



TANKERS

CHARTERING

Crude

The VLCC market continued active during the last week for 3rd decade of Feb. We now count about 138 fixtures in total for the month ex MEG with still a few remaining cargoes uncovered. Charterers are moving slowly however gradually into early March (so far about 18 cargoes concluded) as the stems are already nominated from Iran and Qatar. The Saudi and UAE stems are expected during the next few days. Although the position list ex MEG is more than ample it seems that owners are becoming more reluctant and not willing to budge to charterers proposed rate levels. As potentially more interest will be seen in the next few days it remains to be seen if owners succeed in their efforts to improve their earnings. In spite of reasonable high Suezmax activity in W.Africa, rates have softened. However, this market should have bottomed for now and remain at present level for a while. Suezmax rates in the Med and Black Sea are holding in spite of slim activity as charterers need to cover more options resulting in somewhat higher rate levels in some cases. Aframax owners trading in the Nsea experienced another week with low activity and tonnage build up which forced rates further down. At the time of writing it seems as the momentum in the Med have changed although just barely. Rate expectations for cross Med are pointing upwards after bottoming out at about ws80 level. Rates for Caribs up coast gained strength and presently is hovering around ws130 level.

Product

The market activity has been steady but has not yet offered any relief to the upside in terms of higher freight rates. MRs are dead flat at ws150 for UKC/USAC basis 37kt but the outlook near term is positive. Larger tonnage seems to have found a stable bottom for the time being with rates for LR1s flat at ws115 for Baltic/USAC basis 60kt. Baltic load ports are still seeing ice, pushing the rates for Handysizes further up to ws210 basis 30kt, and Flexis are firmer at ws260 basis 22kt. Stateside the Caribs upcoast run is still dead flat at ws120 basis 38kt, but we see some positive signs coming out of the USG, with backhauls picking up slightly to ws85 basis 38kt for USG/UKC-Med fixtures. At this point it gets interesting for shipowners to ballast from a USAC position to go into the USG, provided there is no waiting time and if it picks up further this would eventually be positive for the TC2 rates. Since last week's report, activity East of Suez has remained slow and there has been few signs of improvement. LR1s trading MRG/JPN are still fixing at the ws100 basis 55kt, and owners are struggling to avoid waiting time on their vessels. LR1s looking for jet fuel cargoes MEG/UKC can expect lumpsum rates around USDM 1.7 basis 65kt. LR2s are still experiencing a very slow market, and steadily fixing at ws85 for voyages MEG/JPN, basis 75kt. Rates for MRs trading SPORE/JPN are estimated to about ws118 basis 30kt, and MRs trading MEG/JPN now see rates around ws105 basis 35kt.

ACTIVITY LEVEL

VLCC	Suezmax	Aframax	P. E. of Suez	P. W. of Suez
Mixed	Mixed	Mixed	Slow	Stable

RATES	This Week	Last Week	Low 2012	High 2012
-------	-----------	-----------	----------	-----------

DIRTY (Spot WS)					
MEG / West	VLCC	32.5	32.5	31.0	37.5
MEG / Japan	VLCC	52.5	49.5	48.0	64.0
MEG / Singapore	260,000	52.5	49.5	48.0	65.0
WAF / USG	260,000	57.5	57.5	56.5	67.5
WAF / USAC	130,000	75.0	80.0	80.0	92.5
Sidi Kerir / W Me	135,000	82.5	77.5	77.5	110.0
N. Afr / Euromed	80,000	82.5	80.0	80.0	120.0
UK / Cont	80,000	85.0	90.0	90.0	110.0
Caribs / USG	70,000	130.0	112.5	97.5	137.5

CLEAN (Spot WS)

MEG / Japan	75,000	85.0	85.0	85.0	90.0
MEG / Japan	55,000	100.0	100.0	98.0	107.5
MEG / Japan	30,000	108.0	108.0	106.0	120.0
Singapore / Japan	30,000	118.0	118.0	115.0	123.0
Baltic T/A	60,000	115.0	115.0	115.0	135.0
UKC-Med / States	37,000	150.0	150.0	140.0	190.0
Caribs / USNH	38,000	120.0	120.0	120.0	185.0

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

VLCC (modern)	19,000	20,000	17,000	20,000
Suezmax (modern)	16,000	16,000	15,000	16,000
Aframax (modern)	13,500	13,250	12,500	13,250
LR2	105,000	13,750	13,750	13,750
LR1	80,000	13,500	13,500	13,500
MR	47,000	13,750	13,750	13,750

VLCCs fixed all areas last week:	62	previous week:	62
VLCCs avail. in MEG next 30 days:	95	last week:	81

SALE AND PURCHASE

Vessel	Size	Built Buyer	Price	Comm.
--------	------	-------------	-------	-------

No reportable sales this week

DRY BULK

CHARTERING

Handy

Rates in the Atlantic continued its negative trend, even with a hint of fresh cargoes entering the market. Vessels open Cont fixed around USD 1400 to US Gulf region, and tick below USD 10k for USG to Skaw-Passero range. Fronthaulls were paid USD 12k. The Pacific market seems to have firmed up a bit. For Indo-India, large eco Supra can fetch close to USD 7k dop North China. Premium cargoes like nickel ore are also less and vessels for nickel ore rounds fixed at USD 8k dely North China. Nopac rounds also around USD 7-8k. Indian iron ore market remains quiet with no activity on WCI & ECI forcing vessels to ballast to RBCT and Indonesia. WCI-China rates around USD 9k and ECI-China around USD 7k. RBCT rv fixed at APS USD 9k + BB USD 300k, however very few cargoes seen. Red Sea fertilisers to India are fixed around low 20s. Not much activity seen on short period and rates around USD 11k for large Supra however Chrttrs willing period at USD 10k.

Panamax

After a strong last week driven by fresh ECSA grain and FFA, the market has lost much of the confidence and leveled out with less activity. Positional and mixed in the Atlantic with TC levels at 6-7k - far above returns on voyage calculations. Pacific gaining strength where NOPAC buiz concluded around 8 and long ECSA rounds fixed mid 11 bss Spore/India range or 48 on voyage. Since the forward curve took a dive early week, most owners looking to cover longer period are holding back in anticipation of better rates later. However, also some more positive sign this week with more cargoes and coa requirement popping out, giving some expectations to further increase in freight levels. Higher bunker prices also contribute that owners' asking tic more. T/A's paying around 6-7 k, Feast rounds around 9k and short periods around 10k. Few fronthaul cargoes reported but levels typically 17-18k should be paid bss Cont/Med or I9+450 for ballasters bss APS ECSA. Not sure if the long picture is posit

Capesize

The misery continues, despite markedly increased spot demand and subsequent fixing volumes. N/B's pouring out of yards, combined with a high number of units drifting or anchored off Singapore, S.African or major Continent ports, keep major routes at rock-bottom rates far from sufficient to cover opex. W-O-W changes to the major routes are negligible, with Tub/ Qingdao stuck at some USD 19.50 pmt and WAust/China USD 7.60 pmt - average daily earnings remaining around USD 5k. Period levels remain at more than twice of spot levels, supported by substantial ffa contango - recent representative fixtures include 177kdwt/blt 2011 spot S.Korea for 5-8 months at USD 12500 and 180kdwt/blt 2009 also spot S.Korea for 11-13 months at floating index average 4 TC routes + 2 pct.

ACTIVITY LEVEL

Capesize	Panamax	Handysize
Moderate	Moderate	Low

RATES	This Week	Last Week	Low 2012	High 2012
-------	-----------	-----------	----------	-----------

CAPESIZE (usd/day, usd/tonne)				
TCT Cont/Far East (172' dwt)	19,500	19,500	19,500	43,000
Tubarao / R.dam (Iron ore)	8.70	8.60	8.60	12.70
Richards Bay/R.dam	8.70	8.65	8.65	11.00

PANAMAX (usd/day, usd/tonne)

Transatlantic RV	7,300	6,000	4,700	13,800
TCT Cont / F. East	17,000	16,000	14,500	23,900
TCT F. East / Cont				2,800
TCT F. East RV	8,000	7,000	4,950	9,900
Murmansk b.13-ARA 15/25,000 sc	8.00	7.40	7.05	9.45
Murmansk b.13-L.pool 15/25,000 sc	8.50	8.05	7.70	10.35

HANDYSIZE (usd/day)

Atlantic RV	5,500	5,500	5,500	15,100
Pacific RV	7,400	5,700	4,180	5,900
TCT Cont / F. East	12,200	13,400	13,400	23,400

1 YEAR T/C (usd/day)

Capesize	150,000 dwt	11,500	11,250	11,000	15,000
Capesize	170,000 dwt	13,500	13,250	13,000	17,000
Panamax	75,000 dwt	11,000	10,500	10,000	12,000
Handysize	53,000 dwt	10,000	10,000	10,000	11,500

Baltic Dry Index (BDI):	This Week: 731	Last week: 676
-------------------------	----------------	----------------

SALE AND PURCHASE

Vessel	Size	Built Buyer	Price	Comm.
Magic Fortis	42 512	1985 Chinese	4,00	
Poseidon	34 000	2012 Greek	22,00	21st Century Resale

**GAS****CHARTERING**

Another handful VLGCs were booked last week taking away some more of the tonnage length in the MEG. The Baltic VLGC index has gone up by over USD 2 pmt over the week and seems to have carefully speeded up its recovery and its way towards the USD 50 barrier. The latest fixture(s) in the mid/high USD 40 s bss RT/Chiba returns some USD 13,000 per day on a modern VLGC, not impressive at all, but double what it was at the lowest a few weeks ago. As we anticipated recently in this column, the West VLGC market has come under severe upwards pressure, and over the last few days a couple of deals are booked at nearly USD 30,000 per day. These steep increases comes as a result of shortage of vessels following half a dozen recent arbitrage liftings from the Atlantic basin to the Far East, and this shortage of vessel is very likely to continue for a few weeks more. The Baltic VLGC index is per definition strictly a "Ras Tanura/Chiba" assessment, however, it may under these circumstances be impacted by the shortage of tonnage in the West and the delta between the two markets.

ACTIVITY LEVEL

COASTER	15-23,000 cbm	82,000 cbm
Firmer	Firmer	Moderate

RATES	This Week	Last Week	Low 2012	High 2012
SPOT MARKET (usd/month***)				
82.000 cbm / FR	390,000	330,000	185,000	330,000
57.000 cbm / FR	750,000	725,000	725,000	750,000
35.600 cbm / FR	825,000	800,000	750,000	800,000
20.000 cbm / SR*	780,000	740,000	740,000	740,000
10.000 cbm ETH**	600,000	580,000	580,000	580,000
6.500 cbm / SR	510,000	500,000	470,000	500,000
COASTER Europe	310,000	285,000	245,000	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	130,000	130,000	130,000	150,000
West of Suez 138-145'cbm	130,000	130,000	130,000	150,000
1 yr TC 138-145'cbm	150,000	150,000	150,000	158,000

LPG/FOB prices (usd/tonne)	Propane	Butane	ISO
FOB North Sea / ANSI	921.50	934.50	
Saudi Arabia / CP	1010.00	1040.00	
MT Belvieu (US Gulf)	622.07	840.13	893.24
Sonatrach : Bethioua	950.00	1005.00	

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:	2	5	5
Year to date 2011:	1	0	7
2011 total:	14	6	65

SOLD FOR DEMOLITION

Vessel name	Size	Ldt	Built	Buyer	Price
MT Brilliant Jewel	247 471	31 000	1989	Pakistani	505
BC Ocean Queen	187 864	23 138	1987	Indian	430
BC Hebei Forest	149 211	22 000	1989	Bangladeshi	505
BC Theotokos	71 242	13 943	1984	Indian	417
BC Pearl C	65 552	11 551	1987	Pakistani	520
BC Cebu Star	45 546	9 759	1982	Bangladeshi	491
BC Daio Andes	44 315	8 664	1989	Chinese	430
BC Finch Arrow	39 273	11 796	1984	Chinese	430
BC Gannet Arrow	39 260	11 519	1985	Chinese	430
BC Don Raul	37 695	7 292	1984		320
BC Yasin C	36 318	8 832	1982	Bangladeshi	475
BC Servat Y	35 780	8 344	1983	Indian	480
BC Maria K	35 340	7 684	1983	Indian	545
BC Andra	25 637	7 000	1980	Indian	505
BC Strait Challenger	23 418	5 944	1982	Bangladeshi	496
BC Tiwai Maru	18 703	4 989	1984	Indian	440
REEF Nova Friesland	6 568	3 525	1987	Indian	490

NEWBUILDING**GENERAL COMMENT**

4 Capesize and 2 LNG carriers confirmed this week. The bulkers, ordered by Taiwanese U-Ming, are with a slightly different design from the standard 180kdwt built by SWS in the past, including features such as wide-beam/shallow draft.

ACTIVITY LEVEL

Tankers	Dry Bulkers	Others
Low	Slow	Slower

Average Far Eastern Prices

PRICES (mill usd)	This Week	Last Week	Low 2012	High 2012
VLCC 300'dwt	94.0	97.0	97.0	97.0
Suezmax 150'dwt	60.0	62.0	62.0	62.0
Aframax 110'dwt	50.0	52.0	52.0	52.0
Product 47'dwt	34.5	36.0	36.0	36.0
Capesize 180'dwt	50.0	50.0	50.0	50.0
Panamax 76'dwt	29.0	30.0	30.0	30.0
Handymax 56'dwt	27.5	28.0	28.0	28.0

NEWBUILDING CONTRACTS

Type	No	Size	Yard	Owner	Del	Mill\$	Comm.
BC	4	186000 dwt	SWS	U-Ming	2014	49,8	
LNG	2	162000 cbm	Hyundai Samho	Golar	2014		

MARKET BRIEF

Rate of exchange	This Week	Last Week	Low 2012	High 2012
JPY/USD	78.37	76.90	76.14	78.37
KRW/USD	1123.02	1115.75	1115.75	1158.78
NOK/USD	5.75	5.75	5.75	6.03
USD/EUR	1.31	1.33	1.27	1.33
Interest rate				
Eurodollar 12 mnths	1.07	1.08	1.07	1.13
EuroNOK 12 mnths	3.41	3.28	3.25	3.47
Commodity prices				
Brent spot (USD)	119.39	116.40	108.98	119.39
Bunker prices				
Singapore				
180 CST	742.00	748.00	736.00	752.00
380 CST	732.00	738.00	720.00	740.00
Gasoil	995.00	995.00	951.00	995.00
Rotterdam				
180 CST	715.00	714.00	688.00	715.00
380 CST	695.00	692.00	663.00	695.00
Diesel	945.00	991.00	939.00	991.00

