



TANKERS

CHARTERING

Crude

Because of the early May holidays in Europe and the Far East, things were a little bit slower in the VLCC market, but with the supply of double hull tonnage in the MEG dwindling for early June positions, owners are not too worried about where rates are going. Owners clearly took advantage of the situation once the market got back to work, and double hull rates MEG/Feast increased by about 20 ws points. This increase has no doubt affected other routes from the MEG as well as seen in our rate assessments below. Atlantic VLCCs traded in a less promising market, particularly as a result of declining Suezmax rates. But all in all, the VLCC spot market is very date sensitive and the earlier the laycan, the more likelihood of higher rates being paid. There was less activity for Suezmaxes trading in the Atlantic, and this led to several owners, particularly in WAF, conceding rates lower than last done. In the Med/Bsea, even though there was less activity, certain distressed loading positions still allowed owners to make a killing, but in general, the market is softening. There was less Aframax tonnage available to fix in the Nsea during the last week and rates reacted positively as a result. In the Med, limited Aframax activity caused rates to fall a colossal 100 ws points, but activity is on the rise and rates are bouncing back. The loss for Aframax in the Med appears to have been offset by an increase of more than 100 ws points in Aframax rates in the Caribs.

Product

The market in the Western Hemisphere remained quiet with transatlantic fixtures concluded around the ws300-305 level for a MR. The appearance of a few vessels, with last cargo palm, on the Continent may even push rates below the ws300 level basis 37,000 m/t. LR1 rates from the Baltic followed suit and dropped to ws230 basis 65,000 m/t as did Handy rates for cross NWEurope which, after reaching ws310 last week, ended up at ws295 basis 22,000 m/t. There was a lot more enquiry in the Caribs with voyages to Chile and transatlantic featuring as well as upcoast, and as a result, upcoast rates remained steady at ws300 basis 38,000 m/t. There was hardly a ripple in the already low levels being paid east of Suez. MRs trading Spore/Japan saw rates drop yet another 5 ws points to ws165 basis 30,000 m/t. The LR market was more or less stable with LR1s trading MEG/Japan maintaining ws170 basis 55,000 m/t and LR2s on the same route managing to hold at ws140 basis 75,000 m/t. Rates for 65,000 MEG/UKC liftings also remained unchanged at USD 1.9 million. Some optimists believe that this bottoming out of the east of Suez market may indicate that the only direction left is up, but with plenty of prompt tonnage still available, we think that optimism is, well... too optimistic.

ACTIVITY LEVEL

VLCC Firm	Suezmax Soft	Aframax Mixed	Product Weakening
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RATES

DIRTY (Spot WS)

	This Week	Last Week	Low 2008	High 2008
MEG / West	122.5	120.0	65.0	175.0
MEG / Japan	200.0	180.0	77.5	255.0
MEG / Singapore	260,000	205.0	185.0	80.0
WAF / USG	260,000	150.0	160.0	85.0
WAF / USAC	130,000	200.0	210.0	115.0
Sidi Kerir / W Me	135,000	230.0	280.0	110.0
N. Afr / Euromed	80,000	170.0	240.0	115.0
UK / Cont	80,000	180.0	150.0	117.5
Caribs / USG	70,000	270.0	155.0	105.0

CLEAN (Spot WS)

	This Week	Last Week	Low 2008	High 2008
MEG / Japan	75,000	140.0	140.0	135.0
MEG / Japan	55,000	170.0	170.0	155.0
MEG / Japan	30,000	250.0	240.0	215.0
Singapore / Japan	30,000	170.0	170.0	170.0
Baltic T/A	65,000	230.0	240.0	165.0
UKC-Med / States	37,000	305.0	335.0	195.0
Caribs / USNH	38,000	300.0	300.0	180.0

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

	This Week	Last Week	Low 2008	High 2008
VLCC (modern)	75,000	75,000	60,000	75,000
Suezmax (modern)	42,500	42,500	42,000	47,500
Aframax (modern)	31,000	31,000	30,000	35,000
LR2	105,000	32,000	32,000	31,500
LR1	80,000	26,000	26,000	27,000
MR	40,000	21,750	21,750	23,750

VLCCs fixed all areas last week:	31	previous week:	44
VLCCs avail. in MEG next 30 days:	57	last week:	59

SALE AND PURCHASE

Vessel	Size	Built Buyer	Price	Comm.
Four Schooner	73,000	2000 Greece	51.5	
Axinos/Tuna/Scorpus	39,900	1988 China	14 each	for conversion
Keilir	6,000	2002 Sweden	14.	

DRY BULK

CHARTERING

Handy

The boom in the Atlantic pushed the average index of basic routes sharply up. It is now close to usd 60,000 daily. USG to Continent has remained the prime route bringing the Owners rate improvement of more than usd 12,000 in one week. Tonnage can expect payment of usd 108/110,000 a day for the voyage from USA to Continent. Pacific stayed behind the West hemisphere. The rates have been swinging up and down and as a result they remained almost unchanged at usd 49,000 for round voyages. Mv Cos Lucky was fixed for 6/8 months period, delivery in China, at usd 58,000, accounting for almost usd 4000 improvement compared to last week fixtures.

Panamax

The Panamax market kept going and going this week as well, despite holidays in both Europe and Far East. The BPI started at usd 72,097 and ended at usd 77,861. Due to holidays the activity level has been a bit volatile, but this did not affect the rates. The Atlantic has been very positive this week; average earnings have been around usd 90,000. The highest number seen was a LME fixed 2LL at usd 100,000. Vessels trading fronthaul fetched rates at high usd 90,000, and a LME fixed 100,000 for trip via Brazil to China. Pacific rounds at LME fixed usd 65,000 delivery north China. Backhaul biz were concluded around usd 55,000. There has been high activity for short and medium period fixtures in both basins. In the Atlantic, 12 months were fixed at usd 80,000 and a 5-6 months period at usd 95,000. Compared to the Pacific a 11-13 months delivery south China fixed usd 71,000, and 4 months at usd 65,000.

Capesize

The market continued upward in all areas with the average of the 4 tc routes increasing from usd 171,000 to usd 183,000 daily. In the Atlantic a modern 172,000 dwt achieved usd 210,000 daily for a round voyage whilst rates for tc trip from Brazil to Feast was abt usd 245,000 daily. For Pacific round a 180,000 dwt/blt 06 obtained usd 160,000 daily and the main route 160,000 mt iron ore Wausie/China was hovering at about usd 33 pmt. The period market was active for both short and long periods. A 178,000 dwt/blt 08 was reported fixed at usd 166,000 daily for 4/6 months dely 1/5 May Shanghai. For long period a 177,000 dwt/blt 08 was concluded at usd 82,000 daily for 5 yrs delivery June/July 08 ex yard SWS China, and a 173,000/blt 01 achieved usd 62,000 daily for 10 yrs dely 15 May in China.

ACTIVITY LEVEL

Capesize Strong	Panamax Firm	Handysize Active
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RATES

	This Week	Last Week	Low 2008	High 2008
CAPESIZE (usd/day, usd/tonne)				
TCT Cont/Far East (172' dwt)	245,000	232,000	120,000	245,000
Tubarao / R.dam (Iron ore)	52.00	47.45	24.50	52.00
Queensland / R.dam (Coal)	57.00	54.50	38.00	57.00

PANAMAX

	This Week	Last Week	Low 2008	High 2008
Transatlantic RV	95,000	84,000	50,000	95,000
TCT Cont / F. East	100,000	91,000	58,500	100,000
TCT F. East / Cont	54,000	51,000	30,750	54,000
TCT F. East RV	64,000	62,500	33,500	67,000
Murmansk b.13-ARA 15/25,000 sc	29.50	26.65		29.50
Murmansk b.13-L.pool 15/25,000 sc	31.00	25.65		31.00

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

HANDYSIZE

	This Week	Last Week	Low 2008	High 2008
Atlantic RV	74,500	65,750		79,000
Pacific RV	49,000	50,000		55,750
TCT Cont / F. East	75,500	73,250		75,500

1 YEAR T/C (usd per day)

	This Week	Last Week	Low 2008	High 2008
Capesize 150,000 dwt	133,000	128,000	95,000	142,000
Capesize 170,000 dwt	150,000	145,000	110,000	157,000
Panamax 75,000 dwt	80,000	74,000	55,000	80,000
Handysize 53,000 dwt	61,750	61,500		62,000

Baltic Dry Index (BDI):	This Week: 10104	Last week: 9356
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SALE AND PURCHASE

Vessel	Size	Built Buyer	Price	Comm.
Geden SWS resale	177,000	2009 Dryships	153.00	del Feb/09
Nightflight	170,000	2004 Dryships	158.00	
Star Iota	78,585	1983 Chinese	18.50	1 yr 18k/d
Pacific Trader	45,374	2000 Undisclosed	59.00	4/30cr to 10/08 18.35k/d
Lake Ontario	38,294	1980 CSL		enbloc
Lake Michigan	38,294	1981 CSL		enbloc
Lake Superior	38,294	1981 CSL		enbloc
Lake Erie	28,595	1980 CSL		enbloc
Indian Challenger	23,541	1985 Undisclosed	22.00	2/25cr 2/25d

**GAS****CHARTERING**

The VLGC spot market remained rather quiet last week - this was very much expected. Freight discussions did not show any signs of weakening though, and albeit there are mixed perceptions as to how many spot LPG cargoes there are for sale in May the market consensus seems to be a strengthening rather than a softening of rates around the corner. LPG CFR prices have been pushed upwards by the record high crude that in turned pushed naphtha over USD 1,000 per ton CFR East, but this applies to Butane in the Far East. The Baltic VLGC index rate has not moved more than a few cents over the last fortnight, but we believe this index is inclined to move upwards in the short term.

ACTIVITY LEVEL

COASTER Firm	15-23,000 cbm		82,000 cbm	
	Mixed		Low	High
RATES	This Week	Last Week	Low 2008	High 2008
SPOT MARKET				
82,000 cbm / FR	745,000	755,000	160,000	1,050,000
57,000 cbm / FR	900,000	890,000	890,000	980,000
35,600 cbm / FR	865,000	870,000	865,000	955,000
20,000 cbm / SR*	880,000	850,000	850,000	960,000
10,000 cbm ETH**	770,000	760,000	720,000	770,000
6,500 cbm / SR	575,000	575,000	565,000	575,000
COASTER Europe	325,000	325,000	225,000	325,000
COASTER Asia	220,000	225,000	220,000	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	840.50	813.00	
Saudi Arabia / CP	845.00	860.00	
MT Belvieu (US Gulf)	880.49	912.54	944.70
Sonatrach : Bethioua	820.00	820.00	

SALE AND PURCHASE

Vessel	Cbm	Type	Built	Buyers	Price	Misc
No sales this week						

DEMOLITION

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

SOLD FOR DEMOLITION

Vessel name	Size	Ldt	Built	Buyer	Price
MT United Surprise	55,363	11,147	1982	Bangladesh	765
MT Higher Fidelity	50,731	11,010	1981	Bangladesh	672

NEWBUILDING**GENERAL COMMENT**

Despite a quiet week in the shipbuilding industry, the large tanker sector seems to steam ahead. It has been yet another week with substantial VLCC activity; all in all 8 VLCC newbuildings, all contracted at Korean shipyards. The buyers, Korea Line, Hanjin Shipping and Liquimar Tankers, have spread the orders among three yards, namely STX, DSME and Hanjin. We have received reports from shipyards that steel prices continue to rise, which in effect will influence newbuilding prices. So where do we go from here? Well, according to shipyards: upward.

ACTIVITY LEVEL

Tankers	Dry Bulkers	Others
Active	Slower	Stable

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.
MT	2	319000 dwt	DSME	Korea Line	2010/11		
MT	2	319000 dwt	Hanjin	Hanjin shipping	2011		
MT	4	320000 dwt	STX	Liquimar Tankers	2010/11		
CO	4	4400 teu	Yangfan	Vega- Reederei	2010/11		
Reefer	4	13202 dwt	Shikoku	Star Reefers	2009/10		
MPP	2	7000 dwt	Bohai	Sakhalin Sipping	2010		

MARKET BRIEF

Rate of exchange	This Week	Last Week	Low 2008	High 2008
JPY/USD	105.26	104.00	96.90	111.45
KRW/USD	1029.88	1002.75	937.35	1029.88
NOK/USD	5.09	5.13	4.96	5.54
USD/EUR	1.54	1.56	1.46	1.60
Interest rate				
Eurodollar 12 mnths	3.00	3.28	2.48	4.25
EuroNOK 12 mnths	6.45	6.42	5.67	6.50
Commodity prices				
Brent spot (USD)	120.17	113.57	87.52	120.17
Bunker prices				
Singapore				
180 CST	592.00	557.00	451.00	592.00
380 CST	564.00	526.00	440.00	564.00
Gasoil	1100.00	1077.00	770.00	1100.00
Rotterdam				
180 CST	579.00	535.00	432.00	579.00
380 CST	534.00	496.00	404.00	534.00
Diesel	1085.00	990.00	702.00	1085.00

