



TANKERS

CHARTERING

Crude

As expected, the VLCC market turned in favour of the charterers even though demand in the MEG remained fairly steady. On the other hand, it is quite clear that the tonnage supply situation is always a strong factor when it comes to how rate levels develop, and the increase in the size of the list of available tonnage is negative for ship owners. Supply of tonnage was a factor in the improvement of VLCC rates in the Atlantic: with limited tonnage available charterers had to open their wallets. It appears that the WAF Suezmax market has now topped, and with inquiry waning, we can only expect rates to fall off. Rates in the Med/Bsea Suezmax market were all over the place with some owners fixing at ws 240 and others as high as ws 270 depending on loading position, but the message is clear that this market is showing a weaker trend as a result of less activity. Aframax in the Nsea saw rates soften as charterers appeared to be less interested and tonnage began to build up. In the Med the Aframax market suffered what can only be described as a major correction as rates dropped from ws 395 to ws 150; nonetheless, the availability of cheaper transportation has caused renewed interest from charterers and activity appears to be picking up. The Caribs Aframax market briefly dipped to ws 235 but quickly rebounded to ws 285 against renewed interest from charterers.

Product

Even though there was some activity in the east of Suez market, this did not bring freight levels up. On the contrary, rates in all sectors are soft and new lows were seen once again. MRs trading Spore/Japan experienced little activity and rates have now fallen below ws 200 to ws 195 basis 30,000 m/t. LR1s trading MEG/Japan were also unable to sustain rates and these dropped 5 ws points to ws 170 basis 55,000 m/t, whilst LR2 rates on the same route fell to ws 170 (from ws 175) on the same route. 65,000 m/t liftings MEG/UKC saw rates maintained at around usd 2 million. Given the current dearth of activity, we expect that the present trend could last for a while. The transatlantic market started at a rather slow pace this week, and going MR rates are around ws 220 basis 37,000 m/t. LR1s trading ex Baltic saw little change, and prevailing rates are ws 185 basis 65,000 m/t. After several weeks with the same rate levels, rates for Handies trading cross NWEurope dropped 10 points to ws 235 basis 22,000 m/t. The Caribs was rather quiet even though there were a few cargoes quoted for Chile as a result of the Argentine shutdown of Chile exports. Caribs upcoast rates were maintained at ws 190 basis 38,000 m/t. The Atlantic market appears steady but with a soft undertone.

ACTIVITY LEVEL

VLCC Firm	Suezmax Soft	Aframax Mixed	Product Soft
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RATES This Week Last Week Low 2008 High 2008

DIRTY (Spot WS)					
MEG / West	VLCC	77.5	100.0	75.0	175.0
MEG / Japan	VLCC	125.0	137.5	90.0	255.0
MEG / Singapore	260,000	130.0	142.5	92.5	265.0
WAF / USG	260,000	155.0	150.0	85.0	190.0
WAF / USAC	130,000	187.5	185.0	115.0	250.0
Sidi Kerir / W Me	135,000	240.0	280.0	110.0	280.0
N. Afr / Euromed	80,000	150.0	395.0	115.0	395.0
UK / Cont	80,000	170.0	200.0	117.5	200.0
Caribs / USG	70,000	285.0	300.0	105.0	325.0

CLEAN (Spot WS)

MEG / Japan	75,000	135.0	140.0	135.0	200.0
MEG / Japan	55,000	170.0	175.0	170.0	240.0
MEG / Japan	30,000	260.0	280.0	215.0	330.0
Singapore / Japan	30,000	192.5	200.0	180.0	265.0
Baltic T/A	65,000	185.0	180.0	165.0	215.0
UKC-Med / States	37,000	220.0	215.0	195.0	260.0
Caribs / USNH	38,000	190.0	190.0	180.0	235.0

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

VLCC (modern)	72,000	72,000	60,000	72,000
Suezmax (modern)	42,000	42,000	42,000	47,500
Aframax (modern)	30,000	30,000	30,000	35,000
LR2	105,000	31,500	32,000	31,500
LR1	80,000	26,500	27,000	26,500
MR	40,000	22,000	22,500	22,000

VLCCs fixed all areas last week:	31	previous week:	23
VLCCs avail. in MEG next 30 days:	86	last week:	78

SALE AND PURCHASE

Vessel	Size	Built	Buyer	Price	Comm.
Ipanema	72,000	1992	China	33.5	Dbl. hull
Hyund.Mipo	49,000	2009	Undisc.	57.	
2 x Bohai	46,000	2q08	Mexico	60.	
2+2 Soli resales	19,990	08/09	Remi	160m	enbloc

DRY BULK

CHARTERING

Handy

The rates in the Pacific have continued to drop throughout the week. They plunged to usd 41,000 for round and below usd 40,000 for back-haul voyages respectively. Contrary to softer conditions in the East, the Atlantic was quite bullish. USG to Continent rate levels came to usd 80,000, earning usd 7,000 in one week. The short period fixtures have been concluded at usd 66,000/67,500 with the delivery in the US Gulf. The average index went below usd 50,000.

Panamax

During the last week market has dropped slowly in both Atlantic and Pacific. Atlantic rounds now fixing in the mid usd 60,000 lvl, while trip to Far East at low/mid usd 70,000. Little activity for period time being, but a 75,000/95 open Cont mid April fixed usd 63,000 for 2 yr period, which is a very strong number. Pacific is sliding further, with rounds hovering in the high usd 50,000 lvl, while backhaul mid/high usd 40,000. Short/medium periods concluded at about usd 70,000 lvl, while for longer periods it seems both owners and charterers are holding off a bit.

Capesize

After a short but frantic bull run, the Capers again see rapidly easing levels and less spot activity. In the Pacific, aussie rounds lost some usd 25,000 in 3 days and now stand at usd 120,000 per day for modern 172,000-tonners. Similarly in the Atlantic, where levels for Ironhaul route Tubarao/Beilun +Baoshan have so far dropped from peak usd 77.00 pmt to present usd 70 pmt. Some players got the timing 100 pct right, including owners of 170,000 dwt/01 prompt at S.Korea fetching usd 140,000/day for 6 months tc. Long term period activity remains healthy, exemplified by Dalian N/B 180,000 dwt ex yard q2/q3 2009 reportedly done for 10 years at around usd 43,000.

ACTIVITY LEVEL

Capesize Slower	Panamax Slower	Handysize Slower
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RATES This Week Last Week Low 2008 High 2008

CAPESIZE (usd/day, usd/tonne)				
TCT Cont/Far East (172' dwt)	170,000	155,000	120,000	204,000
Tubarao / R.dam (Iron ore)	33.00	30.00	24.50	42.25
Queensland / R.dam (Coal)	45.00	46.75	38.00	57.00

PANAMAX

Transatlantic RV	66,000	68,000	50,000	73,000
TCT Cont / F. East	77,000	78,500	58,500	80,000
TCT F. East / Cont	47,000	48,500	30,750	54,000
TCT F. East RV	58,000	60,000	33,500	67,000
Murmansk b.13-ARA 15/25,000 sc	21.55	22.20		23.65
Murmansk b.13-L.pool 15/25,000 sc	22.55	23.20		24.90

Murmansk/Rotterdam and Murmansk/Liverpool rates calculations are always based on Wednesday's Baltic TARV index value as reported

HANDYSIZE

Atlantic RV	56,500	53,500		79,000
Pacific RV	41,250	50,000		55,750
TCT Cont / F. East	62,500	63,000		74,000

1 YEAR T/C (usd per day)

Capesize	150,000 dwt	115,000	122,000	95,000	142,000
Capesize	170,000 dwt	130,000	137,000	110,000	157,000
Panamax	75,000 dwt	71,000	71,000	55,000	74,000
Handysize	53,000 dwt	61,000	61,000		62,000

Baltic Dry Index (BDI): This Week: 7655 Last week: 7679

SALE AND PURCHASE

Vessel	Size	Built	Buyer	Price	Comm.
Samos	137,000	1982	Chinese	25.00	tc 32k/d 12/08
Bulk Fern	73,326	1998	Blossom Maritime	72.00	del apr/08
Lacerta	71,862	1994	Undisclosed	57.00	del 12/08
YK Titan	69,221	1997	Mercator	65.50	
Appenzell	46,492	2001	Greeks	63.50	4/30cr - logs
Angelina the Great N	40,763	1986	Koreans	33.25	4/25cr
2xHaiphong Resale	34,000	2008	Premuda		4/34cr
Lady East	33,670	1978	Greeks	6.70	5/15d - auction
Gassaum	30,702	1975	Undisclosed	5.50	5/22d
Strange Attractor 1	28,873	1978	Chinese	10.50	5/15cr
Pitt Island	28,611	1997	ID Shipping	34.00	4/30cr incl 4yr tcb 18k/d
Silver Bay	26,556	1997	Undisclosed	38.50	4/30cr del jun/08
Bonnie M	22,577	1980	Chinese	10.00	4/25cr

**GAS****CHARTERING**

Freight rates improved a notch over the last week but as expected the activity level was not as high as the week before. The spot rate Ras Tanura to Chiba reached usd 36 per ton, equal to over usd 18,000 per day net return and three times better than the lowest seen so far in 2008. The Baltic VLGC freight index has gained strength on a daily basis and reached usd 35.42 yesterday. Right now it is hard to predict where the freight market is going over the next 4-6 weeks. Very few players believe rates will come off, so the real question is probably whether rates have stabilized in the mid usd 30s or whether a further upturn can be sustained under the present conditions. The amount of LPG FOB supply holds the answer to the question and there is of course a chance April is sold out already in which case it is most fair to say rates have plateaued at current level.

ACTIVITY LEVEL

COASTER	15-23,000 cbm		82,000 cbm	
	Slower		Slower	
	This Week	Last Week	Low 2008	High 2008
RATES				
SPOT MARKET				
82.000 cbm / FR				1,050,000
57.000 cbm / FR	555,000	465,000	160,000	980,000
35.600 cbm / FR	900,000	900,000	900,000	980,000
20.000 cbm / SR*	890,000	905,000	890,000	955,000
10.000 cbm ETH**	870,000	870,000	870,000	960,000
6.500 cbm / SR	740,000	740,000	720,000	740,000
COASTER Europe	575,000	570,000	565,000	575,000
COASTER Asia	310,000	275,000	225,000	310,000
COASTER Asia	252,500	255,000	250,000	262,500

* 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)

LPG/FOB prices	Propane	Butane	ISO
FOB North Sea / ANSI	769.00	773.50	
Saudi Arabia / CP	805.00	815.00	
MT Belvieu (US Gulf)	754.14	775.20	854.22
Sonatrach : Bethioua	780.00	783.00	

SALE AND PURCHASE

Vessel	Cbm	Type	Built	Buyers	Price	Misc
No sales reported this week			0			

DEMOLITION

Vessels sold for demolition	VLCC/VLOO	SUEZMAX	CAPE/OBO
Year to date 2008:			
Year to date 2007:	0	1	0
2007 total:	0	2	0

SOLD FOR DEMOLITION

Vessel name	Size	Ldt	Built	Buyer	Price
MT Gaz Progress	55,729	20,000	1979	Bangladesh	685
MT G. Pioneer	53,372	20,166	1983	Bangladesh	690

NEWBUILDING**GENERAL COMMENT**

Newbuilding prices remain stable, although increased cost base for shipbuilders. All in all there were 24 newbuilding contracts placed at various yards this week. A fairly large series of eight 4500 dwt multi purpose carriers were placed at Highspeed Shipbuilding, located in Bangladesh, by Dutch buyer Hollander Schultens. The two Naples bases ship owners Rizzo Bottiglieri and Giuseppe Bottiglieri place all together 4 Capesize vessels at three different Chinese yards, namely Jiangsu Eastern, New Times and Jinhaiwan. German buyer Manfred Lauterjung added more car carriers to the increasing PCTC orderbook, with an order of 4 ships at Xiamen, which will be delivered in 2011 and 2012.

ACTIVITY LEVEL

Tankers	Dry Bulkers	Others
Stable	Stable	Increasing

Average Far Eastern Prices

PRICES	This Week	Last Week	Low 2008	High 2008	
VLCC	300'dwt	144.0	144.0	141.0	144.0
Suezmax	150'dwt	89.0	89.0	88.0	89.0
Aframax	110'dwt	71.0	71.0	69.0	71.0
Product	47'dwt	51.0	51.0	51.0	51.0
Capesize	180'dwt	93.0	93.0	93.0	95.0
Panamax	76'dwt	52.0	52.0	52.0	52.0
Handymax	56'dwt	46.0	46.0	45.0	46.0

NEWBUILDING CONTRACTS

Type	No	Size	Yard	Owner	Del	Mill\$	Comm.
BC	2	80000 dwt	Cosco Dalian	Stellar Shipping	2010		
BC	3	80300 dwt	Jiangsu Eastern	Atlantska Plovidba	2011		
BC	1	176000 dwt	New Times	Giuseppe Bottiglieri	2010	85	
BC	2	176000 dwt	Jinhaiwan	Rizzo Bottiglieri	2009		
BC	1	177000 dwt	SWS	Rizzo Bottiglieri	2010		
MT	2	114000 dwt	Hyundai Samho	Sovcomflot	2010		
LPG	1	9000 cbm	STX	Naftomar	2011		
MPC	8	4500 dwt	Highspeed SB	Hollander Schultens	2010/ 2011		
PCC	4	4900 cars	Xiamen	Manfred Lauterjung	2011/ 2012		

MARKET BRIEF

Rate of exchange	This Week	Last Week	Low 2008	High 2008
JPY/USD	102.31	99.20	96.90	111.45
KRW/USD	976.00	990.40	937.35	1029.20
NOK/USD	5.16	5.12	5.10	5.54
USD/EUR	1.56	1.57	1.46	1.58
Interest rate				
Eurodollar 12 mnths	2.55	2.54	2.48	4.25
EuroNOK 12 mnths	6.15	6.21	5.67	6.21
Commodity prices				
Brent spot (USD)	100.79	101.37	87.52	107.55
Bunker prices				
Singapore				
180 CST	500.00	512.00	451.00	512.00
380 CST	490.00	495.00	440.00	500.00
Gasoil	952.00	947.00	770.00	972.00
Rotterdam				
180 CST	517.00	512.00	432.00	557.00
380 CST	470.00	466.00	404.00	527.00
Diesel	872.00	842.00	702.00	1035.00

