

From [Martin Korsvold's](#) Shipping Daily: "**Tanker sale rock the boat.** We understand that a ten year old aframax has been done at USDm 19 vs quoted shipbroker values of USDm 29. The spec of this vessel warrants a USDm 1-2 discount, but this is still a steep drop. At the same time we believe MR resale values are heading south of USDm 30 vs quoted broker levels of USDm 32. Values are quickly approaching levels where there should be some buying support."

### Tankers

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#### Crude

|                  |        |            |  |
|------------------|--------|------------|--|
| VLCC Ag/East     | 38/40  | (\$14.5k)  | rates coming off while bunkers rise                    |
| SM Wafr/Usac     | 62/65  | (\$19k)    | possible bottom. Watch lava strike and straits delays. |
| Nov AG fixtures  | 59     | up 3       |  |
| Nov Wafr bbls    | 101m   | up 5       |  |
| Dec Wafr bbls    | 7m     | up 3       |  |
| Turkish Straits  | 3n /2s | about same |  |
| Fujairah bunkers | 468    | up 2       |  |

**Physical:** AG rates continue to soften while bunker prices rise – not a good combo for Owners. The fixture pace remains slow and steady – with the total fixture count creeping up slowly. We will know more on Monday/Tuesday if indeed Eastern players come into the market with some force. If this does not occur – the expected Q4 rally will then face serious doubt. The Wafr bbl count is quite impressive. If by chance demand can sustain itself, then those calling for a market bottom here and now will likely be proven correct.

From [Greg Lewis'](#) "Thought on Ship Values – Tale of Two Ships": "While we expect VLCC prices to move lower heading into next year. We expect price quotes from shipbuilders for newbuildings to help establish prices of second hand tonnage. Shipbuilders remain in a tough spot having taken next to no new orders over the last year. The bigger question and the sometimes difficult one to gauge is are the shipbuilders committed to profitability or will they act to serve their national interests such as employment. While we believe that many ship owners will remain focused on turning a profit we would not be surprised if some shipyards, especially shipbuilders that are backed by their respective governments lower newbuilding pricing to the point where they are no longer profitable. While this strategy should help these shipyards maintain their backlogs, the consequence for ships already on the water would most likely be a decline in value".

**Crude FFAs:** Quiet. **TD3** Dec trades flat at 47 while Nov remains at 43.75. Hope is slowly fading – though it is not dead. Let's see what Monday brings in terms of physical demand. **TD5** Nov and Dec remain priced at the 67/68 level.

#### Clean

|                |    |          |                 |
|----------------|----|----------|-----------------|
| 37kt Cont/ta   | 90 | (\$2k)   | about same      |
| 38kt Caribs/up | 75 | (- \$2k) | still miserable |
| 55kt Ag/East   | 85 | (\$8k)   | possibly softer |

**Physical:** Atlantic basin clean remains double flushed in the *Thomas*. Any new inquiry is quickly absorbed by willing tonnage. Eastern clean continues its trend of steady on some routes and soft on others.

**FFAs:** **TC2** has seen minimal trading as the Feb contract adds 1 point to 138. Nov and Dec remain mostly the same at 94.50 and 100, though we continue to see a point, or maybe half a point, shaved off these numbers each day. Nothing that would represent a landslide fall in prices...but when you begin to add up the declines – it becomes somewhat notable. In the East, volumes have been fair/good. **TC4** Dec trades flat at 97 while **TC5** Nov trades up a point to 88.

## Dry Bulk

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### Baltic Indices

BDI 3393 up 58  
BCI 5583 up 102  
BPI 3556 up 76  
BSI 1888 up 33  
BHSI 885 up 5

**Frode Morkedal:** "Baltic Dry up another 1.2% yesterday as the Atlantic remain firm in combination with busier Eastern markets, brokers speculated in more upside to rates. Yesterday, Capesize rates were up a modest 0.7% to \$57,600/day. However, with more activity seen in the Pacific for Australian rounds, the Capesize market seems to have regained some strength after the scare experienced earlier in the week when the iron ore majors withdrew from the market. Both Rio and BHP were active in the market yesterday with BHP unconfirmed fixing iron ore Australia-China at \$14.20 per ton vs. Index at \$14.5 per ton. Rio took a vessel in at \$55,000/day for a Pacific round-voyage although brokers also reported that EdF fixed a vessel at \$51,000/day. This compared with yesterday's Cape index that reflected \$52,500/day. In the Panamax sector, average earnings were up 2.4% to \$27,900/day. Demand was said to be strong in the East with NoPac rounds as high as \$28,000/day vs. index at \$26,000/day."

Dry FFAs - very good volume

|       | Spot           | Q1 FFA         |
|-------|----------------|----------------|
| Cape: | 58627, up 1014 | 38500, up 3250 |
| PM:   | 28549, up 620  | 22500, up 1250 |
| SM:   | 19736, up 340  | 18000, up 500  |

## Equities

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### Capital Link Indices

Maritime: 1649.60 +36.99 +2.29%  
Tanker: 1966.42 +30.77 +1.59%  
Dry: 899.38 +23.22 +2.65%

### **EGLE – 2 Buy, 3 Hold, 4 Sell**

- Doug Mavrinac maintains a BUY on EGLE, though lowers target to \$9 (from \$10).
- Scott Burk maintains a PERFORM on EGLE.
- Urs Dur maintains a HOLD on EGLE.
- Jonathan Chappell maintains an UNDERPERFORM on EGLE.
- Natasha Boyden maintains a SELL on EGLE (\$4).

### **SSW – 3 Buy, 4 Hold**

- Justin Yagerman maintains a HOLD on SSW (\$10).
- Frode Morkedal maintains a BUY on Eitzen Chemical, though lowers target to NOK 3