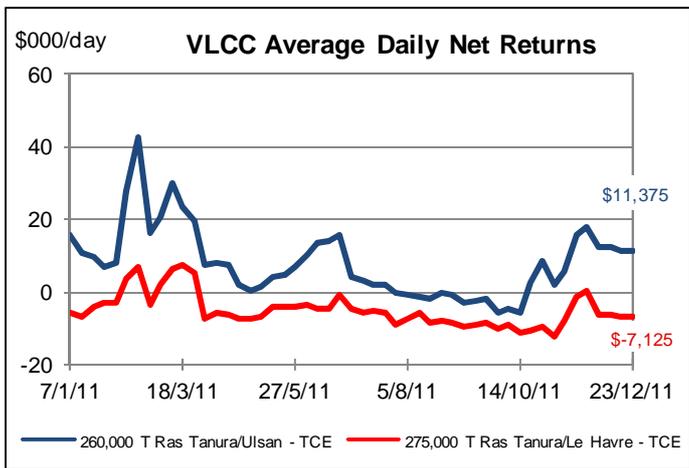




TANKER NEWSLETTER

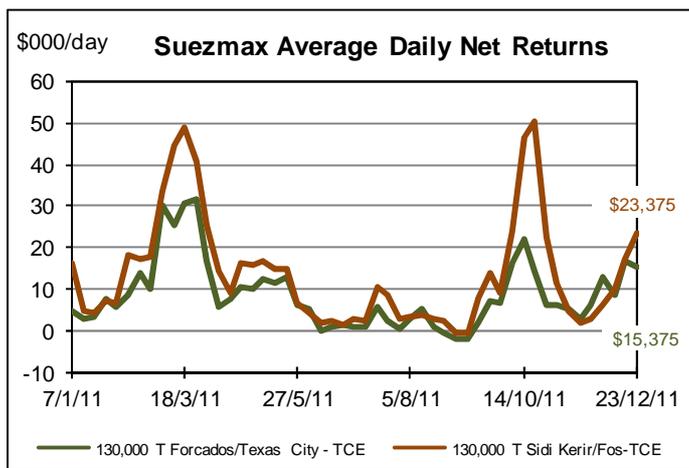
BRS Tanker Newsletter is a summary for BRS clients of current market trends and developments.

N° 754 – December 23rd, 2011



The end of the year did not bring any light to **VLCC** owners as it punctually did for owners of smaller units... Despite a well maintained monthly volume of cargoes from the Middle East Gulf, rates keep dragging at low and stable levels. Voyages to the Far East seem unable to even reach a mere WS60 and have again averaged WS57.5 all week long. At such level, daily returns are hardly fetching USD12,000 quite far from the minimum required for such modern and expensive units to run and be well maintained. Since this situation should continue next year, most ships are now performing voyages at maximum 13 knots. We therefore shall modify our daily return calculator from early next year so to be more in line with reality. In comparison, activity in the western hemisphere is ending the year on a high tone with a positive combination of cargoes from West Africa and fuel from Northern Europe. Voyages WAfr/USG gained 7.5 points at WS67.5 equivalent to nearly USD25,000/day while fuel cargoes from NW Europe to Singapore averaged USD4.25 m. (+ 0.3 m.).

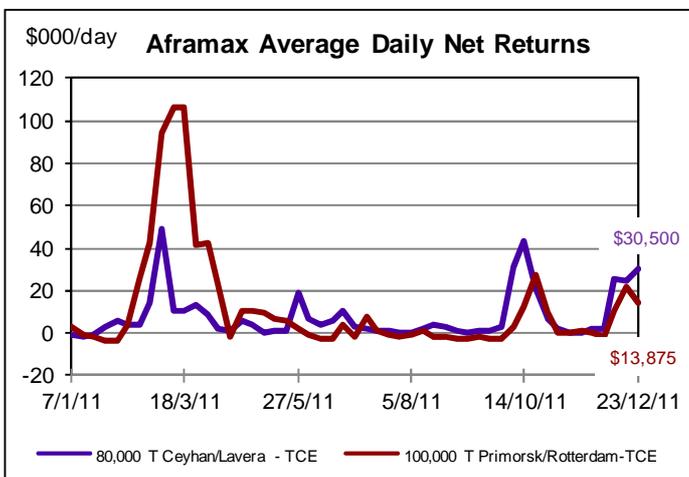
VLCC Middle East Gulf →



Despite quite a busy week on the West African **Suezmax** market, rates remained pretty unchanged thanks to a good equilibrium between supply and offer. Freight rates registered this week vary between WS85 and WS90 (depending on the route) which still means about USD20,000/day as a t/c equivalent. It has been quite a different story ex Black Sea(!): for the last two weeks, the market has been getting influenced by the winter season and Turkish straits delays which quickly increased to nearly 10 days northbound. The market is under heavy pressure and reached a top on Thursday when Black Sea/Med has been fixed at WS120 for mid Jan loading. Such a high score brings time charter equivalents well above USD40,000 per day ... but for how long?

SUEZMAX West Africa →

SUEZMAX Mediterranean → →

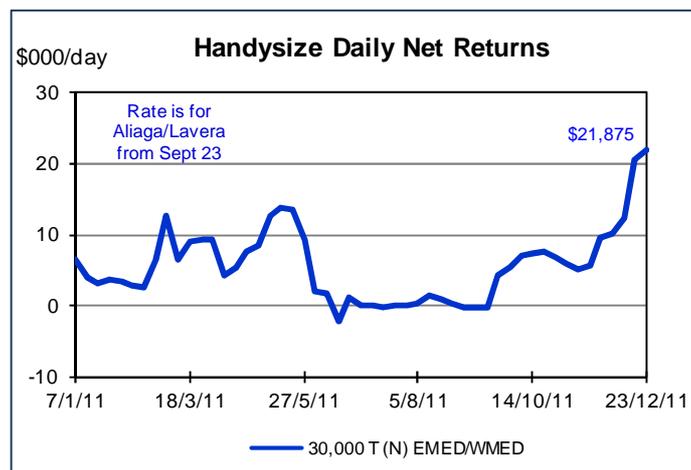
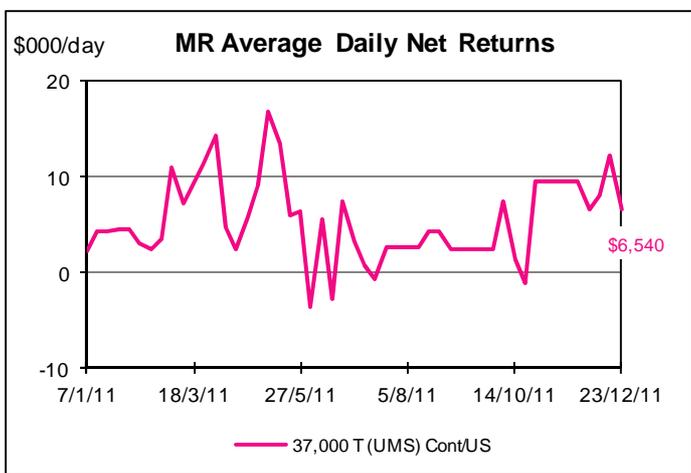
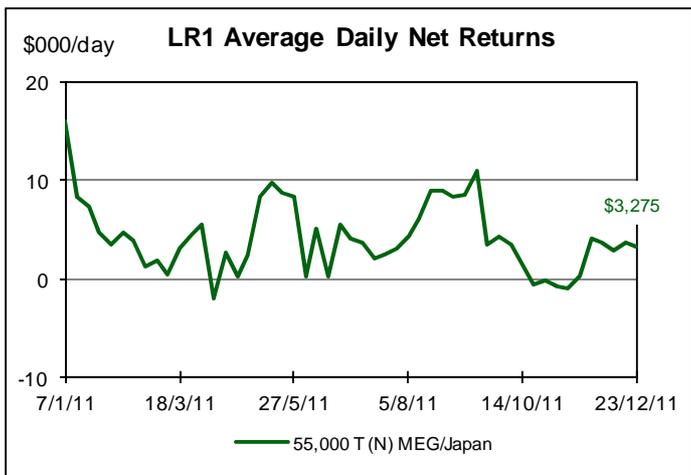


The **Aframax** market had an amazing week... Increasing delays to the Black Sea and a fair amount of pre-Christmas fixing pushed rates heavily up. December cross-Med stems remain extremely difficult to cover even though a high number of replacements failed. Black Sea cargoes have already been fixed well into January and natural dates should pay around WS160 (above USD30,000 per day). Hard to say how long it will last but the likely quiet holiday period will halt the activity. The North markets have been reasonably busy this week on the back of pre-holiday fixing, with most of the action happening in the Baltic though. Nevertheless, owners didn't manage to push rates up significantly. 80,000t currently can be rated at WS130 level, while 100,000t ex Baltic pays WS97.5. The Caribbean recovery did not last long and local voyages are now back to about WS115 (-15 pts) while, in the Middle East Gulf, marginal improvements are registered with rates finally reaching WS120.

AFRAMAX Mediterranean →

AFRAMAX North Sea →





This week activity in the **MEG market** increased, with end-December cargoes still being quoted. Consequently there has been some MR clear out on prompt dates, but this has had no impact on freight levels. This increase in cargo volume is also seen off early January dates up to the 10th, which in turn could halt the rates from dropping further. Cross-MEG is now fixing in the USD205,000 lumpsum levels, and 35,000t cpp from MEG to East Africa goes for WS240. The east run with 35,000t naphtha is trading at WS147. There is little change for the LRs, with 75,000t naphtha from MEG to Japan at WS107, while LR1s 55,000t naphtha MEG/Japan are going for WS122 levels.

Globally the week was good for the **Med and Black Sea** markets with a good amount of fixing. Freight rates remained stable throughout the entire week even if demand started to slow down by Thursday due to the Christmas break approaching. With some important market places closed Monday and Tuesday, next week could prove to be rather slow with potentially few cargoes. Freight rates this week remain at WS230 for cross-Med and Black Sea.

In **NW Europe** the Christmas rally literally emptied the tonnage list. Basis 2011 WS flat rates, LRs are fixed at WS140 basis 60,000t Cont/TA for laycan 10/15 Jan, while WS240 basis 37,000t for Cont/TA. Handies longhauls ended up at WS245 basis 33,000t for Cont/Wafr. Cross-Cont activity logically followed the stream with handies fixed at WS215 basis 30,000t and WS250 basis 22,000t for flexies cross-Wafr.

- PRODUCT LR1 →
- PRODUCT MR →
- PRODUCT Handysize →