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## Piracy remains a threat to the shipping industry

Over the past years we have seen many ships attacked, the security of navigation threatened and the welfare of seafarers endangered. The human and economic cost of maritime piracy is big and sadly the actual figure is thought to be even higher given that a proportion of these incidents go unreported. Although the nature of attacks differs from region to region, improved naval patrolling in conjunction with armed guards onboard and the drop in oil prices have made oil theft more difficult and less lucrative, and so there has been an increasing trend of using violent attacks to kidnap crew for ransom. Obviously, regional cooperation among states has an important role to play in solving the problem and the progress made in Somalia through the regional prosecution model and the conduct of shared operations accounts for the evidence. Albeit there is still considerable concern that not all regional justice systems are able or willing to hold pirates accountable; and while, piracy and armed robbery appears imminent, adequate patrolling continues to be a challenge.

During the first half of 2016, ICC - International Maritime Bureau (IMB) recorded 98 actual and attempted attacks; that is a significant drop from last year when 134 incidents were reported for the same period. Although, piracy off the coast of Guinea has increased notably. In particular, IMB reported 24 actual and attempted attacks for the first half of 2016 compared with 11 the previous year (at the same stage). Also, according to data from the US Office of Naval Intelligence (ONI), the number of actual attacks during the first three quarters of the year surpassed the preceding year's total (59 compared with 58 in 2015), whereas the number of attempts has almost doubled (78 compared with 40 in 2015). However, piracy attacks in South East Asia may be on a declining trend. In particular, IMB reported 31 actual and attempted attacks for the first half of 2016 compared with 79 the previous year (at the same stage). Also according to ONI data, a total of 82 actual attacks were reported in the region during the first three quarters of the year compared with an aggregate of 254 in 2015. Hence, even though the data above indicate different regional trends, piracy remains clearly a significant threat to the maritime industry and it seems that piracy networks are there to take advantage of any favorable conditions.

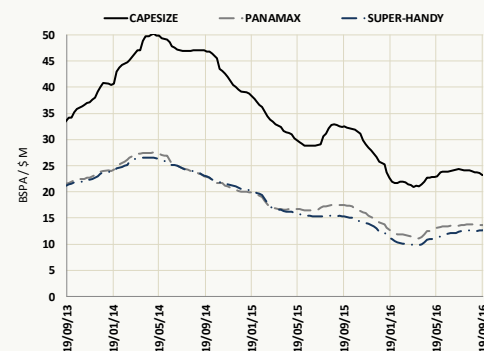
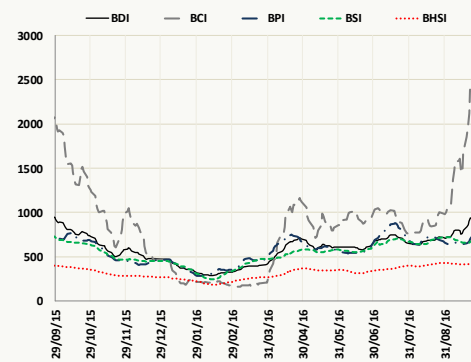
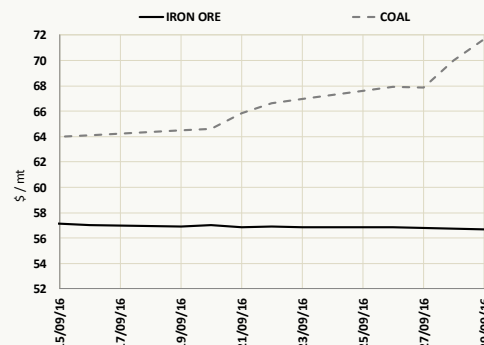


## Dry Market

The stronger dollar put additional pressure on the Chinese iron ore prices this week but the week ended with a positive note. In the meantime, coal prices also recorded a downward momentum, but after Wednesday were supported by gains in oil prices, a slightly weaker dollar and increased demand ahead of the winter. However, grain prices improved mainly on wet weather in Australia.

The BDI index retreated this week and closed yesterday at 888, 49 points down from last Thursday's closing, on weakening Capesize performance. Rates moved downwards in all Capesize routes, though the activity out of Brazil and Australia – and generally in the Pacific - declined the most. However, the Panamax index improved further, but the week ended with a negative note. Also, the Supramax index was supported mainly by increasing demand out of Mediterranean but the gains were limited by the weakening trade in the Pacific as well as in the USG/SKAW route. Finally, the Handysize index remained nearly flat for yet another week. Overall, Capes currently earn \$13.069/day, Panamax vessels are trading at \$5.939/day, whereas, Supramax and Handysize ships are earning \$7.073/day and \$6.109/day respectively.

The SnP activity remained firm for yet another week and the interest is more prominent in the Handysize sector. Overall, 17 bulkers changed hands amongst them the enbloc resale of 4 Handymax bulkers and another 6 in the range between 25K and 40K. So far this year, we reported 99 Handysize sales. Finally, we reported 3 vessels sold for demolition at firm prices.



## Wet Market

Expectations for an oil output cut or freeze rose and fell this week on the various statements made prior and during the International Energy Forum held in Algeria. Then on Wednesday, the spread of news that OPEC members reached a consensus to cut production pushed oil prices up by more than 5%. The OPEC price settled at \$44.34 a barrel yesterday, compared with \$43.27 the previous week.

The BDTI progressed further this week and closed yesterday at 638, 32 points up from last Thursday's closing. The Crude oil demand from USG improved and Suezmax rates out of Black Sea and West Africa were further supported, but the Baltic and North Sea activity showed the biggest boost. In particular the Aframax route out of Baltic Sea gained 45% to stand at WS94.17 whereas; the Aframax route out of North Sea gained 29% to stand at WS117.78. However, the Aframax route out of Caribs loosed 18% to stand at WS75 and the DPP trade declined. Overall, VLCCs trade at about \$19.961/day in the MEG-Japan route, and at \$4.625/day in the MEG-USG route, Aframaxes earn about \$16.442/day on average, whilst Suezmaxes trade at \$33.447/day in the WAF-Cont. route and at \$38.051 in the Black Sea-Med route. On the clean side, the BCTI dropped and closed at 358, 22 points down from last week on lower activity levels across all clean Baltic routes.

The interest remains in the chemical and chemical/oil product tankers market for yet another week. Overall, 6 tankers changed hands, of which 4 chemical/oil products tankers, but we also reported the sale of one 9 year old Aframax at a very competitive price. This year to date we reported 43 Aframaxes sold with an average age of 9.5 years and another 135 chemical/oil products tankers (stst, marine line, epoxy) with an average age of 10.4 years.

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