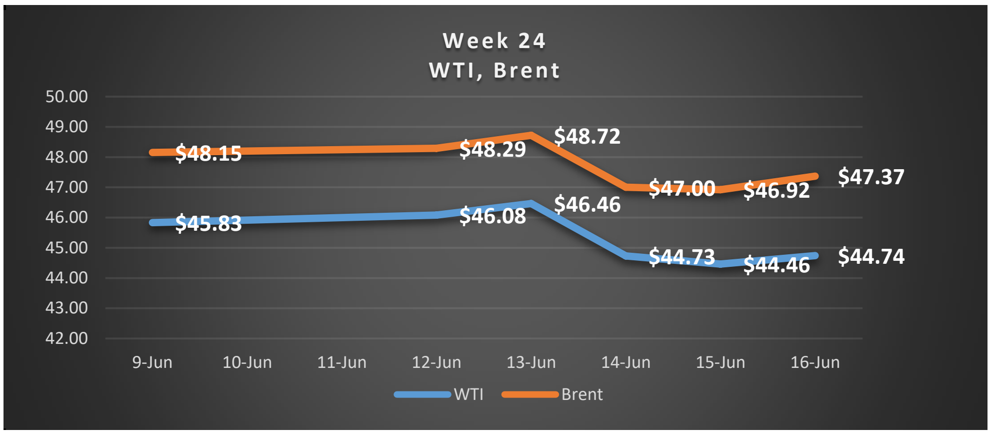
WEEK 24 – MARKET REPORT

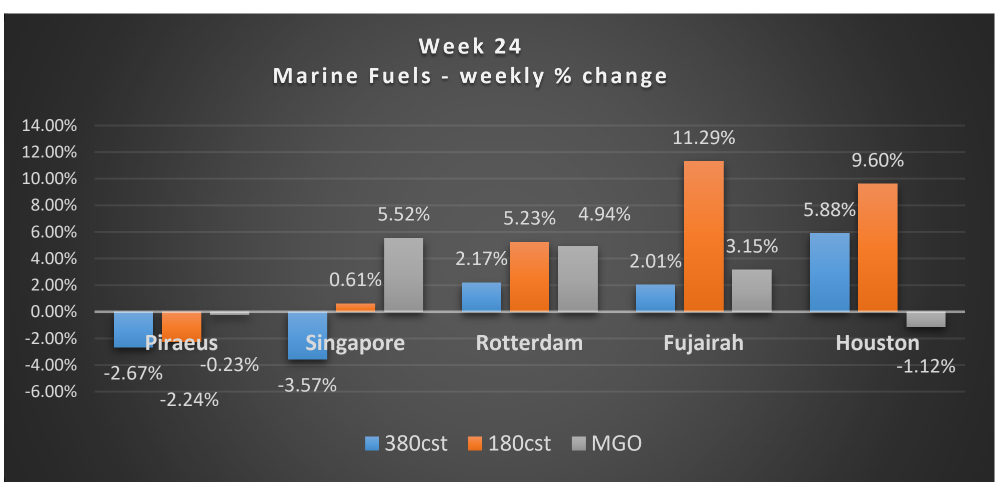
Kostas N. Ladis

1) Oil Market Commentary



- Crude oil prices posted the longest run of weekly losses since August 2015 as OPEC member Libya restored production and the surplus in the US shows little sign of abating. US inventories fell less than forecasted last week, keeping supplies more than 100 million barrels above the 5-year average, growing concerns that supplies will offset the production curbs by OPEC. According to Libya's National Oil Co., the country's output will reach 900,000 barrels per day within days. This coupled with the revived production in Nigeria, both countries exempted from the output cut deal, led OPEC production jumping last week. *(Source: Bloomberg)*.
- US crude stockpiles decreased by 1.7 million barrels last week to 511.5 million barrels. US gasoline inventories increased by 2.1 million barrels to 242.4 million barrels. US crude imports averaged over 8.0 million barrels a day last week down by 361,000 barrels. US crude production decreased by 12,000 barrels a day to 9.330 million barrels last week, while oil rigs, targeting US crude rose by 6 to 747. *(Source: EIA, Bloomberg)*.
- The IEA, on its forecast for 2018, said that new non-OPEC output next year will be more than enough to meet demand growth. The US, Brazil, Canada and other producers outside OPEC will increase output next year by the most in 4 years. So while the cutbacks should reduce the world's bloated oil inventories to average levels by the time they're scheduled to end next spring, demand for OPEC crude won't be big enough for the group to reverse the curbs without seeing stockpiles rise again. *(Source: Bloomberg)*.

2) Bunker Market Commentary

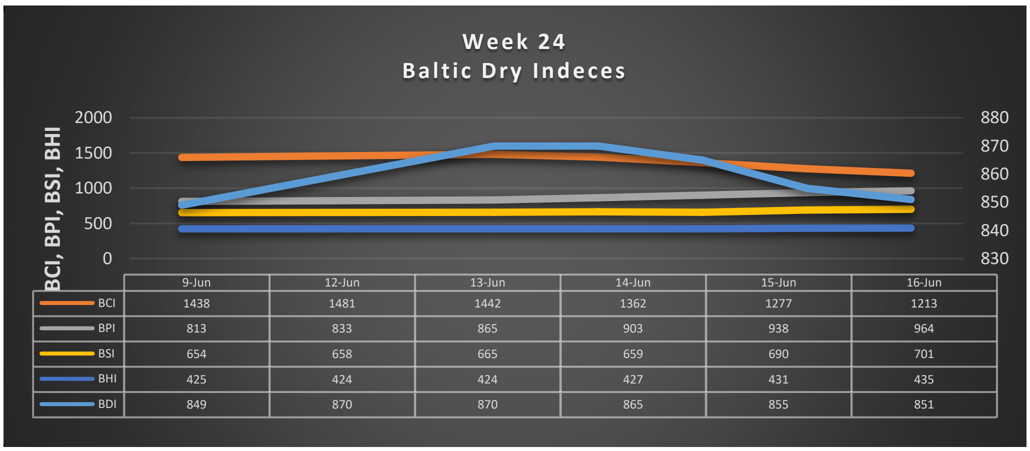


The information contained in this document has been obtained from various sources. Notwithstanding the great care taken in the production of this market report, B&L Transoil (Holdings) Ltd and its affiliates undertake no liability and make no representation or warranty for the information on this document or for the consequences of any decisions made based on the information contained herein.

Grades	380cst			180cst			MGO		
Ports	start week	end week	% change	start week	end week	% change	start week	end week	% change
Piraeus	$300	$292	-2.67%	$312	$305	-2.24%	$437	$436	-0.23%
Singapore	$308	$297	-3.57%	$327	$329	0.61%	$417	$440	5.52%
Rotterdam	$276	$282	2.17%	$306	$322	5.23%	$405	$425	4.94%
Fujairah	$298	$304	2.01%	$310	$345	11.29%	$540	$557	3.15%
Houston	$255	$270	5.88%	$323	$354	9.60%	$446	$441	-1.12%

- It was overall a volatile week for bunker prices, with several major bunkering hubs posting higher prices, despite crude oil's strong downward trend. Demand in Singapore was reported good, with, however, several suppliers citing tight barge availability. The country's year-to date bunker sales reached a new record high. Sales in the first 5 months were at 21.084mts, an increase of 4.2% compared to last year.

3) Dry Bulk Market Commentary



Weekly % Change	
BDI	+0.24%
BCI	-15.65%
BPI	+18.57%
BSI	+7.19%
BHI	+2.35%

The BDI remained stagnant this week, with, however the BCI losing 225 points to close at 1213. The BPI on the contrary gained 151 points to close at 964, while the BHI and BSI both posted gains. A typically slow start to the week for the **Cape** market. There was some fresh business quoted and fixed in the Atlantic and owners were quick to tout firmer numbers. An end June C3 cargo was reported done at $12.75 but suggestions were it was 'package deal' with Louis Dreyfus also taking a July cargo from SwissMarine at $13.50. Trading in the east was minimal and insufficient to push rates up. Timecharter business saw a 2003-built 176,243 dwt vessel fixed for June 15 delivery Lanqiao on a trip via Australia back to Singapore-Japan at $13,000 daily and a 2005- built 173,806 dwt ship at $11,500 daily for June 13 delivery Shanghai for a similar trip. Pacific voyage business heard a June 27-July 3 loading Port Hedland to Dangjin at $5.30 and a June 19-28 cargo from Port Hedland to Kwangyang at $4.65. Mid-week there was little to indicate that the market was in for a recovery in the short term. Rates slipped away with still too many ships chasing too few cargoes and very little reported fixed. In the Atlantic, ECSA saw little fresh inquiry, while North Atlantic business struggled once again. A July 5-10 loading from Acu to Ijmuiden was reported at $6.10. In the Pacific the Key West Australia/Qingdao route was well under $5.50 On timecharter a 2010- built 176,104 dwt vessel fixed for June 17-19 delivery Jingtang on a trip via Abbot Point redelivery Zhuhai at $8,000 daily. C5 saw 2 end June loadings at $5.30 and 2 ships for early July loadings at $5.35. Demand for tonnage faded in the approach to the weekend, with rates easing in both basins. Charterers pulled back their ideas forcing owners to consider lower rates. The market was practically "dead" in the Atlantic. A Bolivar/Rotterdam July 2-11 cargo was done region $6.10 Pacific reported more fixtures done but at lower levels. A 2004-built 173,000 dwt ship was taken from Rizhao June 17 for a trip to India via East Australia at a weak $6,500 daily. C5 heard an end June-July 2 from Dampier at $5.20 Elsewhere a Whyalla/Qingdao July 5-11 loading was done at $7 and an Esperance/Qingdao July 6-10 region $6.55. The fundamentally oversupplied market shows no short term sign of abating. In the **Atlantic Panamax** market the increased activity of the previous week resulted in a better market during the one that is just over. ECSA was again the main provider of fresh cargoes and rates from the area improved significantly on a daily basis. North Atlantic was not as active but the short list of available tonnage led to improved rates there as well, both for transatlantic and fronthaul trips loading mainly in the USG as the Continent remained relatively quiet giving only some fertilizer cargoes from the Baltic. Period interest also picked up with charterers willing pay up for 2/3 laden legs in the Atlantic - hopefully a good sign for things to come. The sentiment after quite some time is positive and if the Pacific market continues improving and keeps its vessels employed locally, a further improvement can logically be expected. The **Pacific Panamax** market rebounded this week with more cargo volume to be transported and less ship available. There was some period activity reported. Kamsarmax could earn around u$8,900 per day for short period delivery Fareast. By the end of the week nice standard kamsarmax could fix around $7,500 per day delivery South Korea for one nopac round voyage or Australia round voyage to India. Lme panamax could earn around $6,500 per day delivery South China for one Indonesia round voyage coal to South China. In the Handy market, Ultras and Supras vessels still abundantly available in the Atlanic, rates have struggled to make any significant gains. Trans-Atlantic business was said to be seeing around $12,500 daily for ultramaxes from ECSA. Handysizes in the Atlantic are seeing firmer rates, with an infusion of new business supporting the market according to sources. While some fixing and failing was noted, sources said the market still appeared to be holding onto recent gains. A charterer agreed $11,000 daily for an UpRiver/ Rotterdam run with a prompt 54,000-tonner. Handysizes also saw some good numbers, with charterers agreeing $14,500 daily for a prompt 39,000-tonner from Santos to Conaval via WC S. America. In the MED / CONT the feeling last week was that numbers was tick better and with more activity, but information were scarce. Rates for vessels with delivery in the Med were getting better. For example, a 55k-dwt delivery in the Med was fixed at $5,750pd with redelivery in the USEC. During the middle of the week, a 33dwt was fixed at $5,000pd basis delivery black sea to USG, also a 28dwt was fixed for same run but with delivery at Canakkale bit below $5,000. At supramax sector, because of tonnage build in the Med area numbers were about the same. It was rumored, that there were a fixture from EMed at $8,000 to WAFR. Regarding the Cont, scrap cargoes on handies from Cont to EMed were paying around 9,000pd. Trips to India were getting around $11,000, while trips to ECSA the levels were hovering around $5,000 and lastly from Cont to Central Med and specifically to Algeria were around $7,000. Supramax market's shape kept improving in the FEAST / INDIA, Some better flow of fresh cargo in Indonesia as well as available tonnage lists getting shorter, all together pushed rates to bit healthier levels. Vessels could secure around $8,500 basis Spore for coal via Indonesia to India or China, and is clearly moving towards $9,000. Ships opening North China still had a tough time to find employment. Standard supras could secure around $7,000 for trips to India/ PG areas, or closer to $6,500 for Southeast Asia direction. NOPAC market was relatively quiet, but seems rates should be moving around $7,000 basis Japan for a round on a decent unit. PG/India markets also saw some better days; however situation there is still depressing. Limestone via Mina Saqr to India was paying around $7,500/8,000 basis APS, while salt via WCI to China was moving closer to $6,500 dop. Ballasters could achieve around $14,500 basis Richards Bay for India/PG direction or close to $13,000 for trip to Spore/Japan. On the period font, seems like levels were fluctuating around $8,000/8,250 basis FEast delivery for short period on decent/flexible ship, whilst in PG where sentiment has dramatically softened, rate for same should be moving closer to $7,500. *(Source: Carriers Chartering).*

Bulk Time Charter Average (pdpr) *(Source: Alibra).*			
	6mos	**1 years**	**2 years**
Handy	$7,100	$7,100	$7,300
Supramax	$8,850	$9,000	$8,900
Panamax	$9,250	$8,850	$9,550
Cape	$13,000	$14,000	$15,000

4) Tanker Market Commentary

In the **crude market,** VLCC rates in the AG seems to have peaked, as the market started working on July cargoes and charterers trying to squeeze rates. However, there seems to be good support with rates remaining at current levels. For Suezmaxes it has been a depressing week with rates plunging on the back on muted activity and swelling tonnage list. Owners tried to fix as early as possible on dates closest to their positions, with several vessels reported failing subs. Activity in the BSEA and Med was also depressed and this coupled with a steady build of ships has led rates down. Aframaxes in the NSEA and Baltic saw better week, albeit volatile, with rates increasing. This was mainly due to Primorsk coming back after the pipeline maintenance. The Med and BSEA was steady, while Libyan activity saved owners from the TCE move down to break-even numbers. In the clean market it was not an exciting week for owners trading in Atlantic. Trans-Atlantic voyage earnings for MRs has dropped, reducing triangulated earnings from Usd 15,000 to about USD 12,000. LR1s trading from the Cont to WAFR saw a slight increase in rates, while the benchmark LR2 voyage from the Med to Japan gained Usd 100,000 and paying in the region of Usd 1.650m There was little change for Handies trading in the Med and Cont. *(Source: Fearnleys)*.

Tanker Time Charter Average (pdpr) *(Source: Alibra).*			
	1 year	**2 years**	**3 years**
Handy	$11,500	$12,000	$13,000
MR	$13,000	$13,000	$14,500
LR1	$13,000	$13,500	$15,000
LR2	$15,500	$16,000	$18,000
Aframax	$15,500	$16,000	$17,500
Suezmax	$19,000	$19,500	$21,000
VLCC	$29,000	$28,500	$30,000

The information contained in this document has been obtained from various sources. Notwithstanding the great care taken in the production of this market report, B&L Transoil (Holdings) Ltd and its affiliates undertake no liability and make no representation or warranty for the information on this document or for the consequences of any decisions made based on the information contained herein.