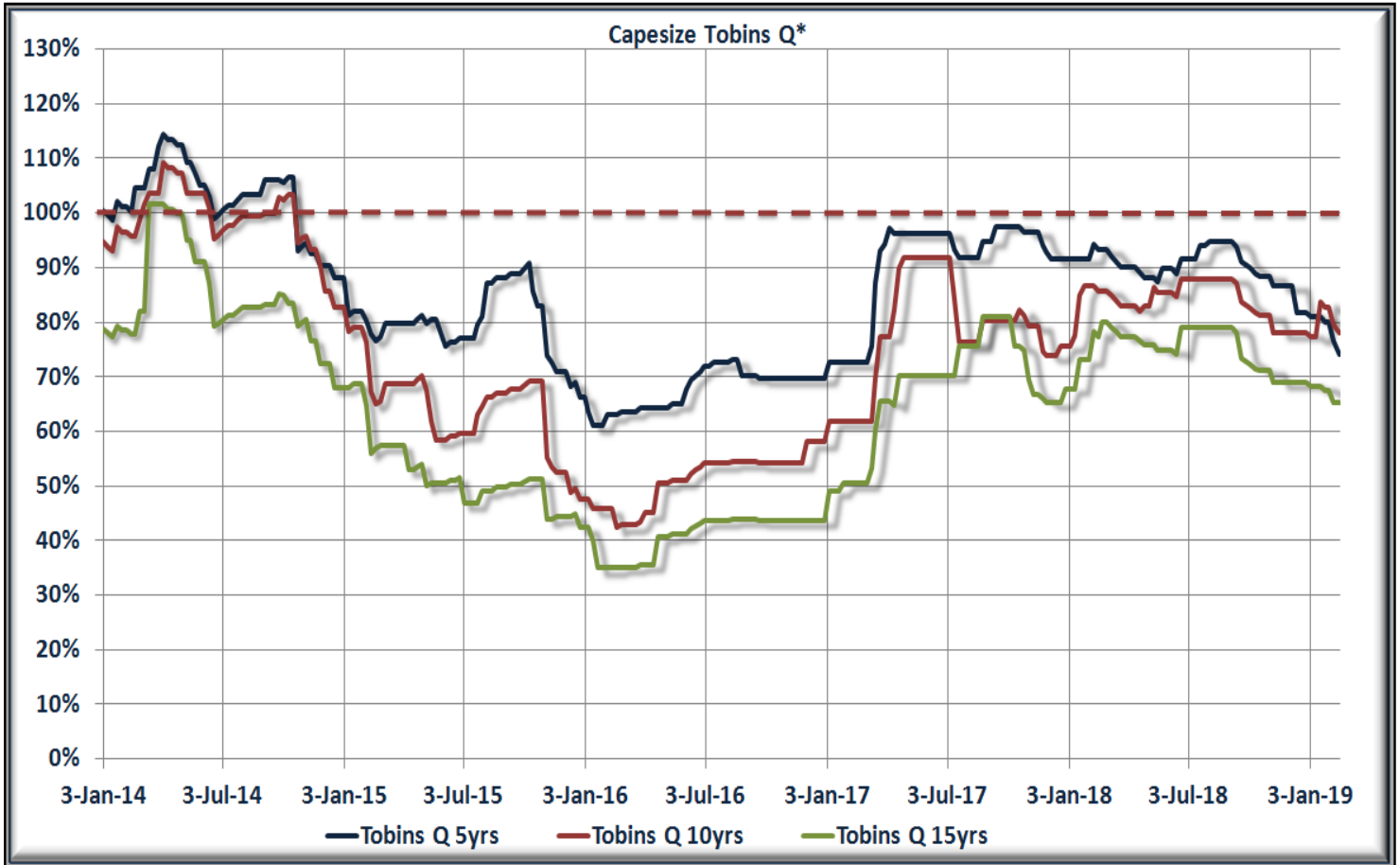
| Indicative Fifteen-Year-Old Prices | | | | |
|------------------------------------|-------------------|-----------------|------------------|-------------------|
| Date | Capesize 176K DWT | Panamax 75K DWT | Supramax 52K DWT | Handysize 28K DWT |
| 15-Feb-2019 | 14.50 | 9.00 | 8.50 | 7.00 |
| 15-Feb-2018 | 15.00 | 11.00 | 10.00 | 6.50 |
| 15-Feb-2017 | 9.25 | 6.25 | 6.50 | 4.00 |
| Δ% Y-o-Y | -3.3% | -18.2% | -15.0% | 7.7% |
| Δ% 2019-2017 | 56.8% | 44.0% | 30.8% | 75.0% |

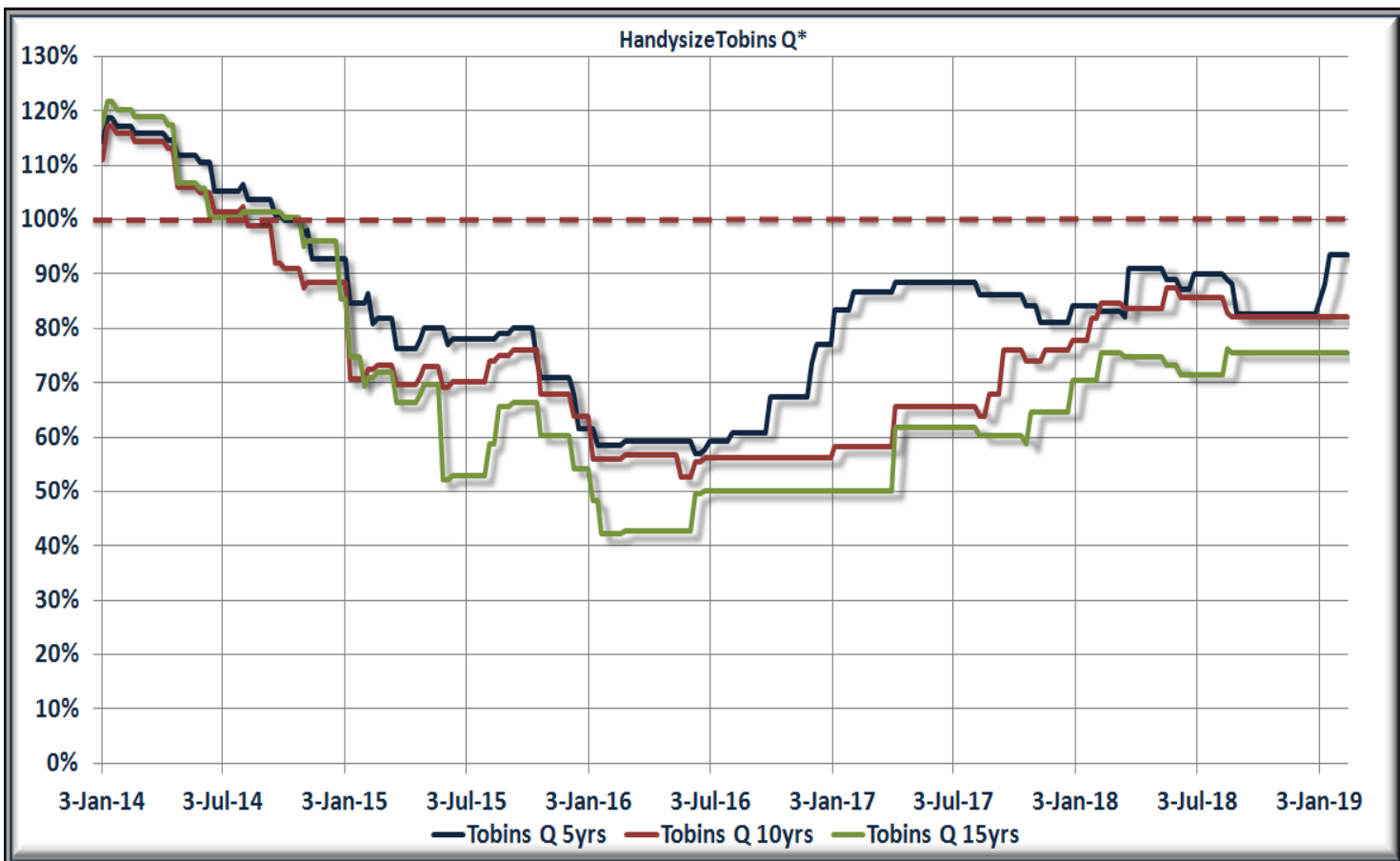
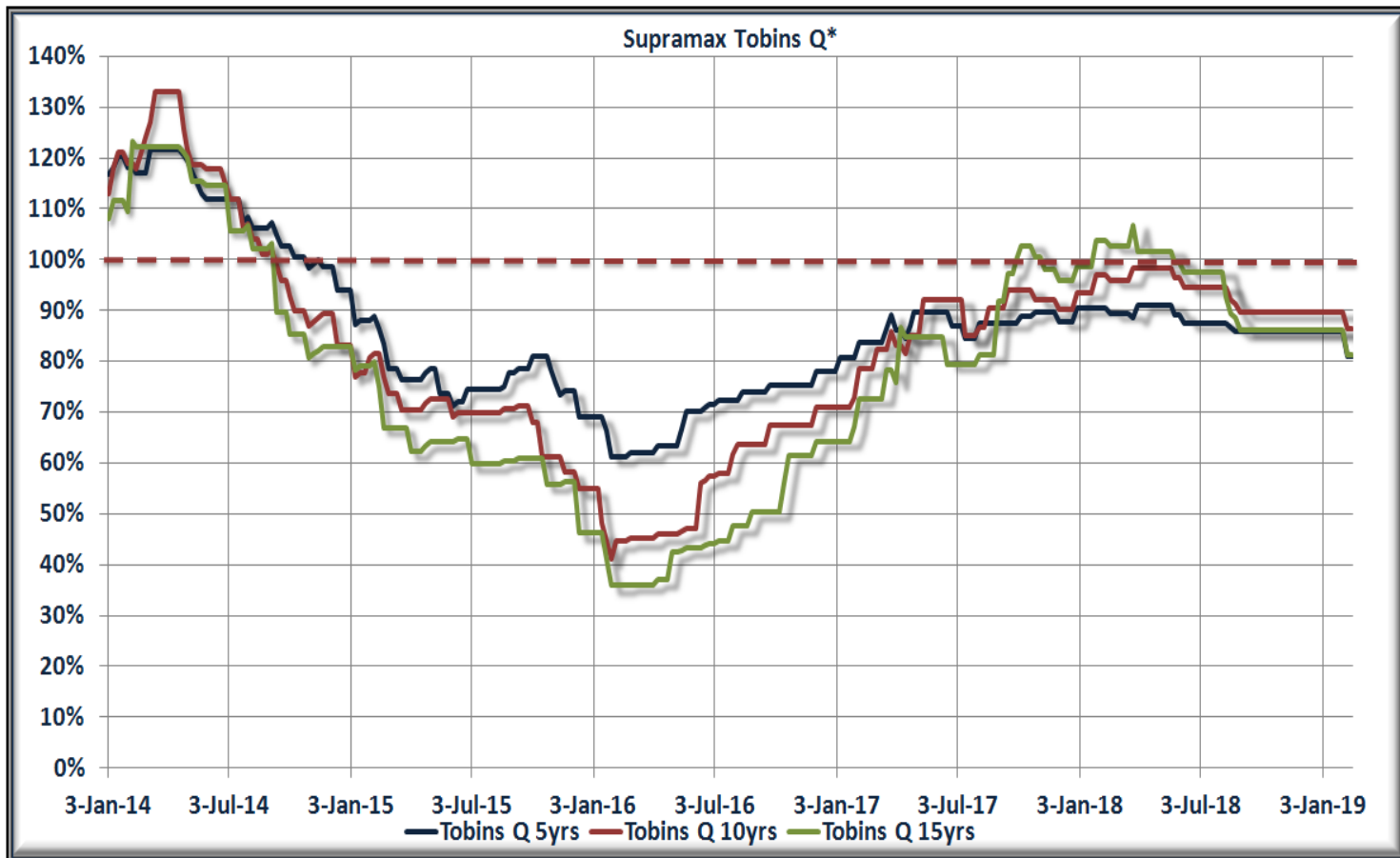
| Reported Recent S&P Activity | | | | | | |
|------------------------------|---------|-------|---------------------------|--------------|----------------|-----------------|
| Vessel Name | DWT | Built | Yard/Country | Price \$Mil. | Buyer | Comments |
| Amorito | 179,322 | 2012 | Sungdong/Korea | 33 | Undisclosed | |
| Densa Cobra | 180,491 | 2011 | STX/S.Korea | 27.5 | Undisclosed | |
| Mineral Beijing | 174,083 | 2004 | Shanghai Waigaoqiao/China | 13 | Undisclosed | |
| Tender Salute | 95,695 | 2011 | Imabari/Japan | 17 | Undisclosed | |
| Sasebo Sasebo Kmax 854 | 84,700 | 2019 | Sasebo/Japan | 32 | Undisclosed | |
| Crystal Star | 82,172 | 2014 | Sanoyas /Japan | 24.5 | Greek buyers | |
| Grand Amanda | 79,600 | 2011 | Jinhai/China | low 12 | Undisclosed | |
| Osmarine | 76,596 | 2006 | Imabari/Japan | 9.5 | Undisclosed | |
| Reborn | 74,063 | 1999 | Tsuneishi/Japan | 6.2 | Undisclosed | |
| Adventure I | 62,472 | 2017 | Nacks/Japan | 24.5 | Greek buyers | C 4 X30 |
| Queen Cuki | 63,707 | 2015 | COSCO Zhoushan/China | 20.5 | Undisclosed | C 4x30 |
| Ocean Colossus | 58,831 | 2010 | Kawasaki/Japan | 15.4 | Greek buyers | C 4x30 |
| Paros Seas | 56,780 | 2011 | Jiangdong/China | low-mid 12.2 | Chinese buyers | C 4x30 |
| Topaz Halo | 55,612 | 2011 | Mitsui/Japan | 15.4 | Undisclosed | C 4x30 |
| Luisia Colossus | 55,455 | 2010 | Kawasaki/Japan | 14.8 | Greek buyers | C 4 X 30,5 |
| Alster Bay | 55,430 | 2008 | Kawasaki/Japan | 12 | Undisclosed | C 4 X 31 |
| Saubagya 5 | 53,505 | 2002 | Iwagi/Japan | high 6 | Undisclosed | C 4x31 |
| Zebra Wind | 50,820 | 2009 | Oshima/Japan | 12.5 | Undisclosed | C 4 X30 |
| Sea Confidence | 52,300 | 2005 | Oshima/Japan | 9 | Chinese buyers | C 4x30 |
| Uniorder | 47,240 | 1997 | Oshima/Japan | 4.7 | Undisclosed | C 4 X30 |
| Nanning | 38,940 | 2017 | Huanghai/China | 21 | Chinese buyers | Tc Back C 4 X30 |
| Grand Marais | 35,093 | 2016 | Jiangdong/China | low 16 | Undisclosed | C 4x30 |
| Ocean Neptune | 37,189 | 2012 | Hyundai/S.Korea | mid 13 | Undisclosed | C 4x30 |
| Bonnie Venture | 32,500 | 2012 | Zhejiang Hongxin | 10 | Undisclosed | C 4 X 30 |
| Maestro Lion | 31,857 | 1999 | Saiki/Japan | 6 | Undisclosed | C 4 X30 |
| Trade Star | 29,627 | 2010 | Shikoku/Japan | 9.2 | Greek buyers | C 4x31 |
| Nord Tokyo | 28,343 | 2009 | Imabari/Japan | 8.5 | Greek buyers | C 4 X30.5 |
| Pacific Future | 29,517 | 1998 | Dalian/China | 3.7 | Chinese buyers | C 5 X30 |
| Di Xiang | 23,308 | 2009 | Zhejiang Tianshi/China | 5.3 | Chinese buyers | Auction |

| Tobin's Q* Capesize-Panamax | | | | | | |
|-----------------------------|---------------|----------------|----------------|--------------|---------------|---------------|
| Date | Capesize 5yrs | Capesize 10yrs | Capesize 15yrs | Panamax 5yrs | Panamax 10yrs | Panamax 15yrs |
| Current ratio | 74% | 78% | 65% | 85% | 82% | 76% |
| 12months High | 95% | 88% | 80% | 90% | 102% | 102% |
| 12months Low | 74% | 77% | 65% | 85% | 82% | 76% |
| 12months Avg | 89% | 83% | 74% | 86% | 94% | 87% |

| Tobin's Q* Supramax-Handysize | | | | | | |
|-------------------------------|---------------|----------------|----------------|----------------|-----------------|-----------------|
| Date | Supramax 5yrs | Supramax 10yrs | Supramax 15yrs | Handysize 5yrs | Handysize 10yrs | Handysize 15yrs |
| Current ratio | 81% | 86% | 81% | 94% | 82% | 76% |
| 12months High | 91% | 98% | 107% | 94% | 87% | 76% |
| 12months Low | 81% | 86% | 81% | 82% | 82% | 72% |
| 12months Avg | 87% | 93% | 93% | 87% | 83% | 75% |

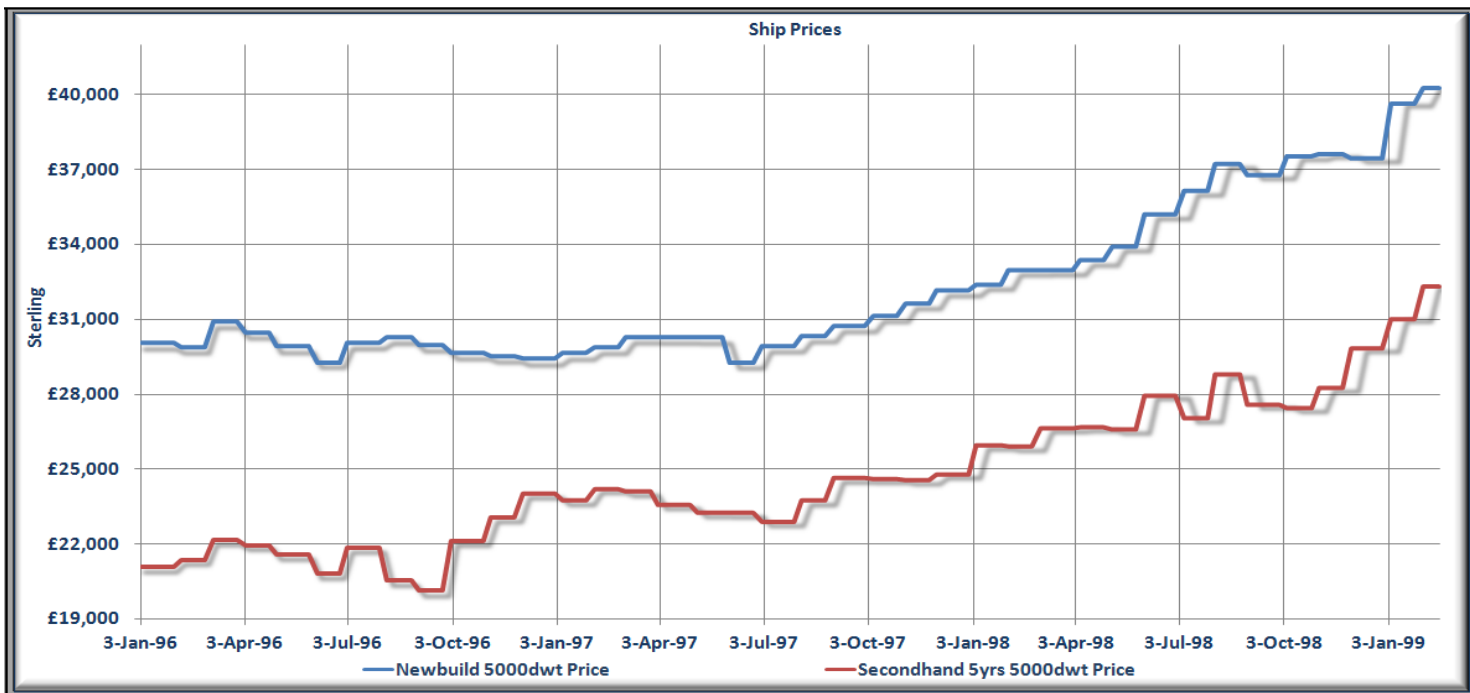
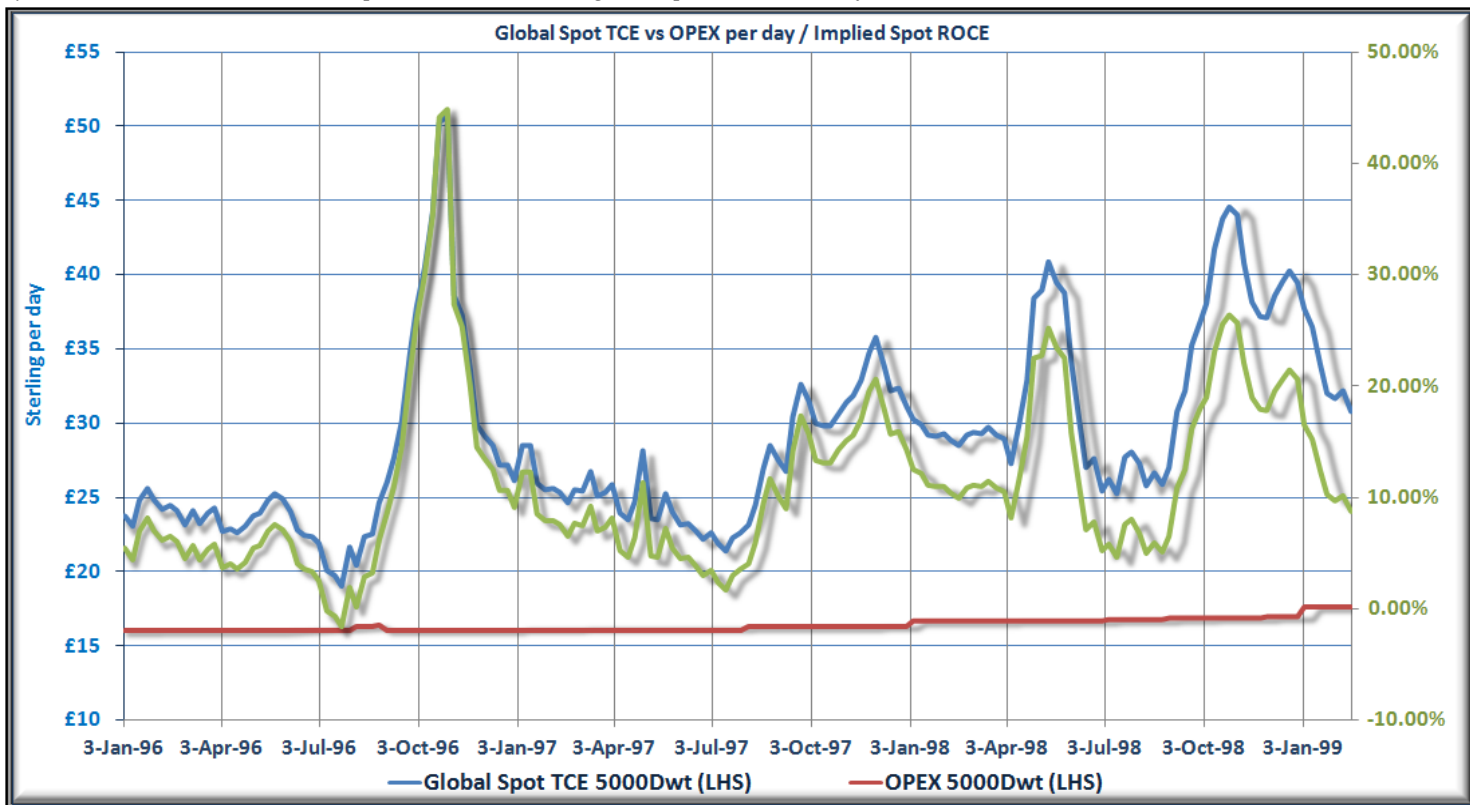
*Tobin's Q represents the ratio between the market value and replacement value of a physical asset, with numerator and denominator adjusted to same age basis. According to economic theory, this ratio should be mean reverting towards 1 or 100%, for assets that do not face technological obsolescence.





Market Insight 120 years ago

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



| Weekly Spot Market | Current week | Previous week | Jan-01 | Dec-00 | Nov-00 |
|--------------------|--------------|---------------|--------|--------|--------|
| Implied Spot Roce | 8.8% | 10.3% | 13.6% | 20.1% | 21.2% |
| Global Spot TCE | £30.68 | £32.04 | £34.96 | £38.96 | £39.98 |
| BlackSea Round | £29.82 | £31.69 | £35.47 | £40.34 | £41.10 |
| East Round | £37.42 | £38.54 | £38.40 | £39.46 | £42.01 |
| Med Round | £29.01 | £29.90 | £32.41 | £36.04 | £36.92 |
| US Round | £32.69 | £32.07 | £37.41 | £42.05 | £43.82 |
| River Plate Round | £37.05 | £38.82 | £36.75 | £38.07 | £38.61 |

| S&P Market (5,000dwt) | Current week | Previous week | Jan-01 | Dec-00 | Nov-00 |
|-----------------------|--------------|---------------|---------|---------|---------|
| NB | £40,250 | £40,250 | £39,641 | £37,425 | £37,599 |
| SH 5yrs old | £32,299 | £32,299 | £31,017 | £29,820 | £28,241 |
| SH 10yrs old | £25,359 | £25,359 | £24,186 | £23,103 | £21,672 |
| SH 15yrs old | £20,090 | £20,090 | £18,885 | £17,786 | £16,334 |

*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...

The freight market continues fairly active in some directions, but more especially from the East, several boats having been fixed from Burmah at 31s 6d. Even in combination with such a coal rate as 12s 9d to Ceylon, there is no question as to this being excellent business for 4,000-tonne carriers and upwards. Outward employment is difficult to secure, as the best now obtainable from Wales to Bombay seems to be 11s and for Colombo 12s 7d. For the Far East, we notice that two boats have been chartered for coal from Wales to Vladivostok at 27s 3d respectively. From the Black Sea ports, tonnage is wanted for Vladivostok, also Port Arthur at about 31s. We have heard that about 18s 3d has been paid from Wales to Cape Town, which seems far better business than the present obtainable rates for Bombay and Colombo. That is, provided that fair despatch is provided for at Cape Town. The saving in Canal dues of course is a great consideration, but apart from this the difference of about 5s 3d per tonne makes the business worth attention, being much more than sufficient to cover the expenses of making the extra passage of about ten days, if loading home from India or Burmah.

The activity in the Eastern trade is particularly welcome just now and has come as a boon to many owners, but even to those who are not fortunate in having tonnage the other side of the Canal there is a certain amount of indirect benefit. While freights are as strong from the East as at present some stimulus is imparted to the general freight market, sufficient at any rate to calm the qualms of those who are now beginning to grumble because freights in other quarters have gone back to winter levels. Many times recently, we have warned owners of the mistake of fixing their boats outwards without the slightest reflection as to what homeward freights are, or are likely to be. Those owners who acted on our suggestion towards the end of last year and sent their boats well out of the way on long voyages, such as to South America and the East are now doing splendidly with their vessels. On the other hand, others who had not the pluck to deviate from the ordinary stereotyped voyage of coals out to the Mediterranean and home from there or the Black Sea are complaining that "things are very bad again". If shipowners would always adopt a more cheerful attitude and study the problem of supply and demand, then we doubt if business would be as difficult as it is in some directions at present. Assume that an owner sends a boat out in January from Wales to the Mediterranean knowing that Black Sea prospects for February will be very poor and Mediterranean business dull in sympathy; he has a good outward rate and that is all he thinks about. The boat arrives out, and it is found that the most profitable employment is to run in ballast to the US Gulf ports for cargo home, but in consequence of the boat being backward the best rates are not obtainable. Now, had the owner first inquired as to homeward prospects he would have found that coal out to Cape Verd and then home from the Gulf would be the safest and prospectively the most profitable round; as it is, he has to be satisfied with a less profit for a longer voyage – all though bad judgment. We believe that one steamer has left the Mediterranean for Buenos Ayres in ballast; this boat would have done better going out direct with a proper equipment of cheap bunkers, but this is only another instance of want of foresight.

Very little chartering been affected on the US market, owners generally declined to negotiate on the present unremunerative low levels of grain and other orders. The only tonnage that charterers will get is such as is already bound to and towards the US, for it is quite certain that no owners will send a boat across the Atlantic in ballast for anywhere near the freights offering.

In the spot arena, the Black Sea market is in a demoralized condition, principally brought about by the inactivity in the grain markets, which are adversely affected by the mild winter.

An enormous business has been done from the Mediterranean, mostly ore chartering from Spain. From Greece, several boats have been fixed for ore to UK as well.

The American market, though slightly better, is still inactive. Boats already fixed are making long passages in consequence of the terrific weather encountered and are thus missing their cancelling dates. This is causing a glut of prompt tonnage on the market, which must result in some low rates being accepted. Owners may make a bold fight for higher rates, and keep their boats waiting while this is proceeding, but in present condition of the grain trade no immediate improvement in rates is to be expected. So apparently, the sooner they are provided with employment the better.

The River Plate market, although not so strong, is fairly active. The Eastern market is easier, especially for distant loading and chartering is more difficult.

On the S&P front, both the newbuilding market and the secondhand market moved sideways. A typical newbuilding 5,000dwt British-build steamer is currently at the market for £40,250, whereas a ten-year-old of the same dwt and specification at £25,400.