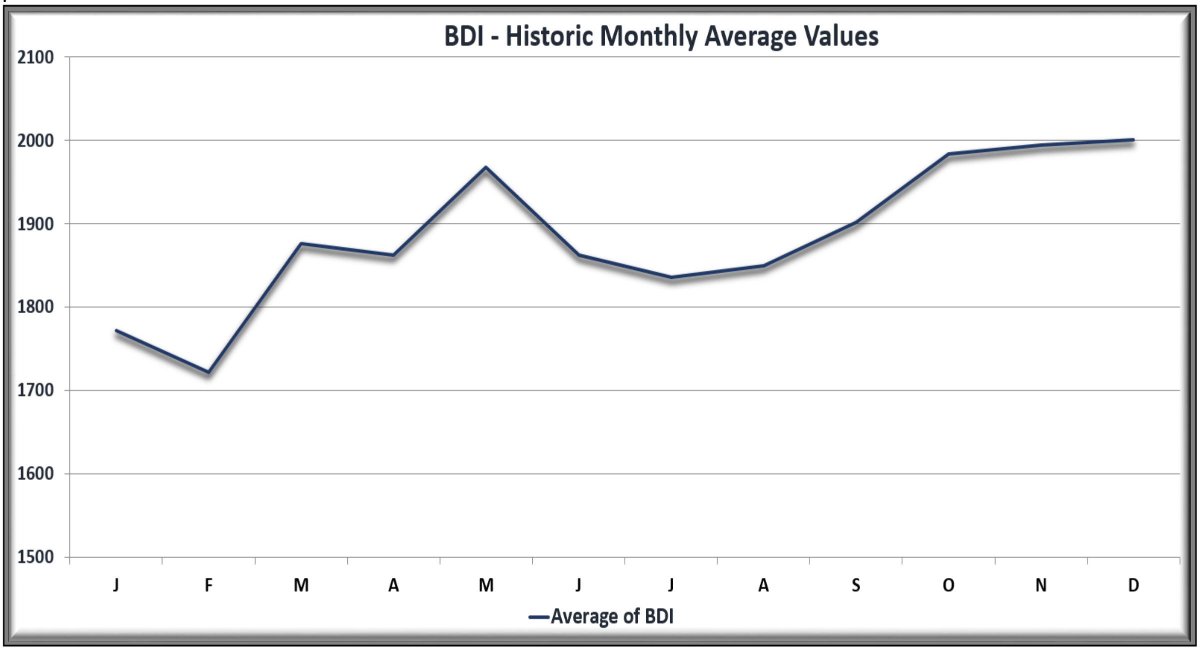
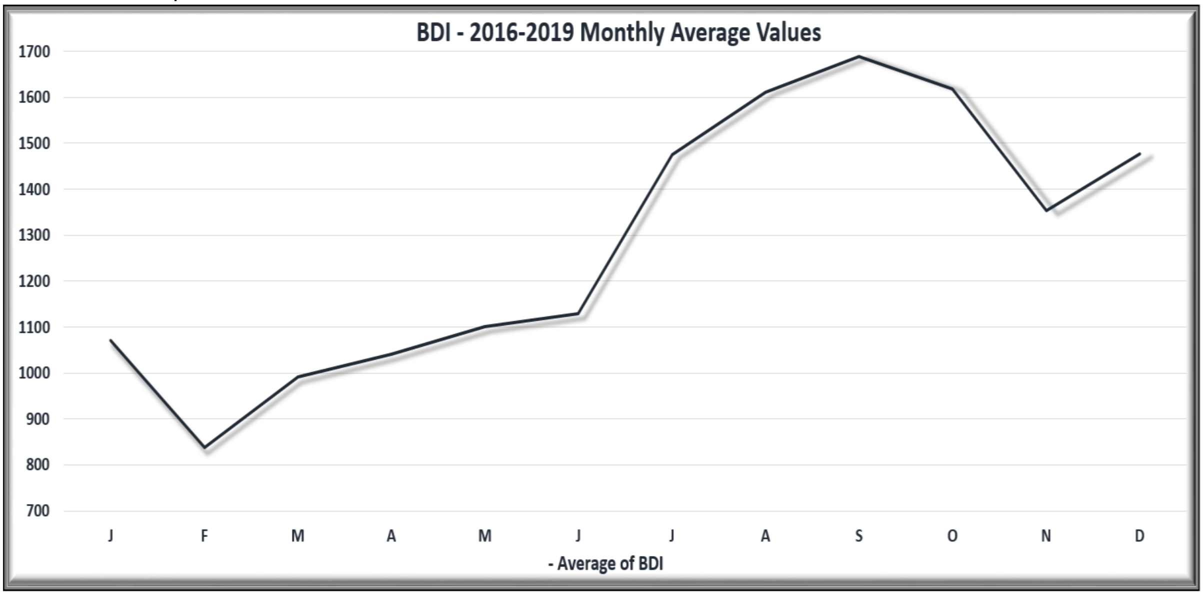
Spot market folk wisdom has it that during the fourth quarter of the trading year is where the most profitable month should lay. Digging into Baltic Dry Index data of the last thirty-four years, this old adage can be proved. With an average value of 1994 and 2000 points respectively, November and December are the most fruitful months of the dry bulk trading year, considerably outperform all other months. Increased winter needs in the northern hemisphere, large crops from the Black Sea and the US, last minute iron ore and coal "Christmas shopping" and Chinese Holidays during the first quarter seem to have a bearing on this long-held seasonal pattern.




However, seasonality in many cases can be a quite dynamic process, ever changing through time. Among various reasons, grain producers and miners are constantly trying to reduce their income and expenses volatility in order to make more accurate projections. With extended multiple crops, improved storage facilities and more efficient inland and sea transportations, they have managed in recent years to smooth things out considerably. Additionally, on a macro level, large consumer nations such as China and India have a clear motive to spread out their orders, avoiding paying significant premia on last-minute forced imports. Setting aside the supply and demand macro dynamics, regulations are playing an important role in international trade. Being the swing factor of the dry bulk sector balances, Chinese imports dictate when the market is going to peak or trough. In particular, during the last three years, Beijing's preference of being well stocked ahead of the winter led the Baltic Dry Index to peak in the third quarter and to soften in the following months. Reduced coal imports during the last two trading months of the year can be seen as the most indicative example of the aforementioned.




Baltic Indices appeared to be indecisive during the 47th week as to whether they should follow the pattern of the recent past or to remember the old good axiom.

**Freight market 120yrs ago (page 11):** "The continued decline in rates is beginning to give cause for considerable anxiety, and especially to those owners who have caught it prudent to supplement their fleets with costly boats…"

**Contents**



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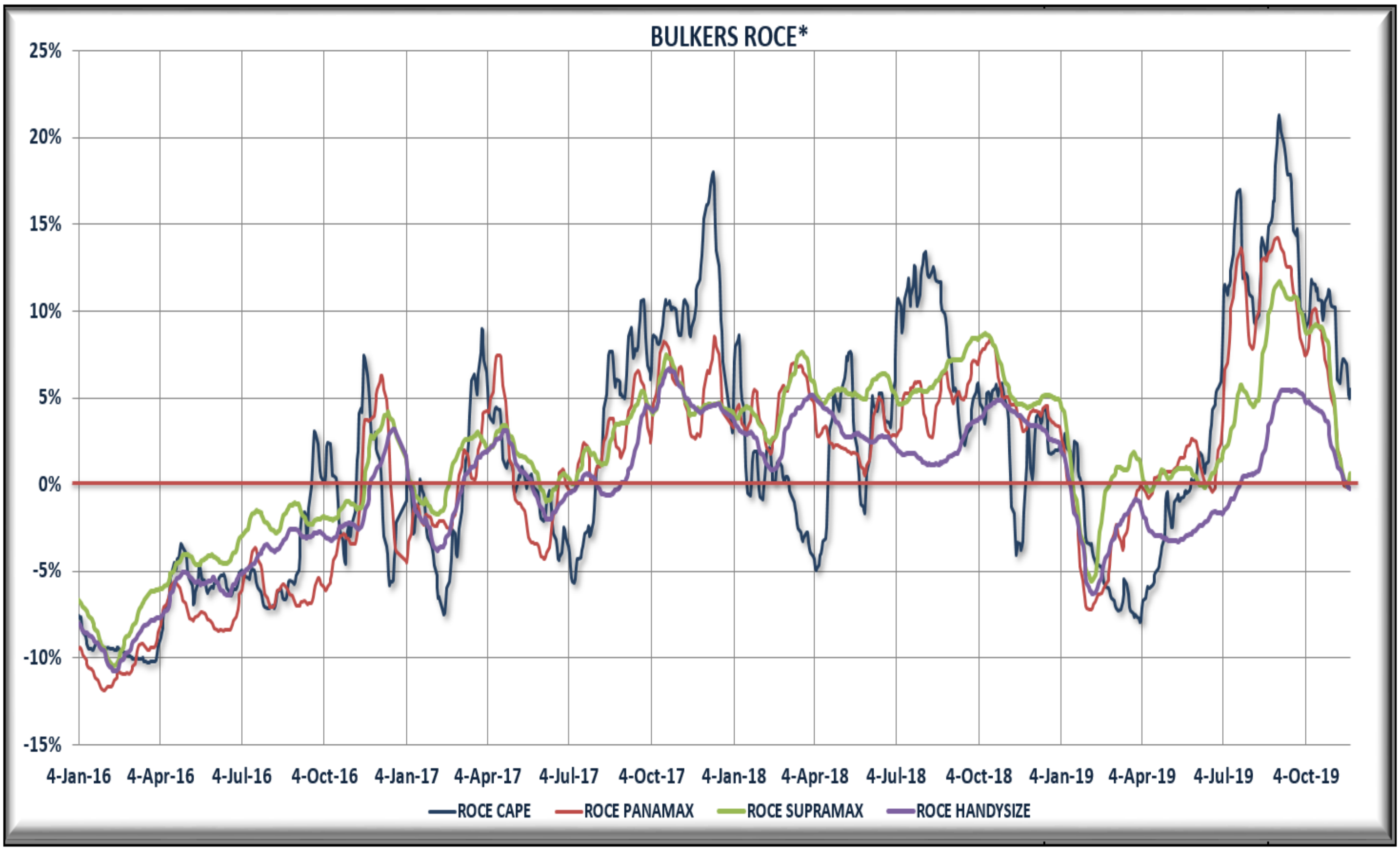
## Dry Cargo Spot Market

With midsize segments correcting upwards, some doses of optimism were injected in the market. However, the negative tone in the Capesize sub-market didn't let the general index move higher. Against these developments, the Baltic Dry Index moved down, concluding at 1284 points. With a 5.4% weekly decrease, the Baltic Capesize Index lost last Friday's levels, ending at 2493 points. Trending mildly upwards, the Baltic Panamax Index balanced at 1129 points on this week closing, or up 1% W-o-W. Following Panamaxes higher, the Baltic Supramax Index lay at 747 points, or some 30 points above intra-week lows. Being for nine consecutive weeks under pressure, the Baltic Handysize finished below the 500-point mark for the first time during the last four months.

At the box office, setting aside the Handysize ROCE, the after depreciation returns on capital employed of all bulkers kept hovering above zero, with those of Panamax and Supramax just a few basis points afloat. In particular, Capesize ROCE lingered at 5.5% and Panamax ROCE at 0.1%. Without meaningful changes, Supramax ROCE reported marginal weekly gains at 0.6%. On the contrary, Handy ROCE slid below zero, balancing at -0.2%.




| Baltic Freight Indices | | | | | |
|---|---|---|---|---|---|
| **Date** | **BDI** | **BCI 5TC** | **BPI - TCA** | **BSI - TCA** | **BHSI - TCA** |
| **18-Nov-19** | 1338 | $20,630 | $8,924 | $8,168 | $7,346 |
| **19-Nov-19** | 1304 | $19,814 | $8,962 | $8,096 | $7,269 |
| **20-Nov-19** | 1260 | $18,606 | $9,051 | $8,138 | $7,211 |
| **21-Nov-19** | 1255 | $18,350 | $9,066 | $8,300 | $7,193 |
| **22-Nov-19** | 1284 | $18,930 | $9,068 | $8,497 | $7,178 |
| **12-month High** | 2518 | $38,014 | $18,116 | $15,233 | $10,067 |
| **12-month Low** | 595 | $3,460 | $4,435 | $4,837 | $4,198 |
| **12-month Avg** | 1341 | $17,490 | $11,226 | $10,132 | $7,347 |
| **Avg. Cal 2018** | 1353 | $16,529 | $11,609 | $11,437 | $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.

Losing $2,000 during the last five days, the **Capesize** Baltic TCA closed at $18,930 daily, sliding below the $20,000-mark. Indicative of the steep fall of the last period was the fact that this index had touched $38,000 two and a half months ago.

Rising when signs of improvement rise up between the two largest economies and falling when aggression steams from their noses, the AUD currency has become something of a good proxy for sentiment on U.S.-China trade talks. Lately, an upward trend has been noticed on the Australian currency, as currency markets reacted to words of optimism from China on ongoing trade talks with the U.S. With the vast majority of Australian iron ore exports heading towards China and with close trading ties with the US, Australia cannot lean into one over the other. In spite of the latest sentiment improvement, 'Cautiously Optimistic' is still what best describes each small step the two rivals take. In the spot market, the benchmark of this basin, C5 Baltic Index, closed at a cool $8.89 pmt, tick above last week's closing. For the most part of the week, Australia/Qingdao index was fixing at $8.70 pmt for December dates. On T/C basis, C10_14 index (Trans-Pacific round voyage) outlook was mainly flat, losing some of its last week's steam, rounding up at $22,717 daily, an approximate loss of $500 W-o-W. 'Global Talent' (179,407 dwt, 2012) was reported at $23,500 daily with prompt delivery Taiwan for a round trip via West Australia. On a similar note, C14 index (China/Brazil) ended tick lower than last week's level at $18,227 daily. A rushed drop on the early side of the week stopped on Wednesday, as rates started to improve again.

In reference to the commodity news of the Atlantic, 'King Coal' made headlines for yet another week. In particular, the largest coal power plant in the western U.S shut down, sending shockwaves. The Navajo plant that once was serving close to 2 million houses now has turned its way over to low cost alternative resources. In the spot market, coal trading activity out of major export areas (Richards Bay and/or Puerto Bolivar) appears to be livelier. T/A coal trading (C4 and C7 indices) and front-haul coal rates (C15) have moved sideways this week. Great support was once again provided by the leading iron ore exports from Brazil. Resembling a U-shaped curve, C3 index concluded at $19.03 pmt on this Friday's closing. On the other hand, on T/C basis, both iron ore T/A and F/haul indices did not perform likewise. Both C8_14 and C9_14 were under severe pressure, as no fresh enquiry came out this week. C8_14 index finished the week lower at $16,625 daily, or with 23.47% weekly losses. Additionally, C9_14 index concluded at $31,665 daily, or with a 10.93% loss W-o-W.

On period trading, Bunge was linked to 'XYG Fortune' (176,955 dwt, 2006), fixing at $15,000 daily with 1st half December delivery Zhoushan for a period of 23 to 25 months trading worldwide.

Being under severe pressure for five consecutive weeks, **Panamax** segment shown some signs of relief this week, with the BPI average concluding marginally higher at $9,068 daily. Although the fixing rates of this week were not materially higher than those of last week, overall market sentiment took a breather especially in the Pacific. However, it is worth mentioning that the ECSA sub market was singing in a wrong note.

In the Pacific, the main volume of fixing was concluded out of Australia, with the addition of a few more grain and coal stems out of the North Pacific to Singapore-Japan. The 'Samoa' (75,506 dwt, 2010) was reported with delivery Kunsan spot, for a trip via Nopac to Singapore-Japan range at $8,000 with Oldendorff, and the 'Pan Viva' (75,026 dwt, 2010) was also fixed for a similar trip with delivery Kunsan 24th Nov at $9,000 to NYK. An eco Kamsarmax was also rumored to have fixed for a long duration trip via Nopac to PG with grains in the high $9K's. Pacific rounds from Australia loading, paid in the mid $8K's for LME's basis delivery North China as was the case of 'Ocean Zenon' (76,596 dwt, 2007) which was fixed with delivery Dalian 21/22 Nov for a trip via EC Australia to Japan at $8,500 with NS United. For a similar run, basis delivery South China, the 'Nord Penguin' (81,841 dwt, 2015) was heard to have fixed a trip with coal to China at $10,000 daily. The scrubber fitted 'Star Maria' (82,598 dwt, 2007) achieved a healthy rate of $11,250 daily basis spot delivery Hong Kong for a trip with bauxite via Weipa to China with Rio Tinto. Further south, demand from Indonesia to India remained thin, with the few available stems taking advantage of the plethora of candidates willing to reposition closer to ECSA. Charterers were bidding nice Kamsarmaxes well below $9k basis delivery South China for trips to India. Messrs Tongli was reported to have fixed the 'Malakand' (76,830 dwt, 2004) with delivery Haimen 20/21Nov for a trip to Ec India at $6,500. For a trip to South China the 'Wisdom Diva' (76,606dwt, 2009) was linked to Pacific Bulk with delivery Xinsha 21 Nov at $9,000 daily. Early in the week, from South Africa, the 'Skiathos' (79,412 dwt, 2011) was reported with delivery aps South Africa 30 Nov for a trip with coal to India at $12,000 plus 200,000 gbb.

In the Atlantic basin, rates for front haul runs and especially via ECSA came under further pressure, with Kamsarmaxes fixing below the $14k and $400k mark as was the case of 'Ormos' (81,650 dwt, 2019) which was fixed to Cargill with delivery aps Recalada 29 Nov and Singapore-Japan redelivery at $13,750 plus $375,000. Louis Dreyfus was linked with the 'Lucky Star' (76,662 dwt, 2002) with delivery aps ECSA Beg Dec for a trip to F.East at $12,900 plus $290,000 gbb. For a trip to Skaw-Gibraltar range Cargill also took the 'Tiger South' (76,255 dwt, 2013) with delivery aps Paranagua 5-10 Dec at $9,500 daily. From USG the 'Alan' (81,712 dwt, 2012) with delivery aps USG was fixed to Bunge for a trip with grains to the Arabian Gulf at $14,450 plus 445,000 gbb. The Baltic once again was the area providing the most decent rates in the North Atlantic whilst black sea trading was completely absent for yet another week. The 'RB Leah' (82,000 dwt, 2017) with delivery Flushing 25-27 Nov was fixed for a trip via Baltic and Med at $11,750 daily and redelivery Gibraltar.

On the period front the 'Polymnia' (98,704 dwt, 2012) was reported with prompt delivery Taiwan for 11/13 months trading at $11,000 to Cargill, and the 'Electra' (82,052 dwt, 2015) with delivery Cai Lan 20-25 Nov for 1 year period to Oldendorff at $10,250.

Reporting marginal increases, the Baltic **Supramax** Index returned to positivity, balancing at $8,497 daily.

A quiet week ended in the Pacific, with market trending sideways across the board amidst rumors that thermal coal deals are being cancelled due to import restrictions in China. Nopac lacked momentum and only a few fresh grain stems hit the market, which proved insufficient to push rates up. The 'Desert Harrier' (60,447 dwt, 2017) fixed a trip via Nopac to Se.Asia with grains at $9,250 basis delivery S.Korea. Australia softened week-on-week. The 'Chang Shan Hai' (56,838 2010) fixed a trip via EC Australia to Indonesia with coal at $5,500 basis delivery Lianyungang. SE Asia saw more enquiry than the rest of Pacific; still it would take more cargo flow to see a tangible increase on hire rates. The 'Endurance SW' (60,225 dwt, 2015) open Fangcheng fixed trip via Indonesia redel China at $9,000. The Indian Ocean was steady to softer. A 55,000 tonner fixed a trip via Durban to China at $10,500 plus low $100,000's while Ultramax rates were hovering at low $11,000's plus low $100,000's for similar runs. Persian Gulf and India were steady too. Rumors emerged of a 56K dwt fixing at $10,000 basis Pakistan to Bangladesh with bulk minerals and a TESS 58 secured a cargo of limestone ex Persian Gulf to WC India at $9,000 daily. On the East Coast of India, the picture was similar. The 'Safesea Neha II' (53,389 dwt, 2008) open Paradip fixed $6,750 for trip to China with iron ore and the 'Star Pegasus' (56,540 dwt 2013) open Haldia trip via EC India to China $8,000. Bigger units were trading at significantly better levels. On such example was the 'Aragona' (63,077 dwt, 2015) open Chittagong which fixed a trip via EC India to China with iron ore $10,250.

In the Atlantic the market seems to have bottomed out as rates showed resistance across the board and in some areas even registered profits. One such was the USG where S4A_58 (USG to Skaw-Passero) increased by 12.7% week-on-week, ending up this Friday at $13,713. On this route, the 'Sage Amazon' (63,227 dwt, 2012) secured 15,500 daily basis delivery USG for a trip to Med. On the fronthaul arena, the 'Ocean Ambitious' (63,577 dwt, 2016) got $20,600 basis delivery New Orleans for grains to Japan. Moving on to ECSA, rates managed to stabilize, yet they didn't take off. The 'Butinah' (57347 dwt, 2011) got $11,900 daily plus $190,000 ballast bonus for a trip from ECSA to Singapore-Japan range. Rates for scrap runs from the Continent to East Med showed visible signs of recovery. The 'Nefeli' (63,466 dwt, 2016) was fixed at $14,000 basis delivery Hamburg for one such. Meanwhile the opposite route was paying much less as the Black Sea remained under pressure. The 'Jia Sheng Shan' (56,632 dwt, 2011) was fixed at a mere $8,000 daily basis delivery Canakkale for a trip via Black Sea to the Continent.

On period deals, the 'Navigare Boreas' (61,491 dwt, 2016) fixed $10,000 for about 5/7 months trading basis delivery Mokpo.

Have we "Hit the Floor?" for both the Far East and Atlantic for the **Handysize.**

Nobody was expecting miracles from the market this week, especially in the Pacific. What everyone hopes is for the market to bottom out. Have we reached this point today? No one can be certain, however there are signs of upcoming improvement. The demand for vessels in the North is minimal with only coal requirements from cis being active. This led the owners of mv 'Clipper Lis' (28,000 dwt, 2014) open in Ichihara on the 18th of November to book alumina hydrates via East coast Australia at $6,300 dop. In South East Asia, things looked a bit better due to the renewed demand for vessels from Australia. Mv 'Alentejo' (36,000 dwt, 2013) open in Indonesia on the 20th of November fixed $8,750 daily dop for grains ex West Australia to Japan. 'Nereus Island' (37,000 dwt, 2014) open in Surabaya on the 19th of November was agreed at $9,300 daily dop for an Australian salt run to Japan. In the Indian subcontinent, market was softer compared to previous weeks. On the rice runs, 'Cs Calvina' (37,500 dwt, 2011) spot at Chittagong was concluded at $6,000 basis aps Kakinada for 50 days and the balance at $7,000 daily for bagged rice to west coast Africa. In the Persian Gulf, rumors of a 32K dwt ship fixing at $10,500 daily dop for fertilizers to Bangladesh, brought disappointment to owners as just two weeks ago, the rate for the same run was at around $15,000 daily.

Linkin Park back in the early 00's were singing in their 3rd album the song "Hit the Floor", which in a not so aggressive style, more and more Owners seem to relate to. Getting closer to January, orders are being calculated with VLSFO, and start, more and more, not to make sense to Owners. So 'waiting until the upper hand is mine' is becoming a persistent motto/reply from Owners. In ECSA, today was the first day the indices bounced back since early October. It is not by how much at this stage, but more of a glimpse of hope. In the USG Owners wished for a bit of light too, but it seems the problem there is deeper than elsewhere. Owners have to work harder to keep their vessels employed. Continent was reasonably busy this past week, mostly on the backing of fertilizer stems getting out of the Baltic, with the extra help of some more scrap movements and the steady grains from N. France. The Med was rather stable with a fairly equal amount of tonnage and cargo around. The problem though is that most cargoes out of Bl. Sea ending up in W. Med and with all the grains from N. France to Algeria, we could end up with a build-up of tonnage in the area in the near future, putting more pressure on rates.

Nothing was reported on the period desk.

## Fixture Tables

| Representative Capesize Fixtures | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Vessel | DWT | Built | Delivery | Date | Re-del | Rate | Charterers | Comment |
| XYG Fortune | 176,955 | 2006 | Zhoushan | 01/15 Dec | worldwide | $15,000 | Bunge | 23/25 mos |
| True Patriot | 180,967 | 2016 | Yeosu | prompt | Singapore-Japan | $28,000 | Daelim | via EAus |
| Mount Faber | 176,943 | 2008 | retro CJK | 14 Nov | Youngheung | $26,500 | Five Oceans | via Newc |
| Global Talent | 179,407 | 2012 | Taiwan | prompt | Singapore-Japan | $23,500 | Daiichi | via WAus |

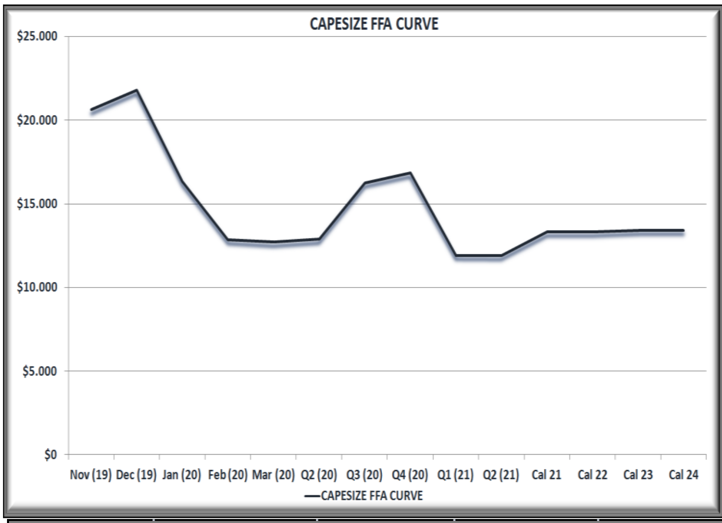
| Representative Panamax Fixtures | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Vessel | DWT | Built | Delivery | Date | Re-del | Rate | Charterers | Comment |
| Samoa | 75,506 | 2010 | Kunsan | Spot | Singapore-Japan | $8,000 | Oldendorff | via Nopac |
| Pan Viva | 75,026 | 2010 | Kunsan | 24 Nov | Singapore-Japan | $9,000 | NYK | via Nopac |
| Ocean Zenon | 76,596 | 2007 | Dalian | 21-22 Nov | Japan | $8,500 | NS United | via Ec Australia |
| Nord Penguin | 81,841 | 2015 | Fuzhou | 20 Nov | China | $10,000 | Cnr | via Ec Australia |
| Star Maria | 82,598 | 2007 | Hong Kong | Spot | China | $11,250 | Rio Tinto | via Weipa with bauxite |
| Malakand | 76,830 | 2004 | Haimen | 20-21 Nov | India | $6,500 | Xianglong | via Indonesia |
| Wisdom Diva | 76,606 | 2009 | Xinsha | 21 Nov | South China | $9,000 | Pacific Bulk | via Indonesia |
| Skiathos | 79,412 | 2001 | Richards Bay | 30 Nov | India | $12,000 plus 200,000 gbb | Cnr | via Richards Bay |
| Ormos | 81,650 | 2019 | Recalada | 29 Nov | Singapore-Japan | $13,750 plus 375,000 gbb | Cargill | via Ecsa |
| Lucky Star | 76,662 | 2002 | Ecsa | 1-10 Dec | Singapore-Japan | $12,900 plus 290,000 | Louis Dreyfus | via Ecsa |
| Tiger South | 76,255 | 2013 | Ecsa | 5-10 Dec | Skaw - Gibraltar | $9,500 | Cargill | via Ecsa |
| Alan | 81,712 | 2012 | USG | 24 Nov | Arabian Gulf | $14,450 plus 445,000 gbb | Bunge | via USG |
| RB Leah | 82,000 | 2017 | Flushing | 25-27 Nov | Gibraltar | $11,750 | Nordic | via Baltic & Med |
| Polymnia | 98,704 | 2012 | Taiwan | prompt | Worldwide | $11,000 | Cargill | 11-13 months |
| Electra | 82,052 | 2015 | Cai Lan | 20-25 Nov | Worldwide | $10,250 | Oldendorff | 11-13 months |

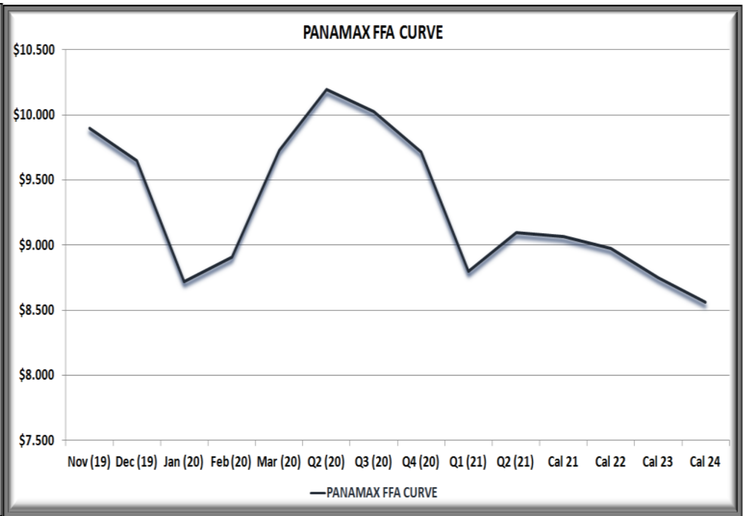
| Representative Supramax Fixtures | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Vessel | DWT | Built | Delivery | Date | Re-del | Rate | Charterers | Comment |
| Desert Harrier | 60,447 | 2017 | pass Busan | Prompt | China | $9,250 | Canpotex | Via NoPac |
| Endurance SW | 60,255 | 2015 | Fangcheng | Prompt | China | $9,000 | cnr | via Indonesia |
| Safesea Neha II | 53,389 | 2008 | Paradip | Prompt | China | $6,750 | Seacoast | intention iron ore |
| Star Pegasus | 56,540 | 2013 | Haldia | Prompt | China | $8,000 | cnr | via ECI |
| Aragona | 63,077 | 2015 | Chittagong | Prompt | China | $10.250 | cnr | via ECI |
| Sage Amazon | 63,227 | 2012 | US Gulf | Prompt | Med | $15,500 | Bulk Trading | |
| Ocean Ambitious | 63,577 | 2016 | New Orleans | 2/3 Dec | Japan | $20,600 | cnr | with Grains |
| Butinah | 57,347 | 2011 | ESCA | Prompt | Spore - Japan range | $11,900 + $190k BB | cnr | |
| Nefeli | 63,466 | 2016 | Hamburg | Prompt | WMED | $14,000 | cnr | via Baltic |
| Jia Sheng Shan | 56,632 | 2011 | Canakkale | Prompt | Continent | $8,000 | cnr | via B.Sea |
| Navigare Boreas | 61,491 | 2016 | Mokpo | Prompt | WW | $10,000 | cnr | Period abt 5/7 mos |

| Representative Handysize Fixtures | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Vessel | DWT | Built | Delivery | Date | Re-del | Rate | Charterers | Comment |
| Clipper Lis | 28,000 | 2014 | Japan | prompt | F.East | $6,300 | cnr | Alu hydrates via Aussie |
| Alentejo | 36,000 | 2013 | Indonesia | prompt | Japan | $8,750 | cnr | grains via Aussie |
| Nereus Island | 37,000 | 2014 | Surabaya | prompt | Japan | $9,300 | cnr | grains via Aussie |
| CS Calvina | 37,500 | 2011 | Kakinada | prompt | West Africa | $6,000 1st 50d, $7,000 balance | cnr | bagged rice |
| Trammo Laoura | 38,552 | 2017 | Recalada | prompt | Kaliningrad | $10,500 | Canfornav | |
| Nordic Yarra | 37,205 | 2014 | S. Luiz | prompt | St. Lawr | $15,500 | Fednav | |
| Capetan Costis | 34,146 | 2011 | Ghent | prompt | Emed | $11,500 | Galloo | scrap |
| Pretty Team | 35,200 | 2013 | Strudstrup | prompt | Marmara | $11,750 | Nordic | scrap |
| Interlink Solidity | 38,749 | 2017 | USEC | prompt | Conti | $9,000 | Norden | wood pellets |

## FFA Market

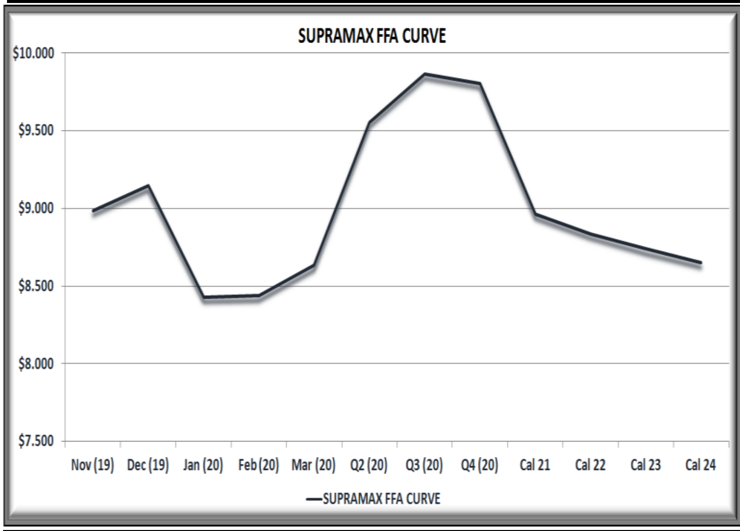
With the exception of plummeting Capesize paper, all other sub-markets turned positive during the 47th week of the year. Triggered by the negative performance of the spot market, Capesize November contracts lay $663 below last Friday levels at $20,628. Towards the opposite direction, Panamax forward curve anticipated some marginal improvement with November and December contracts balanced slightly above previous Friday levels, at $9,900 and $9,650 respectively. Significant support for the Supramax prompt months, with December managing to stand 7.69% above previous week closing at $9,146, while November contracts moved marginally up to $8,986, injecting some pinches of optimism in the market. Mixed sentiment appeared in the Handysize front end, with November contracts closed slightly down from last week's levels at $7,694, whereas December balanced higher at $7,625.

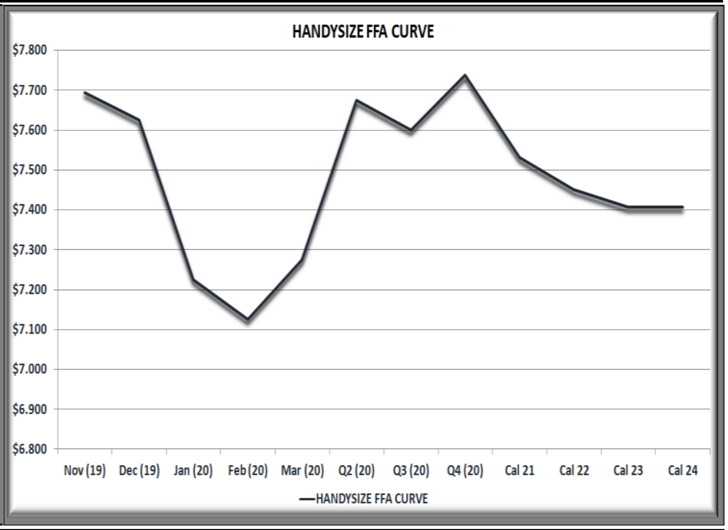



| BFA Capesize 5TC | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Date | Nov (19) | Dec (19) | Jan (20) | Q2 (20) | Q3 (20) | Cal 21 | Cal 22 | Cal 23 | Cal 24 |
| 15-Nov-19 | $21.291 | $20.528 | $16.378 | $12.697 | $16.128 | $13.225 | $13.444 | $13.494 | $13.494 |
| 22-Nov-19 | $20.628 | $21.806 | $16.347 | $12.872 | $12.716 | $12.900 | $16.263 | $16.853 | $11.941 |

| BFA Panamax 5TC | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Date | Nov (19) | Dec (19) | Jan (20) | Q2 (20) | Q3 (20) | Cal 21 | Cal 22 | Cal 23 | Cal 24 |
| 15-Nov-19 | $9.884 | $9.413 | $8.753 | $10.141 | $9.997 | $9.047 | $8.959 | $8.741 | $8.559 |
| 22-Nov-19 | $9.900 | $9.650 | $8.719 | $10.197 | $10.028 | $9.066 | $8.975 | $8.750 | $8.559 |

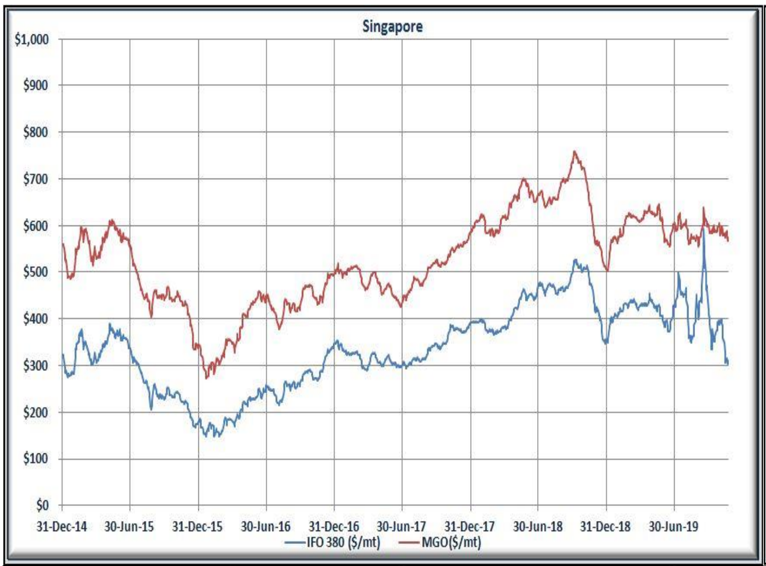


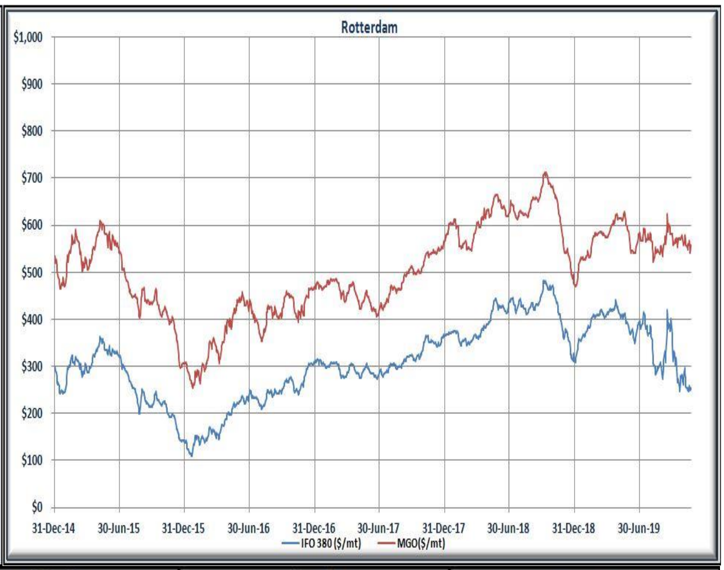




| BFA Supramax 5TC | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Date | Nov (19) | Dec (19) | Jan (20) | Q2 (20) | Q3 (20) | Cal 21 | Cal 22 | Cal 23 | Cal 24 |
| 15-Nov-19 | $8.911 | $8.493 | $8.136 | $9.025 | $9.636 | $8.861 | $8.786 | $8.725 | $8.607 |
| 22-Nov-19 | $8.986 | $9.146 | $8.429 | $9.554 | $9.864 | $8.964 | $8.836 | $8.736 | $8.650 |

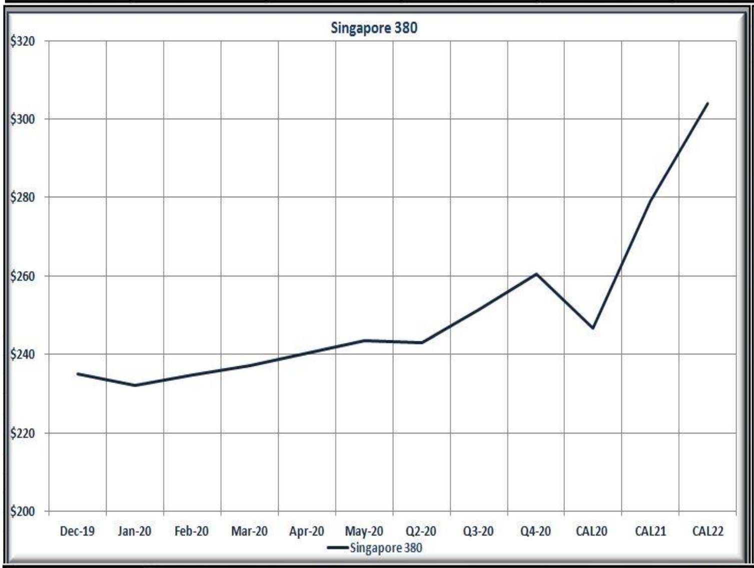
| BFA Handysize 5TC | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Date | Nov (19) | Dec (19) | Jan (20) | Q2 (20) | Q3 (20) | Cal 21 | Cal 22 | Cal 23 | Cal 24 |
| 15-Nov-19 | $7.763 | $7.500 | $7.281 | $7.788 | $7.750 | $7.625 | $7.525 | $7.444 | $7.425 |
| 22-Nov-19 | $7.694 | $7.625 | $7.225 | $7.675 | $7.600 | $7.531 | $7.450 | $7.406 | $7.406 |

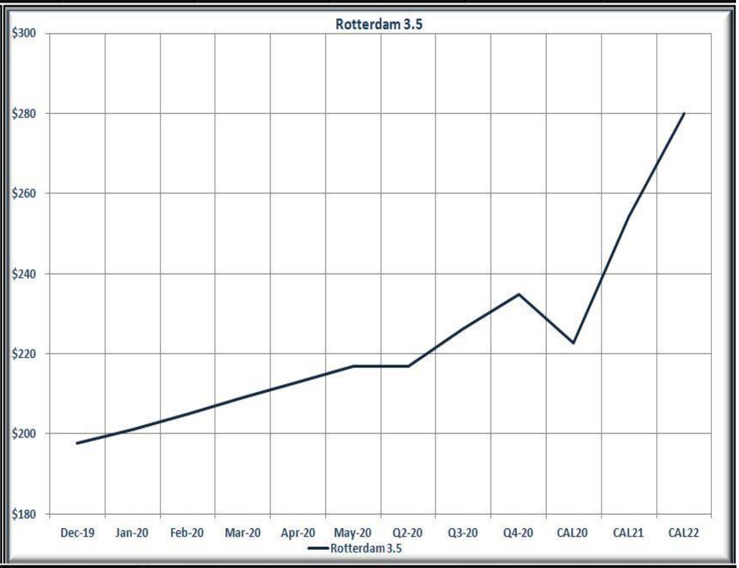
## Bunker Market




| | Rotterdam | | Singapore | | Fujairah | | Gibraltar | | Houston | |
|---|---|---|---|---|---|---|---|---|---|---|
| Date ($/mt) | IFO 380 | MGO | IFO 380 | MGO | IFO 380 | MGO | IFO 380 | MGO | IFO 380 | MGO |
| 18-Nov-19 | $260 | $567 | $316 | $590 | $264 | $682 | $317 | $621 | $343 | $623 |
| 19-Nov-19 | $253 | $551 | $308 | $576 | $257 | $679 | $307 | $605 | $342 | $623 |
| 20-Nov-19 | $248 | $542 | $303 | $568 | $251 | $682 | $299 | $601 | $344 | $616 |
| 21-Nov-19 | $252 | $556 | $308 | $572 | $253 | $692 | $308 | $609 | $347 | $618 |
| 22-Nov-19 | $254 | $558 | $310 | $574 | $255 | $694 | $310 | $611 | $349 | $620 |
| 12-month High | $441 | $630 | $594 | $646 | $519 | $769 | $500 | $698 | $490 | $679 |
| 12-month Low | $247 | $469 | $303 | $502 | $251 | $665 | $299 | $545 | $290 | $539 |
| 12-month Avg | $360 | $564 | $412 | $590 | $391 | $708 | $397 | $620 | $386 | $620 |




| Singapore | 22-Nov-19 | Week max | Week low | Week Avg |
|---|---|---|---|---|
| Dec-19 | $235.0 | $235.2 | $214.8 | $226.2 |
| Jan-20 | $232.0 | $232.0 | $214.0 | $223.8 |
| Feb-20 | $234.8 | $234.8 | $217.5 | $226.7 |
| Mar-20 | $237.3 | $237.3 | $220.8 | $229.5 |
| Apr-20 | $240.3 | $240.3 | $224.0 | $232.7 |
| May-20 | $243.5 | $243.5 | $227.3 | $236.1 |
| Q1-20 | $234.7 | $234.7 | $217.4 | $226.7 |
| Q2-20 | $242.9 | $243.2 | $227.4 | $236.1 |
| Q3-20 | $251.4 | $252.7 | $237.4 | $245.6 |
| Q4-20 | $260.4 | $262.2 | $246.9 | $255.0 |
| CAL20 | $246.6 | $246.7 | $231.7 | $241.1 |
| CAL21 | $279.1 | $282.7 | $267.7 | $275.9 |
| CAL22 | $304.1 | $307.7 | $292.7 | $299.9 |

| RTDM 3.5 | 22-Nov-19 | Week max | Week low | Week Avg |
|---|---|---|---|---|
| Dec-19 | $197.8 | $201.2 | $182.3 | $192.3 |
| Jan-20 | $201.0 | $204.5 | $186.3 | $195.7 |
| Feb-20 | $205.0 | $208.5 | $191.0 | $200.1 |
| Mar-20 | $209.0 | $213.0 | $195.8 | $204.6 |
| Apr-20 | $213.0 | $217.2 | $200.3 | $209.0 |
| May-20 | $216.8 | $221.0 | $204.5 | $213.0 |
| Q1-20 | $205.0 | $208.6 | $191.0 | $200.2 |
| Q2-20 | $216.8 | $220.1 | $204.0 | $212.7 |
| Q3-20 | $226.3 | $230.6 | $214.8 | $223.0 |
| Q4-20 | $234.8 | $239.9 | $223.8 | $232.0 |
| CAL20 | $222.6 | $222.7 | $208.9 | $217.9 |
| CAL21 | $254.4 | $254.7 | $243.7 | $251.4 |
| CAL22 | $280.1 | $280.5 | $268.7 | $276.7 |

## Dry Bulk S&P Market

Recent freight market corrections and growing uncertainty as we get closer to 2020, has led second hand activity in another quiet week. In contrast with the overall "wait and see" stance in the segment, notable volume has been concluded in the Handies, where attractive prices apparently create opportunities for buyers. Above sentiment is also reflected on the newbuilding front, where two orders have been reported, both for same account.

In the real action, starting from the big boys, Noble Group offloaded their Post Panamax duo 'Ocean Sapphire' (93K/Cosco Dalian/'12) and 'Ocean Garnet' (93K/Cosco Dalian/'10) for $14.75 and $13.65 mill respectively, with Greek interests being linked to the transaction.

In the Supramaxes, Santa Helena (58K/Shin Kurushima/12) was reported sold to Greeks interests for $14.8 mill; as a reminder, a few weeks back 'Centenario Blu' (56K/Mitsui/'11) was snapped-up by Greeks for a price close to mid/high $13 mill. In a distressed sale, 'Lord' (52K/Cebu/'05) was committed to Chinese buyers for $5.3 mill (out of class/arrested)

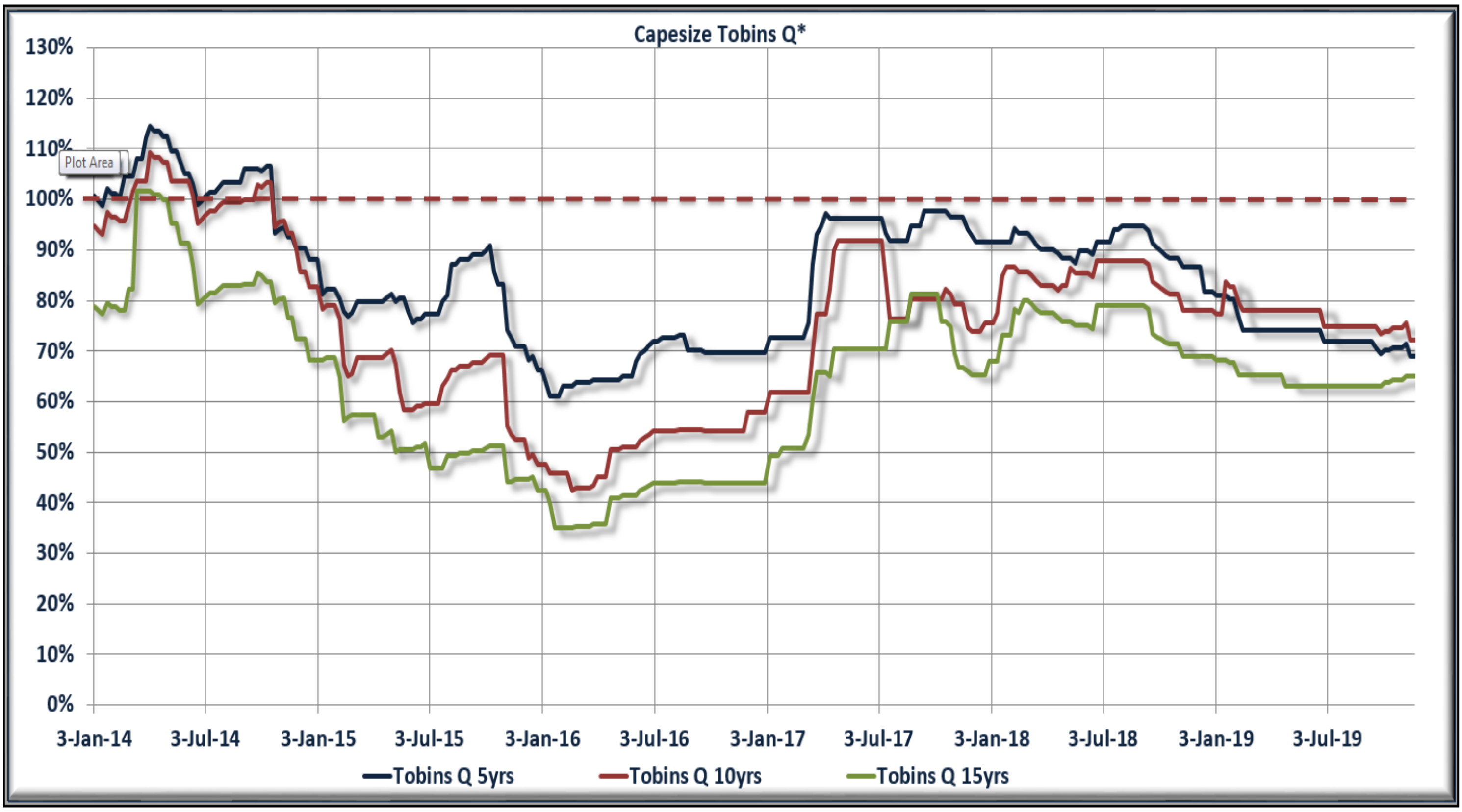
In the workhorses of the sector, the 'Shelduck' (35K/SPP/'12) reportedly achieved levels of $9.5 mill, while Greek controlled 'Atalanta' (31K/Saiki/'01) found takers at $5.2 mill. Back in early October, similar ship mv 'V Red Knot' (32K/Kanda/'03) obtained $6.3 mill. Following the sale of 'Thurgau', one year older sister 'Aargau' (33K/Universe/'10) changed hands for similar levels, fetching a soft $6.2 mill. Finally, no love was lost for the 28k's as soft prices continue to attract buyers' interest. 'Prinsesa Maganda' (28K/Imabari/'12) changed hands for $8.6 mill, relatively in par with the low $9's achieved by the 'Cherry Island' in the beginning of the month.

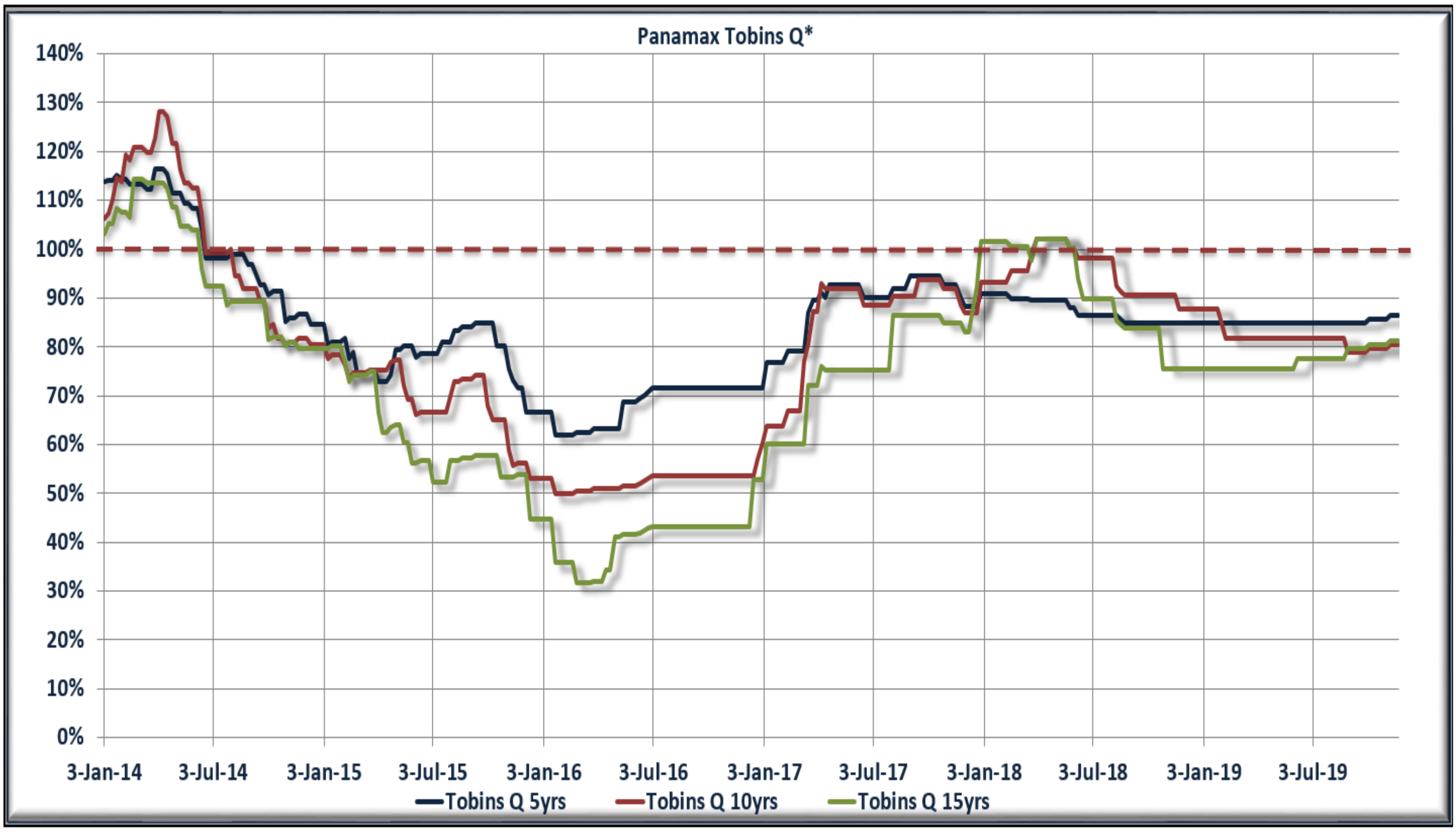
In our secondhand with newbulding comparison, Tobin's Q ratios trended sideways, without any significant changes. Indicatively, the market for five-year-old Capesizes and same-aged Handies balanced at 31% and just 4% off from their adjusted newbuilding prices respectively. Five-year-old Panamaxes and same-aged Supramaxes are in the market at a discount of 14% and 17% respectively to their newbulding prices, if we compare them on the same age basis.

| Reported Recent S&P Activity | | | | | | |
|---|---|---|---|---|---|---|
| Vessel Name | DWT | Built | Yard/Country | Price $Mil. | Buyer | Comments |
| New Times 0120813 | 208,000 | 2019 | New Times/China | 47 | Norwegian buyers | 13-yrs BBB/less $5.0m to sellers credit |
| Azul Integra | 203,272 | 2004 | Universal/Japan | 15.6 | Chinese buyers | |
| Jal Kumud | 76,302 | 2008 | Imabari/Japan | 12.75 | Chinese buyers | C 4 x 30 |
| Clio | 73,691 | 2005 | Jiangnan/China | 7.4 | Undisclosed buyers | |
| Arethusa-I | 75,319 | 2001 | Samho HI/S.Korea | 6.5 | Greek buyers | |
| Bulk Patriot | 70,165 | 1996 | Sumitono/Japan | 4.5 | Chinese buyers | |
| Adventure III | 62,534 | 2019 | Oshima/Japan | 27.5 | Undisclosed buyers | C 4 x 30 |
| Furness St Kilda | 61,510 | 2010 | Shin Kasado/Japan | 15.7 | Undisclosed buyers | C 4 x 31 |
| Fortune Symphony | 57,809 | 2016 | Tsuneishi/Japan | 20.5 | Japanese buyers | C 4 x 30 |
| Santa Helena | 57,215 | 2012 | Shin Kurushima/Japan | 14.85 | Greek buyers | C 4 x 31 |
| Mary Lina | 52,454 | 2007 | Tsuneishi/Japan | 10.3 | Undisclosed buyers | C 4 x 30 |
| Desert Melody | 53,800 | 2006 | Kouan Shipbuilding/China | 7.7 | Greek buyers | C 4 x 30 |
| Lord | 52,504 | 2004 | Tsuneishi Cebu/Pphines | 5.3 | Chinese buyers | C 4 x 30 / action sale |
| Mimosa | 52,479 | 2002 | Kanasashi Toyohas/Japan | 6.8 | Chinese buyers | C 4 x 30,5 |
| Akson Sara | 50,895 | 2001 | Oshima/Japan | 6.7 | Undisclosed buyers | C 4 x 30 |
| Baolong | 46,658 | 1998 | Mitsui Tamano/Japan | 4.3 | Undisclosed buyers | C 4 x 30 |
| Meghna Princess | 47,574 | 1995 | Oshima/Japan | 3.5 | Chinese buyers | C 4 x 30 / basis SS/DD due 01/20 |
| Shelduck | 35,000 | 2012 | SPP/S. Korea | 9.5 | Greek buyers | C 4 x 35 |
| Aargau | 32,790 | 2010 | Universe/China | 5.8 | Turkish buyers | C 4 x 30,5 |
| Atalanta | 32,256 | 2001 | Saiki/Japan | 5.2 | Undisclosed buyers | C 4 x 30 |
| Cherry Island | 28,220 | 2014 | I-S Shipyard/Japan | 9.1 | Undisclosed buyers | C 4 x 30,5 |
| Prinsesa Maganda | 28,361 | 2012 | I-S Shipyard/Japan | 5.2 | Undisclosed buyers | C 4 x 30 |
| Panforce | 28,200 | 2004 | Imabari/Japan | 5.5 | Chinese buyers | C 4 x 30/ Logger |
| Forza | 28,564 | 1997 | Kanda/Japan | 3.2 | Chinese buyers | C 4 x 30 |
| Sea Magic | 21,274 | 2007 | Linhai Huipu/China | 2.9 | Undisclosed buyers | C 3 x 25 |
| Ho Bao | 23,649 | 2001 | Shin Kochi Jyuko/Japan | 4.2 | Chinese buyers | C 4 x 30,5 |

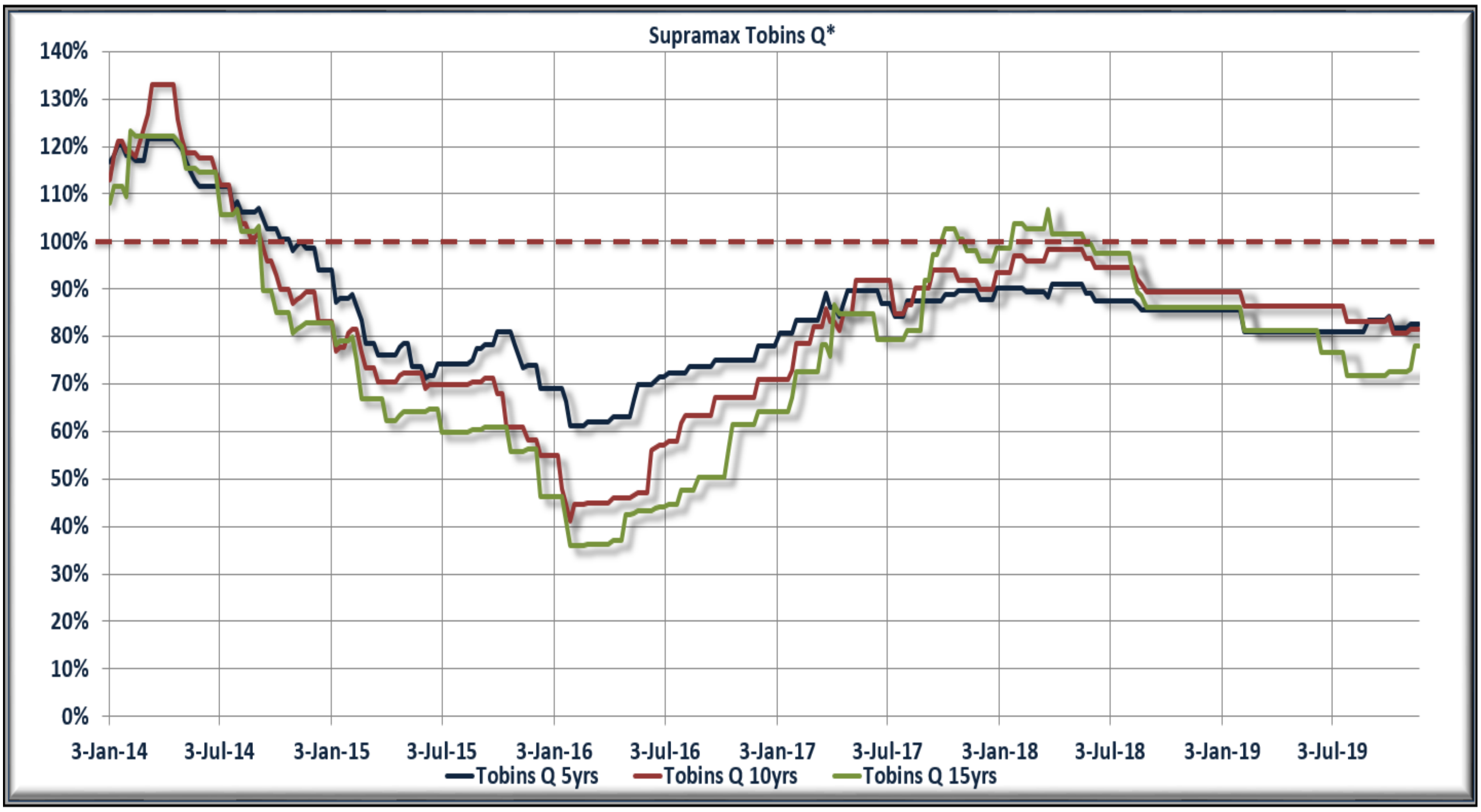
***Tobin's Q** represents the ratio between the market value and replacement value of a physical asset, with numerator and denominator adjusted to same age basis. According to economic theory, this ratio should be mean reverting towards 1 or 100%, for assets that do not face technological obsolescence.

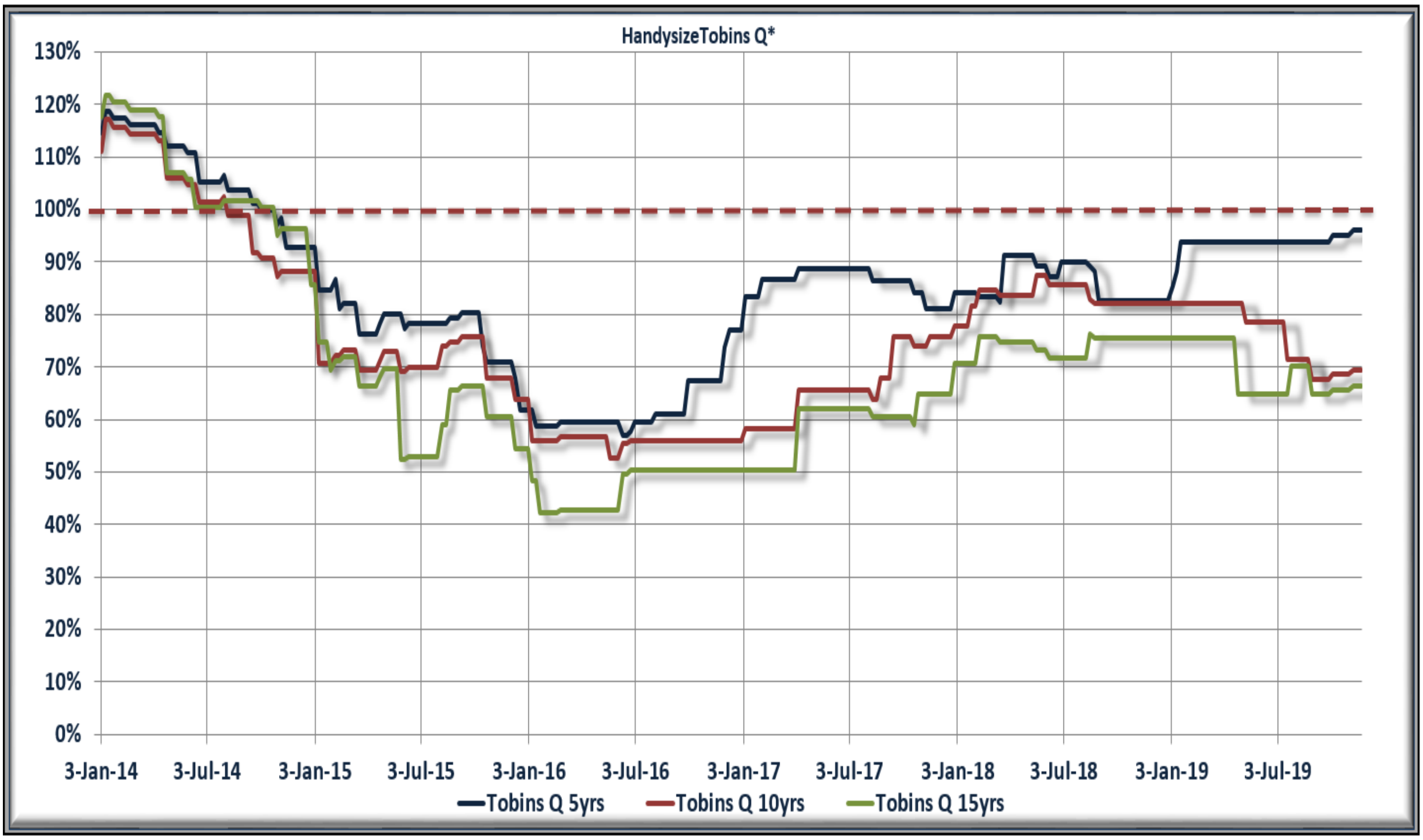
| Tobin's Q* Capesize-Panamax | | | | | | |
|---|---|---|---|---|---|---|
| Date | Capesize 5yrs | Capesize 10yrs | Capesize 15yrs | Panamax 5yrs | Panamax 10yrs | Panamax 15yrs |
| Current ratio | 69% | 72% | 65% | 86% | 80% | 81% |
| 12months High | 87% | 84% | 69% | 86% | 88% | 81% |
| 12months Low | 69% | 72% | 63% | 85% | 79% | 76% |
| 12months Avg | 74% | 77% | 65% | 85% | 82% | 77% |



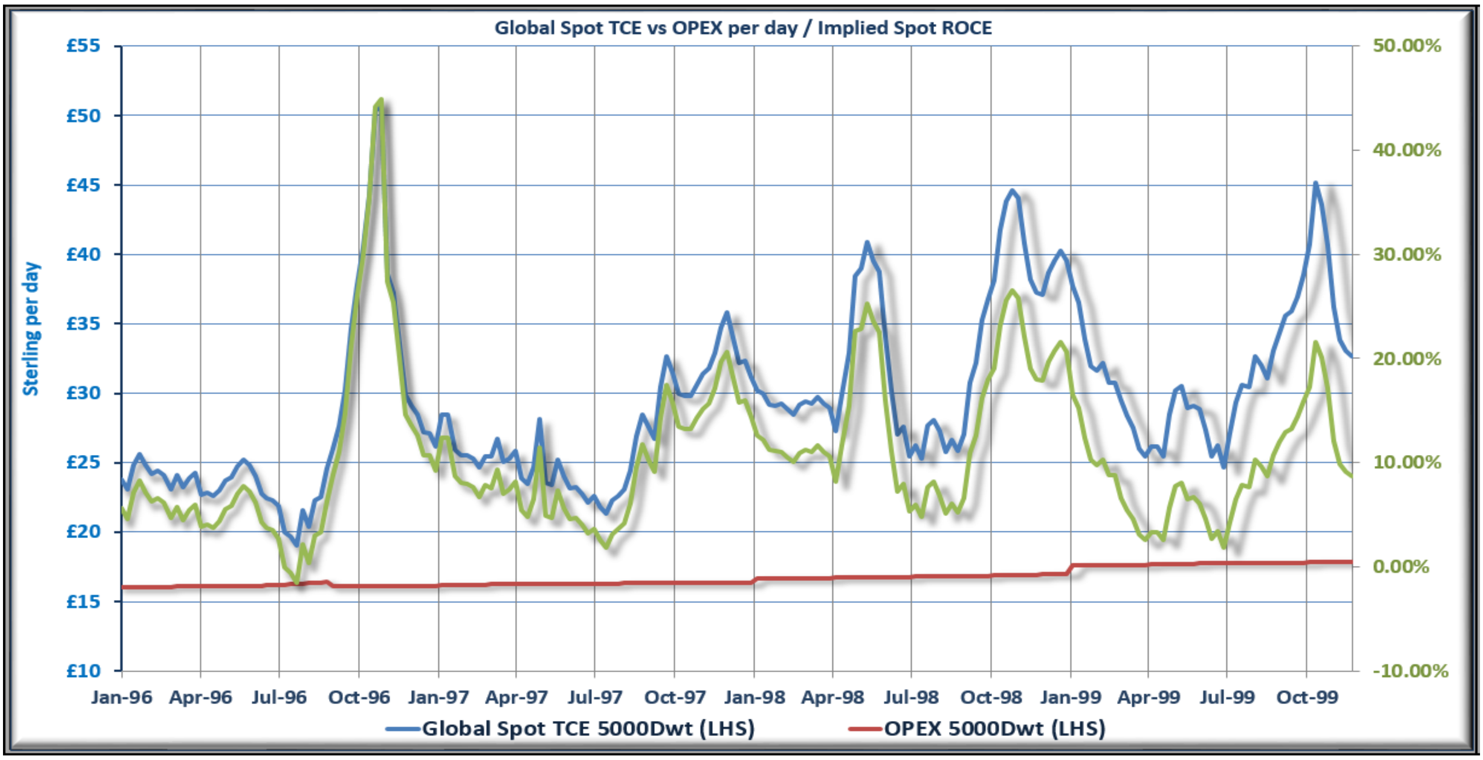
| Tobin's Q* Supramax-Handysize | | | | | | |
|---|---|---|---|---|---|---|
| **Date** | **Supramax 5yrs** | **Supramax 10yrs** | **Supramax 15yrs** | **Handysize 5yrs** | **Handysize 10yrs** | **Handysize 15yrs** |
| **Current ratio** | 83% | 81% | 78% | 96% | 70% | 66% |
| **12months High** | 86% | 89% | 86% | 96% | 82% | 76% |
| **12months Low** | 81% | 81% | 72% | 83% | 68% | 65% |
| **12months Avg** | 82% | 86% | 79% | 93% | 77% | 70% |

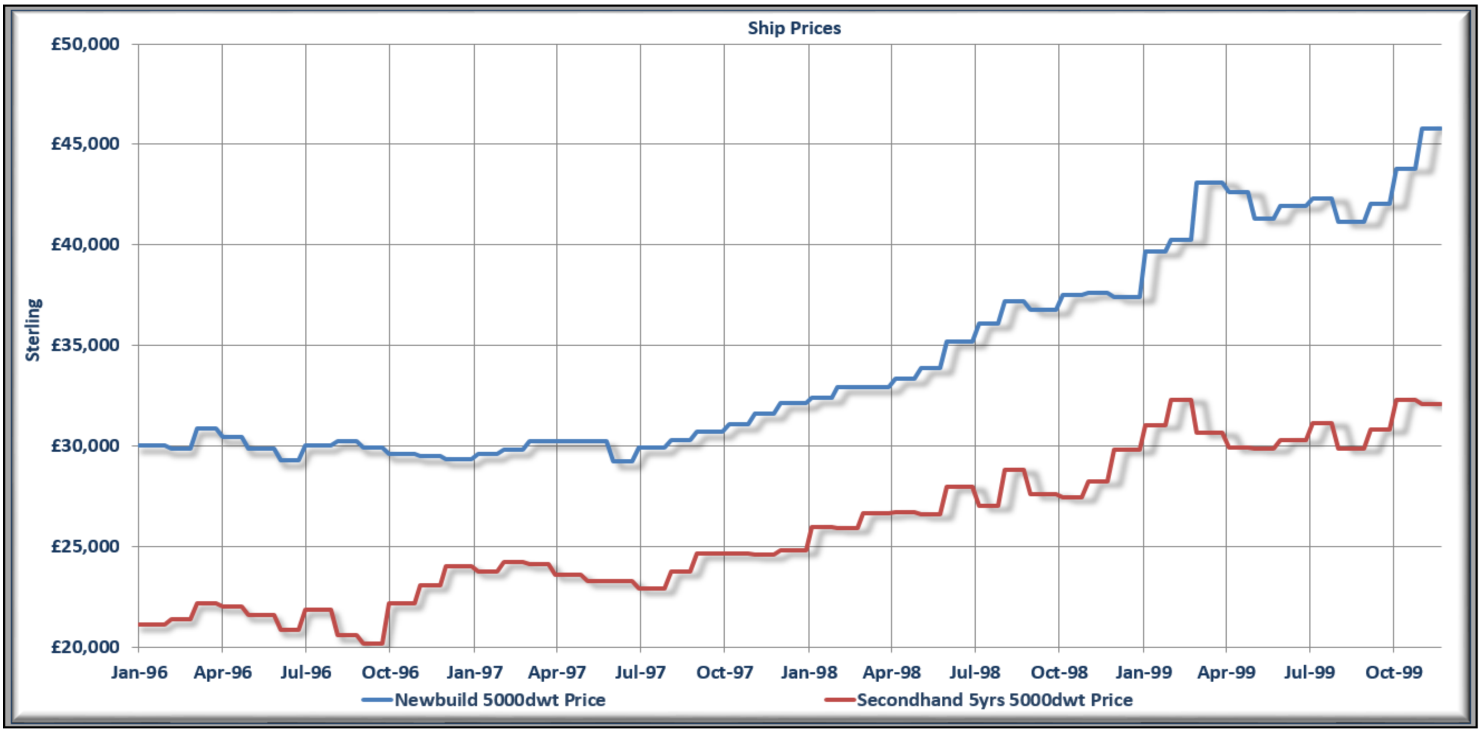


## Market Insight 120 years ago

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




| Weekly Spot Market | Current week | Previous week | Oct-01 | Sep-01 | Aug-01 |
|---|---|---|---|---|---|
| Implied Spot Roce | 8.7% | 9.1% | 17.7% | 14.1% | 10.2% |
| Global Spot TCE | £32.66 | £33.03 | £41.24 | £36.68 | £32.60 |
| BlackSea Round | £32.36 | £32.04 | £41.93 | £41.93 | £32.42 |
| East Round | £38.98 | £40.18 | £46.01 | £41.48 | £38.06 |
| Med Round | £30.72 | £31.42 | £37.83 | £33.94 | £29.79 |
| US Round | £34.36 | £35.96 | £43.22 | £36.49 | £35.80 |
| River Plate Round | £33.28 | £37.80 | £45.21 | £43.93 | £41.80 |

| S&P Market (5,000dwt) | Current week | Previous week | Oct-01 | Sep-01 | Aug-01 |
|---|---|---|---|---|---|
| NB | £45,795 | £45,795 | £43,782 | £42,030 | £41,147 |
| SH 5yrs old | £32,074 | £32,074 | £32,278 | £30,809 | £29,879 |
| SH 10yrs old | £24,738 | £24,738 | £24,952 | £23,604 | £22,761 |
| SH 15yrs old | £18,934 | £18,934 | £19,189 | £17,798 | £16,942 |

*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 has again been very disappointing. The continued decline in homeward business in almost every direction is beginning to give cause for considerable anxiety, and especially to those owners who this year have caught it prudent to supplement their fleets with costly boats. They are asking how is it that, in spite of the enormous Government demand for tonnage, freights, instead being actually much lower than prior to the break of hostilities. We have heard various solutions to this problem, but there is only one answer – namely that's simply a question of supply and demand. How is it possible there is no spurt this fall in freights from the Black Sea, Danube and Azoff? Because there has been and is too much tonnage available for the paucity of grain available for shipment. The same remark well applies to the Eastern trade. For outward positions, however, tonnage is freely offering, so the boom in this direction is about exhausted. Although a good many boats have been chartered to fill places of the liners taken up by the Government, there been nothing like the demand for outside boats that owners generally anticipated. Some boats are sailing very close to the wind, for after paying the working expenses, wages, insurance, coal, etc, there is little if any profit in many of the short-voyages.

The Black Sea market continues in about the same condition as reported last week. Berth rates from Odessa etc., to L.H.A.R. are 8s, but let owners beware of taking the bait of a half or two-thirds cargo to start with ; once in the trap the will be severely punished before they can extricate themselves. On charter 9s to 9s 6d is quoted from the full range. Some owners are agreeing 100 tons per day for loading and discharging, time being reversible – they evidently are desirous that their crews should spend Christmas day in Russia.

Danube berth rates for A.R are dull at 10s 6d, but we can scarcely imagine any owners being so stupid as to send a boat up at this time of the year for such a ballast rate.

Azoff business has shown just a little activity, a few boats having been fixed at from 13s to 14s any direct basis.

Mediterranean business is quiet. From Alexandria to London or Hull 7s 6d is quoted. From Smyrna to U.K 9s 6d; From Huelva 12s to 12s 6d is obtainable ; from Smyrna and the Syrian Coast handy prompt boats are worth 25s to 27s 6d to the U.S. Owners entertaining this business should refuse to give more than the equivalent of 400 tons per running day for loading. At present the charterers demand even fifteen days, Sundays and holidays excepted, for a boat of only about 1,000 n.r tons, the result being that half of the freight is swallowed up in dispatch-money, etc.

The American market does not improve ; on the whole it is a little weaker. Berth grain rates from the Northern ports to p.p for November, December, and January are 2s 7½d to 2s 9d, and for part oats 2s 1½d to 2s 3d. On the C.f.o basis 3s 3d to 3s 4½d is quoted, and for Denmark 3s 6d two ports. Net charter rates from Galveston, New Orleans, etc., are easier at 16s 6d to 16s 9d for December loading. From the Atlantic ports to Liverpool or Bremen 37s 6d to 38s 9d is quoted for December loading, and from the Gulf ports 42s 6d to 43s 9d for Liverpool, is 3d extra for the Cont. There is little demand still for tonnage from the Gulf pitch-pine ports to U.K Cont at 113s 9d to 115s, and for the Adriatic at 120s.

River Plate rates are inclined to be weaker. On charter December boats are worth from 26s 6d to 27s o.c. from the San Lorenzo limit. There appears to be an increasing demand for tonnage from Rio Janeiro for manganese ore, for U.K Cont 17s to 17s 6d is offering and for the U.S 15s 6d to 16s.

The Eastern market is without change. From Bombay 17s is quoted nominally for December loading ; from Calcutta to U.K Cont 23s 9d to 25s deadweight, 30s jute basis is obtainable.

Coal rates from Wales to the Mediterranean are firmer as follows – Marseilles 12 fcs, Algiers 11fcs, Genoa, Naples, Leghorn, etc, 9s 6d to 9s 9d. Westwards: Las Palmas or Teneriffe 7s 6d, Cape Verds 8s 6d, Vera Cruz 10s 9d, Rio de Janeiro 11s 6d to 12s etc,. For Colombo 15s 6d to 16s is offering for December loading, and for January 15s to 15s 6d. The last paid for Singapore is 18s.

On the S&P front, the newbulding market moved sideways. A typical newbuilding 5,000dwt British-build steamer is currently at the market for £45,750 whereas a five-year-old of the same dwt and specification at circa £32,000.