



TANKERS

CHARTERING

Crude

The recent quiet trend seen in the VLCC market continues to detract from the previous momentum that this market had gained, and it now appears that owners will be obliged to wait until Lunar New Year celebrations wind down before normal activity can resume. Even though both Korea and Singapore will be back in the office today, it could take a little time before the market regains its normal tempo. The best one can say about VLCC rates at the moment is that they are stable, but given the recent lapse in activity, it may be difficult for owners to maintain this stability. The Atlantic VLCC market was sufficiently active to absorb all natural tonnage positions and to attract ballasters from a much quieter market east of Suez. The week started on a firm note for Suezmaxes both in WAF and in the Bsea/Med with round trip t/c equivalent returns at USD 30k or more. But as the week progressed, rates started to fall as less fixing and reduced delays in the Turkish straits made a greater selection of tonnage available to charterers. Aframax rates in the Nsea/Baltic started to come off during the last week due to a lack of activity which caused tonnage to build up. There was also no shortage of Aframax in the Med/Bsea, and this placed rates in this area under downward pressure. With few transit delays in the Bosphorus rates have now bottomed out at levels in the low ws80s. Rates for Aframax trading Caribs/upcoast also took a downward hit as tonnage availability in this area became more balanced.

Product

The market sentiment was very bullish last week but this seems to have faded as quickly as it came by mid-week. After topping out at ws175, MRs on T/A voyages are now fixing ws150 for UKC/USAC basis 37kt. We see further downside to the LR1s with less activity, pushing rates down to ws125 for Baltic/USAC basis 60kt. Cross-Cont activity is relatively busy, with Handies stable at ws180 basis 30kt, and Flexisizes firm at ws217.5 basis 22kt. Rates stateside are under continued pressure and it does not bode well with refineries in the Caribs shutting down. Caribs upcoast are weak at ws130 basis 38kt, and the backhaul market has completely imploded with fixtures as low as ws75 basis 38kt. There is still no arbitrage open, and these levels are barely returning break-even returns. As long as the backhaul and Caribs market is so weak, vessels will continue to ballast back from a USAC open position rather than sailing south. Cargo enquiries ex AG and WCI remained somewhat stable end of last week with charterers looking for ships as forward as second decade. On the back of the Chinese New Year celebration, the activity level this week has been fairly slow, however rates have remained stable. LR1s trading MEG/JPN are now fixing at ws105 basis 55kt. Rates for the LR2s trading on the same route have remained unchanged since the beginning of 2012, and are expected to remain at the ws90 level basis 75kt. LR1s trading jet fuel MEG/UKC experienced a positive change in rates, now estimated to USD 1.775 million basis 65kt. Rates for MRs trading SPORE/JPN are estimated to about ws115 and MRs trading MEG/JPN see rates around ws108.

ACTIVITY LEVEL

VLCC	Suezmax	Aframax	P. E. of Suez	P. W. of Suez
Stable	Weakening	Slow	Stable	Slower

RATES		This Week	Last Week	Low 2012	High 2012
DIRTY (Spot WS)					
MEG / West	VLCC	35.0	37.5	31.0	37.5
MEG / Japan	VLCC	64.0	60.0	48.0	64.0
MEG / Singapore	260,000	65.0	62.5	48.0	65.0
WAF / USG	260,000	67.5	65.0	56.5	67.5
WAF / USAC	130,000	80.0	92.5	80.0	92.5
Sidi Kerir / W Me	135,000	85.0	95.0	85.0	110.0
N. Afr / Euromed	80,000	82.5	90.0	82.5	120.0
UK / Cont	80,000	110.0	100.0	100.0	110.0
Caribs / USG	70,000	120.0	132.5	97.5	132.5

CLEAN (Spot WS)					
MEG / Japan	75,000	90.0	88.0	88.0	90.0
MEG / Japan	55,000	105.0	100.0	98.0	105.0
MEG / Japan	30,000	108.0	108.0	108.0	120.0
Singapore / Japan	30,000	115.0	115.0	115.0	123.0
Baltic T/A	60,000	125.0	130.0	125.0	135.0
UKC-Med / States	37,000	150.0	175.0	150.0	190.0
Caribs / USNH	38,000	130.0	145.0	130.0	185.0

1 YEAR T/C (usd/day) (theoretical)	This Week	Last Week	Low 2012	High 2012
VLCC (modern)	19,500	19,000	17,000	19,500
Suezmax (modern)	16,000	16,000	15,000	16,000
Aframax (modern)	13,000	13,000	12,500	13,000
LR2	105,000	13,750	13,750	13,750
LR1	80,000	13,500	13,500	13,500
MR	47,000	13,750	13,500	13,750

VLCCs fixed all areas last week:	43	previous week:	67
VLCCs avail. in MEG next 30 days:	83	last week:	68

SALE AND PURCHASE

Vessel	Size	Built	Buyer	Price	Comm.
Nautica Muar	39 768	1992	Indonesian	5,00	
Hartzi	15 441	1999	Undisclosed	7,30	Danich auction
Skledros	15 441	1999	Undisclosed	7,00	Danich auction
Golden Willing	12 999	2009	Singaporean	12,40	
Chemical Star	12 716	2000	Undisclosed	8,00	

DRY BULK

CHARTERING

Handy

The handy market took yet another dive this week after a dull start to 2012. The activity has decreased considerably with Chinese New Year upon us, and also holidays in Singapore. We do see some more activity mid week with new cargos entering the market, but the amount of open tonnage out numbers the available cargos. The Skaw/USG route is now trading at a tick below USD 4k, while the USG/Skaw is still fixing at a healthier USD 13k daily. The fronthaul candidates are fetching around USD 18,500. The Pacific market dives deep due to ongoing Chinese New Year holidays and fresh supply of tonnages and less cargos. Indo- India fixed at around USD 6k dop south China and nickel ore cargoes also very less to support the market. Iron ore from India is dead and rates remain at USD 8k from WCI and USD 7k from ECI. RBCT rounds are fixed on APS basis at USD 10k + 300k BB. Red Sea fertiliser cargoes fixed at low 20s to India. Short period activity very less and rates around USD 7500.

Panamax

The market is falling further in both hemispheres for simple reasons - lack of cargoes and a growing list of open positions. With the Chinese celebrating the entry of Year-of-the-dragon and Singapore away most of the week, the market is suffering from low activity and lack of any fresh stimuli. In the Atlantic rates varies from still healthy 10k on T/C to far less on voyage. Fronthaul also sliding with rates reported at 19k+300 GBB for USG-China. In the Pacific the effect of the holidays and lack of cargoes is even more apparent. NOPAC rates at 7k+300 GBB hardly achievable any longer. Mixed expectations for the activity and a possible market upturn among the market players when the Holidays are over in the Far East. However, a coming grain season in ECSA and more mineral activity from Brazil may turn the tide suddenly.

Capesize

As expected it has been a quiet week with few fixtures and more ships drifting and at anchorage. For the west Australia/China trade, the big three have been absent, only a handful of fixtures around USD 7.60 - 7.75 range. Tubarao/Qingdao is more or less dead whilst there are talks about some really horrible fixtures for the backhaul trade. However the details are being kept private, which is not a big surprise. Owners are expecting more activity from after Chinese New Year, but time being one need to use the imagination in order to see the signs of this happening.

ACTIVITY LEVEL

Capesize	Panamax	Handysize
Weak	Low	Low

RATES	This Week	Last Week	Low 2012	High 2012
CAPESIZE (usd/day, usd/tonne)				
TCT Cont/Far East (172' dwt)	20,000	21,000	20,000	43,000
Tubarao / R.dam (Iron ore)	8.80	9.00	8.80	12.70
Richards Bay/R.dam	8.90	9.50	8.90	11.00

PANAMAX (usd/day, usd/tonne)	This Week	Last Week	Low 2012	High 2012
Transatlantic RV	6,400	8,800	6,400	13,800
TCT Cont / F. East	16,500	19,250	16,500	23,900
TCT F. East / Cont		444.00		2,800
TCT F. East RV	5,750	6,700	5,750	9,900
Murmansk b.13-ARA 15/25,000 sc	7.45	7.95	7.45	9.45
Murmansk b.13-L.pool 15/25,000 sc	8.10	8.90	8.10	10.35

HANDYSIZE (usd/day)	This Week	Last Week	Low 2012	High 2012
Atlantic RV	8,000	11,150	8,000	15,100
Pacific RV	4,250	5,200	4,250	5,900
TCT Cont / F. East	16,500	19,000	16,500	23,400

1 YEAR T/C (usd/day)	This Week	Last Week	Low 2012	High 2012
Capesize 150,000 dwt	11,000	11,000	11,000	15,000
Capesize 170,000 dwt	13,000	13,000	13,000	17,000
Panamax 75,000 dwt	10,500	10,750	10,500	12,000
Handysize 53,000 dwt	10,000	11,000	10,000	11,500

Baltic Dry Index (BDI):	This Week: 784	Last week: 926
-------------------------	----------------	----------------

SALE AND PURCHASE

Vessel	Size	Built	Buyer	Price	Comm.
Eastern Queen	70 196	1994	Chinese	10,90	
SD Victory	69 585	1986	Chinese	5,00	
Inviken	30 070	1986	European	3,90	
Olympic Melody	29 640	1984	Undisclosed	5,00	
Calliope Patronicola	29 640	1984	Undisclosed	5,25	
Diamond Glory	28 515	1997	Undisclosed	10,25	
Kyklades	28 268	1982	Mortgagees	2,85	at auction
Jan	8 874	1997	Norwegian	2,58	Bss as is Durban
BBC Gibraltar	3 442	1998	Indonesian	4,00	

**GAS****CHARTERING**

The activity level in the VLGC market has been rather good over the last week, roughly a dozen vessels have been fixed and thereby made the tonnage oversupply less painful. Charterers have started fixing well into the middle of February now, and as they will have the upper hand for a few more weeks, we do not expect rates to recover too quickly. The latest spot fixtures return some 7,500/8,000 USD per day on modern vessels, and owners need USD 45/46 per ton Ras Tanura/Chiba to "reach" operational breakeven. The LPG cargo market in the Far East is very strong and allows for a generous freight delta between FOB and CFR, however, it seems there are fewer cargoes for sale from the exporters in the Middle East Gulf. The Baltic VLGC index has been in blue every day for more than a week now, but as expected the daily increments have been very modest and the index stands barely halfway between USD 40 and 45 for the reference voyage.

ACTIVITY LEVEL

COASTER	15-23,000 cbm	82,000 cbm
Low	Moderate	Firm

RATES This Week Last Week Low 2012 High 2012

SPOT MARKET (usd/month***)	This Week	Last Week	Low 2012	High 2012
82,000 cbm / FR	240,000	240,000	185,000	325,000
57,000 cbm / FR	725,000	750,000	725,000	750,000
35,600 cbm / FR	750,000	750,000	750,000	750,000
20,000 cbm / SR*	740,000	740,000	740,000	740,000
10,000 cbm ETH**	580,000	580,000	580,000	580,000
6,500 cbm / SR	480,000	480,000	470,000	480,000
COASTER Europe	235,000	275,000	235,000	295,000
COASTER Asia	237,500	237,500	235,000	237,500

* 20,000 cbm s/r reflects average spot market, LPG and Petchems (segment 15,000 / 23,000 cbm)

** 10,000 cbm eth reflects average spot market, Petchems and LPG (segment 8,200 / 12,500 cbm)

*** Excl. waiting time, if any

LNG	This Week	Last Week	Low 2012	High 2012
SPOT MARKET (usd/day)				
East of Suez 138-145' cbm	141,000	143,000	141,000	150,000
West of Suez 138-145' cbm	143,000	145,000	143,000	150,000
1 yr TC 138-145' cbm	158,000	158,000	155,000	158,000

LPG/FOB prices (usd/tonne)	Propane	Butane	ISO
FOB North Sea / ANSI	803.50	875.50	
Saudi Arabia / CP	850.00	910.00	
MT Belvieu (US Gulf)	657.11	835.78	893.58
Sonatrach : Bethioua	810.00	910.00	

SALE AND PURCHASE

Vessel	Cbm	Type	Built	Buyers	Price	Misc
No reportable sales this week						

DEMOLITION

Vessels sold for demolition	VLCC/VLOO	SUEZMAX	CAPE/OBO
Year to date 2012:	0	4	2
Year to date 2011:	1	0	5
2011 total:	14	6	65

SOLD FOR DEMOLITION

Vessel name	Size	Ltd	Built	Buyer	Price
GC Setsuyo Star	170 808	25 000	1985	Indian	480
MT Goldwing	154 970	20 191	1992	Bangladeshi	510
MT Low Rider	154 970	20 191	1991	Bangladeshi	510
MT Tridonawati	154 970	20 178	1991	Pakistani	508
MT Trirasa	154 970	20 178	1991	Pakistani	508
GC Dong-A Hermes	145 856	22 290	1992	Chinese	447
MT Ionian Sea	98 826	16 787	1992	Pakistani	495
GC Lemno	86 722	14 425	1982	Indian	491
GC Castillo de Soutomaio	75 594	13 200	1981	Indian	485
GC Panamax Sun	64 150	12 105	1982	Indian	505
GC Daffodil	63 883	12 537	1983	Indian	490
GC Fortune Carrier	63 395	12 118	1982	Chinese	439
MT Andros C	55 289	11 221	1984	Undisclosed	340
OBO Safeer Express	54 500	12 478	1984	Pakistani	500
CONT MSC Palermo	45 969	12 297	1992	Indian	495
CONT MSC Carina	45 725	15 553	1986	Indian	514
GC Sea Wave	45 090	9 040	1984	Chinese	460
GC Mega Ace	41 216	9 600	1982	Chinese	447
GC Raffles	37 696	7 320	1984	Indian	424
CONT Al Ihlsa'a	35 635	12 861	1983	Indian	501

NEWBUILDING**GENERAL COMMENT**

The activity in LPG picked up this week, with altogether 5 orders placed at Chinese shipyards. Evergas (former Eitzen Gas) continues construction at Sinopacific, with 4 ships, either 12,000 or 17,000 cbm, to be decided in coming months. The newbuilding activity in general is on the other hand quite grim. Prices might suffer as a result of little activity.

ACTIVITY LEVEL

Tankers		Dry Bulkers		Others	
Low		Low		Moderate	
Average Far Eastern Prices					
PRICES (mill usd)		This Week	Last Week	Low 2012	High 2012
VLCC	300'dwt	97.0	97.0	97.0	97.0
Suezmax	150'dwt	62.0	62.0	62.0	62.0
Aframax	110'dwt	52.0	52.0	52.0	52.0
Product	47'dwt	36.0	36.0	36.0	36.0
Capesize	180'dwt	50.0	50.0	50.0	50.0
Panamax	76'dwt	30.0	30.0	30.0	30.0
Handymax	56'dwt	28.0	28.0	28.0	28.0

NEWBUILDING CONTRACTS

Type	No	Size	Yard	Owner	Del	Mill\$	Comm.
PC	1	110000 dwt	China Shipping Industrial Jiangsu Group	China Shipping	2013	53,3	
Gen Cargo	1	12000 dwt	Shin Kurushima	Daiichi Chuo	2013		
LPG	1	3500 cbm	Taizhou Yuanyang	Pertamina	2013	14	
LPG	4	12/17,000 cbm	Sinopacific	Evergas	2013		Cargo size to be decided

MARKET BRIEF

Rate of exchange	This Week	Last Week	Low 2012	High 2012
JPY/USD	78.05	76.81	76.72	78.05
KRW/USD	1125.95	1141.75	1125.95	1158.78
NOK/USD	5.94	6.01	5.94	6.03
USD/EUR	1.29	1.28	1.27	1.30
Interest rate				
Eurodollar 12 mnths	1.11	1.11	1.11	1.13
EuroNOK 12 mnths	3.28	3.25	3.25	3.47
Commodity prices				
Brent spot (USD)	108.98	111.48	108.98	112.29
Bunker prices				
Singapore	180 CST	743.00	750.00	736.00
	380 CST	732.00	735.00	720.00
	Gasoil	951.00	967.00	951.00
Rotterdam	180 CST	688.00	706.00	688.00
	380 CST	669.00	680.00	663.00
	Diesel	939.00	955.00	939.00

