



## TANKERS

## CHARTERING

## Crude

After last week's rally for VLCCs in the MEG, charterers are showing a rather more limited interest this week. Rates are still holding due to owners' resistance to giving discounts until they see what happens once IP Week in London comes to a close on Friday. Owners are still holding out hope that next week will see a resumption of activity. Even though rates in the MEG should remain stable for the time being, limited fixing has contributed to a further build up of tonnage, and if charters do not promptly get down to business next week this could be worrying for owners in the immediate future. The Atlantic VLCC market continues to be stable to firm with a fairly slim tonnage list enabling owners to secure better numbers than those seen east of Suez. The Suezmax market in WAF remained flat and balanced during the past week with only marginal changes in rates. The Med/Bsea Suezmax market softened somewhat after a modest tonnage build-up as a result of charterers moving end month stems into early March in order to mitigate problems with further Turkish Straits delays. There was no significant change in Nsea Aframax rates and with a long list of available vessels any immediate changes for the better appear unlikely. More Aframax activity in the Med built up owners' confidence and allowed them to make rate improvements of 2.5/5 ws points depending on the voyage. In the Caribs Aframax owners saw improvements in rates as charterers were keener to fix than they have been recently.

## Product

By the end of last week the transatlantic market shot up on the back of tighter tonnage availability on the Continent and rates have now stabilized around the ws180 level basis 37kt for UKC/USAC. There was some short-lived optimism for the larger tonnage when the naphtha arbitrage going east opened but the LR1s are only ever so slightly increased to ws117.5 basis 60kt for Baltic/USAC. Cross Continent activity is slightly mixed with rates for Handies and Flexies moving asymmetrically; 30kt is softer at ws200 whilst 22kt is firmer at ws270 for NWE tonnage. There is not much of a Caribs market to talk about, upcoast is flat at ws130 bss 38kt, whilst the more important backhaul market is firmer at ws95 bss 38kt with busy activity. East of Suez, the list of available tonnage remains long for both LR1s and LR2s. Activity level is low, and there has been no improvement over the last week. LR fixtures are now being reported down to ws97.5 for MEG/JPN voyages basis 55kt, and there are still few signs of improvement. LR1s trading jet fuel MEG/UKC have also seen a drop in rates, now estimated to USD 1.675 million basis 65kt. The story is similar for the LR2s, where the market remains very slow. Rates for voyages MEG/JPN are now estimated to ws82.5 basis 75kt. Rates for MRs trading SPORE/JPN are estimated to about ws118 basis 30kt, and MRs trading MEG/JPN are seeing rates around ws105 basis 35kt.

## ACTIVITY LEVEL

VLCC	Suezmax	Aframax	P. E. of Suez	P. W. of Suez		
Stable	Mixed	Mixed	Slower	Firmer	This Week	Last Week
<b>RATES</b>						
			This Week	Last Week	Low 2012	High 2012
<b>DIRTY (Spot WS)</b>						
MEG / West	VLCC	33.5	32.5	31.0	37.5	
MEG / Japan	VLCC	54.0	52.5	48.0	64.0	
MEG / Singapore	260,000	54.0	52.5	48.0	65.0	
WAF / USG	260,000	60.0	57.5	56.5	67.5	
WAF / USAC	130,000	80.0	75.0	75.0	92.5	
Sidi Kerir / W Me	135,000	82.5	82.5	77.5	110.0	
N. Afr / Euromed	80,000	85.0	82.5	80.0	120.0	
UK / Cont	80,000	85.0	85.0	85.0	110.0	
Caribs / USG	70,000	140.0	130.0	97.5	137.5	
<b>CLEAN (Spot WS)</b>						
MEG / Japan	75,000	82.5	85.0	85.0	90.0	
MEG / Japan	55,000	97.5	100.0	98.0	107.5	
MEG / Japan	30,000	105.0	108.0	106.0	120.0	
Singapore / Japan	30,000	118.0	118.0	115.0	123.0	
Baltic T/A	60,000	117.5	115.0	115.0	135.0	
UKC-Med / States	37,000	180.0	150.0	140.0	190.0	
Caribs / USNH	38,000	130.0	120.0	120.0	185.0	
<b>1 YEAR T/C (usd/day) (theoretical)</b>						
VLCC	(modern)	19,000	19,000	17,000	20,000	
Suezmax	(modern)	16,000	16,000	15,000	16,000	
Aframax	(modern)	13,000	13,500	12,500	13,500	
LR2	105,000	13,750	13,750	13,750	13,750	
LR1	80,000	13,500	13,500	13,250	13,500	
MR	47,000	13,750	13,750	13,500	13,750	
VLCCs fixed all areas last week:	41	previous week:	62			
VLCCs avail. in MEG next 30 days:	102	last week:	95			

## SALE AND PURCHASE

Vessel	Size	Built	Buyer	Price	Comm.
Monte Granada	150 581	2004	Tanker Pacific	34,00	
STI Conqueror	40 158	2005	Undisclosed	21,00	Enbloc
STI Matador	40 081	2003		16,20	
STI Gladiator	40 081	2003		16,20	

## DRY BULK

## CHARTERING

## Handy

Another depressing week for Supras in both basins. Lack of fresh business and over-supply of tonnage in the Atlantic pushed rates south. Cont/US Gulf fixed USD 1300 while US Gulf back to Cont at USD 8800. Fronthauls were paid USD 11,500. The Pacific market has improved with lot of cargoes seen, especially Indonesia. Indo-India rounds are now fixed at USD 9k basis North China. Nickel ore are also getting gud premiums. Indian iron ore is still quiet but few cargoes are seeing. WCI-China is around USD 10k and ECI-India around USD 8k. Short period rates around USD 10k, though not seen much this week.

## Panamax

The Panamax market experienced yet another week with declining rates in both hemispheres. A quick count shows that it is about 2.5 Pmax vessels per available cargo for March dates. Transatlantic rates came down somewhat USD 2k the last week and are now trading in region of USD 5k. Fhaults are being fixed at around USD 15k, down USD 2.5k from last week. In the Pacific we see rounds via NoPac are being fixed in the low 8k which is a positive sentiment compared to last week. For the backhauls the T/C equivalent levels are at around 0. The period market is regaining activity, but owners need to be flexible on the spread of period with deals being concluded at around 11k for a year on modern Kamsamaxes.

## Capesize

The pessimism in the market continues. More owners are willing to consider present levels for short period, indicating that expectations for a turnaround in the immediate future are nonexistent. Despite this the West Australian miners continue to take tonnage at what has become a conference rate of USD 7.60 pmt (equivalent to USD 1-2000 per day T/C equivalent). There are however a large number of owners, who have been spot for days/weeks, who refuse to fix their vessels under USD 8.00. This standoff will eventually break, as the source of the cheapest owners dries up, and we will likely see numbers around the USD 8.00 mark for some time. The Atlantic market is also dismal with tonnage spot and waiting/hoping for something to pop up. So far there has been little to indicate that this situation will change.

## ACTIVITY LEVEL

	Capesize	Panamax	Handysize		
	Low	Low	Low	This Week	Last Week
<b>RATES</b>					
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	8.70	8.60	12.70
Richards Bay/R.dam		8.70	8.70	8.65	11.00
PANAMAX (usd/day, usd/tonne)					
Transatlantic RV		5,000	7,300	4,700	13,800
TCT Cont / F. East		15,300	17,000	14,500	23,900
TCT F. East / Cont					2,800
TCT F. East RV		7,800	8,000	4,950	9,900
Murmansk b.13-ARA 15/25,000 sc		7.20	8.00	7.05	9.45
Murmansk b.13-L.pool 15/25,000 sc		7.85	8.50	7.70	10.35
HANDYSIZE (usd/day)					
Atlantic RV		5,000	5,500	5,500	15,100
Pacific RV		7,800	7,400	4,180	7,400
TCT Cont / F. East		11,500	12,200	12,200	23,400
1 YEAR T/C (usd/day)					
Capesize	150,000 dwt	11,500	11,500	11,000	15,000
Capesize	170,000 dwt	13,500	13,500	13,000	17,000
Panamax	75,000 dwt	11,000	11,000	10,000	12,000
Handysize	53,000 dwt	10,500	10,000	10,000	11,500
Baltic Dry Index (BDI):	This Week: 704		Last week: 731		

## SALE AND PURCHASE

Vessel	Size	Built	Buyer	Price	Comm.
Ince Istanbul	98 000	2011	Undisclosed	32,00	
Sagarkiran	73 350	1995	Indian	11,00	
Lord Nelson	37 705	1984	Turkish	4,35	
Lupinus	31 700	2005	Greek	16,90	
Baltic Frontier	26 968	1992	Singaporean	5,70	
Ace Dragon	24 280	1997	Greek	8,00	

**GAS****CHARTERING**

With IP week in London and the LPG conference in Tokyo the activity level has been low. The Baltic VLGC index has weakened marginally the last week and has remained unchanged for the last 3 days and little change is expected throughout the week. With a few deals concluded in the product market ex MEG, some VLGC shipping requirements might hit the market in the coming days. Product pricing shows that shipments from the Western basin to the East are still considered profitable at the recent freight levels. Should more tonnage be absorbed for West to East traffic, the upward pressure on rates in the West might convince owners to ballast ships from the East to the Atlantic on speculation. Looking at smaller size LPG/c's it is very interesting to see the upward trend currently happening for Petrochemical gases and handysize ships (10-20,000 cbm SR). Both for deep sea petrochemical gases and short timecharter (60/90 days) we can see the owners of a 20,000 cbm SR fetch around USD 28,000 pd. It's mainly BT and CC4 being moved either from Europe to US or F.East which creates the extra juice on freights. Typically a roundtrip Europe/Far East takes 60 days so the tonne miles keep the fleet very tight currently. We expect this to remain for at least the next 2 months.

**ACTIVITY LEVEL**

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

**RATES**

SPOT MARKET (usd/month***)	This Week	Last Week	Low 2012	High 2012
82.000 cbm / FR	395,000	390,000	185,000	390,000
57.000 cbm / FR	750,000	750,000	725,000	750,000
35.600 cbm / FR	825,000	825,000	750,000	825,000
20.000 cbm / SR*	790,000	780,000	740,000	780,000
10.000 cbm ETH**	620,000	600,000	580,000	600,000
6.500 cbm / SR	520,000	510,000	470,000	510,000
COASTER Europe	310,000	310,000	245,000	310,000
COASTER Asia	237,000	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)	620.31	832.95	888.30
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:	3	5	6
Year to date 2011:	1	1	8
2011 total:	14	6	65

**SOLD FOR DEMOLITION**

Vessel name	Size	Ldt	Built	Buyer	Price
MT Sunlight Jewel	302 326	40 990	1993	Pakistani	505
BC Diamond Warrior	197 091	25 516	19874	Indian	482
BC Heibei Pearl	98 734	23 852	1987	Bangladeshi	490
MT Zeinat 3	68 232	16 092	1995	Indian	518
BC Princessa V	38 500	9 042	1986	Indian	490
OBO Ocean Mercy	37 179	24 229	1987	Bangladeshi	490
CONT Qatari Inb Al Fujaa	35 625	12 861	1983	Indian	502
BC Bestking	34 698	7 933	1983	Bangladeshi	470
BC Ocean Star	23 793	5 945	1982	Indian	500

**NEWBUILDING****GENERAL COMMENT**

Little activity this week, as the market is still slow for most shiptypes. The price for steel plates and main engines is still on a declining trend leading to a further weakening of newbuilding prices. We currently see a major focus on fuel efficiency for tankers, bulkers and container carries, however, the price gap between a newbuilding and modern second hand vessel is still in favor of used tonnage.

**ACTIVITY LEVEL**

Tankers	Dry Bulkers	Others
Low	Low	Slower

Average Far Eastern Prices

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

**NEWBUILDING CONTRACTS**

Type	No	Size	Yard	Owner	Del	Mill\$	Comm.
LNG	2	160000 cbm	HHI	Dynacom	2014-2015		
Cont	4	10000 teu	Hudong	CSCCL	2014		Declared options

**MARKET BRIEF**

Rate of exchange	This Week	Last Week	Low 2012	High 2012
JPY/USD	80.31	78.37	76.14	80.31
KRW/USD	1127.40	1123.02	1115.75	1158.78
NOK/USD	5.67	5.75	5.67	6.03
USD/EUR	1.32	1.31	1.27	1.33

**Interest rate**

Eurodollar 12 mnths	1.07	1.07	1.07	1.13
EuroNOK 12 mnths	3.43	3.41	3.25	3.47

**Commodity prices**

Brent spot (USD)	122.38	119.39	108.98	122.38
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**Bunker prices**

Singapore	180 CST	750.00	742.00	736.00	752.00
	380 CST	740.00	732.00	720.00	740.00
	Gasoil	985.00	995.00	951.00	995.00
Rotterdam	180 CST	710.00	715.00	688.00	715.00
	380 CST	696.00	695.00	663.00	696.00
	Diesel	1005.00	945.00	939.00	1005.00

