



## TANKERS

## CHARTERING

## Crude

The massive decline in VLCC rates seen over the last several weeks came to a halt mostly because the extreme threshold of pain from an owner's perspective had already been reached. With owners slow steaming to effectively reduce the size of the position list as well as refusing to accept previously established rates, we have begun to see something of a turnaround in this market. The WAF Suezmax market also experienced a bottoming out and a marginal increase in rate levels even though tonnage for the moment remains plentiful. There were also hints that Suezmaxes in the Med/Bsea are seeing the first signs of a burgeoning firming tendency in spite of ample availability of tonnage. Aframaxes in the Med saw rates come off a bit due to reduced activity as did Aframaxes in the Nsea. Nonetheless, the tonnage list in the Nsea was visibly shorter and this could bode well for the future. Aframaxes in the Caribs experienced a considerable increase in rate levels (now at ws245) in brisk trading.

## Product

In the Western Hemisphere transatlantic rates dropped about 20-30 ws points with vessels reported on subs at ws305 basis 37,000 m/t. Nonetheless, a lack of LR tonnage is helping to keep rates for this category buoyant, and we have seen ws300 basis 60,000 m/t for USAC discharge. Rates for handies trading cross NWEurope increased about 10 ws points with fixtures averaging around ws295 basis 22,000 m/t. Trade in the Caribs was slow, and vessels were reported on subs at ws290 basis 38,000 m/t upcoast. Backhaul activity to Europe was practically non-existent. The LR east of Suez market was quieter this week and last done on LR1s MEG/Japan was ws275 basis 55,000 m/t whilst LR2s saw rates of ws240 basis 75,000 m/t on the same route. There was plenty of MR tonnage available, and rates basis 30,000 m/t Spore/Japan were at around ws330 which is pretty stable. Given the current state of play in the market, we think that next week should be fairly quiet with rates not too different from those we see today.

## ACTIVITY LEVEL

VLCC	Suezmax	Aframax	Product	
Mixed	Firming	Mixed	Stable	

RATES This Week Last Week Low 2008 High 2008

DIRTY (Spot WS)					
MEG / West	VLCC	70.0	72.5	65.0	175.0
MEG / Japan	VLCC	85.0	67.5	67.5	255.0
MEG / Singapore	260,000	85.0	70.0	70.0	265.0
WAF / USG	260,000	90.0	90.0	85.0	240.0
WAF / USAC	130,000	140.0	135.0	115.0	320.0
Sidi Kerir / W Me	135,000	140.0	145.0	110.0	410.0
N. Afr / Euromed	80,000	170.0	210.0	115.0	395.0
UK / Cont	80,000	200.0	200.0	117.5	325.0
Caribs / USG	70,000	245.0	170.0	105.0	410.0

## CLEAN (Spot WS)

MEG / Japan	75,000	340.0	350.0	135.0	350.0
MEG / Japan	55,000	375.0	380.0	155.0	380.0
MEG / Japan	30,000	430.0	420.0	215.0	430.0
Singapore / Japan	30,000	330.0	330.0	170.0	330.0
Baltic T/A	65,000	310.0	300.0	165.0	310.0
UKC-Med / States	37,000	310.0	335.0	195.0	380.0
Caribs / USNH	38,000	290.0	305.0	180.0	315.0

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

VLCC (modern)	85,000	85,000	60,000	90,000
Suezmax (modern)	55,000	55,000	42,000	55,000
Aframax (modern)	40,500	40,500	30,000	42,000
LR2	105,000	39,500	40,000	31,500
LR1	80,000	30,500	30,500	26,000
MR	40,000	23,750	24,000	21,750

VLCCs fixed all areas last week:	31	previous week:	28
VLCCs avail. in MEG next 30 days:	75	last week:	77

## SALE AND PURCHASE

Vessel	Size	Built	Buyer	Price	Comm.
Orion Star	305,700	1994	Polembros	47.50	S/H
Ocean Opal	147,300	1993	Chinese	40.00	S/H, for conv
Scorpius	94,300	1994	Undisclosed	36.00	D/H
Quasar	91,200	1989	Chinese	26.00	D/S, for conv
Shinoussa	46,500	1990	Undisclosed	27.00	D/H
Mikom Brave	45,800	2000	Ancora	45.50	
Fairchem Pegasus	19,800	2004	WO Shipping	40.00	SUS IMO II/III
Green Sambu	3,400	1996	Undisclosed	5.60	D/B, IMO III

## DRY BULK

## CHARTERING

## Handy

We are now in the first week after the Chinese Olympics with no real changes in the Pacific however we see some increase in cargo volume out of Nopac. Super Types with delivery north China have been fixed at low/mid 40ies for trips to Far East. We saw Tess 45dtw vessels open SE Asia seeing high 30's for trips to Red Sea. Generally the market is still very quiet with less activity in the Persian Gulf/WC India region. Owners mostly ballasting their ships to East Med or to SE Asia and looking for better numbers. Super Types fixed with delivery EC India for trips via Indonesia back to EC India at low/mid 30's. Atlantic was weaker than East and all the rates have gone down by the average usd 1000 in one week. The activity was very limited. On the period side owners asking for Tess 45 types with delivery end 08/beg 09 mid 30's for three years and high 20's for 5 years.

## Panamax

This week the panamax market continued its negative trend, with a USD 1400 dollar drop on the average 4 t/c routes. In addition to Monday being a normally "dull-day", England had its Bankholiday so little activity in the FFA market occurred. This again affected the amount of physical trading. The positive seen was that short period fixture still maintained healthy rates, 1yr concluded at USD 70k for atl del, and usd 67k for feast del. With few spot cargoes in the pacific compared to numbers of open vsls, the rv rates kept steady in the mid USD 30k region, and backhauls were paid around USD 30k. In the Atlantic the rates drifted off and tarv's fixed in the mid/high USD 50k's region. Vsls willing trip out fixed in the high USD 60k's, while vsls with good delivery fetched right above USD 70,000.

## Capesize

Spot levels declining slowly. Prompt tonnage piling up in lack of fresh enquiry in far east - last done on the waust/china trade equates to around usd 28.50 pmt (down about usd 1 pmt) on standard tonnage. Atlantic activity limited, with a handful of prompt units about to feel the heat. Average earnings for modern 174000-tonners stand at around usd 120k, down some 7.5% in a week. No period activity, with the exception of a 207000 dwt N/B reportedly done for 20-25 months at a healthy usd 130k basis primo oct 2008 delivery.

## ACTIVITY LEVEL

Capesize	Panamax	Handysize	
Low	Low	Slow	

RATES This Week Last Week Low 2008 High 2008

CAPE SIZE (usd/day, usd/tonne)				
TCT Cont/Far East (172' dwt)	165,000	168,000	120,000	285,000
Tubarao / R.dam (Iron ore)	34.50	37.00	24.50	58.50
Queensland / R.dam (Coal)	49.50	51.00	38.00	69.00

## PANAMAX

Transatlantic RV	57,500	59,000	50,000	110,000
TCT Cont / F. East	69,000	69,000	58,500	116,000
TCT F. East / Cont	30,500	32,000	30,500	71,000
TCT F. East RV	34,000	40,000	33,500	79,500
Murmansk b.13-ARA 15/25,000 sc	21.25	21.50	17.55	35.00
Murmansk b.13-L.pool 15/25,000 sc	22.75	23.00	18.55	36.50

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

## HANDYSIZE

Atlantic RV	47,250	49,500	47,250	94,750
Pacific RV	41,250	39,250	27,500	60,750
TCT Cont / F. East	54,250	55,750	54,250	86,250

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

Capesize	150,000 dwt	115,000	120,000	95,000	154,000
Capesize	170,000 dwt	130,000	135,000	110,000	170,000
Panamax	75,000 dwt	70,000	73,000	55,000	84,000
Handysize	53,000 dwt	49,000	50,000	48,000	63,500

Baltic Dry Index (BDI): This Week: 7050 Last week: 7344

## SALE AND PURCHASE

Vessel	Size	Built	Buyer	Price	Comm.
Custodia Athena	41,084	1985	Chinese	34.00	4/25cr del Sept
Voyager V	25,057	1982	Chinese	10.50	3/25cr
Vinashin Summer	21,340	1983	Far Eastern	7.50	tc 6mos 15k/d
Natalie Bolten	12,998	2001	Italian	20.50	2yr tc back 13.5k/d

**GAS****CHARTERING**

It has been a fairly dull week in the VLGC market, only one vessel was confirmed to load in the MEG in the upper USD 60's pmt basis Ras Tanura/Chiba - i.e. somewhat below previous fixture more than a week ago. The Baltic VLGC index has rested in the high 60's over the last week - the question is really where is it heading next. Most industry players expect rates and the Baltic index to slide modestly downwards, however, nearly all vessels showing open in September are controlled by independent owners who most likely have other plans. The last couple of days there have been some disturbing news of reduced spot exports from the MEG over the next weeks, hence the number of cargoes requiring transportation is rather unclear at this time. A quick glance at September open VLGCs shows about a dozen available vessels, but that may change quickly when September posted FOB prices are announced by Saudi Aramco in a few days.

**ACTIVITY LEVEL**

COASTER	15-23,000 cbm	82,000 cbm
Low	Mixed	Low

RATES	This Week	Last Week	Low 2008	High 2008
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**SPOT MARKET**

82.000 cbm / FR	1,395,000	1,605,000	160,000	1,965,000
57.000 cbm / FR	1,050,000	1,035,000	890,000	1,050,000
35.600 cbm / FR	900,000	900,000	845,000	955,000
20.000 cbm / SR*	875,000	875,000	850,000	960,000
10.000 cbm ETH**	770,000	770,000	720,000	780,000
6.500 cbm / SR	570,000	570,000	565,000	585,000
COASTER Europe	210,000	210,000	210,000	325,000
COASTER Asia	207,500	205,000	187,500	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	850.00	883.50	
Saudi Arabia / CP	860.00	890.00	
MT Belvieu (US Gulf)	875.28	894.38	932.95
Sonatrach : Bethioua	835.00	862.00	

**SALE AND PURCHASE**

Vessel	Cbm	Type	Built	Buyers	Price	Misc
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No reportable sales this week

**DEMOLITION**

Vessels sold for demolition	VLCC/VLOO	SUEZMAX	CAPE/OBO
Year to date 2008:	4	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 A Elephant	264,700	32,182	1987	Bangladeshi	760
MT Artemis	39,800	9,557	1983	Bangladeshi	700-710
MT Achilles	39,700	9,594	1983	Bangladeshi	700-710
MV Red Sea	18,800	8,530	1977	Bangladeshi	785
MV Nordic Star	9,300	4,675	1980	Indians	700
MV Frio Marathon	7,100	4,085	1983	Bangladeshi	710

**NEWBUILDING****GENERAL COMMENT**

It has been a week with high newbuilding activity for larger Tankers. Totally 12 VLCCs, 6 Suezmaxes and 4 Panamaxs have been inked at both Korean and Chinese yards. On the other hand, there has been a significant drop in newbuilding activity for dry bulk tonnage which has been observed over the last weeks. However, it remains to be seen if this trend will continue into the third quarter. Newbuilding prices are still keeping firm in all segments.

**ACTIVITY LEVEL**

Tankers	Dry Bulkers	Others
Strong	Moderate	Low

Average Far Eastern Prices

PRICES		This Week	Last Week	Low 2008	High 2008
VLCC	300'dwt	156.0	156.0	141.0	156.0
Suezmax	150'dwt	98.0	98.0	88.0	98.0
Aframax	110'dwt	78.0	78.0	69.0	78.0
Product	47'dwt	52.0	52.0	51.0	52.0
Capesize	180'dwt	96.0	95.0	93.0	96.0
Panamax	76'dwt	54.0	54.0	52.0	54.0
Handymax	56'dwt	48.0	47.0	45.0	48.0

**NEWBUILDING CONTRACTS**

Type	No	Size	Yard	Owner	Del	Mill\$	Comm.
BC	2	57000 dwt	Qingshan	Goldenport	2010	45.85	
MPP	4	7500 dwt	Remontowa	Oslo Marine	2009/10	29.85	Ice 1A
BC	2	205000 dwt	Qingdao Beihai	Tata power	2011		
MT	2	73500 dwt	SPP	Kristen Navigation	2011		
MT	2	75000 dwt	Sungdong	Grand Union	2011		
MT	2	156000 dwt	Jiangsu Rongsheng	Stealth Maritime	2011		86
MT	4	158000 dwt	Sungdong	Grand Union	2011		
MT	2	300000 dwt	Bohai	CSC Nanjing Tanker Corp	2011		
MT	4+2	318000 dwt	STX	A.P. Møller	2011		
MT	3+1	318000 dwt	STX	Aktif Denizcilik	2011/12		
PC	1+1	36000 dwt	Lindenau	Atlanship	2010		Juice carrier

**MARKET BRIEF**

Rate of exchange	This Week	Last Week	Low 2008	High 2008	
JPY/USD	108.76	110.14	96.90	111.45	
KRW/USD	1083.90	1049.00	937.35	1083.90	
NOK/USD	5.37	5.39	4.96	5.54	
USD/EUR	1.48	1.48	1.46	1.60	
Interest rate					
Eurodollar 12 mnths	3.24	3.49	2.48	4.25	
EuroNOK 12 mnths	6.81	6.67	5.67	6.96	
Commodity prices					
Brent spot (USD)	114.90	111.56	87.52	140.55	
Bunker prices					
Singapore	180 CST	710.00	669.00	451.00	787.00
	380 CST	685.00	648.00	440.00	761.00
	Gasoil	995.00	980.00	770.00	1315.00
Rotterdam	180 CST	668.00	636.00	432.00	776.00
	380 CST	636.00	595.00	404.00	719.00
	Diesel	1040.00	921.00	702.00	1245.00

