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WEEKLY

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TANKERS

CHARTERING

Crude

The volatility in the VLCC market continues as the market bottomed out last week, and at present owners are in the driving seat enjoying a firm trend. Charterers have for all practical purposes finished their February program ex MEG and are slowly but gradually moving into early March. Owners have managed to carry the present momentum onward from end February, forcing charterers to accept higher levels. With limited number of overhang from February, the early March position list is continuing to support owners cause and the firm trend should be expected to carry on. The Atlantic remains quiet except for a couple of fixtures for Wafr/east at strong numbers in line with the present firm trend ex MEG. General lack of enquiries for Suezmax in West Africa brought the rate levels down to the mid/low 50´s the past week. The MED and Black Sea Suezmax market remains slow and the rates took a correction accordingly. Aframax rates in the North Sea and Baltic declined last week. Less cargo activity combined with additional tonnage coming into the area was the main contributors. The Med and Black Sea experienced a similar scenario and with Turkish Straits delays being reduced to a low, there was nothing holding the already falling rates back. In the Caribs we have seen rates dropping down to around ws100 level. Ships are getting back in position as the list of available tonnage is increasing. This will push rates further down in time to come.

Product

Apprehension crept into the MR market early in the week and we corrected to around 37kt @ 120-level UKC/TA. The T/A flow of gasoil and diesel calmed down significantly and with few WAFR inquiries to keep it buoyant, we expect softening to around 37kt @ 140-level UKC/WAFR. Handies trading in the ice are ticking along, fixing 30kt @ ws197.5 level Baltic/UKC, whilst non-ice has taken a hit to around ws180-level X-Cont. The Mediterranean hasn´t found a bottom yet, trending lower around 30kt @ ws145 level X-MED. We have a soft outlook on MR/Handy both on the Continent and in the Med. LR2 west to east shows a weakening tendency mainly due to several vessels discharging UKC or USAC with cargoes ex Far East. We assess UKC/JPN around USD 2.9 mill. LR1 are under pressure, fixing around 60kt @ ws120 UKC/WAFR. Outlook soft on LR west. Slightly increase in east rates due to tighter tonnage availability. Over the weeks we have seen increased cargo flow ex MEG/WCI and owners successfully squeezed rates up a few points. At time of writing fixtures are being concluded around ws80 and ws100 basis 75/55kt for MEG/JPN, respectively. Status quo for the MRs, cargo supply and vessel availability are in good balance. We still see demand for moving cargoes direction west, however freight rates have difficulty finding further traction.

ACTIVITY LEVEL

VLCC	Suezmax	Aframax	P. E. of Suez	P. W. of Suez
Firm	Weakening	Slow	Firmer	Soft

RATES		This Week	Last Week	Low 2014	High 2014
DIRTY (Spot WS)					
MEG / West	VLCC	37.5	30.0	30.0	42.0
MEG / Japan	VLCC	62.5	47.5	42.5	72.0
MEG / Singapore	VLCC	63.5	47.5	42.5	70.0
WAF / USG	260,000	65.0	60.0	57.5	75.0
WAF / USAC	130,000	52.5	70.0	52.5	130.0
Sidi Kerir / W Me	135,000	65.0	77.5	65.0	170.0
N. Afr / Euromed	80,000	77.5	82.5	77.5	230.0
UK / Cont	80,000	90.0	127.5	90.0	220.0
Caribs / USG	70,000	100.0	140.0	100.0	300.0
CLEAN (Spot WS)					
MEG / Japan	75,000	80.0	75.0	70.0	80.0
MEG / Japan	55,000	100.0	95.0	85.0	105.0
MEG / Japan	30,000	105.0	105.0	100.0	112.5
Singapore / Japan	30,000	105.0	105.0	100.0	112.5
Baltic T/A	60,000	120.0	125.0	120.0	130.0
UKC-Med / States	37,000	120.0	137.5	120.0	160.0
USG / UKC-Med	38,000	80.0	75.0	75.0	120.0
1 YEAR T/C (usd/day) (theoretical)					
VLCC	(modern)	24,000	24,000	24,000	25,500
Suezmax	(modern)	19,500	20,000	17,000	20,000
Aframax	(modern)	15,000	14,750	13,500	15,000
LR2	105,000	16,000	16,000	16,000	16,000
LR1	80,000	15,500	15,500	15,000	15,500
MR	47,000	14,750	14,750	14,500	14,750

VLCCs fixed all areas last week:	49	previous week:	55
VLCCs avail. in MEG next 30 days:	81	last week:	87

SALE AND PURCHASE

Vessel	Size	Built	Buyer	Price	Comm.
Al Dawha	153 044	1997	Eastern European	12,50	
STI Spirit	113 091	2008	Moundreas	31,00	
Eships Nahyan	8 657	2005	Latin American	8,00	Epoxy

DRY BULK

CHARTERING

Handy

After the Chinese holidays the week started on a positive note. Owners are talking higher rates but chrtrs are still somehow reluctant to move. Indo/India are being fixed at around USD 8k bss APS and we see owners rating around mid 12k for 1-year period. Short periods are being fixed in region USD 9500-10000 depending on vessels specs. In the Atlantic we also see improved expectations and more activity. The rates are down w.o.w but the general attitude is more positive than last week.

Panamax

It is full of action, thrill and excitement. No, it is not the Atlantic Panamax market but the Winter Olympics in Sochi. There are simply not enough requirements to keep the Atlantic market floating, giving Owners about 10k on longer rounds, down to poor 8k for a Murmansk run. However, fronthaul still holding as most Owners prefer to stay in the Atlantic basin in anticipation of a better future just around the corner. ECSA rounds paying 17 +700 APS but voyage rates still under pressure with an armada of ballasters approaching. More activity and a better return in the East, from upper 9k´s for Aussie rounds to above 11k for NOPAC. The gap between period and spot is still significant, with short period up to a year in the 14k-15k range adjusted by spec and delivery. The forward curve holding around 14k for the next 10 months indicating some optimism predominantly for Q2 and Q4.

Capesize

The contango evident for this segment is becoming ever more fascinating, if not worrying. With daily earnings now just barely covering opex, and market clearly overtonnaged, the premiums for forward dealings are considerable. March paper now trade at 50% up, Q2 at 90%, Q3 at 175% and Q4 at 360% in comparison to present real average spot value of less than USD 8k. Unless we see dramatic spot improvements in the weeks to come, FFA- and consequently period levels are in for a correction. Recent representative fixtures include 179k dwt/blt 2010 delivering S.Korea prompt for 13-15 months at USD 23k and 177k dwt/blt 2005 delivering China prompt for 8-10 months at BCI ave4tc +8%.

ACTIVITY LEVEL

Capesize	Panamax	Handysize
Moderate	Moderate	Increasing

RATES		This Week	Last Week	Low 2014	High 2014
CAPESIZE (usd/day, usd/tonne)					
TCT Cont/Far East (172´ dwt)		25,000	25,900	25,000	53,500
Tubarao / R.dam (Iron ore)		8.10	8.20	8.10	17.00
Richards Bay/R.dam		7.40	7.50	7.40	10.80
PANAMAX (usd/day, usd/tonne)					
Transatlantic RV		10,000	10,400	10,000	18,000
TCT Cont / F. East		20,000	21,000	20,000	24,500
TCT F. East / Cont		1,500	1,000	1,000	2,750
TCT F. East RV		11,000	8,800	8,600	11,500
Murmansk b.13-ARA 15/25,000 sc		7.65	8.05	7.65	10.00
Murmansk b.13-L.pool 15/25,000 sc		8.25	8.80	8.25	10.85
HANDYSIZE (usd/day)					
Atlantic RV		13,700	15,000	13,700	20,290
Pacific RV		5,500	5,500	5,500	8,660
TCT Cont / F. East		18,250	18,750	18,250	22,680
1 YEAR T/C (usd/day)					
Capesize	150,000 dwt	15,500	15,000	13,500	16,000
Capesize	170,000 dwt	21,500	21,000	18,000	21,500
Panamax	75,000 dwt	14,000	14,000	12,500	14,000
Handysize	53,000 dwt	11,750	11,750	11,750	12,500

Baltic Dry Index (BDI):	This Week: 1085	Last week: 1086

SALE AND PURCHASE

Vessel	Size	Built	Buyer	Price	Comm.
Conches	179 078	2011	Knightsbridge	52,00	TC attached
Christina Victory	82 619	2006	Greek	23,50	
Hansung Sunrise	73 653	1993	Greek	7,50	
New Irene	72 940	1997	Greek	8,50	TC attached
Amis Elegance	55 000	2015	Undisclosed	31,10	
Slavnik	46 570	1998	Ikarus	12,50	
Pochard	37 384	2003	Canfornav	9,00	
Nordic Sydney	37 300	2015	South American	22,50	
Nordic Melbourne	37 300	2015		22,50	Basis DD due
Earnest	33 024	1986	Chinese	3,00	
Hakufu	26 682	1987	Turkish	3,10	

GAS

CHARTERING

If it hadn´t been for a fairly regular flow of MEG/India spot cargoes lately, it would have been hard to make any comments whatsoever from the spot VLGC market. A few fixtures were concluded for that route, however, they mirrored the softer sentiment in the spot market and the obtained rates have been coming off although not as much as the Baltic index has fallen. Two more vessels were added to the VLGC NB list this week as a Greek owner declared two optional vessels, and with this latest addition the orderbook stands at 58 vessels between now and the end of 2016. We feel quite confident that there is capacity for more NBs from the yards as the orderbook in 2016 "only" counts 16, exactly half of the 2015´vessels (32). Phillips66 confirmed another large US Gulf LPG export facility (8 VLGC cargoes/month from middle of 2016) in Freeport, Tx. this week which means there seems to be no shortage of LPG supply looking ahead.

ACTIVITY LEVEL

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

RATES	This Week	Last Week	Low 2014	High 2014
SPOT MARKET (usd/month***)				
82.000 cbm / FR	735,000	760,000	735,000	1,140,000
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*	980,000	980,000	970,000	980,000
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	260,000	260,000	250,000	260,000
COASTER Asia	250,000	250,000	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	74,000	78,000	74,000	85,000
West of Suez 138-145´cbm	81,000	85,000	81,000	95,000
1 yr TC 138-145´cbm	63,000	64,000	63,000	70,000

LPG/FOB prices (usd/tonne)	Propane	Butane	ISO
FOB North Sea / ANSI	817.50	856.00	
Saudi Arabia / CP	970.00	970.00	
MT Belvieu (US Gulf)	807.55	659.12	686.20
Sonatrach : Bethioua	805.00	870.00	

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:	2	0	2
Year to date 2013:	0	2	5
2013 total:	23	7	24

SOLD FOR DEMOLITION

Vessel name	Size	Ldt	Built	Buyer	Price
MV Father S	194 226	25 464	1985	Bangladeshi	461
CONT Hanjin Oslo	68 955	23 792	1998	Indian	465
CONT Hanjin Rome	68 995	23 794	1998	Indian	465
CONT Hanjin Washington	67 272	25 450	1996	Indian	465
MV Safarini	47 882	9 213	1984	Indian	450
MT Georgia	29 988	7 335	1986	Undisclosed	(As is Bandar Abbas) 370
LPG Faith	17 274	6 988	1982	Indian	445

NEWBUILDING

GENERAL COMMENT

The product tanker sector is still much in focus. The number of MRs (35-55000 dwt) on order is approaching 400 units corresponding to 25% of the existing fleet. The interest in LR1 is increasing and Navig8 took a major step by placing orders at Korean yards for nine firm vessels with options for further seven units.

ACTIVITY LEVEL

Tankers	Dry Bulkers	Others
Firm	Moderate	Low

Average Far Eastern Prices

PRICES (mill usd)		This Week	Last Week	Low 2014	High 2014
VLCC	300´dwt	100.0	99.0	96.0	100.0
Suezmax	150´dwt	67.0	67.0	64.0	67.0
Aframax	110´dwt	54.0	54.0	52.0	54.0
Product	50´dwt	37.5	37.5	36.0	37.5
Capesize	180´dwt	56.0	56.0	55.0	56.0
Panamax	82´dwt	31.5	31.5	30.0	31.5
Handymax	64´dwt	28.0	28.0	28.0	28.0

NEWBUILDING CONTRACTS

Type	No	Size	Yard	Owner	Del	Mill$	Comm.
PC	5+3	76000 dwt	STX	Navig8	2016		
PC	4+4	76000 dwt	SPP	Navig8	2016		
PC	2	110000 dwt	Sumitomo	Neda Maritime	2015		
BC	2	82000 dwt	Samjin	NK Shipping	2017		
BC	2	37650 dwt	Avic	Tomasos	2016		
BC	2+1	63800 dwt	Qingshan	Atlantska Plovidba	2016/17		
Cruise	1	150000 gt	Meyer Werft	Star Cruises	2017	953	

MARKET BRIEF

Rate of exchange		This Week	Last Week	Low 2014	High 2014
JPY/USD		102.36	101.36	101.36	104.83
KRW/USD		1062.65	1078.63	1051.60	1078.63
NOK/USD		6.14	6.25	6.13	6.25
USD/EUR		1.36	1.35	1.35	1.37
Interest rate					
Eurodollar 12 mnths		0.55	0.56	0.55	0.59
EuroNOK 12 mnths		1.80	1.76	1.73	1.85
Commodity prices					
Brent spot (USD)		109.14	106.00	106.00	109.36
Bunker prices					
Singapore	180 CST	628.00	630.00	615.00	630.00
	380 CST	615.00	621.00	603.00	622.00
	Gasoil	930.00	939.00	905.00	963.00
Rotterdam	180 CST	605.00	604.00	589.00	630.00
	380 CST	582.00	569.00	561.00	586.00
	Diesel	890.00	882.00	869.00	990.00

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