

# Weekly Shipping Market Update

10<sup>th</sup> - 14<sup>th</sup> October 2016 | Week 41

## Market Analysis

The housing market has often been thought of as a proxy indicator for an economy's performance. This perceived correlation link has often been driven by the fact that in most of these economies the housing market takes up a major share in the total GDP produced, while for us in shipping it takes up an even bigger part of that portion in GDP that's related to industrial production and consumption of goods. This though also means that we are more fearful in cases where housing bubbles start to emerge in any of the major economies, as a collapse could create havoc as was in part the case of the collapse of the housing market in the U.S. and Europe just prior and right after the 2008 financial crisis. Now it seems that we are seeing ever growing concerns being voiced in relation to the state of the housing market in China. This is nothing new and we have been hearing many predict Armageddon in the Chinese housing market for over a decade now.

The housing market has played a major role over the past year in the Chinese economy, with average prices of new homes in 70 Chinese cities having increased by 9.2 % year-on-year, while the top 4 cities having shown great multiples of this, with Shanghai having seen rises in the region of 31.2% while second-tier cities such as Xiamen having risen by 43.8%. This fast paced increase has been one of the prime drivers that have helped GDP growth stabilise at its current rate of 6.7% rather than dropping further, while it has also played a vital role in keeping miners more bullish in regards to Chinese demand for raw commodities, with the recent mini rally in imports of iron ore and metallurgical coal likely driven from improvement in China's internal demand for steel products. Taking these highly bullish figures to the extent of driving you to extreme market exuberance is highly ill-advised. The Chinese housing market has all the hall marks of a major bubble in the works. There is a considerable portion of these new buyers being investors rather than owner-occupiers, with their primary motive being driven simply on flipping these properties in time to make a respectable return rather than for the actual use of the space (i.e. misleading all of us as to what the true demand for housing is). What is worse is that for many this excessive buying has been spurred by excessive over-borrowing by households, which in the event of a market collapse could leave many of these households over exposed. At the same time though it is important to point out that the sharpest price increases have been noted in major cities, where real demand from owner-occupiers is much higher as most seek to live in these areas which provide them better future prospects and opportunities, while at the same time new home development is more restricted with comparably less new land being provide for new housing projects.

The continued trend of this, maybe under better managed levels and slight restrictions in order to keep the contribution to the bubble by asset-play investors to a minimal might well be a good indicator for the market as a whole. The increased investment and consumption that has been generated from this propping up housing market is what could help drive a slightly faster pace of growth within the world's most important emerging market. The main hurdle though that will need to be surpassed before we can be more confident as to the forward prospects of this market will be dependent on Income growth being able to expand once more as under the current circumstances are steadily causing these new homes to be ever less affordable.

George Lazaridis

Head of Market Research & Asset Valuations



## Week in numbers

### Dry Bulk Freight Market

	14 Oct		W-O-W change	
			±?	±%
BDI	892		▼ -29	-3.1%
BCI	2,018		▼ -227	-10.1%
BPI	819		▲ 102	14.2%
BSI	674		▼ -3	-0.4%
BHSI	411		0	0.0%

### Tanker Freight Market

	14 Oct		W-O-W change	
			±?	±%
BDTI	673		▲ 52	8.4%
BCTI	390		▲ 36	10.2%

### Newbuilding Market

Aggregate Price Index	14 Oct		M-O-M change	
			±?	±%
Bulkers	73		0	0.0%
Cont	97		0	0.0%
Tankers	91		▼ 0	-0.5%
Gas	96		0	0.0%

### Secondhand Market

Aggregate Price Index	14 Oct		M-O-M change	
			±?	±%
Capesize	39		0	0.0%
Panamax	37		▲ 0	0.7%
Supramax	42		▲ 2	4.2%
Handysize	43		0	0.0%
VLCC	82		▼ -2	-2.3%
Suezmax	79		▼ -3	-4.1%
Aframax	93		▼ -4	-4.2%
MR	105		0	0.0%

### Demolition Market

Avg Price Index (main 5 regions)	14 Oct		W-O-W change	
			±?	±%
Dry	252		0	0.0%
Wet	267		0	0.0%

### Economic Indicators

	14 Oct		M-O-M change	
			±Δ	±%
Gold \$	1,252		▼ -79	-5.9%
Oil WTI \$	50		▲ 4	9.7%
Oil Brent \$	52		▲ 4	8.2%
Iron Ore	57		▼ -1	-1.4%
Coal	80		▲ 15	23.2%

**We care.**

**We deliver.**

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48, Aigialeias Str, 151 25 Maroussi  
Athens, Greece  
Tel: +30 210 4524500  
Tel: +30 210 4288100

Email: [research@allied-shipbroking.gr](mailto:research@allied-shipbroking.gr)



# Freight Market

## Dry Bulkers - Spot Market

10<sup>th</sup> - 14<sup>th</sup> October 2016

**Capesize** - Things seemed to be moving sideways during the first half of the week, with resistance being felt as owners tried to resist any further declines, while as the week came to a close it looked as though we were heading for a sharp drop as the Atlantic let go and dropped support on an already wounded market. The Pacific seemed to be holding slightly better though it looks as though things will be getting a bit tougher there as well over the coming days.

**Panamax** - There was a fairly positive end to the week, as all routes managed to make good week-on-week gains. The Atlantic was the main driver helping pull in tonnage and ease pressure off the overall market, while as the week progressed activity was also getting firmer in the Pacific basin as well, pointing to a possible further firming to be felt over the next couple of days.

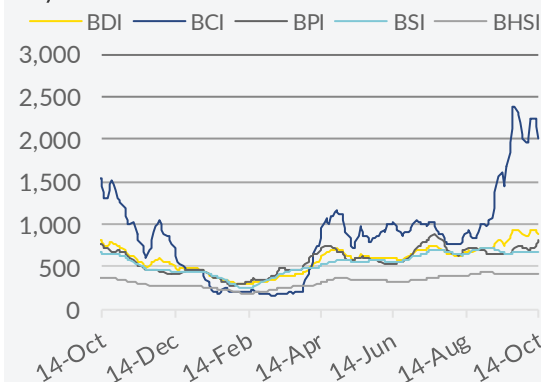
**Supramax** - Not much clear direction to be had this past week, yet it looks as though we might be set for some improvements to be seen fairly soon. Things were fairly difficult on any voyages bound for the Far East, though the Pacific basin overall and parts of the North Atlantic were able to hold relatively on par with the levels they had started off in the start of the week.

**Handysize** - We were off to a slow start with minimal positive sentiment felt. Things did start to get slightly better however, with a lot of hope being placed on the momentum being generated out of ECSA. As things stand now it seems as though we are set to see more gains being noted on most of the main routes in both the Atlantic and Pacific.

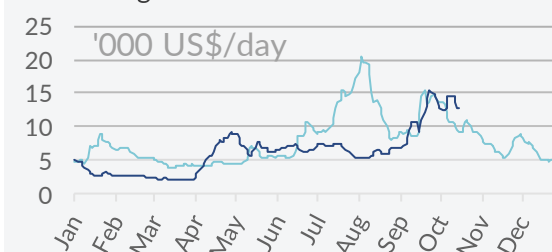
### Spot market rates & indices

		14 Oct	07 Oct	±%	Average 2016	2015
<b>Baltic Dry Index</b>						
	BDI	892	921	-3.1%	587	711
<b>Capesize</b>						
	BCI	2,018	2,245	-10.1%	831	1,009
	BCI 5TC	\$ 12,744	\$ 14,622	-12.8%	\$ 6,225	\$ 8,001
	ATLANTIC RV	\$ 13,100	\$ 16,300	-19.6%	\$ 6,052	\$ 8,206
	Cont / FEast	\$ 19,636	\$ 22,273	-11.8%	\$ 12,441	\$ 16,387
	PACIFIC RV	\$ 12,763	\$ 13,817	-7.6%	\$ 6,040	\$ 7,394
	FEast / ECSA	\$ 11,682	\$ 13,045	-10.4%	\$ 6,454	\$ 8,353
<b>Panamax</b>						
	BPI	819	717	14.2%	581	690
	BPI - TCA	\$ 6,559	\$ 5,743	14.2%	\$ 4,650	\$ 5,513
	ATLANTIC RV	\$ 6,727	\$ 5,214	29.0%	\$ 4,657	\$ 5,925
	Cont / FEast	\$ 11,492	\$ 10,757	6.8%	\$ 8,682	\$ 10,563
	PACIFIC RV	\$ 6,825	\$ 5,956	14.6%	\$ 4,563	\$ 5,021
	FEast / Cont	\$ 1,190	\$ 1,044	14.0%	\$ 696	\$ 542
<b>Supramax</b>						
	BSI	674	677	-0.4%	541	662
	BSI - TCA	\$ 7,049	\$ 7,078	-0.4%	\$ 5,655	\$ 6,919
	Cont / FEast	\$ 9,900	\$ 10,225	-3.2%	\$ 8,841	\$ 9,890
	Med / FEast	\$ 11,196	\$ 11,250	-0.5%	\$ 8,533	\$ 9,274
	PACIFIC RV	\$ 6,188	\$ 6,185	0.0%	\$ 5,047	\$ 5,989
	FEast / Cont	\$ 4,405	\$ 4,400	0.1%	\$ 3,039	\$ 4,794
	USG / Skaw	\$ 8,631	\$ 8,469	1.9%	\$ 8,326	\$ 10,915
	Skaw / USG	\$ 5,479	\$ 5,507	-0.5%	\$ 3,365	\$ 3,705
<b>Handysize</b>						
	BHSI	411	411	0.0%	326	364
	BHSI - TCA	\$ 5,966	\$ 5,952	0.2%	\$ 4,744	\$ 5,354
	Skaw / Rio	\$ 5,537	\$ 5,695	-2.8%	\$ 3,964	\$ 3,770
	Skaw / Boston	\$ 5,433	\$ 5,578	-2.6%	\$ 4,239	\$ 4,057
	Rio / Skaw	\$ 5,517	\$ 5,208	5.9%	\$ 5,894	\$ 8,526
	USG / Skaw	\$ 6,193	\$ 5,971	3.7%	\$ 6,040	\$ 7,200
	SEAsia / Aus / Jap	\$ 6,004	\$ 5,979	0.4%	\$ 4,003	\$ 4,211
	PACIFIC RV	\$ 6,518	\$ 6,604	-1.3%	\$ 4,905	\$ 5,429

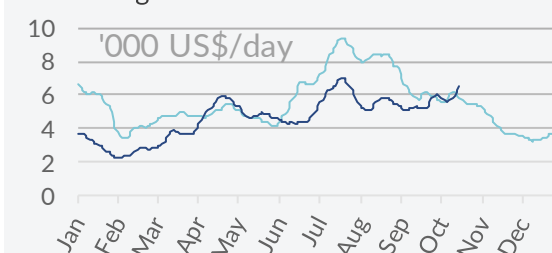
### Dry Bulk Indices



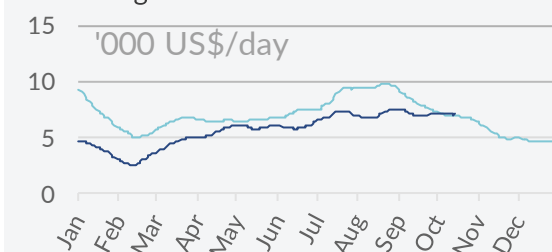
### BCI Average TCE



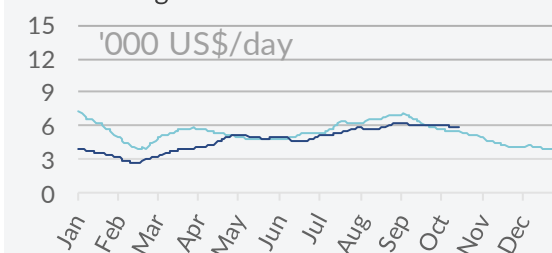
### BPI Average TCE



### BSI Average TCE



### BHSI Average TCE



— 2015 — 2016

# Freight Market

## Tankers - Spot Market

10<sup>th</sup> - 14<sup>th</sup> October 2016

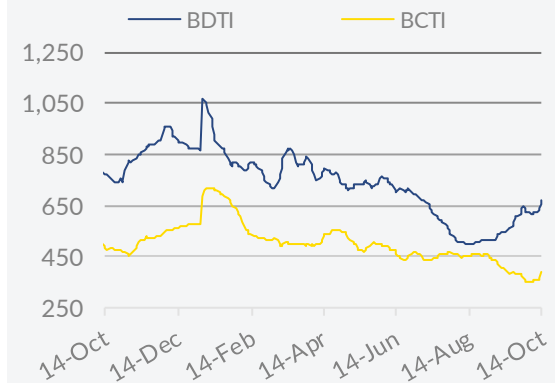
**Crude Oil Carriers** - Feeding off the positive sentiment and the strong inflow of fresh inquiries, the large VL market has managed to continue on its improving trends. The MEG was showing good gains for yet another week, while things were also positive in the WAF thanks to a more manageable position list there. Suezmaxes have yet to capitalize from any overspill off the VL market with plenty of tonnage being a dampener in the WAF, though things could start to improve slightly as November STEMS start to show their presence. The Aframax market seemed to be seeing mixed messages, with the MEG and Caribs markets showing a good improvement thanks to the increased activity noted while the North Sea/Baltic and Black Sea/Med regions still suffering from an excess of open tonnage still open in the market.

**Oil Products** - Product tankers seemed to have found some fresh support in the Far East, with strong fixing activity helping boost rates for there, while the North Atlantic remained on par while still trying to clear out the excess position lists.

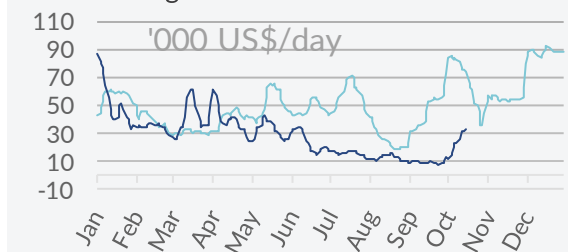
### Spot market rates & indices

		14 Oct	07 Oct	±%	Average 2016	2015
<b>Baltic Tanker Indices</b>						
BDTI		673	621	8.4%	709	820
BCTI		390	354	10.2%	495	637
<b>VLCC</b>						
MEG-USG	WS	37.88	30.04	26.1%	33.56	36.36
	\$/day	\$ 18,099	\$ 9,493	90.7%	\$ 17,464	\$ 31,968
MEG-SPORE	WS	67.77	58.85	15.2%	56.89	64.43
	\$/day	\$ 58,276	\$ 47,467	22.8%	\$ 52,280	\$ 61,629
MEG-JAPAN	WS	66.00	57.19	15.4%	55.49	63.09
	\$/day	\$ 46,052	\$ 37,434	23.0%	\$ 39,836	\$ 68,288
WAF-USG	WS	65.00	60.00	8.3%	62.97	72.72
	\$/day	\$ 78,695	\$ 71,218	10.5%	\$ 79,628	\$ 76,589
<b>SUEZMAX</b>						
WAF-USAC	WS	72.50	80.00	-9.4%	69.52	81.13
	\$/day	\$ 40,147	\$ 45,813	-12.4%	\$ 40,771	\$ 46,404
BSEA-MED	WS	78.90	84.28	-6.4%	80.52	91.34
	\$/day	\$ 19,184	\$ 22,214	-13.6%	\$ 23,493	\$ 46,346
<b>AFRAMAX</b>						
NSEA-CONT	WS	93.06	96.67	-3.7%	101.55	111.01
	\$/day	\$ 16,371	\$ 18,702	-12.5%	\$ 21,427	\$ 37,053
MEG-SPORE	WS	82.50	66.22	24.6%	99.66	112.26
	\$/day	\$ 9,613	\$ 4,976	93.2%	\$ 17,914	\$ 31,406
CARIBS-USG	WS	112.22	79.11	41.9%	101.85	133.63
	\$/day	\$ 16,269	\$ 5,245	210.2%	\$ 15,407	\$ 37,962
BALTIK-UKC	WS	72.78	73.89	-1.5%	78.27	92.57
	\$/day	\$ 16,609	\$ 17,074	-2.7%	\$ 22,975	\$ 43,406
<b>DPP</b>						
CARIBS-USAC	WS	100.00	85.00	17.6%	108.87	138.77
	\$/day	\$ 18,327	\$ 13,492	35.8%	\$ 23,224	\$ 30,727
ARA-USG	WS	79.38	80.94	-1.9%	101.38	122.73
	\$/day	\$ 12,846	\$ 12,564	2.2%	\$ 24,728	\$ 30,281
SEASIA-AUS	WS	86.88	65.63	32.4%	98.58	110.54
	\$/day	\$ 14,133	\$ 7,202	96.2%	\$ 20,703	\$ 35,804
MED-MED	WS	65.72	72.50	-9.4%	92.76	108.70
	\$/day	\$ 2,462	\$ 4,804	-48.8%	\$ 15,644	\$ 35,902
<b>CPP</b>						
MEG-JAPAN	WS	76.88	54.69	40.6%	94.43	105.50
	\$/day	\$ 9,220	\$ 3,262	182.6%	\$ 16,682	\$ 28,796
CONT-USAC	WS	77.50	72.75	6.5%	103.31	134.68
	\$/day	\$ 2,718	\$ 1,834	48.2%	\$ 8,757	\$ 18,755
CARIBS-USAC	WS	80.00	85.00	-5.9%	114.87	134.05
	\$/day	\$ 8,746	\$ 10,000	-12.5%	\$ 18,807	\$ 22,099
USG-CONT	WS	52.14	52.50	-0.7%	79.71	96.47
	\$/day	-\$ 1,142	-\$ 1,164	1.9%	\$ 5,160	\$ 12,481

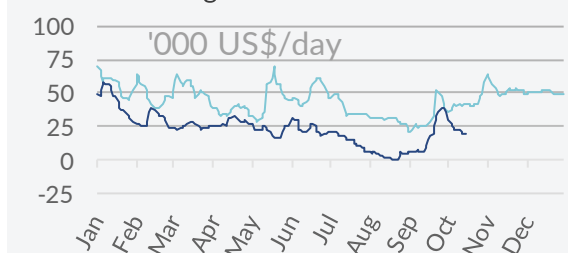
### Tanker Indices



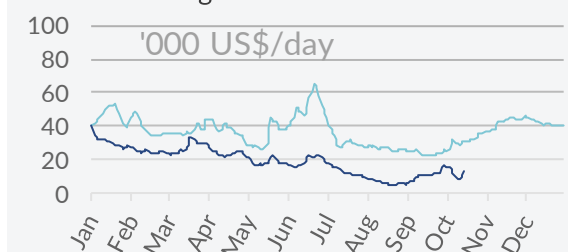
### VLCC Average TCE



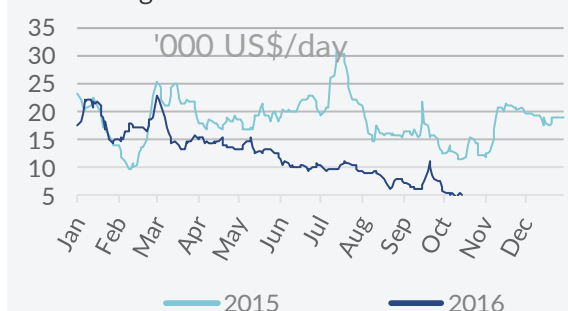
### Suezmax Average TCE



### Aframax Average TCE



### MR Average TCE



# Freight Market Period Charter

10<sup>th</sup> - 14<sup>th</sup> October 2016

## Dry Bulk period market TC rates

	14 Oct	09 Sep	±%	last 5 years		
				Min	Avg	Max
<b>Capesize</b>						
12 months	\$ 9,500	\$ 9,000	5.6%	\$ 6,200	\$ 14,728	\$ 31,450
36 months	\$ 11,000	\$ 11,000	0.0%	\$ 6,950	\$ 15,419	\$ 25,200
<b>Panamax</b>						
12 months	\$ 7,000	\$ 6,500	7.7%	\$ 4,950	\$ 10,302	\$ 18,700
36 months	\$ 7,250	\$ 7,250	0.0%	\$ 6,200	\$ 10,853	\$ 16,700
<b>Supramax</b>						
12 months	\$ 7,000	\$ 7,000	0.0%	\$ 4,450	\$ 10,177	\$ 15,950
36 months	\$ 6,500	\$ 6,500	0.0%	\$ 6,200	\$ 10,451	\$ 15,450
<b>Handysize</b>						
12 months	\$ 6,000	\$ 6,000	0.0%	\$ 4,450	\$ 8,407	\$ 12,950
36 months	\$ 6,000	\$ 5,750	4.3%	\$ 5,450	\$ 8,934	\$ 12,950

## Latest indicative Dry Bulk Period Fixtures

M/V "STAR LAURA", 82209 dwt, built 2006, dely Fangcheng 25/30 Oct, \$7,500, for 5/7 months trading, to Chart Not Rep

M/V "RED ROSE", 76629 dwt, built 2003, dely Kosichang in d/c 24/29 Oct, \$6,500, for 4/6 months trading, to Ausca Shipping

M/V "ROSCO GINKGO", 76620 dwt, built 2005, dely passing Cape of Good Hope 22/26 Oct, \$6,500, for 4/7 months trading, to United

M/V "KM FUKUYAMA", 82224 dwt, built 2013, dely Kaohsiung 17/20 Oct, 7,000, for 4/7 months trading, to Ausca Shipping

M/V "KRANIA", 57696 dwt, built 2010, dely PG prompt, \$6,650, for 4/7 months trading, to Chart Not Rep

## Tanker period market TC rates

	14 Oct	09 Sep	±%	last 5 years		
				Min	Avg	Max
<b>VLCC</b>						
12 months	\$ 27,500	\$ 26,500	3.8%	\$ 18,000	\$ 30,138	\$ 57,750
36 months	\$ 27,000	\$ 27,000	0.0%	\$ 22,000	\$ 31,532	\$ 45,000
<b>Suezmax</b>						
12 months	\$ 21,250	\$ 21,250	0.0%	\$ 15,250	\$ 23,253	\$ 42,500
36 months	\$ 22,750	\$ 22,750	0.0%	\$ 17,000	\$ 24,536	\$ 35,000
<b>Aframax</b>						
12 months	\$ 16,000	\$ 16,000	0.0%	\$ 13,000	\$ 18,137	\$ 30,000
36 months	\$ 17,250	\$ 17,750	-2.8%	\$ 14,750	\$ 19,014	\$ 27,000
<b>MR</b>						
12 months	\$ 12,000	\$ 13,250	-9.4%	\$ 12,000	\$ 14,950	\$ 21,000
36 months	\$ 14,000	\$ 14,250	-1.8%	\$ 14,000	\$ 15,262	\$ 18,250

## Latest indicative Tanker Period Fixtures

M/T "EURO DESTINY", 304000 dwt, built 2003, \$29,000, for 5/9 months trading, to KOCH

M/T "AMORE MIO II", 160000 dwt, built 2001, \$21,000, for 9 months trading, to CAPITAL MARITIME

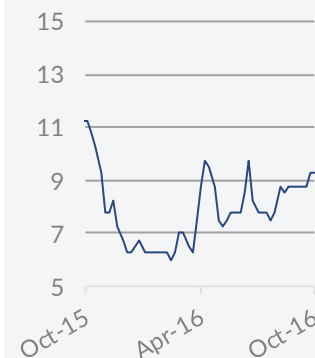
M/T "LYRIC CAMELLIA", 110000 dwt, built 2016, \$11,500 + ps, for 6/9 months trading, to ST SHIPPING

M/T "JO PINIARI", 75000 dwt, built 2012, \$14,250, for 1 year trading, to VITOL

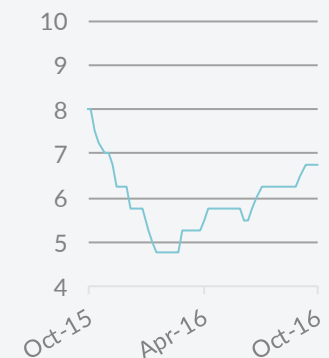
M/T "BRIGHT FORTUNE", 48000 dwt, built 2010, \$10,250, for 1 year trading, to NORIENT POOL

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

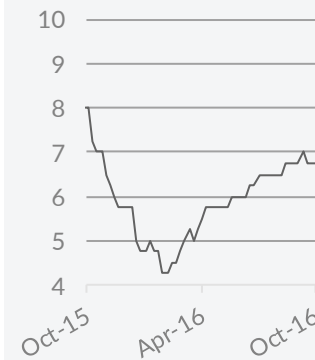
### Capesize



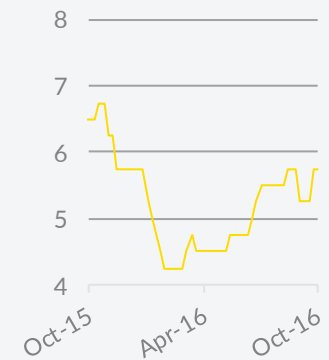
### Panamax



### Supramax



### Handysize

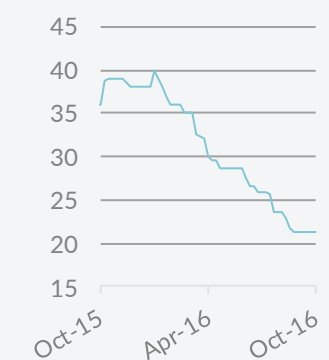


## Tanker 12 month period charter rates (USD '000/day)

### VLCC



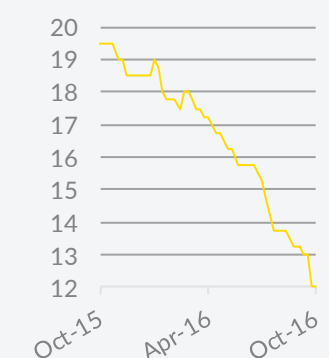
### Suezmax



### Aframax



### MR

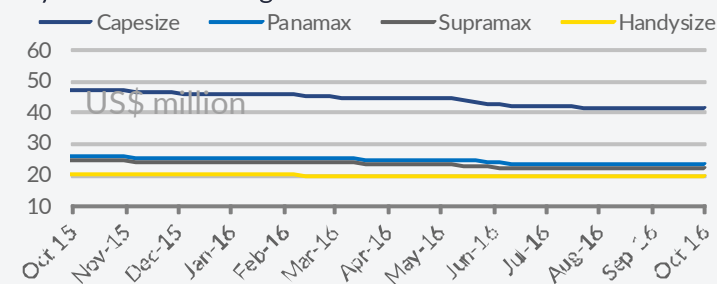


# Sale & Purchase Newbuilding Orders

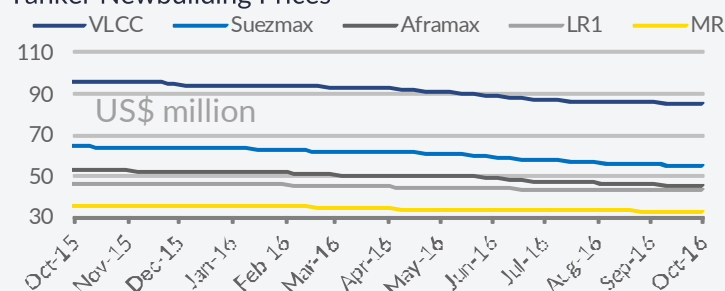
10<sup>th</sup> - 14<sup>th</sup> October 2016

There was another small trickle of tanker orders emerging this week, with most notable the order secured by S. Korea's Samsung for two separate high spec orders by Norway's Viken Shipping. Though hopeful for those shipbuilders that manage to secure orders like this, the lack of volume means that this is by no means enough to real push for any improvement. Things will continue to remain tough and despite the increased competition that has amassed amongst shipbuilders the fact that prices haven't followed in line with this trend means that we are still facing at least a temporary floor due mainly to construction costs, which although have been squeezed it seems to be ever more difficult to squeeze each and every single penny beyond this point at least for now. We will have to wait to see if things change on this front as further restructuring takes place amongst most of the major shipbuilders, while it will be interesting to see if and to what extent governments might start to step in in order to provide flexibility to be able to accommodate orders at subsidized levels in an effort to keep operations alive until the market is able to improve.

## Dry Bulk Newbuilding Prices



## Tanker Newbuilding Prices



### Indicative Dry NB Prices (US\$ million)

	14 Oct	09 Sep	±%	last 5 years		
				Min	Avg	Max
<b>Dry Bulkers</b>						
Capesize (180,000dwt)	41.8	41.8	0.0%	41.8	49.7	58.0
Kamsarmax (82,000dwt)	24.3	24.3	0.0%	24.3	28.6	36.5
Panamax (77,000dwt)	23.8	23.8	0.0%	23.8	27.8	34.5
Ultramax (64,000dwt)	22.3	22.3	0.0%	22.3	26.0	31.0
Handysize (37,000dwt)	19.5	19.5	0.0%	19.5	22.2	26.5
<b>Container</b>						
Post Panamax (9,000teu)	82.5	82.5	0.0%	76.5	86.4	94.5
Panamax (5,200teu)	50.0	50.0	0.0%	48.6	56.5	65.6
Sub Panamax (2,500teu)	28.0	28.0	0.0%	28.0	32.6	41.0
Feeder (1,700teu)	23.0	23.0	0.0%	21.5	25.2	29.4

### Indicative Wet NB Prices (US\$ million)

	14 Oct	09 Sep	±%	last 5 years		
				Min	Avg	Max
<b>Tankers</b>						
VLCC (300,000dwt)	85.0	85.5	-0.6%	85.0	95.5	104.0
Suezmax (160,000dwt)	55.0	55.5	-0.9%	55.0	61.2	66.0
Aframax (115,000dwt)	45.0	45.5	-1.1%	45.0	51.5	56.0
LR1 (75,000dwt)	43.0	43.0	0.0%	40.5	43.9	47.0
MR (56,000dwt)	33.0	33.0	0.0%	33.0	35.1	37.3
<b>Gas</b>						
LNG 160k cbm	197.0	197.0	0.0%	197.0	199.8	203.0
LPG LGC 80k cbm	72.5	72.5	0.0%	70.0	74.1	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	44.0	46.5

### Reported Transactions

Type	Units	Size	Shipbuilder	Price	Buyer	Delivery	Comments
TANKER	1+1	157,000 dwt	SAMSUNG H.I, S. Korea	N/A	VIKEN SHIPPING - Norway	2018	ice class, dual fuel
TANKER	1+1	113,000 dwt	SAMSUNG H.I, S. Korea	N/A	VIKEN SHIPPING - Norway	2018	ice class, dual fuel
TANKER	2	25,600 dwt	JINLING SHIPYARD, China	\$ 15.9m	ESL SHIPPING - Finland	2017-2018	Dual fuel, ICE-CLASS 1A

# Sale & Purchase Secondhand Sales

10<sup>th</sup> - 14<sup>th</sup> October 2016

On the dry bulk side, activity keeps at firm levels, though with prices for the majority of age groups still holding stable. The only upward trends that we have noted thus far is for the older aged vessel groups, likely supported by the combination of improved scrap prices and the increased buying interest from owners that typically focus in these market segments. Modern vessels seem to now be the ones which are seeing mixed messages, with firm buying interest having stepped down slightly from its high levels of a couple of months ago.

On the tanker side, we have seen both activity and interest start to increase rapidly for the Very Large Crude Carriers. We have seen a couple of resales changing hands this week, while there seem to be a plethora of buyers for units within the 10 to 15 years age groups, likely spurred by the recent drop in price ideas being noted by current sellers in the market.

Indicative Dry Bulk Values (US\$ million)

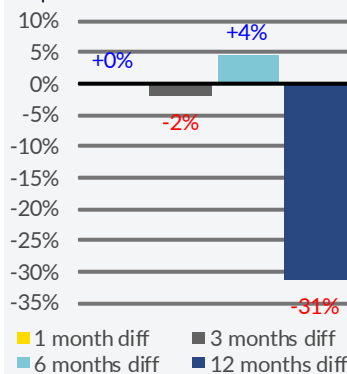
					last 5 years		
					14 Oct	09 Sep	±%
					Min	Avg	Max
<b>Capesize</b>							
180k dwt	Resale	36.0	36.0	0.0%	34.5	47.6	65.0
170k dwt	5 year old	24.0	24.0	0.0%	23.0	36.4	53.0
170k dwt	10 year old	14.0	14.0	0.0%	12.0	24.7	39.0
150k dwt	15 year old	8.0	8.0	0.0%	6.5	14.9	25.0
<b>Panamax</b>							
82k dwt	Resale	24.5	24.5	0.0%	22.5	30.3	43.0
76k dwt	5 year old	13.5	13.5	0.0%	11.5	21.6	36.8
76k dwt	10 year old	8.0	8.0	0.0%	7.3	15.9	29.3
74k dwt	15 year old	4.8	4.5	5.6%	3.5	10.4	22.0
<b>Supramax</b>							
62k dwt	Resale	20.5	20.5	0.0%	19.0	28.1	36.8
58k dwt	5 year old	12.5	12.5	0.0%	11.0	20.7	30.5
52k dwt	10 year old	8.5	8.0	6.3%	6.0	15.0	24.3
52k dwt	15 year old	4.8	4.0	18.8%	3.5	9.9	19.0
<b>Handysize</b>							
37k dwt	Resale	17.0	17.0	0.0%	17.0	22.7	30.0
32k dwt	5 year old	9.0	9.0	0.0%	7.8	16.8	25.5
32k dwt	10 year old	6.5	6.5	0.0%	6.0	12.6	19.5
28k dwt	15 year old	3.8	3.8	0.0%	3.5	8.4	14.5

Indicative Tanker Values (US\$ million)

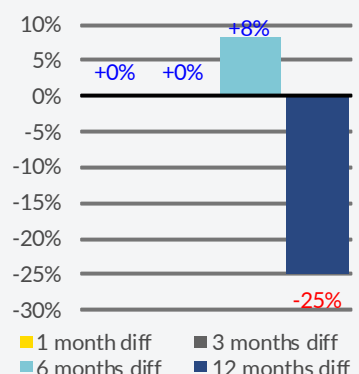
					last 5 years		
					14 Oct	09 Sep	±%
					Min	Avg	Max
<b>VLCC</b>							
310k dwt	Resale	85.0	86.0	-1.2%	80.0	94.7	108.5
310k dwt	5 year old	62.0	63.0	-1.6%	55.0	70.0	87.0
250k dwt	10 year old	41.0	42.0	-2.4%	33.8	46.4	62.0
250k dwt	15 year old	26.0	27.0	-3.7%	16.9	27.6	41.0
<b>Suezmax</b>							
160k dwt	Resale	57.0	58.0	-1.7%	53.0	63.9	73.0
150k dwt	5 year old	44.0	45.0	-2.2%	38.0	49.9	62.0
150k dwt	10 year old	31.5	32.5	-3.1%	24.0	34.1	44.5
150k dwt	15 year old	21.0	23.0	-8.7%	14.0	19.2	23.3
<b>Aframax</b>							
110k dwt	Resale	47.0	48.0	-2.1%	39.0	48.9	57.0
110k dwt	5 year old	32.5	33.5	-3.0%	27.0	36.8	47.5
105k dwt	10 year old	21.0	22.0	-4.5%	16.0	24.0	33.0
105k dwt	15 year old	15.0	16.0	-6.3%	8.0	13.4	18.5
<b>MR</b>							
52k dwt	Resale	34.0	34.0	0.0%	32.0	36.7	39.3
52k dwt	5 year old	23.0	23.0	0.0%	22.0	26.7	31.0
45k dwt	10 year old	16.5	16.5	0.0%	14.0	17.9	21.0
45k dwt	15 year old	11.0	11.0	0.0%	9.0	11.0	13.5

Price movements of 5 year old Dry Bulk assets

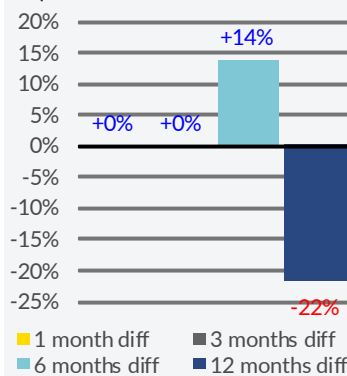
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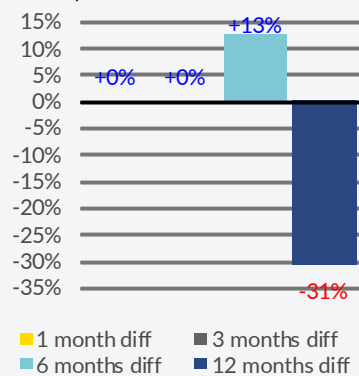
## Panamax



## Supramax

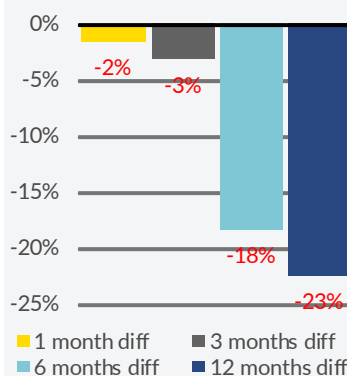


## Handysize

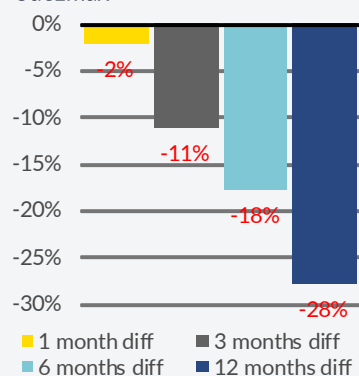


Price movements of 5 year old Tanker assets

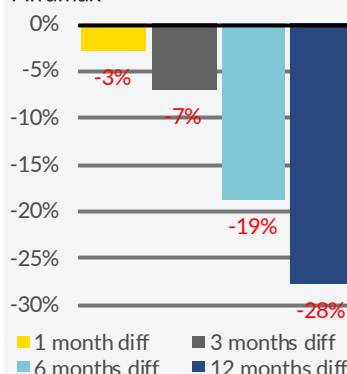
## VLCC



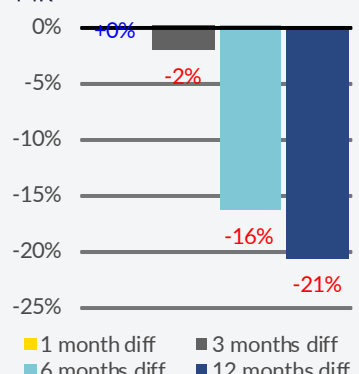
## Suezmax



## Aframax



## MR



# Sale & Purchase Secondhand Sales

10<sup>th</sup> - 14<sup>th</sup> October 2016

Tankers									
Size	Name	Dwt	Built	Shipbuilder	M/E	Coating	Price	Buyers	Comments
VLCC	CRUDE MED	308,000	2017	HYUNDAI HEAVY INDS - G, Korea, South	Wartsila		\$ 83.0m	Greece - Kyklades	dely Q1 '17, incl. 3yrs TC to Reliance at \$29,000/day
VLCC	CRUDE PROGRESS	308,000	2017	HYUNDAI HEAVY INDS - G, Korea, South	Wartsila		\$ 83.0m		
VLCC	ASTRO CHORUS	305,704	2001	DAEWOO SB/ME, Korea, South	B&W		\$ 24.5m	Russia	long subs
LR1	JACQUES JACOB	71,345	2000	3 MAJ, Croatia	Sulzer	EPOXY Coated	\$ 7.25m	Greece	trading dirty
MR	CHALLENGE PRELUDE	48,555	2006	IWAGI, Japan	MAN-B&W		N/A	Hong Kong based - Island Navigation Corp	option declred, BB charter to Sellers
SMALL	THAMES	7,393	2011	NANJING TIANSHUN SHIPB, China	Yanmar		\$ 4.0m	undisclosed	via auction
Bulk Carriers									
Size	Name	Dwt	Built	Shipbuilder	M/E	Gear	Price	Buyers	Comments
CAPE	OCEAN CRESCENT	174,222	2007	SHANGHAI WAIGAOQIAO, China	MAN-B&W		\$ 12.0m	Greek - New Shipping	
POST PMAX	UBC ONSAN	118,590	2011	YANGZHOU DAYANG, China	MAN-B&W		\$ 14.0m	German - Oldendorff	
POST PMAX	UBC OHIO	118,532	2011	YANGZHOU DAYANG, China	MAN-B&W		\$ 14.0m		
PMAX	PEACE BRIGHT	76,000	2013	ZHEJIANG ZHENGHE SHIPB, China	MAN-B&W		\$ 18.5m	Germany - Intermare Transport	incl. 7yrs TC at \$15,380/day
PMAX	SALANDI	74,502	1999	SASEBO SASEBO, Japan	B&W		\$ 3.8m	China	
PMAX	EVER LEADER	74,001	1999	TSUNEISHI, Japan	B&W		\$ 4.1m	China	
UMAX	ULTRA OMEGA	63,118	2015	NEW TIMES SHBLDG CO LT, China	MAN-B&W	4 X 35t CRANES	\$ 18.0m	Norway	subj inspection
SMAX	NORDIC BUXTEHUDE	56,755	2010	TAIZHOU KOUAN SHIPBUIL, China	MAN-B&W	4 X 30t CRANES	\$ 7.3m	Norway - Atlantica Shipping	
SMAX	ATLANTIC MAZATLAN	50,296	2000	MITSUMI TAMANO, Japan	B&W	4 X 30t CRANES	\$ 4.7m	Bangladesh - Symphony	
HMAX	DUBAI FAITH	45,681	1996	HASHIHAMA TADOTSU, Japan	B&W	4 X 25t CRANES	\$ 2.1m	Indonesia	SS/DD due Nov '16
HMAX	NOTOS VENTURE	43,500	2016	QINGSHAN, China	MAN-B&W	4 X 30t CRANES	N/A	France - Sucden Group	
HMAX	BOREAS VENTURE	43,500	2016	QINGSHAN, China	MAN-B&W	4 X 30t CRANES	N/A		
HMAX	ZEZPHYR VENTURE	43,500	2017	QINGSHAN, China	MAN-B&W	4 X 30t CRANES	N/A		
HMAX	EURUS VENTURE	43,500	2016	QINGSHAN, China	MAN-B&W	4 X 30t CRANES	N/A		
SMALL	ORIENTAL PHOENIX	14,181	1999	SHIN KOCHI, Japan	Mitsubishi	3 X 25t CRANES	\$ 2.3m	China	

# Sale & Purchase

## Secondhand Sales



10<sup>th</sup> - 14<sup>th</sup> October 2016

Containers									
Size	Name	TEU	Built	Shipbuilder	M/E	Gear	Price	Buyers	Comments
SUB PMAX	CONTI SALOME	2,127	2007	AKER MTW, Germany	Wartsila	3 X 45t CRANES	\$ 4.2m	undisclosed	
SUB PMAX	CONTI ARABELLA	2,127	2007	AKER MTW, Germany	Wartsila	3 X 45t CRANES	\$ 4.2m		

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Email: [research@allied-shipbroking.gr](mailto:research@allied-shipbroking.gr)



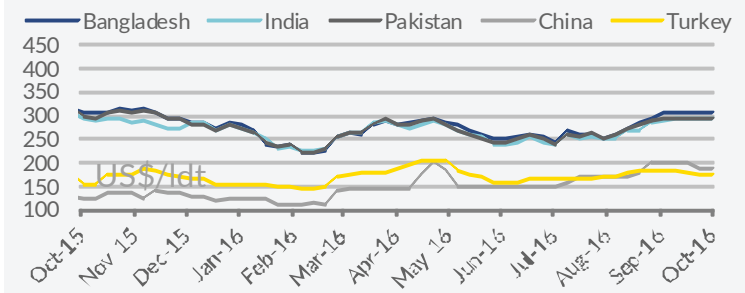
# Sale & Purchase

## Demolition Sales

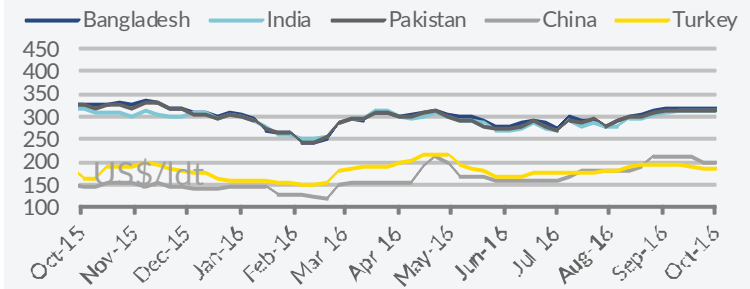
10<sup>th</sup> - 14<sup>th</sup> October 2016

Despite the improved activity levels having been noted these past couple of weeks, the market seems to be still holding its grounds in terms of prices offered. At the same time we have seen some brave speculators in the market which are even willing to bid at even higher levels in cases of higher spec units and larger units. Despite this for the moment it looks as though it has mainly been the container-ship sector which has been feeding much of the current appetite amongst breakers. We seen a few Dry bulkers as well, though no considerably lower then the average volume we were witnessing on a weekly basis in the first half of the year. Given this fact and that we are likely to see an increased flow of demo candidates emerge during the final few weeks of the year, the market is likely to witness some downward pressure in terms of pricing. A lot will depend on the trends that will be noted on the commodity front and foreign exchange movements, though if breakers appetite manages to hold or even improve further we may well be looking at similar pricing levels and possibly a fair amount of activity.

### Dry Scrap Prices



### Wet Scrap Prices



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

		14 Oct	07 Oct	±%	last 5 years		
					Min	Avg	Max
<b>Indian Sub Continent</b>							
	Bangladesh	305	305	0.0%	220	393	515
	India	295	295	0.0%	225	400	525
	Pakistan	295	295	0.0%	220	396	510
<b>Far East Asia</b>							
	China	190	190	0.0%	110	299	455
<b>Mediterranean</b>							
	Turkey	175	175	0.0%	145	246	355

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

		14 Oct	07 Oct	±%	last 5 years		
					Min	Avg	Max
<b>Indian Sub Continent</b>							
	Bangladesh	320	320	0.0%	245	415	540
	India	315	315	0.0%	250	423	550
	Pakistan	315	315	0.0%	245	420	525
<b>Far East Asia</b>							
	China	200	200	0.0%	120	316	485
<b>Mediterranean</b>							
	Turkey	185	185	0.0%	150	256	355

### Reported Transactions

Type	Vessel's Name	Dwt	Built	Country Built	Ldt	US\$/ldt	Buyer	Sale Comments
Bulker	OCEAN VANGUARD	206,250	1994	S. Korea	26,389	\$ 290/Ldt	undisclosed	bss 'as is' Korea, incl. 350tns ROB IFO & 40tns MDO
Bulker	SNOWDON	170,079	1998	S. Korea	21,898	\$ 310/Ldt	Bangladeshi	
Cont	CHISWICK BRIDGE	71,362	2001	S. Korea	23,915	\$ 236/Ldt	Indian	incl. 99tns propeller, aprpx 450tns ROB
Cont	BEAR HUNTER	65,006	2004	S. Korea	21,561	\$ 300/Ldt	undisclosed	bss 'as is' Hong Kong, incl. 71tns propeller
Cont	BULL HUNTER	64,990	2004	S. Korea	24,561	\$ 300/Ldt	undisclosed	bss 'as is' Hong Kong, incl. 71tns propeller
Tanker	PRUDENT	47,076	1991	S. Korea	8,768	\$ 300/Ldt	Pakistani	bss 'as is' Mumbai
Bulker	RUI FU OCEAN	43,595	1992	Japan	8,085	\$ 270/Ldt	Bangladeshi	net price
Bulker	AL MUKHTAR	43,473	1991	Japan	8,207	\$ 295/Ldt	Indian	Pakistan option
Bulker	THOR ENERGY	42,529	1994	Japan	9,016	\$ 297/Ldt	Indian	old sale
Gen. Cargo	KING FORTUNE	22,800	1987	U. K.	8,779	\$ 296/Ldt	undisclosed	
Ro-ro Cargo	DRACE	15,546	1986	Japan	13,734	N/A	Bangladeshi	

# Trade Indicators

## Markets | Currencies | Commodities

10<sup>th</sup> - 14<sup>th</sup> October 2016

Hyundai Heavy Industries has shuffled its management pack in the latest stage of its restructuring efforts.

Hyundai Mipo Dockyard president HG Kang is shifting to the same post at parent Hyundai Heavy, with incumbent OK Kwon taking on the post of vice-chairman.

YS Han, who was in charge of production at HHI, will take the president's seat at Mipo.

There is also a promotion for Sam Ka, who climbs from vice-president of ship sales at HHI to become a president.

A spokesperson for the shipbuilder said simply that the changes were related to restructuring efforts at the company. He declined to comment further.

The changes were confirmed on the back of domestic reports this weekend that HHI was seeking to spin-off its non-shipbuilding businesses, including electric-electronic systems and construction equipment which account for almost 20% of revenue. Source: Tradewinds

	14 Oct	09 Sep	±%	last 12 months		
				Min	Avg	Max
<b>Markets</b>						
10year US Bond	1.79	1.67	7.2%	1.37	1.84	2.34
S&P 500	2,133.0	2,127.8	0.2%	1,829	2,067	2,190
Nasdaq	5,214.2	5,125.9	1.7%	4,267	4,929	5,340
Dow Jones	18,138.4	18,085.5	0.3%	15,660	17,629	18,636
FTSE 100	7,013.6	6,777.0	3.5%	5,537	6,338	7,098
FTSE All-Share UK	3,809.9	3,701.4	2.9%	3,047	3,471	3,849
CAC40	4,470.9	4,491.4	-0.5%	3,897	4,459	4,984
Xetra Dax	10,580.4	10,573.4	0.1%	8,753	10,177	11,382
Nikkei	16,856.4	16,965.8	-0.6%	1,667	17,100	20,012
Hang Seng	23,233.3	24,099.7	-3.6%	18,320	21,402	24,100
DJ US Maritime	192.3	184.3	4.4%	150.2	196.0	238.7
<b>Currencies</b>						
\$ per €	1.10	1.13	-2.4%	1.06	1.11	1.16
\$ per £	1.22	1.33	-8.1%	1.22	1.41	1.55
£ per €	0.90	0.85	6.2%	0.70	0.79	0.91
¥ per \$	104.1	102.7	1.4%	100.0	111.2	123.5
\$ per Au\$	0.76	0.76	0.3%	0.69	0.74	0.78
\$ per NoK	0.12	0.12	0.2%	0.11	0.12	0.13
\$ per SFr	0.99	0.97	1.5%	0.95	0.98	1.03
Yuan per \$	6.73	6.68	0.7%	6.33	6.55	6.73
Won per \$	1,131.6	1,102.2	2.7%	1,092.8	1,158.9	1,237.8
\$ INDEX	101.5	98.7	2.8%	97.9	102.1	107.4
<b>Commodities</b>						
Gold \$	1,251.8	1,330.9	-5.9%	1,049.4	1,223.3	1,366.3
Oil WTI \$	50.4	45.9	9.7%	26.9	41.8	51.6
Oil Brent \$	52.0	48.0	8.2%	28.2	43.7	53.1
Palm Oil	562.0	562.0	0.0%	523.5	559.6	564.0
Iron Ore	56.6	57.4	-1.4%	37.0	51.8	68.7
Coal Price Index	80.1	65.0	23.2%	47.3	57.1	80.1
White Sugar	593.4	548.9	8.1%	368.6	469.0	613.5

### Currencies

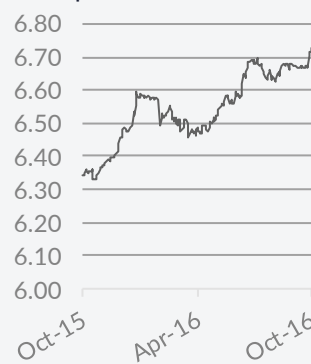
#### US Dollar per Euro



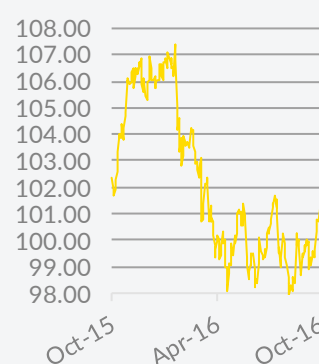
#### Yen per US Dollar



#### Yuan per US Dollar



#### US Dollar INDEX

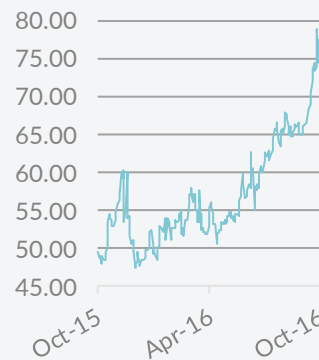


### Commodities

#### Iron Ore (TSI)



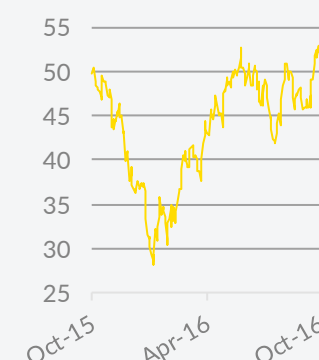
#### Coal Price Index



#### Oil WTI \$



#### Oil Brent \$



# Contact Details



10<sup>th</sup> - 14<sup>th</sup> October 2016 | Week 41

## ALLIED SHIPBROKING INC.

48, Aigialeias Street, 4<sup>th</sup> Floor,  
Maroussi 151 25, Greece  
Tel: +30 210 45 24 500  
Fax: +30 210 45 25 017 / 019

E-mail: [snp@allied-shipbroking.gr](mailto:snp@allied-shipbroking.gr)

## ALLIED CHARTERING S.A.

48, Aigialeias Street, 4<sup>th</sup> Floor,  
Maroussi 151 25, Greece  
Tel : +30 210 42 88 100  
Fax: +30 210 45 24 201

E-mail: [drycargo@allied-chartering.gr](mailto:drycargo@allied-chartering.gr)

E-mail: [tanker@allied-chartering.gr](mailto:tanker@allied-chartering.gr)

### Sale & Purchase

#### AERAKIS GEORGE

MOBILE: +30 6946 04 57 37

#### BOLIS ILIAS

MOBILE: +30 6937 02 65 00

#### DASKALAKIS GEORGE

MOBILE: +30 6932 24 80 07

#### DRAKOGIANNOPOULOS STAVROS

MOBILE: +30 6932 20 15 65

#### DRAKOGIANNOPOULOS SAKIS

MOBILE: +30 6944 88 58 08

#### HATZIGEORGIOU NASSOS

MOBILE: +30 6944 73 33 93

#### KARADIMAS COSTAS

MOBILE: +30 6932 20 15 64

#### KLONIZAKIS JOHN

MOBILE: +30 6948 50 55 81

#### KOSTOYANNIS JOHN

MOBILE: +30 6932 43 39 99

#### MANOLAS NIKOLAS

MOBILE: +30 6940 63 22 56

#### MOISSOGLOU THEODOROS

MOBILE: +30 6932 45 52 41

#### PAPAIOANNOU ANTONIS

MOBILE: +30 6936 54 80 22

#### PAPOUIS THASSOS

MOBILE: +30 6944 29 49 89

#### PRACHALIAS ARGIRIS

MOBILE: +30 6947 62 82 62

#### SKOURTIS GEORGE

MOBILE: +30 6936 93 62 12

#### STASSINAKIS JOHN

MOBILE: +30 6972 60 92 09

#### TSALPATOUROS COSTIS

MOBILE: +30 6932 20 15 63

#### VARVAROS PLUTON

MOBILE: +30 6937 25 15 15

### Maritime Research & Valuations

#### LAZARIDIS GEORGE

MOBILE: +30 6946 95 69 40

### Dry Cargo Chartering

#### ALEXOPOULOS PANOS

MOBILE: +30 6944 34 66 15

#### DAOULAS SPYROS

MOBILE: +30 6932 27 88 40

#### KAILAS VAGGELIS

MOBILE: +30 6942 48 05 69

#### KANELLOS DIMITRIS

MOBILE: +30 6945 07 47 85

#### KAPPA ANGELIKI

MOBILE: +30 6975 85 60 84

#### KARAMANIS COSTAS

MOBILE: +30 6941 54 14 65

#### MANOLOPOULOS VASSILIS

MOBILE: +30 6988 88 13 05

#### MAVRIKOU GEORGINA

MOBILE: +30 6974 18 07 84

#### PATELIS DIMITRIS

MOBILE: +30 6944 04 43 61

#### THEODOTOS ARISTOFANIS

MOBILE: +30 6951 79 82 89

#### TSALPATOUROU MARGARITA

MOBILE: +30 6934 74 22 16

### Tanker Chartering

#### FLOURIS JOHN

MOBILE: +30 6955 80 15 03

#### FOUROULI STELLA

MOBILE: +30 6947 35 68 48

#### PAPANTONOPOULOS NICOLAS

MOBILE: +30 6945 23 21 88

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48, Aigialeias Str, 151 25 Maroussi  
Athens, Greece  
Tel: +30 210 4524500  
Tel: +30 210 4288100

Email: [research@allied-shipbroking.gr](mailto:research@allied-shipbroking.gr)



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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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