



TANKERS

CHARTERING

Crude

The past week was rather negative for VLCC owners with further drop in rates in the wake of the Lunar New Year celebrations. With VLCC rates now approaching the ws50 mark on MEG/East voyages, it seems likely that rates could dip into the ws40s very soon given the fact that there doesn't appear to be enough inquiry to absorb the considerable pool of available tonnage. Nonetheless, we would expect that inquiry is likely to reappear once rates take a significant beating, but for the moment, we expect that rates will have to be established below the last done of ws51 for MEG/East prior to activity resuming. The same trend is observed for VLCCs on the MEG/West route where last done is ws34, and this level is expected to weaken further. The Suezmax market in WAF was slow with rates remaining flat and likely to weaken in the near future due to the build up of tonnage. The same was true for Suezmaxes in the Bsea/Med where tonnage was ample and Bosphorus delays were at a minimum. Aframax rates in the Nsea/Baltic continued to be under downward pressure, but the emergence of ever colder temperatures could bode well for ice class tonnage in the Baltic. There was little joy for Aframax owners in the Med/Bsea markets in spite of a good amount of fixing; it appeared that reduced Turkish straits delays and a more than sufficient pool of available tonnage made for tough going for owners hoping to improve their earnings. Aframax owners trading in the Caribs/upcoast market saw a significant rate gain as an increase in lightering activity and delays occasioned by bad weather combined to improve their lot.

Product

Freight rates for MRs in the Atlantic have been slipping and sliding, now fixing at ws140 for UKC/USAC basis 37kt. Gasoline prices stateside have been rallying and opening the arb, however there a too many ballasters coming into the Cont which keeps the rates in check. LR1s have been steadily firm the last few weeks but we now see pressure on these rates as well, pushing fixtures down to ws122.5 for Baltic/USAC basis 60kt. The NWEurope trampers see the most stable market with Handies firm at ws185 basis 30kt, and Flexisizes firm at ws217.5 basis 22kt. There is still a lot of pressure on the rates stateside, with Caribs upcoast fixtures weaker at ws120 basis 38kt, backhauls are done at ws70 basis 38kt for USG/UKC-Med fixtures. At these continued low levels and where there is no arbitrage open, vessels will continue to ballast back from a USAC open position, keeping a lid on the TC2 market for now. The list of available tonnage east of Suez has improved somewhat for LR1s, increasing rates for LR1s trading MEG/JPN fixing at ws107.5 basis 55kt. Cargoes heading west remain on the slow side, hence LR1s trading MEG/UKC can expect rates down towards USD 1.7 million basis 65kt. LR2s experienced a softening market, and rates have been reported down to ws86 for MEG/JPN voyages basis 75kt. We expect LR2 rates to have bottomed out. Rates for MRs trading SPORE/JPN are still estimated to about ws115 basis 30kt, and MRs trading MEG/JPN see rates around ws106 basis 35kt.

ACTIVITY LEVEL

VLCC	Suezmax	Aframax	P. E. of Suez	P. W. of Suez
Soft	Weakening	Mixed	Stable	Soft

RATES		This Week	Last Week	Low 2012	High 2012
DIRTY (Spot WS)					
MEG / West	VLCC	33.0	35.0	31.0	37.5
MEG / Japan	VLCC	50.0	64.0	48.0	64.0
MEG / Singapore	260,000	50.0	65.0	48.0	65.0
WAF / USG	260,000	60.0	67.5	56.5	67.5
WAF / USAC	130,000	80.0	80.0	80.0	92.5
Sidi Kerir / W Me	135,000	77.5	85.0	77.5	110.0
N. Afr / Euromed	80,000	82.5	82.5	82.5	120.0
UK / Cont	80,000	92.5	110.0	92.5	110.0
Caribs / USG	70,000	137.5	120.0	97.5	137.5

CLEAN (Spot WS)		This Week	Last Week	Low 2012	High 2012
MEG / Japan	75,000	86.0	90.0	86.0	90.0
MEG / Japan	55,000	107.5	105.0	98.0	107.5
MEG / Japan	30,000	106.0	108.0	106.0	120.0
Singapore / Japan	30,000	115.0	115.0	115.0	123.0
Baltic T/A	60,000	122.5	125.0	122.5	135.0
UKC-Med / States	37,000	140.0	150.0	140.0	190.0
Caribs / USNH	38,000	120.0	130.0	120.0	185.0

1 YEAR T/C (usd/day) (theoretical)		This Week	Last Week	Low 2012	High 2012
VLCC	(modern)	19,500	19,500	17,000	19,500
Suezmax	(modern)	16,000	16,000	15,000	16,000
Aframax	(modern)	13,000	13,000	12,500	13,000
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:	30	previous week:	43
VLCCs avail. in MEG next 30 days:	98	last week:	83

SALE AND PURCHASE

Vessel	Size	Built	Buyer	Price	Comm.
Box	50 366	2009	Undisclosed	30,00	
Clipper Miki	19 998	2009	Singaporean	23,50	StSt/Epoxy
Stena Caribbean	9 996	2002	Australian	13,00	Epoxy Coated
Golden Micronesia	9 091	2004	Wilmar	9,00	StSt tanks incl TC till 8/12
Eastern Goodwill	8 740	2001	DM Shipping	8,30	StSt tanks

DRY BULK

CHARTERING

Handy

Another week of falling rates. In the US Gulf tonnage were fighting for the few fresh cargoes entering the market. Vessels fixed for Skaw-Passero direction were paid tick below 11k/day, and Continent positions concluded USD 2500 and USD 14k for US Gulf and Far East, respectively. The Pacific market remains quiet in spite of holidays getting over and overall sentiment remains negative. Indo-India fixed at around USD 5k dop south China and nickel cargoes also very less to support the market. Nopac cargoes are also less in numbers and mostly fixed on APS basis. A bit quiet on iron ore from India and rates remain at USD 8k from WCI and USD 7k from ECI. RBCT rounds are fixed on APS basis at USD 10k + 300k BB. Red Sea fertiliser cargoes fixed at low 20s to India. Short period activity very less and rates are around USD 8k.

Panamax

With the BPI at 694 we are now below the depressing market we experienced at the beginning of 2009. This week we did however see more fresh cargoes, but the tonnage list is just growing day by day. The grain season is about to kick off in Brazil and we see cargoes ready from 2nd half Feb onwards. The activity is still limited and the deals being done are being fixed at very low levels even below operating costs. This has resulted in some owners dropping anchor to wait until they see reasonable levels again. The Tarvs are now being fixed below USD 5k and the fronthauls are fetching around 14-15k depending on delivery. In the Pacific basin the rounds are being fixed around USD 5k. A one-year deal was reported this week with the mv Global Bonanza, 74kdw/built '11, being done basis delivery Feast at USD 10k daily.

Capesize

The market continues to be horrible. Rates and activity have not improved even after the Chinese have returned to work after the Lunar New Year holidays. Thus there is little to say in terms freight rate development except that it is flat. There is however an increased interest from short period takers, indicating a sentiment, that this market cannot fall much further, and that the premium payable for short period can easily be recovered if the market rebounds.

ACTIVITY LEVEL

Capesize	Panamax		Handysize	
	Low	Low	Low	Low
RATES				
This Week Last Week Low 2012 High 2012				
CAPESIZE (usd/day, usd/tonne)				
TCT Cont/Far East (172' dwt)	19,500	20,000	19,500	43,000
Tubarao / R.dam (Iron ore)	8.60	8.80	8.60	12.70
Richards Bay/R.dam	8.70	8.90	8.70	11.00

PANAMAX (usd/day, usd/tonne)		This Week	Last Week	Low 2012	High 2012
Transatlantic RV	4,700	6,400	4,700	13,800	
TCT Cont / F. East	14,500	16,500	14,500	23,900	
TCT F. East / Cont				2,800	
TCT F. East RV	4,950	5,750	4,950	9,900	
Murmansk b.13-ARA 15/25,000 sc	7.05	7.45	7.05	9.45	
Murmansk b.13-L.pool 15/25,000 sc	7.70	8.10	7.70	10.35	

HANDYSIZE (usd/day)		This Week	Last Week	Low 2012	High 2012
Atlantic RV	6,750	8,000	6,750	15,100	
Pacific RV	4,180	4,250	4,180	5,900	
TCT Cont / F. East	14,500	16,500	14,500	23,400	

1 YEAR T/C (usd/day)		This Week	Last Week	Low 2012	High 2012
Capesize	150,000 dwt	11,000	11,000	11,000	15,000
Capesize	170,000 dwt	13,000	13,000	13,000	17,000
Panamax	75,000 dwt	10,000	10,500	10,000	12,000
Handysize	53,000 dwt	10,000	10,000	10,000	11,500

Baltic Dry Index (BDI):	This Week: 662	Last week: 784
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SALE AND PURCHASE

Vessel	Size	Built	Buyer	Price	Comm.
ABG 315	54 000	2012	Global Bulk Carriers	28,20	
ID Nord	46 640	1999	Singaporean	14,75	
African Star	42 004	1991	Undisclosed	8,50	on subs
Sealight	41 093	1984	Undisclosed	4,20	
Good Pilgrims	29 400	2009	Precious Shipping	17,70	



GAS

CHARTERING

The VLGC market was not quite as busy as previous week as far as concluded spot fixtures are concerned, nonetheless the freight inquiries in the West were plentiful and we saw a few bits and pieces in the East, too. The Baltic VLGC freight index is into its 3rd week in blue albeit at a very modest pace and in line with what we predicted last week. The latest confirmed VLGC fixture MEG/Far East equals roughly OPEX break-even, in other words around USD 10k per day. There was as expected a relatively large overhang of prompt tonnage in the MEG "inherited" from January, and it will definitely take time to absorb this length. It is not quite obvious yet how many VLGCs will be ordered longhaul from West to East, but it seems at least a handful vessels will be put into this tonmile-boosting trade. The posted February prices that just came out from SaudiAramco set new all-time high records for propane and butane FOB MEG which means the freight element only equals about 4% of the landed LPG price in the Far East.

ACTIVITY LEVEL

COASTER Firm	15-23,000 cbm		82,000 cbm	
	Stable	Slower	Slower	Slower
RATES	This Week	Last Week	Low 2012	High 2012
SPOT MARKET (usd/month***)				
82.000 cbm / FR	330,000	240,000	185,000	330,000
57.000 cbm / FR	725,000	725,000	725,000	750,000
35.600 cbm / FR	750,000	750,000	750,000	750,000
20.000 cbm / SR*	740,000	740,000	740,000	740,000
10.000 cbm ETH**	580,000	580,000	580,000	580,000
6.500 cbm / SR	490,000	480,000	470,000	490,000
COASTER Europe	280,000	245,000	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	140,000	141,000	140,000	150,000
West of Suez 138-145' cbm	140,000	143,000	140,000	150,000
1 yr TC 138-145' cbm	155,000	158,000	155,000	158,000

LPG/FOB prices (usd/tonne)	Propane	Butane	ISO
FOB North Sea / ANSI	803.50	875.50	
Saudi Arabia / CP	850.00	910.00	
MT Belvieu (US Gulf)	675.34	860.70	956.45
Sonatrach : Bethioua	810.00	910.00	

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:	1	5	3
Year to date 2011:	1	0	5
2011 total:	14	6	65

SOLD FOR DEMOLITION

Vessel name	Size	Ldt	Built	Buyer	Price
MT Atlantic Prosperity	311 690	40 378	1995	Indian	
GC Princess Katherine	164 100	26 263	1986	Chinese	440
MT Glen Maye	151 850	21 371	1992	Indian	
GC Pioneer Epos	75 470	13 404	1981	Pakistani	475
GC Ethnos	66 732	12 000	1984	Indian	
GC Sea Bird	63 868	11 600	1984	Pakistani	510
CONT Khaled Ibn Al Waleed	35 615	12 858	1983	Indian	514
GC BM Freedom	31 247	9 030	1980	Indian	462
MT Gemini	29 870	9 199	1986	Indian	495
GC Siam Star	29 617	6 232	1984	Indian	488
GC BM Hope	29 129	7 933	1978	Bangladeshi	462
GC Sea Dream	26 223	7 296	1981	Indian	500
GC Agios Nectarios I	23 969	5 734	1982	Indian	492
GC BM Intrepid	19 310	5 940	1983	Bangladeshi	462
GC BM Pride	18 982	7 174	1983	Pakistani	462
GC Mallak	18 270	5 596	1981	Indian	500
GC BM Adventure	17 520	6 478	1980	Bangladeshi	462
REEF Yasaka Bay	10 647	5 503	1983	Indian	489

NEWBUILDING

GENERAL COMMENT

It has been a week with low newbuilding activity due to the Chinese New Year holiday. Totally 12 newbuilding orders to report this week, all contracted at the Korean yard group STX. Interesting to observe is that Fredriksen has made a new entry to the product-tanker market by ordering 6 firm 4 optional MR tankers at the STX Jinhae yard.

ACTIVITY LEVEL

Tankers	Dry Bulkers	Others			
Low	Low	Low			
Average Far Eastern Prices					
PRICES (mill usd)	This Week	Last Week	Low 2012	High 2012	
VLCC	300'dwt	97.0	97.0	97.0	97.0
Suezmax	150'dwt	62.0	62.0	62.0	62.0
Aframax	110'dwt	52.0	52.0	52.0	52.0
Product	47'dwt	36.0	36.0	36.0	36.0
Capesize	180'dwt	50.0	50.0	50.0	50.0
Panamax	76'dwt	30.0	30.0	30.0	30.0
Handymax	56'dwt	28.0	28.0	28.0	28.0

NEWBUILDING CONTRACTS

Type	No	Size	Yard	Owner	Del	Mill\$	Comm.
BC	2	57000 dwt	STX Dalian	Ince Denizilik	2013		
BC	4+2	82000 dwt	STX Jinhae	Efnav	2013	33.5	
MT	6+4	50000 dwt	STX Jinhae	Frontline	2013/14	32.5	

MARKET BRIEF

Rate of exchange	This Week	Last Week	Low 2012	High 2012	
JPY/USD	76.14	78.05	76.14	78.05	
KRW/USD	1122.78	1125.95	1122.78	1158.78	
NOK/USD	5.80	5.94	5.80	6.03	
USD/EUR	1.32	1.29	1.27	1.32	
Interest rate					
Eurodollar 12 mnths	1.10	1.11	1.10	1.13	
EuroNOK 12 mnths	3.25	3.28	3.25	3.47	
Commodity prices					
Brent spot (USD)	111.45	108.98	108.98	112.29	
Bunker prices					
Singapore	180 CST	747.00	743.00	736.00	752.00
	380 CST	734.00	732.00	720.00	740.00
	Gasoil	965.00	951.00	951.00	980.00
Rotterdam	180 CST	694.00	688.00	688.00	710.00
	380 CST	674.00	669.00	663.00	688.00
	Diesel	952.00	939.00	939.00	974.00



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