



## TANKERS

## CHARTERING

## Crude

The VLCC market in the MEG continued to be buoyant as it has been for some time, but rates for double hull tonnage remained stable as charterers fixed away more single hulls, thus reducing the gap between double and single hull rates. VLCC activity in the Western Hemisphere continued to be brisk and rates increased strongly due to a shortage of tonnage for the dates in play. WAF Suezmax rates continued their skyward journey with rates increasing a further 50 ws points since our last report. Med/Bsea Suezmaxes are also enjoying plenty of inquiry and spectacular rate levels of ws270. There was plenty of momentum in all Atlantic Aframax markets and owners are using this as an opportunity to further strengthen rate levels.

## Product

The level of transatlantic market activity remained basically unchanged, but rate levels declined to ws315 basis 37,000 m/t on UKC/USAC voyages. With this coming Monday a holiday both in the UK and the US, we see the possibility of these levels softening in the coming week. LR1 rates from the Baltic to the USAC also fell to ws220-225 basis 65,000 m/t. With a going rate of around ws295-300, handy cross NWEurope rates basis 22,000 m/t picked up somewhat. The Caribs upcoast market also softened a few points to ws290 basis 38,000 m/t, whilst backhaul arbitrages USG/UKC-MED seem to work at ws175 basis 38,000 m/t. The east of Suez market improved once again with MRs trading Spore/Japan seeing rate levels increase about 40 ws points to ws220 basis 30,000 m/t. LR1s trading MEG/Japan saw rates rise 10 ws points to ws180 basis 55,000 m/t whilst LR2s saw rates firm 15 ws points to ws175 basis 75,000 m/t. Lumpsum rates for 65,000 m/t liftings MEG/UKC increased from usd 2.1 million to usd 2.2 million. We can only expect that the firming trend east of Suez should continue further given the fact that some vessels are running late.

## ACTIVITY LEVEL

VLCC	Suezmax	Aframax	Product
Mixed	Firm	Firm	Mixed

RATES This Week Last Week Low 2008 High 2008

## DIRTY (Spot WS)

MEG / West	VLCC	145.0	150.0	65.0	175.0
MEG / Japan	VLCC	205.0	210.0	77.5	255.0
MEG / Singapore	260,000	210.0	210.0	80.0	265.0
WAF / USG	260,000	235.0	172.5	85.0	235.0
WAF / USAC	130,000	270.0	225.0	115.0	270.0
Sidi Kerir / W Me	135,000	270.0	240.0	110.0	280.0
N. Afr / Euromed	80,000	310.0	305.0	115.0	395.0
UK / Cont	80,000	300.0	255.0	117.5	300.0
Caribs / USG	70,000	292.5	270.0	105.0	325.0

## CLEAN (Spot WS)

MEG / Japan	75,000	175.0	160.0	135.0	200.0
MEG / Japan	55,000	200.0	175.0	155.0	240.0
MEG / Japan	30,000	250.0	260.0	215.0	330.0
Singapore / Japan	30,000	220.0	190.0	170.0	265.0
Baltic T/A	65,000	225.0	225.0	165.0	250.0
UKC-Med / States	37,000	315.0	320.0	195.0	345.0
Caribs / USNH	38,000	285.0	295.0	180.0	300.0

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

VLCC (modern)	80,000	75,000	60,000	80,000
Suezmax (modern)	44,000	43,000	42,000	47,500
Aframax (modern)	32,000	31,000	30,000	35,000
LR2	105,000	32,000	31,500	32,000
LR1	80,000	26,000	26,000	27,000
MR	40,000	22,500	22,500	23,750

VLCCs fixed all areas last week:	38	previous week:	39
VLCCs avail. in MEG next 30 days:	96	last week:	57

## SALE AND PURCHASE

Vessel	Size	Built	Buyer	Price	Comm.
G Elephant	298,500	2006	Mercator	168.00	incl 1yr TCB
Al Dawha	153,000	1997	Ditas	78.00	D/H
Stena Confidence	107,200	2003	Undisclosed	72.00	
Lotus	100,300	1991	Chinese	30.00	S/H, for conv
Sitamina	84,000	1988	Wilmar	23.00	each
Sitakathrine	84,000	1986			enbloc
2 x resales	19,600	2008	Atlantis Nav	54.25	each, incl 12yrs BBB @ 14.3k/d
Marida Princess	11,300	2006	Italians	23.00	IMO II
Neptra Premier	6,500	1994	Nigerians	5.60	S/H

## DRY BULK

## CHARTERING

## Handy

Market remained very strong, especially in the Atlantic where the rates gained another usd 8000. The value of USG to Continent route is now in excess of usd 140,000. Short period tonnage with the delivery in the East is now earning usd 64/65,000. Mv Moondance 2 is said to be fixed for 1 year trading at usd 64,000. The average index went up to over usd 70,000.

## Panamax

The Panamax market reached the highest BPI this year on 20th May at 91,710. It started at 79,817 and ended at 90,296. In the Atlantic, a few vessels fetched amazingly 115,000 daily for roundtrip, and 11-13 months were fixed at 85,000. 4-6 months concluded at 100,500. A LME fixed 120,000 for fronthaul business redel China. Pacific rounds were paid high 70,000s and Nopac trips fixed around 80,000. 4-6 months in Pacific fixed 79,050 for LME and 1 year at 76,000. Backhaul business has been stable from last week around mid 50,000.

## Capesize

Spot market for capes stabilize at ALL TIME HIGH. Modern 170000-tonners fetch a whopping usd 230k for atlantic rounds, whilst similar units are paid some usd 225k for australian rounds. Fronthaul rates getting close/ may be about break the usd 300k/day barrier. With a de facto scarcity of prompt tonnage and congestion on the rise, only psychological factors can be expected to cause a negative correction in the short term picture. Numerous players active on the period front, with 180000 dwt Namura type reportedly concluded for 5 years at usd 88k/day with June 2008 delivery.

## ACTIVITY LEVEL

Capesize	Panamax	Handysize
Strong	Low	Firm

RATES This Week Last Week Low 2008 High 2008

CAPE SIZE (usd/day, usd/tonne)				
TCT Cont/Far East (172' dwt)	285,000	265,000	120,000	285,000
Tubarao / R.dam (Iron ore)	58.50	52.50	24.50	58.50
Queensland / R.dam (Coal)	66.00	60.00	38.00	66.00

## PANAMAX

Transatlantic RV	110,000	101,000	50,000	110,000
TCT Cont / F. East	116,000	105,000	58,500	116,000
TCT F. East / Cont	57,000	52,000	30,750	57,000
TCT F. East RV	77,000	64,000	33,500	77,000
Murmansk b.13-ARA 15/25,000 sc	35.00	31.00		35.00
Murmansk b.13-L.pool 15/25,000 sc	36.50	32.50		36.50

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

## HANDYSIZE

Atlantic RV	94,750	86,750		94,750
Pacific RV	55,000	50,000		55,750
TCT Cont / F. East	86,250	81,750		86,250

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

Capesize	150,000 dwt	146,000	134,000	95,000	146,000
Capesize	170,000 dwt	163,000	151,000	110,000	163,000
Panamax	75,000 dwt	84,000	81,000	55,000	84,000
Handysize	53,000 dwt	63,500	62,000		63,500

Baltic Dry Index (BDI): This Week: 11771 Last week: 10649

## SALE AND PURCHASE

Vessel	Size	Built	Buyer	Price	Comm.
CSK Unity	68,519	1995	Undisclosed	51.00	incl TC@21.6k/ d 3/09
Darya Gyan	50,000	2001	Greeks	65.50	4/30cr
Pacific Sun	34,005	1976	Undisclosed	10.75	2/25 2/10cr
Kuiseb	30,650	1983	Croatian	19.50	4/25cr
Ingrid Bulker	28,716	1996	Undisclosed	42.00	4/30cr
Trinity Sierra	24,779	1985	Undisclosed	21.00	3/25 2/35d
Taiga	14,379	1994	Singapore	21.00	4/15d

**GAS****CHARTERING**

Last week, the VLGC market wasn't quite as busy measured by number of fixtures as in the previous week, but the positive rate trend as of late very much continued. The usd 50 barrier wasn't really a barrier in the end, and the mid usd 50s was easily reached. A last cargo CPP VLGC was fully fixed in LPG from Red Sea to USG after having been trading in clean market for more than a year, but this could also be a positioning cargo rather than a "permanent" shift. Following record crude prices at 130+ today, heavy fuel has reached usd 600 per ton; therefore the bunker bill is still eating a big portion of the gross freight. What next? Is the usd 60 barrier (Ras Tanura/Chiba) at risk? We believe the freight upside is rather limited in this cycle; on the other hand we don't think the downside risk is something to worry about over the next couple of weeks.

**ACTIVITY LEVEL**

COASTER Firm	15-23,000 cbm		82,000 cbm	
	Mixed	Firm	Firm	Firm
<b>RATES</b>	This Week	Last Week	Low 2008	High 2008
<b>SPOT MARKET</b>				
82.000 cbm / FR	1,060,000	910,000	160,000	1,060,000
57.000 cbm / FR	890,000	890,000	890,000	980,000
35.600 cbm / FR	865,000	865,000	865,000	955,000
20.000 cbm / SR*	880,000	880,000	850,000	960,000
10.000 cbm ETH**	780,000	780,000	720,000	780,000
6.500 cbm / SR	575,000	575,000	565,000	575,000
COASTER Europe	325,000	325,000	225,000	325,000
COASTER Asia	215,000	215,000	215,000	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)	900.03	970.55	1040.01
Sonatrach : Bethioua	820.00	820.00	

**SALE AND PURCHASE**

Vessel	Cbm	Type	Built	Buyers	Price	Misc
IMSK TBN	12 000	LNG/ ETH	2010	Teekay	abt USD 45	BB to IMSK for 15 mill +5+5+5 years
IMSK TBN	12 000	LNG/ ETH	2010	Teekay	abt USD 45	BB to IMSK for 15 mill +5+5+5 years
BW Helen	6 080	S/R	2000	A Veder	Not reported	Incl abt 8 years T/CP to Yara
Viet Gas 02	2 500	PR	2002	Chinese TBN	Not reported	Conversion into SDBC
Aqua Marine Gas	1 900	PR	1985	Korean TBN	Not reported	

**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
MV Tropical Land	10,973	6,200	1972	Pakistani	670

**NEWBUILDING****GENERAL COMMENT**

A stunning 29 newbuilding contracts were reported this week, of which 18 are dry bulk carriers. All the bulk carriers, except the one Capesize placed at HHI, were with Chinese shipyards. Although an apparent strong bulker week, we do not expect a new bulker boom. We notice the rare occasion of a pair of LNG carriers placed at Samsung by BG. These ships are in fact options declared for 2010 delivery, however, the price was not revealed. It is our experience that even though an occasional 2010 delivery may appear, most yards are marketing their 2011 delivery positions.

**ACTIVITY LEVEL**

Tankers	Dry Bulkers	Others
Stable	Active	Moderate

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	4	34000 dwt	Daesun	Leros	2010/11		
BC	3	34000 dwt	Daesun	Bright Navi.	2011		
BC	2	92500 dwt	Yangzijiang	Guangdong	2009	70	
BC	2	93000 dwt	Shanhaiguan	Wah Kwong	2010/11	52.8	
BC	2	115000 dwt	New Times	Gestioni	2010/11		
BC	2	176000 dwt	Jinhaiwan	Bocimar	2009/10	88.5	
BC	1	180000 dwt	HHI	Chang Myung	2010		
BC	2	180000 dwt	Daehan	Chang Myung	2010		
PC	2	50000 dwt	SPP	Dalim	2011		
Chem	2	4350 dwt	Chuandong	Brøvig Rederi	2010	20	
MPC	4	7000 dwt	Anada Shipyard	Hermann Lohmann	2011/12		
LPG	1	9500 cbm	Miura Saiki Zosensho	Seiho Kaiun	2012		
LNG	2	170000 cbm	Samsung	BG	2010		

**MARKET BRIEF**

Rate of exchange	This Week	Last Week	Low 2008	High 2008	
JPY/USD	103.36	105.15	96.90	111.45	
KRW/USD	1039.50	1047.63	937.35	1047.63	
NOK/USD	4.99	5.08	4.96	5.54	
USD/EUR	1.58	1.54	1.46	1.60	
Interest rate					
Eurodollar 12 mnths	2.94	3.10	2.48	4.25	
EuroNOK 12 mnths	6.76	6.58	5.67	6.76	
Commodity prices					
Brent spot (USD)	126.92	121.92	87.52	126.92	
Bunker prices					
Singapore	180 CST	635.00	610.00	451.00	635.00
	380 CST	616.00	571.00	440.00	616.00
	Gasoil	1275.00	1260.00	770.00	1275.00
Rotterdam	180 CST	613.00	577.00	432.00	613.00
	380 CST	568.00	531.00	404.00	568.00
	Diesel	1152.00	1127.00	702.00	1152.00

