October 13th, 2017 / Week 41

THE VIEW FROM THE BRIDGE

Full report can be viewed on the Market Reports tab at the following link: www.compassmar.com

U.S. crude exports jumped to record highs, shifting tonnage and lifting already firm VLCC rates. Suezmax and Aframax rates also firmed significantly in the past week. Last week, U.S. crude exports hit an all-time high of 1.98 mill. barrels per day, easily exceeding the record 1.49 mill. barrels per day from the prior week, resulting in many VLCCs ballasting from the AG to the USG and lifting rates in most important load ports.

Unfortunately the product tanker market did not follow suit and rates were softer across the board, remaining at levels that barely cover operating costs let alone bank finance repayment.

Dry cargo rates continued to firm with good cargo volumes. All of the Baltic Exchange indices rose nicely again this week. However, bulk carrier sales are slowing and in fact some recent buyers are now selling and taking profits.

As traditional shipping bank finance tightens and increases in cost and availability, more alternative sources of ship financing options are becoming available to ship owners from new lending sources. This week it was announced that a fund backed by a private equity firm closed on a capital raise of $400 mill. to be deployed to shipping and offshore vessel owners via products that include outright loans, sale/leasebacks and preferred equity. They can provide 70-80% financing compared with traditional shipping banks who lend 50-60% today and return targets for the fund are expected to be in the low to mid-teens, over 3-8 years term.

Have a good weekend.

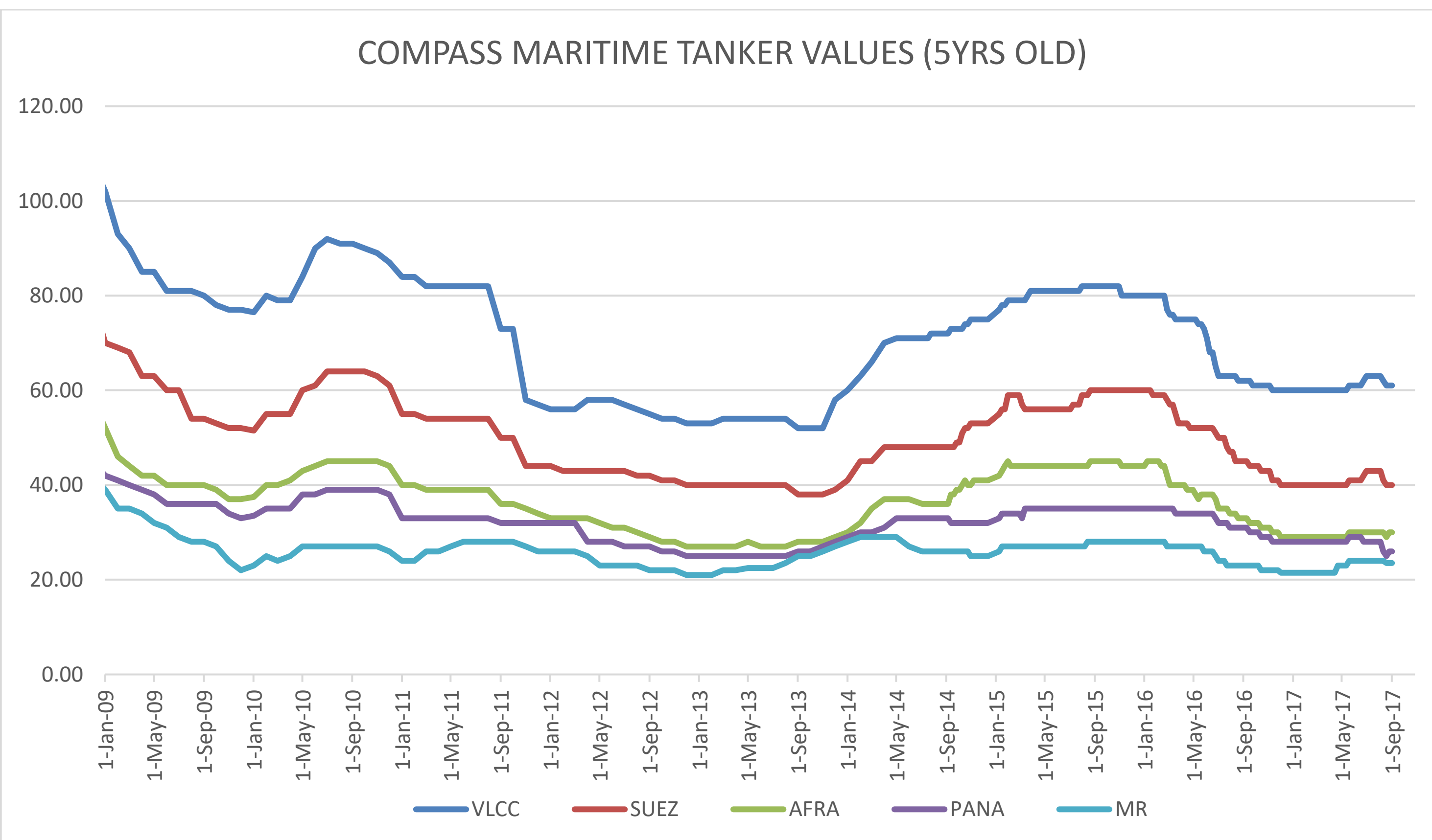
TANKERS

TANKER SALES REPORTED THIS WEEK

Vessel Name	DWT	Year	Built	Engine	Additional Info	Price ($ Mill.)	Buyer
OCEAN MARE	106,000	2006	Hyundai	Man B&W	16.9000 ldt	$13.8 at Auction	Greek
RESOLVE	46,048	2004	STX	B&W	IMO III 9.100 ldt	$11.2	Undisclosed
ORIENTAL WISTERIA	12,500	2001	Fukouka	Mitsubishi	St Steel, 18 grds 3.400 ldt	$7.8	Korea
ZEYNEP A	11,276	2007	Admarin	Man B&W	IMO II / marine line coated 4.000 ldt	$8.0	Undisclosed

COMPASS MARITIME TANKER VALUES

ASSET CLASS		NB CONTRACT	NB PROMPT DELIVERY	5 YEAR	10 YEAR	20 YEAR
TANKERS	**SIZE (DWT)**	*(All Numbers in US $ Millions)*				
VLCC	300,000	81	81	61	37	17
SUEZMAX	160,000	54	54	40	25	9
AFRAMAX	110,000	44	43	29	19	6
PANAMAX - LR1	70,000	38	39	26	16	5
MR TANKER	51,000	33	33	23.5	15	4



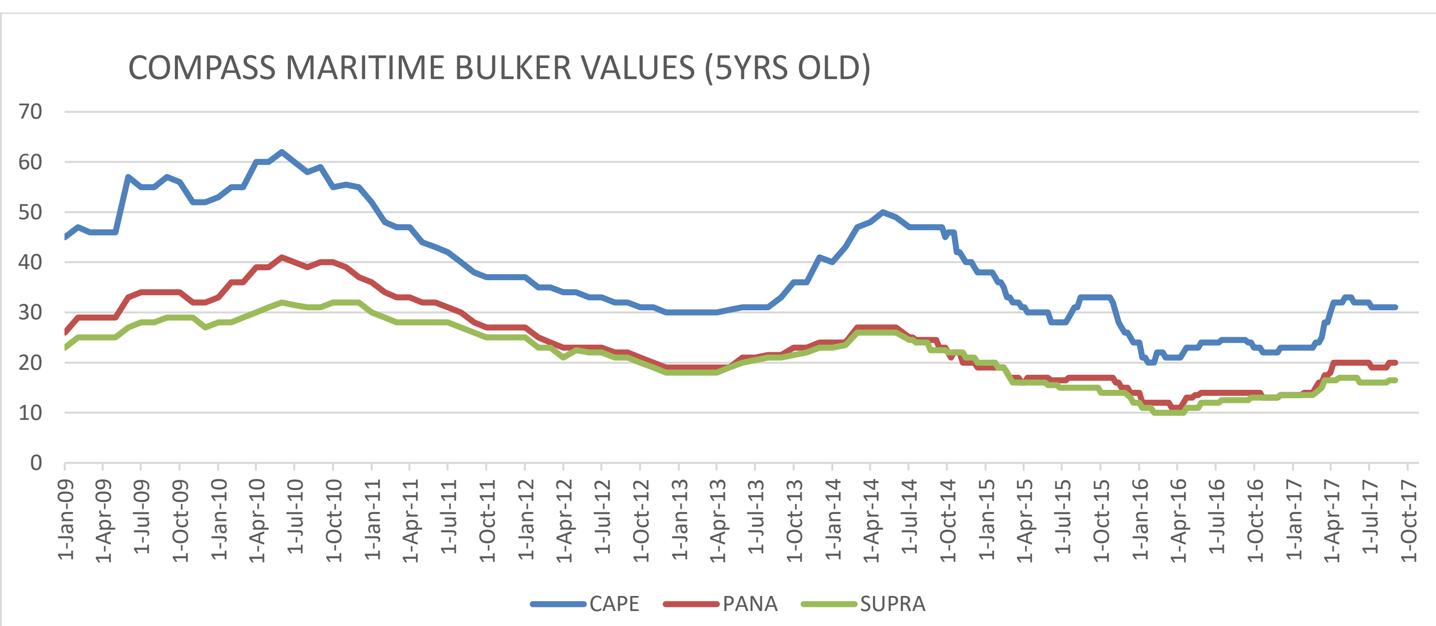
BULK CARRIERS

BULK CARRIERS SALES REPORTED THIS WEEK

Vessel Name	DWT	Year	Built	Engine	H/H	GEAR	Additional Info	Price ($ Mill.)	Buyer
CSK FORTUNE	175,526	2003	Shanghai	Man B&W	9/9			$12.85	Greek
MEDITERRANEAN TRADER	169,237	2008	Daehan	Man B&W	9/9			$17.5	Greek
HEPHAESTUS	74,297	2001	Hyundai	B&W	7/7		12.000 ldt	$8.3	China
TENMYO MARU	58,749	2008	Tsuneishi	Man B&W	5/5	4x30tc		$13.0	Undisclosed
NONNA ULIA	55,667	2010	Mitsui	Man B&W	5/5	4x30tc		$14.75	Undisclosed
SEA MASTER	48,983	2001	IHI	Sulzer	5/5	4x30tc	8.800 ldt	$7.5	China
CLIPPER TRADER / CLIPPER TRADITION / CLIPPER TITAN / CLIPPER TERMINUS	30,487	2008	Tsuji	Man B&W	5/5	4x30tc		$30.0 Enbloc	European
HOPE STAR / PAC STAR	28,294	1995	NKK	B&W	5/5	4x30.5tc	6.200 ldt	$2.7 each	China
SAINT FANOURIS	21,274	2007	Linhai	Pielstick	4/4	3x25tc	IMO II / Marine Coated	$5.5	Greek

COMPASS MARITIME BULK CARRIER VALUES

ASSET CLASS		NB CONTRACT	NB PROMPT DELIVERY	5 YEAR	10 YEAR	20 YEAR
BULK	SIZE (DWT)	*(All Numbers in US $ Millions)*				
CAPE	170,000	45	45	33	21	10
PANAMAX	74,000	24	26	21	14	6
SUPRAMAX	56,000	23	24	16.5	12	4



NEWBUILDINGS

NEWBUILDING ACTIVITY REPORTED THIS WEEK

No.	Size	Type	Yard	Delivery	Price (mill)	Comments	Owners

NEWBUILDING STATISTICS - TANKERS

ASSET CLASS	2017	2018	2019	TOTAL
VLCC (200k+ dwt)	12	46	35	93
SUEZMAX (120k-199k dwt)	16	34	11	61
AFRAMAX (80k-119k dwt)	22	63	34	119
PANAMAX (60k-79k dwt)	12	20	5	37
HANDY TANKER (35k-50k dwt)	59	155	81	295

NEWBUILDING STATISTICS - BULKERS

ASSET CLASS	2017	2018	2019	TOTAL
CAPESIZE (100k+ dwt)	22	53	45	120
PAN/KAM (65k-99k dwt)	36	59	57	152
SUPRAMAX (40k-64k dwt)	72	62	25	149
HANDYSIZE (10k – 39k dwt)	45	84	25	154

CHARTERING MARKET SNAPSHOT

TANKERS

BALTIC EXCHANGE TANKER FREIGHT INDICES

	CURRENT WEEK	LAST WEEK	LAST YEAR
BDTI	903	776	657
BCTI	563	615	385

TANKER 12 MONTHS T/C RATES

	DWT	CURRENT WEEK	LAST WEEK
VLCC	300,000	28,000	28,000
Suezmax	150,000	17,000	17,000
Aframax	110,000	14,250	14,000
LR2	105,000	15,000	15,000
LR1	80,000	13,750	13,750
MR	47,000	13,500	13,500

BULKERS

BALTIC EXCHANGE BULKER FREIGHT INDICES

	CURRENT WEEK	LAST WEEK	LAST YEAR
BDI	1485	1405	1055
BCI	2871	2929	1884
BPI	1606	1406	1057
BSI	1069	971	905

BULKER 12 MONTHS T/C RATES

	DWT	CURRENT WEEK	LAST WEEK
CAPE	170,000	15,200	15,000
PANAMAX	75,000	11,500	11,000
SUPRAMAX	52,000	10,750	10,400

RECYCLING ACTIVITY REPORTED THIS WEEK

Pakistan

NAME	DWT	YEAR	LDT	ADDITIONAL INFORMATION	PRICE/ LDT (USD)
Gitte (cont)	12,250	1992	4,601		$395

China

NAME	DWT	YEAR	LDT	ADDITIONAL INFORMATION	PRICE/LDT
No sales to report					

Bangladesh

NAME	DWT	YEAR	LDT	ADDITIONAL INFORMATION	PRICE/ LDT
No sales to report					

Misc.

NAME	DWT	YEAR	LDT	ADDITIONAL INFORMATION	PRICE/ LDT
MV Teresa Hebei (ex Melite)	76,436	2004	10,181	As is Pulang Pisau, damaged condition, final destination unknown	$255
MT Kriti Amethyst	45,614	1996	12,450	As is Fujairah	$405

RECYCLING STATISTICS

ASSET CLASS	*THIS DATE 2017*	*THIS DATE 2016*	*2016 TOTAL*	*2015 TOTAL*
ULCC/VLCC	11	3	6	4
SUEZMAX	13	1	2	1
AFRAMAX	21	7	7	3
PANAMAX TANKER	6	4	4	5
CAPE/COMBO (80K DWT +)	28	72	80	92
PANAMAX BULKER	49	90	104	96
POST PANAMAX BULKER	4	3	4	8

ESTIMATED RECYCLING PRICES (US $ / LDT)

LOCATION	*TANKERS 15-20,000 LDT*	*TANKERS 6-10,000 LDT*	*BULK CARRIERS*
CHINA	$250	$240	$245
SUB-CONTINENT	$400	$395	$390

MISCELLANEOUS VESSELS

CONTAINERSHIPS SALES REPORTED THIS WEEK									
Vessel Name	**DWT**	**Year**	**Built**	**TEU**	**Engine**	**GEAR**	**Additional Info**	**Price ($ Mill)**	**Buyer**
JULES VERNE	50,466	2010	Jiangsu	4.250	Man B&W		17.400 ldt	$10.3	Undisclosed

TWEENDECKERS/ MPC/ Ro-Ro/ MISCELLANEOUS VESSELS										
Vessel Name	**DWT**	**Year**	**Built**	**TEU**	**Engine**	**H/H**	**GEAR**	**Additional Info**	**Price ($ Mill)**	**Buyer**

BUNKER PRICES

BUNKER PRICES (US$/ton)	ROTTERDAM	FUJAIRAH	SINGAPORE	PIRAEUS
380 CST	321.50	337.50	338.50	341.50
180CST	349.00	390.00	364.00	360.00
MGO	507.00	582.50	512.00	529.00

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The Association of Ship Brokers & Agents (USA) Inc. (ASBA),

The Baltic Exchange

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The Baltic Exchange Sale & Purchase Assessment (BSPA Index)
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