

### General Comments

November - where to start, firstly I would start in October where we wrote about the potential of a USD 30,000 cape market not materializing as the bulls in the market had expected. Well we were wrong and positively so the cape market in November pushed USD 30,000 for Waussie to China and was in excess of this for the Cape TA market.

We are in un-chartered territory as far as the global economy is concerned. China infrastructure and fixed asset investment is falling and the specialists in China are painting a negative picture in 2018 as spending is reined in. However, the US economy is booming and possibly heading to an over-heating scenario. The EU and Emerging economies are also growing very strongly. The last time China wobbled, it was in 2015 and the US fed delayed rising interest rates because of it. Should China wobble in 2018, the Fed will not be in a position to hold off rising rates, and possible we could see a faster rate rise than current predictions. Fast rising interest rates are not a good thing for Asia, considering the outstanding corporate debt that exists.

However, as far as dry bulk is concerned, the ROW is probably going to take up any "potential" fall in demand from China. The Middle East will be one of the hottest markets for Steel next year and demand is set to rise 5 %. The Dubai Expo, Saudi Eco-cities and 2020 World Cup in Qatar are all helping drive demand in the region. This will also see higher demand for cement and aggregates that are usually strong drivers of the market. India GDP is set to recover strongly in 2018, perhaps 8% per some analysts expectations, after the twin shocks of de-monetization and the introduction of GST brought GDP down below 5 % in the first half of the year. On our recent trip we found the mood in India is very positive, especially in Steel sector. In Indonesia, a country with a population of 250 Mill people, Wheat import demand is set to grow 11% in 2018 according to the USDA. In Turkey, GDP growth YoY hit 7 % in November as the economy powers ahead following the attempted coup in 2016. All in all PwC recently advised it expects World GDP growth in 2018 to be 3.7 % on a PPP basis, very strong indeed.

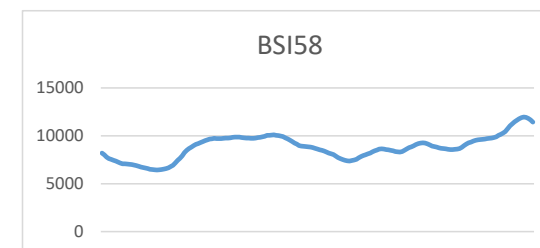
### Trade Flow Update

Iron Ore - Call it the iron ore wars. Two of Asia's financial heavyweights are going head-to-head as Hong Kong Exchange starts futures for a commodity that's seen extraordinary volatility and been a popular way to bet on China, challenging Singapore Exchange Ltd.'s leading position. HKEX began trading the futures, pitting the new dollar-denominated contract against those offered by SGX, which introduced its first swap contracts in 2009 and has become the world's largest clearer of the derivatives. To add firepower to the opening salvo, HKEX has promised newcomers all trading fees for the new product will be waived for six months. Iron ore sits at the heart of the global economy, especially in largest user China, and the commodity has attracted growing investor interest in recent years. The derivatives are used by miners and mills for hedging, as well as traders and funds, and Goldman Sachs Group Inc. found in an 2016 study that it was SGX's product that probably swayed the global market, rather than the more restricted offering on the mainland's Dalian Commodity Exchange.

Grain - Grain imports into China have forged ahead this year. After flat lining in 2016, soybean imports are up 11mt y-o-y at 77mt with the majority of this incremental cargo sourced from Brazil, which to date has shipped 46mt (up 9mt) on the back of record harvests. With a bumper crop in USA now delivering more competitive product pricing, soybean imports into China are likely to top 90mt by the year end. Barley imports at 7.6mt have also surged on strong demand and a good harvest in Australia which has so far supplied about 6mt of this figure. The only agricultural product to fall back is corn where imports from Ukraine have fallen to 1.5mt (2.5mt – 2016).

Coal – Shipped volumes of coal from Australia's North Queensland fell for the third consecutive month in November to a six-month low, data from the North Queensland Bulk Ports Corporation showed. The region, shipped 11.31 million mt during the month, which is down 2% year on year from 11.53 million mt, and 5% from 11.90 million mt in October. For the year to November, monthly exports from North Queensland peaked in August at 13.44 million mt, and have slid since then. Exports from the Dalrymple Bay Coal Terminal were the lowest since May, totalling 5.18 million mt in November, up 1% year on year from 5.11 million mt but down 22% from 6.64 million mt in October. DBCT has recently been experiencing vessel queues at the highest levels since 2010, with around 45 ships waiting. From 2011 to June 2017, the monthly daily average queue only exceeded 30 ships twice, according to DBCT Management data.

Oil - Oil prices were higher on Thursday after two dozen producer nations agreed to extend a deal to limit their production through 2018. Opec and other oil exporters led by Russia have kept 1.8 million barrels a day off the market since January, helping to boost crude prices about 40 percent from the lows of the year. OPEC members, Russia and nine other producers agreed on Thursday to replace the current deal that runs through March with an agreement that will be in place from January through December of 2018. Traders entered the week confident that the group would extend the agreement by nine months through the end of 2018. But ministers sent mixed messages through Thursday, with Russia's hesitance to agree a nine-month extension emerging as the main obstacle. Brent crude oil for January delivery was up 45 cents at \$63.56 a barrel, after earlier trading near a 2½-year high above \$64.



FFA	Current	Last report
Short Period (Pac)	10250	9500
1 Year Period (Pac)	10500	9500
Q1 FFA	9700	9400
Q2 FFA	10200	10550
Cal' 18 FFA	9900	9700

Commodities	Current	Last Report
SoybeanMeal (CBOT)	US\$317/ton	US\$320/ton
Fuel Oil (Sing 380)	US\$375/ton	US\$365/ton
Coal (Newcastle)	US\$97/ton	US\$100/ton
Iron Ore (London)	US\$67/ton	US\$62/ton

Pool Performance	Pool	Index
Jan-17	8871	6823
Feb-17	7157	6917
Mar-17	6708	9173
Apr-17	8872	9400
May-17	9266	8267
Jun-17	7754	7557
Jul-17	7947	8349
Aug-17	8778	8556
Sep-17	9728	10334
Oct-17	10060	11206
Nov-17	10360	9900

**Note all the above figures are net.**

**Detailed Supramax Analysis**

In November, we have again seen an extremely active Pacific market, the main drivers continue to be the Nickel ore and coal. The Nopac grain is now fully present in the market and being active but not to the extent that we were expecting. Aussie grain is limited and we do not foresee this to be in full swing until Jan onwards, however the cargoes there are still commanding USD 1,000-1,500 above a normal Aussie round view the cleanliness required. Steel exports remain stable however the majority being bhaul to the USGulf. China Coastal coal freight rate has increased and remains high, which in turn has been keeping the Chinese flagged vessels of the international market. The Bhaul market is limited and until the end of the month we have seen owners are preferring to stay in the Pacific view the high rates, this has meant the levels have increase to around USD 4,750-5,250 per day. SE Asia Coal remains strong and we have seen a continued strong activity in China and India. The market is USD 13,000-14,000 dop Singapore. The India market is still commanding a premium of USD 1,500-1,750 to the SEAsia market. The NOPAC grain market is active, TC rates are still at USD 9-1,000 ex Shanghai and similar to last month if you wish to book voyage you must discount USD 1,000 under the spot market.

Sand into Singapore is unchanged and remains a low paying cargo that is quick and positional.

India iron ore exports are strong and keeping the WC & EC busy. Rbay is also busy and market is firm. Rates ex India are at USD115000 dop for trips to China or SAfrica back to India or China.

In the Atlantic, ECSA for November has stayed strong and rates are now around USD 12,000 DOP WAfrica for trips within the Atlantic and for trips to Fareast USD 14,000 + 400K BB APS. The US Gulf continues to stay volatile and the dips we see are short term. Rates are now at USD 25,000 fhaul market and the TA at USD 21,500-22,500. The USGulf period market has remained flat and the main driver continues to be operators with cargo on the books being squeezed to take numbers between USD 14,500-15,000 for redelivery wwide basis 4-6 months and USD 14,000 for redelivery Atlantic.

The Med has been flat and slightly negative with the Blacksea grain season well and truly coming to an end, the rates ex Black Sea fetching USD 16,000-17,000 ex canakkale and trips out of the Med and USD8,500 to USA dop with 1 or 2 days ballast and USD 13,000 to WAfrica.

The Continent has stayed strong and supply remains extremely tight. Scrap is paying USD 16,000 for trips into the Med and Fhauls although very limited at USD 21,000. The Baltic RV is USD 10,000 but extremely limited.

**Pool View Strategy and Positioning**

In the month of November we have had 0.00 days off hire for the pool.

We are relatively balanced when looking at the two basins, the Pacific Ocean (11) and Atlantic (5) vessels and we have fixed 11 out on short/medium period. However we will receive a handful of vessels back towards the end of Q1 2018 and so far only one redelivery notice has been received.

The period market in November has firmed again month on month and we have seen Ultramax fetching USD 11,500 - 12,000 for 9-12 months, the Atlantic basin is still commanding a premium of USD 1,500 for 8-13months. Period rates are around USD 10,250 - 10,500 in the Pacific(Tess58), provided you are flexible on the terms and optionality.

In November we have not taken any vessels for 2/3 legs. We are still keen to lengthen a little more provided we get big spreads and flexibility on the cargo/trading. We are still overall long for 2018 and are happy with the position and will continue to take coverage when we see the right opportunities.

In respect of cargo we continue to focus on the nearby and at present only see merit in taking cargo unless they are niche trade or Bhaul trades. Similarly to a year ago the COA's offered for next year are going at heavily discounted rates and as such we have not taken any new COA for next year.

In November we have not hedged any bunkers nor sold or bought any FFA.

Some cargoes booked in November:N/A.

Tonnage fixed in for more than 2 legs in November:N/A.

Tonnage fixed out for more than 2 legs in November: MEDI ROMA dely ex yard, 30 Nov 2017 at USD 12,000.