



ALIBRA Weekly Market Report



AMERICA: CHEAP FREIGHT AND CHEAP CRUDE

VLCCs fixed to carry crude from the US are few and far between – not least because the government only permitted the commercial export of American crude in December. Then, of course, there's the US's lack of load ports able to handle VLCCs.

Nevertheless, this year has seen a regular sort of trade developing, with a VLCC from the VL8 Pool fixed in the spot market around once every two months for the US Gulf to Singapore run. Interestingly, this month alone has seen two such VLCC fixtures!

Today, Gener8 Maritime's VLCC **GenMar Zeus** (318,300 dwt, built 2010) has been reported fixed on subs in the spot market for a voyage from the US Gulf to Singapore for ST Shipping, laycan Sept 8-10. The rate was not reported.

On August 9, Navios Maritime Acquisition's **Nave Electron** (305,200 dwt, built 2002) was reported fully fixed to ST Shipping for a voyage from the US Gulf to Singapore for a lump sum rate of \$2.75m, laycan August 27-31.

Previous to these fixtures, the last time any VLCC was fixed ex-US Gulf was in June for ST Shipping (again), which fixed **Gener8 Success** (320,000 dwt, built 2010) for a voyage to Singapore, loading July 25-30. The lump sum was reportedly \$3.75m.

Cheap freight rates and a generally weak VLCC market are a big factor in these notable fixtures from the US. The lump sum paid for Nave Electron this month pales in comparison to a failed deal reported in early March, for which **\$4.85m** had been mooted for the US Gulf-Singapore voyage.

VLCC voyages from West Africa haven't been quite as numerous as they have been in previous months, so it looks as though the US is stepping into the breach – especially while the arbitrage with Brent stays open.

Consultancy firm Energy Aspects expects exports of US crude to increase in coming weeks, as outages in West Africa squeeze supply and props up demand.

Over 10m bbl of oil is rumoured to be "leaving the US over the course of the next month or so – most of which is pointed towards the Med and Northwest Europe," according to research by Energy Aspects. Two suezmaxes have been reported fixed this week for a US Gulf-UK/Med trip.

The price differential between Brent and WTI crude has also widened this week, and traders are seizing arbitrage opportunities. WTI is currently trading at \$48.21/bbl, while Brent is trading 5.45% higher at \$50.81/bbl. On Tuesday, the differential was as wide as \$2.50/bbl over US crude futures, the most since late February.

Some key figures:

681 VLCCs

Currently on the water

118 VLCCs

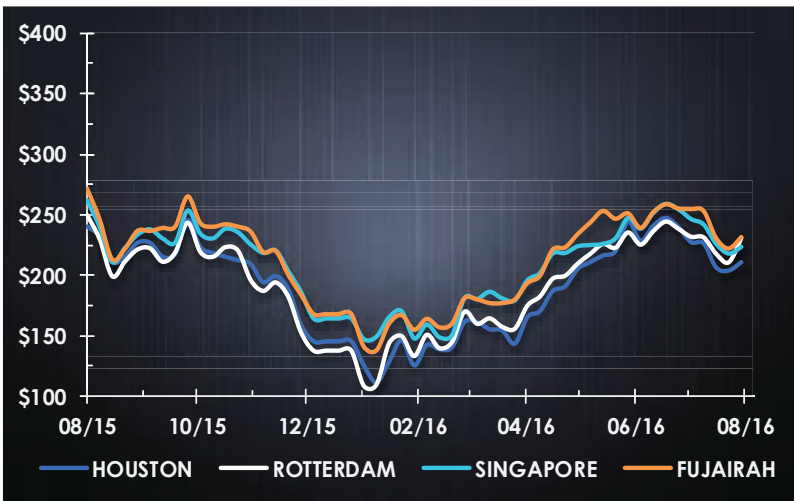
In the global orderbook

17%

Orderbook as a proportion of the live fleet



Bunker prices

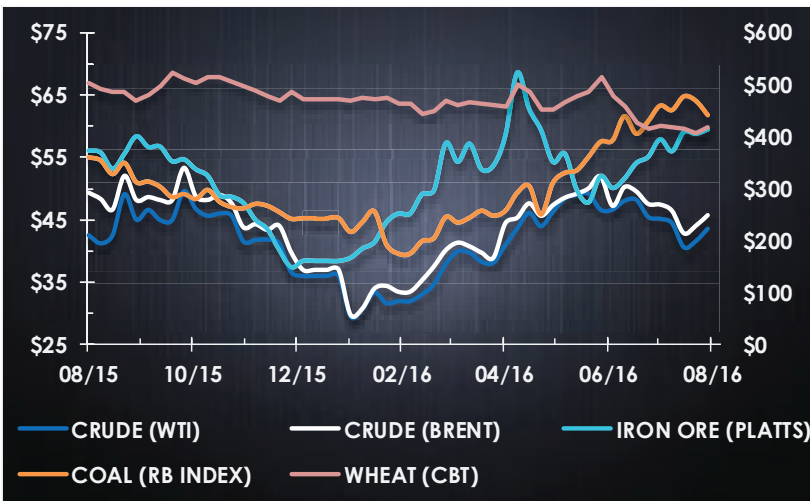


PORT	380 CST	MGO
HOUSTON	243.5	469.5
ROTTERDAM	244.5	414.0
SINGAPORE	259.5	435.5
FUJAIRAH	265.5	520.0

COMMENT

Bunker prices rose across all regions for both IFO 380 and MGO, boosted by the rally in Crude as Brent closed above \$50 for the first time in 6 weeks. Houston MGO experienced the largest increase by \$43.5 from \$426 to \$469.

Commodity prices

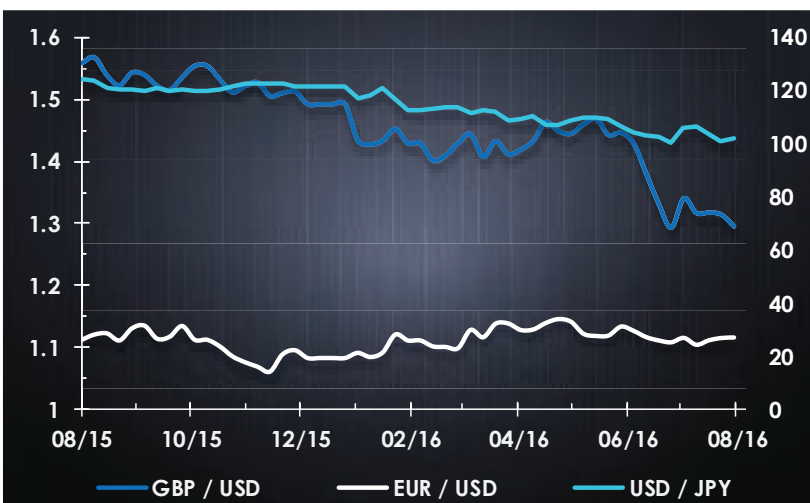


COMMODITY	PRICE	LAST WEEK (+/-)
CRUDE (WTI)	43.66	2
CRUDE (BRENT)	45.70	1.7
IRON ORE (PLATTS)	59.60	0.7
COAL (RB INDEX)	61.80	-2.3
WHEAT (CBT)	418.00	11

COMMENT

All commodities are up with the rally in Brent and WTI to \$48.22 (+3.06%) being the key development for wider markets ahead of OPECs meeting next month. Iron ore continues to hold above \$60 attributed to a Chinese government stimulus effort to stabilise slowing output.

Currency prices



CURRENCY PAIR	PRICE
GBP / USD	1.29522
EUR / USD	1.1152
USD / JPY	101.997
USD / KRW	1102.91

COMMENT

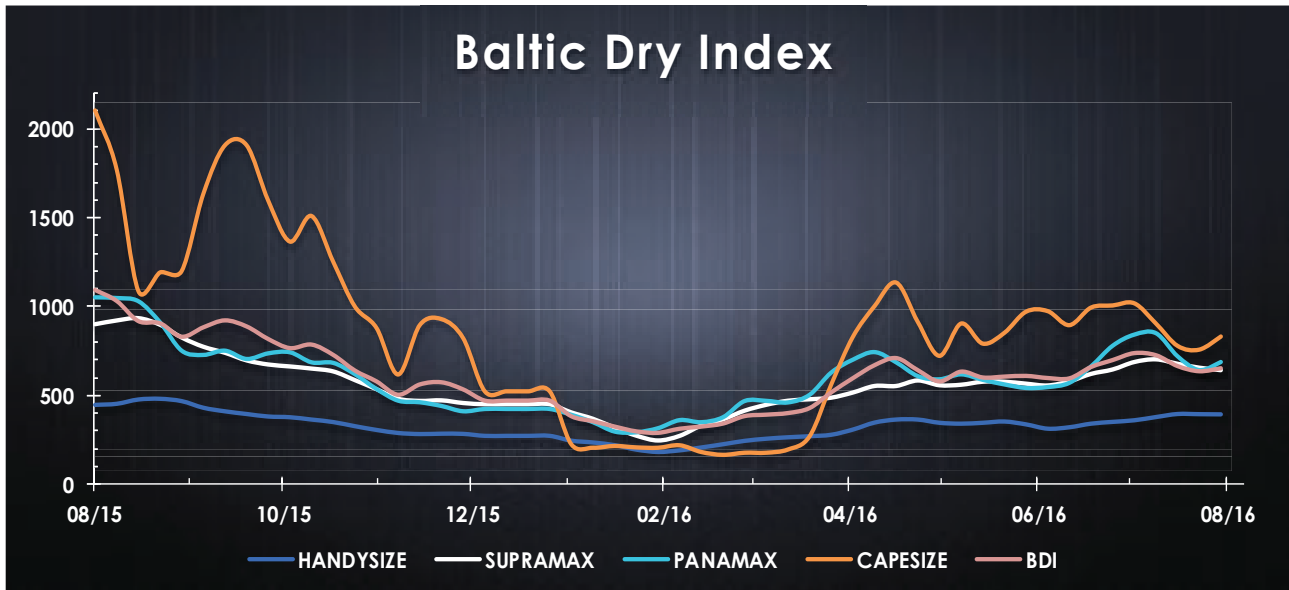
The Pound recovered this week to 1.31/\$ following strong domestic consumption data after a low of 1.28/\$. The Euro continued its rally against the Dollar trading at 1.13/\$ despite losing gains against the Pound.



Dry bulk

BALTIC DRY INDEX

SIZE	THIS WEEK	LAST WEEK	CHANGE (+/-)
HANDYSIZE	407	394	13
SUPRAMAX	677	640	37
PANAMAX	727	687	40
CAPE SIZE	852	833	19
BDI	682	653	29



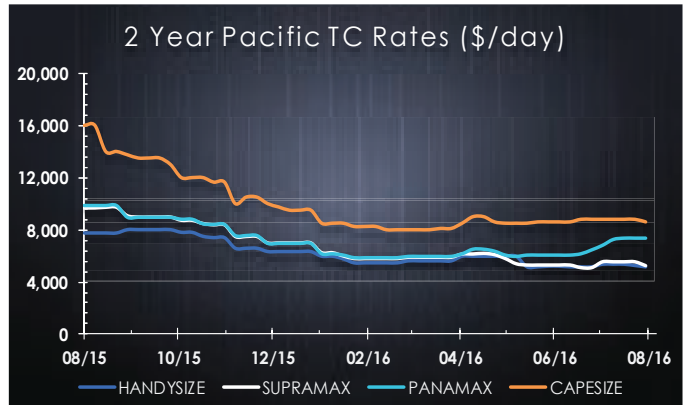
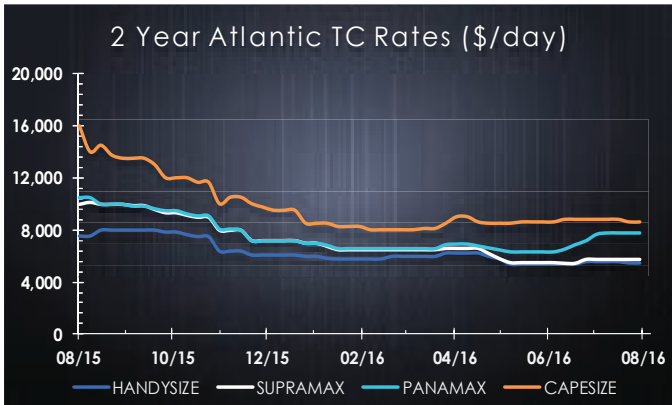
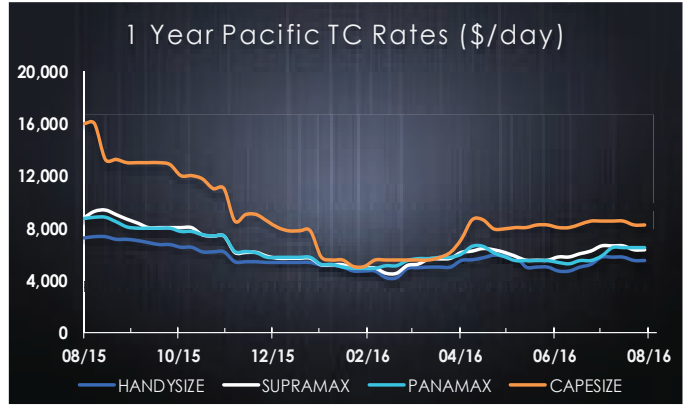
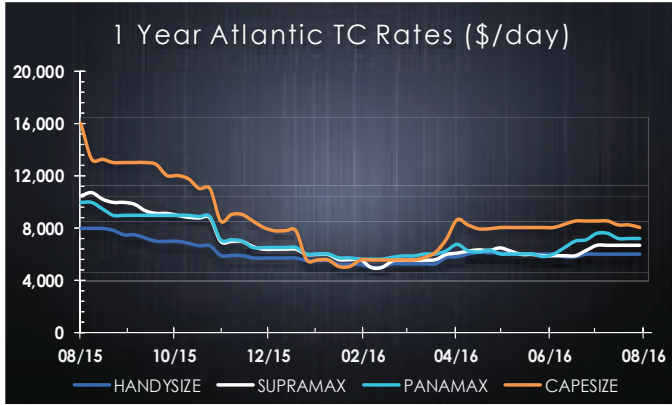
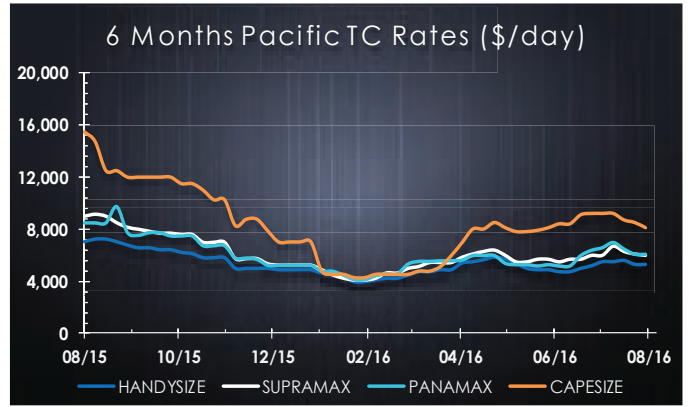
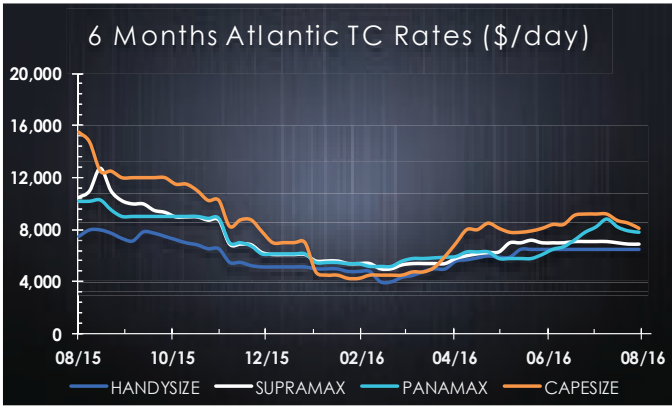
DRY TIME CHARTER ESTIMATES (\$/pdpr)

SIZE	6 MOS		1 YR		2 YR	
	ATL	PAC	ATL	PAC	ATL	PAC
HANDY (32k dwt)	↔ 6,500	↔ 5,300	↔ 6,000	↔ 5,500	↔ 5,500	↔ 5,200
SUPRA (56k dwt)	▲ 7,300	▲ 6,200	↔ 6,700	↔ 6,300	↔ 5,750	↔ 5,350
ULTRA (62k dwt)	▲ 7,400	▲ 6,300	▲ 6,900	↔ 6,400	↔ 6,000	↔ 5,700
PANA/KMAX (76k-82k dwt)	↔ 7,700	▲ 6,400	↔ 7,200	▲ 6,700	↔ 7,800	↔ 7,400
CAPE (170k dwt)	▼ 7,800	▼ 7,800	↔ 8,200	↔ 8,200	↔ 8,600	↔ 8,600

* Arrows only indicate the movement compared to the past week hence not necessarily the market trends.

COMMENT

- ◇ The dry markets for all sizes have firmed recently for Handysize and Supramax rates which had been slipping particularly of the back of USG trade.
- ◇ Cape rates have enjoyed minor stability following Western Australia-North China trade in iron ore while period Capesize rates for 6 Months are hovering below \$8,000/pdpr.
- ◇ Ultra's trading in Pacific for short period achieved improved rates this week, reaching mid 7s/pdpr.



PERIOD FIXTURES

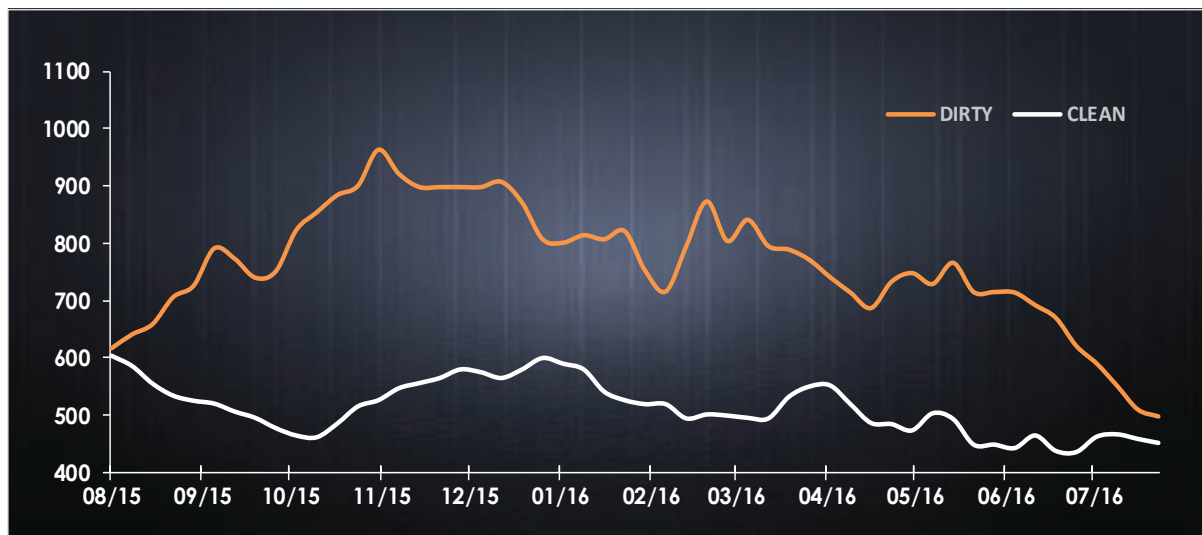
VESSEL	SIZE (DWT)	BUILT	PERIOD	DELIVERY	RATE (\$/DAY)	CHRTR
CHINA HARMONY	179	2016	12-16 MOS	QINGDAO	9,000	UNIPER
CARAVOS GLORY	82	2012	5-8 MOS	HALDIA	6,750	CRYSTAL MARITIME
SBI BRAVO	62	2015	5-7 MOS	IMBITUBA	7,500	DREYFUS



CPP/DPP & Crude

BALTIC TANKER INDEX

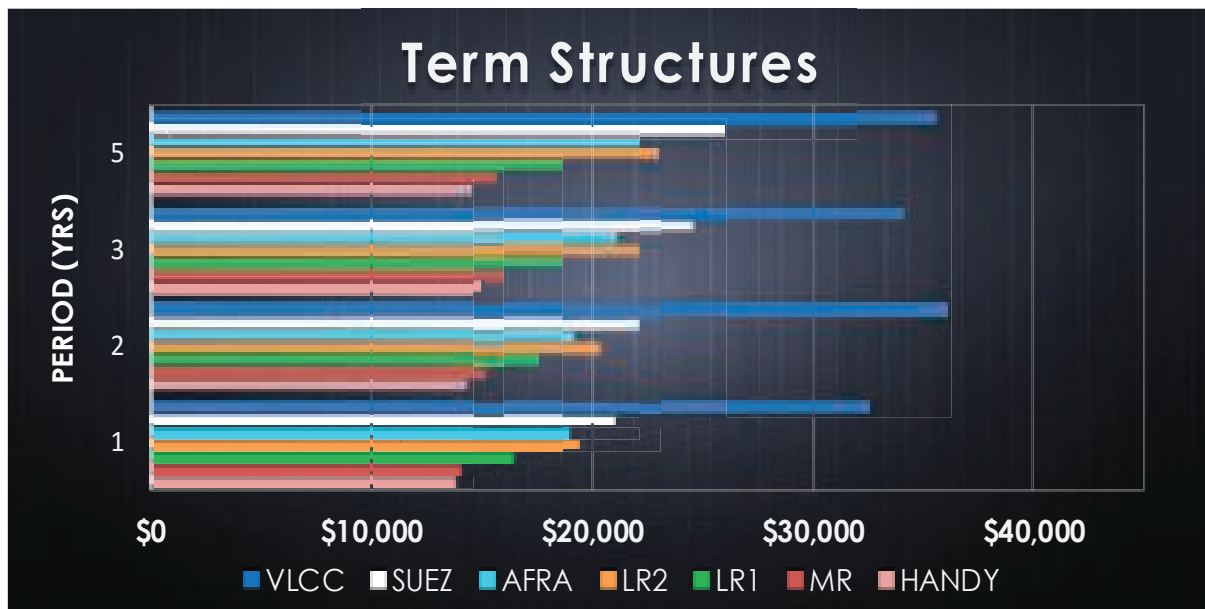
	THIS WEEK	LAST WEEK	CHANGE (+/-)
DIRTY	497	509	-12
CLEAN	451	458	-7

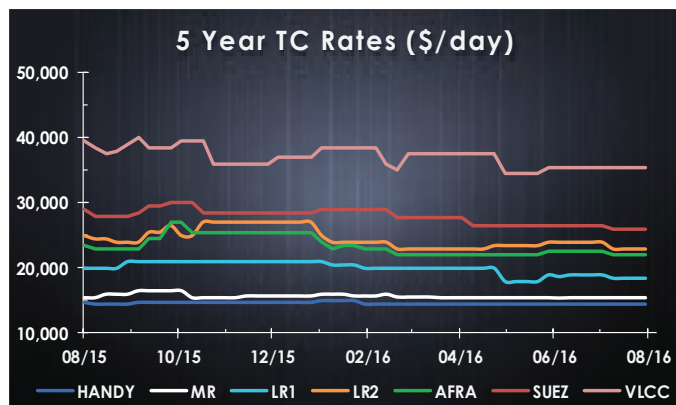
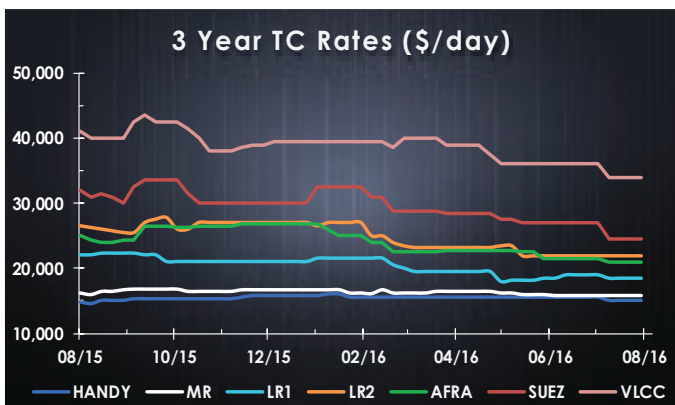
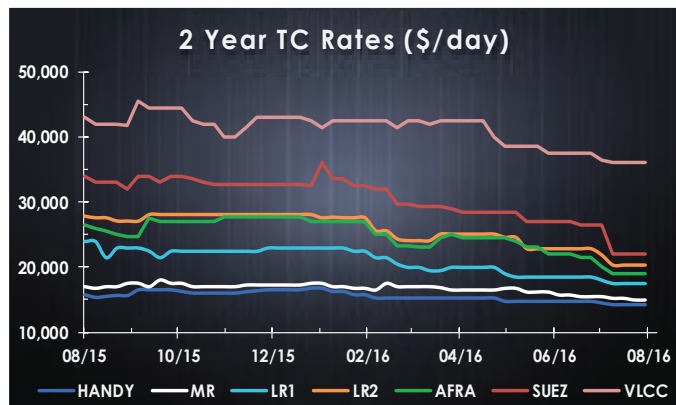
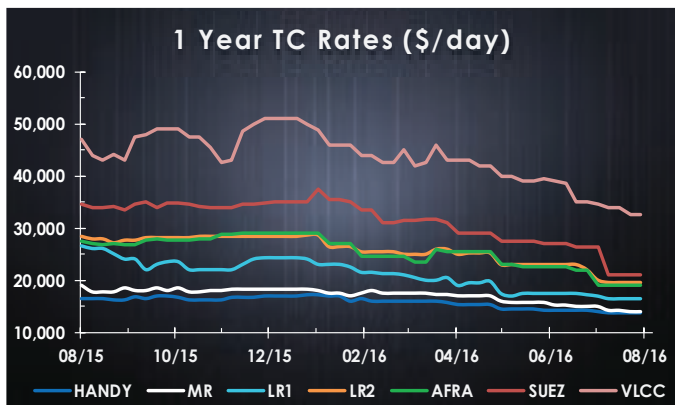


TANKER TIME CHARTER ESTIMATES (\$/pdpr) NON—ECO TONNAGE

SIZE	1 YR	2 YR	3 YR	5 YR
HANDY	13,750	14,250	15,000	14,500
MR IMO3	14,000	15,000	15,850	15,500
LR1	16,500	17,500	18,500	18,500
LR2 (115 dwt cpp & dpp)	19,500	20,250	22,000	23,000
AFRA (115dwt)	19,000	19,000	21,000	22,000
SUEZ	21,000	22,000	24,500	26,000
VLCC	32,500	36,000	34,000	35,500

* Arrows only indicate the movement compared to the past week hence not necessarily the market trends.





PERIOD FIXTURES

VESSEL	SIZE (DWT)	BUILT	PERIOD	RATE (\$/DAY)	CHTR
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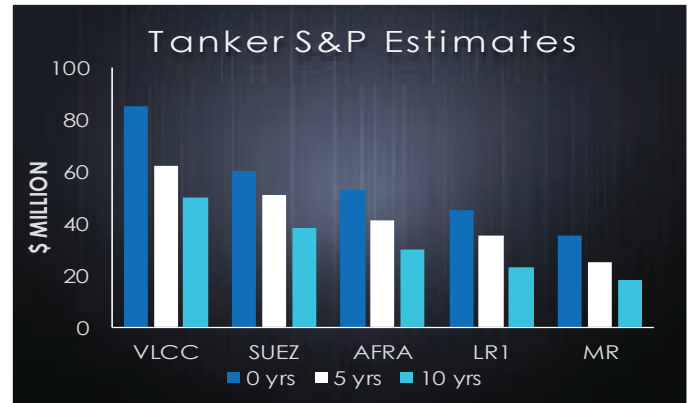
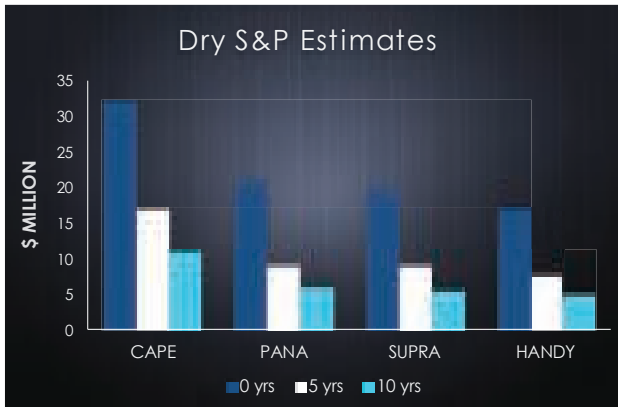
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COMMENT

- ◇ Crude prices reached the highest rates in five weeks with Brent closing at \$48 and WTI at \$46 following speculation that OPEC could freeze crude output and opt for market stability.
- ◇ No reported period fixtures this week, as the players seem to be waiting for September stems. All rates across the board remained depressed, with a good example Suezmaxes and VLCCs that can barely achieve rates of \$19,000 and \$21,000 for 1 Year contracts.
- ◇ In the spot market, LR2s in MEG seem to perform fairly better this week but not enough to see better rates.



Sale and Purchase



DRY S&P

VESSEL	DWT	BUILT	PRICE (\$M)	BUYER
TRF CHARLESTON	208	2017	33.5	KOREAN
TRF CHRISTIANIA	208	2017	33.5	KOREAN
ATLAS ISLAND	77	2008	9.5	GREEK
GRAND SKY	76	1998	3	CHINESE
NORTH PRINCE	76	1999	3.65	CHINESE
GANGES	74	2007	7	CHINESE
YANGTZE	73	2001	3.4	CHINESE
MATILDE CORRADO	72	2002	4.8	KOREAN LINE
N/B RESALE HULL DE031	61	2017	18.3	BW GROUP
TEN YU MARU	58	2010	11.7	SR SHIPPING
SUNBAY	56	2008	5.7	UNDISCLOSED
JIN BI	48	2000	3.8	CHINESE
FIGHTER	48	2001	PVT	CLIENTS OF LOADLINE
STOVE CAMBELL	46	1999	6.5 EN BLOC *	UNDISCLOSED
STOVE TRADER	46	1999	*	UNDISCLOSED
DON MARIANO	37	2016	14.5	UNDISCLOSED

WET S&P

VESSEL	DWT	BUILT	PRICE (\$M)	BUYER
GENMAR VICTORY	313	2001	29	SENTEK MARINE

DEMOLITION PRICES (\$/ldt)

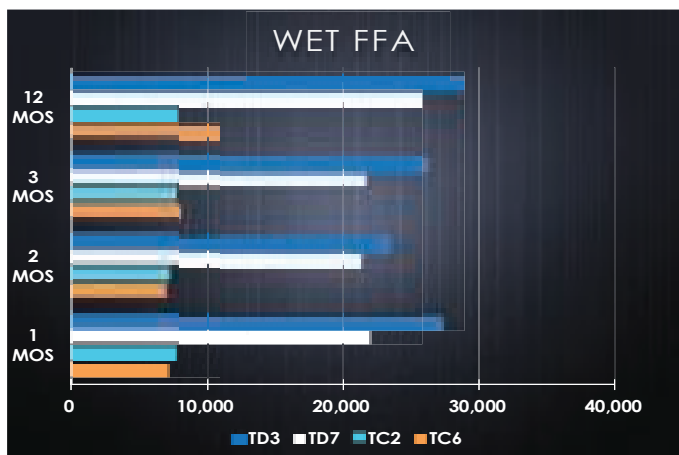
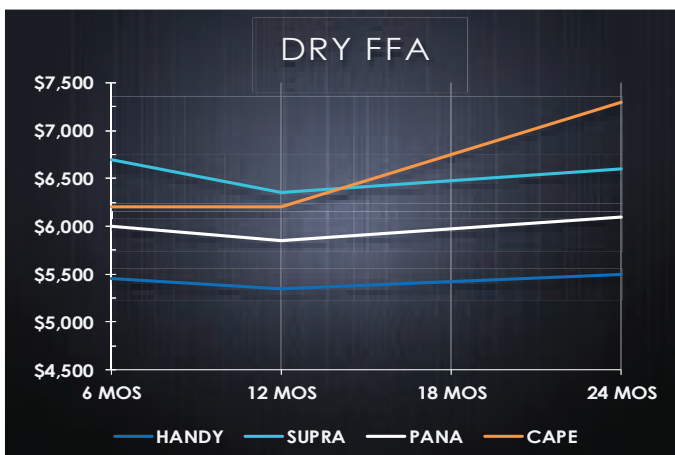
	2013	2014	2015	2016
DRY	449	400	295	223
WET	476	420	310	241



FFAs

FFA DRY				
	HANDY	SUPRA	PANA	CAPE
6 MOS	5,450	6,700	6,000	6,200
12 MOS	5,350	6,350	5,850	6,200
24 MOS	5,500	6,600	6,100	7,300

WET FFA				
	TD3	TD7	TC2	TC6
1 MOS	20,000	13,400	4,800	5,200
2 MOS	23,300	17,500	5,250	6,800
3 MOS	24,300	19,400	6,300	8,150
12 MOS	24,160	23,400	6,350	10,800



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