

# Weekly Market Report

**Week 39/2018 (24 September – 28 September)**

**Comment: Snapshot of scrubber orders**

index		
comment	page	2
<b>chartering</b>		
dry cargo	"	3
tankers	"	6
containers	"	8
<b>sale &amp; purchase</b>		
newbuildings / finance	"	9
secondhand / demolition	"	10
<b>commodities</b>		
news	"	11
prices	"	13

Follow us on:



[linkedin.com/company/banchero-costa](https://www.linkedin.com/company/banchero-costa)



[twitter.com/banchero\\_costa](https://twitter.com/banchero_costa)

***banchero costa network***

*chartering - sale&purchase - ship finance - insurance - agency - research - and more...*

## Snapshot of scrubber orders

The deadline for shipowners to make a decision has been closing in as the IMO's 2020 global marine fuels sulphur cap approaches. In OPEC's latest World Oil Outlook 2018, they forecast around 2,000 vessels will be installed with scrubbers by 2020, and increase up to 5,000 by 2023, compared to fewer than 500 vessels as of early 2018. Platts reported that industry sources have estimated scrubber orders and installations at around 1,200 units in September.

In recent months a flurry of news reports detailing scrubber uptake has emerged, some of which we summarize below:

- **Scorpio Group** has decided to install hybrid scrubbers on the majority of vessels within Scorpio Tankers' fleet of 109 tankers and Scorpio Bulkers' 56 vessels.
- **Norden** has ordered 2 new vessels with scrubbers, and will retrofit 16 owned and 8 long-term chartered vessels with the technology, with the option to install 5 more. Two-thirds of the ships retrofitted are expected to be bulkers, with the remaining likely to be MR tankers. The project will cost \$54 million (\$41 million for the equipment and an additional \$13 million for the increased time charter hire) with an estimated payback of 4-5 years.
- **Star Bulk Carriers** has said they will equip their entire fleet of 117 vessels with scrubbers, ranging from supramaxes to newcastlemaxes. The company expects the average cost, including installation, to be less than \$2 million each.
- **Vale** has decided to install scrubbers on 48 LNG-ready gvaibamax vessels being built across Chinese, South Korean, and Japanese shipyards, for which deliveries are scheduled between 2019-2023.
- **Eagle Bulk Shipping** has announced 19 firm scrubber orders to be installed before the IMO 2020 deadline, with the option for up to an additional 18 units, at a projected cost of \$2 million each including installation. The company operates a fleet of 48 bulkers, and has not identified the individual ships to be fitted with scrubbers.
- **Golden Ocean** has signed contracts to install scrubbers on 16 capesize bulkers during dry dockings in 2019-2020, with the option to install them on 9 more vessels. The company has a fleet of 78 vessels, including 46 capsizes.
- **Safe Bulk** has said they will install Alfa Laval PureSOx scrubbers on half of their fleet, including 5 kamsarmaxes, 13 post-panamaxes, and a recently acquired capesize, while holding an option to install one more. Installations are set for Q2-Q4 2019, and are expected to cost around \$2 million each.
- **Okeanis Eco Tankers** went public in July with a fleet that will all be fitted with scrubbers: 3 aframaxes and 3 suezmaxes already operating, and 1 suezmax and 8 VLCC newbuildings which will be delivered by end 2019.
- **Torm's** 14-ship scrubber installment project will include all vessels on order (1 LR2, 2 LR1s, and 8 MR tankers) and 3 LR2 vessels delivered earlier this year – a modest proportion of their fleet of 74 owned vessels, 4 chartered-in vessels, and 10 vessels on order as of mid-year. The scrubber investment is expected to cost around \$2 million for each vessel, with a larger expense for the larger tankers.
- **DHT Holdings** will fit scrubbers from Alfa Laval within 2019 to 12 VLCCs aged between 6-14 years old. Scrubbers will also be installed on 2 VLCC newbuildings being delivered from HHI this year.
- **Navig8 Group** has set up Navig8 Product 2020, a new platform which will operate 8 scrubber-fitted LR2 tankers focusing on the transportation of CPP. They have taken delivery of the first 110,600 dwt newbuilding, with another 3 to be delivered by end 2018, and the remaining 4 to be delivered in 2019. 8 scrubber-fitted MR units are also on order at New Times Shipyard in China, although it is not yet certain if they will be under the new company.
- **International Seaways** announced the purchase of exhaust gas cleaning systems for 7 modern VLCCs, with an option to outfit another 3 VLCCs.
- **MSC** plans to retrofit 29 containerships between 13,000-19,000-TEU with scrubbers, and also fit them to 11 new 23,000-TEU vessels being built at DSME and Samsung Heavy Industries.
- **CMA CGM** has said they favour the use of 0.5% sulphur bunkers for their fleet, but will also utilize LNG for 9 new ships on order and order several scrubbers.
- **AP Moller-Maersk** said it plans to fit scrubbers on a "limited number" of its roughly 750 containerships, departing from their previous low-sulphur bunker fuel only stance as they seek to "understand the technology".

## Capesize Market

After some weeks under pressure the Capesize market finally turned with rates going up in all basins.

In the Pacific Ocean the standard route from West Australia to China reached the usd 8 pmt end of the week for mid October dates with expectations for better numbers to yet to come. Similar business on the timecharter market agreed around usd 17/18,000/d.

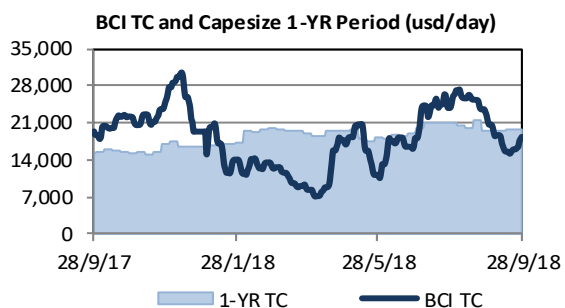
Some fresh cargoes recorded going out of Brazil forced charterers to offer increased rates and usd 21 pmt has been finally agreed for mid October dates.

In the Atlantic basin, due to a sudden lack of available vessels, few fixtures have been reported done at very low \$20,000/d for short TransAtlantic trip. Fronthaul rates remained in the high \$30,000/d range.

The period market showed and almost absent activity with no fixtures heard.

### Rates

	Unit	28-Sep	21-Sep	W-o-W	Y-o-Y
BCI TC Avg.	usd/day	18,350	16,000	+14.7%	-5.4%
C8 Transatlantic r/v	usd/day	19,125	12,710	+50.5%	+2.7%
C14 China-Brazil r/v	usd/day	19,273	18,714	+3.0%	-5.9%
C10 Pacific r/v	usd/day	16,208	14,425	+12.4%	-15.2%
1 Year TC Period	usd/day	19,750	19,750	+0.0%	+29.5%



## Panamax Market

The Panamax market showed a good week with rates increasing in all areas.

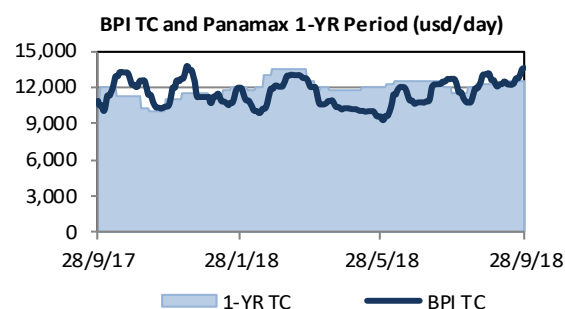
In the Atlantic basin either long grain transatlantic voyages or shorter intra-Cont coal cargoes have been very busy and, also thanks to a shortage of tonnage, good Kamsarmaxes achieved from \$15,500/d to \$16,000/d for longer grain round voyages. These levels were very similar to the shorter coal trips in the North. Fronthaul also showed good rates up to \$23,000/d from trips with delivery in the Continent and destination China via Saint Lawrence.

South America added good impact too as owners were able to fix on a DOP basis either from Singapore or India range dely: a very good described Kamsarmax achieved \$17,000/d basis Singapore delivery for a South American round.

The Pacific has been well supported by mineral trades from Indonesia, especially into India.

### Rates

	Unit	28-Sep	21-Sep	W-o-W	Y-o-Y
BPI TC Avg.	usd/day	13,595	12,732	+6.8%	+25.2%
BPI 82 TC Avg.	usd/day	15,351	14,350	+7.0%	n.a.
P1 Transatlantic r/v	usd/day	14,060	12,800	+9.8%	+39.5%
P2 Skaw-Gib Trip East	usd/day	21,862	20,267	+7.9%	+22.6%
P3 Pacific r/v	usd/day	13,306	12,835	+3.7%	+18.5%
1 Yr TC Period Panamax	usd/day	12,500	12,500	+0.0%	+13.6%
1 Yr TC Period Kamsarmax	usd/day	14,500	14,500	+0.0%	+20.8%



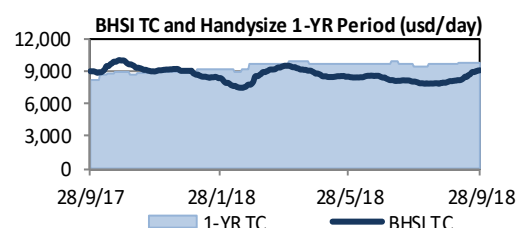
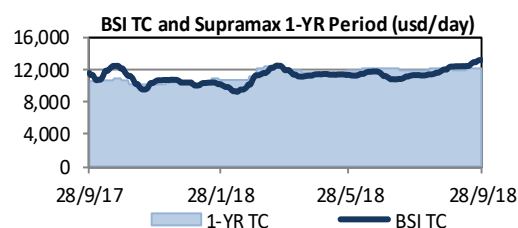


## Supramax & Handysize Market

<b>US Atlantic South America</b>	<p>The USG/USEC market confirmed its slightly negative trend with very few cargoes and vessels available in the area, at least until 10/12 October dates. The increase of bunker prices, close to around 10% more w-o-w, kept rates more or less unchanged. Rates for carrying petcoke from the USG to Turkey remained steady at \$22.50 pmt, with the usual \$0.50 pmt less from NCSA. The ECSA market was still peaking up strongly during last week. Standard "Tess 58" vessels were still trading in the high \$19,000's aps ECSA for trips to the Med and around \$19,500/d to the Cont, while Ultramax fixed over \$20,000/d on the same route. Trades to Spore/Japan saw the higher increase: Supras fixed around \$15,750/d + \$575,000 bb while Ultras got around \$16,250/d plus \$600,000 bb. The Handies have been fixed around \$16/16,500/d for trip to the Cont/Med and \$18/18,500/d for trip to F East. The coastal trip to Brazil was fixed around \$14,500/d.</p>
<b>N Europe Mediterranean</b>	<p>Last week showed a good activity in the Cont, both on Handy and Supra size, and rates slightly increased compared with the previous week. The Cont is driving most of the fixture, in particular thanks to a good activity on fertilizers. A modern 34,000 dwt has been fixed at \$9,500/d bss dop N Cont for a TCT via the Blatic to USG with fertilizers. A 36,000 dwt was reported fixed and failed for carrying fertilizers bss dely the Baltic to ECSA at \$16,000/d. On the period front, a modern 32,000 dwt was fixed bss dely the N Cont at \$10,000/d for short period redely Atlantic, which showed a rate in line with the previous week. Scrap has driven the Supramax market with a growth of around \$1,000/d on the Cont/E Med route, where a 57,000 dwt has been fixed basis dely the Cont at \$14,000/d and redely E Med. A 50,000 dwt, still with scrap, has been rumored to have agreed close \$13,000/d level basis dely Cont to the E Med. No fixture of fronthaul has been rumored on this size. Trades between the Med and the B Sea ware a mixed bag for Handies with a wide range of offered rates from owners. A 37,000 dwt is on subs dely Otranto for a tct BSea/Adriatic redely Otranto at \$12,000/d with grains, while a 33,000 dwt dely Canakkale was asking \$16,000/d for a similar trade.</p>
<b>India S Africa</b>	<p>Many orders with ppt dates and few Supra/Ultras available in the MEG, drove the rates to higher levels, with an old and not eco Supra fixed at above \$15,000/d for the route MEG/India and period rates for "Dolphin 57" type with dely in the MEG/WCI range not below \$13,500/d. On the contrary, not many requirements and quite a lot of Handies available, pushed down the rates for this smaller size not able to get more than \$8,000/d for trip from the MEG to SE Asia or F East. SAF market have been pretty strong for all the first part of the week, with Ultras above \$14,000/d + \$400,000 bb for route RBCT/WCI-Pakistan range, and Supras not below \$13,500/d + \$350,000 bb for the same route. A 55,000 dwt agreed around \$13,700/d + \$370,000 bb for a trip to China.</p>
<b>Far East Pacific</b>	<p>Despite a scarce chartering activity underlined by the limited amount of fixtures reported concluded, rates for Supramaxes easily managed to remain steady on levels recorded during the previous week, and the steel trade from N China range to SE Asia paid a premium to the owners. On this trade an Ultramax was fixed at \$12,000/d for 1<sup>st</sup> 35 days and \$14,000/d for balance and a "Tess58" got \$12,000/d flat rate with delivery S Korea. From SE Asia a 57,000 dwt "dolphin" type got \$12,750/d for a trip from Indonesia to China and a similar type was paid \$13,500/d to load coal from Indonesia to Vietnam, while nickel ore was loaded on another "dolphin" which was paid \$13,000/d from HK via Indonesia to China. The trade from this area to the M East reported a "dolphin" fixed at \$13,500/d delivery Indonesia for coal to WC India, while a similar boat on the same trade agreed \$12,500/d with delivery S China. Handysize market was described as unchanged or slightly improving, a fancy 38,000 dwt was reported agreed at \$10,850/d delivery Indonesia for 2 ll redelivery Spore/Japan range.</p>

### Rates

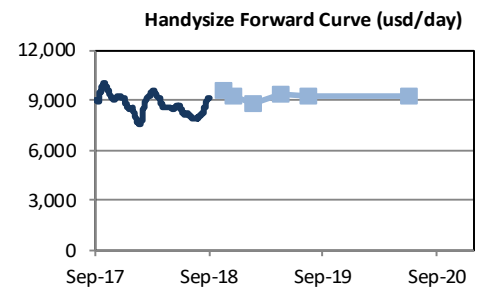
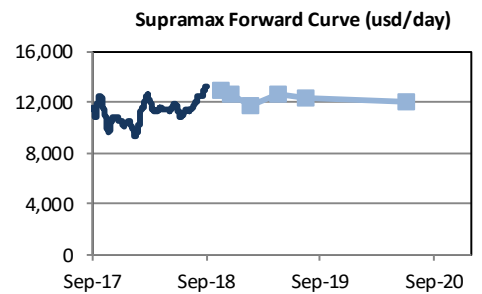
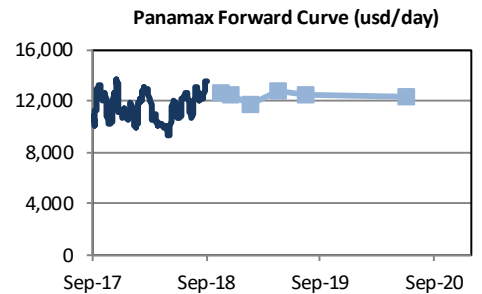
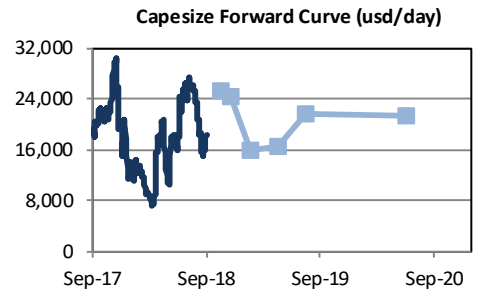
	Unit	28-Sep	21-Sep	W-o-W	Y-o-Y	
<b>Supramax</b>	BSI TC Avg.	usd/day	13,273	13,022	+1.9%	+13.8%
	S4A 58 USG-Skaw/Pass	usd/day	20,619	20,322	+1.5%	+22.4%
	S9 58 WAF-ECSA-Med	usd/day	12,389	11,979	+3.4%	+9.3%
	S1B 58 Canakkale-FEast	usd/day	23,443	21,579	+8.6%	+40.8%
	S11 58 Pacific r/v	usd/day	11,544	11,444	+0.9%	+9.5%
	1 Year TC Period	usd/day	12,250	12,250	+0.0%	+15.0%
<b>Handy</b>	BHSI TC Avg.	usd/day	9,155	8,994	+1.8%	+0.9%
	1 Year TC Period	usd/day	9,850	9,850	+0.0%	+19.4%





**Dry Bulk FFAs (Baltic Forward Assessments)**

		Unit	28-Sep	21-Sep	W-o-W	Premium/ Discount
<b>Capesize</b>	Oct (18)	usd/day	21,783	21,600	+0.8%	+18.7%
	Nov (18)	usd/day	25,167	25,125	+0.2%	+37.1%
	Dec (18)	usd/day	24,258	24,292	-0.1%	+32.2%
	Q1 (19)	usd/day	15,833	15,925	-0.6%	-13.7%
	Q2 (19)	usd/day	16,575	16,650	-0.5%	-9.7%
	Q3 (19)	usd/day	21,800	21,813	-0.1%	+18.8%
	Cal 19	usd/day	20,538	20,566	-0.1%	+11.9%
	Cal 20	usd/day	21,392	21,000	+1.9%	+16.6%
	Cal 21	usd/day	17,820	17,592	+1.3%	-2.9%
<b>Panamax</b>	Oct (18)	usd/day	12,804	12,700	+0.8%	-5.8%
	Nov (18)	usd/day	12,604	12,608	-0.0%	-7.3%
	Dec (18)	usd/day	12,438	12,379	+0.5%	-8.5%
	Q1 (19)	usd/day	11,807	11,904	-0.8%	-13.2%
	Q2 (19)	usd/day	12,821	12,858	-0.3%	-5.7%
	Q3 (19)	usd/day	12,542	12,500	+0.3%	-7.7%
	Cal 19	usd/day	12,655	12,633	+0.2%	-6.9%
	Cal 20	usd/day	12,313	12,396	-0.7%	-9.4%
	Cal 21	usd/day	10,833	10,871	-0.3%	-20.3%
<b>Supramax</b>	Oct (18)	usd/day	13,038	13,113	-0.6%	-1.8%
	Nov (18)	usd/day	12,913	13,108	-1.5%	-2.7%
	Dec (18)	usd/day	12,617	12,713	-0.8%	-4.9%
	Q1 (19)	usd/day	11,675	11,750	-0.6%	-12.0%
	Q2 (19)	usd/day	12,717	12,754	-0.3%	-4.2%
	Q3 (19)	usd/day	12,421	12,467	-0.4%	-6.4%
	Cal 19	usd/day	12,514	12,583	-0.5%	-5.7%
	Cal 20	usd/day	11,975	11,983	-0.1%	-9.8%
	Cal 21	usd/day	10,967	10,992	-0.2%	-17.4%
<b>Handysize</b>	Oct (18)	usd/day	9,388	9,425	-0.4%	+2.5%
	Nov (18)	usd/day	9,550	9,506	+0.5%	+4.3%
	Dec (18)	usd/day	9,250	9,200	+0.5%	+1.0%
	Q1 (19)	usd/day	8,813	8,875	-0.7%	-3.7%
	Q2 (19)	usd/day	9,394	9,344	+0.5%	+2.6%
	Q3 (19)	usd/day	9,281	9,244	+0.4%	+1.4%
	Cal 19	usd/day	9,303	9,388	-0.9%	+1.6%
	Cal 20	usd/day	9,213	9,206	+0.1%	+0.6%
	Cal 21	usd/day	9,063	9,056	+0.1%	-1.0%



## Crude Oil Tanker Market

In the end has been a positive week for VLCC owners in the Middle East Gulf, stable flow of cargoes allowed some minor rates improvement pushing MEG/East up just below ws60 and the Meg/West still in the low ws20s.

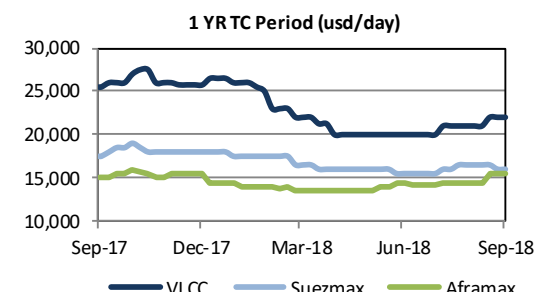
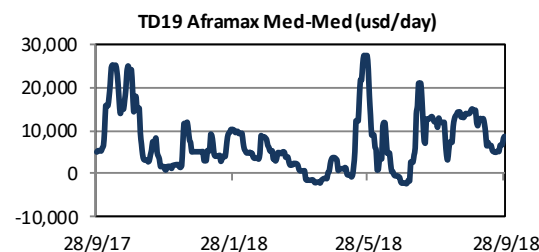
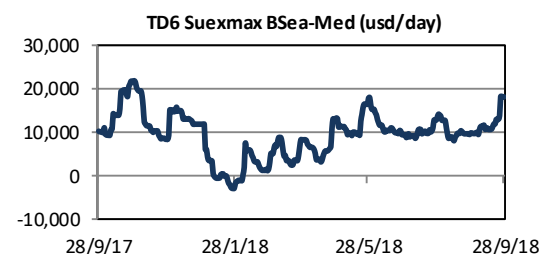
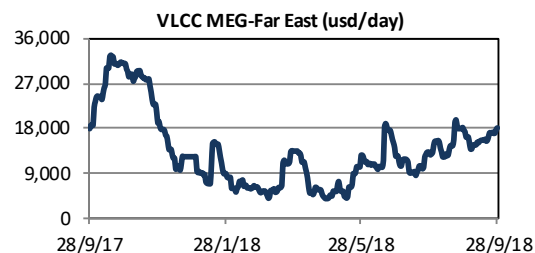
Even better off West Africa where good demand paired with a firming Caribs market pushed rates for East discharge up to ws60. A quite high demand in the Caribs finally shortened an otherwise very long position list and Caribs/Singapore substantially firmed up to USD 5.2 mln.

Solid week for Suezmaxes in West Africa where thanks to a stable demand owners managed to push rates for UKC discharge up to the high ws70s. A rather active first half of the week in the Mediterranean, combined with increasing delays at Turkish straits, led to a quick increase in rates which then stabilised around ws100 off the B Sea.

As for the Suezmaxes, also Aframax took advantage of the increasing delays at Turkish Straits and, slowly but surely, rates for the Cross-Med firmed up to ws112.5. A very positive first half of the week in the North Sea allowed rates to firm up to the high ws110s for the Cross-Continent and around ws90 for the Baltic. Slow week in the Caribs and, as vessels' availability started building up again, rates softened down to ws140.

### Rates

	Unit	28-Sep	21-Sep	W-o-W	Y-o-Y	
VLCC	TD1 MEG-USG	ws	23.23	22.14	+4.9%	-2.8%
	TD1 MEG-USG	usd/day	-13,623	-13,691	+0.5%	-70.2%
	TD2 MEG-Spore	ws	60.21	57.96	+3.9%	+9.9%
	TD3C MEG-China	ws	59.54	57.21	+4.1%	+11.5%
	TD3C MEG-China	usd/day	18,042	17,056	+5.8%	+2.6%
	TD15 WAF-China	ws	59.96	57.54	+4.2%	+8.1%
	Avg. VLCC TCE	usd/day	2,210	1,683	+31.3%	-53.9%
	1 Year TC Period	usd/day	22,000	22,000	+0.0%	-13.7%
Suezmax	TD6 BSea-Med	ws	100.83	91.11	+10.7%	+20.5%
	TD6 BSea-Med	usd/day	18,236	13,054	+39.7%	+96.4%
	TD20 WAF-Cont	ws	77.27	72.50	+6.6%	-0.4%
	MEG-EAST	ws	77.00	77.50	-0.6%	+0.0%
	MEG-WEST	ws	27.00	25.00	+8.0%	-32.5%
	Avg. Suezmax TCE	usd/day	13,791	10,491	+31.5%	+39.8%
	1 Year TC Period	usd/day	16,000	16,000	+0.0%	-8.6%
	Aframax	TD7 NSea-Cont	ws	105.00	112.50	-6.7%
TD7 NSea-Cont		usd/day	3,564	8,615	-58.6%	-49.5%
TD17 Baltic-UKC		ws	82.22	91.11	-9.8%	+1.4%
TD17 Baltic-UKC		usd/day	7,599	7,758	-2.0%	+1.6%
TD19 Med-Med		ws	111.11	100.56	+10.5%	+18.1%
TD19 Med-Med		usd/day	8,704	5,206	+67%	+124.0%
TD8 Kuwait-China		ws	108.61	109.83	-1.1%	-3.0%
TD8 Kuwait-China		usd/day	3,853	5,031	-23.4%	-46.3%
TD9 Caribs-USG		ws	141.39	151.94	-6.9%	-0.4%
TD9 Caribs-USG		usd/day	11,604	15,414	-24.7%	-17.0%
Avg. Aframax TCE		usd/day	7,223	8,738	-17.3%	-19.8%
1 Year TC Period	usd/day	15,500	15,500	+0.0%	+3.3%	





## Product Tanker Market

Market in the East of Suez positively increased for both LR2 and LR1 during the past week. LR2 owners managed to obtain ws105 for a MEG/Japan voyage bss 75,000 tons (equal to about \$6,500/d TCE), while the LR1 involved in the same route bss 55,000 tons had been able to increase their rate up to ws120 (equal to about \$5,500/d TCE). Rates for MEG/UKC voyages basis 75,000 tons remained overall unchanged at USD 1.85 mln. In the West of Suez rates for both LR1 and LR2 didn't record significant changes, still setting respectively at USD 1.7 mln and USD 1.85 mln for a UKC /Japan voyage.

Med market for Clean Handy vessels kept positive trend saw in the previous week: thanks to a good numbers of enquiries coupled with a tight tonnage list. Rates for the Cross-Med 30,000 mts cargoes jumped up to ws140 and, by friday, a BSea-Med loading was reported at ws157.5.

Handies in the Cont recorded another week of steady levels, as 30,000 mts fixed on Baltic/UKC routes maintained ws130 with the Cross-Cont at ws120. Rates for Clean MRs on the Cont/TA routes gained some ground from previous week by reaching ws mid ws110 region by Friday, with West Africa discharge options up to ws130 always basis 37,000 clean Mts.

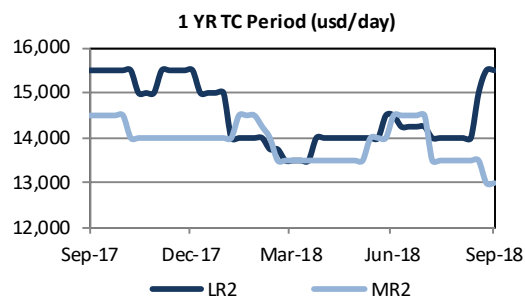
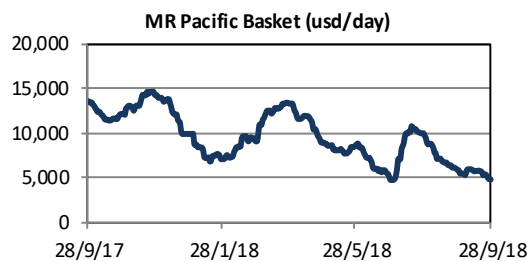
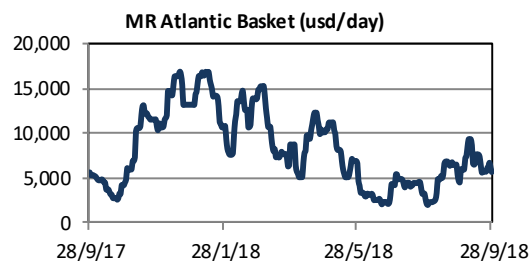
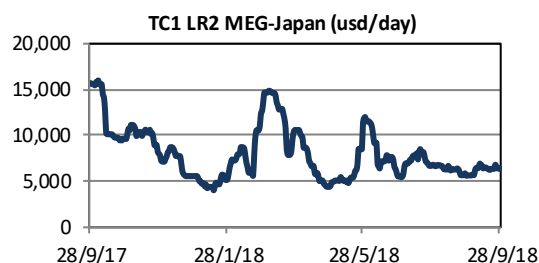
Backhauls voyages from the USG to Europe weakened during week 39 and ended at ws90 basis 38,000 mts.

Handies and MRs in the Med have been very busy since the beginning of the week due to a tight position list, especially in the East Med, and a good amount of cargoes quoted from both the Med and the B Sea. The rates jumped up to 30/185ws for the Cross-Med and up to 30/205ws from the B Sea. The MR rates followed the Handies' trend and moved up to 45/125-130ws on the Cross-Med and up to 45/130-135ws from the B Sea. The UKC market instead remained stable at 30/150ws for the Cross-UKC and 30/145ws for the UKC/Med route. Panamaxes softened down to 55/115ws for UKC-Med/TA voyages.

Rates		Unit	28-Sep	21-Sep	W-o-W	Y-o-Y
Clean	TC1 MEG-Japan (75k)	ws	103.31	100.63	+2.7%	-26.9%
	TC1 MEG-Japan (75k)	usd/day	6,331	6,336	-0.1%	-59.3%
	TC8 MEG-UKC (65k)	usd/mt	23.54	23.38	+0.7%	-12.2%
	TC5 MEG-Japan (55k)	ws	120.00	115.00	+4.3%	-21.2%
	TC5 MEG-Japan (55k)	usd/day	6,839	6,443	+6.1%	-44.7%
	TC2 Cont-USAC (37k)	ws	117.22	100.00	+17.2%	-6.4%
	TC2 Cont-USAC (37k)	usd/day	2,009	-205	+1080.0%	-53.5%
	TC14 USG-Cont (38k)	ws	91.25	100.63	-9.3%	+24.3%
	TC14 USG-Cont (38k)	usd/day	-1,231	571	-315.6%	+43.4%
	TC9 Baltic-UKC (22k)	ws	130.00	130.71	-0.5%	-20.9%
	TC6 Med-Med (30k)	ws	140.63	124.38	+13.1%	-30.3%
	TC7 Spore-ECAU (30k)	ws	161.83	162.78	-0.6%	-39.9%
	TC7 Spore-ECAU (30k)	usd/day	7,410	7,921	-6.5%	-51.4%
	TC11 SK-Spore (40k)	usd/mt	8.02	8.23	-2.6%	-24.2%
	MR Pacific Basket	usd/day	4,784	5,283	-9.4%	-65.4%
	MR Atlantic Basket	usd/day	5,644	5,699	-1.0%	+19.3%
LR2 1 Year TC Period	usd/day	15,500	15,500	+0.0%	+0.0%	
MR2 1 Year TC Period	usd/day	13,000	13,000	+0.0%	-10.3%	
Dirty	TD12 Cont-USG (55k)	ws	114.69	118.75	-3.4%	+3.1%
	TD18 Baltic-UKC (40k)	ws	150.00	154.17	-2.7%	-8.9%
	BSea-Med (30k)	ws	180.0	155.0	+16.1%	+9.1%
	Med-Med (30k)	ws	165.0	140.0	+17.9%	+6.5%

## Delays at Turkish Straits for Daylight Restricted Vessels

	Unit	28-Sep	21-Sep	W-o-W	Y-o-Y
Northbound	days	5.0	4.0	+25.0%	+150.0%
Southbound	days	5.0	4.0	+25.0%	+233.3%



## Containership Market

The container charter market remained steady with a good volume of fixtures concluded, even if it is still insufficient to absorb available capacities. Spot tonnage rising significantly for classic Panamaxes, and for medium-sized units between 1,250 and 2,699 TEUs.

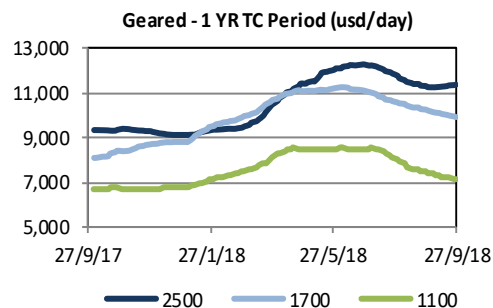
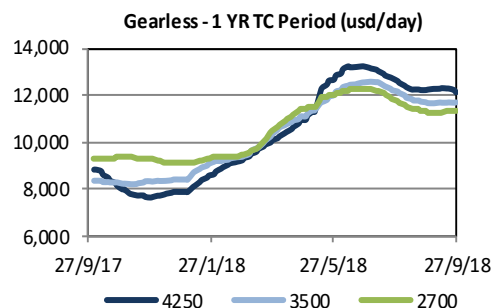
### Recent Fixtures

Vessel Name	Built	TEUs	TEU@14	Gear	Fixture	Period	Rates
Conti Chivalry	2006	8,073	6,170	no	fixed to Msc	12 m	\$12,500/d
Balthasar Schulte	2012	4,250	2,781	no	fixed to Maersk	3-6 m	\$11,500/d
Jeju Island	2006	2,742	2,115	no	extended to Cosco	4-6 m	\$11,500/d
Cape Fortius	2017	2,202	1,574	no	extended to Mcc	2-5 m	\$13,500/d
Seaboxer III	2010	1,740	1,287	yes	extended to Msc	5-7 m	\$9,500/d
Kuo lung	1998	1,405	1,100	no	extended to Sinotrans	3-5 m	\$9,250/d
Als Satsuki	1997	1,141	900	yes	extended to Rcl	5-7 m	\$8,750/d
Phoenix J	2010	1,036	740	no	fixed to One	3-6 m	\$8,000/d

### VHSS Containership Timecharter Assessment

(source: Hamburg Shipbrokers' Association)

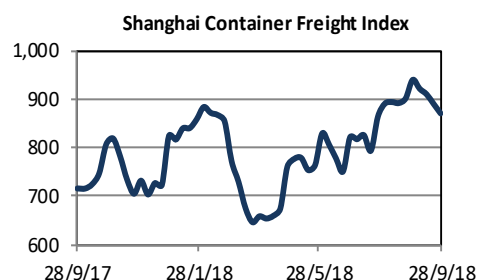
	Unit	27-Sep	20-Sep	W-o-W	Y-o-Y
ConTex	index	484	486	-0.4%	+21.0%
4250 teu (1Y, g'less)	usd/day	12,124	12,287	-1.3%	+34.9%
3500 teu (1Y, g'less)	usd/day	11,702	11,699	+0.0%	+39.7%
2700 teu (1Y, g'less)	usd/day	11,381	11,349	+0.3%	+21.5%
2500 teu (1Y, geared)	usd/day	11,077	11,124	-0.4%	+27.0%
1700 teu (1Y, geared)	usd/day	9,930	10,003	-0.7%	+29.7%
1100 teu (1Y, geared)	usd/day	7,137	7,196	-0.8%	+12.7%



### Shanghai Containerized Freight Index

(source: Shanghai Shipping Exchange)

	Unit	28-Sep	21-Sep	W-o-W	Y-o-Y
Comprehensive Index	index	871	890	-2.2%	+21.6%
Services:					
Shanghai - North Europe	usd/teu	735	766	-4.0%	+2.9%
Shanghai - Mediterranean	usd/teu	767	804	-4.6%	+10.8%
Shanghai - WC USA	usd/feu	2,332	2,343	-0.5%	+64.9%
Shanghai - EC USA	usd/feu	3,319	3,502	-5.2%	+66.7%
Shanghai - Dubai	usd/teu	354	365	-3.0%	-3.3%
Shanghai - Santos	usd/teu	976	1,098	-11.1%	-47.1%
Shanghai - Singapore	usd/teu	138	137	+0.7%	-6.8%





## Newbuilding Market

LOIs for a major order for Capesizes were signed for Tier III scrubber fitted 180,000 dwt for 5+5 units at SWS and for other 4 units at Qingdao Beihai with delivery from 2020.

Shandong Shipping will be the owning side with 10 years charter index link to RWE (Germany). Glory Maritime International (HK based) booked four Ultramax at Wuhu shipyard with delivery from 2020 and an option for further six units, at a price around USD 24 mln per unit (reported fitted with Tier III m.e.).

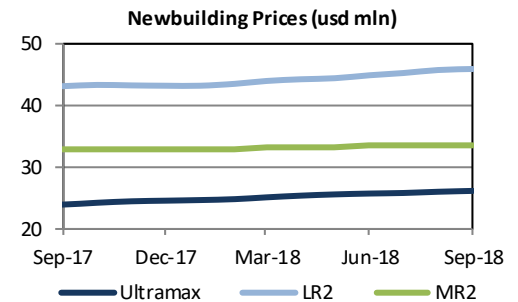
In the large tanker segment Daehan firmed two plus two optional 158,000 dwt Suezmax at price of USD 63.0 mln with Faerder Tankers (Tier II scrubber fitted, closed-loop), whilst KNOT booked 2 shuttle tankers 152,000 dwt with Hyundai with delivery 2020 backed by long TC to Equinor, price reported between USD 110-120 Mln.

## Newbuilding Reported Orders

Type	Size	Built	Yard	Buyers	Price	Comment
Bulk	63,500	2H 2020	WuHu	Glory Maritime	24.0	4 units + 6 Opt
Crude	158,000	N.A.	Daehan	Faerder Tankers	63.0	2 units + 2 Opt
Shuttle	152,000	2020	Hyundai	KNOT	110/120	2 Units, TC Attached

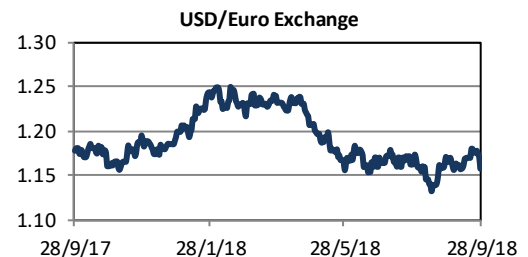
## Indicative Newbuilding Prices (China)

	Unit	01-Sep-18	M-o-M	Y-o-Y
Capesize	usd mln	47.9	+0.8%	+8.5%
Ultramax	usd mln	26.2	+0.5%	+9.3%
Supramax	usd mln	23.0	+0.6%	+9.4%
VLCC	usd mln	82.8	+0.3%	+7.2%
LR2 Coated	usd mln	46.0	+0.4%	+6.5%
MR2 Coated	usd mln	33.7	+0.2%	+2.8%



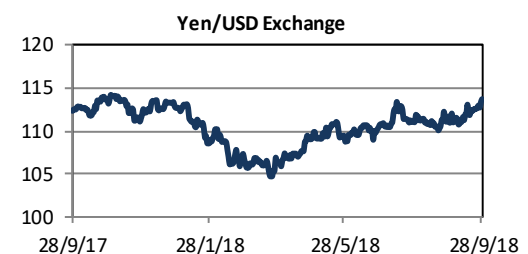
## Interest Rates

	Libor USD	Libor Euro	Euribor Euro
6 Months	2.60	-0.31	-0.27
12 Months	2.92	-0.21	-0.17



## Interest Rate Swaps

	3 yrs	5 yrs	7 yrs	10 yrs	15 yrs	20 yrs
USD	3.06	3.08	3.10	3.13	3.17	3.18
Euro	0.09	0.40	0.67	0.99	1.33	1.49



## Exchange Rates

	28-Sep	21-Sep	W-o-W	Y-o-Y
USD/Euro	1.16	1.18	-1.9%	-1.7%
Yen/USD	113.7	112.5	+1.1%	+1.2%
SK Won/USD	1,109	1,121	-1.0%	-3.5%

## Secondhand Market

A Chinese controlled Capesize, **“New Dalian”** around **180,000 dwt built 2011 Dalian**, was committed at USD 27 Mill to Lavinia Bulk.

For what concern Kamsarmaxes and Panamaxs, a South Korean built unit, **“Jag Arya”** around **80,000 dwt built 2011 SPP**, has gone to Trade Fortune at USD 18.5 Mill. In addition a vintage Panamax, **“Flipper”** around **73,000 dwt built 1999 Sumitomo**, was sold at USD 6.3 Mill to Middle Eastern buyers, in January **“Vika”** about **73,000 dwt built 1999 Sasebo** was done at USD 8 Mill.

In the Supramax segment, Louis Dreyfus has bought a **“Dolphin 57”** called **“Shrosphire”** about **57,000 dwt built 2009 Yangzhou** at USD 9.3 Mill. In addition a Japanese controlled unit **“Persus Ocean”** around **53,000 dwt built 2007 Iwagi** was sold at USD 11 Mill.

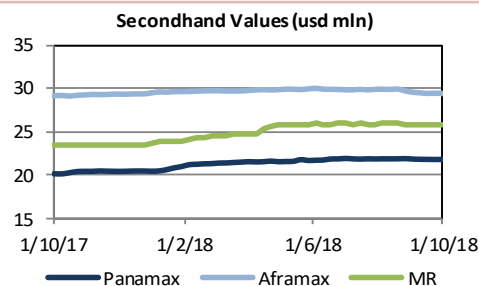
In the tanker market, it was reported that Zodiac Maritime has acquired Toisa fleet resales at USD 280 Mill en bloc . This fleet was composed by 3 x Suezmaxes (**“Pericles G.C.”** at USD 51.8 Mill, **“United Paragon”** at USD 51.9 Mill. and **“United Oceans”** at USD 51.9 Mill.), 2 x LR2s (**“United Nomad”** at USD 42.3 Mill. and **“United Mariner”** at USD 42.3 Mill.) and 1 Aframax (**“Nikos Kazantzakis”** at USD 39.8 Mill).

## Secondhand Reported Sales

TYPE	VESSEL NAME	DWT	BLT	YARD	BUYERS	PRICE	NOTE
Bulk	<b>New Dalian</b>	180,000	2011	Dalian	C. Of Lavinia Bulk	27.0	
Bulk	<b>Jag Arya</b>	80,500	2011	SPP	C.of Trade Fortune	18.5	
Bulk	<b>Flipper</b>	73,726	1999	Sumitomo	Middle Eastern buyers	6.3	
Bulk	<b>Persus Ocean</b>	53,549	2007	Iwagi	Undisclosed	11.0	
Crude	<b>United Oceans</b>	157,100	2018	COSCO Yangzhou			
Crude	<b>United Paragon</b>	157,100	2018	COSCO Yangzhou			
Crude	<b>Pericles GC</b>	157,100	2019	COSCO Yangzhou			
Crude	<b>United Mariner</b>	115,000	2018	COSCO Yangzhou	C. Of Zodiac Maritime	280.0	En Bloc
Crude	<b>United Nomad</b>	115,000	2018	COSCO Yangzhou			
Crude	<b>Nikos Kazantzakis</b>	115,000	2019	COSCO Yangzhou			

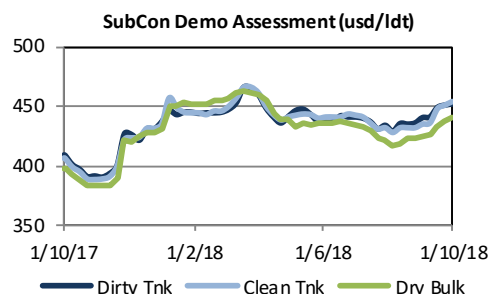
## Baltic Secondhand Assessments

	Unit	01-Oct	24-Sep	W-o-W	Y-o-Y
<b>Capesize</b>	usd mln	36.1	36.1	+0.0%	+11.2%
<b>Panamax</b>	usd mln	21.8	21.8	+0.1%	+10.0%
<b>Supramax</b>	usd mln	18.5	18.4	+0.1%	+11.7%
<b>VLCC</b>	usd mln	61.9	61.8	+0.1%	+1.6%
<b>Aframax</b>	usd mln	29.4	29.4	-0.1%	+0.7%
<b>MR Product</b>	usd mln	25.9	25.9	+0.0%	+10.3%



## Baltic Demolition Assessment (Subcontinent)

	Unit	01-Oct	24-Sep	W-o-W	Y-o-Y
<b>Dry Bulk</b>	usd/ldt	440.0	438.0	+0.5%	+8.4%
<b>Dirty Tanker</b>	usd/ldt	452.0	451.0	+0.2%	+9.4%
<b>Clean Tanker</b>	usd/ldt	454.0	451.0	+0.7%	+9.8%



## Dry Bulk Commodities

### **China steel giant Baowu in talks to take over rival Magang -sources**

Top Chinese steelmaker China Baowu Steel Group is in talks to take over rival Magang Group, three sources familiar with the discussions said, a deal that would help entrench the nation's position as a serious competitor in global steel markets. The mega-marriage would sharply narrow Baowu's gap with top-ranked international producer ArcelorMittal, and would be a major step in Beijing's drive to consolidate its bloated steel industry.

### **Brazil to import 1 mln tonnes of soy from U.S., says trader**

Brazil, the world's No 1 soy exporter, is expected to import around 1 million tonnes of the oilseed in coming months from its largest global competitor, the United States, as local supplies dwindle, according to Sao Paulo-based grain trader Agribrasil. It would be the first time that the South American nation, an agricultural powerhouse, needs to import large volumes of soybeans from the United States - a result of massive exports by Brazilian soy producers to China in recent months after the Asian nation slapped a 25 percent import tariff on U.S. beans.

### **China to start buying more Argentine soybeans – Oil World**

China is starting to buy more Argentine soybeans because of China's trade war with the United States, and Argentina will in turn purchase more U.S. soybeans to meet its own needs, oilseeds analysts Oil World said. Soybean exports from the United States to China have come to a virtual stop since July when Beijing imposed heavy tariffs on U.S. imports as part of a trade war between the two countries.

### **U.S. confirms lead as EU's main soybean supplier**

The United States confirmed its status as the main supplier of soybeans to the European Union, having supplied 52.4 percent of the 2.9 million tonnes of soybeans imported into the bloc so far in 2018/19, official data showed. The EU had imported 1.54 million tonnes of U.S. soybeans since the start of the season on July 1 up to Sept. 23, while the second-largest supplier Brazil shipped 1.17 million, data published by the European Commission showed.

### **For bold Chinese buyers of soybeans, bargain U.S. prices trump trade war**

At least two cargoes of U.S. soybeans are heading for China as some buyers are willing to risk taking up historically cheap U.S. beans even amid worries that Beijing may take further steps to deter imports amid mounting trade tensions with Washington.

### **China's August grain imports slide on Sino-U.S. trade war**

China's grain imports fell sharply in August, customs data showed, a month after Beijing imposed hefty tariffs on shipments from the United States, one of its top suppliers. China brought in 60,000 tonnes of sorghum in August, down 78.5 percent from 259,892 tonnes a year ago, according to figures published by the General Administration of Customs.

### **Tougher quality checks, stronger rouble slow Russian grain exports**

Russia's grain exports are slowing due to tougher quality controls at ports following complaints from major buyers, along with a stronger rouble currency, analysts, traders and an industry lobby said. Russia's food safety watchdog beefed up quality controls on grain exports after complaints from major buyers about falling crop standards in mid-September, adding that the more stringent checks were not aimed at limiting grain exports.

### **Indonesia's 2018 food wheat imports to rise 6 pct despite cost hike - industry**

Indonesia's imports of wheat for flour are expected to reach 8.5 million tonnes this year, an industry body said, up from 8 million tonnes in 2017, despite increasing prices of the grain. Indonesian demand for noodles, biscuits and snacks like martabak, a local version of a pancake, has climbed steadily in recent years as a growing middle class adopts a more western diet.

### **Indian cabinet approves incentives for 2018/19 sugar exports- govt statement**

India's cabinet on Wednesday approved incentives to encourage cash-strapped mills to export sugar in the 2018/19 season, as part of efforts to trim bulging domestic stockpiles. Prime Minister Narendra Modi's cabinet will give transport subsidies of 1,000 rupees (\$13.77) a tonne to 3,000 rupees a tonne to sugar mills, depending on their distance from ports, the statement said.

### **Chinese petcoke buyers turning to Russia, Mideast after U.S. tariffs**

Chinese importers of petroleum coke are buying more volumes from Russia and the Middle East due to a hefty tariff on shipments from the United States, previously one of China's main sources of the material used in aluminium and cement production. China slapped a 25 percent tariff on U.S. petroleum coke, a byproduct of oil refining, from Aug. 23 as part of its escalating trade row with the United States.

Source: Thomson Reuters/ Platts

## Oil & Gas

### **Goldman: Brent prices to stabilize in \$70-80/bbl range into 2018-end**

Brent crude prices are likely to stabilize back in the \$70 to \$80 a barrel range into the year-end, with another supply catalyst beyond Iran needed for prices to meaningfully break to the upside, Goldman Sachs said. Brent crude surged to near four-year highs of \$82.55 a barrel on last Tuesday.

### **Oil could rise to \$100 by 2019 as global markets tighten, merchants warn**

Oil prices could rise towards \$100 per barrel towards the end of the year or by early 2019 as sanctions against Iran bite, commodity merchants Trafigura and Mercuria said at the Asia Pacific Petroleum Conference (APPEC) in Singapore. Almost 2 million barrels per day (bpd) of crude could be taken out of the market as a result of the U.S. sanctions against Iran by the end of the fourth quarter this year, said Daniel Jaeggi, president of commodity merchant Mercuria Energy Trading, making a crude price spike to \$100 a barrel possible.

### **IMO 2020 to cause one-off oil demand surge before market adjusts: OPEC**

The International Maritime Organization's global marine fuels sulfur cap of 0.5% in 2020 will produce a one-off jump in crude demand from the global refining system in order to meet for the need for compliant, non-marine residual fuels, OPEC said. "In order to produce sufficient volumes of middle distillates, the global refining system is expected to increase runs by around 400,000 b/d in 2020 (additional to the case if no IMO regulations were adopted)," OPEC said in its latest World Oil Outlook. As a result, global oil demand growth is expected to bounce back to 1.7 million b/d in 2020, from 1.4 million b/d in 2019, OPEC said.

### **China's CNOOC may divest some U.S. assets after portfolio review**

China's CNOOC Ltd is considering selling parts of its U.S. oil assets in the Gulf of Mexico, a company spokeswoman said on Thursday, but added that it does not intend to fully exit the U.S. market. Reuters reported on Wednesday that Nexen Petroleum, a unit of state-controlled CNOOC, was planning to exit the United States, divesting its stake in giant oil and gas developments in the Gulf of Mexico amid the trade row between Washington and Beijing.

### **Indian refiners may reduce oil imports as crude prices soar, rupee struggles**

India, the world's third-biggest oil importer, is considering reducing oil purchases to mitigate the pain of high crude prices and the declining rupee, said two sources at different Indian refineries with direct knowledge of the matter. The decision to cut imports illustrates that rising crude prices and emerging market currency weakness may start causing oil demand to decline in a number of markets that have so far seen healthy crude consumption.

### **Japan's Cosmo Oil replaces Iran oil with other Mideast supplies**

Japanese refiner Cosmo Oil has replaced its Iranian crude oil imports with supplies from other Middle Eastern producers ahead of U.S. sanctions on Iran in November, top company executives said. Refiners in Japan, the world's fourth largest crude oil importer, halted oil imports from Iran in mid-September, the country's refinery association said last week, allowing time for payments before sanctions are imposed.

### **Pemex plans up to 100,000 bpd light crude imports, says CEO**

Mexican state-run oil company Pemex expects to begin importing up to 100,000 bpd of light crude oil, likely from the United States, from late October and at least until the end of November, its chief executive said on Wednesday.

### **Jan-Jun Novorossiisk, Primorsk crude, product exports down**

Exports of crude and oil products from the Russian ports of Novorossiisk and Primorsk fell 8.3% in January-June on the year to 59.218 million mt, operator Novorossiisk Commercial Sea Port (NMTP) said. Crude exports fell 16% to 37.806 million mt, while oil product shipments were up 10% at 20.721 million mt. The main reason for the crude volume drop was "a redirection of crude oil exports from west to east and also due to increased throughput at Russian refineries."

### **U.S. crude oil stocks build as refiners sharply cut runs**

U.S. crude oil stockpiles rose last week as refineries sharply reduced output for seasonal maintenance, while gasoline stocks increased and distillate inventories fell, the Energy Information Administration said. After five consecutive weeks of drawdowns to the lowest levels since February 2015, crude inventories rose 1.9 million barrels to 396 million barrels in the week to Sept. 21. The build was unexpected as analysts forecast a decrease of 1.3 million barrels.

### **LNG shipping rates spike with no respite seen through 2019**

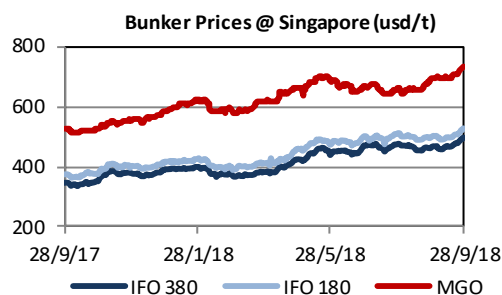
The price of shipping liquefied natural gas (LNG) has spiked in September and is likely to remain high next year, buoyed by rising production from new plants and concerns that demand for LNG vessels will outpace supply. The rate for vessels shipping LNG from the Atlantic Basin to Asia has jumped to \$90,000 to \$95,000 a day this week from \$75,000 a day at the end of August, brokers and traders said.

Source: Thomson Reuters/ Platts



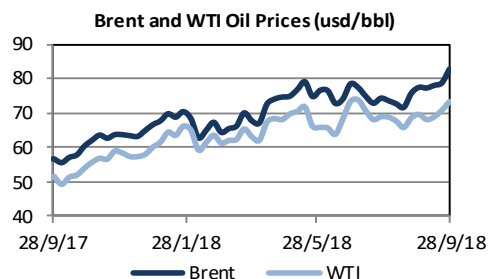
### Bunker Prices

		Unit	28-Sep	21-Sep	W-o-W	Y-o-Y
IFO 380	Rotterdam	usd/t	453.5	435.5	+4.1%	+40.4%
	Gibraltar	usd/t	472.0	457.5	+3.2%	+40.7%
	Singapore	usd/t	497.0	478.0	+4.0%	+43.6%
IFO 180	Rotterdam	usd/t	494.5	472.5	+4.7%	+38.3%
	Gibraltar	usd/t	504.0	485.5	+3.8%	+40.8%
	Singapore	usd/t	527.5	507.0	+4.0%	+41.0%
MGO	Rotterdam	usd/t	681.0	658.0	+3.5%	+33.1%
	Gibraltar	usd/t	745.0	720.0	+3.5%	+33.5%
	Singapore	usd/t	736.0	709.0	+3.8%	+40.7%



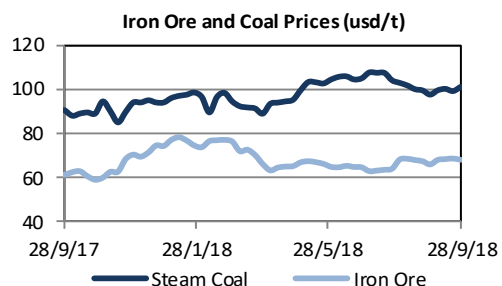
### Oil & Gas Prices

	Unit	28-Sep	21-Sep	W-o-W	Y-o-Y
Crude Oil Brent	usd/bbl	82.7	78.7	+5.1%	+45.9%
Crude Oil WTI	usd/bbl	73.3	70.8	+3.5%	+42.1%
Crude Oil Dubai	usd/bbl	84.9	76.5	+11.0%	+52.0%
Natural Gas Henry Hub	usd/mmbtu	3.03	2.79	+8.6%	+0.3%
Gasoline Nymex	usd/gal	2.09	1.99	+5.0%	+32.3%
ICE Gasoil	usd/t	723.8	700.0	+3.4%	+32.6%
Naphtha Tokyo	usd/t	718.1	683.2	+5.1%	+38.4%
Jet-Kerosene Asia	usd/bbl	91.7	91.0	+0.8%	+29.1%



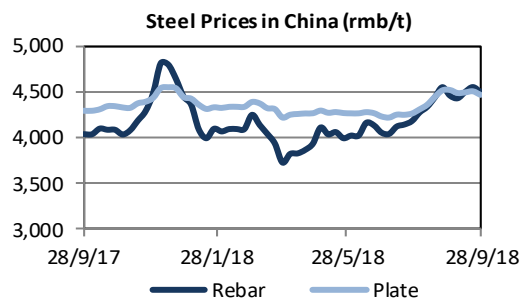
### Coal Prices

	Unit	28-Sep	21-Sep	W-o-W	Y-o-Y
Steam @ Richards Bay	usd/t	101.1	99.2	+1.9%	+11.7%
Steam @ Newcastle	usd/t	114.0	112.2	+1.6%	+20.1%
Coking Coal Australia	usd/t	201.5	199.0	+1.3%	+13.5%



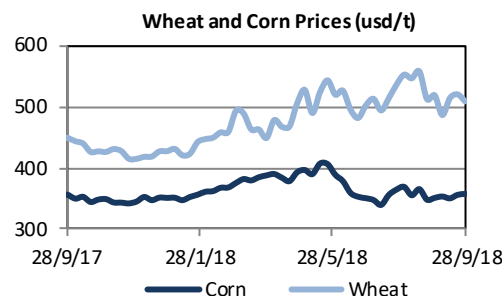
### Iron Ore and Steel Prices

	Unit	28-Sep	21-Sep	W-o-W	Y-o-Y
Iron Ore (Platts)	usd/t	68.1	68.7	-0.8%	+11.0%
Iron Ore China @Tangshan	rmb/t	525.0	517.0	+1.5%	+10.5%
Rebar in China	rmb/t	4,496	4,550	-1.2%	+11.4%
Plate in China	rmb/t	4,465	4,504	-0.9%	+4.0%
HR Coil in China	rmb/t	4,406	4,440	-0.8%	+4.4%
CR Sheet in China	rmb/t	4,880	4,883	-0.1%	+4.6%



### Agricultural

	Unit	28-Sep	21-Sep	W-o-W	Y-o-Y
Wheat	usd/t	508.5	520.0	-2.2%	+13.3%
Corn	usd/t	357.5	356.0	+0.4%	+0.4%
Soybeans	usd/t	844.5	827.3	+2.1%	-12.7%
Palm Oil	usd/t	525.1	523.0	+0.4%	-17.6%





head office: via pammatone, 2 16121 genoa (italy)  
phone: + 39-010-[5631-1]

<b>dry - capesize</b>	5631-200	capex@bancosta.com	<b>research</b>	5631-535	research@bancosta.com
<b>dry - panamax</b>	5631-200	capespms@bancosta.com	<b>ship finance</b>	5631-556	financial@bancosta.com
<b>dry - handy</b>	5631-200	handy@bancosta.com	<b>insurance</b>	5631-700	insurance@bancostains.it
<b>dry - operation</b>	5631-200	dryoper@bancosta.com	<b>p&amp;i</b>	5631-770	hull@bancostains.it
<b>tankers</b>	5631-300	tanker@bancosta.com	<b>yachting</b>	5631-764	yachts@bancosta.it
<b>containers</b>	5631-515	containers@bancosta.com	<b>agency</b>	5631-600	bcagy@bcagy.it
<b>s&amp;p</b>	5631-500	salepurchase@bancosta.com	<b>ship repair</b>	5631-626	shipyard@bcagy.it
<b>offshore</b>	5631-550	offshore@bancosta.com	<b>towage/salvage</b>	5631-626	shipyard@bcagy.it

*bancosta uk*  
**london**

phone: +44-207-398-1870  
info@bancosta.co.uk

*bancosta monaco*  
**monte carlo**

phone: +377-97-707-497  
info@bancosta-monaco.com

*bancosta sa*  
**geneva**

phone: +41-22-737-2626  
info@bancosta.ch

*mediorient*  
**dubai**

phone: +971-4-360-5598  
mena@bancosta.com

*bancosta oriente*  
**singapore**

phone: +65-6327-6862  
sap@bancosta.com.hk

*bancosta oriente*  
**hong kong**

phone: +852-2865-1535  
sap@bancosta.com.hk

*bancosta oriente*  
**beijing**

phone: +86-10-8453-4993  
capespms@bancosta.it

*japan rep.office*  
**tokyo**

phone: +81-362-688-958  
bancosta.tokyo@spa.nifty.com

**web site: [www.bancosta.com](http://www.bancosta.com)**

**linkedin: [linkedin.com/company/banchero-costa](https://www.linkedin.com/company/banchero-costa)**

**twitter: [twitter.com/banchero\\_costa](https://twitter.com/banchero_costa)**

In addition to regular market reports, banchero costa research recognize the need for bespoke reports & analysis, tailored to specific client needs.

Reports can be produced on a wide range of shipping markets including dry bulk, tankers, gas & containers. In addition in-depth reports can be produced on specific commodity markets.

To discuss individual requirements please contact:

**Phone: +65 6327 6863**

**Email: [research@bancosta.com](mailto:research@bancosta.com)**

**Legal notice:** The information and data contained in this presentation is derived from a variety of sources, own and third party's, public and private, and is provided for information purposes only.

Whilst *banchero costa* has used reasonable efforts to include accurate and up-to-date information in this presentation, *banchero costa* makes no warranties or representations as to the accuracy of any information contained herein or accuracy or reasonableness of conclusions drawn there from.

Although some forward-looking statements are made in the report, *banchero costa* cannot in any way guarantee their accuracy or reasonableness.

*banchero costa* assumes no liabilities or responsibility for any errors or omissions in the content of this report.