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WEEKLY

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TANKERS

CHARTERING

Crude

The rate levels in the VLCC market continued to decline. The last few days turned out fairly quiet which can be partly blamed on Posedonia. More activity is needed to stop the present decline in levels. The Atlantic market is somewhat untested as there is limited tonnage available, but rates are expected to ease off in line with a much weaker Suezmax market. The Suezmax market in the Western Hemisphere is falling due to limited activity and ample tonnage. In fact it´s hard to set the market properly until charterers resume fixing. Aframaxes in the NSEA/MED and Caribs all experienced a quiet market last week. Limited cargo movement and good tonnage availability in all areas easily made the rates decline.

Product

In the West the trans-Atlantic market once again managed to increase by some ws 5-10 points. We have seen fixtures concluded as high as ws 330 basis 37,000 m/t, but rates declined back to ws320 level basis mid month cargoes. LR activity is good and with few available vessels Owners has been able to get ws 255-260, basis 60,000 m/t for a voyage to States. Handies trading cross NWEurope still fixing around ws 300 on 22,000 m/t. Caribbean market has also seen rates increase. On an average basis rates have been ws 310 basis 38,000 m/t for the usual upcoast voyages. Good activity for backhaul voyage where ws 170 seems to be the going rate basis 38,000 m/t for UKC/Med discharge. LR market from the MEG is where owners make a fortune at the moment. LR1 went up from last week´s rate of 230 ws points to ws 320-330 level basis 55,000m/t today. LR2 has also increased by almost 100 ws points to ws 300 basis 75,000m/t trading the same route this week. On the back of this increase the AG/UKC rate has increased to around usd 3.1-3.2 million level for 65,000m/t. MR market can experience a slight improvement when LRs´ cargo has to be moved by smaller tonnages. MR market trading Spore/Japan increased by 10-15 ws points to ws230-235 basis 30,000 mts and it still looks firm.

ACTIVITY LEVEL

VLCC	Suezmax	Aframax	Product
Soft	Weakening	Soft	Mixed

RATES		This Week	Last Week	Low 2008	High 2008
DIRTY (Spot WS)					
MEG / West	VLCC	135.0	145.0	65.0	175.0
MEG / Japan	VLCC	175.0	192.5	77.5	255.0
MEG / Singapore	260,000	180.0	195.0	80.0	265.0
WAF / USG	260,000	190.0	240.0	85.0	240.0
WAF / USAC	130,000	200.0	270.0	115.0	270.0
Sidi Kerir / W Me	135,000	200.0	300.0	110.0	300.0
N. Afr / Euromed	80,000	130.0	200.0	115.0	395.0
UK / Cont	80,000	150.0	250.0	117.5	300.0
Caribs / USG	70,000	260.0	410.0	105.0	410.0
CLEAN (Spot WS)					
MEG / Japan	75,000	300.0	215.0	135.0	300.0
MEG / Japan	55,000	325.0	235.0	155.0	325.0
MEG / Japan	30,000	380.0	280.0	215.0	380.0
Singapore / Japan	30,000	235.0	220.0	170.0	265.0
Baltic T/A	65,000	265.0	230.0	165.0	265.0
UKC-Med / States	37,000	320.0	320.0	195.0	345.0
Caribs / USNH	38,000	310.0	295.0	180.0	310.0
1 YEAR T/C (usd per day) (theoretical)					
VLCC	(modern)	80,000	80,000	60,000	80,000
Suezmax	(modern)	44,500	44,500	42,000	47,500
Aframax	(modern)	32,000	32,000	30,000	35,000
LR2	105,000	32,000	32,000	31,500	32,000
LR1	80,000	26,500	26,500	26,000	27,000
MR	40,000	22,500	22,500	21,750	23,750

VLCCs fixed all areas last week:	25	previous week:	30
VLCCs avail. in MEG next 30 days:	64	last week:	57

SALE AND PURCHASE

Vessel	Size	Built	Buyer	Price	Comm.
Meandros	91,680	1988	Undisclosed	17.00	Conversion
Sonata	48,532	1982	China	7.80	Conversion
Hyundai Mipo resale x 2	47,000	2009	Omega Navigation	55.50	
Woo Lim	8,710	1996	Vietnam	13.80	IMO II/III DB
Trust Honor	7,087	1985	Undisclosed		

DRY BULK

CHARTERING

Handy

Pretty quiet week so far as it seems many people are travelling to Greek Posidonia and Coaltrans in Bali. Owners are still holding out rich numbers for balance periods but with the indices coming slightly off it is difficult to achieve time being. See an Oshima with delivery India 15/29 June for balance till min/max 05 Nov/31 Dec, 2008 talking mid 70´s! There are fewer cargos ex India. There are rumors of problems with export tax but so far ECSA seems to take the tonnage in that area, which is not getting fixed for India iron ore. Korea Line took mv Thor Integrity for 3 years at usd 35, 250 but with the delivery only in April/August 2009. Oldendorff booked three vessels for short employments at the rates ranging from usd 60,000 to usd 64,000 depending on the size of tonnage.

Panamax

In spite of some lower activity this week because of Posedonia, the Pmx market in Pacific had a positive trend, while the Atlantic kept its same level as last week. The BPI went up usd 740 during the week with Pacific as the driving force. In both basins there has been, as in previous weeks, a lot of interest for period from owners´ side, and charterers have been a bit reluctant hoping for lower levels, however with very healthy spot rates, more charterers again look for period ships. Pacific rounds were at usd 75/80,000, 11/13 mos usd 75,000 and backhaul arnd 55,000. In the Atlantic RV fixed mid usd 90,000, 1 yr usd 80,000, and fronthaul usd 100,000.

Capesize

The Capesize market went higher with the average of the 4 tc routes increasing to usd 225,000 daily. A modern 175,000 dwt obtain around usd 230,000 daily for a transatlantic round voyage, and a 171,000 dwt fixed usd 275,000 daily dely Cont for trip via Brazil to China. Rates were influenced by high demand also in the Pacific area, where a 175,000 dwt/blt 03 achieved usd 233,000 daily for an Austalian round voyage. Several period deals were concluded for both prompt and forward delivery. A 178,000 dwt/ blt 08 was reported fixed at usd 175,000 daily for 11/13 months basis dely 1/5 July in China, whilst a 180,000 dwt/newbuilding fixed usd 60,000 daily for 5 yrs dely ex yard Hyundai Sept 2009.

ACTIVITY LEVEL

Capesize	Panamax	Handysize
Strong	Moderate	Slower

RATES		This Week	Last Week	Low 2008	High 2008
CAPESIZE (usd/day, usd/tonne)					
TCT Cont/Far East (172´ dwt)		275,000	260,000	120,000	285,000
Tubarao / R.dam (Iron ore)		57.00	53.00	24.50	58.50
Queensland/ R.dam (Coal)		69.00	66.00	38.00	69.00
PANAMAX					
Transatlantic RV		88,000	92,500	50,000	110,000
TCT Cont / F. East		99,250	99,000	58,500	116,000
TCT F. East / Cont		56,000	52,500	30,750	57,000
TCT F. East RV		78,000	73,000	33,500	78,000
Murmansk b.13-ARA 15/25,000 sc		29.25	30.75		35.00
Murmansk b.13-L.pool 15/25,000 sc		30.50	32.00		36.50

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

		This Week	Last Week	Low 2008	High 2008
HANDYSIZE					
Atlantic RV		74,750	89,250		94,750
Pacific RV		58,250	55,000		58,250
TCT Cont / F. East		83,250	86,000		86,250
1 YEAR T/C (usd per day)					
Capesize	150,000 dwt	154,000	142,000	95,000	154,000
Capesize	170,000 dwt	170,000	158,000	110,000	170,000
Panamax	75,000 dwt	80,000	82,000	55,000	84,000
Handysize	53,000 dwt	63,000	63,000		63,500

Baltic Dry Index (BDI): This Week: 11623 Last week: 11245

SALE AND PURCHASE

Vessel	Size	Built	Buyer	Price	Comm.
Victoria	52,247	2005	Star Maritime	68.00	4/30cr incl 3 yrs tc 55900/41900/27900
Glory Ningbo	44,750	1978	Undisclosed	14.00	3/25cr
TPC Gisborne	40,016	1986	Undisclosed	30.50	4/30cr incl 2 yrs tcb 32k/d
Argenmar Madryn	27,676	1978	Greeks	9.50	4/25cr as is
African Oryx	24,110	1997	Seanergy	42.00	4/30cr incl tc 09/2009 @ 30k/d
Pacifi Sun II	22,194	1981	Undisclosed	11.00	4/25derr

GAS

CHARTERING

The VLGC market remained very strong over the last week, although lack of vessels in the foreseeable future prohibited much fixing activity. The very few vessels that might still load over this 4-6 weeks´ period are in demand there are said to be some more June FOB export tons avaiable but over the last few days the price issue is rather present, too. Saudi Aramco posted June FOB Propane and Butane at all time high levels, the usd 900 per ton barrier came down in the case of Butane, Propane ended a fraction under. At the same time the record high crude over the last few weeks has come further down and made the LPG slightly less competitive in its usual CFR markets. The cargo and VLGC shipping markets have become less and less predictable, we could be facing new Baltic VLGC records just around the corner but we might also see CFR cargo market pausing and put spot rates under (mild only) pressure.

ACTIVITY LEVEL

COASTER	15-23,000 cbm	82,000 cbm
Slower	Moderate	Stable

RATES	This Week	Last Week	Low 2008	High 2008
SPOT MARKET				
82.000 cbm / FR	1,540,000	1,530,000	160,000	1,540,000
57.000 cbm / FR	920,000	900,000	890,000	980,000
35.600 cbm / FR	860,000	865,000	860,000	955,000
20.000 cbm / SR*	880,000	880,000	850,000	960,000
10.000 cbm ETH**	770,000	770,000	720,000	780,000
6.500 cbm / SR	575,000	575,000	565,000	575,000
COASTER Europe	320,000	325,000	225,000	325,000
COASTER Asia	200,000	210,000	200,000	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	895.00	853.00	
Saudi Arabia / CP	895.00	920.00	
MT Belvieu (US Gulf)	877.88	943.18	969.37
Sonatrach : Bethioua	890.00	890.00	

SALE AND PURCHASE

Vessel	Cbm	Type	Built	Buyers	Price	Misc
BW Helen	6080		2000	A.Veder	25.00	
Viet Gas-02	2500		2002	China	2.00	

DEMOLITION

Vessels sold for demolition

	VLCC/VLOO	SUEZMAX	CAPE/OBO
Year to date 2008:	3	0	0
Year to date 2007:	0	2	0
2007 total:	0	2	0

SOLD FOR DEMOLITION

Vessel name	Size	Ldt	Built	Buyer	Price

No reportable sales this week

NEWBUILDING

GENERAL COMMENT

There was a huge Suezmax order spree at Hyundai Heavy this week, after a long lasting period with VLCC contracts. A total of 9 ships were ordered from 5 different owners at HHI, all 160,000 dwt with delivery in 2011 and 2012. These ships will most likely be built at HHIs new facility in Gunsan City. In addition, Polish Steamship and Columbia Ship Management ordered a combined 12 Multi Purpose ships at two shipyards, namely Taizhou and Sekwang. All ships will be delivered in the period 2010-2012.

ACTIVITY LEVEL

Tankers	Dry Bulkers	Others
Stable	Slower	Slower

Average Far Eastern Prices

PRICES		This Week	Last Week	Low 2008	High 2008
VLCC	300´dwt	150.0	150.0	141.0	150.0
Suezmax	150´dwt	92.0	92.0	88.0	92.0
Aframax	110´dwt	73.0	73.0	69.0	73.0
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	53.0	53.0	52.0	53.0
Handymax	56´dwt	47.0	47.0	45.0	47.0

NEWBUILDING CONTRACTS

Type	No	Size	Yard	Owner	Del	Mill$	Comm.
MPP	8	17000 dwt	Taizhou	Polish Steamship	2011/ 12	29	
MPP	4	19000 dwt	Sekwang	Columbia Shipmngt	2010/ 11		
BC	2	92500 dwt	Yangzijiang	Guangdong Yudean	2009		
MT	2	115000 dwt	Samsung	Cardiff	2011	95	
MT	2	160000 dwt	HHI	Enesel SA	2011	95	
MT	2	160000 dwt	HHI	Grand Union	2011	95	
MT	1	160000 dwt	HHI	Newfront shipping	2012	95	
MT	2	160000 dwt	HHI	Seaarland Shipping	2011	95	
MT	2	160000 dwt	HHI	Stamford Navigation	2012	95	
MT	2	320000 dwt	HHI	Polyar	2011	95	

MARKET BRIEF

Rate of exchange		This Week	Last Week	Low 2008	High 2008
JPY/USD		104.64	103.93	96.90	111.45
KRW/USD		1017.90	1037.30	937.35	1047.63
NOK/USD		5.16	4.99	4.96	5.54
USD/EUR		1.55	1.57	1.46	1.60
Interest rate					
Eurodollar 12 mnths		3.13	3.07	2.48	4.25
EuroNOK 12 mnths		6.68	6.71	5.67	6.76
Commodity prices					
Brent spot (USD)		123.30	127.92	87.52	127.92
Bunker prices					
Singapore	180 CST	599.00	633.00	451.00	635.00
	380 CST	574.00	599.00	440.00	616.00
	Gasoil	1205.00	1265.00	770.00	1275.00
Rotterdam	180 CST	582.00	602.00	432.00	613.00
	380 CST	532.00	559.00	404.00	568.00
	Diesel	1076.00	1122.00	702.00	1152.00

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