



TANKERS

CHARTERING

Crude

The VLCC market remained quiet over the holidays and had a slow start during the first week of the new year. At time of writing about 82 fixtures are concluded for January ex Meg while comparing with recent months the number has been about 130 at the same time. Consequently tonnage is building up and market rates have become under downward pressure. The charterers seem to continue to drip feed the market with cargoes while owners are worrying whether we will see a lower total number of cargoes for January than recent months. The activity in the Atlantic has been steady but with ample tonnage here as well, rates have corrected down in tandem with the Meg-rates. The west African suezmax market started on a slow note the first days after new year but charterers regained interest this week and the rate levels are firming again. The med and black sea suezmax market remained firm over new year and is firming further due to high activity and delays in weather ports due to a slim tonnage list. Both the Nsea and Baltic markets had an active start to the week, rates moving sideways into 3rd decade. End month cargo program looking lighter, but with bad weather causing delays, today's levels could be maintained. In the Med/Bsea rates seem to have reached bottom levels, and owners are hoping for a re-bounce on the back of increased Libyan activity, and increasing delays in the Turkish straits. The Caribs keeps on firming to record breaking levels as several outstanding cargoes to go with a skinny looking positionlist.

Product

MR, LR1 and LR2 looking very firm on the back of cold weather in the states, many inquiries to WAFR and alot of Naptha flowing eastbound. Rates jumped to 37 @ ws150 UKC/TA, 60 @ 125 UKC/WAFR and LR2 rates well above 3 million UKC/JPN. Market outlook firm on all sizes. Smaller ship look a bit calmer at 30 @ ws165 x-cont and x-med. With most charterers covered their cargoes before the x-mas and new year holiday left several owners high and dry during the celebration. With more tonnage coming into the area and reduced cargo activity owners had to reduce their rate ideas to get coverage. Now as charters are back in business they have plenty of tonnage to choose from and owners had to accept less than last done. Most of ppt tonnage are now cleared out and we should see some positive signals as rates are now at a level where owners are rather staying idle and wait for better days. As of writing tonnage are now being secured at Ws 92.5/75 basis 55/75,000 mt respectively for a voyage MEG/Japan. MR owners have had a more balanced tonnage availability vrs cargo demand so rates have been more or less unchanged over the x-mas period, with only a few points down.

ACTIVITY LEVEL

VLCC	Suezmax	Aframax	P. E. of Suez	P. W. of Suez
Soft	Firm	Mixed	Firm	Soft

RATES This Week Last Week Low 2014 High 2014

DIRTY (Spot WS)

MEG / West	VLCC	31.5	36.8	31.5	36.8
MEG / Japan	VLCC	50.0	60.0	50.0	60.0
MEG / Singapore	VLCC	47.5	60.0	47.5	60.0
WAF / USG	260,000	57.5	72.5	57.5	72.5
WAF / USAC	130,000	112.5	112.5	112.5	112.5
Sidi Kerir / W Me	135,000	130.0	120.0	120.0	130.0
N. Afr / Euromed	80,000	125.0	150.0	125.0	150.0
UK / Cont	80,000	155.0	130.0	130.0	155.0
Caribs / USG	70,000	250.0	205.0	205.0	250.0

CLEAN (Spot WS)

MEG / Japan	75,000	75.0	80.0	75.0	80.0
MEG / Japan	55,000	92.5	105.0	92.5	105.0
MEG / Japan	30,000	112.5	112.5	112.5	112.5
Singapore / Japan	30,000	112.5	112.5	112.5	112.5
Baltic T/A	60,000	120.0	120.0	120.0	120.0
UKC-Med / States	37,000	150.0	122.5	122.5	150.0
USG / UKC-Med	38,000	120.0	120.0	120.0	120.0

1 YEAR T/C (usd/day) (theoretical)

VLCC	(modern)	25,000	25,500	25,000	25,500
Suezmax	(modern)	19,000	17,000	17,000	19,000
Aframax	(modern)	14,700	13,500	13,500	14,700
LR2	105,000	16,000	16,000	16,000	16,000
LR1	80,000	15,500	15,000	15,000	15,500
MR	47,000	14,750	14,500	14,500	14,750

VLCCs fixed all areas last week: 38 previous week: 0

VLCCs avail. in MEG next 30 days: 115 last week: 0

SALE AND PURCHASE

Vessel	Size	Built	Buyer	Price	Comm.
Valcona	109 060	2009	Undisclosed	28,00	
Valpiave	109 060	2010		28,00	
Mirabeau	17 548	2009	Swedish/ Singaporean	18,00	
Mykines	17 540	2008		18,00	
Manon	17 527	2008		18,00	
Malpensa	17 525	2009		18,00	
14 Hellespoint vessels	13 020-16	2008	US Based	376,00	Bank driven
	866				

DRY BULK

CHARTERING

Handy

In the Atlantic we see rates sliding slowly for the start of 2014. Several players cvrd over the holidays and the rate decline was somewhat expected. Cont/Feast now paying arnd Usd 21k and USG/Cont still at a healthy 28k. We believe the trend will continue throughout the week lead by less activity. The Feast market took a dive last week and seems it is leveling out now. No Nickel Ore and bauxite cargoes in the market and we hardly see any sand or Indonesian coal. Supras open in Singapore rating arnd 16k for trips via Indo to China and India but seems no chrters there at this level. Anyway there are still some lucky ships got 11k level for Nopac. Vessels in N.china talking around high 7k for backhaul. Tonnage in pg/wci remains tight, able to reach 12-15k.

Panamax

The new year started off in the same quiet pace as last year ended. Quiet week in both hemispheres so far. Russian holiday also contributing to lack of new coal cargoes. In the atlantic not much fresh business as players covered most of their requirements before Christmas. Despite slow pace, Turkish panamax tender from Mobile to Ereğli for end Jan dates awarded at strong 25 usd pmt, last week. Extreme weather and storms in North Atlantic also causing delays. In the far east volumes of Indo/Aussie cargoes limited and activity the same. Nearly no period being concluded these days, as players like to see a more clear direction. T/As pending in the 16,000 range, while fronthauls still in the low 20,000 Pacific around 11,000 -11,500 level depending delivery. 1 year should be +/- 12,500 but little reported.

Capesize

The majors have been out of the market since prior to Christmas last year, and consequently rates in the pacific have dropped dramatically. West Australia freight is now down in the USD 8s and still dropping. However we do expect the miners to enter with their requirements in not too long and that rates will stabilize / improve. The force majeure declared by Vale just after Christmas was withdrawn but activity out of Brazil remains slow, and freight rates are approaching the USD 20 pmt for Tub/ Qd. The balance in the Atlantic however remains stable with Bolivar / Rotterdam being fixed at USD 18 pmt.

ACTIVITY LEVEL

Capesize	Panamax		Handysize	
Moderate	Slower		Low	
RATES	This Week	Last Week	Low 2014	High 2014
CAPESIZE (usd/day, usd/tonne)				
TCT Cont/Far East (172' dwt)	53,500	53,000	53,000	53,500
Tubarao / R.dam (Iron ore)	15.30	17.00	15.30	17.00
Richards Bay/R.dam	10.30	10.80	10.30	10.80

PANAMAX (usd/day, usd/tonne)

Transatlantic RV	16,000	18,000	16,000	18,000
TCT Cont / F. East	22,800	24,500	22,800	24,500
TCT F. East / Cont	1,800	2,750	1,800	2,750
TCT F. East RV	11,000	11,500	11,000	11,500
Murmansk b.13-ARA 15/25,000 sc	9.60	10.00	9.60	10.00
Murmansk b.13-L.pool 15/25,000 sc	10.50	10.85	10.50	10.85

HANDYSIZE (usd/day)

Atlantic RV	18,000	20,290	18,000	20,290
Pacific RV	7,400	8,660	7,400	8,660
TCT Cont / F. East	21,000	22,680	21,000	22,680

1 YEAR T/C (usd/day)

Capesize	150,000 dwt	14,000	16,000	14,000	16,000
Capesize	170,000 dwt	18,500	19,500	18,500	19,500
Panamax	75,000 dwt	12,500	13,000	12,500	13,000
Handysize	53,000 dwt	12,250	12,500	12,250	12,500

Baltic Dry Index (BDI): This Week: 1826 Last week: 2113

SALE AND PURCHASE

Vessel	Size	Built	Buyer	Price	Comm.
St. Andrew	41 455	1996	Undisclosed	6,80	

**GAS****CHARTERING**

After the nearly two weeks' seasonal break the VLGC market is gradually waking up to a scenario where particularly the West market seems to lack tonnage for a few floated inquiries. In the East a couple of cheap relets have softened the sentiment temporarily, but as independent owners soon will be in the driving seat, we think the nervousness and instability will be gone within short. We do not expect any immediate rate-hike, though, the cargo market does not allow for that in the nearest weeks where FOB/CFR deltas have been shrinking lately. When the new year started a week ago the VLGC fleet stood at 159 vessels which is not far from balance against freight demand. In 2014 there will be an addition of 11 VLGC newbuildings, the vast majority to be delivered in 2nd half of the year. World LPG export lies further ahead and is not growing much in 2014, however, the trading pattern has already changed and will change more as supply primarily (and gradually) builds up in the West.

ACTIVITY LEVEL

COASTER	15-23,000 cbm		82,000 cbm	
Low	Low		Increasing	
RATES	This Week	Last Week	Low 2014	High 2014
SPOT MARKET (usd/month***)				
82,000 cbm / FR	1,035,000	1,004,000	1,004,000	1,035,000
57,000 cbm / FR	900,000	900,000	900,000	900,000
35,600 cbm / FR	850,000	850,000	850,000	850,000
20,000 cbm / SR*	970,000	970,000	970,000	970,000
10,000 cbm ETH**	530,000	530,000	530,000	530,000
6,500 cbm / SR	485,000	485,000	485,000	485,000
COASTER Europe	250,000	250,000	250,000	250,000
COASTER Asia	250,000	240,000	240,000	250,000

* 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 2014	High 2014
SPOT MARKET (usd/day)				
East of Suez 138-145' cbm	85,000	85,000	85,000	85,000
West of Suez 138-145' cbm	95,000	95,000	95,000	95,000
1 yr TC 138-145' cbm	70,000	70,000	70,000	70,000

LPG/FOB prices (usd/tonne)	Propane	Butane	ISO
FOB North Sea / ANSI	908.00	971.50	
Saudi Arabia / CP	1010.00	1020.00	
MT Belvieu (US Gulf)	647.87	638.73	679.86
Sonatrach : Bethioua	905.00	1010.00	

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 2014:	1	0	1
Year to date 2013:	0	0	2
2013 total:	23	7	24

SOLD FOR DEMOLITION

Vessel name	Size	Ldt	Built	Buyer	Price
MV Carpio	67 703	10 019	1989	Bangladeshi	442
MV Yun Tong	61 537	11 843	1982	Chinese	350
CONT Maersk Miami	55 238	23 800	1994	Indian	450
CONT Nedlloyd America	50 620	20 447	1992	Indian	450
MT Halifax	29 753	29 753	1992	Pakistani	(As is W. Africa) 300

NEWBUILDING**GENERAL COMMENT**

The high newbuilding activity in the drybulk segment continues into the new year with as many as 35 vessels being ordered over the last weeks. Scorpio is taking a large portion of these, with 11 Capesize vessels ordered at Sungdong, 2 Capesize vessels ordered at DSME Mangalia and 2 Kamsarmax vessels at Hudong. Precious is also continuing their appetite for drybulk vessels with their latest order for 4 Supramax vessels and 4 Handysize vessels at Sanfu. Jon Fredriksen owned- Seatankers has ordered 2 Kamsarmax newbuildings with delivery slated for early 2015 from the Zhejiang Zhenghe shipyard. With the high newbuilding activity, particularly in the drybulk segment, we observe newbuilding prices continue to climb. Most Chinese state owned and larger private yards are now filled up until mid/end 2016.

ACTIVITY LEVEL

Tankers	Dry Bulkers	Others
Moderate	Strong	Slow

Average Far Eastern Prices

PRICES (mill usd)	This Week	Last Week	Low 2014	High 2014
VLCC	300'dwt	96.0	96.0	96.0
Suezmax	150'dwt	64.0	64.0	64.0
Aframax	110'dwt	52.0	52.0	52.0
Product	50'dwt	36.0	36.0	36.0
Capesize	180'dwt	55.0	55.0	55.0
Panamax	82'dwt	30.0	30.0	30.0
Handymax	64'dwt	28.0	28.0	28.0

NEWBUILDING CONTRACTS

Type	No	Size	Yard	Owner	Del	Mill\$	Comm.
BC	11	180000 dwt	Sungdong	Scorpio	2015/16		
BC	2	180000 dwt	DSME Mangalia	Scorpio	2016		
BC	2	82000 dwt	Hudong	Scorpio	2016		
BC	4	64000 dwt	Jinling	Sinotrans	2015	25	
BC	2+2	63500 dwt	Dayang	Transocean	2016		
BC	4	64000 dwt	Sanfu	Precious	2016	27.5	
BC	4	39000 dwt	Sanfu	Precious	2016	22	
BC	4	64000 dwt	Wenchong	COSCO	2016	27	
BC	2+2	82000 dwt	Zhejiang Zhenghe	Seatankers	2014/15		
CO	2	1800 teu	CSBC	Iseaco	2015	25	
MT	4	320000 dwt	Dalian	COSCO	2016		
PCTC	2	7500 ceu	Shin Kurushima	K-Line	2016/17		
PCTC	2	7500 ceu	JMU	K-Line	2016/17		

MARKET BRIEF

Rate of exchange	This Week	Last Week	Low 2014	High 2014
JPY/USD	104.82	104.83	104.82	104.83
KRW/USD	1065.70	1051.60	1051.60	1065.70
NOK/USD	6.20	6.15	6.15	6.20
USD/EUR	1.36	1.37	1.36	1.37
Interest rate				
Eurodollar 12 mnths	0.59	0.58	0.58	0.59
EuroNOK 12 mnths	1.80	1.85	1.80	1.85
Commodity prices				
Brent spot (USD)	107.64	109.36	107.64	109.36
Bunker prices				
Singapore	180 CST	615.00	627.00	615.00
	380 CST	607.00	620.00	607.00
	Gasoil	934.00	963.00	934.00
Rotterdam	180 CST	615.00	630.00	615.00
	380 CST	571.00	586.00	571.00
	Diesel	990.00	909.00	990.00

