

Weekly Shipping Market Update

18th - 22nd July 2016 | Week 29

Market Analysis

A shock was noted in the oil markets this week as the price of crude oil hit a near two month low. The increasing fears from the over swollen stockpiles that have amassed over the past one and half years and the boosted operations from U.S. producers with continued increases in drilling operations has made for a sour sentiment to hit global traders. At the same time many are now fearing the ease in demand levels that is expected to be seen over the next couple of weeks as refineries in the U.S. take on their seasonal maintenance schedules. This has also been widely reflected in the crude oil tanker freight rates over recent weeks, with inquiries keeping at a comparably low rate and leaving tonnage lists to amass in most of the main trading regions.

We are looking to be on the edge of another downturn in the price of crude oil as supply glut hits the market once more, though unlike the last supply glut which hit the market, dropped prices and boosted trade, things are now looking to be a bit more bleak. Demand is not in a state to drive further consumption even under the boost of price cuts. Several refined products are currently trading at fairly unfavourable terms, with margins for main products such as crude having been marginalised even in growth areas such as the Far East. This means that not only are we expecting to see a drop in refiners' thirst for crude oil during the next one-two months, but we are also unable to see any further boost from further strategic stockpiling as we are already looking to be maxed out globally in this regard.

It doesn't seem as though OPEC has made any significant cuts in production levels either, with June showing an increase of around 0.7% a day. Taking this in combination with further production increases expected to be noted out of Iran and Russian output now looking to climb considerably in the medium-term, it seems as though the supply glut will remain. As things stand now, it looks as though we will be seeing an average price of crude fairly below the expectations that many had set in the start of the year.

This last point is not necessarily something bad for those transporting crude around the world, as the lower prices should in theory keep demand levels buoyant. There is however a greater issue brewing under the surface, as the difficulties faced by refineries could likely lead to further hampering of demand and consumption in the short-term. Demand from consumers seems to have also reached a peak and it looks ever more difficult that we will see a considerable rise in demand for every dollar drop in price that is noted in the price of crude oil. This means that we have reached a barrier in demand levels that will be difficult to break through. The only way around this in the short-term will be for crude oil producers to cut back levels, but even in such a case this should do little to bolster transported volumes and will more likely go towards serving their earnings.

It seems as though we have started to face the underlining issues in terms of market fundamentals for the tanker market. As things stand now demand growth is pegged at a steady rate and it looks as though it is refusing to nudge to any higher rate. This has been something that has been wildly expected over the past years, as the energy efficiencies that have been achieved in the past are now hampering the elasticity of demand amongst consumers globally.

George Lazaridis

Head of Market Research & Asset Valuations



Week in numbers

Dry Bulk Freight Market

	22 Jul		W-O-W change	
			±Δ	±%
BDI	718		▼ -27	-3.6%
BCI	895		▼ -128	-12.5%
BPI	827		▼ -36	-4.2%
BSI	698		▲ 5	0.7%
BHSI	383		▲ 20	5.5%

Tanker Freight Market

	22 Jul		W-O-W change	
			±Δ	±%
BDTI	582		▼ -30	-4.9%
BCTI	463		▲ 21	4.8%

Newbuilding Market

Aggregate Price Index	22 Jul		M-O-M change	
			±Δ	±%
Bulkers	73		▼ -1	-1.1%
Cont	99		▼ -1	-0.7%
Tankers	93		▼ -2	-1.7%
Gas	96		► 0	0.0%

Secondhand Market

Aggregate Price Index	22 Jul		M-O-M change	
			±Δ	±%
Capesize	39		► 0	0.0%
Panamax	37		► 0	0.0%
Supramax	39		▲ 0	0.9%
Handysize	43		▲ 1	2.7%
VLCC	85		▼ -4	-4.4%
Suezmax	86		▼ -5	-5.4%
Aframax	100		▼ -7	-6.5%
MR	106		▼ -6	-5.0%

Demolition Market

Avg Price Index (main 5 regions)	22 Jul		W-O-W change	
			±Δ	±%
Dry	223		▲ 15	7.2%
Wet	245		▲ 15	6.5%

Economic Indicators

	22 Jul		M-O-M change	
			±Δ	±%
Gold \$	1,321		▲ 30	2.3%
Oil WTI \$	44		▼ -4	-8.2%
Oil Brent \$	46		▼ -4	-7.3%
Iron Ore	56		▲ 6	11.8%
Coal	62		▲ 3	5.1%

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We deliver.

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Freight Market

Dry Bulkers - Spot Market

18th - 22nd July 2016

Capesize - Expectations were met with disappointment this week, as the good level of activity was met with an increase in open tonnage slumping rates in the East routes further. At the same time there was a slow down on the Atlantic Front haul trades, pushing for further easing of rates there as well. It now seems that we may well be on a continued downward drift, with only the Pacific basin unable to support the whole market on its own.

Panamax - It seems as though we have reached an end to the bullish trend that had been noted over the past month or so. With interest in the Atlantic showing signs of slowing significantly, sentiment amongst owners dropped and as such there were notable downward corrections to be seen on a week-on-week basis. The Pacific was able to hold slightly more stable for the time being thanks to a fairly busy Indonesia, however on its own its unlikely to hold at these levels for very long.

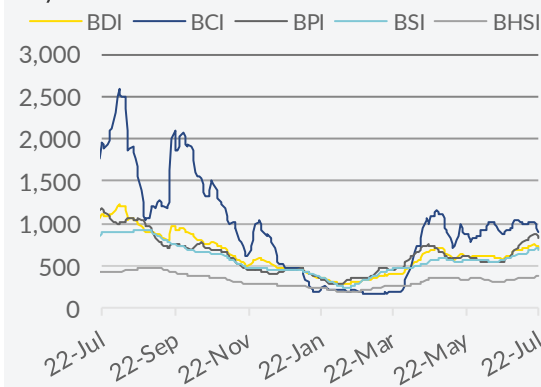
Supramax - A fairly busy week in terms of activity in both basins, with a resilient Pacific basin driving much of the market upwards. Things were also boosted by a fairly positive Med/Black Sea region, while the North Atlantic managed to keep losses for the time being to a minimum despite the drop in interest.

Handysize - A very strong week in the North Atlantic with interest remaining firm and rates showing strong improvements on a week-on-week basis. Things were slightly softer out of ECSA, though given the fairly positive interest seen in the Med/Black Sea and Far East, the overall trend was improving significantly.

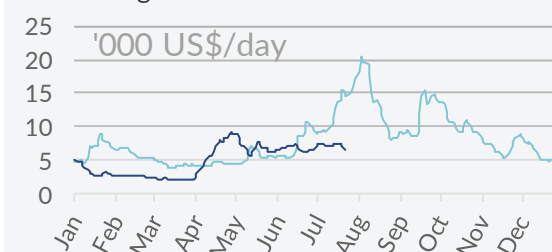
Spot market rates & indices

				Average	
		22 Jul	15 Jul	±%	2016 2015
Baltic Dry Index					
BDI		718	745	-3.6%	512 711
Capesize					
BCI		895	1,023	-12.5%	603 1,009
BCI 5TC		\$ 6,498	\$ 7,548	-13.9%	\$ 4,994 \$ 8,001
ATLANTIC RV		\$ 5,845	\$ 6,665	-12.3%	\$ 5,066 \$ 8,206
Cont / FEast		\$ 13,655	\$ 15,236	-10.4%	\$ 11,179 \$ 16,387
PACIFIC RV		\$ 6,133	\$ 7,504	-18.3%	\$ 4,634 \$ 7,394
FEast / ECSA		\$ 6,864	\$ 7,909	-13.2%	\$ 5,193 \$ 8,353
Panamax					
BPI		827	863	-4.2%	534 690
BPI - TCA		\$ 6,620	\$ 6,896	-4.0%	\$ 4,268 \$ 5,513
ATLANTIC RV		\$ 7,377	\$ 7,855	-6.1%	\$ 4,372 \$ 5,925
Cont / FEast		\$ 11,168	\$ 11,729	-4.8%	\$ 8,022 \$ 10,563
PACIFIC RV		\$ 6,736	\$ 6,789	-0.8%	\$ 4,116 \$ 5,021
FEast / Cont		\$ 1,199	\$ 1,212	-1.1%	\$ 561 \$ 542
Supramax					
BSI		698	693	0.7%	484 662
BSI - TCA		\$ 7,301	\$ 7,243	0.8%	\$ 5,064 \$ 6,919
Cont / FEast		\$ 10,267	\$ 10,271	0.0%	\$ 8,300 \$ 9,890
Med / FEast		\$ 11,996	\$ 11,864	1.1%	\$ 7,432 \$ 9,274
PACIFIC RV		\$ 6,775	\$ 6,600	2.7%	\$ 4,446 \$ 5,989
FEast / Cont		\$ 4,240	\$ 3,990	6.3%	\$ 2,549 \$ 4,794
USG / Skaw		\$ 9,875	\$ 10,675	-7.5%	\$ 7,984 \$ 10,915
Skaw / USG		\$ 4,243	\$ 3,954	7.3%	\$ 2,807 \$ 3,705
Handysize					
BHSI		383	363	5.5%	291 364
BHSI - TCA		\$ 5,594	\$ 5,337	4.8%	\$ 4,246 \$ 5,354
Skaw / Rio		\$ 4,260	\$ 3,420	24.6%	\$ 3,265 \$ 3,770
Skaw / Boston		\$ 4,458	\$ 3,725	19.7%	\$ 3,656 \$ 4,057
Rio / Skaw		\$ 6,606	\$ 6,789	-2.7%	\$ 5,944 \$ 8,526
USG / Skaw		\$ 7,625	\$ 7,814	-2.4%	\$ 5,847 \$ 7,200
SEAsia / Aus / Jap		\$ 4,950	\$ 4,693	5.5%	\$ 3,350 \$ 4,211
PACIFIC RV		\$ 5,950	\$ 5,779	3.0%	\$ 4,277 \$ 5,429

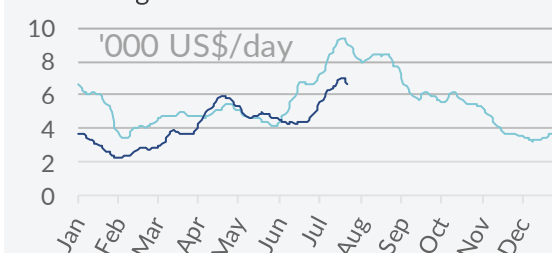
Dry Bulk Indices



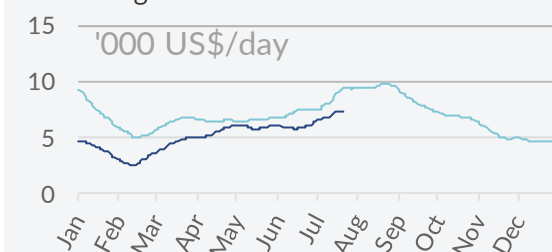
BCI Average TCE



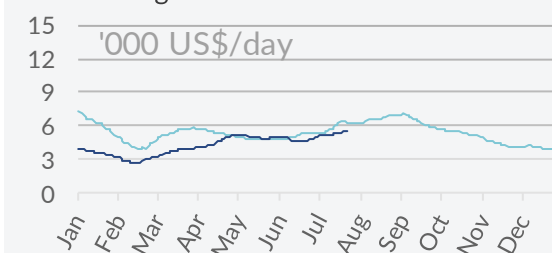
BPI Average TCE



BSI Average TCE



BHSI Average TCE



— 2015 — 2016

Freight Market

Tankers - Spot Market

18th - 22nd July 2016

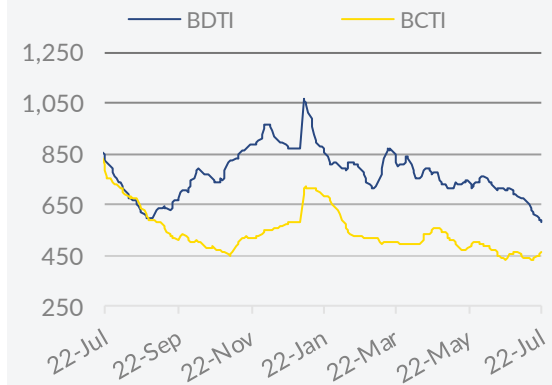
Crude Oil Carriers - Yet another week were fresh inquiries seemed to be lacking against the available tonnage in sight. Rates in the MEG were still downward trending, while things were holding a bit more stable in the WAF for VLs. Suzmaxes and Afras were feeling the pain more, with rates for both noting considerable discounts against the levels they were seeing one week prior. The only exception here was the Caribs market for Aframaxes, were a spike in fresh interest helped clear out all the available tonnage in the region and could well absorb extra tonnage over the next couple of weeks.

Oil Products - A similar trend to what we were seeing a week prior, with DPP routes under pressure and showing an appetite for further downward corrections. There was a slight slack in interest being seen on some of the Far Eastern routes though nothing to severe. CPP routes on the other hand were still holding in the green with interest on the MEG-Far East route leading the way with good gains.

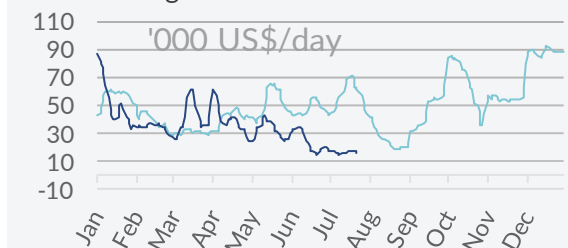
Spot market rates & indices

		22 Jul	15 Jul	±%	Average	
					2016	2015
Baltic Tanker Indices						
BDTI		582	612	-4.9%	772	820
BCTI		463	442	4.8%	527	637
VLCC						
MEG-USG	WS	25.38	26.29	-3.5%	36.95	36.36
	\$/day	\$ 6,563	\$ 7,272	-9.7%	\$ 22,243	\$ 31,968
MEG-SPORE	WS	43.81	44.88	-2.4%	63.76	64.43
	\$/day	\$ 39,043	\$ 39,758	-1.8%	\$ 58,443	\$ 61,629
MEG-JAPAN	WS	43.04	43.85	-1.8%	62.24	63.09
	\$/day	\$ 25,567	\$ 26,073	-1.9%	\$ 47,660	\$ 68,288
WAF-USG	WS	52.50	52.50	0.0%	69.38	72.72
	\$/day	\$ 62,371	\$ 62,037	0.5%	\$ 90,203	\$ 76,589
SUEZMAX						
WAF-USAC	WS	52.50	57.50	-8.7%	75.38	81.13
	\$/day	\$ 26,757	\$ 30,294	-11.7%	\$ 45,885	\$ 46,404
BSEA-MED	WS	60.50	69.85	-13.4%	86.68	91.34
	\$/day	\$ 9,241	\$ 14,689	-37.1%	\$ 28,303	\$ 46,346
AFRAMAX						
NSEA-CONT	WS	84.72	92.22	-8.1%	106.97	111.01
	\$/day	\$ 8,529	\$ 13,796	-38.2%	\$ 25,593	\$ 37,053
MEG-SPORE	WS	87.22	88.89	-1.9%	111.68	112.26
	\$/day	\$ 12,934	\$ 13,186	-1.9%	\$ 22,223	\$ 31,406
CARIBS-USG	WS	84.44	75.00	12.6%	108.43	133.63
	\$/day	\$ 8,544	\$ 5,184	64.8%	\$ 18,212	\$ 37,962
BALTIK-UKC	WS	60.28	67.50	-10.7%	85.06	92.57
	\$/day	\$ 11,428	\$ 15,212	-24.9%	\$ 27,625	\$ 43,406
DPP						
CARIBS-USAC	WS	80.00	80.00	0.0%	118.44	138.77
	\$/day	\$ 13,112	\$ 12,941	1.3%	\$ 26,810	\$ 30,727
ARA-USG	WS	86.25	85.31	1.1%	108.37	122.73
	\$/day	\$ 16,753	\$ 16,453	1.8%	\$ 27,495	\$ 30,281
SEASIA-AUS	WS	85.94	86.88	-1.1%	110.68	110.54
	\$/day	\$ 15,426	\$ 15,504	-0.5%	\$ 25,366	\$ 35,804
MED-MED	WS	75.94	80.89	-6.1%	99.77	108.70
	\$/day	\$ 7,970	\$ 9,573	-16.7%	\$ 19,103	\$ 35,902
CPP						
MEG-JAPAN	WS	92.81	85.00	9.2%	97.61	105.50
	\$/day	\$ 15,172	\$ 12,835	18.2%	\$ 18,183	\$ 28,796
CONT-USAC	WS	100.00	97.75	2.3%	112.33	134.68
	\$/day	\$ 7,627	\$ 7,059	8.0%	\$ 10,663	\$ 18,755
CARIBS-USAC	WS	105.00	105.00	0.0%	123.94	134.05
	\$/day	\$ 15,813	\$ 15,697	0.7%	\$ 21,394	\$ 22,099
USG-CONT	WS	61.43	70.00	-12.2%	88.25	96.47
	\$/day	\$ 1,407	\$ 2,686	-47.6%	\$ 7,002	\$ 12,481

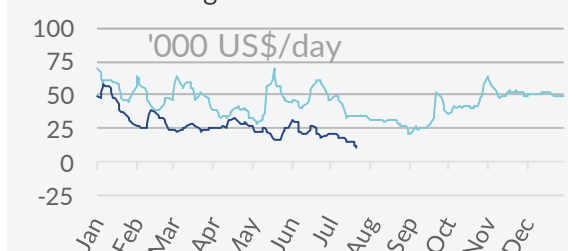
Tanker Indices



VLCC Average TCE



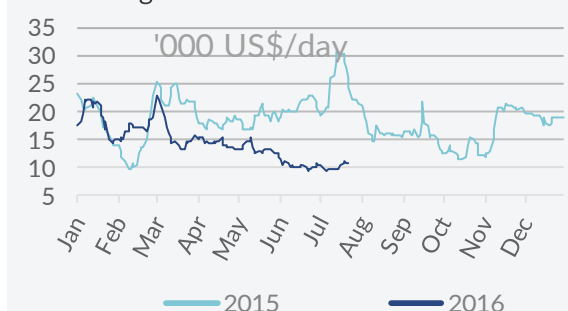
Suezmax Average TCE



Aframax Average TCE



MR Average TCE



Freight Market Period Charter

18th - 22nd July 2016

Dry Bulk period market TC rates

	22 Jul	17 Jun	±%	last 5 years		
				Min	Avg	Max
Capesize						
12 months	\$ 8,000	\$ 8,000	0.0%	\$ 6,200	\$ 14,976	\$ 31,450
36 months	\$ 10,000	\$ 10,500	-4.8%	\$ 6,950	\$ 15,614	\$ 25,200
Panamax						
12 months	\$ 6,500	\$ 5,750	13.0%	\$ 4,950	\$ 10,453	\$ 18,700
36 months	\$ 7,000	\$ 6,500	7.7%	\$ 6,200	\$ 11,003	\$ 16,700
Supramax						
12 months	\$ 6,750	\$ 6,250	8.0%	\$ 4,450	\$ 10,313	\$ 15,950
36 months	\$ 6,500	\$ 6,250	4.0%	\$ 6,200	\$ 10,617	\$ 15,450
Handysize						
12 months	\$ 5,750	\$ 5,000	15.0%	\$ 4,450	\$ 8,517	\$ 12,950
36 months	\$ 5,750	\$ 5,500	4.5%	\$ 5,450	\$ 9,066	\$ 12,950

Latest indicative Dry Bulk Period Fixtures

M/V "STAR NASIA", 82220 dwt, built 2006, dely Haldia 22/25 Jul, \$7,350, for 9/12 months trading, to SinoTrans

M/V "OCEAN WIND", 76619 dwt, built 2005, dely retro Haldia 13 July, \$6,500, for 4/6 months trading, Sanko relet, to Jaldhi

M/V "ORIENTE GLORIA", 61425 dwt, built 2013, dely Far East Aug-Sept, \$7,300, for 3 years trading, to Chart Not Rep

M/V "PACIFIC BRIGHT", 56512 dwt, built 2013, dely Ho Chi Minh 29/31 Jul, \$7,250, for 3/5 months trading, to EGPN

M/V "PACIFIC CROWN", 56469 dwt, built 2012, dely Ning Te prompt, \$6,900, for 3/5 months trading, to Chart Not Rep

Tanker period market TC rates

	22 Jul	17 Jun	±%	last 5 years		
				Min	Avg	Max
VLCC						
12 months	\$ 32,000	\$ 38,000	-15.8%	\$ 18,000	\$ 30,208	\$ 57,750
36 months	\$ 31,750	\$ 33,250	-4.5%	\$ 22,000	\$ 31,650	\$ 45,000
Suezmax						
12 months	\$ 26,000	\$ 27,500	-5.5%	\$ 15,250	\$ 23,290	\$ 42,500
36 months	\$ 24,750	\$ 25,500	-2.9%	\$ 17,000	\$ 24,577	\$ 35,000
Aframax						
12 months	\$ 19,750	\$ 21,500	-8.1%	\$ 13,000	\$ 18,163	\$ 30,000
36 months	\$ 19,250	\$ 20,250	-4.9%	\$ 14,750	\$ 19,044	\$ 27,000
MR						
12 months	\$ 14,750	\$ 15,750	-6.3%	\$ 12,500	\$ 15,019	\$ 21,000
36 months	\$ 15,250	\$ 15,750	-3.2%	\$ 14,000	\$ 15,300	\$ 18,250

Latest indicative Tanker Period Fixtures

M/T "ARENZA XXVII", 309000 dwt, built 2000, \$32,000, for 1/4 months trading, to CLEARLAKE

M/T "FOUR SMILE", 160000 dwt, built 2001, \$30,000, for 6 months trading, to VITOL

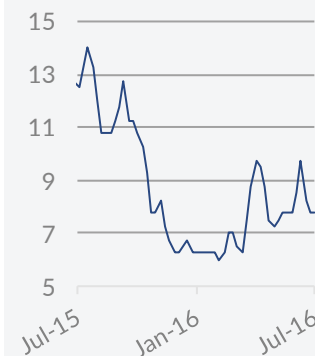
M/T "SPARTO", 115000 dwt, built 2004, \$20,800, for 1 year trading, to SUNCOR

M/T "MUSKIE", 70000 dwt, built 2003, \$19,600, for 1 year trading, to ALASKA TANKER

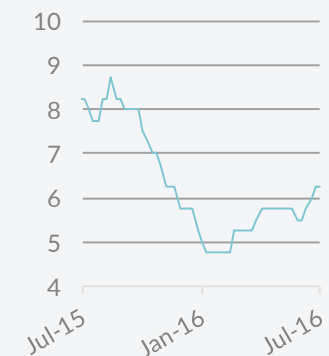
M/T "ALPINE STEALTH", 47500 dwt, built 2002, \$13,500, for 1 year trading, to MTMM

Dry Bulk 12 month period charter rates (USD '000/day)

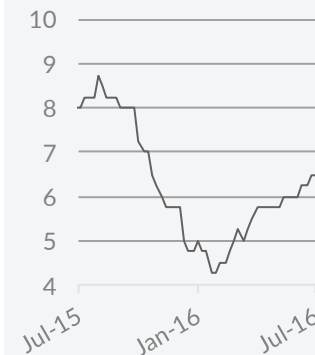
Capesize



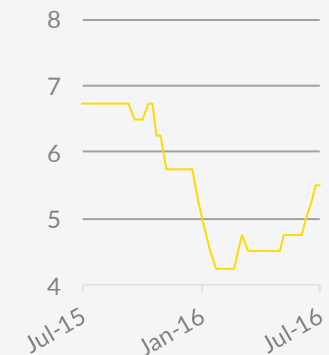
Panamax



Supramax

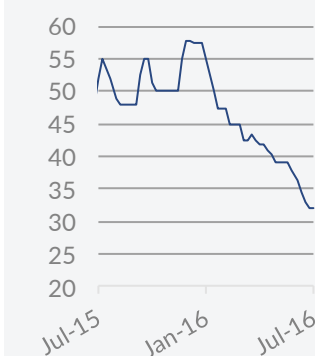


Handysize

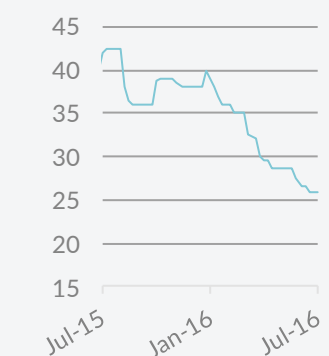


Tanker 12 month period charter rates (USD '000/day)

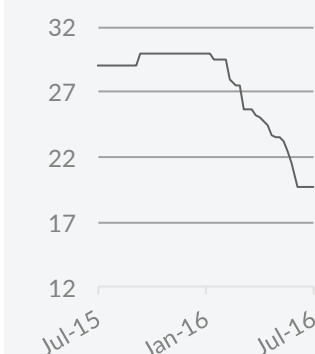
VLCC



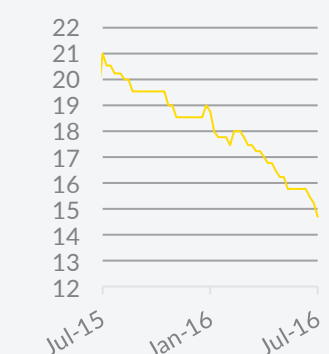
Suezmax



Aframax



MR

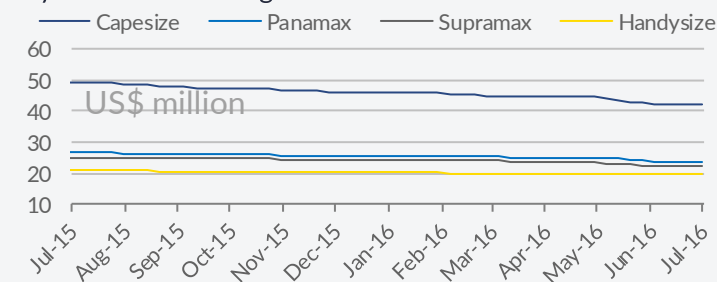


Sale & Purchase Newbuilding Orders

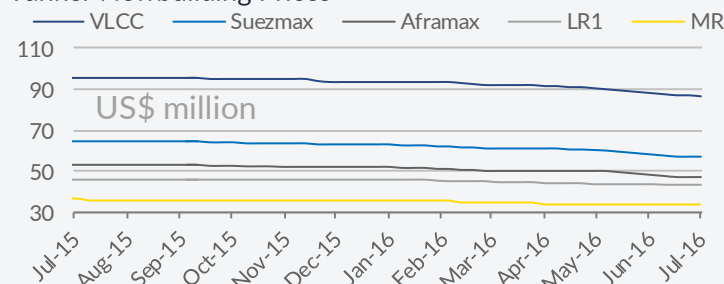
18th - 22nd July 2016

Not much to report this week as activity dropped back down as buying interest remains limited. Prices are still pushing for further corrections, though there has been an indication that we may see a slight pause in this regard as well as shipbuilders are finding it hard to tackle with their prevailing costs and cash flows. As we move closer to the month of August, expectations are for a lack of activity to hold as the seasonal lull will take hold and keep things even more bearish. At the same time, given the rate of decline in the orderbook for all market sectors, shipbuilders are struggling to deal with the market conditions that are prevailing and will have to find new strategies in order to keep their business going. As we move closer towards the end of 2017, this pressure will only amplify further given that there are still ample slots available for both 2017 and 2018 delivery dates.

Dry Bulk Newbuilding Prices



Tanker Newbuilding Prices



Indicative Dry NB Prices (US\$ million)

	22 Jul	17 Jun	±%	last 5 years		
				Min	Avg	Max
Dry Bulkers						
Capesize (180,000dwt)	42.0	42.5	-1.2%	42.0	50.0	58.0
Kamsarmax (82,000dwt)	24.3	24.5	-1.0%	24.3	28.8	36.5
Panamax (77,000dwt)	23.8	24.0	-1.0%	23.8	28.0	34.5
Ultramax (64,000dwt)	22.3	22.5	-1.1%	22.3	26.2	31.0
Handysize (37,000dwt)	19.5	19.8	-1.3%	19.5	22.3	26.5
Container						
Post Panamax (9,000teu)	83.0	84.5	-1.8%	76.5	86.5	94.5
Panamax (5,200teu)	50.0	50.0	0.0%	48.6	56.8	65.6
Sub Panamax (2,500teu)	28.3	28.5	-0.9%	28.3	32.8	41.0
Feeder (1,700teu)	24.0	24.0	0.0%	21.5	25.3	29.4

Indicative Wet NB Prices (US\$ million)

	22 Jul	17 Jun	±%	last 5 years		
				Min	Avg	Max
Tankers						
VLCC (300,000dwt)	86.5	88.5	-2.3%	86.5	95.9	104.0
Suezmax (160,000dwt)	57.0	58.5	-2.6%	55.8	61.4	66.0
Aframax (115,000dwt)	47.0	48.5	-3.1%	47.0	51.7	56.0
LR1 (75,000dwt)	43.3	43.5	-0.6%	40.5	44.0	47.0
MR (56,000dwt)	33.3	33.3	0.0%	33.3	35.2	37.3
Gas						
LNG 160k cbm	197.0	197.0	0.0%	197.0	199.9	203.0
LPG LGC 80k cbm	72.5	72.5	0.0%	70.0	74.2	80.0
LPG MGC 55k cbm	64.5	64.5	0.0%	62.0	64.6	68.5
LPG SGC 25k cbm	42.0	42.0	0.0%	41.0	44.1	46.5

Reported Transactions

Type	Units	Size	Shipbuilder	Price	Buyer	Delivery	Comments
no notable orders reported this week							

Sale & Purchase Secondhand Sales

18th - 22nd July 2016

On the dry bulk side, a very active week especially in the Panamax size segment with a number of units from the whole age spectrum trading hands. Prices however seemed to have stalled any further movements this time around as sentiment has left for limited upward price movements to be seen. Given that the freight market has seemingly peaked for now there might even be some slight downward corrections to be noted.

On the tanker side, with the major enbloc deal from Stolt-Nielsen being the exception, activity has remained fairly subdued for yet another week. It seems as though buyers are still pushing hard for further discounts to be noted in terms of prices and given the latest trends being seen from the freight market this is not without reason.

Indicative Dry Bulk Values (US\$ million)

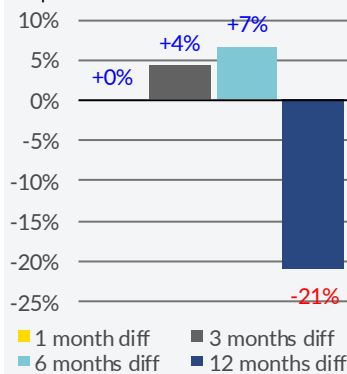
		22 Jul	17 Jun	±%	Min	Avg	Max
Capesize							
180k dwt	Resale	35.5	35.5	0.0%	34.5	48.1	65.0
170k dwt	5 year old	24.5	24.5	0.0%	23.0	36.9	53.0
170k dwt	10 year old	14.0	14.0	0.0%	12.0	25.2	39.0
150k dwt	15 year old	8.0	8.0	0.0%	6.5	15.2	25.0
Panamax							
82k dwt	Resale	24.5	24.5	0.0%	22.5	30.6	43.0
76k dwt	5 year old	13.5	13.5	0.0%	11.5	21.9	36.8
76k dwt	10 year old	8.0	8.0	0.0%	7.3	16.2	29.3
74k dwt	15 year old	4.5	4.5	0.0%	3.5	10.6	22.0
Supramax							
62k dwt	Resale	20.5	20.5	0.0%	19.0	28.4	36.8
58k dwt	5 year old	12.5	12.5	0.0%	11.0	21.1	30.5
52k dwt	10 year old	7.3	7.3	0.0%	6.0	15.2	24.3
52k dwt	15 year old	4.0	3.8	6.7%	3.5	10.1	19.0
Handysize							
37k dwt	Resale	17.0	17.0	0.0%	17.0	23.0	30.0
32k dwt	5 year old	9.0	8.8	2.9%	7.8	17.2	25.5
32k dwt	10 year old	6.5	6.3	4.0%	6.0	12.9	19.5
28k dwt	15 year old	3.8	3.5	7.1%	3.5	8.6	14.5

Indicative Tanker Values (US\$ million)

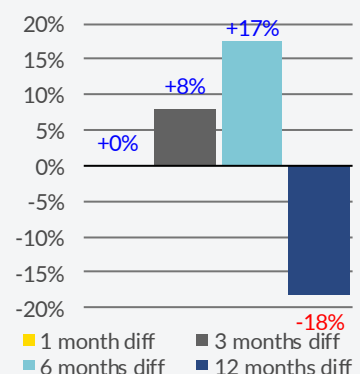
		22 Jul	17 Jun	±%	Min	Avg	Max
VLCC							
310k dwt	Resale	86.0	89.0	-3.4%	80.0	95.1	108.5
310k dwt	5 year old	64.0	67.0	-4.5%	55.0	70.3	87.0
250k dwt	10 year old	44.0	47.0	-6.4%	33.8	46.5	62.0
250k dwt	15 year old	27.0	28.0	-3.6%	16.9	27.7	41.0
Suezmax							
160k dwt	Resale	61.0	65.5	-6.9%	53.0	64.1	73.0
150k dwt	5 year old	48.0	51.5	-6.8%	38.0	50.1	62.0
150k dwt	10 year old	35.0	38.0	-7.9%	24.0	34.1	44.5
150k dwt	15 year old	23.0	23.0	0.0%	14.0	19.0	23.3
Aframax							
110k dwt	Resale	50.0	53.5	-6.5%	39.0	49.0	57.0
110k dwt	5 year old	35.0	38.5	-9.1%	27.0	37.0	47.5
105k dwt	10 year old	22.5	25.5	-11.8%	16.0	24.1	33.0
105k dwt	15 year old	16.0	16.0	0.0%	8.0	13.3	18.5
MR							
52k dwt	Resale	34.0	35.5	-4.2%	32.0	36.8	39.3
52k dwt	5 year old	23.5	25.5	-7.8%	22.0	26.9	31.0
45k dwt	10 year old	16.5	18.0	-8.3%	14.0	17.9	21.0
45k dwt	15 year old	11.5	11.5	0.0%	9.0	11.0	13.5

Price movements of 5 year old Dry Bulk assets

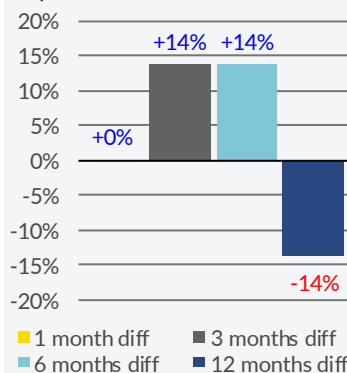
Capesize



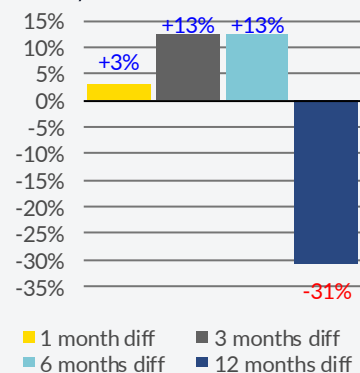
Panamax



Supramax

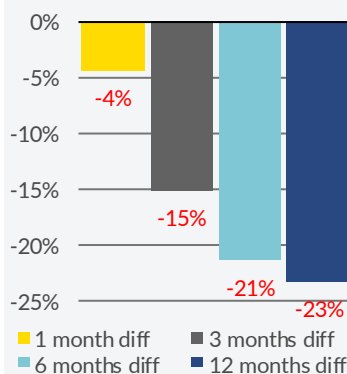


Handysize

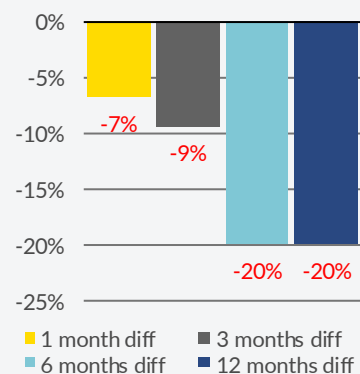


Price movements of 5 year old Tanker assets

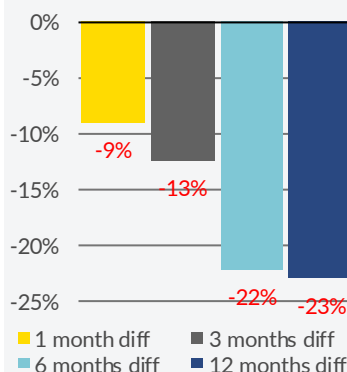
VLCC



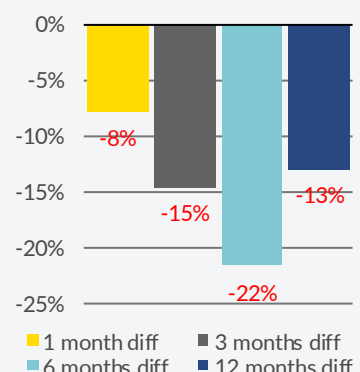
Suezmax



Aframax



MR



Sale & Purchase Secondhand Sales

18th - 22nd July 2016

Tankers

Size	Name	Dwt	Built	Shipbuilder	M/E	Coating	Price	Buyers	Comments
VLCC	GENMAR VISION	312,679	2001	HYUNDAI HEAVY INDUSTRI, S. Korea	B&W		\$ 28.0m	Taiwanese - Winson Tankers	for FSO conversion, 2 M/E - 70m Beam
-	21 vessels	19,500-37,500	1993-2017	various	various		\$ 575.0m	Norwegian - Stolt-Nielsen	purchase of Odfjell subsidiary Jo Tankers. 21 tankers in total, including a 50% - 50% JV in eight newbuildings

Bulk Carriers

Size	Name	Dwt	Built	Shipbuilder	M/E	Gear	Price	Buyers	Comments
CAPE	ZOSCO JIAXING	175,886	2009	JINHAI HEAVY INDUSTRY, China	MAN-B&W		\$ 14.9m	S. Korean - Sinokor	
CAPE	ZOSCO SHAOXING	175,879	2009	JINHAI HEAVY INDUSTRY, China	MAN-B&W		\$ 14.9m	S. Korean - Sinokor	
KMAX	UNITED LEGACY	81,344	2014	OSHIMA SHIPBUILDING, Japan	MAN-B&W		\$ 17.6m	Danish - BW	
PMAX	OCEAN ROSE	76,619	2008	SHIN KASADO DOCKYARD C, Japan	MAN-B&W		\$ 9.5m	Greek - Golden Union	old sale
PMAX	MULBERRY PARIS	76,492	2004	TSUNEISHI CORP NUMAKUM, Japan	B&W		\$ 5.5m	Greek - Sea Pioneer	
PMAX	SAMJOHN LIBERTY	74,761	1998	NKK CORP - TSU, Japan	Sulzer		\$ 2.6m	Chinese	
PMAX	ALTAIR	74,665	2001	HUDONG-ZHONGHUA SHIPBU, China	MAN-B&W		\$ 3.0m	undisclosed	
PMAX	MATILDE CORRADO	72,790	2002	SAMSUNG HEAVY, S. Korea	B&W		\$ 4.8m	Chinese	
SMAX	TOWNSVILLE MARU	58,086	2013	TSUNEISHI CEBU, Philippines	MAN-B&W	4 X 30t CRANES	\$ 14.5m	Greek	grab fitted
SMAX	VIL BALTIC	57,021	2010	QINGSHAN, China	MAN-B&W	4 X 35t CRANES	\$ 7.0m	German	internal deal
HMAX	BLUE SAPPHIRE	48,907	2001	IHI - YOKOHAMA, Japan	Sulzer	4 X 30t CRANES	\$ 3.1m	Middle Eastern	
HANDY	GREAT PRIDE	33,773	2004	OSHIMA SHIPBUILDING, Japan	B&W	4 X 30t CRANES	\$ 6.2m	Hong Kong Based - Taylor Maritime	
HANDY	DAISY K	28,420	2012	IMABARI IMABARI, Japan	MAN-B&W	4 X 30,7t CRANES	\$ 8.4m	undisclosed	grab fitted

Gen. Cargo

Type	Name	Dwt	Built	Shipbuilder	M/E	Gear	Price	Buyers	Comments
General Cargo	KEIZERSBORG	9,150	1996	FERUS SMIT BV, Netherlands	tork-Wartsila		\$ 2.3m	undisclosed	

Gas Carriers

Size	Name	Dwt	Built	Shipbuilder	M/E	CBM	Price	Buyers	Comments
LPG	BW BORG	54,826	2001	KAWASAKI HEAVY INDS -, Japan	B&W	82,614	\$ 42.5m	Indian - Varun	

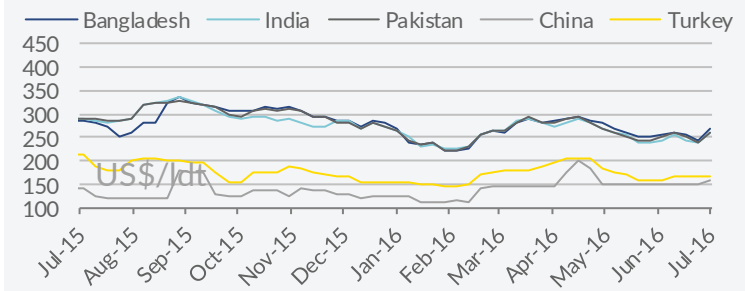
Sale & Purchase

Demolition Sales

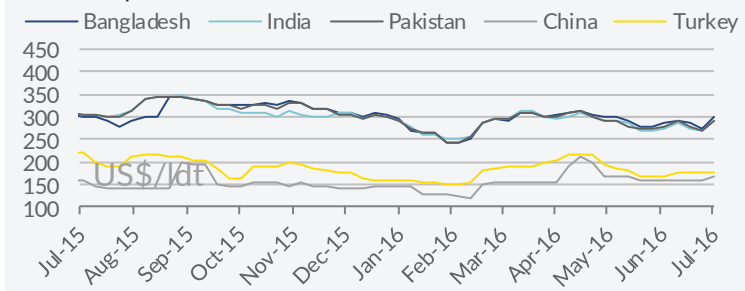
18th - 22nd July 2016

After a period of limited activity and lacking interest, the market was shaken back into life with appetite amongst ship breakers remerging and owners now looking once again at the option of sending their overage units for recycling more favorably now. Activity as such was at considerably better levels to what it was the week prior and reported prices noted a significant spike. Competition amongst breakers with available capacity allowed for some considerable premiums to be seen on high spec units, while the fact that there are still considerably fewer demo candidates out there compared to the levels that were being seen in the first half of the year, has allowed for the market to make some ground in terms of offered prices. Having said that however, we are still seeing a slower rate of demand compared to what was also seen back then, so we may well find it difficult to break well above these price levels during August.

Dry Scrap Prices



Wet Scrap Prices



Indicative Dry Prices (\$/Ldt)

		22 Jul	15 Jul	±%	last 5 years		
					Min	Avg	Max
Indian Sub Continent							
	Bangladesh	270	245	10.2%	220	398	515
	India	260	240	8.3%	225	405	525
	Pakistan	260	240	8.3%	220	401	510
Far East Asia							
	China	160	150	6.7%	110	304	455
Mediterranean							
	Turkey	165	165	0.0%	145	252	355

Indicative Wet Prices (\$/Ldt)

		22 Jul	15 Jul	±%	last 5 years		
					Min	Avg	Max
Indian Sub Continent							
	Bangladesh	300	275	9.1%	245	420	540
	India	290	270	7.4%	250	428	550
	Pakistan	290	270	7.4%	245	425	525
Far East Asia							
	China	170	160	6.3%	120	322	485
Mediterranean							
	Turkey	175	175	0.0%	150	262	355

Reported Transactions

Type	Vessel's Name	Dwt	Built	Country Built	Ldt	US\$/Ldt	Buyer	Sale Comments
Bulker	BADRI PRASAD	151,418	1990	Japan	17,618	\$ 275/Ldt	Pakistani	previous sale failed in May '16 at \$314/LDT, final price resolved at delay place
Bulker	EVER BLOSSOM	69,999	1997	Japan	10,105	\$ 278/Ldt	Bangladeshi	
Bulker	DESPINA	65,644	1993	China	11,611	\$ 255/Ldt	Indian	bss 'as is' Fujairah- Pakistan option
Cont	HANJIN SAN DIEGO	63,520	1997	S. Korea	18,976	\$ 285/Ldt	undisclosed	bss 'as is' S'pore, extra payment for bunkers and lubes
Bulker	FAREAST SUNNY	42,248	1989	Japan	5,037	\$ 255/Ldt	Bangladeshi	
Bulker	APJ AKHIL	39,989	1989	Japan	10,306	N/A	Pakistani	re-committed, after previous sale failed in Jun '16
Bulker	MEVLANA	37,705	1984	Japan	7,527	\$ 255/Ldt	Indian	Pakistan option
Bulker	OCEAN WHISPER	27,652	1986	Japan	5,903	\$ 255/Ldt	Indian	

Trade Indicators

Markets | Currencies | Commodities

18th - 22nd July 2016

Korea Development Bank (KDB) has become the biggest shareholder in Hyundai Merchant Marine.

A regulatory filing revealed the state bank has replaced Hyundai Elevator as the biggest investor after the shipowner issued shares in a debt-for-equity swap after completing its restructuring.

HMM had previously said it was issuing stock worth KRW 2.5 trillion (\$2.1bn) to settle its debts.

The 236m new shares at KRW 10,700 each were to be awarded to creditor banks, bondholders and shipowners who will convert their debts into equity.

Hyundai Elevator, Hyundai Global and Hyundai Group chairwoman Hyun Jeong-eun have seen their stakes cut from 20.93% to 3.65% - a loss of \$372m - without compensation.

HMM's restructuring has seen it win revised terms on loans and bonds, plus charter reductions for third-party ships. Tradewinds

	22 Jul	17 Jun	±%	last 12 months		
				Min	Avg	Max
Markets						
10year US Bond	1.57	1.62	-3.1%	1.37	1.97	2.34
S&P 500	2,175.0	2,071.2	5.0%	1,829	2,031	2,175
Nasdaq	5,100.2	4,800.3	6.2%	4,267	4,845	5,172
Dow Jones	18,570.9	17,675.2	5.1%	15,660	17,283	18,595
FTSE 100	6,730.5	6,021.1	11.8%	5,537	6,216	6,752
FTSE All-Share UK	3,643.8	3,309.4	10.1%	3,047	3,411	3,681
CAC40	4,381.1	4,193.8	4.5%	3,897	4,527	5,197
Xetra Dax	10,147.5	9,631.4	5.4%	8,753	10,161	11,636
Nikkei	16,627.3	15,599.7	6.6%	14,952	17,694	20,809
Hang Seng	21,964.3	20,170.0	8.9%	18,320	21,298	25,399
DJ US Maritime	207.7	227.2	-8.6%	150.2	205.1	246.3
Currencies						
\$ per €	1.10	1.13	-2.2%	1.06	1.11	1.16
\$ per £	1.31	1.43	-8.4%	1.29	1.47	1.57
£ per €	0.84	0.79	6.8%	0.70	0.76	0.86
¥ per \$	106.1	104.3	1.7%	100.6	115.6	124.9
\$ per Au\$	0.75	0.74	1.1%	0.69	0.73	0.78
\$ per NoK	0.12	0.12	-1.9%	0.11	0.12	0.12
\$ per SFr	0.99	0.96	2.7%	0.94	0.98	1.03
Yuan per \$	6.67	6.59	1.3%	6.17	6.47	6.70
Won per \$	1,137.9	1,171.4	-2.9%	1,128.0	1,173.4	1,237.8
\$ INDEX	101.3	99.5	1.8%	98.1	103.0	107.4
Commodities						
Gold \$	1,320.8	1,290.7	2.3%	1,049.4	1,177.6	1,366.3
Oil WTI \$	44.2	48.1	-8.2%	26.9	41.8	51.6
Oil Brent \$	45.7	49.3	-7.3%	28.2	44.1	56.1
Palm Oil	562.0	562.0	0.0%	437.5	549.1	582.5
Iron Ore	56.1	50.2	11.8%	37.0	51.2	68.7
Coal Price Index	61.5	58.5	5.1%	47.3	53.7	63.0
White Sugar	539.2	533.0	1.2%	333.6	422.5	574.0

Currencies

US Dollar per Euro



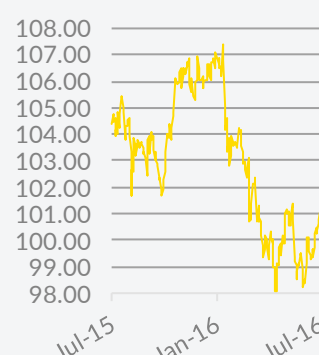
Yen per US Dollar



Yuan per US Dollar



US Dollar INDEX

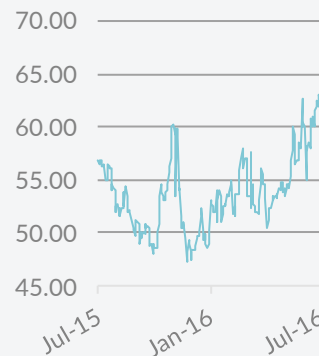


Commodities

Iron Ore (TSI)



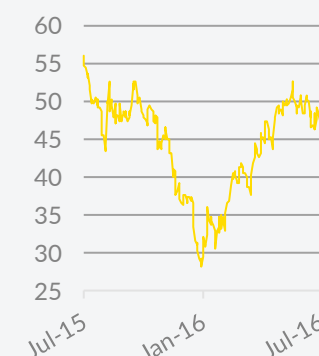
Coal Price Index



Oil WTI \$



Oil Brent \$



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Appendix

Aggregate Price Index quoted on the first page for both Newbuilding and Secondhand relates to the current average prices levels compared to where they stood at 1st January 2010 (i.e. index 100 = 01/01/2010)

Demolition market average price index refers to the combination of the average prices currently offered in the Indian Sub-Continent, Far East and Mediterranean.

Period rates currently relate to Capesize of 180,000dwt, Panamax of 76,000dwt, Supramax of 56,000dwt and Handysize of 33,000dwt on the Dry Bulk side and VLCC of 250,000dwt, Suezmax of 150,000dwt, Aframax of 115,000dwt and MR of 52,000dwt on the Tankers side respectively.

In terms of Secondhand Asset Prices their levels are quoted based on following description:

	Resale	5 year old	10 year old	15 year old
Capesize	180,000dwt	170,000dwt	170,000dwt	150,000dwt
Panamax	82,000dwt	76,000dwt	76,000dwt	74,000dwt
Supramax	62,000dwt	58,000dwt	52,000dwt	52,000dwt
Handysize	37,000dwt	32,000dwt	32,000dwt	28,000dwt
VLCC	310,000dwt	310,000dwt	250,000dwt	250,000dwt
Suezmax	160,000dwt	150,000dwt	150,000dwt	150,000dwt
Aframax	110,000dwt	110,000dwt	105,000dwt	95,000dwt
MR	52,000dwt	45,000dwt	45,000dwt	45,000dwt

All vessels built to European specifications by top Japanese shipbuilders, with dwt size based on the below table.

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