



## TANKERS

## CHARTERING

## Crude

The VLCC market in the MEG remains volatile and we have seen a sharp correction down both for MEG/East and West. The list of available tonnage in the MEG looks well balanced and as ships have quietly been fixed off the market the count for the month has come up to about 50 for March. The list however looks more plentiful as we look further into the month and rates are stable. In the Atlantic there has been a build-up of tonnage due to insufficient activity, and we may see a situation where the Waf/ East market will be covered by ships open in the Atlantic basin, compared to what we have seen over the last months where it has mainly been covered by ballasters from the East. The Waf/ Suezmax market is firming on the back of more interest from Charterers in the region including a general higher activity level in the Atlantic. The MED and Black Sea Suezmax market remains stable. Aframax rates in the NSea and Baltic plummeted drastically on the back of a rich tonnage list and very little activity cargo wise. The market doesn't look to be going anywhere just yet and we will see ws75 levels being fixed ex Baltic on crude and ws87.5-90 for cross NSea for this and also next week. In the Med and Black Sea we have seen increased activity with quite a few cargoes being worked out of East Med and Black Sea. Despite better activity last few days, rates remain rather stable moving from ws82.5 to ws85. In the Caribs we have seen more cargo activity. More cargoes, combined with weather delays in Houston, have pushed the market up to ws115 level.

## Product

Sentiment turned from grim to rosy in the span of a few days early this week. We believe the T/A market bottomed out around 37kt @ ws105 and now stands around ws135 level UKC/USAC, looking firm. Throw in a few naphtha cargoes going to US/BZL combined with an influx of Waf/ cargoes, this should now be around 37kt @ ws145 level UKC/WAFR with potential to keep rising. Handies have come under pressure on the UKC with ships piling up and few cargoes to go around. Ice cargoes should be fixed for 30kt @ ws185 or lower, whilst non-ice cargoes can be secured @ ws170 level. The MED firmed up over the last week and is firm around 30kt @ ws165 WMED and ws185 EMED and BSEA. Short term positive outlook for MRs on the CONT, however watch the LR1s as a possible scapegoat if things keep firming. Continued softening for Handies on the Cont and we see the MED as close to a top for now. East: The improved activity we saw last week, continued into this week. LR2s owners are the ones whose have seen most cargoes and most prompt tonnage are now cleared out. Rates are firm but with a slow increase. Rates have only gained some 2.5 points from last week in both LR segments, but LR1 owners now seems to come to a standstill, as there are still prompt tonnage available. There are still interest moving cargoes direction west, but rates are only increasing slightly. MR1 owners have seen more activity than available tonnage and rates have increased some 5 points over the week to ws110 basis 30k mt for a voyage Singapore to Japan.

## ACTIVITY LEVEL

VLCC	Suezmax	Aframax	P. E. of Suez	P. W. of Suez
Stable	Firmer	Mixed	Firm	Firm

RATES This Week Last Week Low 2014 High 2014

## DIRTY (Spot WS)

MEG / West	VLCC	33.0	39.0	30.0	42.0
MEG / Japan	VLCC	55.0	62.5	42.5	72.0
MEG / Singapore	VLCC	55.0	62.5	42.5	70.0
WAF / USG	260,000	60.0	65.0	57.5	75.0
WAF / USAC	130,000	62.5	55.0	52.5	130.0
Sidi Kerir / W Me	135,000	62.5	62.5	62.5	170.0
N. Afr / Euromed	80,000	85.0	80.0	77.5	230.0
UK / Cont	80,000	90.0	92.5	90.0	220.0
Caribs / USG	70,000	115.0	107.5	100.0	300.0

## CLEAN (Spot WS)

MEG / Japan	75,000	82.5	80.0	70.0	82.5
MEG / Japan	55,000	107.5	107.5	85.0	107.5
MEG / Japan	30,000	110.0	105.0	100.0	112.5
Singapore / Japan	30,000	110.0	105.0	100.0	112.5
Baltic T/A	60,000	95.0	107.5	95.0	130.0
UKC-Med / States	37,000	135.0	112.5	112.5	160.0
USG / UKC-Med	38,000	100.0	92.5	75.0	120.0

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

VLCC	(modern)	24,000	24,000	24,000	25,500
Suezmax	(modern)	19,000	19,000	17,000	20,000
Aframax	(modern)	15,000	15,000	13,500	15,000
LR2	105,000	16,000	16,250	16,000	16,250
LR1	80,000	15,250	15,500	15,000	15,500
MR	47,000	15,500	14,750	14,500	15,500

VLCCs fixed all areas last week: 39 previous week: 31

VLCCs avail. in MEG next 30 days: 105 last week: 98

## SALE AND PURCHASE

Vessel	Size	Built	Buyer	Price	Comm.
Nichihiko	281 705	1999	Chinese	25,20	
Montigny	115 418	2003	Greek	22,50	
Bow Americas	19 707	2004	US Based	21,50	StSt, incl BB back to Sellers
Mar Virginia	9 584	1996	Turkish	6,00	StSt

Vessel	Size	Built	Buyer	Price	Comm.
Eastern Knight	8 924	2003	S. East Asians	9,00	StSt
Bomar Eris	8 025	2008	MSC	9,60	

**DRY BULK****CHARTERING****Handy**

The Atlantic handy/supra market experienced a downward trend this week but not a dramatic one. T/A rates are down around USD 800 w-o-w lead by less activity and fewer fresh cargoes to be fixed. In the Pacific however we see rates coming up a bit. Coal cargoes for early March dates have been covered and prompt ships open in Singapore area are able to achieve a good 14k for Indo coal rounds. NoPac rounds are being fixed at around USD 10k for ships with good specs and the activity for short periods are again back in the market. Owners are asking 13k for short periods bss Feast delivery while some chrts are holding a bit back before willing to come close to those levels.

**Panamax**

The Panamax market has continued to decline in the Atlantic. Some owners are willing to take the lower levels whereas others are holding back and waiting for a better tomorrow. T/A rounds are now being fixed at levels around 6-7k depending on the trade on T/C, whereas voyage rates are easily 50% less. Ships able to breach INL are in for a small premium. In the Eastern hemisphere the week started off positive, via a wait and see mode to gradually become weaker. Pacific rounds are being fixed in region of USD 11-12k for NOPAC, less for Indo/India. With a huge number of ships in ballast for ECSA grain business, the recent upward trend has changed to a negative. 15+500 APS is the going number / 39 pmt. The gap between spot and period market is still significant. A Kamsarmax was reported fixed for one year at USD 15,500 bss Spore delivery, another 14200+425 GBB bss Cape Town whereas good Panamaxes should be able to get high 13's for same. Expectations for ECSA grains are still alive.

**Capesize**

Cape paper continues to be aggressively bought and it appears the physical has been 'kickstarted'. Some gains on the West Australia/China and Tub/China route have been witnessed in the last few days (fixing slightly north of 9 PMT and 21 PMT respectively at the time of writing). The steep contango to spot continues to widen. Q3 FFA contracts have soared up to USD 26,250 while the rear end of the curve has also pushed up with Cal 15 trading at nearly USD 24k. The market is pricing in increased iron ore supply from West Australia set for Q2, and if this displaces domestic Chinese production, it will create a very favourable environment for Capes. We are already witnessing the iron ore price declining to its current level USD 116 PMT (62% CFR Tianjin). Period rates are reflecting the paper, and USD 25,500 is being bid on good units for period of 2 years now.

**ACTIVITY LEVEL**

Capesize Firming	Panamax Slower	Handysize Mixed
---------------------	-------------------	--------------------

**RATES** This Week Last Week Low 2014 High 2014

CAPE SIZE (usd/day, usd/tonne)

TCT Cont/Far East (172' dwt)	30,000	25,250	25,000	53,500
Tubarao / R.dam (Iron ore)	8.10	7.80	7.80	17.00
Richards Bay/R.dam	7.95	7.60	7.40	10.80

PANAMAX (usd/day, usd/tonne)

Transatlantic RV	6,600	8,500	6,600	18,000
TCT Cont / F. East	16,700	19,000	16,700	24,500
TCT F. East / Cont	1,800	1,700	1,000	2,750
TCT F. East RV	11,900	12,000	8,600	12,000
Murmansk b.13-ARA 15/25,000 sc	6.65	7.20	6.65	10.00
Murmansk b.13-L.pool 15/25,000 sc	7.25	7.85	7.25	10.85

HANDYSIZE (usd/day)

Atlantic RV	13,300	14,100	13,300	20,290
Pacific RV	9,800	8,600	5,500	9,800
TCT Cont / F. East	18,500	18,450	18,250	22,680

1 YEAR T/C (usd/day)

Capesize	150,000 dwt	17,000	16,000	13,500	17,000
Capesize	170,000 dwt	23,000	22,000	18,000	23,000
Panamax	75,000 dwt	13,900	14,000	12,500	14,000
Handysize	53,000 dwt	12,000	12,000	11,750	12,500

Baltic Dry Index (BDI):	This Week: 1222	Last week: 1160
-------------------------	-----------------	-----------------

**SALE AND PURCHASE**

Vessel	Size	Built	Buyer	Price	Comm.
Million Trader II	76 466	2004	Eurobulk	21,50	
Barito	73 008	1996	S. Korean	7,20	
Triton Stork	56 024	2004	Undisclosed	21,00	
Alabama Belle	41 808	1986	Greek	4,50	
Pacific Elfin	35 062	2001	Greek	14,00	
West Fortune	28 417	2009	Undisclosed	17,50	

**GAS****CHARTERING**

We have earlier in this column hinted that the VLGC spot market must be getting close to the bottom of the cycle soon, but it seems we are not quite there yet. The Baltic index has been in red every day for practically six weeks, and although the index doesn't reflect the West market at all, the sentiment is no doubt unexpectedly weak for the season. LPG prices have been coming off in the USG, but at the same time consumers in the East are lowering their price ideas, too. March posted prices from the Middle East exporters are just about to be announced this week, but hardly worth waiting for as a boost to activity. The VLGC orderbook keeps on growing - options get declared (as expected) and Chinese newcomers ink large orders. We wish the new LPG export projects arrive on time and preferably to start producing earlier than announced - there is a huge transportation capacity in the orderbook now and the market development ahead depends on timing of new supply as well as new trade routes.

**ACTIVITY LEVEL**

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

**RATES** This Week Last Week Low 2014 High 2014

SPOT MARKET (usd/month\*\*\*)

82,000 cbm / FR	525,000	555,000	525,000	1,140,000
57,000 cbm / FR	875,000	900,000	875,000	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**	550,000	550,000	530,000	550,000
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	65,000	70,000	65,000	85,000
West of Suez 138-145° cbm	72,000	75,000	72,000	95,000
1 yr TC 138-145° cbm	62,000	62,000	62,000	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)	630.41	583.24	639.20
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:	3	0	2
Year to date 2013:	0	2	6
2013 total:	23	7	24

**SOLD FOR DEMOLITION**

Vessel name	Size	Ldt	Built	Buyer	Price
MT New Venture	291 640	33 348	1992	Chinese	405
MV M. Faruk	63 494	11 124	1984	Indian	452
CONT Hanjin Irene	62 742	18 888	1994	Indian	486
RORO Eurocorgo	20 731	13 221	1981	Indian	482
Africa					

**NEWBUILDING****GENERAL COMMENT**

Strong activity this week, with 14 newbuildings reported. The mix includes a little bit of everything. The new slightly increased price regime has not yet drawn out masses of potential buyers, but looking back most will claim the orderbooks are full as they are. For most major yards 2016 is filled up, in some cases even 1Q2017, this time brings us to 36 month lead time for large ships.

**ACTIVITY LEVEL**

Tankers	Dry Bulkers	Others
Active	Stable	Stable

Average Far Eastern Prices

PRICES (mill usd)	This Week	Last Week	Low 2014	High 2014
VLCC 300'dwt	100.0	100.0	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.
BC	2	208000 dwt	YZJ	Cardiff	2017		
BC	2	64000 dwt	Jinling	Swiss Marine	2016		
Chem	2	45000 dwt	Minaminippon	MOL	2016		
PC	2	50000 dwt	Minaminippon	AP Moller	2017		
MT	2	320000 dwt	DSME	Awilco	2016		
LPG	4	84000 cbm	DSME	Shandong Shipping	2016-2017		

**MARKET BRIEF**

Rate of exchange	This Week	Last Week	Low 2014	High 2014
JPY/USD	102.39	101.94	101.36	104.83
KRW/USD	1065.20	1065.65	1051.60	1078.63
NOK/USD	6.06	6.06	6.06	6.25
USD/EUR	1.37	1.37	1.35	1.37
Interest rate				
Eurodollar 12 mnths	0.55	0.55	0.55	0.59
EuroNOK 12 mnths	1.81	1.82	1.73	1.85
Commodity prices				
Brent spot (USD)	109.33	110.37	106.00	110.37
Bunker prices				
Singapore	180 CST	623.00	628.00	615.00
	380 CST	611.00	616.00	603.00
	Gasoil	931.00	935.00	905.00
	180 CST	611.00	605.00	589.00
	380 CST	585.00	585.00	561.00
	Diesel	885.00	890.00	869.00
Rotterdam				



FEARNLEYS AS  
P.O BOX 1158 SENTRUM  
0107 OSLO  
PHONE: + 47 22 93 60 00

www.fearnleys.com

FEARNRESEARCH  
fearnresearch@fearnleys.no  
Telefax: 22 93 61 10

FEARNTANK  
fearntank@fearnleys.no  
Telefax: 22 93 62 48

FEARNBULK  
fearnbulk@fearnleys.no  
Telefax: 22 93 62 50

FEARNGAS  
fearngas@fearnleys.no  
Telefax: 22 93 61 30

FEARNSALE  
fearnsale@fearnleys.no  
Telefax: 22 93 61 50

ADMINISTRATION  
Telefax: 22 93 61 20