

Weekly Shipping Market Update

17th - 21st October 2016 | Week 42

Market Analysis

It seems as though left, right and centre, all we see nowadays is the word “restructuring”. There is restructuring amongst bankers and financiers of shipping. There is restructuring amongst commodity traders. There is restructuring amongst shipbuilders. There is restructuring amongst ship owners. There is even restructuring of the fleet. It has certainly been the case that there were many issues in the market that needed to be “corrected” and as earnings dipped across all market sectors the urgency of these corrections increased. The reality is that earnings across all parts of the shipping industry have been under strain for over 5 year now, but as things got more difficult there was little that was being done to purge the issues, while in some cases the over exuberance held by many in the industry led them to take further steps which would inevitably cause further issues down the line.

Taking the case of the shipbuilding industry for one and looking at what the IMF recently pointed out while discussing the restructuring burden that S. Korea would have to face now, it is clear that in part it was commercial decisions being made on the part of shipbuilders that led them to such high corporate debt problems and problematic cash flows. Had it not been for the excessive push for ever bigger operations and more shipbuilding contracts and we would not be facing such a massive glut in supply today. In retrospect the approach that Japanese shipbuilders took to restructure, consolidate and optimise shipbuilding operations proved to be the right decision, while trying to take this approach today is a lot harder than it would have been had it been done 2-4 years earlier. This is not only an isolated case present only in S. Korea alone. Similar points can be made about the Chinese shipbuilding industry, as well as other parts of the shipping industry.

For one there are numerous voices out there that throw blame on the ship financing sector and granted that in part it was both the ease by which financing continued to be provide to a select few in the market and the direction it took, but equally to blame were those who took up the option without safeguarding their interests and calculating the increased risk they put themselves into. In terms of direction this financing took, the issue was as to how much of this was being pushed over towards newbuildings on the grounds that new designs were more competitive and newer units were less risky options for the financier. This would inevitably mean that we were always overshooting what demand would dictate we needed to have. Let’s not forget that most who placed these new “ECO” ships were doing so while saying that these new ships would push the older designs out of the market and make them obsolete.

The restructuring which is now being undertaken may well have been overdue, but nevertheless it has not come too late. Things are slowly starting to improve as corrections are made. Shipbuilding capacity has decreased and will likely continue to decrease over the coming months. The orderbook has also dropped rapidly, while ship supply has been kept fairly well balanced in most sectors and segments. There has been a considerable amount of debt from shipowners that has been restructured and refinanced while it has also encompassed a more realistic approach to the risks at hand. All these might not sound as much today as they tend to be the consequence of the poor decisions made in the past, but one needs to keep in mind that they must also be seen as the kickoff that will inevitably lead us onwards on to the next boom.

George Lazaridis

Head of Market Research & Asset Valuations



Week in numbers

Dry Bulk Freight Market

	21 Oct		W-O-W change	
			±Δ	±%
BDI	842		▼ -50	-5.6%
BCI	1,575		▼ -443	-22.0%
BPI	915		▲ 96	11.7%
BSI	700		▲ 26	3.9%
BHSI	427		▲ 16	3.9%

Tanker Freight Market

	21 Oct		W-O-W change	
			±Δ	±%
BDTI	691		▲ 18	2.7%
BCTI	428		▲ 38	9.7%

Newbuilding Market

Aggregate Price Index	21 Oct		M-O-M change	
			±Δ	±%
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	21 Oct		M-O-M change	
			±Δ	±%
Capesize	39		0	0.0%
Panamax	37		▲ 0	0.7%
Supramax	42		▲ 1	2.7%
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)	21 Oct		W-O-W change	
			±Δ	±%
Dry	255		▲ 3	1.2%
Wet	270		▲ 3	1.1%

Economic Indicators

	21 Oct		M-O-M change	
			±Δ	±%
Gold \$	1,266		▼ -42	-3.2%
Oil WTI \$	51		▲ 8	18.2%
Oil Brent \$	52		▲ 6	13.1%
Iron Ore	58		▲ 3	5.2%
Coal	86		▲ 20	29.6%

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Freight Market

Dry Bulkers - Spot Market

17th - 21st October 2016

Capesize - With activity slowing down even further this week and the number of ships opening on the increasing trend, owners' positions were becoming ever more difficult and it was inevitable to end with a deep week-on-week drop. Things were similarly difficult in both basins, while week-on-week rates dropped by excess of 20% on almost all major routes.

Panamax - On the back of further strengthening of demand in the North Atlantic things continued to improve again this week. Tonnage lists has shrunk considerably over the past weeks, providing an advantageous position for owners who have been pushing hard now for further gains to be noted. The Pacific was quick to follow in line with this as the positive sentiment started to slip there too. For now it seems as though the positive momentum gained could keep things on further gains at least over the next couple of days.

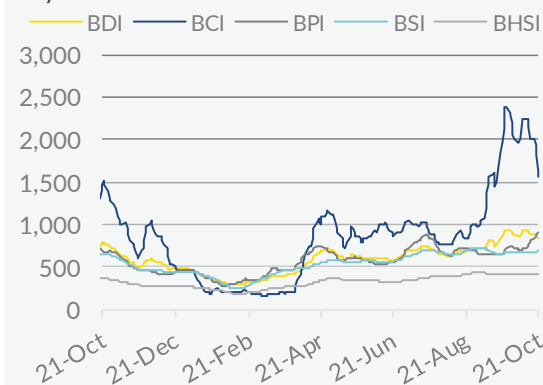
Supramax - A fairly active week in both basins, though it was mainly the Atlantic that was driving things further north in terms of rates. Despite this the gains were only just above marginal and it will likely take a little more of this level of activity before tonnage lists have been considerably cleared and a good momentum is generated.

Handysize - After a few positive signs being noted the week prior, we started to note some good positive gains being recorded. The Atlantic basin was sparked back to life with firm activity levels helping boost rates considerably there. The Pacific was still lagging behind but things could start to switch there too.

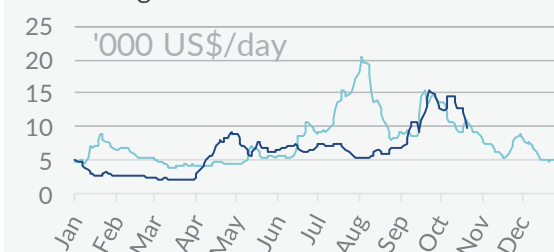
Spot market rates & indices

		21 Oct	14 Oct	±%	Average 2016	2015
Baltic Dry Index						
	BDI	842	892	-5.6%	594	711
Capesize						
	BCI	1,575	2,018	-22.0%	854	1,009
	BCI 5TC	\$ 9,659	\$ 12,744	-24.2%	\$ 6,342	\$ 8,001
	ATLANTIC RV	\$ 9,950	\$ 13,100	-24.0%	\$ 6,183	\$ 8,206
	Cont / FEast	\$ 16,118	\$ 19,636	-17.9%	\$ 12,568	\$ 16,387
	PACIFIC RV	\$ 9,333	\$ 12,763	-26.9%	\$ 6,158	\$ 7,394
	FEast / ECSA	\$ 8,727	\$ 11,682	-25.3%	\$ 6,541	\$ 8,353
Panamax						
	BPI	915	819	11.7%	588	690
	BPI - TCA	\$ 7,324	\$ 6,559	11.7%	\$ 4,706	\$ 5,513
	ATLANTIC RV	\$ 8,009	\$ 6,727	19.1%	\$ 4,724	\$ 5,925
	Cont / FEast	\$ 12,218	\$ 11,492	6.3%	\$ 8,759	\$ 10,563
	PACIFIC RV	\$ 7,600	\$ 6,825	11.4%	\$ 4,630	\$ 5,021
	FEast / Cont	\$ 1,470	\$ 1,190	23.5%	\$ 712	\$ 542
Supramax						
	BSI	700	674	3.9%	544	662
	BSI - TCA	\$ 7,320	\$ 7,049	3.8%	\$ 5,691	\$ 6,919
	Cont / FEast	\$ 10,217	\$ 9,900	3.2%	\$ 8,869	\$ 9,890
	Med / Feast	\$ 11,761	\$ 11,196	5.0%	\$ 8,602	\$ 9,274
	PACIFIC RV	\$ 6,188	\$ 6,188	0.0%	\$ 5,073	\$ 5,989
	FEast / Cont	\$ 4,514	\$ 4,405	2.5%	\$ 3,073	\$ 4,794
	USG / Skaw	\$ 9,725	\$ 8,631	12.7%	\$ 8,345	\$ 10,915
	Skaw / USG	\$ 5,454	\$ 5,479	-0.5%	\$ 3,415	\$ 3,705
Handysize						
	BHSI	427	411	3.9%	329	364
	BHSI - TCA	\$ 6,221	\$ 5,966	4.3%	\$ 4,777	\$ 5,354
	Skaw / Rio	\$ 5,440	\$ 5,537	-1.8%	\$ 4,000	\$ 3,770
	Skaw / Boston	\$ 5,392	\$ 5,433	-0.8%	\$ 4,267	\$ 4,057
	Rio / Skaw	\$ 7,083	\$ 5,517	28.4%	\$ 5,908	\$ 8,526
	USG / Skaw	\$ 6,814	\$ 6,193	10.0%	\$ 6,053	\$ 7,200
	SEAsia / Aus / Jap	\$ 6,000	\$ 6,004	-0.1%	\$ 4,050	\$ 4,211
	PACIFIC RV	\$ 6,521	\$ 6,518	0.0%	\$ 4,943	\$ 5,429

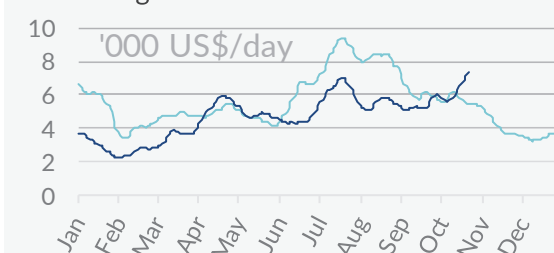
Dry Bulk Indices



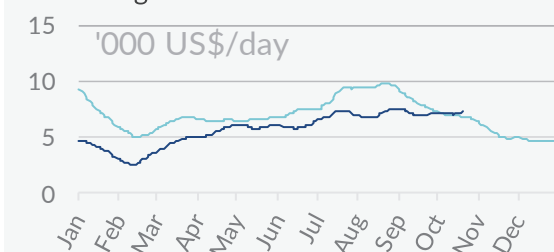
BCI Average TCE



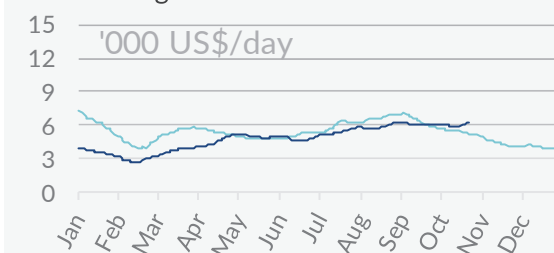
BPI Average TCE



BSI Average TCE



BHSI Average TCE



— 2015 — 2016

Freight Market

Tankers - Spot Market

17th - 21st October 2016

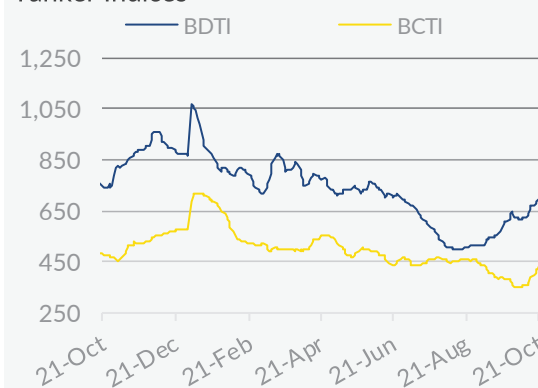
Crude Oil Carriers - With rates across most of the main routes in the MEG remaining on par with their previous week's close, many started to voice concerns that the VLCC market may have reached its peak for now. Westbound voyages seemed to have been seeing slightly better demand though its unclear if they can hold this course without support from the East. In the Suezmaxes and Aframaxes it was the Black Sea/Med region that was showing the most promise, while in the case of the Aframaxes there seemed to be fairly positive trading trends beeing seen on most major routes with only exception being that of the Caribs which made a bit of a hard landing after a considerable influx of tonnage started to arrive in the region.

Oil Products - Product tankers were seeing a strong renaissance this past week, with both CPP and DPP routes showing strong positive week-on-week gains across the board. The main gains are being seen in the N. Atlantic with the USGulf giving a strong boost, though it looks like there is a good drive in all regions.

Spot market rates & indices

		21 Oct	14 Oct	±%	Average	
					2016	2015
Baltic Tanker Indices						
BDTI		691	673	2.7%	709	820
BCTI		428	390	9.7%	493	637
VLCC						
MEG-USG	WS	39.08	37.88	3.2%	33.70	36.36
	\$/day	\$ 18,984	\$ 18,099	4.9%	\$ 17,513	\$ 31,968
MEG-SPORE	WS	66.81	67.77	-1.4%	57.15	64.43
	\$/day	\$ 57,546	\$ 58,276	-1.3%	\$ 52,307	\$ 61,629
MEG-JAPAN	WS	65.38	66.00	-0.9%	55.75	63.09
	\$/day	\$ 44,961	\$ 46,052	-2.4%	\$ 39,992	\$ 68,288
WAF-USG	WS	67.00	65.00	3.1%	63.05	72.72
	\$/day	\$ 80,999	\$ 78,695	2.9%	\$ 79,646	\$ 76,589
SUEZMAX						
WAF-USAC	WS	65.00	72.50	-10.3%	69.45	81.13
	\$/day	\$ 34,030	\$ 40,147	-15.2%	\$ 40,638	\$ 46,404
BSEA-MED	WS	88.50	78.90	12.2%	80.64	91.34
	\$/day	\$ 24,913	\$ 19,184	29.9%	\$ 23,486	\$ 46,346
AFRAMAX						
NSEA-CONT	WS	98.89	93.06	6.3%	101.43	111.01
	\$/day	\$ 21,281	\$ 16,371	30.0%	\$ 21,366	\$ 37,053
MEG-SPORE	WS	97.78	82.50	18.5%	99.47	112.26
	\$/day	\$ 13,783	\$ 9,613	43.4%	\$ 17,777	\$ 31,406
CARIBS-USG	WS	97.22	112.22	-13.4%	101.91	133.63
	\$/day	\$ 10,945	\$ 16,269	-32.7%	\$ 15,363	\$ 37,962
BALTIC-UKC	WS	75.00	72.78	3.1%	78.16	92.57
	\$/day	\$ 17,967	\$ 16,609	8.2%	\$ 22,837	\$ 43,406
DPP						
CARIBS-USAC	WS	110.00	100.00	10.0%	108.92	138.77
	\$/day	\$ 21,204	\$ 18,327	15.7%	\$ 23,184	\$ 30,727
ARA-USG	WS	82.50	79.38	3.9%	100.90	122.73
	\$/day	\$ 14,143	\$ 12,846	10.1%	\$ 24,673	\$ 30,281
SEASIA-AUS	WS	98.75	86.88	13.7%	98.49	110.54
	\$/day	\$ 17,820	\$ 14,133	26.1%	\$ 20,605	\$ 35,804
MED-MED	WS	76.72	65.72	16.7%	92.19	108.70
	\$/day	\$ 6,629	\$ 2,462	169.3%	\$ 15,357	\$ 35,902
CPP						
MEG-JAPAN	WS	89.06	76.88	15.8%	94.27	105.50
	\$/day	\$ 12,276	\$ 9,220	33.1%	\$ 16,569	\$ 28,796
CONT-USAC	WS	85.75	77.50	10.6%	102.81	134.68
	\$/day	\$ 4,020	\$ 2,718	47.9%	\$ 8,631	\$ 18,755
CARIBS-USAC	WS	95.00	80.00	18.8%	114.21	134.05
	\$/day	\$ 12,229	\$ 8,746	39.8%	\$ 18,604	\$ 22,099
USG-CONT	WS	67.86	52.14	30.1%	79.21	96.47
	\$/day	\$ 1,336	-\$ 1,142	217.0%	\$ 5,033	\$ 12,481

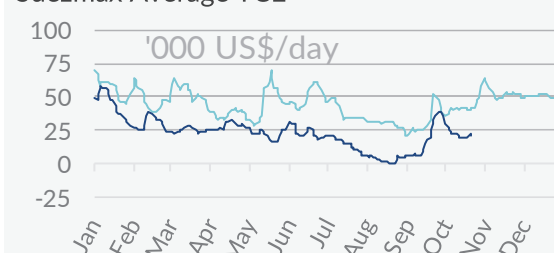
Tanker Indices



VLCC Average TCE



Suezmax Average TCE



Aframax Average TCE



MR Average TCE



Freight Market Period Charter



17th - 21st October 2016

Dry Bulk period market TC rates

	21 Oct	16 Sep	±%	last 5 years		
				Min	Avg	Max
Capesize						
12 months	\$ 9,500	\$ 9,000	5.6%	\$ 6,200	\$ 14,710	\$ 31,450
36 months	\$ 11,000	\$ 11,000	0.0%	\$ 6,950	\$ 15,404	\$ 25,200
Panamax						
12 months	\$ 7,500	\$ 6,750	11.1%	\$ 4,950	\$ 10,292	\$ 18,700
36 months	\$ 7,500	\$ 7,500	0.0%	\$ 6,200	\$ 10,842	\$ 16,700
Supramax						
12 months	\$ 7,000	\$ 7,000	0.0%	\$ 4,450	\$ 10,167	\$ 15,950
36 months	\$ 7,000	\$ 6,500	7.7%	\$ 6,200	\$ 10,440	\$ 15,450
Handysize						
12 months	\$ 6,000	\$ 5,500	9.1%	\$ 4,450	\$ 8,399	\$ 12,950
36 months	\$ 6,000	\$ 5,750	4.3%	\$ 5,450	\$ 8,924	\$ 12,950

Latest indicative Dry Bulk Period Fixtures

M/V "MARIA THEO", 74381 dwt, built 2000, dely Paradip 23/26 Oct, \$6,600, for 5/7 months trading, to Chart Not Rep

M/V "NORD CRUX", 81791 dwt, built 2015, dely Mundra, \$7,650, for 5/8 months trading, to Ausca Shipping

M/V "HAI LU", 76629 dwt, built 2004, dely Ningbo 21/25 Oct, \$6,750, for 4/7 months trading, to Ausca Shipping

M/V "SBI BOLERO", 81210 dwt, built 2014, dely Singapore 19/20 Oct, 8,000, for 5/9 months trading, to Chart Not Rep

M/V "GH SEABISCUIT", 63367 dwt, built 2015, dely N China prompt, \$7,500, for 5/8 months trading, to Chart Not Rep

Tanker period market TC rates

	21 Oct	16 Sep	±%	last 5 years		
				Min	Avg	Max
VLCC						
12 months	\$ 28,000	\$ 26,500	5.7%	\$ 18,000	\$ 30,131	\$ 57,750
36 months	\$ 27,750	\$ 27,000	2.8%	\$ 22,000	\$ 31,520	\$ 45,000
Suezmax						
12 months	\$ 22,250	\$ 21,250	4.7%	\$ 15,250	\$ 23,250	\$ 42,500
36 months	\$ 22,750	\$ 22,750	0.0%	\$ 17,000	\$ 24,530	\$ 35,000
Aframax						
12 months	\$ 16,000	\$ 16,000	0.0%	\$ 13,000	\$ 18,130	\$ 30,000
36 months	\$ 17,250	\$ 17,750	-2.8%	\$ 14,750	\$ 19,008	\$ 27,000
MR						
12 months	\$ 12,000	\$ 13,250	-9.4%	\$ 12,000	\$ 14,940	\$ 21,000
36 months	\$ 14,000	\$ 14,250	-1.8%	\$ 14,000	\$ 15,258	\$ 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

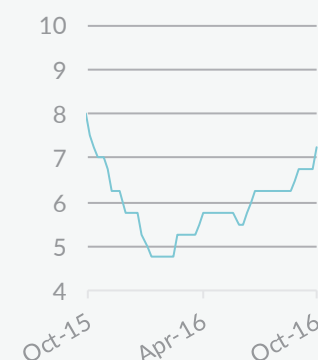
M/T "BRIGHT FORTUNE", 48000 dwt, built 2010, \$10,250, for 1 year trading, to NORIENT POOL

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

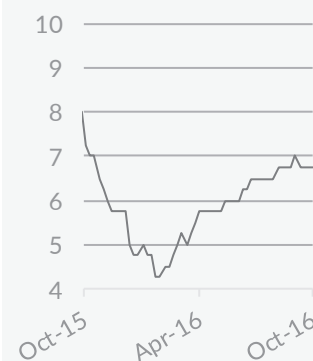
Capesize



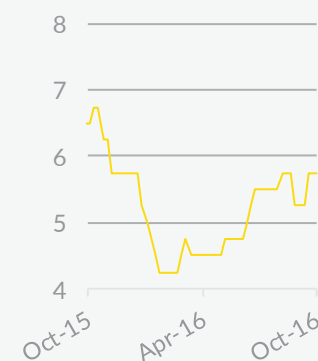
Panamax



Supramax



Handysize



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

VLCC



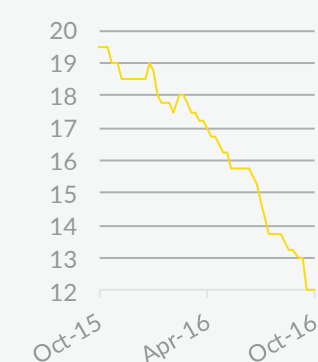
Suezmax



Aframax



MR

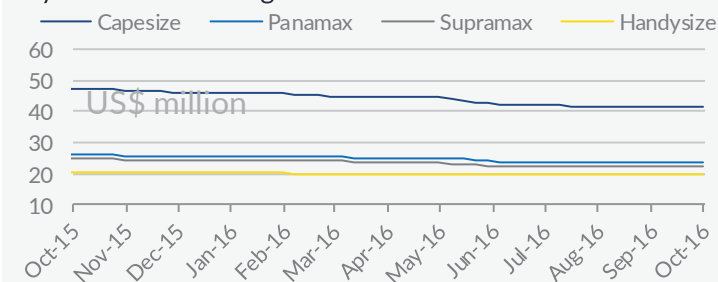


Sale & Purchase Newbuilding Orders

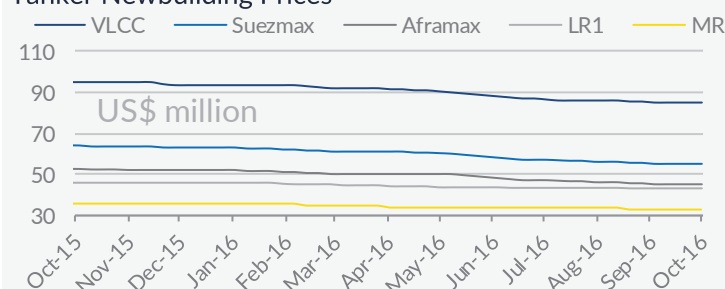
17th - 21st October 2016

Troubles continue to surface with the lack of orders adding further and further pressure on the market and on all shipbuilders. The IMF recently pointed out the implicated cost it would take on S. Korea's market to restructure the corporate debt that has amassed in it's shipping and shipbuilding industry, while pointing out that the accumulated benefits of a proper restructuring could be offset in about 10 years. The problem however becomes more and more urgent as lacking new orders and delays in deliveries and re-negotiations on old contracts create further havoc on their cash flows. Given that most shipbuilders world wide rely heavily on new orders in order to safe guard the coverage of their fixed costs and keep their operations going, the fact that there is little incline as to an improvement in buying interest for newbuildings over the next 6-12 months means that there is still a considerable time period to go before they can even hope for a sigh of relief.

Dry Bulk Newbuilding Prices



Tanker Newbuilding Prices



Indicative Dry NB Prices (US\$ million)

	21 Oct	16 Sep	±%	last 5 years		
				Min	Avg	Max
Dry Bulkers						
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	22.1	26.5
Container						
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)

	21 Oct	16 Sep	±%	last 5 years		
				Min	Avg	Max
Tankers						
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	51.4	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
Gas						
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
BULK	1	140,000 dwt	IMABARI, Japan	N/A	MOL - Japan	2020	Long term TC to Shikoku Power
TANKER	1+1	114,900 dwt	DAEHAN, S. Korea	\$ 44.5m	BYZANTINE MARITIME - Greece	2017	dely 4Q2017 - Tier II

Sale & Purchase Secondhand Sales

17th - 21st October 2016

On the dry bulk side, activity is still holding firm, with a number of recent sales now starting to show indications of further price rises for certain size and age groups. We have already witnessed from previous weeks the increased interest on the Supramax/Ultramax range while recently there has also been increased interest and activity in the slightly older Panamax range, with a number of early 2000's units changing hands again this week.

On the tanker side, the market was almost at a standstill this week, with very little activity coming to light. This is not exactly reflective of the sort of buying interest that has been circulating the market these past couple of weeks. Expectations are that we will start to see a greater number of deals emerge especially on the larger Crude carriers, though as to when will depend on sellers coming to terms with the prevailing price drops that have been felt.

Indicative Dry Bulk Values (US\$ million)

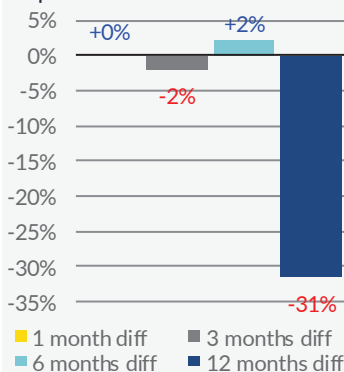
					last 5 years		
					21 Oct	16 Sep	±%
					Min	Avg	Max
Capesize							
180k dwt	Resale	36.0	36.0	0.0%	34.5	47.6	65.0
170k dwt	5 year old	24.0	24.0	0.0%	23.0	36.3	53.0
170k dwt	10 year old	14.0	14.0	0.0%	12.0	24.7	39.0
150k dwt	15 year old	8.0	8.0	0.0%	6.5	14.9	25.0
Panamax							
82k dwt	Resale	24.5	24.5	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	15.8	29.3
74k dwt	15 year old	4.8	4.5	5.6%	3.5	10.4	22.0
Supramax							
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	8.5	0.0%	6.0	14.9	24.3
52k dwt	15 year old	4.8	4.0	18.8%	3.5	9.9	19.0
Handysize							
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)

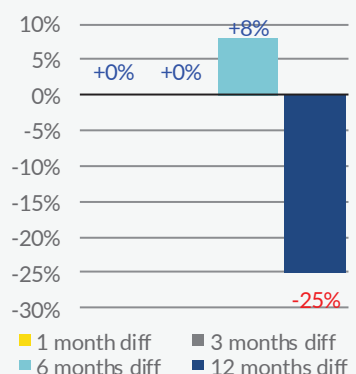
					last 5 years		
					21 Oct	16 Sep	±%
					Min	Avg	Max
VLCC							
310k dwt	Resale	85.0	86.0	-1.2%	80.0	94.7	108.5
310k dwt	5 year old	62.0	63.0	-1.6%	55.0	70.0	87.0
250k dwt	10 year old	41.0	42.0	-2.4%	33.8	46.3	62.0
250k dwt	15 year old	26.0	27.0	-3.7%	16.9	27.6	41.0
Suezmax							
160k dwt	Resale	57.0	58.0	-1.7%	53.0	63.8	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
Aframax							
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
MR							
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

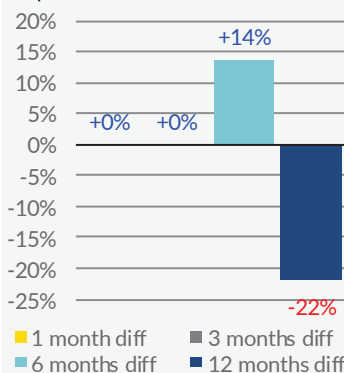
Capesize



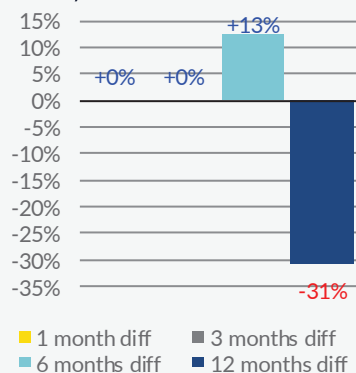
Panamax



Supramax

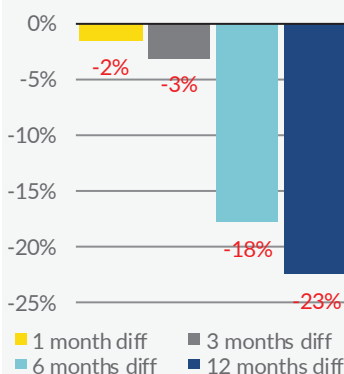


Handysize

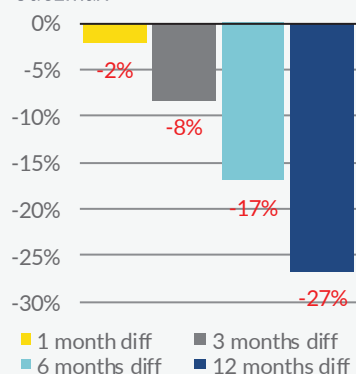


Price movements of 5 year old Tanker assets

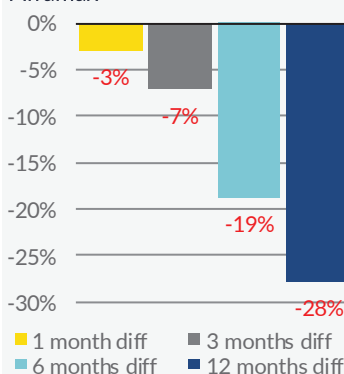
VLCC



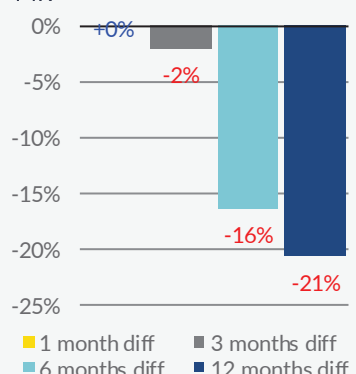
Suezmax



Aframax



MR



Sale & Purchase Secondhand Sales



17th - 21st October 2016

Tankers

Size	Name	Dwt	Built	Shipbuilder	M/E	Coating	Price	Buyers	Comments
VLCC	DHT CHRIS	309,285	2001	HYUNDAI HEAVY INDUSTRI, S. Korea	B&W		\$ 24.0m	Singapore based - Agritrade	SS/DD due Dec '16, on subs
PROD/CHEM	TRADEWIND UNION	10,600	1997	ASAKAWA, Japan	B&W	StSt	\$ 5.3m	undisclosed	

Bulk Carriers

Size	Name	Dwt	Built	Shipbuilder	M/E	Gear	Price	Buyers	Comments
PMAX	YARRA	78,184	2015	SASEBO SASEBO, Japan	MAN-B&W		\$ 21.5m	Greek - Safety Management	
PMAX	RED QUEEN	76,752	2005	SASEBO SASEBO, Japan	B&W		\$ 6.3m	undisclosed	
PMAX	SORRENTO	76,633	2004	IMABARI MARUGAME, Japan	B&W		\$ 6.7m	undisclosed	
PMAX	AVRA	75,121	2001	SAMHO, S. Korea	B&W		\$ 4.8m	China	
PMAX	FUTURE	72,893	1999	SAMSUNG HEAVY, S. Korea	B&W		\$ 3.9m	China	
UMAX	ANTIPAROS	63,500	2016	ZHEJIANG SHBLDG - FENG, China	MAN-B&W	4 X 35t CRANES	\$ 18.2m	Malaysian	ppt delivery
UMAX	DIVINE SEAS	63,300	2016	YANGZHOU DAYANG, China	MAN-B&W	4 X 35t CRANES	\$ 18.0m	Greek - Safety Management	just delivered Sept '16
SMAX	STAR MANX	58,133	2009	TSUNEISHI ZHOUSHAN HUL, China	MAN-B&W	4 X 30t CRANES	\$ 11.7m	Indian - Great Eastern	
SMAX	CS AZALEA	57,017	2010	ZHEJIANG ZHENGHE SHIPB, China	MAN-B&W	4 X 36t CRANES	\$ 7.0m	Turkish	
SMAX	FLAG MERSINIDI	56,754	2012	COSCO GUANGZHOU SHIPYA, China	MAN-B&W	4 X 30t CRANES	\$ 8.3m	Greek	
SMAX	ANNA BO	56,720	2010	COSCO GUANGZHOU SHIPYA, China	MAN-B&W	4 X 30t CRANES	\$ 6.5m	U.A.E. based - Tomini	
SMAX	FALCON TRADER II	54,924	2009	OSHIMA SHIPBUILDING, Japan	MAN-B&W	4 X 30t CRANES	\$ 11.8m	Bangladeshi - SR Shipping	DD due Jan' 17
HMAX	OCEAN DESTINY	49,285	2009	TSUNEISHI HOLDINGS - F, Japan	MAN-B&W	3 X 14,7t CRANES	\$ 9.6m	Chinese	Ex United Ocean vessel, Woodchip carrier
HANDY	IS TRINITY	28,740	2009	IMABARI IMABARI, Japan	MAN-B&W	4 X 30,5t CRANES	\$ 6.5m	European	roumored Purchase obligation at Charterer side

Gen. Cargo

Type	Name	Dwt	Built	Shipbuilder	M/E	Gear	Price	Buyers	Comments
General Cargo	NEW VELA	5,049	1999	DAMEN HOOGEZAND, Netherlands	MWM		\$ 1.9m	Estonian	
General Cargo	NEW CONSTELLATION	5,000	1999	DAMEN HOOGEZAND, Netherlands	MaK		\$ 1.9m		

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Sale & Purchase Secondhand Sales



17th - 21st October 2016

Containers									
Size	Name	TEU	Built	Shipbuilder	M/E	Gear	Price	Buyers	Comments
FEEDER	VEGA TAU	990	2007	ZHEJIANG OUHUA SHBLDG, China	MAN-B&W		\$ 4.9m	Greek	
Gas Carriers									
Size	Name	Dwt	Built	Shipbuilder	M/E	CBM	Price	Buyers	Comments
LPG	EPIC ST. PAUL	4,998	1995	WATANABE HAKATA, Japan	MAN-B&W	4,916	\$ 3.0m	U.A.E. based	
LPG	LADY MARTINE	3,183	1998	KANREI NARUTO, Japan	MAN-B&W	3,441	\$ 3.0m	undisclosed	DD due Nov '16

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Sale & Purchase

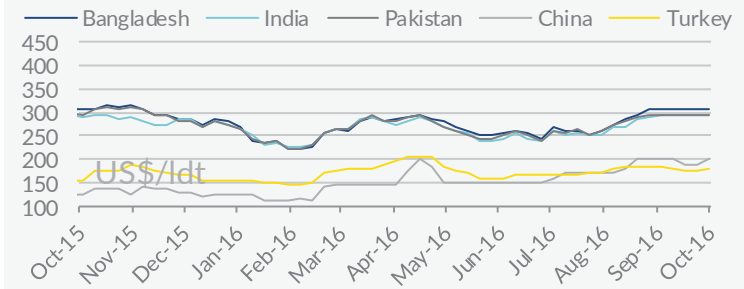
Demolition Sales



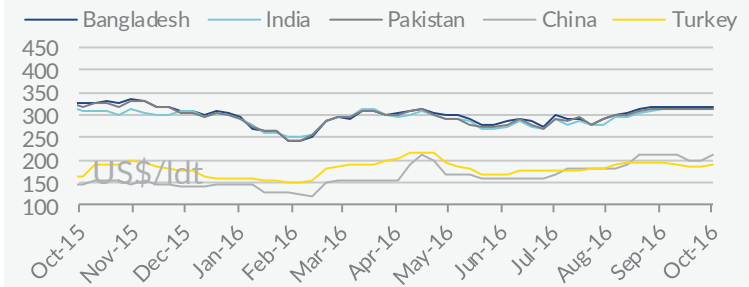
17th - 21st October 2016

With demo candidates now pouring into the market in greater numbers and with appetite amongst end buyers having subsided slightly we have started to see indications that prices are under pressure and could witness a slight downward correction over the coming days. From the moment we have seen a bit of mixed messages coming in, with higher spec candidates still managing to command a strong premium compared to the going prices being quoted, while some small tonnage and less sought out units have been recently reported to have been fixed at slightly softer levels than what one would have imagined. Given the "shaky" state of the market, a clear preference is being given on "simple" deals with delivery at the breakers yard always proffered amongst end buyers partly as a way to avoid any market movements between delivery and beaching and also as an effort to avoid any "unpleasant surprises that could side track any deal that they conclude.

Dry Scrap Prices



Wet Scrap Prices



Indicative Dry Prices (\$/Ldt)

				last 5 years		
	21 Oct	14 Oct	±%	Min	Avg	Max
Indian Sub Continent						
Bangladesh	305	305	0.0%	220	393	515
India	295	295	0.0%	225	399	525
Pakistan	295	295	0.0%	220	396	510
Far East Asia						
China	200	190	5.3%	110	299	455
Mediterranean						
Turkey	180	175	2.9%	145	245	355

Indicative Wet Prices (\$/Ldt)

				last 5 years		
	21 Oct	14 Oct	±%	Min	Avg	Max
Indian Sub Continent						
Bangladesh	320	320	0.0%	245	415	540
India	315	315	0.0%	250	423	550
Pakistan	315	315	0.0%	245	420	525
Far East Asia						
China	210	200	5.0%	120	316	485
Mediterranean						
Turkey	190	185	2.7%	150	256	355

Reported Transactions

Type	Vessel's Name	Dwt	Built	Country	Built	Ldt	US\$/Ldt	Buyer	Sale Comments
Bulker	NEW KATERINA	170,082	1997	S. Korea		20,416	\$ 311/Ldt	Pakistani	
Bulker	THE GUIDE	72,326	1996	Japan		10,296	\$ 310/Ldt	Pakistani	incl. 200tns ROB
Bulker	CHANG MING SHENG	69,255	1993	Japan		9,543	\$ 210/Ldt	Chinese	
Bulker	KEOYANG NOBLE	51,662	1997	S. Korea		11,284	\$ 240/Ldt	Indian	bss 'as is' Cadiz, woodchip carrier
Bulker	KEOYANG MAJESTY	51,658	1997	S. Korea		11,289	\$ 214/Ldt	Indian	bss 'as is' Galveston
Ro-ro Cargo	FALSTAFF	28,070	1985	Japan		16,870	\$ 215/Ldt	Chinese	
Ro-ro Cargo	MORNING MERCATOR	23,096	1988	S. Korea		14,224	\$ 218/Ldt	Chinese	
Bulker	ASIA CEMENT NO. 2	11,999	1987	Taiwan		4,009	\$ 201/Ldt	Chinese	



Trade Indicators

Markets | Currencies | Commodities



17th - 21st October 2016

Hanjin Shipping has revealed plans to wind down its European operations as part of its breakup process initiated by the Seoul Central District Court. Following the decision to auction the troubled shipowner's Asia-US business earlier this month, a Hanjin spokeswoman said today that the company would close all its 10 branches in Europe.

This decision will also affect Hanjin's regional headquarters in Germany, Bloomberg reported. Demand for Hanjin services on the Asia-Europe route has slumped while other liner companies have stepped in to fill the gaps created by Hanjin's demise on this trade lane.

The Seoul court is receiving bids for Hanjin's Asia-US service until the end of this week. The company is also considering offloading its stake in a terminal in Long Beach, California.

All Hanjin operations could be offloaded through a piecemeal sale organized by the bankruptcy court. Shares in Hanjin fell as much as 14% to KRW 982 (\$0.87) earlier this morning, its lowest intraday price since 27 September. Hanjin filed for court receivership in late August and saw many of its containerhips stranded or arrested at ports worldwide. Source: Tradewinds

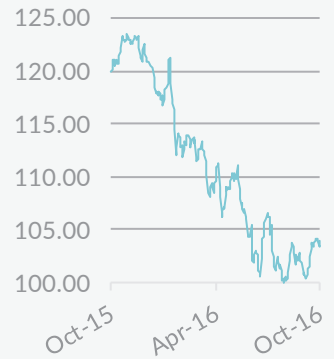
	21 Oct	16 Sep	±%	last 12 months		
				Min	Avg	Max
Markets						
10year US Bond	1.74	1.70	2.4%	1.37	1.84	2.34
S&P 500	2,141.2	2,139.2	0.1%	1,829	2,070	2,190
Nasdaq	5,257.4	5,244.6	0.2%	4,267	4,937	5,340
Dow Jones	18,145.7	18,123.8	0.1%	15,660	17,649	18,636
FTSE 100	7,020.5	6,710.3	4.6%	5,537	6,351	7,098
FTSE All-Share UK	3,811.2	3,670.9	3.8%	3,047	3,477	3,849
CAC40	4,536.1	4,332.5	4.7%	3,897	4,456	4,984
Xetra Dax	10,710.7	10,276.2	4.2%	8,753	10,188	11,382
Nikkei	17,184.6	16,519.3	4.0%	1,667	17,079	20,012
Hang Seng	23,374.4	23,335.6	0.2%	18,320	21,410	24,100
DJ US Maritime	197.5	184.2	7.2%	150.2	195.6	238.7
Currencies						
\$ per €	1.09	1.12	-2.9%	1.06	1.11	1.16
\$ per £	1.22	1.31	-6.9%	1.22	1.41	1.54
£ per €	0.89	0.85	4.3%	0.70	0.79	0.91
¥ per \$	103.9	102.1	1.8%	100.0	110.9	123.5
\$ per Au\$	0.76	0.75	1.5%	0.69	0.74	0.78
\$ per NoK	0.12	0.12	0.5%	0.11	0.12	0.13
\$ per SFr	0.99	0.98	1.7%	0.95	0.98	1.03
Yuan per \$	6.76	6.67	1.4%	6.33	6.55	6.76
Won per \$	1,133.7	1,126.8	0.6%	1,092.8	1,158.9	1,237.8
\$ INDEX	101.8	99.6	2.3%	97.9	102.1	107.4
Commodities						
Gold \$	1,266.1	1,308.4	-3.2%	1,049.4	1,225.0	1,366.3
Oil WTI \$	50.9	43.0	18.2%	26.9	41.9	51.6
Oil Brent \$	51.8	45.8	13.1%	28.2	43.7	53.1
Palm Oil	562.0	562.0	0.0%	523.5	559.8	562.0
Iron Ore	58.4	55.5	5.2%	37.0	51.9	68.7
Coal Price Index	86.0	66.4	29.6%	47.3	57.8	86.0
White Sugar	594.3	556.1	6.9%	368.6	473.0	613.5

Currencies

US Dollar per Euro



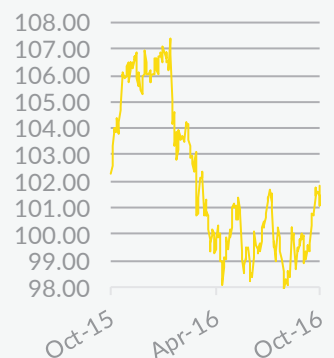
Yen per US Dollar



Yuan per US Dollar



US Dollar INDEX

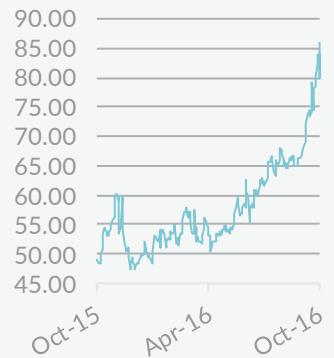


Commodities

Iron Ore (TSI)



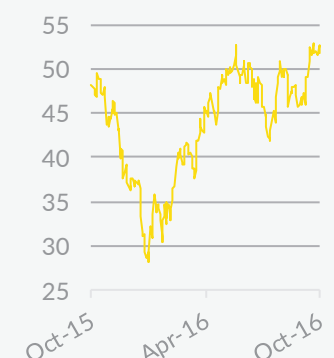
Coal Price Index



Oil WTI \$



Oil Brent \$



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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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