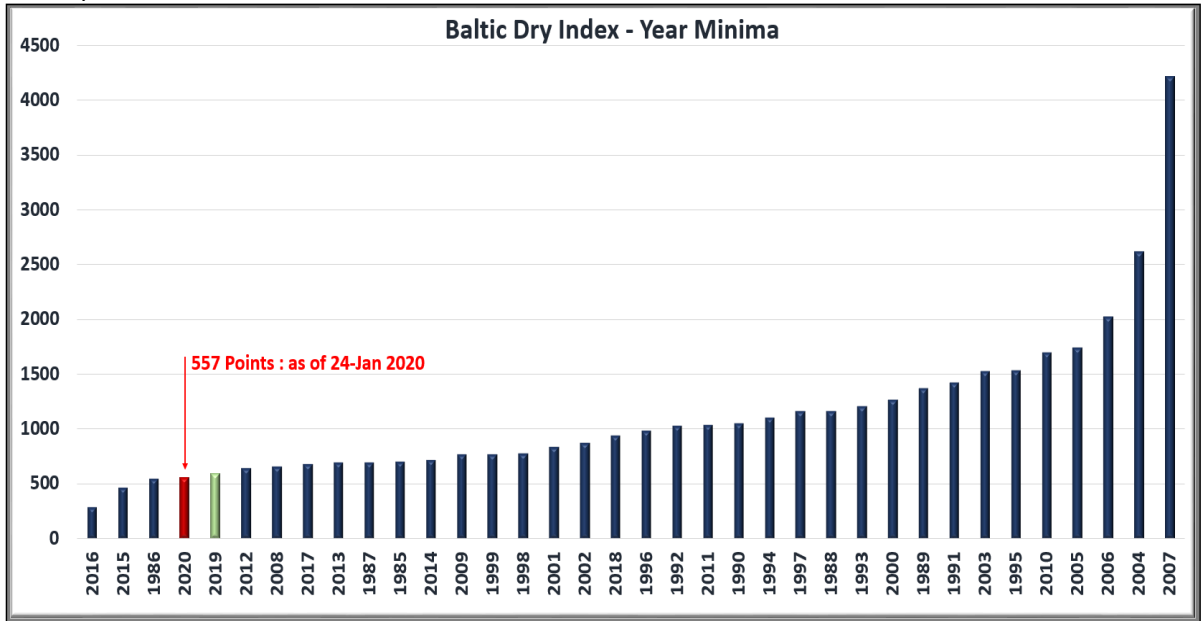
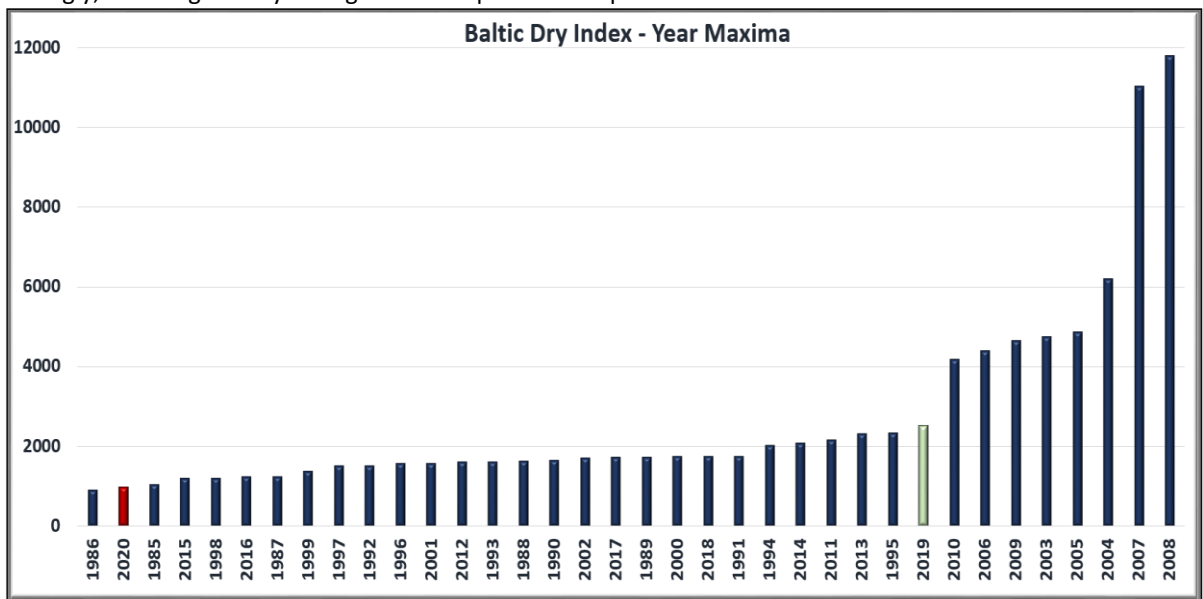


With the Chinese Lunar New Year being upon us, the activity in the spot market was anything but vivid during the fourth week of this trading year. Losing another 26% on a weekly basis, the Baltic Dry Index concluded at 557 points on this Friday's closing. Looking back on index history, only three years bottomed out at lower levels than the current ones. In particular, February 2015 and 2016 moved momentarily below the 500-point mark for the first time in the last thirty years, balancing at 471 and 290 points respectively. Furthermore, the gauge of activity in the dry bulk sector landed at minima of 554 points in the summer of 1986 amid one of the worst distressing freight market slumps. Having already reported a daily closing lower than the 2019 lowest of 595 points and with Chinese holidays ahead of us, it will be difficult for 2020 to avoid the comparison with these sterile years, at least as far as the absolute minima are concerned.



As it is pretty rational, lowest minima and lowest maxima tend to be concentrated during the same specific periods in the recent dry bulk history. BDI reported its lowest annual highs during the crises of mid 1980s and mid 2010s, as four out of five negative records belong to these two time intervals. Being the only trading year without managing to surpass the 1000-point mark, 1986 faced a dry bulk market flooded with combination carriers that were unable to find profitable employment within oil transport. A quarter of a century later, a double whammy of a steadily growing fleet and sluggish demand for commodities forced 2015 and 2016 not to surpass 1222 and 1257 points respectively. However, market conditions were quite different in 2019 and thus even though the general index visited the lowlands of 595 points in the first quarter of the year, it bounced back strongly, touching multi-year highs of 2518 points on September 4.



Source: Baltic Exchange, Doric Research

According to an old aphorism, "a good beginning is half the battle!" Admittedly, 2020 cannot claim victory over this first half. However, the last trading year has showed us that one cannot judge a trading book solely from its cover.

**Freight market 120yrs ago (page 11):** "On the whole, things are a shade steadier, but in most directions rates are altogether below the standard necessary to enable the majority of owners to continue trading with their boats..."

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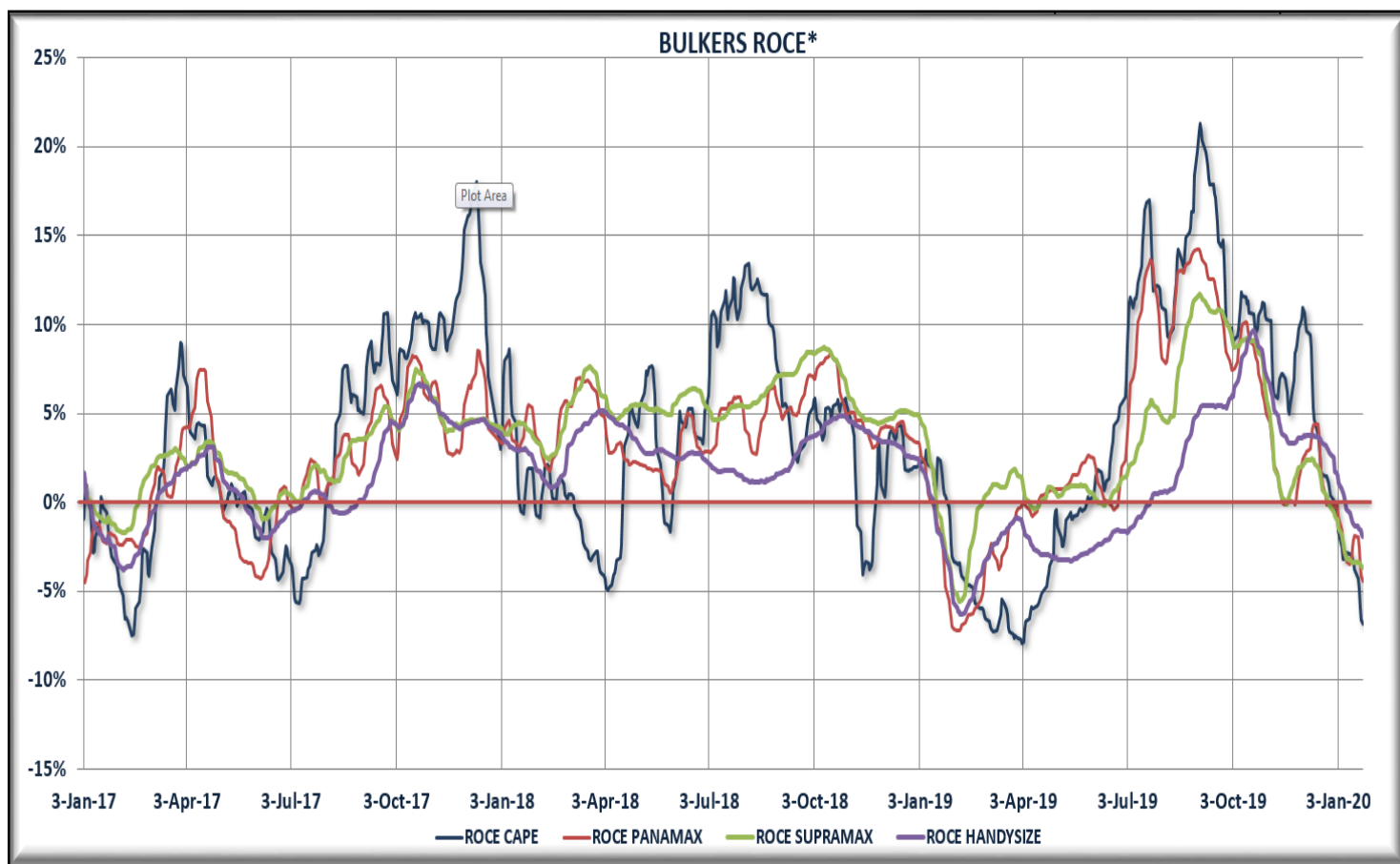
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## Dry Cargo Spot Market

Free-falling for yet another week, the Baltic Dry Index concluded at ultra-low levels of 557 points. Indicative of the downward pressure is the fact that the last time the general index landed at these levels was mid-April 2016. Plunging by 76.8% on a weekly basis, the Baltic Capesize Index ended the fourth week of this trading year at just 165 points. With double-digit percentage losses, the Baltic Panamax Index balanced at 691 points. In sync, the Baltic Supramax Index lingered at 543 points, or -3% on a weekly basis. Following the lead of the largest bulkers, the Baltic Handysize Index moved further down to 360 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 -6.9% and Panamax ROCE at -4.4% on this Friday's closing, substantially lower W-o-W. Losing further ground, Supramax ROCE ended at -3.6%. In tune, Handy ROCE finished at -1.9%.



| Baltic Freight Indices |      |          |           |           |            |
|------------------------|------|----------|-----------|-----------|------------|
| Date                   | BDI  | BCI 5TC  | BPI - TCA | BSI - TCA | BHSI - TCA |
| 20-Jan-20              | 729  | \$7,760  | \$7,791   | \$6,156   | \$6,802    |
| 21-Jan-20              | 689  | \$7,062  | \$7,418   | \$6,116   | \$6,753    |
| 22-Jan-20              | 623  | \$5,911  | \$6,844   | \$6,053   | \$6,705    |
| 23-Jan-20              | 576  | \$5,071  | \$6,425   | \$6,002   | \$6,592    |
| 24-Jan-20              | 557  | \$4,772  | \$6,216   | \$5,976   | \$6,486    |
| 12-month High          | 2518 | \$38,014 | \$18,116  | \$15,233  | \$12,062   |
| 12-month Low           | 557  | \$3,460  | \$4,435   | \$4,837   | \$4,198    |
| 12-month Avg           | 1312 | \$17,357 | \$10,901  | \$9,677   | \$7,614    |
| 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.

Dropping further down to the three-digit territory, the **Capesize** 5TC Average balanced for the week at \$4,772 daily. Having to face OPEX of around \$7,000 daily, the current state of the market is deeply into the loss-making territory.

In the commodity spectrum of the Pacific, China's second biggest steelmaker stressed that it secured two letters of credit to purchase iron ore from Vale in a 200M yuan contract denominated in the Chinese currency on its attempt to increase Chinese influence over iron ore pricing. In reference to the spot market, the C5 Baltic index remained stable at its last Fridays', ending the week at \$6.155 pmt. For such a run, a TBN vessel was rumoured fixed for 170,000mt 10% iron ore from Dampier to Qingdao, dates unknown at \$6.15 to Rio Tinto. Late last week, the 'KSL Sakura' (181,062 dwt, 2015) was reported fixed at \$9,500 for a trip via WC Aussie to Spore-Japan range, basis delivery Zhoushan 24 January. The Baltic Transpacific Index (C10\_14), dropping 55.2% the last five trading days, concluded at just \$1,736 daily.

One year has passed since we wrote in our weekly insight that "Force Majeure declared by Vale on some of the company's iron ore contracts made headlines in the Atlantic. A Brazilian court ordered the mining giant to stop using eight tailings dams, possibly affecting around thirty million tons of iron ore output per year." This exogenous shock was catalytic for the path of Baltic Indices during 2019, shaping the course of BDI for the whole year. One year later, stocks across Latin America were under pressure this week as fears mounted over the spread of a new flu virus in China, while Brazil's currency strengthened as the country looks at the possibility of cooperating with OPEC. Whilst last year's "black swan" had a direct effect on the spot market, coronavirus outbreak has only influenced market sentiment so far. In the spot arena, the C3 Index followed the downward trend of the general market, dropping 10.9% W-o-W and landing at \$15.917 pmt. For this route, the 'Alpha Bravery' (179,398 dwt, 2011) was heard to have fixed for 170,000mt 10% iron ore from Tubarao to Qingdao, 5-15 February at \$16.35 to Vale. The Transatlantic Index (C8\_14) closed at \$8,475 daily, or 41.3% lower than last week closing, whereas the fronthaul index (C9-14) managed to keep itself above the \$20,000-mark, albeit lower 16% than last Friday's closing.

Once again, not much interest from Owners to commit for longer duration, resulting to limited period activity. Late last week, the 'Ariadne' (207,520 dwt, 2016) with delivery Qingdao end January secured employment for the next 11-13 months at a daily rate of \$14,500.

Unfortunately, the **Panamax** market failed to maintain last week's momentum, with all major routes trading lower and with the Baltic 82 Index dropping 20.6% on a weekly basis and balancing at \$6,216 daily.

As far as the Pacific commodity news go, imports of Indian utilities coal surged 21% last year, due increased purchases by an Adani power plant according to the Indian government, whilst data from the central electricity authority showed that imports rose to 69.5 million tones. In the spot arena though, market dropped further with limited fixing as owners holding their grounds and with the Chinese New Year approaching. From North Pacific, few stronger fixtures reported for nice Kamsarmaxes with premium delivery as in the case of the 'Saita I' (81,922 dwt, 2014) which was fixed to D'Amico with delivery Hachinohe 28-29 Jan for a trip via Nopac to Philippines at \$7,500 daily. For vessels opening in North China though rates hovered around \$5,000 daily for similar runs. For Australia loading the 'Asl Jupiter' (87,052 dwt, 2005) was reported with delivery Kinuura 23-24 Jan for a trip via EC Australia to Singapore-Japan range at \$6,000 daily, and for trip to India the 'Tw Hamburg' (93,229 dwt, 2012) with delivery Taaen 28-31 Jan at \$4,500 daily to Refined Success. Further south, the 'Ocean Thyme' (82,306 dwt, 2014) was fixed with delivery aps Indonesia 25 Jan for a trip to India at \$5,000 daily hire plus \$50,000 gbb with SDTR, and the 'Sea Diamond' (77,096 dwt, 2007) with delivery Lingkou 24 Jan for a trip to Singapore-Japan range at \$3,500 daily. From South Africa, early in the week was reported that the 'Blumenau' (81,652 dwt, 2012) was fixed with delivery aps Richards Bay 26 Jan for a trip to India with Oldendorff at \$12,000 daily plus \$200,000 gbb, but later on the same charterer was heard to have fixed a Kamsarmax for a trip to China at around \$11,600 plus \$160,000 gbb.

In the Atlantic region, for another week the main area of focus was the South America grains market, but rates slipped further, especially for the early ships. Expectations for more stems to appear for middle to end February arrivals is there from Owners, so is yet to be seen how the market will react. Earlier in the week the 'Everglory' (81,666 dwt, 2012) with delivery aps Santos 28-29 Jan was fixed to Bunge for a trip to Singapore-Japan range at \$13,800 plus \$380,000 gbb and the 'Alexandra' (82,329 dwt, 2006) with delivery aps ECSA 17 Feb for a similar run at \$13,500 plus \$350,000 gbb. Towards the week closing though, Kamsarmaxes are heard to be fixing closer to \$13,000 plus 300,000 gbb or even tick below that. For a TA run, the 'Yu Zhu Feng' (75,519 dwt, 2011) was linked to Cargill with delivery aps ECSA 10-20 Feb to SKAW-Gibraltar range at \$10,000 daily. From the USG, the 'Astrea' (81,838 dwt, 2015) was fixed to Cofco basis aps delivery SW Pass 30 Jan for a trip to Vietnam at \$14,250 daily plus \$425,000 gbb. Similar levels were heard for a well described Kamsarmax for a trip via NCSA to the East.

On the period front, the appetite from Charterers is there to take in tonnage with a discount for the 1<sup>st</sup> leg, but not many Owners willing to commit their vessels.

Lacking enthusiasm, the Baltic **Supramax** Index ended the week at \$5,976 daily, or -2.9% W-o-W.

With the approach of the Chinese New Year holidays, the market turned increasingly quiet in the Pacific. The short-term sentiment remained negative, as holidays are usually coupled by lack fresh cargo inquiry. Given the current conditions, most owners made endeavors to buy time in hope that the end of the holidays will bring more excitement to the market. NoPac remained under pressure with very limited cargoes emerging and rates being depressed. An Ultramax was fixed for long trip via Nopac to Bangladesh with grains at \$8,500 basis delivery South Korea. Other charterers were bidding vessels for conventional Nopac r/v with grains at around \$4,000 basis delivery South Korea. Australia was weak, as rates remained almost unchanged week-on-week with Ultramax seeing \$6,500 basis delivery Singapore for a trip via West Australia to Thailand with grains. North Asia was lacking fresh cargoes. The 'PPS Luck' (55,429 dwt, 2009) open N.China fixed trip to Persian Gulf with slag at high \$2,000's basis delivery APS Japan and the 'Mandarin Eagle' (56,882 dwt, 2008) fixed a trip to Persian Gulf with steels at low \$2,000's. On backhaul trades, an Ultramax failed on subjects for trip via Vietnam to USG at \$750 for first 70 days and \$9,000 thereafter and a Supramax was rated at \$2,000 daily for trip via Vietnam to East Med with slag. In SE Asia too, rates remained very low across the board. The build-up of tonnage locally has provided charterers with firm cargoes in hand all they needed to bargain hard. The 'Bene' (50,212 dwt, 2001) fixed a trip with coal via Samarinda to China at \$5,250 and the 'Bomar Oyster' (56,548 dwt, 2010) fixed \$4,750 basis delivery Samarinda for a trip to WC India. The Indian Ocean was definitely softer with a Japanese 58dwt fixing a trip via Richards Bay to Pakistan with coal at \$9,500 plus \$95,000 ballast bonus and big Supramax fixing trip via Port Elizabeth to the Far East at \$10,000 plus \$100,000. Persian Gulf and India played on the same tone, with lower rates than 'last dones'. The 'Elpida GR' (52,579 dwt, 2003) secured a trip via EC India to China at \$3,550 daily and the 'Balaban' (56,753 dwt, 2009) fixed a trip to Chittagong at \$6,200 basis delivery Fujairah. The 'SBI Libra' (63,679 dwt, 2017) was linked with Allianz Bulk basis delivery Vizag for a trip China at \$7,250.

In the Atlantic the overall pace seemed to be running out of steam in most sub-markets. In the Black Sea a 56,000 tonner was fixed at \$8,500 daily for a coal trip into West Africa, whereas 'Gdf Suez North Sea' (55,848 dwt, 2012) was rumoured to have fixed a trip with grains into Philippines around \$16,000 also basis Black Sea delivery. In the Continent even though activity was quite decelerated, an ultramax fixed at \$18,500 basis delivery ARAG for a trip to Singapore/Japan. Further South, ECSA seemed to be easing up; a 58,000 tonner open in Santos reportedly fixed a trip into Algeria at \$10,000 daily while 'Feronia' (56,058 dwt, 2007) was fixed for a trip basis delivery Recalada to Philippines at \$12,250 plus a \$225,000 ballast bonus. On the other side of the pond, West Africa held its ground with ultramax fronthaul levels circling \$17,000 levels and a handful of fresh cargos surfacing. USG maintained last week's levels, with a 57,000 tonner fixing at \$13,000 basis delivery SW Pass for a trip into Egypt Med.

On the period front, 'Darya Rama' (61,212 dwt, 2018) fixed basis delivery Bayuquan 10/15 February trading for 4/6 months with redelivery worldwide at \$9,500 while in the Atlantic 'Spar Corvus' (58,018 dwt, 2011) open in Charleston fixed for about 11 months to about 13 months trading at \$11,000 with redelivery worldwide.

Will we see the 'bottom' soon? for the **Handysize**.

Happy new year to all our Chinese/Far Eastern friends and colleagues!! Apart from this nice wish, we have nothing bright to report. Our research team asks for a specific range of words each week however on some occasions this is not possible. One can simply describe the market conditions with the following words: COLLAPSE, DISASTER, OBLIVION. This is not harmful only for owners as charterers and operators are not happy either. Having 20 or 30 ships on short or longer period can cause a collapse as well. All parties will have to show patience and thoughtfulness in this situation. Now, on the 'battlefield', we hear that some owners have started considering laying up. It is possible that they are the same people who were expecting that 2020 will be "strong" for ship owners. On the fixtures front, from the North, 'Brite Selmer' (33,000 dwt, 2011) opening on the 23rd of January fixed \$4,000 aps cis pacific for a trip with coal to North China. We also heard of a 39K dwt modern ohbs fixing at \$2,500 aps S.Korea for 55 days and the balance at \$7K for a trip to USG with steels. Mv 'Pretty Sight' (35,000 dwt, 2013) spot in Qingdao was concluded at \$5,000 aps Taiwan for a clinker run to Manila. In the South, 'Wonderful SW' (31,000 dwt, 2014) spot in Singapore agreed \$5,000 dop for alumina via Australia to China. From the same area, 'Emil Selmer' (32,000 dwt, 2011) spot in Penang fixed \$9,250 aps Dampier for salt to Taiwan. In the Indian sub-continent, 'Seastar Titan' (30,000 dwt, 2009) spot in East Coast of India was covered at \$4,000 dop for steels to Ho Chi Minh City. Last but definitely not least, no-one can predict the problems that the new virus in China may inflict on the market.

It was a tale of no happy ending for the Handies in the Atlantic for yet another week. Rates slid further, orders became fewer and faces turned sad as vessels traded marginally near OPEX or even below that. To make matters worse, breaking news of a fast spreading virus in China and the ongoing New Year's festivities in the Far East are expected to further deteriorate the market on both basins next week leaving very little hope for an imminent recovery. More specifically speaking for the Atlantic, a usual continent scrap trade was that of the 'Fatih' (35,365 dwt, 2011) fixing with Evomarine at a rather better than expected \$8,900 basis delivery Antwerp to Eastern Mediterranean. In the Black sea, a usual Black sea - Tunisia grain trade was the 'MS Charm' (32,527 dwt, 2010) at \$3,900 basis Canakkale delivery with Meadway. In the USG area, we heard the 'Grikos' (30,439 dwt, 2006) open in Rio Haina fixing basis aps NCSA to East coast Mexico with coke at \$6,250. Five-digit rates thankfully still remain in ECSA, however again weaker than last week which makes not such a great income for the majority of owners who probably have ballaster ships or have to take some waiting time on their account. A rather healthy transatlantic round was the 'Swiftness' (35,510 dwt, 2015) fixed basis Recalada to Turkey at \$13,250 with Meadway to carry grains.

Nothing meaningful to report from the period desk.

**Fixture Tables**

| Representative Capesize Fixtures |         |       |          |             |                 |          |            |                                 |
|----------------------------------|---------|-------|----------|-------------|-----------------|----------|------------|---------------------------------|
| Vessel                           | DWT     | Built | Delivery | Date        | Re-del          | Rate     | Charterers | Comment                         |
| KSL Sakura                       | 181,062 | 2015  | Zhoushan | 24-Jan      | Singapore-Japan | \$9,500  | Ssanyong   | via west Australia <fixed 17/1> |
| Herun Global                     | 181,000 | 2016  | Passero  | 21-Jan      | Skaw-Passero    | \$16,000 | Oldendorff | transatlantic                   |
| Ariadne                          | 207,520 | 2016  | Qingdao  | end January | worldwide       | \$14,500 | Rio Tinto  | 11-13 months <16/1 fixture>     |

| Representative Panamax Fixtures |        |       |              |           |                  |                             |                 |                  |
|---------------------------------|--------|-------|--------------|-----------|------------------|-----------------------------|-----------------|------------------|
| Vessel                          | DWT    | Built | Delivery     | Date      | Re-del           | Rate                        | Charterers      | Comment          |
| Saita I                         | 81,922 | 2014  | Hachinohe    | 28-29 Jan | Philippines      | \$7,500                     | D'Amico         | via Nopac        |
| Asl Jupiter                     | 87,052 | 2005  | Kinuura      | 23-24 Jan | Singapore- Japan | \$6,000                     | Cnr             | via Ec Australia |
| TW Hamburg                      | 93,229 | 2012  | Taeon        | 28-31 Jan | India            | \$4,500                     | Refined Success | via Ec Australia |
| Ocean Thyme                     | 82,306 | 2014  | Indonesia    | 25 Jan    | India            | \$5,000 plus \$50,000 gbb   | SDTR            | via Indonesia    |
| Sea Diamond                     | 77,096 | 2007  | Lingkou      | 24 Jan    | Singapore- Japan | \$3,500                     | Cnr             | via Indonesia    |
| Blumenau                        | 81,652 | 2012  | Richards Bay | 26 Jan    | India            | \$12,000 plus \$200,000 gbb | Oldendorff      | via Richards Bay |
| Everglory                       | 81,666 | 2012  | Santos       | 28-29 Jan | Singapore- Japan | \$13,800 plus \$380,000 gbb | Bunge           | via ECSA         |
| Alexandra                       | 82,329 | 2006  | ECSA         | 17 Feb    | Singapore- Japan | \$13,500 plus \$350,000 gbb | Cnr             | via ECSA         |
| Yu Zhu Feng                     | 75,519 | 2011  | ECSA         | 10-20 Feb | Skaw - Gib       | \$10,000                    | Cargill         | via ECSA         |
| Astrea                          | 81,838 | 2015  | Sw Pass      | 30 Jan    | Vietnam          | \$14,250 plus \$425,000     | Cofco           | via USG          |

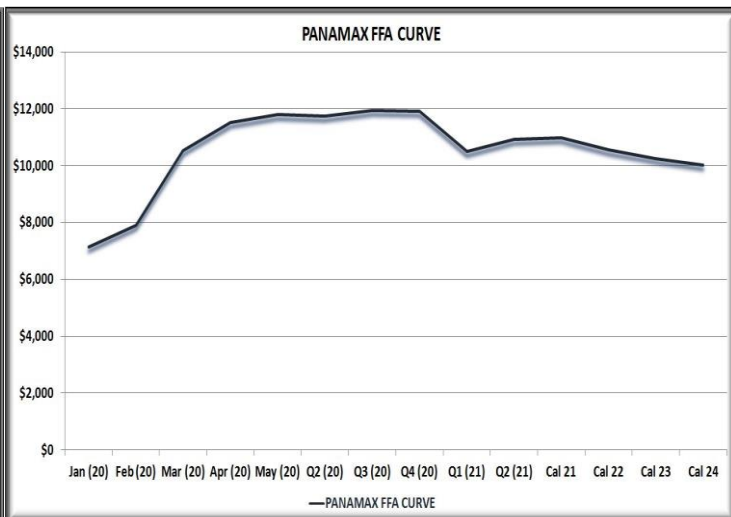
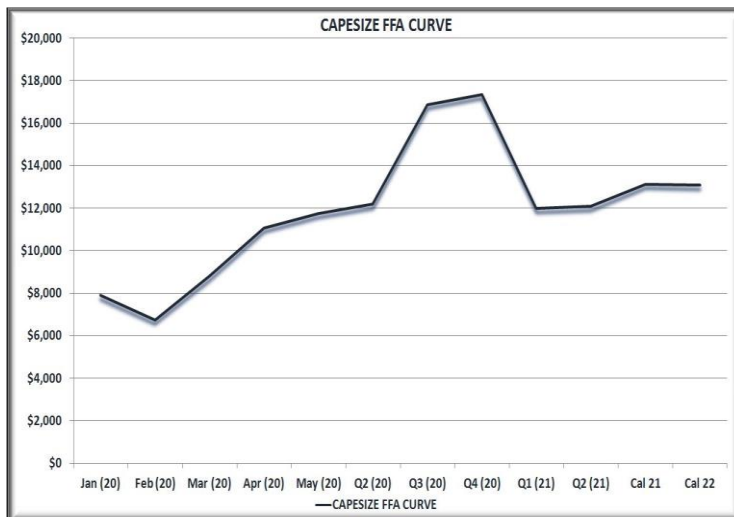
| Representative Supramax Fixtures |        |       |            |        |             |                      |              |                      |
|----------------------------------|--------|-------|------------|--------|-------------|----------------------|--------------|----------------------|
| Vessel                           | DWT    | Built | Delivery   | Date   | Re-del      | Rate                 | Charterers   | Comment              |
| PPS Luck                         | 55,429 | 2009  | N.China    | prompt | PG          | high \$2,000s        | cnr          | slag                 |
| Mandarin Eagle                   | 56,882 | 2008  | N.China    | prompt | PG          | low \$2,000s         | cnr          | steels               |
| Bene                             | 50,212 | 2001  | Samarinda  | prompt | China       | \$5,250              | cnr          |                      |
| Bomar Oyster                     | 56,548 | 2010  | Samarinda  | prompt | WCIndia     | \$4,750              | cnr          |                      |
| Elpida GR                        | 52,579 | 2003  | ECIndia    | prompt | China       | \$3,550              | cnr          |                      |
| Balaban                          | 56,753 | 2009  | Fujairah   | prompt | Chittagong  | \$6,200              | cnr          |                      |
| SBI Lyra                         | 63,679 | 2017  | Vizag      | prompt | China       | \$7,250              | Allianz Bulk |                      |
| GDF Suez North Sea               | 55,848 | 2010  | Black Sea  | prompt | Philippines | \$16,000             | cnr          |                      |
| Feronia                          | 56,058 | 2007  | Recalada   | prompt | Philippines | \$12,250 + \$225K bb | cnr          |                      |
| Avra                             | 53,806 | 2004  | Recalada   | prompt | WCSA        | \$11,000             | cnr          |                      |
| Spar Corvus                      | 58,018 | 2011  | Charleston | prompt | Worldwide   | \$11,000             | cnr          | trading 11/13 months |

| Representative Handysize Fixtures |        |       |             |        |             |          |            |                    |
|-----------------------------------|--------|-------|-------------|--------|-------------|----------|------------|--------------------|
| Vessel                            | DWT    | Built | Delivery    | Date   | Re-del      | Rate     | Charterers | Comment            |
| Brite Selmer                      | 33,000 | 2011  | cis pacific | prompt | n.China     | \$4,000  | cnr        | coal               |
| Pretty Sight                      | 35,000 | 2013  | Taiwan      | prompt | Manila      | \$5,000  | cnr        | clinker            |
| Wonderfull SW                     | 31,000 | 2014  | Singapore   | prompt | China       | \$5,000  | cnr        | alumina via Aussie |
| Emil Selmer                       | 32,000 | 2011  | Dampier     | prompt | Taiwan      | \$9,250  | cnr        | salt               |
| Seastar Titan                     | 30,000 | 2009  | EI          | prompt | Ho Chi Minh | \$4,000  | cnr        | steels             |
| Fatih                             | 35,365 | 2005  | Antwerp     | prompt | Emed        | \$8,900  | Evomarine  | scrap              |
| Ms Charm                          | 32,527 | 2010  | Canakkale   | prompt | Tunisia     | \$3,900  | Meadway    | grains             |
| Grikos                            | 30,439 | 2006  | NCSA        | prompt | EC Mex      | \$6,250  | Cnr        | coke               |
| Swiftness                         | 35,510 | 2015  | Recalada    | prompt | Turkey      | \$13,250 | Meadway    | grains             |



## FFA Market

One should search in every corner of the forward market to find an upward movement and still it would be in vein. Particularly, the prompt months of the Capesize forward curve reported significant losses, with February contracts balancing at \$6,750 and March at \$8,784. In sync, the Panamax curve moved down to \$7,908 and \$10,533 for February and March respectively. Being in the red as well, Supramax forward market stood below previous week closing, with February balancing at \$7,086 and March at \$8,825. Losing further ground, prompt Handy contracts drifted lower to February levels of \$8,241.

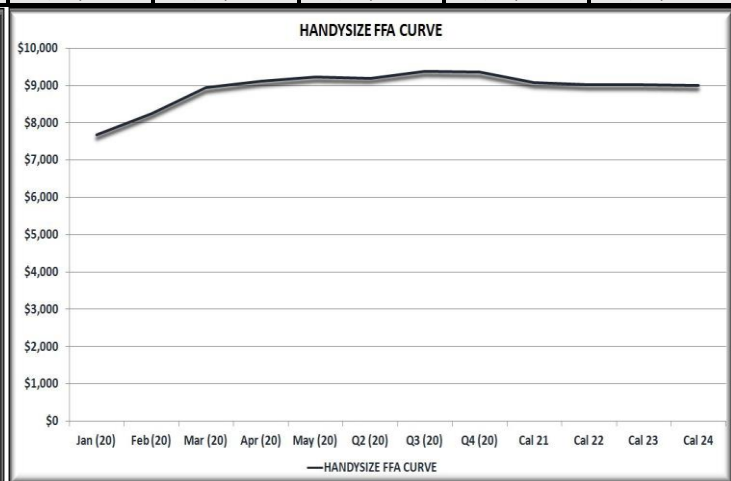
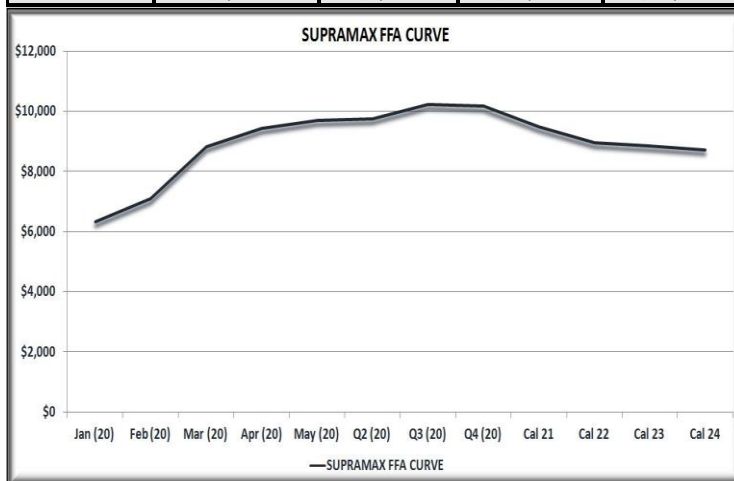


### BFA Capesize 5TC

| Date      | Jan (20) | Feb (20) | Mar (20) | Q2 (20)  | Q3 (20)  | Cal 21   | Cal 22   | Cal 23   | Cal 24   |
|-----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| 17-Jan-20 | \$8,850  | \$7,856  | \$9,463  | \$11,719 | \$15,875 | \$12,203 | \$12,716 | \$12,788 | \$12,872 |
| 24-Jan-20 | \$7,906  | \$6,750  | \$8,784  | \$12,175 | \$16,866 | \$13,128 | \$13,072 | \$12,922 | \$12,947 |

### BFA Panamax 5TC

| Date      | Jan (20) | Feb (20) | Mar (20) | Q2 (20)  | Q3 (20)  | Cal 21   | Cal 22   | Cal 23   | Cal 24   |
|-----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| 17-Jan-20 | \$7,880  | \$8,955  | \$10,952 | \$11,764 | \$11,870 | \$10,792 | \$10,477 | \$10,245 | \$10,020 |
| 24-Jan-20 | \$7,136  | \$7,908  | \$10,533 | \$11,736 | \$11,942 | \$10,980 | \$10,549 | \$10,258 | \$10,024 |



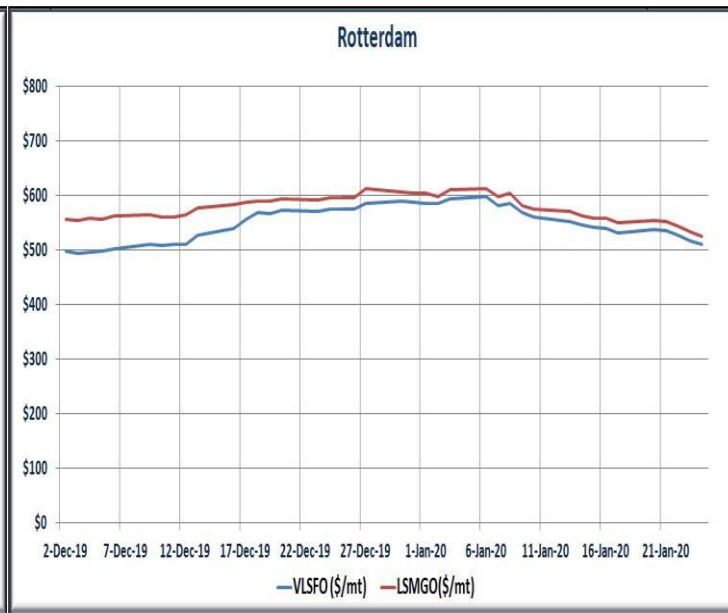
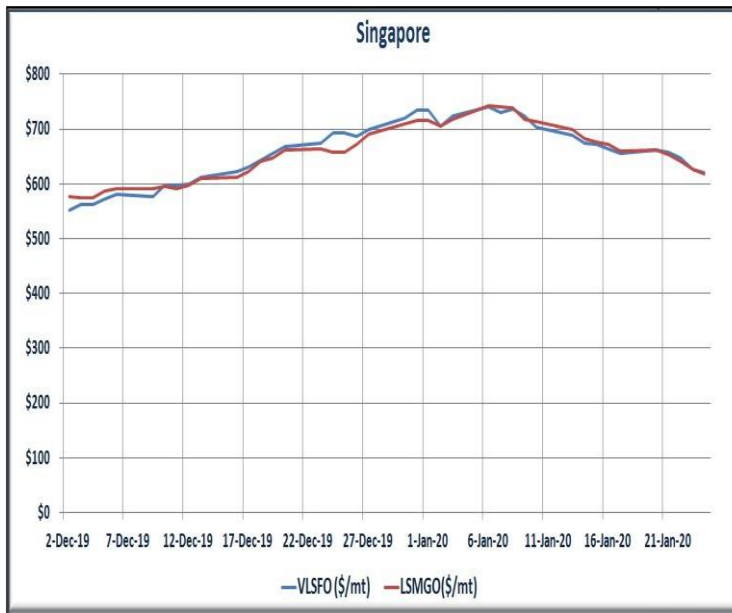
### BFA Supramax 5TC

| Date      | Jan (20) | Feb (20) | Mar (20) | Q2 (20) | Q3 (20)  | Cal 21  | Cal 22  | Cal 23  | Cal 24  |
|-----------|----------|----------|----------|---------|----------|---------|---------|---------|---------|
| 17-Jan-20 | \$6,382  | \$7,221  | \$8,911  | \$9,811 | \$10,161 | \$9,439 | \$8,964 | \$8,804 | \$8,721 |
| 24-Jan-20 | \$6,318  | \$7,086  | \$8,825  | \$9,750 | \$10,229 | \$9,479 | \$8,954 | \$8,843 | \$8,721 |

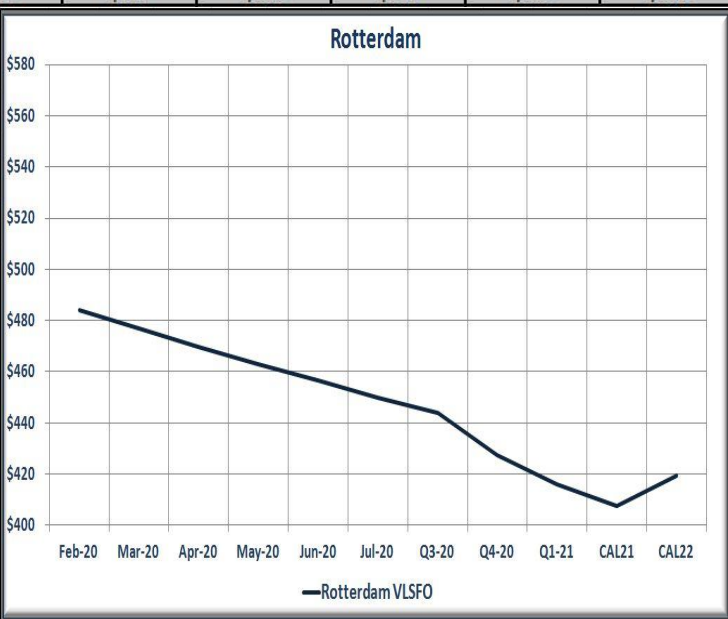
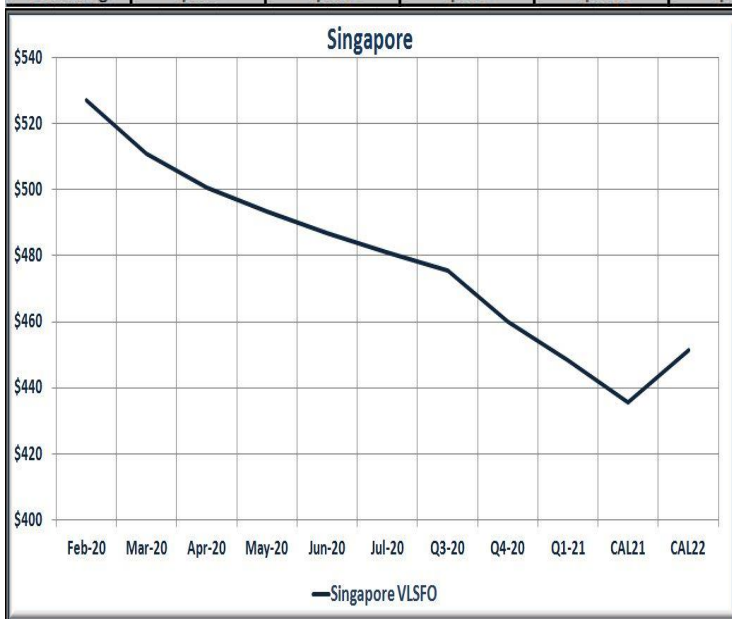
### BFA Handysize 5TC

| Date      | Jan (20) | Feb (20) | Mar (20) | Q2 (20) | Q3 (20) | Cal 21  | Cal 22  | Cal 23  | Cal 24  |
|-----------|----------|----------|----------|---------|---------|---------|---------|---------|---------|
| 17-Jan-20 | \$7,816  | \$8,366  | \$8,954  | \$9,272 | \$9,372 | \$9,085 | \$9,054 | \$9,041 | \$9,041 |
| 24-Jan-20 | \$7,666  | \$8,241  | \$8,929  | \$9,191 | \$9,372 | \$9,066 | \$9,010 | \$9,010 | \$8,991 |

## 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) |
| 20-Jan-20 | \$537         | \$555        | \$663         | \$663        | \$671         | \$745      | \$606         | \$624        | \$583         | \$603      |
| 21-Jan-20 | \$535         | \$553        | \$657         | \$654        | \$661         | \$743      | \$608         | \$616        | \$578         | \$592      |
| 22-Jan-20 | \$528         | \$544        | \$647         | \$642        | \$651         | \$724      | \$596         | \$610        | \$574         | \$595      |
| 23-Jan-20 | \$517         | \$533        | \$627         | \$628        | \$633         | \$716      | \$574         | \$595        | \$556         | \$588      |
| 24-Jan-20 | \$510         | \$525        | \$620         | \$618        | \$625         | \$709      | \$565         | \$590        | \$549         | \$580      |
| Week High | \$537         | \$555        | \$663         | \$663        | \$671         | \$745      | \$608         | \$624        | \$583         | \$603      |
| Week Low  | \$510         | \$525        | \$620         | \$618        | \$625         | \$709      | \$565         | \$590        | \$549         | \$580      |
| Week Avg  | \$525         | \$542        | \$643         | \$641        | \$648         | \$727      | \$590         | \$607        | \$568         | \$591      |



| Singapore | 24-Jan-20 | Week max | Week low | Week Avg | RTDM   | 24-Jan-20 | Week max | Week low | Week Avg |
|-----------|-----------|----------|----------|----------|--------|-----------|----------|----------|----------|
| Feb-20    | \$527.0   | \$570.1  | \$527.0  | \$546.1  | Feb-20 | \$484.0   | \$526.6  | \$484.0  | \$503.2  |
| Mar-20    | \$511.0   | \$553.9  | \$511.0  | \$530.4  | Mar-20 | \$476.8   | \$518.9  | \$476.8  | \$495.8  |
| Apr-20    | \$500.8   | \$541.4  | \$500.8  | \$519.1  | Apr-20 | \$469.8   | \$511.6  | \$469.8  | \$488.9  |
| May-20    | \$493.5   | \$532.1  | \$493.5  | \$511.0  | May-20 | \$463.0   | \$504.6  | \$463.0  | \$482.4  |
| Jun-20    | \$487.0   | \$524.6  | \$487.0  | \$503.8  | Jun-20 | \$456.5   | \$497.9  | \$456.5  | \$475.9  |
| Jul-20    | \$481.0   | \$518.4  | \$481.0  | \$497.4  | Jul-20 | \$450.0   | \$491.4  | \$450.0  | \$469.5  |
| Q2-20     | \$493.8   | \$532.7  | \$493.8  | \$511.3  | Q2-20  | \$463.1   | \$504.7  | \$463.1  | \$482.4  |
| Q3-20     | \$475.5   | \$512.5  | \$475.5  | \$491.5  | Q3-20  | \$444.0   | \$485.0  | \$444.0  | \$463.4  |
| Q4-20     | \$460.2   | \$495.1  | \$460.2  | \$474.8  | Q4-20  | \$427.3   | \$466.4  | \$427.3  | \$445.6  |
| Q1-21     | \$448.2   | \$482.1  | \$448.2  | \$462.2  | Q1-21  | \$416.0   | \$453.6  | \$416.0  | \$433.2  |
| CAL21     | \$435.6   | \$460.9  | \$435.6  | \$449.3  | CAL21  | \$407.4   | \$429.7  | \$407.4  | \$421.3  |
| CAL22     | \$451.6   | \$459.9  | \$451.6  | \$457.7  | CAL22  | \$419.4   | \$427.7  | \$419.4  | \$425.5  |

## Dry Bulk S&P Market

Despite the usual, anticipated lull produced this time of year by the Chinese New Year holidays, 2nd hand activity was kept afloat by a few deals, while elsewhere the demolition and newbuilding arenas continued to percolate. Sale prices reported this week provided us with further signs of stability. With most players presently weathering the storm at hand, and many expecting cloudy skies and continued choppy waters ahead, the calmness provided by the secondhand market – the steady and persistent purchasing despite the downward direction in the freight market) – might act, perhaps, as the industry’s only current clear patch of sky.

The post-panamax ‘Sunny Young’ (92K, Daewoo, Korea, 2011) was sold to Greeks for around \$15.5 mio, a fitting price given ‘last dones’.

Moving down to the Ultra and Supra segment, each size was represented by a combination of a Chinese-built and a Japanese-built vessel. The ‘TR Omaha’ (64K, Jiangsu, China, 2014) is on subjects until end of the month to Far eastern buyers in the low \$18’s mio, with SS/DD passed 12/2019. The ‘Nord Everest’ (60K, Oshima, Japan, 2016) went for circa \$23 mio to Japanese buyers, with 3-year TC back to Norden. Both ships’ sales were in line with ‘last dones’ (e.g. the ‘Iwagi 515’ at \$28 mio).

The ‘Nord Fuji’ (56K, Mitsui Tamano, Japan, 2011) landed a new home, purportedly in the Far East, in the low \$13s mio, at market levels, similar to the ‘Mary Lina’ (53K, Tsuneishi, Japan, 2007). On the Chinese-built front, the the BWTS-fitted ‘Nova Gorica’ (53K, Yangzhou, China, 2008) was sold to Vietnamese buyers for about \$8 mio, on pace with the recently sold ‘Desert Melody’ (54K, 2006).

The older handymax and handysize sales persist, this week represented by the ‘Nordic Barents’ (44K, Daewoo, Korea, 1995) sold at a market-level \$4.5 mio to Russians and the ‘Bluewing’ (27K, Wuhu, China, 2001) at a reasonable \$3.3 mio to Egyptian takers.

Going against the grain of the recent trend of buying smaller 28K to 33K deadweight, mid-age ships, a few modern Handysize vessels made news this week. The ‘Vanessa Oldendorff’ (38K, Naikai, Japan, 2015) purportedly went to Europeans for about \$17.5 mio, with a 1-year timecharter back, SS and DD passed, as well as being BWTS fitted. Additionally, the ‘KS Flora’ (36K, Tsuneishi Cebu, Philippines, 2015) was rumored sold at \$15 mio with SS and DD due, and BWTS fitted.

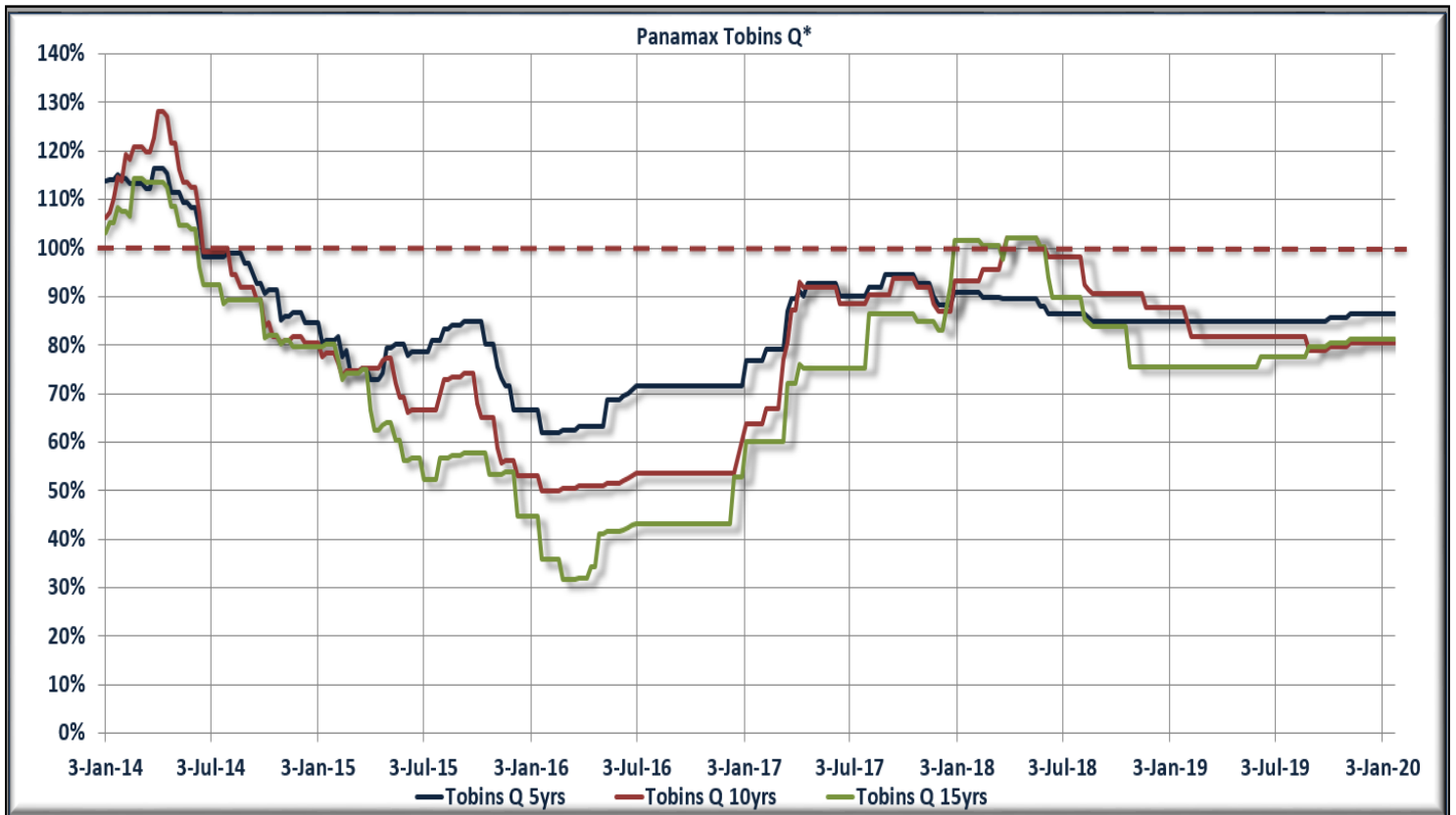
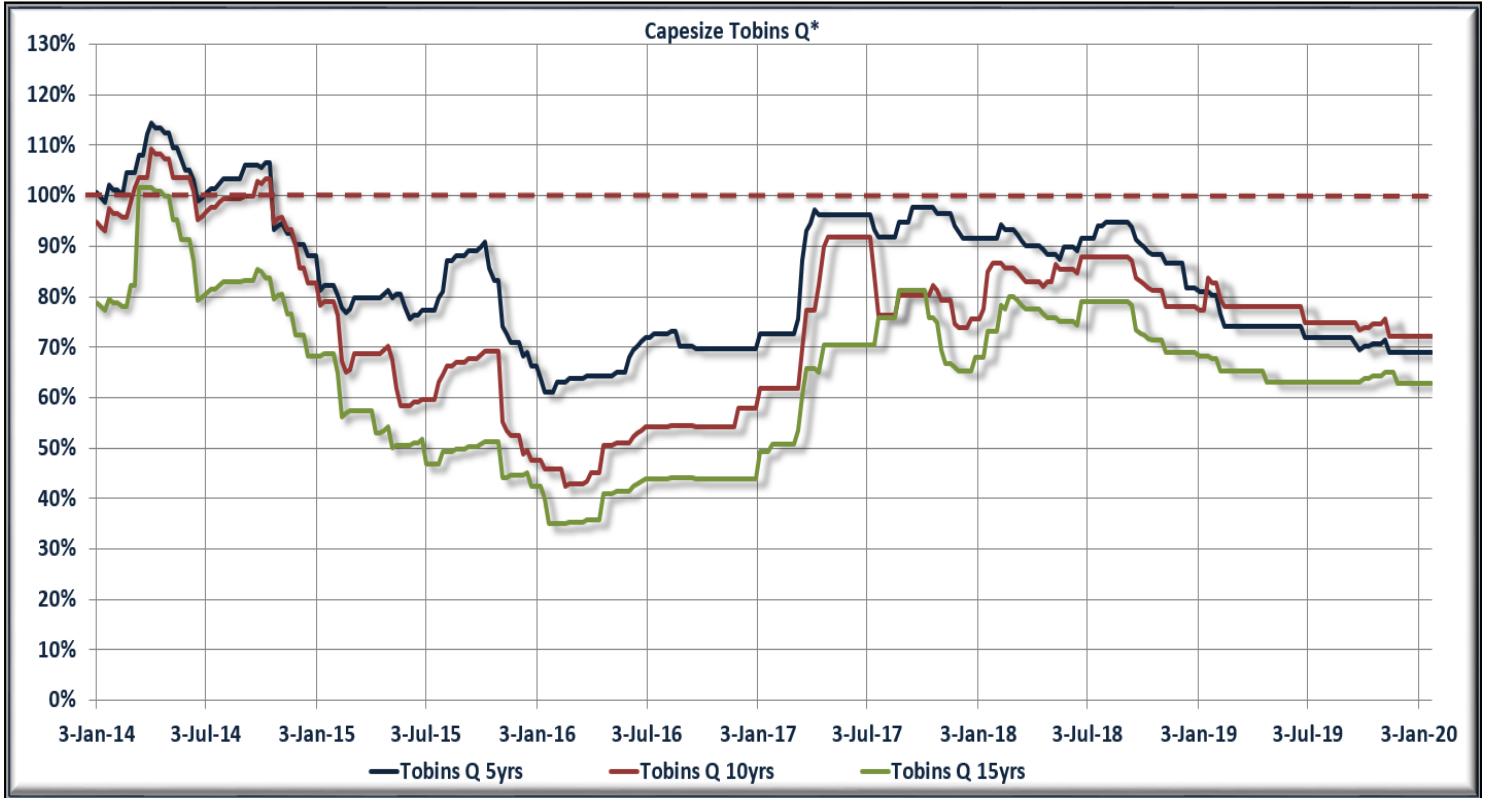
| Reported Recent S&P Activity |         |       |                               |              |                    |                                  |
|------------------------------|---------|-------|-------------------------------|--------------|--------------------|----------------------------------|
| Vessel Name                  | DWT     | Built | Yard/Country                  | Price \$Mil. | Buyer              | Comments                         |
| Tiger Jiangsu                | 180,096 | 2010  | Qingdao Beihai/China          | 20.3         | Chinese buyers     | internal sale                    |
| Gotia                        | 178,010 | 2012  | Shanghai Waigaoqiao/China     | 23           | Greek buyers       |                                  |
| Grand Thalia                 | 115,000 | 2011  | Shanghai Jiangnan Chan/China  | 15.8         | Ukrainian buyers   |                                  |
| Ocean Sapphire               | 93,029  | 2012  | COSCO Dalian/China            | 13           | Greek buyers       |                                  |
| Majestic Sky                 | 81,949  | 2014  | Tadotsu Shipbuilding/Japan    | 21.3         | Japanese buyers    |                                  |
| Sunny Young                  | 81,967  | 2011  | Daewoo/S.Korea                | 15.5         | Greek buyers       |                                  |
| Pan Kyla                     | 79,454  | 2012  | Jinhai Heavy Industries/China | 11.25        | Undisclosed buyers |                                  |
| Sudestada                    | 75,700  | 2010  | Jiangnan/China                | mid 11       | Undisclosed buyers |                                  |
| Afterhours                   | 74,456  | 2007  | Hudong Zhonghua/China         | 9            | Greek buyers       |                                  |
| Edelweis                     | 73,624  | 2004  | Jiangnan Shipyard             | 7.4          | Chinese buyers     | December sale                    |
| Tsuneishi Zhoushan SS-214    | 63,700  | 2018  | Tsuneishi ZhoushanL/China     | 28           | Japanese buyers    | C 4 x 36                         |
| TR Omaha                     | 63,446  | 2014  | Hantong/China                 | 18.25        | Undisclosed buyers | C 4 X 30 / on sub till end Jan   |
| Nord Everest                 | 60,436  | 2016  | Oshima Shipbuilding/Japan     | 23           | Japanese buyers    | C 4 x 31/3 yrs TC back to Norden |
| Ursula                       | 61,453  | 2012  | Imabari/Japan                 | 16.75        | Undisclosed buyers | C 4 x 31                         |
| Draco Ocean                  | 58,605  | 2013  | Nantong COSCO/China           | 14.7         | Greek buyers       | C 4 x 31                         |
| Vincent Gemma                | 56,872  | 2010  | Taizhou Sanfu/China           | 9.8          | Chinese buyers     | C 4 x 36                         |
| Georgios S                   | 55,725  | 2006  | Mitsui Eng/Japan              | excess 10    | Chinese buyers     | C 4 x 30                         |
| Frieda Selmer                | 55,718  | 2004  | Mitsui Tamano/Japan           | high 8       | Undisclosed buyers | C 4 x 30/SS/DD passed            |
| Maroudio                     | 56,020  | 2003  | Mitsui Eng & SB/Japan         | 9            | Undisclosed buyers | C 4 x 30/BWTS/SS passed          |
| Alam Manis                   | 55,652  | 2007  | Mitsui Chiba/Japan            | 10.8         | Undisclosed buyers | C 4 x 30                         |
| Nova Gorica                  | 53,100  | 2008  | Yangzhou/China                | 8            | Undisclosed buyers | C 4 X 35 / BWTS fitted           |
| Jin Ming                     | 50,354  | 2001  | Shanghai Shipyard/China       | mid 5        | Chinese buyers     | C 4 x 35                         |
| Zhong Chang                  | 40,000  | 2012  | Zhenjiang Qinfeng/China       | 10.9         | Chinese buyers     |                                  |
| Costas L                     | 43,929  | 1997  | Daewoo/S.Korea                | 4            | Chinese buyers     | C 4 x 30                         |
| Nordic Barents               | 43,732  | 1995  | Daewoo HI/S.Korea             | 4.5          | Russian buyers     | C 4x25                           |
| Calm Bay                     | 37,534  | 2006  | Saiki Heavy Industries/Japan  | 7.5          | Greek buyers       | C 4x36/ SS & BWTS due immy       |
| Ks Flora                     | 35,678  | 2015  | Tsuneishi Cebu/Japan          | 15           | European buyers    | C 4 x 30/December sale           |
| Canvasback                   | 34,420  | 2011  | SPP/South Korea               | 8.5          | Chinese buyers     | C 4 x 35/Tier II                 |
| Global Garland               | 32,115  | 2009  | Hakodate/Japan                | 7.3          | Greek buyers       | C 4 x 30                         |
| Cielo di Pisa                | 32,248  | 2008  | Kanda Shipbuilding/Japan      | 8.2          | Undisclosed buyers | C 4 x 31                         |
| Clipper Target               | 30,587  | 2006  | Cochin Shipyard/India         | 6.3          | Undisclosed buyers | C 4 x 30/BWTS fitted -SS passed  |
| Coos Bay                     | 28,214  | 2012  | I-S Shipyard/Japan            | 8.2          | Undisclosed buyers | C 4 x 31/ TC attached            |
| Georgia                      | 28,685  | 2000  | Imabari/Japan                 | 4            | Greek buyers       | C 4 x 30.5                       |
| Ken Yu                       | 24,115  | 1999  | Saiki Heavy Industries/Japan  | 2.8          | Chinese buyers     | C 4 x 30                         |

\*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.



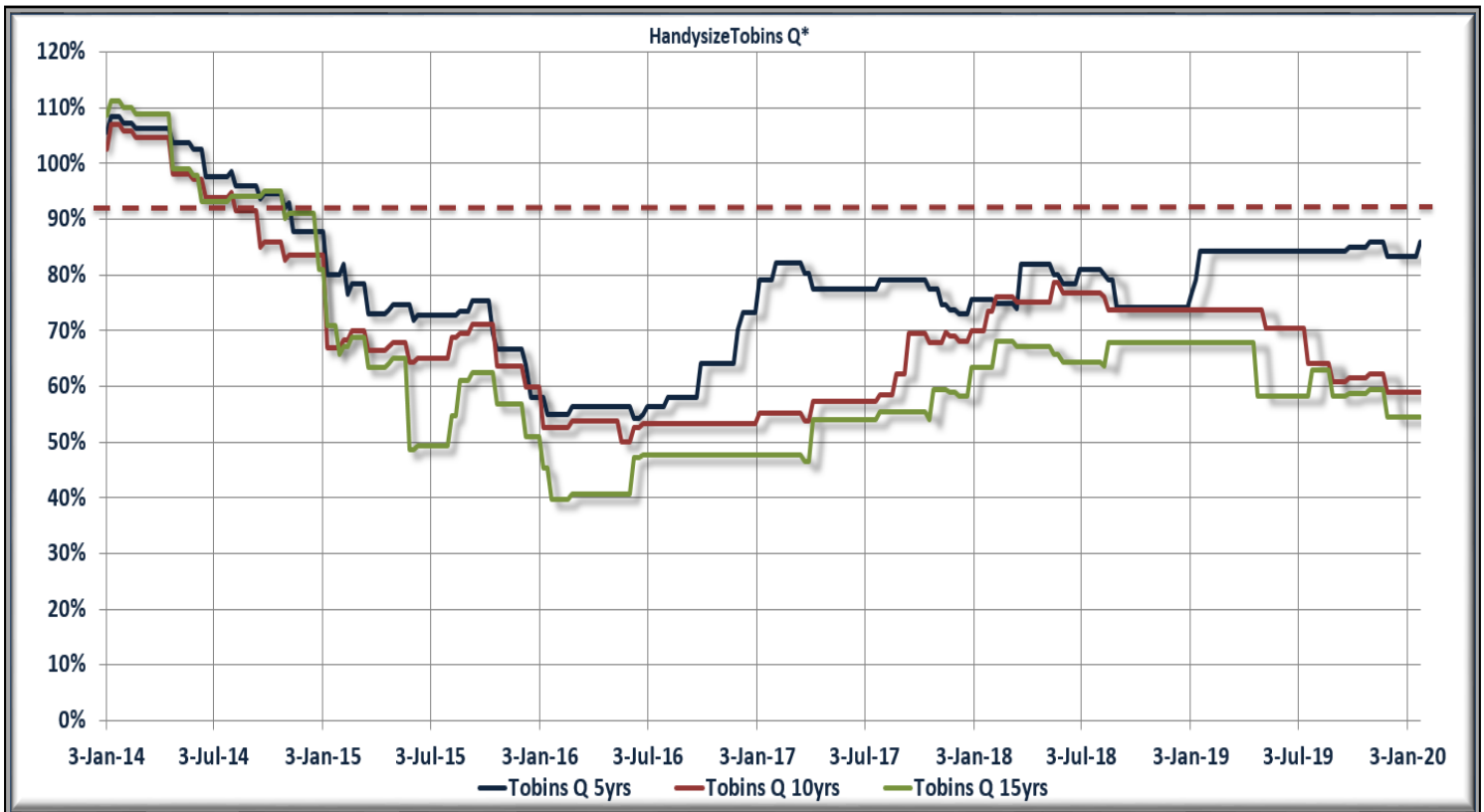
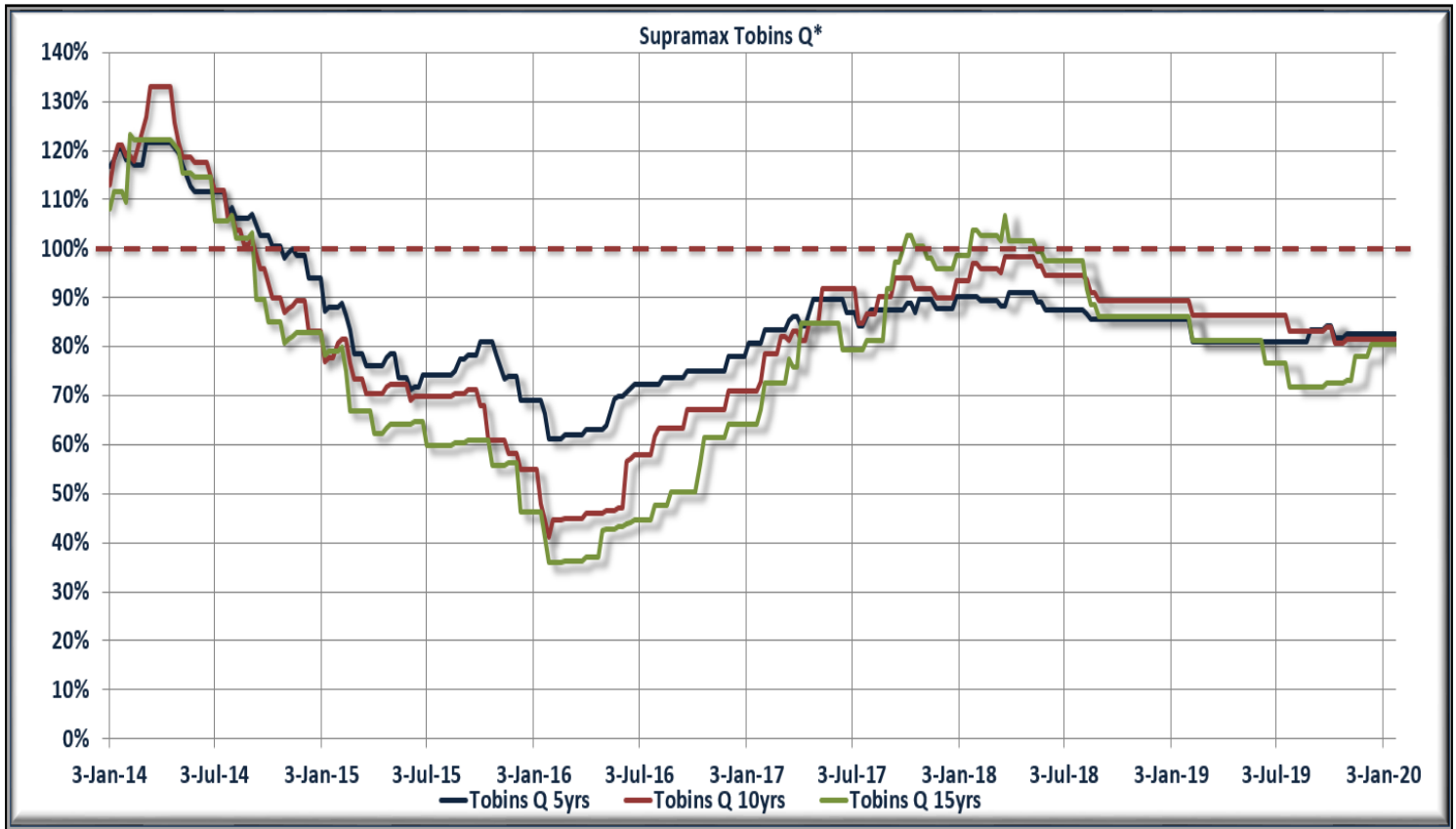
Tobin's Q\* Capesize-Panamax

| Date                 | Capesize 5yrs | Capesize 10yrs | Capesize 15yrs | Panamax 5yrs | Panamax 10yrs | Panamax 15yrs |
|----------------------|---------------|----------------|----------------|--------------|---------------|---------------|
| <b>Current ratio</b> | 69%           | 72%            | 63%            | 86%          | 80%           | 81%           |
| <b>12months High</b> | 80%           | 83%            | 68%            | 86%          | 88%           | 81%           |
| <b>12months Low</b>  | 69%           | 72%            | 63%            | 85%          | 79%           | 76%           |
| <b>12months Avg</b>  | 72%           | 76%            | 64%            | 85%          | 81%           | 78%           |



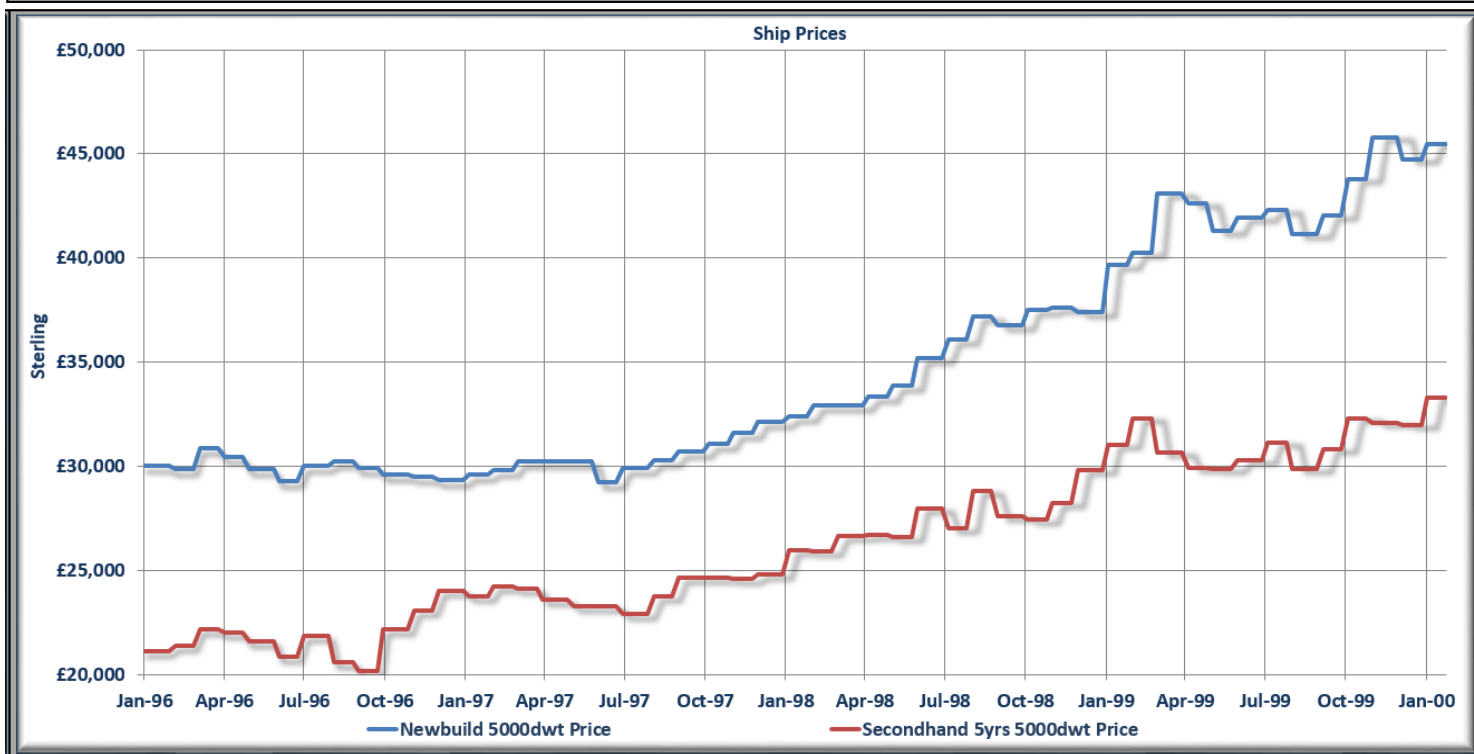
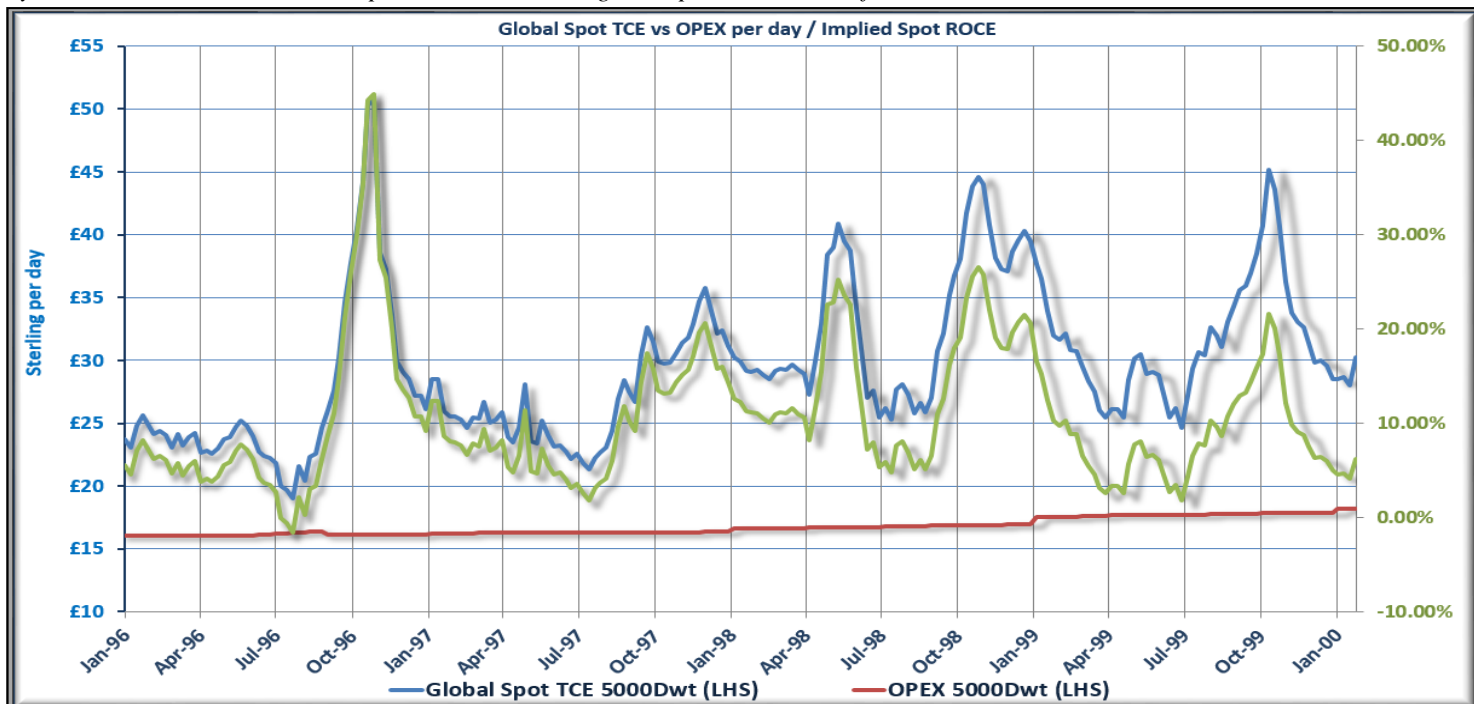
Tobin's Q\* Supramax-Handysize

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



## 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 | Dec-01 | Nov-01 | Oct-01 |
|--------------------|--------------|---------------|--------|--------|--------|
| Implied Spot Roce  | 6.2%         | 4.1%          | 5.9%   | 8.8%   | 17.7%  |
| Global Spot TCE    | £30.20       | £28.03        | £29.41 | £32.72 | £41.24 |
| BlackSea Round     | £28.49       | £27.29        | £29.60 | £32.06 | £41.93 |
| East Round         | £34.71       | £33.86        | £31.05 | £39.09 | £46.01 |
| Med Round          | £30.84       | £25.89        | £27.86 | £30.99 | £37.83 |
| US Round           | £32.95       | £32.94        | £32.90 | £35.26 | £43.22 |
| River Plate Round  | £33.21       | £35.23        | £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...

There is not much change to report. On the whole things are a shade steadier, but in most directions, rates are altogether below the standard necessary to enable the majority of owners to continue trading with their boats. It may be that freights will improve somewhat upon owners' determination to discontinue running their vessels to pieces for a bare return; but what is more likely than this is that the price of coal will have to come down very considerably, for there is no real justification for the prices recently paid in Wales, etc. For owners to be giving about 25s, for large Cardiff coal, and about 16s. for small, is beyond all the bounds of reason; there is no strike on, and although it is true a good many of the miners have been called away for South African military service, the output of coal is not reduced as to warrant the colliery proprietors in squeezing consumers to the extent that has been going on. We are glad to find that owners generally have taken the wise and politic move of agreeing with the foreign coaling depot proprietors to accept other than Welsh coal under their contracts so long as the present strain exists. This should relieve the situation in Wales, for now that large buyers will be free to ship coal from any U.U. port or from the U.S., their hands will in many cases be strengthened in resisting the exorbitant demands of the Welsh colliery owners, and this will undoubtedly reduce the pressure greatly. Owners are beginning to find out that insurance is getting more burdensome every year, especially in regard to Lloyd's and the Companies. Insurances now running off will, in the majority of cases, not be renewable on the old terms, for either the rates of premium will be increased or owners will have to declare much larger values, as, for instance, boats of about 2,200 tons gross, previously valued at £18,00, will now have to be valued at about £22,000 to £14,000. The reason alleged for this is that the losses on particular averages come more severe on the underwriters every year in consequence of the cost of material and labour having steadily advanced almost from month to month. It is very difficult just now to know what employment is the best to secure for boats coming on for chartering. There is no doubt that the most attractive business, subject to rates, is time-chartering, for owners are thus freed from the anxieties of market fluctuations, cost of bunkers, etc., and have a profit of comparative certainty in sight. In cases where time employment cannot be secured, owners are in many cases sending their boats on long voyages to South America, South Africa, and India, taking a good supply of bunkers this side and also at the coaling depots on the way out. We are afraid that these coal bills will run away with much of the profit, so probably the shorter U.S. trades would ultimately prove the best, for, taking a large proportion of the bunker coal in the U.S. at cheap prices, the severity of the punishment under this head is largely mitigated. Boats easy on the consumption can undoubtedly make money taking coal out to Cape Town and afterwards loading home the River Plate or from Burmah. Some owners still find that there is a margin of profit by first taking coal out to West Italy or Sicily and loading fruit, etc., thence for the United States, and back to U.K. Cont. with grain; while others prefer running their boats in ballast form their Mediterranean discharging ports to New Orleans, Galveston, etc. For large carriers there is a fair profit to be made on about 10s. out to Italy and about 16s. net charter from the Gulf. We are afraid that the small class of boats are just now having a bitter experience, especially those running in the ore trades, from Bilbao in particular; for what with long turns and miserable rates owners must be dropping money.

There is no change to report in the black Sea market. Apparently the only the only chartering going on is from Poti for ore at 12s. to 12s. 6d. for the U.K.; the last paid for the U.S. was 1,5s. for March/April loading.

Mediterranean business continues very quiet. From Alexandria to U.K. 9s. 6d. and 8s. 6d. has been paid, while the last done from Smyrna to U.K. is 9s. 9d. one, 10s. 9d. two ports.

Owners should be most careful in all American charters to exclude the timber and ore trades, for twelve months of this business will take about four years' life out of any new boat, the wear and tear being exceedingly great, main boilers going all the time at sea and in port, for no donkey boiler could keep the winches rattling away loading and discharging ore at the rate of 1,500 tons per day.

The American market on the whole is a shade better, there being more demand.

Although the River Plate market has not been so active, the undertone is good, and owners need have but little fear of rates materially giving way, for the grain must come forward sooner or later.

The eastern market is firm. Bombay rates for prompt loading to p.p. are 182. 6d., and for February/March 18s.

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.