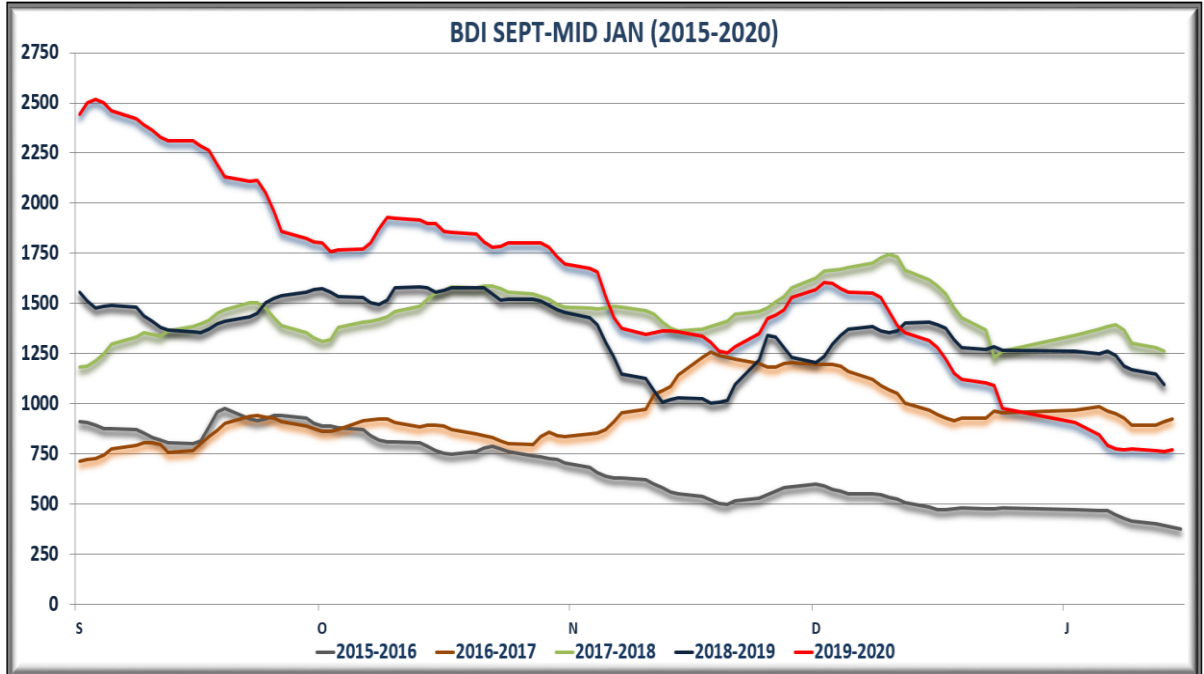


Facing one of the steepest falls of the last years, the Baltic Dry Index concluded the third week of the year even lower, at 754 points. Comparing this Friday's balancing levels with the respective ones of the previous years, it is only the January of 2016 that lay lower. On top of that, having lost more than 69% in less than five months, the gauge of activity in the dry bulk spectrum left far behind the solid 2500-point heights of early September 2019 only to hard-land in this January lowlands. Along with the general index, also the market sentiment changed course since early fall 2019 as the 'great expectations' of the positive impact the "IMO 2020" would bring have yet to be fulfilled. Being the only sub-market willing to resist to this downward trend, Panamax didn't manage to lift the sector's morale, in spite of the double-digit weekly increase.



As every time the Baltic indices violently shift course, all eyes are on Chinese economy. The world's second largest economy grew during 2019 at the lowest rate since 1990, at the same time as the country's birth rate was falling to a record low, highlighting the domestic challenges Beijing is facing. In particular, the Chinese Gross Domestic Product expanded 6.1 per cent in 2019, revealing an economy under pressure from weak consumer spending and problems in the banking system. However, this reported figure was higher than analysts' consensus, with all major stock market indices trending mildly higher following the data release. Furthermore, earlier this year, the People's Bank of China stressed that it will cut banks' reserve requirement ratio by 50 basis points, effective January 6. Bringing the level for 'big banks' down to 12.5%, China's central bank released around 800 billion yuan –\$114.91 billion – in funds to stimulate the slowing economy.



With the US and China set to strike "phase one" of their deal at last and their central banks appearing to be in a mood to shore up the products of the world's two largest economies, the "year of the rat" might actually prove to be rosier than 2020 kickoff.

Freight market 120yrs ago (page 11): "The principal feature of the freight market during the past week has again been the difficulty in arranging outward employment for January loading, as coal rates are lower all round..."

Contents

Spot Market2
 FFA Market.....6
 Bunker Market.....7
 S&P Market.....8
 Distant Past Market.11

Doric Shipbrokers S.A.

Tel: +30 210 9670970
 Fax: +30 210 9670985
 Email:
 drycargo@doric.gr

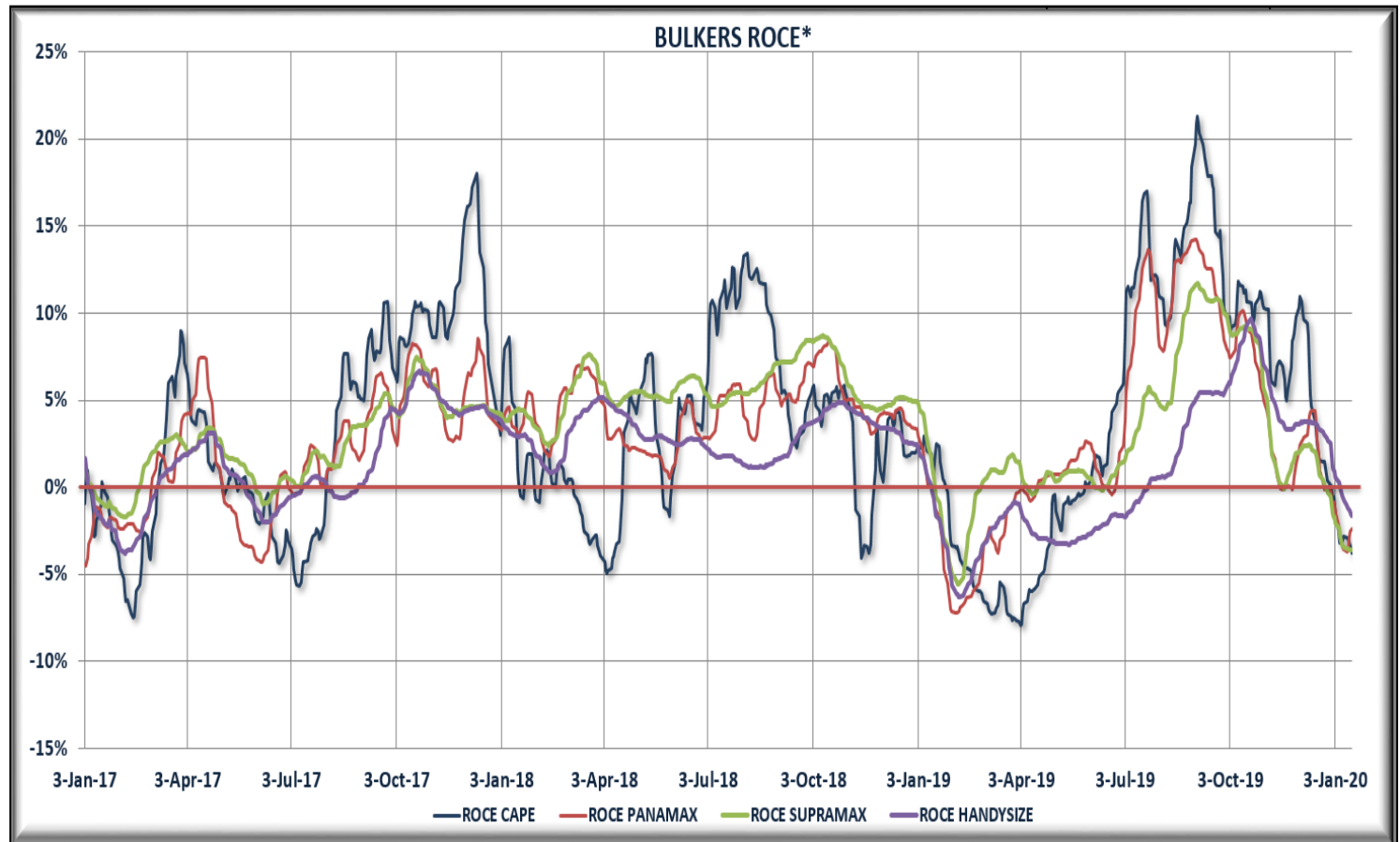
Inquiries about the content of this report

Michalis Voutsinas
 Email:
 research@doric.gr

Dry Cargo Spot Market

Losing another 2.6% during the last five days, the Baltic Dry Index didn't manage to resist to the gravitational force for yet another week, despite mid-week positive reaction. In particular, the general index concluded at 754 points, or 15 points lower than intra-week highs. Being under severe pressure, the Baltic Capesize index lingered at 712 points, or -33.2% W-o-W. With double-digit percentage gains, the Baltic Panamax Index hovered at 870 points, moving higher for the first time during the last five weeks. On the contrary, the Baltic Supramax Index lingered at 560 points, or -1.8% on a weekly basis. Trending downwards, the Baltic Handysize Index plunged to 379 points.

At the box office, the after depreciation returns on capital employed of all bulkers kept balancing at unprofitable levels, with Capesizes suffering the most. In particular, Capesize ROCE concluded at -3.8% and Panamax ROCE at -2.4% on this Friday's closing. Decreasing by 15 basis points, Supramax ROCE ended at -3.6%. On the same wavelength, Handy ROCE balanced at -1.6%.



Baltic Freight Indices					
Date	BDI	BCI 5TC	BPI - TCA	BSI - TCA	BHSI - TCA
13-Jan-20	765	\$9,322	\$6,834	\$6,221	\$7,198
14-Jan-20	763	\$9,255	\$6,899	\$6,190	\$7,110
15-Jan-20	768	\$9,011	\$7,422	\$6,154	\$6,987
16-Jan-20	768	\$8,801	\$7,727	\$6,151	\$6,900
17-Jan-20	754	\$8,352	\$7,830	\$6,156	\$6,825
12-month High	2518	\$38,014	\$18,116	\$15,233	\$12,062
12-month Low	595	\$3,460	\$4,435	\$4,837	\$4,198
12-month Avg	1320	\$17,516	\$10,932	\$9,725	\$7,620
Avg. Cal 2019	1353	\$18,025	\$11,112	\$9,948	\$7,189
Avg. Cal 2018	1353	\$16,529	\$11,609	\$11,437	\$8,700

*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.

The **Capesize** Baltic Exchange routes fell off the cliff this week, counting an 11.5% decline W-o-W outweighing all other segments. The 5BCI T/C Average, days before the Chinese Holiday celebrations, closed at \$8,352 daily.

In the East, the Capesize market probably took the strongest hit this week, on both trading and sentiment. China's economy recorded its lowest growth rate in nearly 30 years in the previous year, showing Beijing's intense challenges on both domestic and international fronts. As far as commodities are concerned, China's steelmaking industry is under pressure, with most analysts -for another year- trying to smuggle across the "headlines" that for the 1st quarter China will "definitely" lower imports for high-grade iron ore. On the other hand, nearly 100 million tonnes of iron ore imports was recorded in December only. This is an approximate 17% increase from last year, same month. In 2019, Chinese iron ore imports tapped 2017 levels, at 1.069 billion tonnes, up 0.5% from last year. In the spot market, the benchmark C5 index closed at \$6.83, marking a downward trend for the whole week. Rio Tinto reported fixed 3 late January stems out of Dampier on Monday following last week's levels, at \$7.40 pmt. "Genco Defender" (180,377 dwt, 2016) was fixed for same dates out of Port Hedland to Qingdao at \$7.45 pmt. From Tuesday onwards FMG, Rio Tinto started cutting the bids by 10c for each day thereafter, bidding today well below \$7 pmt for most January/early February stems. This was reflected on T/C trips as well, with C10_14 closing at \$3,871 daily. It is worth to be mentioned that almost 40 days ago this index had taped \$30,292 levels (on the 3rd December 2019). The China/Brazil followed a similar trend, C14 index lost around \$900 W-o-W closing at \$5,523 daily.

In the Atlantic, Vale's safety mining operations are still under the microscope. Brazilian miner is putting a strong effort and money into securing its sites. Operations at the Esperancia mine have stopped. Vale is having a thorough technical evaluation, aiming to reconstruct all safety procedures when deemed necessary. Esperancia mine processes about 1.2 million tonnes of iron ore annually. In the spot market, leading C3 index has long lost past weeks' momentum, closing at a negative \$17.85 pmt. On this week closing, Vale clean fixed 'Knightship' (178,838 dwt, 2010) at \$17.95 pmt for end January Dates. On T/C basis, the sentiment was rather flat in trading most of major routes. Both T/A and front-haul index closed tick below last week's levels. After a strong start of the week, with Charterers not able to secure low rates due to low supply, the tonnage list finally got thinner and thinner, moving both indices to take a steep dive within Thursday and Friday. C8_14 index concluded today at \$14,440 daily, whereas a week earlier index had closed at \$14,500 daily. Similarly, C9_14 closed at \$26,070 daily, whereas a week earlier had paused at \$26,155 daily.

No period fixtures reported this week.

The **Panamax** market enjoyed an upward correction this week, with the Baltic Panamax 82 Index concluding at \$ 7,830 daily or up 12.8 % W-o-W.

The Pacific region started having improved rates, with some fresh coal and grain enquires coming from the North but still no signs of the so much desired grains out of the USG that would push the market further. Vessels coming from the FEAST, had to target NCSA stems but rates were still not justifying the long ballast. From Nopac, the 'Miyama' (75,777 dwt, 2005) was reported with prompt delivery Cjk for a trip back to Singapore-Japan range at \$4,500 daily with Cargill. Earlier in the week, similar tonnage was heard to have fixed at around \$3,000 daily. For Australia and Indonesia loading, although demand for minerals increased, fixing volume was limited as owners chose to resist charterers bids. More modern/eco KMXs started ballasting towards ECSA seeing rates improving during mid-week. The 'Zheng Heng' (81,948 dwt, 2012) was agreed with aps delivery EC Australia 23/25 Jan for a trip with Coal to India at \$5,000 plus \$200,000 ballast bonus with Tata Nyk and the same charterer for the same run took a scrubber fitted Kmx at \$7,000 plus \$300,000 ballast bonus. Further south, the 'Diamantina' (82,139 dwt, 2010) was concluded basis delivery Hong Kong 15 Jan for a trip with coal to Japan at \$4,000 daily, whilst the 'Ecomar G.O' (75,093 dwt, 2008) was fixed to Deyesion with aps delivery Indonesia 20 Jan for a trip to South China at \$4,600 plus \$46,000 ballast bonus.

In the Atlantic basin, the main attraction was the ECSA market for yet another week, with rates improving mid-week. However, sentiment seemed to have changed towards the end of the week. The Lavinia controlled 'Triton' (75,336 dwt, 2012) was fixed basis delivery ECSA Beginning February at a strong rate of \$14,000 plus \$400,000 ballast bonus for a trip to Singapore/Japan range, and the 'Navios Prosperity' was linked to Norden for a trip to Vietnam at \$14,500 plus \$450,000 ballast bonus. For a Transatlantic round via NCSA, Cargill was linked with the 'Beitegeuze' (77,089 dwt, 2007) with delivery aps Fazendinha 26-30 Jan at \$11,000 daily and redelivery Skaw-Passero. The Black sea region was more active this week, with Amarante taking the 'Key Light' (81,301 dwt, 2016) with delivery Gibraltar 14 Jan for a trip with grains to S.Korea at \$17,000 daily, and Aquavita concluding the 'RB Jordana' (81,301 dwt, 2016) with delivery Port Said 15-16 Jan for a trip to China at \$10,000 daily but with redelivery Durban.

Not much reported in terms of period deals, with Nordic taking the 'Brahms' (75,200 dwt, 2011) with delivery Dunkirk 21 Jan for 2 laden Legs and redelivery Spore-Japan at \$13,750 daily.

Another week passed with spot market remaining under pressure for the **Supramax** segment.

For many market participants, we're still "on the dark side of the moon" in some areas in the Pacific. There was a limited amount of actual fixtures reported from N.China, with most shipowners starting to become quite nervous about this area. The 'Jaeger' (52,483 dwt, 2004) was fixed basis dely Zhoushan at \$500 for the 1st 70 days with escalation thereafter for trip to WCSA. Backhauls were slightly improved with Ultras that are able to do 2 tiers x 25tns steels obtaining around \$3,000 daily from Korea for the 1st 70 days and around \$9,000 thereafter to Cont/Med. Rates were hovering at around \$1,500 for the 1st 60 days and at around 7,500 thereafter for redelivery West Africa again on Ultras. The market in NoPac seemed to be more or less unchanged from last week as reports emerged, with fresh business quickly absorbed. The 'Darya Jaya' (63,584 dwt, 2017) got \$7,500 + \$250K bb dely aps NoPac for a beginning February trip with grains to SEAsia. The SEAsia remained largely APS and although there was a reasonable volume of coal cargoes that have been consistently fixed, rates remain at low levels, with little to no indication of any immediate change. The 'Flag Filia' (56,519 dwt, 2014) sailed CJK 14 January, was fixed at \$6,000 dely aps E.Kali for trip with coal to WCI. On the larger size, the 'Tokyo Bulker' (61,439 dwt, 2012) rumoured gone at \$8,500 aps E.Kali for a coal trip to Thailand. The stronger fixture reported was the 'Great Rainbow' (63,464 dwt, 2015) at low \$9,000s dely aps Taboneo for coal trip to CJK. The Aussie market fared worse with activity being negligible. The downward trend persisted through the week across the Indian Ocean and to the PG, with rates drifting lower as Charterers had a plethora of vessels to choose from. The 'Ionic' (58,468 dwt, 2013) was fixed at \$6,000 aps WCI for a salt trip to China. The 'Eolus' (53,428 dwt, 2009) concluded at \$5,000 aps PG for trip to ECI. S.Africa offered some opportunities for those in ballast from SE Asia and the Indian Ocean, but nothing spectacular for Owners, who are still unable to secure a premium as Charterers have the upper hand. The 'Metsovo' (57,498 dwt, 2015) was fixed at \$12,000 + 200K bb aps Saldanha Bay for trip to Far East and the 'Nikolas III' (58,081 dwt, 2009) got \$11,000 + \$140K bb aps P.Elizabeth again for trip to FEAST. Late Friday afternoon, it was rumoured that a 56,000 tonner fixed a trip with ilmenite to Far East basis dely aps Mombasa at usd 11,000 + \$100K bb.

In the Atlantic, market was less than exciting. USG was the area that yielded the best results, merely by holding close to 'last done' levels. Few fixtures were heard from the area, among them a 60,000 tonner that allegedly got about \$14-15,000 daily basis delivery USEC for trip to East Africa and redelivery Passing Durban. Rates in ECSA retreated slightly compared to last week. A 50,000 tonner was rumoured to obtain \$9,700 basis delivery Paranagua for a trip with sugar to Bejaia. Moving on to the Continent, conditions remained largely unchanged week-on-week. The 'Nautical Anne' (63,593 dwt, 2016) took \$9500 passing Ushant for a scrap run into Egypt. The Black Sea, on the other hand, continued to lose steam, as rates for short employment in the Atlantic were being traded at about \$1k less than last week. However, it seems we are close to reaching a resistance point. The 'Akra' (61,302 dwt, 2016) got \$6,000 daily basis delivery Iskenderun for Clinker to West Africa, while a Supramax was rumored fixed at \$3,000 daily for salt from Egypt to USEC. The option of fronthaul employment wasn't very rewarding either. The 'Atlantic Elm' (58,082 dwt, 2012) was rumoured fixed for steels to SE Asia at \$12,500 basis delivery Canakkale.

On the period front, it was heard that 'Amis Hero' (63,469 dwt, 2017) open Busan 21st January locked \$10,750 for 4/6 months trading with redelivery worldwide. Further south a completely different picture with the 'Teresa Oetker' (57,970 2010) open SE Asia fixing basis dely Dumai \$4,900 for 1st 30 days and \$8,000 thereafter for 6-8 months.

"Is it the Pig or the Rat that will prevail at the end?" for the **Handysize**.

In the Pacific, 'grey clouds' and 'radio silence' paint quite the scenery. A rare combination of difficulties on bunkers availability, even in major ports like Singapore and Fujairah, paired with the lack of cargoes in general in South East Asia, keeps the market under strong negative pressure. If we add on that the warlike situation in Persian Gulf, the ice season at CIS (even if not that harsh yet) along with some random unfortunate events like the erupted Taal volcano in Philippines, we can easily understand that we are not facing a superficial problem. More specifically, North of Taiwan we heard 'Strategic Harmony' (39,000 dwt, 2014) open Bayuquan spot which was fixed at \$3,500 basis passing Moji for a slag cargo via Japan to Peru. Another one was 'Ikan Jenahar' (33,000 dwt, 2010) open at Tokyo that got \$4,750 basis dop for a slag run via Tokyo to Singapore. As a result, the HS6_38 index (N.China-S.Korea-Japan trip to N.China-S.Korea-Japan) moved negatively at 5,188 daily. On the other hand, the market South of Taiwan in South East Asia appeared slightly more active. The 'Ken Sky' (28,000 dwt, 2011) opening at Hochimin was concluded at \$5,750 basis aps Thailand for a trip with sugar to Indonesia. A bit better luck for 'Asahi Maru' (38,000 dwt, 2011) opening at Bangsaphan which was agreed at \$6,500 dop for concentrates via Aussie to South East Asia. The HS5_38 index (South East Asia to Japan route) dropped \$97 to an average of \$5,188 daily. Finally, in the Persian Gulf, 'Faith' (30,000 dwt, 2011) was fixed at \$4,250 basis dop Fujairah for a gypsum run to Lumut.

This past week there was a song playing in my head over and over again, "The Rat" from the indie group "The Walkmen". Especially where it says "You've got a nerve to be asking a favour, you've got a nerve to be calling my number, I know we've been through this before". And the problem was that charterers were "singing" the same song to the owners! Market is on a downward spiral and most owners are running for cover. There was only one area in the Atlantic that somehow saved the face of the market and that was ECSA. The unwillingness of owners to ballast into the area so easily and the usual delays in Brazil, stressed the charterers who were looking for ships loading towards the end of the month, pushing rates higher and higher. One needs to follow this trend and see if this will continue in the days to come. USG on the other hand slipped into lower levels this past week. Limited fresh handy stems and a relative abundance of tonnage lead to result. Continent was rather steady, not in a boom but equally not in a gloom. The winter is definitely here with all the ups and downs it brings along. The only problem that some foresee is that pressure of tonnage from the distressed Med/BI. Sea could tip the scales quickly. It will not be long for owners with ships in W. Med to realise that getting \$4,000 all the way from Canakkale for a round voyage makes limited sense. And ballasting to N. France and Continent might be a short-term solution.

Nothing reported on the period desk.

Fixture Tables

Representative Capesize Fixtures						
Vessel	Load Port	Laycan	Discharge Port	Freight	Charterers	Cargo
Knightship	Tubarao	end Jan	Qingdao	\$17.95	Vale	170000/10 iore
Pan Dream	Port Hedland	28/30 Jan	Qingdao	\$7.25	FMG	160000/10 iore
Shinyo Fortune	Gladstone	01/10 Feb	Qingdao	\$8.40	Tongli	160000/10 iore
Cape Trader	Acu	10/20 Feb	Bahrain	\$15.15	Oldendorff	160000/10 iore
Adani TBN	Saldanha Bay	7/12 Feb	Qingdao	\$13.20	Ore & Metals	160000/10 iore

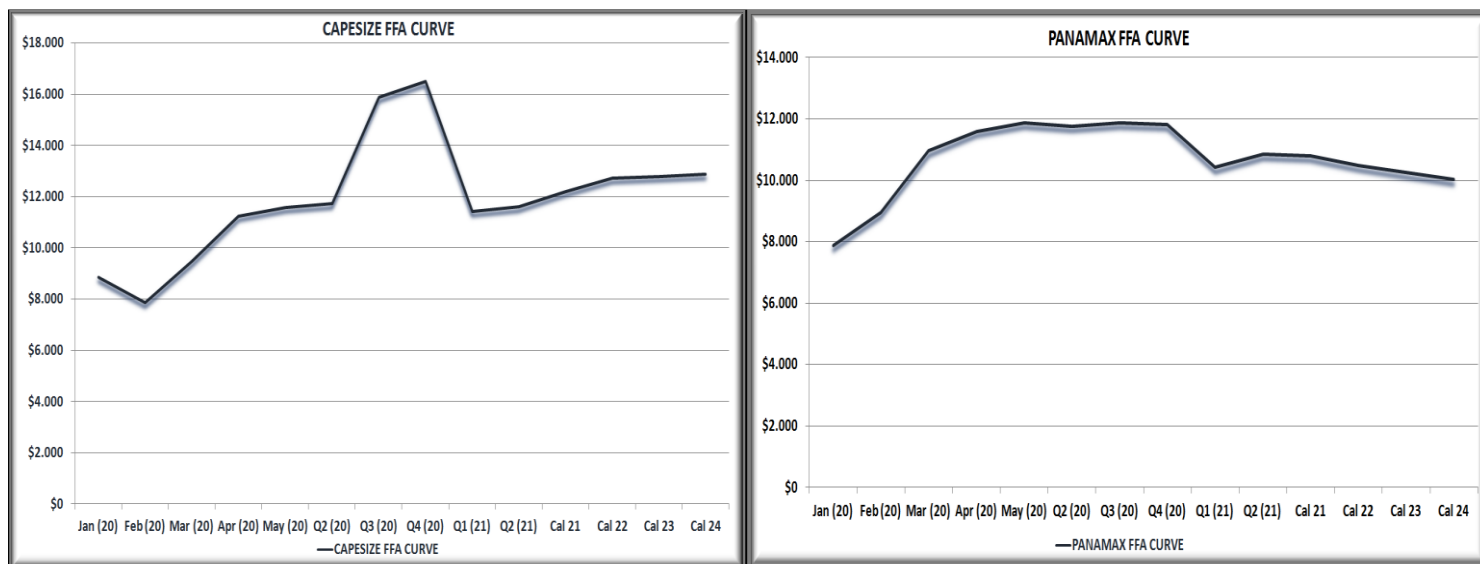
Representative Panamax Fixtures								
Vessel	DWT	Built	Delivery	Date	Re-del	Rate	Charterers	Comment
Miyama	75,777	2005	Cjk	Prompt	Singapore-Japan	\$4,500	Cargill	Via Nopac
Zheng Heng	81,948	2012	Ec Australia	23-25 Jan	India	\$5,000 plus \$200,000 bb	Tata Nyk	Via Ec Australia
Diamantina	82,139	2010	Hong Kong	15 Jan	Japan	\$4,000	Cnr	via Indonesia
Ecomar G.O	75,093	2008	Indonesia	20 Jan	S.China	\$4,600 plus \$46,000 bb	Byesion	via Indonesia
Triton	75,336	2012	ECSA	beg Feb	Singapore-Japan	\$14,000 plus 400,000 bb	Cnr	via ECSA
Navios Prosperity	82,535	2007	ECSA	4-6 Feb	Vietnam	\$14,500 plus 450,000 bb	Norden	via ECSA
Beteigeuze	77,089	2007	Fazendinha	26-30 Jan	Skaw-Passero	\$11,000	Cargill	via NCSA
Key Light	81,301	2016	Gibraltar	14 Jan	S.Korea	\$17,000	Amarante	via B.Sea
Rb Jordana	81,301	2016	Port Said	15-16 Jan	Durban	\$10,000	Aquavita	via B.Sea and China
Brahms	75,200	2011	Dunkirk	21 Jan	Singapore-Japan	\$13,750	Nordic	2 Laden Legs

Representative Supramax Fixtures								
Vessel	DWT	Built	Delivery	Date	Re-del	Rate	Charterers	Comment
Jaeger	52,483	2004	Zhoushan	prompt	WCSA	\$500	Hanwin	via China
Darya Jaya	63,584	2017	NoPac	beg Feb	SE Asia	\$7,500+250K bb	cnr	via NoPac
Flag Filia	56,519	2014	E.Kalimantan	prompt	WC India	\$6,000	cnr	via Indonesia
Tokyo Bulker	61,439	2012	E.Kalimantan	prompt	Thailand	\$8,500	cnr	via Indonesia
Great Rainbow	63,464	2015	Taboneo	Prompt	CJK	low 9,000s	ESM	via Indonesia
Ionic	58,468	2013	WC India	Prompt	China	\$6,000	cnr	via WC India
Eolus	53,428	2009	PG	prompt	EC India	\$5,000	cnr	via PG
Metsovo	57,498	2015	Saldanha Bay	prompt	Far East	\$12,000+200k bb	Norvic	via Saldanha Bay
Nikolas III	58,081	2009	Port Elizabeth	prompt	Far East	\$11,000+140K bb	Lighthouse	via Port Elizabeth
Nautical Anne	63,593	2016	Ushant	prompt	Egypt Med	\$9,500	cnr	scrap
Akra	61,302	2016	Iskenderun	prompt	Wafrika	\$6,000	cnr	clinker
Atlantic Elm	58,082	2012	Canakkale	prompt	SE Asia	\$12,500	cnr	steels
Amis Hero	63,469	2017	Busan	21-Jan	WW	\$10,750	cnr	period 4/6 mos
Teresa Oetker	57,970	2010	Dumai	prompt	ww	900 1st 30d, \$8,000 balan	cnr	6/8 months

Representative Handysize Fixtures								
Vessel	DWT	Built	Delivery	Date	Re-del	Rate	Charterers	Comment
Strategic Harmony	39,000	2014	Moji	prompt	Peru	\$3,500	cnr	slag via Japan
Ikan Jenahar	33,000	2010	Tokyo	prompt	Spore	\$4,750	cnr	Slag via Tokyo
Ken Sky	28,000	2011	Thailand	prompt	Indonesia	\$5,750	cnr	sugar
Asahi Maru	38,000	2011	Bangsaphan	prompt	S.E.asia	\$6,500	cnr	concs via Aussie
Faith	30,000	2011	Fujairah	prompt	Lumut	\$4,250	cnr	gypsum via PG
Nordic Busan	35,800	2018	Recalada	prompt	SEAsia	\$17000	Cargill	
Mars Hamrony	36,898	2019	Recalada	prompt	WCSA	\$16500	Trithorn	
Hope	34,174	2011	Hamburg	prompt	Emed	\$8000	cnr	scrap
Seamaster	36,962	2018	Freeport	prompt	UK/Cont	\$9000	Canfornav	woodpellets
Fortune Bay	28,671	2006	Canakkale	prompt	PG	\$7500	cnr	grains

FFA Market

With the exception of Handysize paper, forward market kept moving south. In line with the general bearish tone of the spot market, the front end of Capesize curve reported substantial losses of \$1,169 W-o-W, balancing at \$8,850 for January contracts. In the opposite direction from its spot market, Panamax paper lost steam, with January contracts moving 19% lower than last Friday levels and concluding at \$7,880. The downward pressure continued across Supramax forward curve, negatively affecting the closing levels for both January and February at \$6,382 and \$7,221 respectively, or 4.39% and 5.21% on a weekly basis. On the contrary, an upward tendency made its appearance in the Handysize forward market, with January contracts reporting marginal gains of circa \$30, ending at \$7,816 daily.

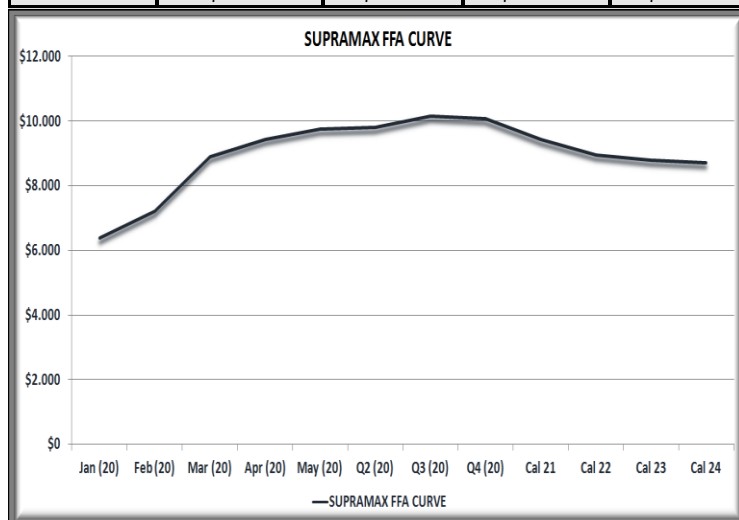


BFA Capesize 5TC

Date	Jan (20)	Feb (20)	Mar (20)	Q2 (20)	Q3 (20)	Cal 21	Cal 22	Cal 23	Cal 24
10-Jan-20	\$10.019	\$9.984	\$11.188	\$16.394	\$16.963	\$12.197	\$12.788	\$12.803	\$12.850
17-Jan-20	\$8.850	\$7.856	\$9.463	\$11.719	\$15.875	\$12.203	\$12.716	\$12.788	\$12.872

BFA Panamax 5TC

Date	Jan (20)	Feb (20)	Mar (20)	Q2 (20)	Q3 (20)	Cal 21	Cal 22	Cal 23	Cal 24
10-Jan-20	\$6.663	\$7.638	\$9.659	\$10.353	\$10.250	\$9.372	\$9.125	\$8.897	\$8.688
17-Jan-20	\$7.880	\$8.955	\$10.952	\$11.764	\$11.870	\$10.792	\$10.477	\$10.245	\$10.020

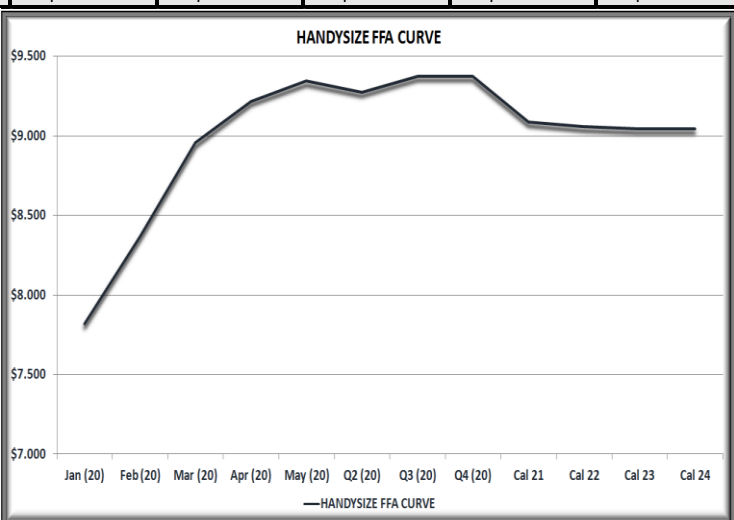


BFA Supramax 5TC

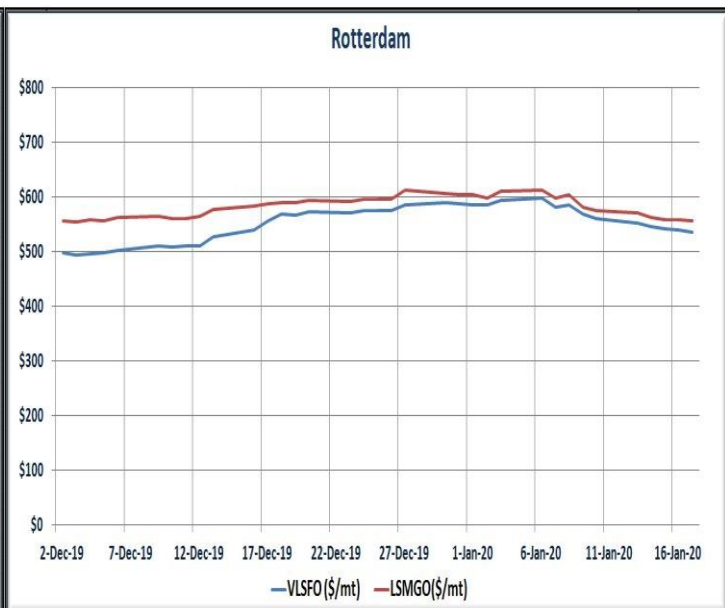
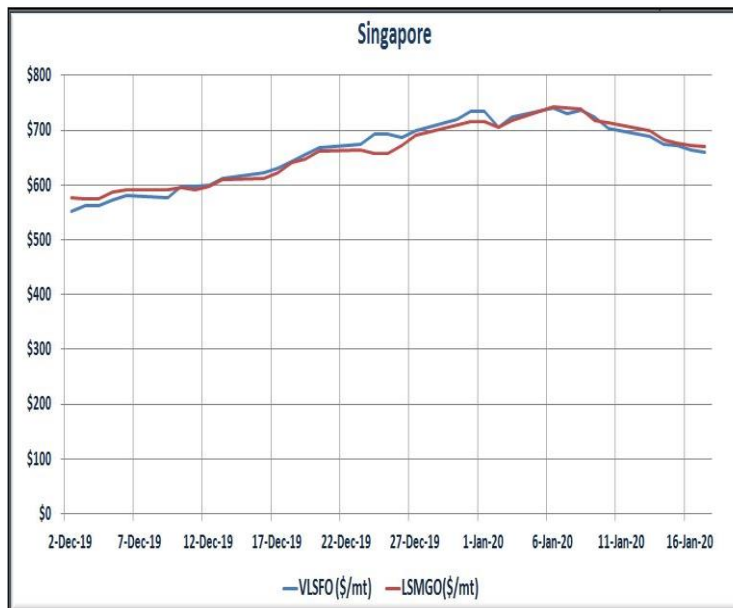
Date	Jan (20)	Feb (20)	Mar (20)	Q2 (20)	Q3 (20)	Cal 21	Cal 22	Cal 23	Cal 24
10-Jan-20	\$6.675	\$7.618	\$9.089	\$10.007	\$9.971	\$9.375	\$9.011	\$8.814	\$8.707
17-Jan-20	\$6.382	\$7.221	\$8.911	\$9.811	\$10.161	\$9.439	\$8.964	\$8.804	\$8.721

BFA Handysize 5TC

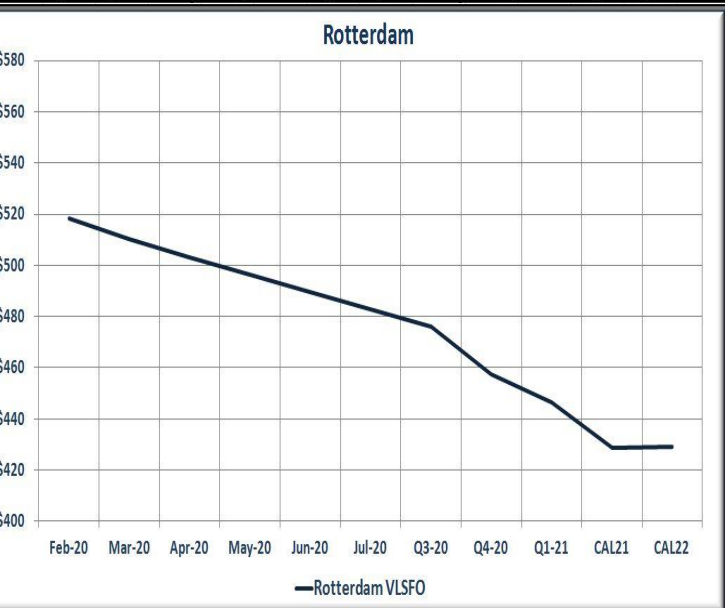
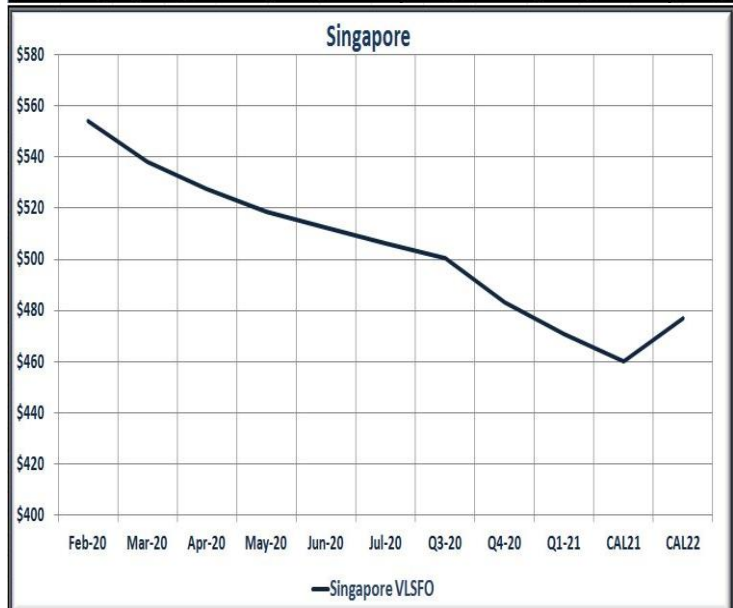
Date	Jan (20)	Feb (20)	Mar (20)	Q2 (20)	Q3 (20)	Cal 21	Cal 22	Cal 23	Cal 24
10-Jan-20	\$6.050	\$6.588	\$7.050	\$7.438	\$7.438	\$7.156	\$7.113	\$7.106	\$7.106
17-Jan-20	\$7.816	\$8.366	\$8.954	\$9.272	\$9.372	\$9.085	\$9.054	\$9.041	\$9.041



Bunker Market



Date	Rotterdam		Singapore		Fujairah		Gibraltar		Houston	
	VLSFO (\$/mt)	LSMGO(\$/mt)	VLSFO (\$/mt)	LSMGO(\$/mt)	VLSFO (\$/mt)	MGO(\$/mt)	VLSFO (\$/mt)	LSMGO(\$/mt)	VLSFO (\$/mt)	MGO(\$/mt)
13-Jan-20	\$551	\$571	\$689	\$699	\$726	\$782	\$654	\$670	\$604	\$634
14-Jan-20	\$545	\$562	\$675	\$682	\$710	\$771	\$639	\$648	\$602	\$620
15-Jan-20	\$542	\$558	\$672	\$676	\$697	\$749	\$624	\$633	\$584	\$604
16-Jan-20	\$539	\$557	\$664	\$672	\$686	\$743	\$614	\$624	\$580	\$603
17-Jan-20	\$535	\$555	\$660	\$670	\$683	\$740	\$610	\$620	\$577	\$601
Week High	\$551	\$571	\$689	\$699	\$726	\$782	\$654	\$670	\$604	\$634
Week Low	\$535	\$555	\$660	\$670	\$683	\$740	\$610	\$620	\$577	\$601
Week Avg	\$542	\$560	\$672	\$680	\$700	\$757	\$628	\$639	\$589	\$612



Singapore	17-Jan-20	Week max	Week low	Week Avg	RTDM	17-Jan-20	Week max	Week low	Week Avg
Feb-20	\$553.9	\$564.2	\$544.2	\$555.2	Feb-20	\$518.4	\$522.5	\$510.7	\$517.7
Mar-20	\$538.2	\$549.2	\$531.5	\$541.2	Mar-20	\$510.4	\$516.8	\$504.0	\$511.1
Apr-20	\$527.7	\$539.3	\$523.7	\$532.1	Apr-20	\$503.2	\$510.0	\$497.5	\$504.6
May-20	\$518.7	\$531.3	\$517.2	\$524.3	May-20	\$496.2	\$503.8	\$491.0	\$498.0
Jun-20	\$512.4	\$524.0	\$511.2	\$517.4	Jun-20	\$489.4	\$497.0	\$484.5	\$491.4
Jul-20	\$506.2	\$517.0	\$505.2	\$510.7	Jul-20	\$482.7	\$490.3	\$478.0	\$484.7
Q2-20	\$519.6	\$531.5	\$517.4	\$524.6	Q2-20	\$496.3	\$503.6	\$491.0	\$498.0
Q3-20	\$500.4	\$510.0	\$499.3	\$504.3	Q3-20	\$476.2	\$483.5	\$471.5	\$478.1
Q4-20	\$483.2	\$489.7	\$481.3	\$485.2	Q4-20	\$457.4	\$464.9	\$452.5	\$459.3
Q1-21	\$470.9	\$476.8	\$468.8	\$471.7	Q1-21	\$446.4	\$452.5	\$439.8	\$447.1
CAL21	\$460.1	\$462.6	\$458.1	\$459.8	CAL21	\$428.8	\$441.4	\$426.8	\$433.4
CAL22	\$476.8	\$476.8	\$458.1	\$463.2	CAL22	\$429.3	\$464.4	\$426.8	\$447.3

Dry Bulk S&P Market

Following Christmas holidays, the first days of IMO 2020 regulation and ahead of a sluggish period due to upcoming Chinese New Year festive period, the dry bulk second hand market exhibited healthy activity despite the immense pressure all sizes face on the freight market. Considerable volume of transactions was reported suggesting strong buying appetite, whereas in terms of prices, same seem to soften mostly in the smaller sizes.

In the real action, starting from the Kamsarmaxes - Panamax, the 'Majestic Sky' (81K, Tadotsu, 2014) was reported sold for \$21.3 mio to Japanese buyers. A few sources have reported the sale of the 'Afterhours' (75K, Hudong, 2007) to Greek buyers for \$9 mio. A couple of weeks back, we had seen the 'Calipso' (built 2005) fetching levels of low/mid \$7 mio.

Moving down to the Supras, Greek buyers were linked with the purchase of 'Easter N' (58K, Kawasaki, 2012) for about \$15 mio. 'Frieda Selmer' (56K, Mitsui, 2004) was committed to Chinese buyers for \$8.7 mio, in line with figures achieved by 'Georgios S' last week. Dolphin 57 design remains popular in the Chinese market as yet another unit was snapped up by Chinese buyers, namely the 'Vincent Gemma' (57K, Taizhou Sanfu, 2010) which obtained \$9.8 mio, in par with the "last done" 'Tatjana' which went for \$9 mio (built 2009).

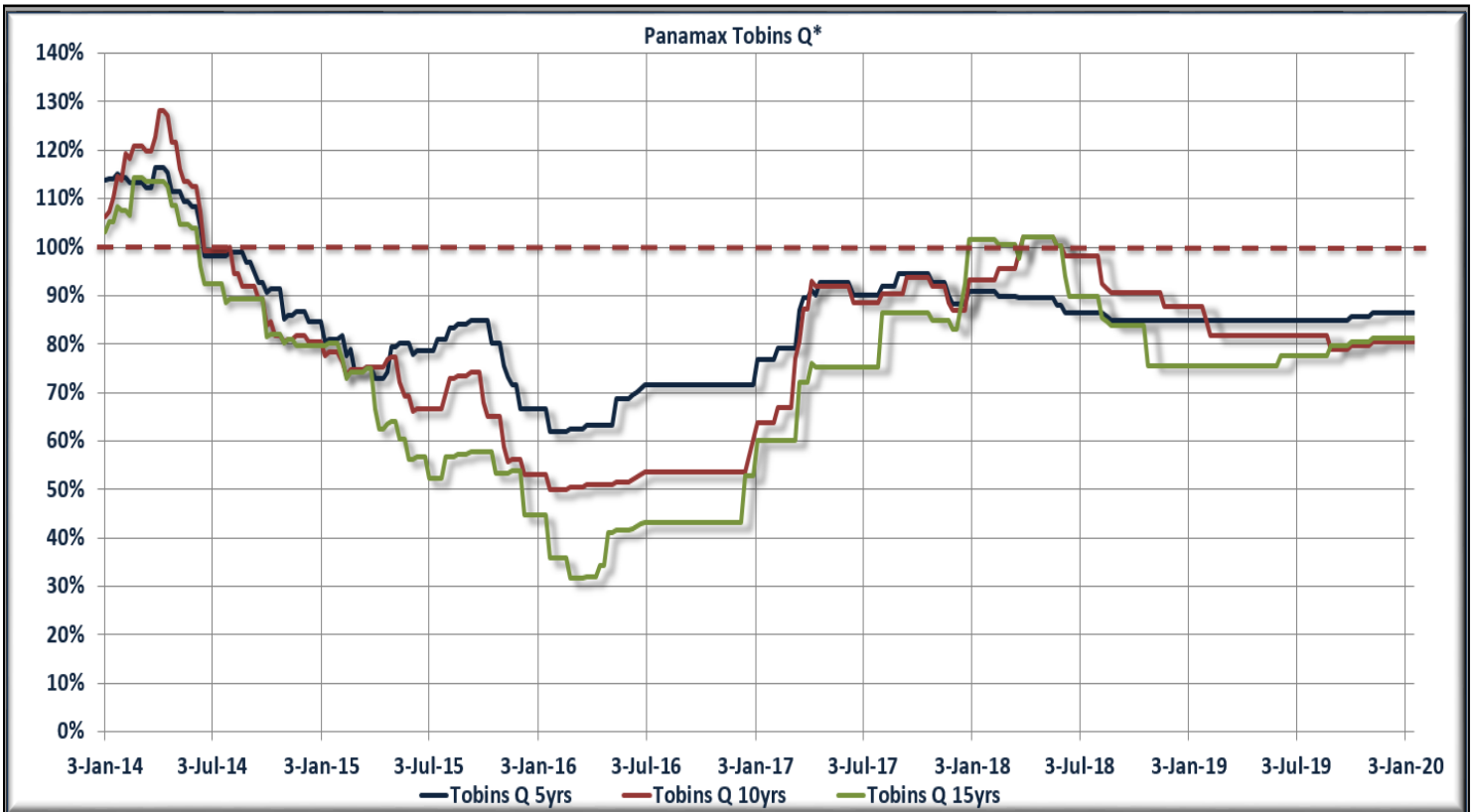
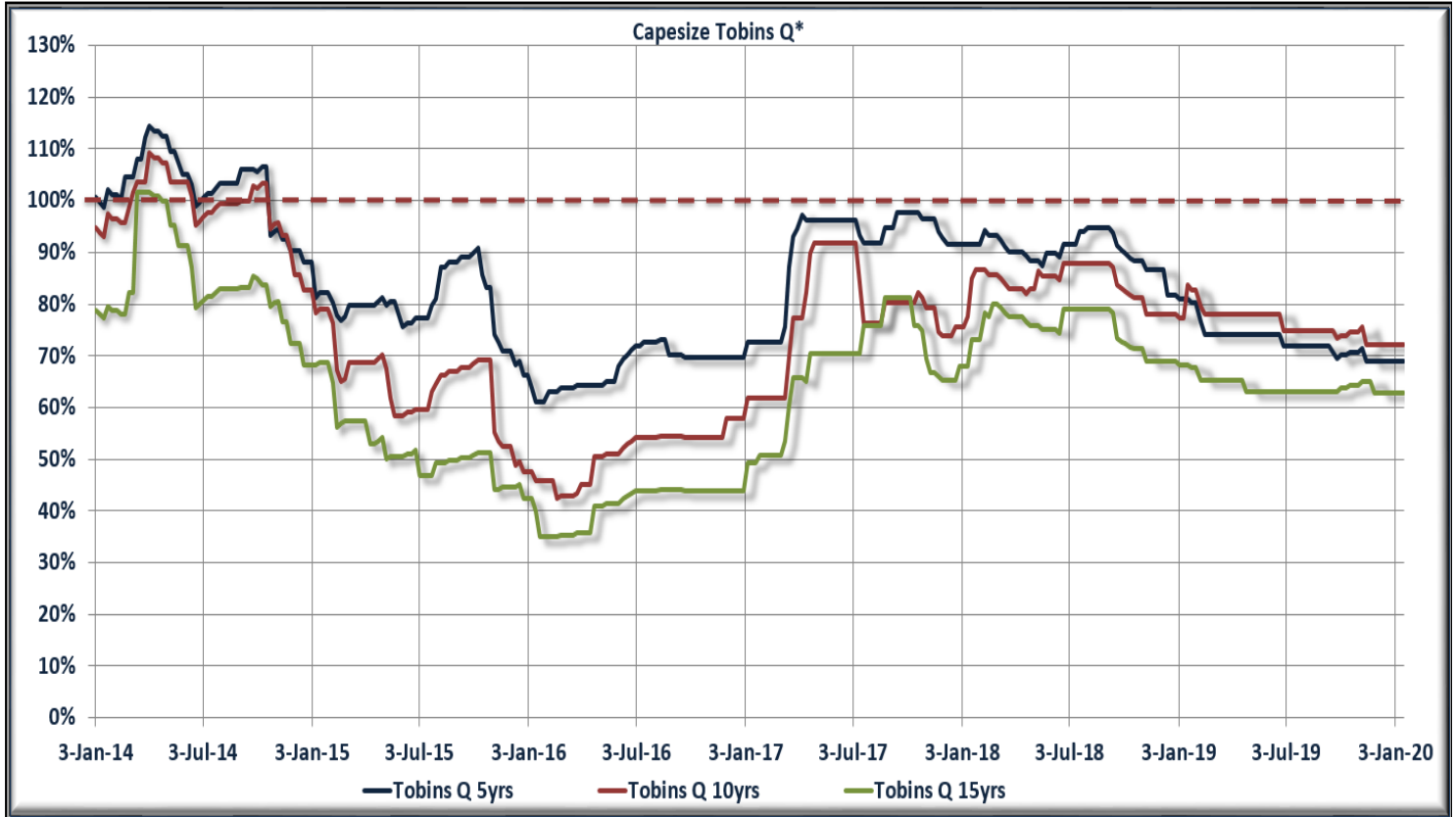
In the workhorses of the segment, larger handy 'Calm Bay' (37K, Saiki, 2006) was reported sold to undisclosed buyers for a price in the region of mid \$7 mio, with her surveys promptly due. Following the sale of 'Shelduck' back in November for mid \$9 mio, one-year older sister 'Canvasback' (34K, SPP, 2011) found Chinese takers at \$8.5 mio. Global Garland (32K, Hakodate, 2009) changed hands this week with rumored levels of the transaction oscillating from \$7.4 mio to \$7.7 mio. In any case, any of the above mentioned levels is considered on the low side in par with recent reported activity. As a reminder, 'Cielo di Pisa' (32K, Kanda, 2008, BWTS fitted) was sold a few weeks back for a price a tick in excess of \$8 mio. Finally, the Imabari 28 'Georgia' (built 2000) went for \$4 mio, somewhat softer levels compared to the high \$4's obtained by 'Lovely Klara' (built 2002).

Reported Recent S&P Activity						
Vessel Name	DWT	Built	Yard/Country	Price \$Mil.	Buyer	Comments
Azul Fortuna	203,095	2005	Universal/Japan	15.8	Undisclosed buyers	
Km Tokyo	83,483	2010	Sanoyas Hishino/Japan	15.75	Greek buyers	BWTS Fitted
Coral Emerald	75,632	2007	Sanoyas Hishino/Japan	mid 11.0	Undisclosed buyers	
Clio	73,691	2005	Jiangnan/China	7.4	Undisclosed buyers	
Arethusa-I	75,319	2001	Samho HI/S.Korea	6.5	Greek buyers	
Harvest Festival	72,497	1998	Imabari Marugame/Japan	mid 5.0	Chinese buyers	
Iwagi 515	63,000	2019	Iwagi/Japan	28	Japanese buyers	C 4 x 30,7 / 12 mos TCB
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
Baoxiang	56,810	2013	Xiamen/China	11.6	Chinese buyers	C 4 x 30
Yasa Ozcan	55,924	2006	Mitsui Tamano/Japan	10.6	Undisclosed buyers	C 4 x 30
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
Ero L	50,457	2003	Jiangnan/China	6.0	Chinese buyers	C 4 x 36
Glyfada	45,455	1995	Tsuneishi/Japan	excess 4.0	Undisclosed buyers	C 4 x 25
Graig Cardiff	34,827	2012	Jiangdong/China	8.7	Undisclosed buyers	DD due
Aargau	32,790	2010	Universe/China	5.8	Turkish buyers	C 4 x 30,5
Dorothea Oldendorff	32,929	2009	Zhejinag Zhenghe/China	5.9	Undisclosed buyers	C 4 x 30
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	8.6	Undisclosed buyers	C 4 x 30 / dd due 2020
Lovely Klara	28,186	2002	Minami-Nippon/Japan	4.7	Chinese buyers	C 4 x 30
Sea Magic	21,274	2007	Linhai Huipu/China	2.9	Undisclosed buyers	C 3 x 25

*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.

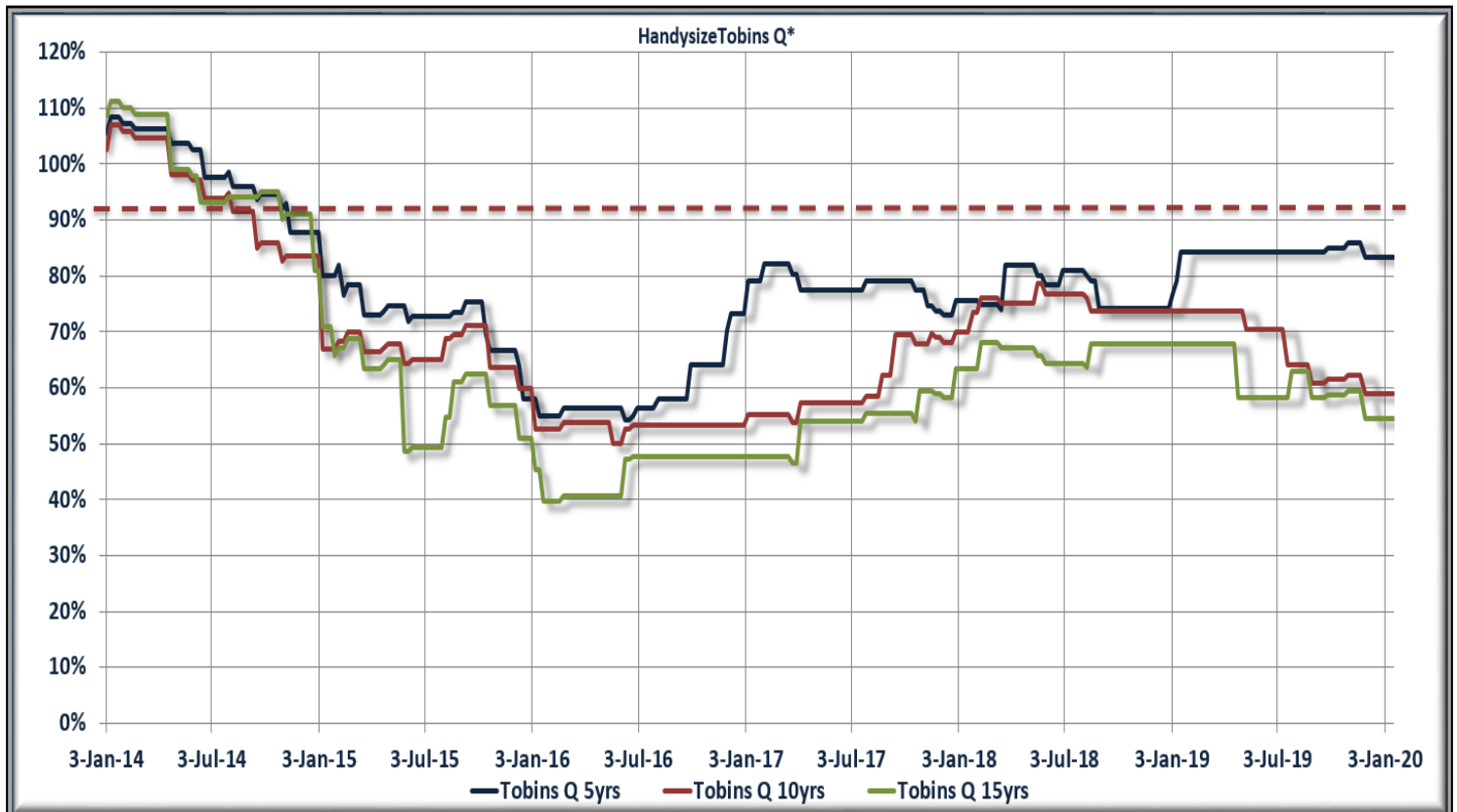
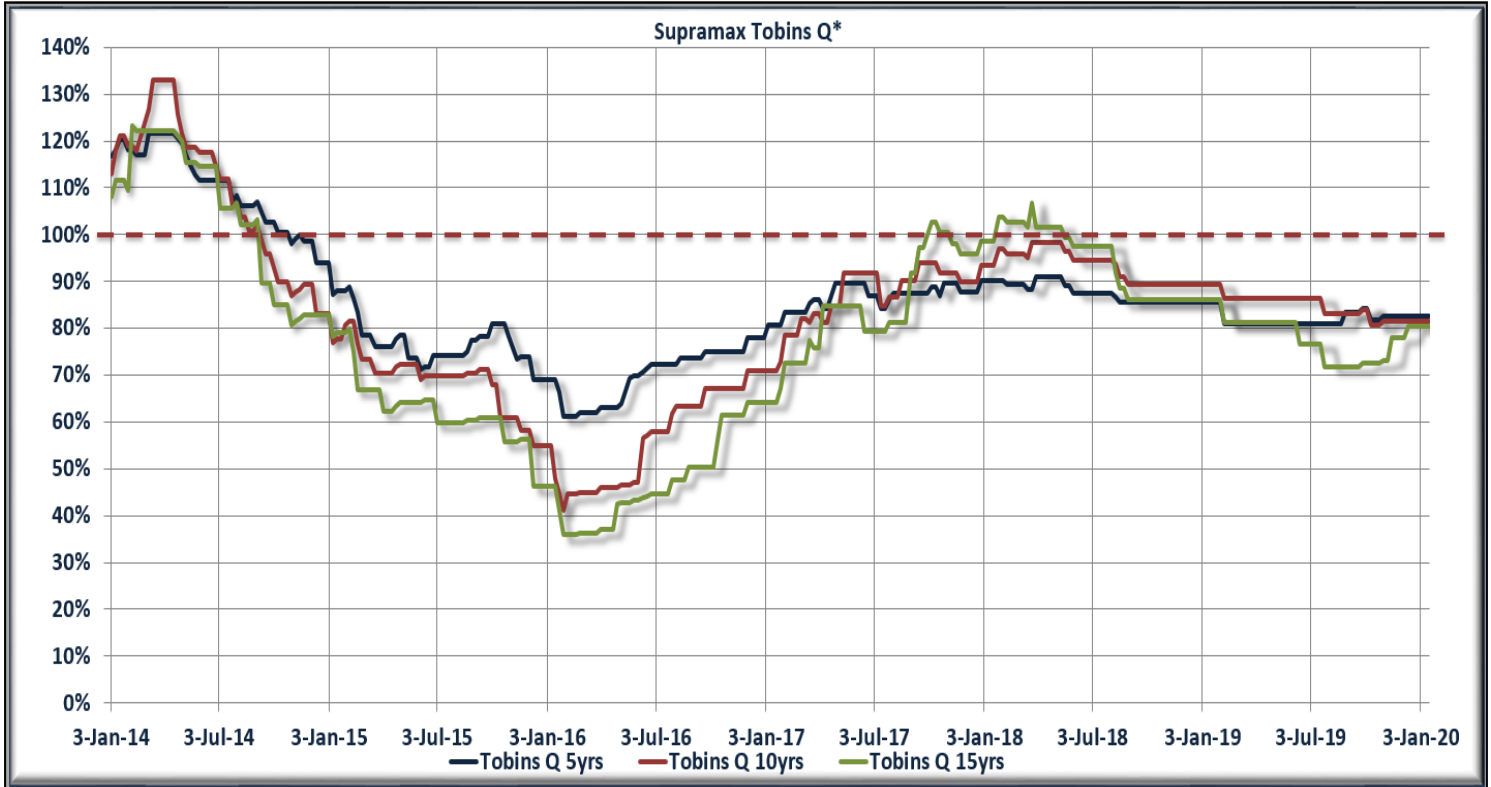
Tobin's Q* Capesize-Panamax

Date	Capesize 5yrs	Capesize 10yrs	Capesize 15yrs	Panamax 5yrs	Panamax 10yrs	Panamax 15yrs
Current ratio	69%	72%	63%	86%	80%	81%
12months High	81%	84%	68%	86%	88%	81%
12months Low	69%	72%	63%	85%	79%	76%
12months Avg	73%	76%	64%	85%	81%	78%



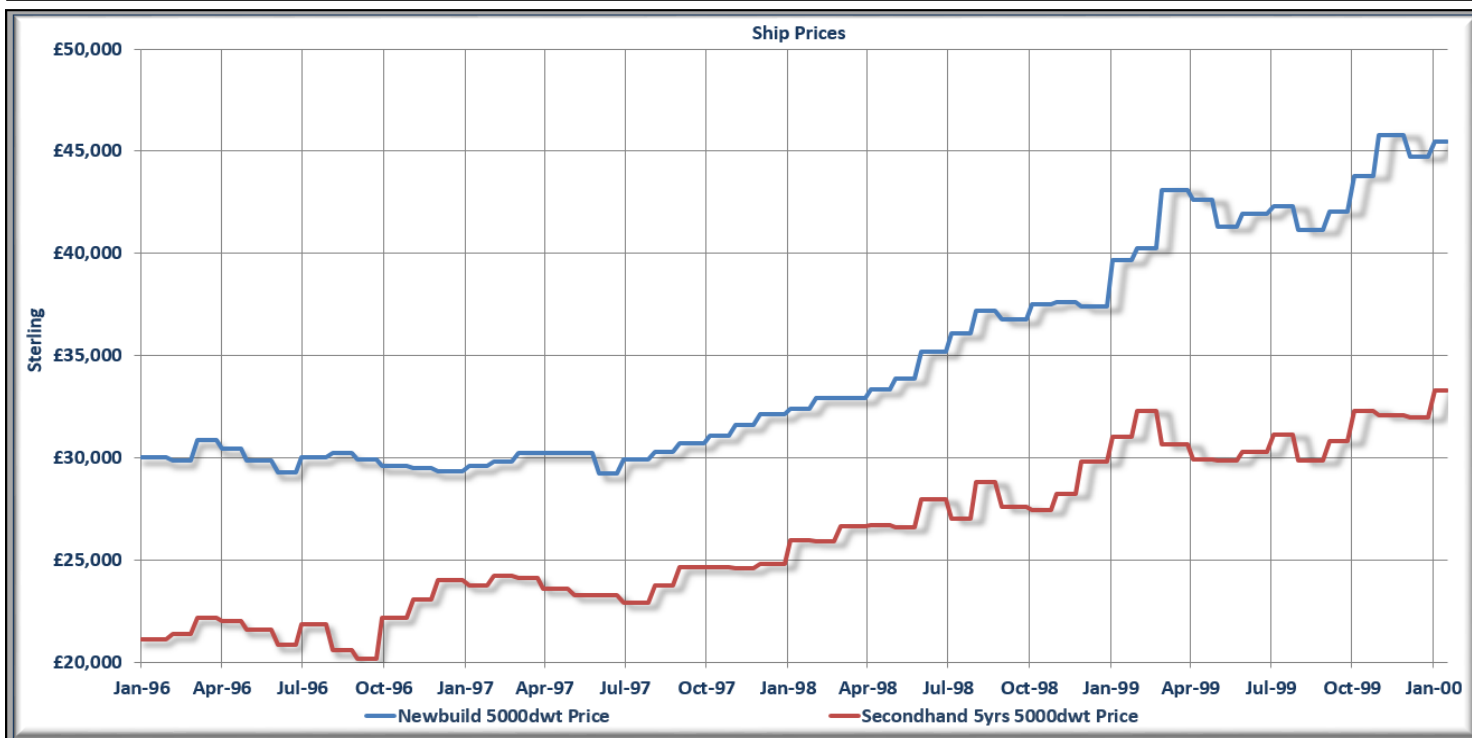
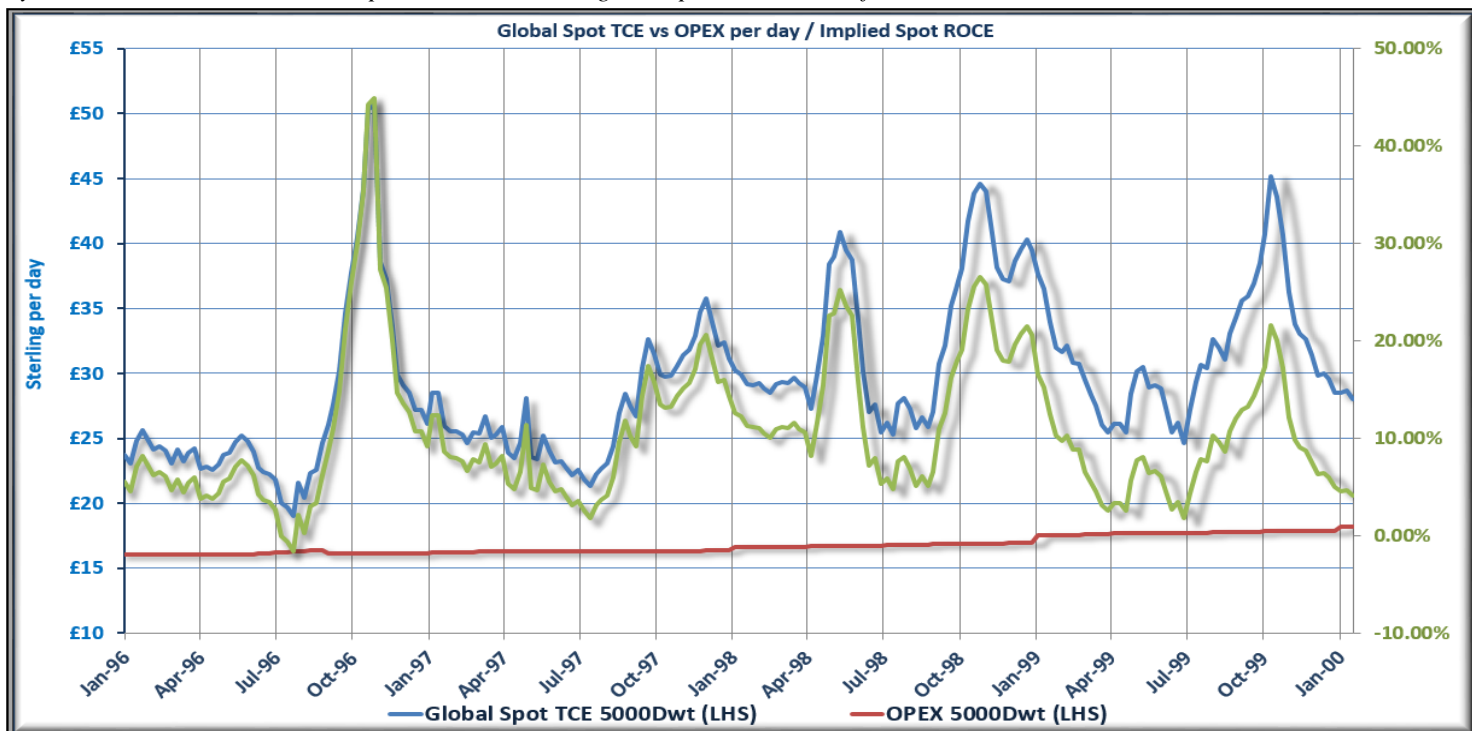
Tobin's Q* Supramax-Handysize

Date	Supramax 5yrs	Supramax 10yrs	Supramax 15yrs	Handysize 5yrs	Handysize 10yrs	Handysize 15yrs
Current ratio	83%	81%	80%	83%	59%	54%
12months High	86%	89%	86%	86%	74%	68%
12months Low	81%	81%	72%	83%	59%	54%
12months Avg	82%	84%	78%	84%	67%	61%



Market Insight 120 years ago

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



Weekly Spot Market	Current week	Previous week	Dec-01	Nov-01	Oct-01
Implied Spot Roce	4.1%	4.7%	5.9%	8.8%	17.7%
Global Spot TCE	£28.03	£28.71	£29.41	£32.72	£41.24
BlackSea Round	£27.29	£28.32	£29.60	£32.06	£41.93
East Round	£33.86	£32.43	£31.05	£39.09	£46.01
Med Round	£25.89	£26.90	£27.86	£30.99	£37.83
US Round	£32.94	£32.20	£32.90	£35.26	£43.22
River Plate Round	£35.23	£36.54	£30.89	£36.22	£45.21

S&P Market (5,000dwt)	Current week	Previous week	Dec-01	Nov-01	Oct-01
NB	£45,468	£45,468	£44,730	£45,795	£43,782
SH 5yrs old	£33,270	£33,270	£31,950	£32,074	£32,278
SH 10yrs old	£25,834	£25,834	£24,609	£24,738	£24,952
SH 15yrs old	£20,062	£20,062	£18,783	£18,934	£19,189

*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 principal feature of the freight market during the past week has again been the difficulty in arranging outward employment for January loading, as coal rates, and especially from Wales, are lower all round. From Cardiff to the W.C Italy and for Port Said 9s has been accepted, while it is reported that the only stem obtainable for a prompt boat was for one to load for Venice or Ancona at 9s 3d. This latter fixture may represent a serious downward movement, for in proportion rates to Genoa, etc, would be 8s to 8s 3d. Such a fixture as this, however, cannot have much influence on the market, for it was obviously the case of a boat "in distress" having to take anything obtainable. It is now almost impossible to stem another boat for January loading, cargoes of the best coals being unobtainable outside of contract before about the 10th February. Much about the same state of affairs exists in regard to obtaining bunker coal, it being difficult to get even a second or third-ratt be one coal for shipment this month. Prices are very stiff, even through-and-through bunkers fetching from 9s 9d to 10s per ton, against 7s 9d to 8s and large coal 13s, against 11s only a little while ago. The congestion in South Wales has brought a bad condition of the Documentary Committee's new coal charter into prominence, namely, the demurrage clause. Those who formulated the clause had apparently only in their mind's eye small boats of about 2,500 tons cargo, which under normal conditions of freight market might be contented with demurrage at the rate of 16s 8d per hour of £20 per day, but for boats of 5,000 tons (and occasionally even up to 9,000 tons) which charterers are now constantly taking up, such a rate of demurrage as 16s 8d per hour is utterly ridiculous, as when running they cost their owners from £15 to £20 per day for stores, provisions, insurance, and wages. It is true that while waiting for cargo in Wales all the sailors and firemen would not be on board, still the most expensive hands would be on full pay – captain, officers and engineers; but these large boats ought to be making a profit of at least ..20 per day, while those of exceptionally large capacity would be making proportionately larger returns. Assuming 10 per cent per annum as a moderate yield to cover depreciation and to allow of an insignificant rate of interest on the capital, this means that nearly £11 per day is wanted to provide this 10 per cent per annum. Add this amount on to the working expenses and it will be found that the present rate of 176s 8d per hour demurrage represents an absolute loss to owners. Demurrage is – or was – intended to fully compensate owners for detention! Why should there be such an extraordinary exception in the case of coal charterers? There certainly ought to be some revision in this respect and we suggest a scale of demurrage being agreed upon: - so much per hour for 1,500 to 2,000-ton cargo boats, and so much extra per hour 500 tons larger.

The homeward markets have not been very cheerful this last week but owners must not forget that rates in January and February are frequently poor. What is now wanted is careful consideration and forethought in regard to the selection of employment. Taking the whole trade of the world there is ample employment to be obtained to keep all boats profitably working but it is the congestion of tonnage that so often takes place in certain directions that results in unsatisfactory voyages being made. To take one direction, is it wise to send a large number of boats from the UK to Constantinople? They have only one string to their bow, namely the Black Sea market! Whereas by going to, say, Sicily, the selection of employment would be good: the boats could either run up to the Black Sea or failing a good market there could load home or for the US from Sicily; failing this there is Smyrna, the Syrian coast and Alexandria business to fall back upon, to say nothing of the ore freights. Now that coal rates have fallen considerably below a parity with the cost of bunkers at the foreign depots, owners will find it greatly to their advantage to take sufficient coal to last to the Mediterranean discharging port, thence up to the Black Sea and home. Take the rates of 8s 9d for Genoa, and 9s 6d to 10s back from the Black Sea.

The Black Sea market is very dull, tonnage once more having got into a state of congestion and in excess of the demand. Berth rates from Odessa, Sulina, and the Crimean ports to LHAR are 9s 6d to 10s; from Nicolaieff 13s is quoted. On charter handy bats from the full range are worth only about 10s to 10s 6d any, 6d extra Hamburg. From Nicolaieff 13s 9d n.c is quoted.

The Mediterranean market has been very active especially for ore chartering. Rates are inclined to go easier tonnage being really too plentiful. From Alexandria to Hull 8s 6d is offering, and for London 9s, while for the US northern range 9s to 9s 3d is obtainable for sugar cargoes for February shipment. The last paid from Huelva to the US is 9s on the Tinto charter. Bilbao rates are easy all round.

The American market is sick, business being difficult to arrange. Berth grain rates from the Northern range to UK Cont for January and February loading are 3s 1d, and for Copenhagen 3s 3d to 3s 4d; on the C.f.o basis 3s 6d is quoted. Cotton rates from the Atlantic ports to Liverpool or Bremen are quiet at 35s to 36s 3d and from the Gulf for LHB at 40s. Phosphate rates are fairly steady. There seems to be a big demand for February/March tonnage from the Gulf pitch-pine ports to UK Cont at about 100s to 102s 6d on the new charter, or at about 115s on the old charters.

The River Plate market has continued very firm for all positions up to 1st/30th April next. Berth grain rate from Upriver San Lorenzo limit for LHAR, Dunkirk ets, are 22s to 22s 6d and from the lower ports 18s. On the open charter basis boats of 3,000tons capacity are fixable from the San Lorenzo limit at 22s 6d to 23s for February/March and at 22s 6d for March/April.

The Eastern market is steady. From Bombay tonnage is fixable for all positions up to May next at 18s 6d to UK Cont pp. From Burmah February/March boats are worth 28s 9d and from Saigon 30s oc. Calcutta rates are steady at previous quotations, also coal rates to Bombay, Ceylon etc. Coal rates from Wales to the East are weak, the most obtainable for Ceylon being 13s to 13s 6d, and for Singapore 14s to 14s 6d. From the Baltic ports, boats should command about 47s 6d.

There is still a large demand for time-charter tonnage mostly for American account, for periods ranging from six months to two or three years and at rates varying from 7s 3d to 7s 9d per g.r.t.

On the S&P front, the newbuilding market moved sideways. A typical newbuilding 5,000dwt British-build steamer is currently at the market for £44,750 whereas a five-year-old of the same dwt and specification at circa £32,000.