

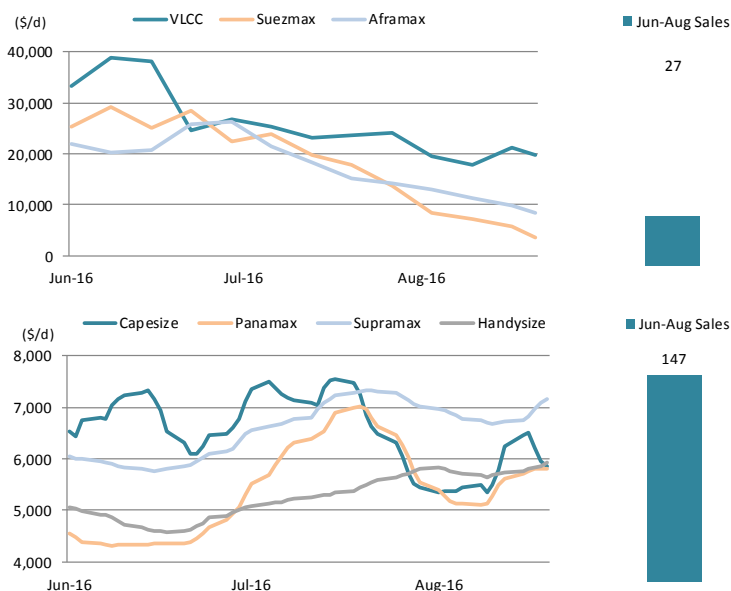
## Market insight

By George Dermatis  
SnP Broker

Brazil and the world bid farewell on Sunday to the first Olympic Games in South America in the midst of a finale meant to be both one last bash and to take care of some business — namely signal the transition to the 2020 Summer Olympics in Japan. The theme was “Brazilians can do with their bare hands,” a nod to the emerging economy of the world’s fifth most-populous nation, whilst the world now turns their attention to the world’s third largest economy, Japan, which most certainly can do it by using robots...However, at a time that Japan is facing unprecedented levels of budget deficit, plans for bold stimulus packages raise further concerns. Japan’s top government spokesmen have in the recent past ruled out the issuance of deficit bonds to fund an economic stimulus package planned for the autumn, hinting at the use of construction bonds for longer-term investments. Let’s hope that shipping, which is an important pillar of the Japanese sourcing capacity receives the support it deserves in the process.

Meanwhile, one of the most paradoxical summers in terms of snp activity is coming to an end, further underlining the illiquidity of the tanker sector and the lack of interest for the container and offshore segments.

Given the lack of finance during all shipping recessions, the redeeming feature of the idiosyncratic shipping investment model is the opportunity it presents during times of high volatility; i.e. based on the basic capital asset pricing (CAP) model used by most investment analysts, which equates volatility with risk, it is this volatility (high risk) and low returns that distinguishes shipping from other investments. In other words, given the lack of finance, it is at times of collapsing earnings that market pundits should recognize the asset value opportunities and move accordingly.



This summer’s paradox on the other hand means that the number of sales in the tanker sector —especially the crude- which has suffered a tremendous blow in earnings is attracting scarce buying interest, whereas the dry bulk sector is finding a strong footing both in healthy volumes of deals transacted and in asset values which are steadily going up despite a rather “zero sum game” earnings timeline. The reasons for such behavior are multiple but recognizing the trend itself is sufficient to make it worth keeping a closer look at any pattern/reaction forming in the near future.

## Chartering (Wet: **Soft -** / Dry: **Stable +**)

The Dry Bulk market held considerably well given the seasonality last week. The BDI closed today (23/08/2016) at 692 points, up by 5 points compared to Monday’s levels (22/08/2016) and an increase of 5 points when compared to previous Tuesday’s closing (16/08/2016). Despite overall healthy Middle East activity, rates for the crude carriers kept losing ground last week, while the mini rally in oil prices resulted in painfully higher bunker prices. The BDTI Monday (22/08/2016) was at 505 points, an increase of 8 points and the BCTI at 456, an increase of 1 points compared to last Monday’s (15/08/2016) levels.

## Sale & Purchase (Wet: **Stable +** / Dry: **Stable +**)

SnP interest remained very much vivid during what is probably one of the quietest weeks during the year, with crude carrier sales gaining some momentum and modern bulkers gathering most of the buying interest. On the tanker side, we had the sale of the “GENMAR VICTORY” (312,638dwt-blt 01, S. Korea) which was sold to Singaporean owner, Sentek Marine & Trading Pte, for a price in the region of \$29.0m. On the dry bulk side, we had the sale of the “E. R. BARCELONA” (55,783dwt-blt 10, Vietnam) which was sold to Greek buyers for a price in the region of \$8.3m.

## Newbuilding (Wet: **Soft -** / Dry: **Soft -**)

Following the small uptick in the number of orders surfacing during the second week of the month, newbuilding activity seems to have indeed slightly picked up, with a couple of tanker orders in the VLCC sector representing a sparkle of life in the newbuilding interest as far as the sector is concerned. These, coupled with intense rumours for more interest in bigger dwt tanker orders from Greek shipowners as well, prove that despite the considerable discounts rates for tankers have seen this year, there is a substantial part of the market that still sees potential in the sector and is ready to invest, partly also “seduced” by the admittedly attractive newbuilding prices as well. It goes without saying that this small revival in ordering is nowhere close to providing a safety cushion for troubled shipbuilders in the Far East at the moment, while it is also doubtful whether shipbuilders can actually start “breathing” before we reach a time that dry bulk orders make sense again and as such come in plenty in volume. In terms of recently reported deals, Japanese owner, JX Ocean, Topaz Energy placed an order for firm VLCC (300,000dwt) at JMU in Japan for an undisclosed price and delivery set in 2018.

## Demolition (Wet: **Steady -** / Dry: **Steady -**)

The unexpectedly high for this time of the year demolition volumes that the market is witnessing as of the week prior have extended further, as the recent overwhelming supply of container vessels in the market seems to have found cash buyers with increased appetite and deep pockets. This determination on behalf of cash buyers has in fact allowed for higher prices during the month of August but whether this can last for longer it is rather doubtful at this point for a few reasons. First of all market fundamentals have not really changed during the past weeks in order for demolition prices to move decisively up, and secondly and more importantly any gap in the supply of demo candidates in the market has been so far covered by container vessel sales, with the freight market for the latter also under considerable pressure and we expect this trend to continue for the next couple of months as well, bringing more owners in the sector closer to the decision to scrap. Prices this week for wet tonnage were at around 175-280 \$/ldt and dry units received about 165-280 \$/ldt.

### Spot Rates

| Vessel  | Routes          | Week 34   |         | Week 33   |         | \$ /day<br>±% | 2015    | 2014    |
|---------|-----------------|-----------|---------|-----------|---------|---------------|---------|---------|
|         |                 | WS points | \$ /day | WS points | \$ /day |               | \$ /day | \$ /day |
| VLCC    | 265k MEG-JAPAN  | 40        | 20,182  | 38        | 19,642  | 2.7%          | 65,906  | 30,469  |
|         | 280k MEG-USG    | 25        | 11,651  | 25        | 11,790  | -1.2%         | 49,575  | 17,173  |
|         | 260k WAF-USG    | 48        | 31,976  | 50        | 34,296  | -6.8%         | 76,251  | 40,541  |
| Suezmax | 130k MED-MED    | 42.5      | 6,206   | 42.5      | 7,307   | -15.1%        | 50,337  | 30,950  |
|         | 130k WAF-USAC   | 32.5      | 3,782   | 35        | 5,690   | -33.5%        | 40,490  | 24,835  |
|         | 130k BSEA-MED   | 45        | 6,590   | 45        | 7,745   | -14.9%        | 50,337  | 30,950  |
| Aframax | 80k MEG-EAST    | 72.5      | 10,849  | 75        | 12,753  | -14.9%        | 34,131  | 19,956  |
|         | 80k MED-MED     | 65        | 6,804   | 67.5      | 9,202   | -26.1%        | 37,127  | 28,344  |
|         | 80k UKC-UKC     | 82.5      | 5,892   | 82.5      | 6,150   | -4.2%         | 39,338  | 33,573  |
| Clean   | 70k CARIBS-USG  | 85        | 10,753  | 72.5      | 8,083   | 33.0%         | 36,519  | 25,747  |
|         | 75k MEG-JAPAN   | 105       | 20,696  | 105       | 22,745  | -9.0%         | 30,482  | 16,797  |
|         | 55k MEG-JAPAN   | 115       | 15,600  | 110       | 15,417  | 1.2%          | 24,854  | 14,461  |
| Dirty   | 37K UKC-USAC    | 85        | 4,040   | 90        | 5,813   | -30.5%        | 19,973  | 10,689  |
|         | 30K MED-MED     | 112.5     | 3,784   | 112.5     | 4,117   | -8.1%         | 24,473  | 18,707  |
|         | 55K UKC-USG     | 82.5      | 9,711   | 80        | 10,216  | -4.9%         | 27,228  | 23,723  |
| Dirty   | 55K MED-USG     | 82.5      | 9,145   | 80        | 9,720   | -5.9%         | 26,083  | 21,089  |
|         | 50k CARIBS-USAC | 92.5      | 10,166  | 82.5      | 8,507   | 19.5%         | 27,146  | 25,521  |

### TC Rates

| \$ /day |             | Week 34 | Week 33 | ±%    | Diff  | 2015   | 2014   |
|---------|-------------|---------|---------|-------|-------|--------|--------|
| VLCC    | 300k 1yr TC | 31,000  | 32,000  | -3.1% | -1000 | 46,135 | 28,346 |
|         | 300k 3yr TC | 30,500  | 30,500  | 0.0%  | 0     | 42,075 | 30,383 |
| Suezmax | 150k 1yr TC | 23,000  | 23,000  | 0.0%  | 0     | 35,250 | 22,942 |
|         | 150k 3yr TC | 22,500  | 22,500  | 0.0%  | 0     | 33,219 | 24,613 |
| Aframax | 110k 1yr TC | 19,500  | 19,000  | 2.6%  | 500   | 26,808 | 17,769 |
|         | 110k 3yr TC | 19,125  | 17,500  | 9.3%  | 1625  | 24,729 | 19,229 |
| Panamax | 75k 1yr TC  | 17,500  | 17,000  | 2.9%  | 500   | 23,596 | 16,135 |
|         | 75k 3yr TC  | 17,000  | 17,000  | 0.0%  | 0     | 20,580 | 16,666 |
| MR      | 52k 1yr TC  | 13,750  | 13,750  | 0.0%  | 0     | 17,865 | 14,889 |
|         | 52k 3yr TC  | 14,500  | 14,500  | 0.0%  | 0     | 16,638 | 15,604 |
| Handy   | 36k 1yr TC  | 13,125  | 13,250  | -0.9% | -125  | 16,101 | 14,024 |
|         | 36k 3yr TC  | 13,500  | 13,500  | 0.0%  | 0     | 15,450 | 14,878 |

### Chartering

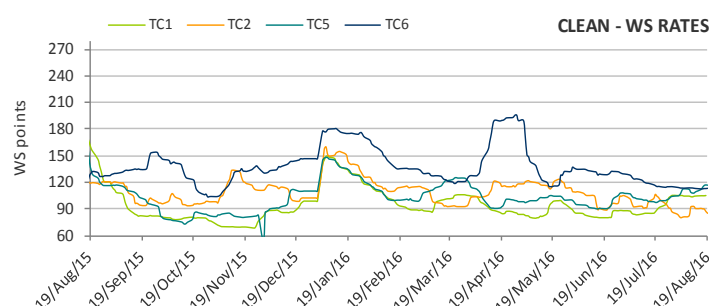
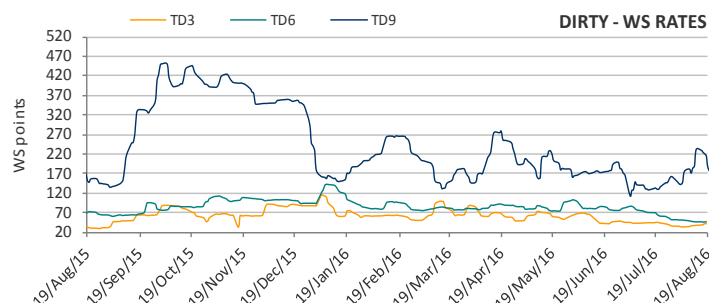
Last week closed off with further pressure for the crude carriers market, which, with the exception of VL rates that showed some resistance, was once again struggling to find silver linings that could potentially put an end to the extended drop that earnings have been seeing for quite a few months now. Amidst the additional pressure for the crude carriers market owners had to face another hurdle last week in the shape of jumping oil prices, which managed to eat into TCE in the form of surging bunker prices and weigh down on dollar equivalent even in regions where rates fared fairly well. The rally in oil prices last week is nonetheless already being treated with scepticism by investors and therefore we don't see it extending further this week,

Rates for VLs in the Middle East managed to hold fairly well last week, given the overall market weakness, as enquiry was sustained at levels that allowed owners to put forth some resistance amidst an overall softening market, while the West Africa market saw a small drop just before Friday.

Ailing rates persisted in the West Africa Suezmax market, which is struggling with considerably low volume of Nigerian cargoes, while Black Sea/Med rates were a bit steadier. With more than enough tonnage looking for employment in most key trading regions, rates for Afras failed to put forth any resistance, while the Caribs market remained the only positive exception for a second week in a row.

### Indicative Period Charters

|          |                       |      |              |
|----------|-----------------------|------|--------------|
| - 12 mos | - 'TSAKOS ENERGY TBN' | 2016 | 110,000 dwt  |
| -        | - \$17,500/day        |      | - EXXONMOBIL |
| - 3 mos  | - 'KORO SEA'          | 2008 | 106,000 dwt  |
| -        | - \$22,000/day        |      | - Refidomsa  |



### Indicative Market Values (\$ Million) - Tankers

| Vessel 5yrs old |          | Aug-16<br>avg | Jul-16<br>avg | ±%    | 2015 | 2014 | 2013 |
|-----------------|----------|---------------|---------------|-------|------|------|------|
| VLCC            | 300KT DH | 62.7          | 64.0          | -2.1% | 80.9 | 73.8 | 56.2 |
| Suezmax         | 150KT DH | 45.7          | 48.8          | -6.4% | 59.5 | 50.4 | 40.1 |
| Aframax         | 110KT DH | 33.7          | 35.8          | -6.0% | 45.3 | 38.9 | 29.2 |
| LR1             | 75KT DH  | 31.5          | 32.3          | -2.5% | 35.8 | 33.0 | 28.0 |
| MR              | 52KT DH  | 23.0          | 23.5          | -2.1% | 27.3 | 27.5 | 24.7 |

### Sale & Purchase

In the VLCC sector, we had the sale of the "GENMAR VICTORY" (312,638dwt -blt 01, S. Korea) which was sold to Singaporean owner, Sentek Marine & Trading Pte, for a price in the region of \$29.0m.

In the Aframax sector we had the sale of the "CSK VALIANT" (107,200dwt-blk 03, Japan) which was sold to Indonesian buyers, for a price in the region of \$17.5m.

### Baltic Indices

|             | Week 34<br>19/08/2016 |          | Week 33<br>12/08/2016 |          | Point<br>Diff | \$ / day<br>±% | 2015  | 2014  |
|-------------|-----------------------|----------|-----------------------|----------|---------------|----------------|-------|-------|
|             | Index                 | \$ / day | Index                 | \$ / day |               |                | Index | Index |
| <b>BDI</b>  | 683                   |          | 671                   |          | 12            |                | 713   | 1,097 |
| <b>BCI</b>  | 843                   | \$4,523  | 891                   | \$4,800  | -48           | -5.8%          | 1,009 | 1,943 |
| <b>BPI</b>  | 727                   | \$5,814  | 703                   | \$5,625  | 24            | 3.4%           | 692   | 960   |
| <b>BSI</b>  | 686                   | \$7,173  | 643                   | \$6,720  | 43            | 6.7%           | 663   | 937   |
| <b>BHSI</b> | 412                   | \$5,927  | 396                   | \$5,728  | 16            | 3.5%           | 365   | 522   |

### Period

|                  | \$ / day            | Week<br>34 | Week<br>33 | ±%    | Diff | 2015   | 2014   |
|------------------|---------------------|------------|------------|-------|------|--------|--------|
| <b>Capesize</b>  | <b>180K 6mnt TC</b> | 8,000      | 8,250      | -3.0% | -250 | 9,969  | 22,020 |
|                  | <b>180K 1yr TC</b>  | 7,000      | 6,500      | 7.7%  | 500  | 10,263 | 21,921 |
|                  | <b>180K 3yr TC</b>  | 9,000      | 8,750      | 2.9%  | 250  | 11,243 | 21,097 |
| <b>Panamax</b>   | <b>76K 6mnt TC</b>  | 6,250      | 6,250      | 0.0%  | 0    | 7,921  | 12,300 |
|                  | <b>76K 1yr TC</b>   | 6,250      | 6,250      | 0.0%  | 0    | 7,705  | 12,259 |
|                  | <b>76K 3yr TC</b>   | 7,000      | 7,000      | 0.0%  | 0    | 8,724  | 13,244 |
| <b>Supramax</b>  | <b>55K 6mnt TC</b>  | 7,750      | 7,750      | 0.0%  | 0    | 8,162  | 12,008 |
|                  | <b>55K 1yr TC</b>   | 7,000      | 7,000      | 0.0%  | 0    | 7,849  | 11,589 |
|                  | <b>55K 3yr TC</b>   | 6,750      | 6,750      | 0.0%  | 0    | 8,181  | 11,585 |
| <b>Handysize</b> | <b>30K 6mnt TC</b>  | 6,000      | 6,000      | 0.0%  | 0    | 6,690  | 9,113  |
|                  | <b>30K 1yr TC</b>   | 6,000      | 6,000      | 0.0%  | 0    | 6,897  | 9,226  |
|                  | <b>30K 3yr TC</b>   | 6,000      | 6,000      | 0.0%  | 0    | 7,291  | 9,541  |

### Chartering

The Dry Bulk market finally got to experience a positive twist last week, while despite the fact the increase of the BDI was of fairly small scale the fact that August appears to be ending without a market collapse is pretty much all someone could hope for now given the extremely dire expectations the summer season kicked off with. Should the market manage to sustain these levels until the last quarter of the year, the possibility of reaching even healthier levels during the forth quarter that is traditionally stronger becomes much bigger, although the slow down in demolition activity together with the expected deliveries for the remainder of the year are not particularly encouraging signs. Saying that, when looking at the paper market for Q4 2016 things do indeed look slightly positive across all sizes, while the period business that is being concluded so far especially for bigger period contracts is also suggesting overall optimistic expectations for the coming months.

Rates for Capes experienced a week of two directions, with a busy Pacific market supporting earnings during the first half of the week and rates quickly succumbing to pressure mid-week onwards, while Atlantic business remained stubbornly slow.

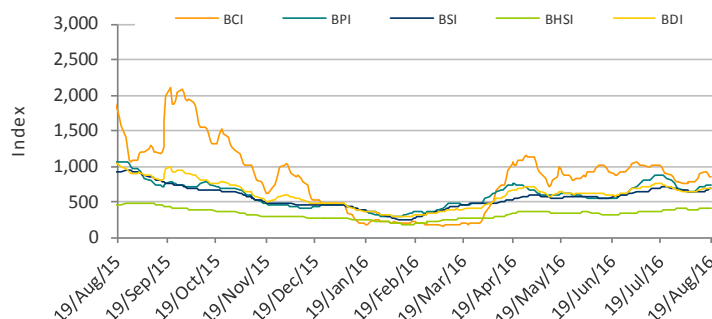
Atlantic Panamax activity in both the USG and North Atlantic remained relatively healthy last week, while in the East premiums were also positionally achieved despite the slow market rhythm that persisted on the back of summer season reaching its peak week.

The smaller sizes overperformed the rest of the market once again, with the Asian market giving much support to rates and period interest increasing, while the Black Sea market also retained its positive momentum.

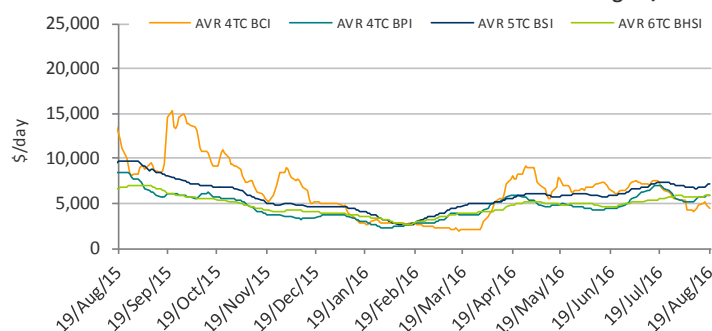
### Indicative Period Charters

|                      |                   |      |             |
|----------------------|-------------------|------|-------------|
| - 12 to 16 mos       | - 'CHINA HARMONY' | 2016 | 179,000 dwt |
| - Qingdao 31 Aug     | - \$ 9,000/day    |      | - Uniper    |
| - 5 to 7 mos         | - 'SBI BRAVO'     | 2015 | 61,587 dwt  |
| - Imbituba 22/25 Aug | - \$ 7,500/day    |      | - Dreyfus   |

### Baltic Indices



### Average T/C Rates



### Indicative Market Values (\$ Million) - Bulk Carriers

| Vessel 5 yrs old |             | Aug-16 avg | Jul-16 avg | ±%   | 2015 | 2014 | 2013 |
|------------------|-------------|------------|------------|------|------|------|------|
| <b>Capesize</b>  | <b>180k</b> | 25.0       | 24.9       | 0.4% | 33.1 | 47.5 | 35.8 |
| <b>Panamax</b>   | <b>76K</b>  | 14.0       | 14.0       | 0.0% | 17.2 | 24.8 | 21.3 |
| <b>Supramax</b>  | <b>56k</b>  | 13.0       | 13.0       | 0.0% | 16.1 | 25.2 | 21.5 |
| <b>Handysize</b> | <b>30K</b>  | 9.5        | 9.2        | 3.8% | 13.3 | 20.0 | 18.2 |

### Sale & Purchase

In the Post-Panamax sector we had the resale of the "ORIENTAL ANGEL" (95,711dwt-blt 13, Japan) which was sold to a European buyer for a price in the region of \$16.5 m.

In the Supramax sector we had the sale of the "E. R. BARCELONA" (55,783dwt-blt 10, Vietnam) which was sold to Greek buyers for a price in the region of \$8.3m.

**Tankers**

| Size  | Name           | Dwt     | Built | Yard                             | M/E            | SS due | Hull | Price       | Buyers                                    | Comments |
|-------|----------------|---------|-------|----------------------------------|----------------|--------|------|-------------|---|----------|
| VLCC  | GENMAR VICTORY | 312,638 | 2001  | HYUNDAI HEAVY INDS - U, S. Korea | B&W            | Jun-16 | DH   | \$ 29.0m    | Singaporean (Sentek Marine & Trading Pte) |          |
| AFRA  | CSK VALIANT    | 107,200 | 2003  | IMABARI SAIJO, Japan             | B&W            | Mar-18 | DH   | \$ 17.5m    | Indonesian                                |          |
| AFRA  | RIVER ETERNITY | 105,445 | 2006  | SUMITOMO HEAVY MARINE, Japan     | Wartsila       | Nov-16 | DH   | undisclosed | undisclosed                               |          |
| AFRA  | GREAT WHITE    | 104,024 | 1999  | SAMSUNG HEAVY INDUSTRI, S. Korea | MAN-B&W        | Feb-19 | DH   | \$ 13.0m    | UAE based (Onex)                          |          |
| SMALL | LYUBOV RYL     | 6,195   | 2010  | RONGCHENG SHENFEI SHIP, China    | Hyundai Himsen | Jan-20 | DH   | undisclosed | undisclosed                               |          |

**Bulk Carriers**

| Size      | Name            | Dwt    | Built | Yard                            | M/E     | SS due | Gear             | Price        | Buyers      | Comments |
|-----------|-----------------|--------|-------|---------------------------------|---------|--------|------------------|--------------|-------------|----------|
| POST PMAX | ORIENTAL ANGEL  | 95,711 | 2013  | IMABARI MARUGAME, Japan         | MAN-B&W |        |                  | \$ 16.5m     | European    |          |
| PMAX      | CORONADO        | 75,706 | 2000  | SANOYAS HISHINO MIZ'MA, Japan   | B&W     | Mar-20 |                  | \$ 4.0m      | Chinese     |          |
| PMAX      | NORTH PRINCE    | 75,542 | 1999  | mitsui CHIBA ICHIHARA, Japan    | B&W     | Mar-19 |                  | \$ 3.7m      | Chinese     |          |
| PMAX      | OCEAN LIFE      | 75,318 | 2003  | UNIVERSAL SHBLDG - MAI, Japan   | B&W     | Jul-18 |                  | \$ 5.3m      | Chinese     |          |
| SMAX      | SUNBAY          | 57,000 | 2008  | HANTONG SHIP HEAVY IND, China   | MAN-B&W | Nov-18 | 4 X 36t CRANES   | \$ 5.8m      | undisclosed |          |
| SMAX      | E. R. BARCELONA | 55,783 | 2010  | HYUNDAI-VINASHIN SHIPY, Vietnam | MAN-B&W | Jun-20 | 4 X 30t CRANES   | \$ 8.3m      | Greek       |          |
| SMAX      | UNITED JALUA    | 53,414 | 2010  | HA LONG QUANG NINH, Vietnam     | MAN-B&W | Mar-20 | 4 X 36t CRANES   | \$ 5.8m      | undisclosed |          |
| HMAX      | OCEAN KING D    | 47,314 | 2001  | MINAMI-NIPPON USUKI, Japan      | B&W     | Nov-16 | 4 X 30t CRANES   | \$ 3.5m      | Greek       |          |
| HANDY     | WAN YANG 36     | 38,183 | 2011  | JIANGSU MINGYANG SHIPB, China   | MAN-B&W |        | 4 X 30t CRANES   | RMB 45.05m   | Chinese     | auction  |
| HANDY     | AROMA           | 28,509 | 2009  | I-S SHIPYARD CO LTD, Japan      | MAN-B&W |        | 4 X 30,5t CRANES | high \$ 6.0m | undisclosed |          |

**MPP/General Cargo**

| Name           | Dwt    | Built | Yard                    | M/E               | SS due | Gear                            | Price       | Buyers      | Comments |
|----------------|--------|-------|-------------------------|-------------------|--------|---------------------------------|-------------|-------------|----------|
| GLOBAL PIONEER | 30,537 | 2002  | XIAMEN SHIPYARD, China  | MAN-B&W           | Feb-17 | 2 X 100t CRANES, 2 X 50t CRANES | \$ 3.6m     | undisclosed | auction  |
| RICH SPRING    | 4,031  | 2005  | ZHOUSHAN LONGTAI, China | Chinese Std. Type |        |                                 | undisclosed | undisclosed |          |
| RICH SHINING   | 3,672  | 2005  | ZHOUSHAN LONGTAI, China | Daihatsu          |        |                                 | undisclosed | undisclosed |          |
| RICH SAILING   | 3,672  | 2005  | ZHOUSHAN LONGTAI, China | Daihatsu          |        |                                 | undisclosed | undisclosed |          |

**Containers**

| Size   | Name           | Teu   | Built | Yard                             | M/E    | SS due | Gear           | Price       | Buyers      | Comments |
|--------|----------------|-------|-------|----------------------------------|--------|--------|----------------|-------------|-------------|----------|
| PMAX   | MARE CARIBICUM | 4,038 | 2000  | HYUNDAI HEAVY INDS - U, S. Korea | Sulzer | Dec-15 |                | undisclosed | undisclosed |          |
| FEEDER | MERKUR CLOUD   | 1,608 | 1996  | MTW, Germany                     | Sulzer |        | 3 X 40t CRANES | \$ 2.0m     | Far Eastern |          |
| FEEDER | DELPHINUS      | 603   | 1997  | TORGEM, Turkey                   | MAN    |        | 2 X 40t CRANES | undisclosed | undisclosed | auction  |

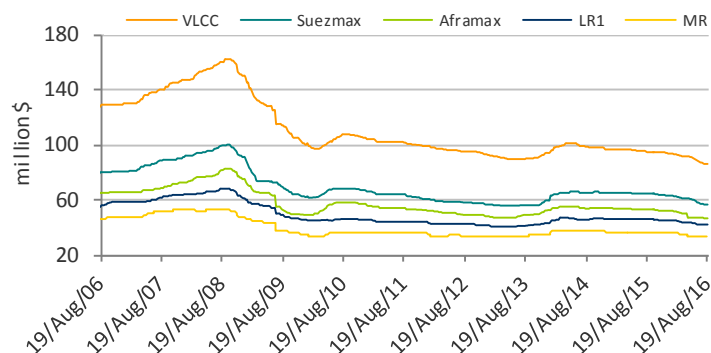
### Indicative Newbuilding Prices (million\$)

|         | Vessel          |      | Week 34 | Week 33 | ±%   | 2015  | 2014 | 2013 |
|---------|-----------------|------|---------|---------|------|-------|------|------|
| Bulkers | Capesize        | 180k | 41.5    | 41.5    | 0.0% | 49.9  | 56   | 49   |
|         | Kamsarmax       | 82k  | 24.0    | 24.0    | 0.0% | 27.8  | 30   | 27   |
|         | Ultramax        | 63k  | 22.0    | 22.0    | 0.0% | 25    | 27   | 25   |
|         | Handysize       | 38k  | 19.5    | 19.5    | 0.0% | 21    | 23   | 21   |
| Tankers | VLCC            | 300k | 86.0    | 86.0    | 0.0% | 95.5  | 99   | 91   |
|         | Suezmax         | 160k | 56.5    | 56.5    | 0.0% | 64    | 65   | 56   |
|         | Aframax         | 115k | 46.5    | 46.5    | 0.0% | 53    | 54   | 48   |
|         | LR1             | 75k  | 42.0    | 42.0    | 0.0% | 45.8  | 46   | 41   |
|         | MR              | 50k  | 33.0    | 33.0    | 0.0% | 36.1  | 37   | 34   |
| Gas     | LNG 160k cbm    |      | 189.0   | 189.0   | 0.0% | 190.0 | 186  | 185  |
|         | LGC LPG 80k cbm |      | 72.5    | 72.5    | 0.0% | 77.4  | 78   | 71   |
|         | MGC LPG 55k cbm |      | 64.5    | 64.5    | 0.0% | 68.0  | 67   | 63   |
|         | SGC LPG 25k cbm |      | 42.0    | 42.0    | 0.0% | 45.5  | 44   | 41   |

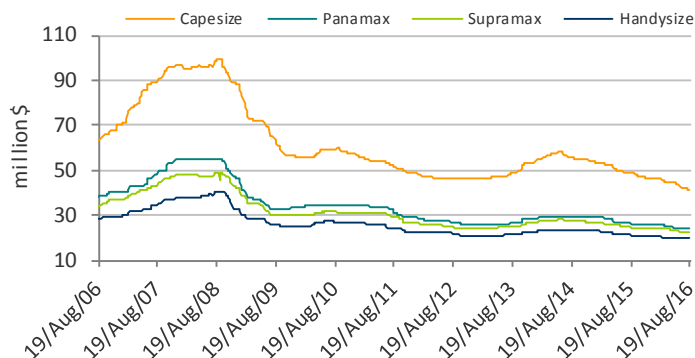
Following the small uptick in the number of orders surfacing during the second week of the month, newbuilding activity seems to have indeed slightly picked up, with a couple of tanker orders in the VLCC sector representing a sparkle of life in the newbuilding interest as far as the sector is concerned. These, coupled with intense rumours for more interest in bigger dwt tanker orders from Greek shipowners as well, prove that despite the considerable discounts rates for tankers have seen this year, there is a substantial part of the market that still sees potential in the sector and is ready to invest, partly also “seduced” by the admittedly attractive newbuilding prices as well. It goes without saying that this small revival in ordering is nowhere close to providing a safety cushion for troubled shipbuilders in the Far East at the moment, while it is also doubtful whether shipbuilders can actually start “breathing” before we reach a time that dry bulk orders make sense again and as such come in plenty in volume.

In terms of recently reported deals, Japanese owner, JX Ocean, Topaz Energy placed an order for firm VLCC (300,000dwt) at JMU in Japan for an undisclosed price and delivery set in 2018.

**Tankers Newbuilding Prices (m\$)**



**Bulk Carriers Newbuilding Prices (m\$)**



### Newbuilding Orders

| Units | Type   | Size        | Yard                       | Delivery | Buyer                         | Price       | Comments     |
|-------|--------|-------------|----------------------------|----------|-------------------------------|-------------|--------------|
| 2     | Tanker | 300,000 dwt | Japan Marine United, Japan | 2018     | Japanese (JX Ocean)           | undisclosed |              |
| 1     | Tanker | 300,000 dwt | Japan Marine United, Japan | 2018     | Japanese (Kyoei Tanker)       | undisclosed |              |
| 2     | Tanker | 6,000 dwt   | Hejiang Shenzhou, China    | 2017     | Singaporean (Sinanju Tankers) | undisclosed | Daihatsu M/E |

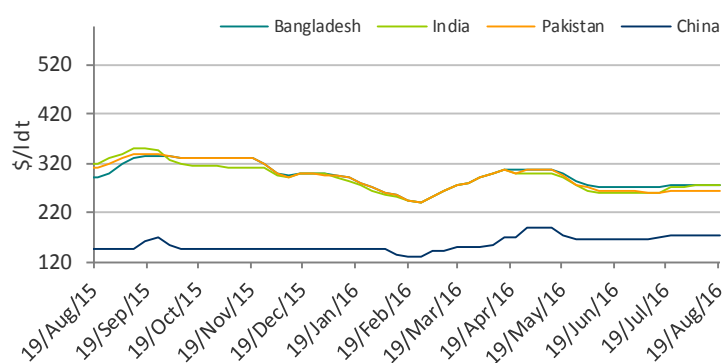
### Indicative Demolition Prices (\$/Ldt)

|     | Markets    | Week 34 | Week 33 | ±%   | 2015 | 2014 | 2013 |
|-----|------------|---------|---------|------|------|------|------|
| Wet | Bangladesh | 280     | 280     | 0.0% | 360  | 469  | 422  |
|     | India      | 275     | 275     | 0.0% | 361  | 478  | 426  |
|     | Pakistan   | 265     | 265     | 0.0% | 366  | 471  | 423  |
|     | China      | 175     | 175     | 0.0% | 193  | 313  | 365  |
| Dry | Bangladesh | 255     | 255     | 0.0% | 341  | 451  | 402  |
|     | India      | 255     | 255     | 0.0% | 342  | 459  | 405  |
|     | Pakistan   | 245     | 245     | 0.0% | 343  | 449  | 401  |
|     | China      | 165     | 160     | 3.1% | 174  | 297  | 350  |

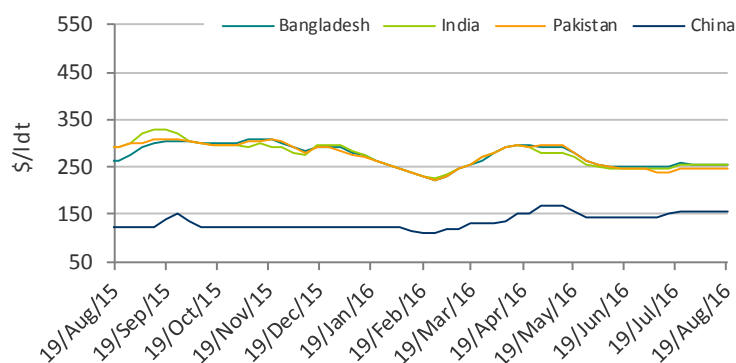
The unexpectedly high for this time of the year demolition volumes that the market is witnessing as of the week prior have extended further, as the recent overwhelming supply of container vessels in the market seems to have found cash buyers with increased appetite and deep pockets. This determination on behalf of cash buyers has in fact allowed for higher prices during the month of August but whether this can last for longer it is rather doubtful at this point for a few reasons. First of all market fundamentals have not really changed during the past weeks in order for demolition prices to move decisively up, and secondly and more importantly any gap in the supply of demo candidates in the market has been so far covered by container vessel sales, with the freight market for the latter also under considerable pressure and we expect this trend to continue for the next couple of months as well, bringing more owners in the sector closer to the decision to scrap. Prices this week for wet tonnage were at around 175-280 \$/Ldt and dry units received about 165-280 \$/Ldt.

One of the highest prices amongst recently reported deals, was that paid for the container vessel "NADIR" (25,039dwt-9,355ldt-blk 97), which received \$286/Ldt.

**Wet Demolition Prices**



**Dry Demolition Prices**



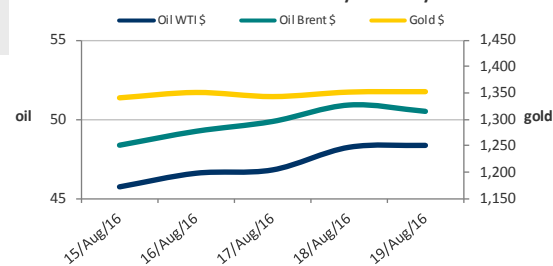
### Demolition Sales

| Name               | Size   | Ldt    | Built | Yard                    | Type   | \$/Ldt     | Breakers    | Comments                        |
|--------------------|--------|--------|-------|-------------------------|--------|------------|-------------|---------------------------------|
| RICHMOND           | 70,316 | 9,200  | 1996  | SANOYAS, Japan          | BULKER | \$ 275/Ldt | Bangladeshi |                                 |
| BOX HONGKONG       | 67,637 | 24,061 | 1995  | SAMSUNG, S. Korea       | CONT   | \$ 283/Ldt | undisclosed | as-is Singapore                 |
| BOX CHINA          | 67,625 | 24,073 | 1996  | SAMSUNG, S. Korea       | CONT   | \$ 283/Ldt | undisclosed | as-is Singapore                 |
| SEASPAN EFFICIENCY | 63,160 | 21,501 | 2003  | MITSUBISHI, Japan       | CONT   | \$ 276/Ldt | undisclosed | as-is Singapore                 |
| SEASPAN EXCELLENCE | 63,160 | 24,384 | 2003  | MITSUBISHI, Japan       | CONT   | \$ 280/Ldt | undisclosed | as-is Hong Kong                 |
| SEASPAN EXPEDITOR  | 63,098 | 21,563 | 2003  | MITSUBISHI, Japan       | CONT   | \$ 281/Ldt | undisclosed | as-is Singapore                 |
| MOL EXPRESS        | 63,046 | 21,615 | 2003  | MITSUBISHI, Japan       | CONT   | \$ 275/Ldt | undisclosed | as-is Shanghai, green recycling |
| SANTA GIULIANA     | 30,095 | 8,870  | 1996  | FLENDER, Germany        | CONT   | \$ 286/Ldt | undisclosed | as-is Colombo                   |
| NADIR              | 25,039 | 9,355  | 1997  | GDYNIA STOCZNIA, Poland | CONT   | \$ 286/Ldt | undisclosed | as-is Shanghai incl. bunkers    |
| BUSSARA NAREE      | 18,573 | 4,445  | 1997  | CHEUNG GU, S. Korea     | BULKER | \$ 265/Ldt | Indian      | basis delivery India            |
| GAS JADE           | 13,125 | 6,132  | 1987  | THYSSEN, Germany        | GAS    | \$ 470/Ldt | undisclosed | as-is Khor Fakkan, incl. StSt   |
| ARMADA HAWK        | 4,338  | 3,681  | 1978  | MITSUBISHI, Japan       | MISC   | \$ 230/Ldt | undisclosed | as-is Labuan                    |

## Market Data

|                     |                   | Market Data |           |           |           |           |                   |
|---------------------|-------------------|-------------|-----------|-----------|-----------|-----------|-------------------|
|                     |                   | 19-Aug-16   | 18-Aug-16 | 17-Aug-16 | 16-Aug-16 | 15-Aug-16 | W-O-W<br>Change % |
| Stock Exchange Data | 10year US Bond    | 1.580       | 1.540     | 1.560     | 1.580     | 1.550     | 4.6%              |
|                     | S&P 500           | 2,183.87    | 2,187.02  | 2,182.22  | 2,178.15  | 2,190.15  | 0.0%              |
|                     | Nasdaq            | 5,238.38    | 5,240.15  | 5,228.66  | 5,227.11  | 5,262.02  | 0.1%              |
|                     | Dow Jones         | 18,552.57   | 18,597.70 | 18,573.94 | 18,552.02 | 18,636.05 | -0.1%             |
|                     | FTSE 100          | 6,858.95    | 6,868.96  | 6,859.15  | 6,893.92  | 6,941.19  | -0.8%             |
|                     | FTSE All-Share UK | 3,735.90    | 3,740.27  | 3,731.81  | 3,748.86  | 3,773.93  | -0.7%             |
|                     | CAC40             | 4,400.52    | 4,437.06  | 4,417.68  | 4,460.44  | 4,497.86  | -2.2%             |
|                     | Xetra Dax         | 10,544.36   | 10,603.03 | 10,537.67 | 10,676.65 | 10,739.21 | -1.8%             |
|                     | Nikkei            | 16,545.82   | 16,486.01 | 16,745.64 | 16,596.51 | 16,869.56 | -1.9%             |
|                     | Hang Seng         | 22,937.22   | 23,023.16 | 22,799.78 | 22,910.84 | 22,932.51 | 0.7%              |
| DJ US Maritime      | 181.79            | 182.87      | 178.14    | 178.34    | 178.24    | 2.7%      |                   |
| Currencies          | \$ / €            | 1.13        | 1.13      | 1.13      | 1.13      | 1.12      | 1.4%              |
|                     | \$ / £            | 1.31        | 1.32      | 1.30      | 1.30      | 1.29      | 1.2%              |
|                     | ¥ / \$            | 100.20      | 100.13    | 99.89     | 100.20    | 101.25    | -1.1%             |
|                     | \$ / NoK          | 0.12        | 0.12      | 0.12      | 0.12      | 0.12      | 0.1%              |
|                     | Yuan / \$         | 6.62        | 6.61      | 6.63      | 6.63      | 6.64      | -0.4%             |
|                     | Won / \$          | 1,115.60    | 1,107.82  | 1,106.75  | 1,094.98  | 1,098.26  | 1.1%              |
|                     | \$ INDEX          | 94.16       | 94.72     | 94.79     | 95.63     | 95.72     | -1.6%             |

## Basic Commodities Weekly Summary



## Bunker Prices

|        |           | 19-Aug-16 | 12-Aug-16 | W-O-W<br>Change % |
|--------|-----------|-----------|-----------|-------------------|
| MDO    | Rotterdam | 420.0     | 395.0     | 6.3%              |
|        | Houston   | 450.0     | 427.5     | 5.3%              |
|        | Singapore | 431.0     | 398.5     | 8.2%              |
| 380cst | Rotterdam | 244.5     | 212.5     | 15.1%             |
|        | Houston   | 240.5     | 206.0     | 16.7%             |
|        | Singapore | 257.5     | 222.5     | 15.7%             |

## Maritime Stock Data

| Company                         | Stock Exchange | Curr. | 19-Aug-16 | 12-Aug-16 | W-O-W Change % |
|---------------------------------|----------------|-------|-----------|-----------|----------------|
| AEGEAN MARINE PETROL NTWK       | NYSE           | USD   | 10.71     | 8.27      | 29.5%          |
| CAPITAL PRODUCT PARTNERS LP     | NASDAQ         | USD   | 3.72      | 3.41      | 9.1%           |
| COSTAMARE INC                   | NYSE           | USD   | 9.16      | 9.13      | 0.3%           |
| DANAOS CORPORATION              | NYSE           | USD   | 3.65      | 3.84      | -4.9%          |
| DIANA SHIPPING                  | NYSE           | USD   | 2.46      | 2.55      | -3.5%          |
| DRYSHIPS INC                    | NASDAQ         | USD   | 0.96      | 1.29      | -25.6%         |
| EAGLE BULK SHIPPING             | NASDAQ         | USD   | 5.70      | 5.91      | -3.6%          |
| EUROSEAS LTD.                   | NASDAQ         | USD   | 1.67      | 1.90      | -12.1%         |
| GLOBUS MARITIME LIMITED         | NASDAQ         | USD   | 0.57      | 0.68      | -16.2%         |
| NAVIOS MARITIME ACQUISITIONS    | NYSE           | USD   | 1.51      | 1.54      | -1.9%          |
| NAVIOS MARITIME HOLDINGS        | NYSE           | USD   | 1.03      | 1.03      | 0.0%           |
| NAVIOS MARITIME PARTNERS LP     | NYSE           | USD   | 1.59      | 1.64      | -3.0%          |
| SAFE BULKERS INC                | NYSE           | USD   | 1.28      | 1.30      | -1.5%          |
| SEANERGY MARITIME HOLDINGS CORP | NASDAQ         | USD   | 3.63      | 4.12      | -11.9%         |
| STAR BULK CARRIERS CORP         | NASDAQ         | USD   | 4.20      | 4.01      | 4.7%           |
| STEALTHGAS INC                  | NASDAQ         | USD   | 3.40      | 3.59      | -5.3%          |
| TSAKOS ENERGY NAVIGATION        | NYSE           | USD   | 5.07      | 4.96      | 2.2%           |
| TOP SHIPS INC                   | NASDAQ         | USD   | 4.20      | 4.58      | -8.3%          |

## Market News

### "NordLB signs \$1.5bn shipping securitisation deal

NORDLB has signed a \$1.5bn securitisation deal with Wall Street heavyweight KKR and an unnamed sovereign wealth fund, in a move that will lift a sizeable tranche of both performing and non-performing loans from the German regional bank's balance sheet.

While a statement from NordLB on Monday morning travelled light on the details, it said the transaction would include 100 vessels, and would see the establishment of a new shipping portfolio management company.

This new company will be open to other banks for the management of their shipping portfolios, the statement added.

Speculation in German shipping circles is that young entrepreneur Christoph Toefer is in pole position to get the gig, thanks to his established ties with KKR. However, sources were keen to stress that nothing has yet been signed.

Mr Toefer's London-based Borealis Maritime already owns a joint venture under the name of Embarcadero Maritime, which last year acquired 18 vessels from Commerzbank, for consideration of \$255m.

The NordLB deal is expected to close in the fourth quarter but is "subject to the fulfilment of certain conditions", which are not specified. All parties have signed confidentiality agreements..." (Lloyd's List)

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