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WEEKLY

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TANKERS

CHARTERING

Crude

As expected, the VLCC market turned a corner and stronger rate levels were seen in a busy market. The question remains as to whether there are enough uncovered cargoes for September loading to absorb the tonnage still available since the market will need a sustained level of demand in order for the current firming trend to continue. Suezmaxes in WAF saw rates firm to the ws190 level, but this suddenly made VLCC transportation more attractive in this market, and rates eased off into the mid ws170s. There was also a surge in Med/Bsea Suezmax rates, but also here rates have eased off as charterers interest in this area tapered off. Nsea Aframaxes also experienced a rate decline on voyages to the Continent, and Aframaxes in the Med saw rates surge to the ws230 level only to see them quickly drop to ws200 as inquiry diminished. The hurricane season seemed to be dictating the agenda in the Caribbean, and in this market rates fluctuated between ws180 and ws240 depending upon tonnage availability and loading dates.

Product

The transatlantic marked ascended by about 15-20 ws points and we have seen some vessels concluded as high as ws327.5 basis 37,000 m/t. A continuing dearth of LR tonnage is underpinning good rate levels with owners of modern units fixing at around the ws300 level whilst older vessels with more limited approvals were able to achieve about ws250 basis 60,000 m/t for WAF discharge. Current levels for Handies trading cross NWEurope are at ws295 basis 22,000 m/t. Upcoast voyages in the Caribs saw levels maintained at ws290 basis 38,000 m/t whilst the arbitrage for backhaul voyages was closed and backhaul activity was therefore non-existent. The east of Suez market was very quiet during the last week, and the LR market MEG/Japan saw rates of ws360 for LR1s basis 55,000 m/t and ws340 for LR2s basis 75,000 m/t. MRs trading Spore/Japan saw rates for 30,000 m/t naphtha liftings decline to ws320. With the month of Ramadan now in full swing, we can only expect that there may be no great surges in activity and that rates may be rather flat for a while.

ACTIVITY LEVEL

VLCC	Suezmax	Aframax	Product
Firm	Weakening	Mixed	Stable

RATES		This Week	Last Week	Low 2008	High 2008
DIRTY (Spot WS)					
MEG / West	VLCC	87.5	70.0	65.0	175.0
MEG / Japan	VLCC	110.0	85.0	67.5	255.0
MEG / Singapore	260,000	112.5	85.0	70.0	265.0
WAF / USG	260,000	115.0	90.0	85.0	240.0
WAF / USAC	130,000	175.0	140.0	115.0	320.0
Sidi Kerir / W Me	135,000	160.0	140.0	110.0	410.0
N. Afr / Euromed	80,000	200.0	170.0	115.0	395.0
UK / Cont	80,000	170.0	200.0	117.5	325.0
Caribs / USG	70,000	200.0	245.0	105.0	410.0
CLEAN (Spot WS)					
MEG / Japan	75,000	340.0	340.0	135.0	350.0
MEG / Japan	55,000	360.0	375.0	155.0	380.0
MEG / Japan	30,000	410.0	430.0	215.0	430.0
Singapore / Japan	30,000	320.0	330.0	170.0	330.0
Baltic T/A	65,000	300.0	310.0	165.0	310.0
UKC-Med / States	37,000	320.0	310.0	195.0	380.0
Caribs / USNH	38,000	290.0	290.0	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)	41,000	40,500	30,000	42,000
LR2	105,000	39,500	39,500	31,500	40,000
LR1	80,000	30,500	30,500	26,000	30,500
MR	40,000	24,000	23,750	21,750	24,000

VLCCs fixed all areas last week:	43	previous week:	31
VLCCs avail. in MEG next 30 days:	77	last week:	75

SALE AND PURCHASE

Vessel	Size	Built	Buyer	Price	Comm.
Tsuneishi resale	107,500	2009	Centrofin	85.00	Del Q3 09, old sale
Siteam Panther	46,100	1985	IMS	9.50	D/H, IMO III
High Harmony	45,900	2005	UACC	56.50	
High Consensus	45,900	2005	UACC	56.50	

DRY BULK

CHARTERING

Handy

The market collapsed dragging all the rates down with lightening speed. Continent to Far East transactions trade is now below usd 49,000. Black Sea / East route is getting closer and closer to usd 50,000 barrier. India / Far East pay low 20s. In the Gulf, Charterers are offering low 50s for the voyages back to Continent. On the way back level of fixtures is coming close to the magical level of usd 20,000. However still, Mv Skua, 53,350 dwt, was paid usd 53,000 for 12 months employment and Korea Line was said to book mv Port Macau, 58,470 dwt at usd 38,000 basis 4 years trading. The average of t/c routes went below usd 40,000 line and stands now at usd 39,972.

Panamax

The average of the 4 t/c routes went slightly up with the Atlantic basin as the driving force, due to new/more cargoes entering the market. LMEs were fixing in the high usd 50,000 range, while later in the week nice vsls got low usd 60,000. Chinese accounts paid mid/low usd 70,000 for vsls loading S.America to F.East. 2 LL were paid low usd 60,000s. In the Pacific, the market remained as last week, LMEs fixed low/mid usd 30,000, and short periods were concluded at high usd 50,000. Backhauls were also unchanged at high usd 20,000.

Capesize

The market decline was accelerating this week and spot tc average was reduced from usd 123,000 to mid usd 90,000. Ships were accepting lower rates than last done and chrs were using the old tactic of failing on subs - and next day ships were coming at even lower rates. The main Pacific route West Australia/China dropped from usd 30 lvl to usd 24.25 - and is still falling. Modern 176,000 dwt fxd usd 110,000 for Aust r/v with dely Hong Kong. Typically in the market scenario we have now, there are lots of rumours abt so-called fixtures which are difficult to verify. Period and COA discussions have come to a halt.

ACTIVITY LEVEL

Capesize	Panamax	Handysize
Low	Weakening	Slow

RATES		This Week	Last Week	Low 2008	High 2008
CAPESIZE (usd/day, usd/tonne)					
TCT Cont/Far East (172´ dwt)		140,000	165,000	120,000	285,000
Tubarao / R.dam (Iron ore)		30.50	34.50	24.50	58.50
Queensland/ R.dam (Coal)		43.00	49.50	38.00	69.00
PANAMAX					
Transatlantic RV		58,500	57,500	50,000	110,000
TCT Cont / F. East		70,000	69,000	58,500	116,000
TCT F. East / Cont		29,850	30,500	29,850	71,000
TCT F. East RV		33,900	34,000	33,500	79,500
Murmansk b.13-ARA 15/25,000 sc		21.25	21.25	17.55	35.00
Murmansk b.13-L.pool 15/25,000 sc		22.75	22.75	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		39,500	47,250	39,500	94,750
Pacific RV		37,500	41,250	27,500	60,750
TCT Cont / F. East		48,000	54,250	48,000	86,250
1 YEAR T/C (usd per day)					
Capesize	150,000 dwt	100,000	115,000	95,000	154,000
Capesize	170,000 dwt	115,000	130,000	110,000	170,000
Panamax	75,000 dwt	70,000	70,000	55,000	84,000
Handysize	53,000 dwt	49,000	49,000	48,000	63,500

Baltic Dry Index (BDI): This Week: 6143 Last week: 7050

SALE AND PURCHASE

Vessel	Size	Built	Buyer	Price	Comm.
Resale STX	181,000	2009	Greeks	119.00	del end/09+10yr tc
Iris II	75,845	2004	Oceanaut	352.00	enbloc
Achilles II	75,785	2004	Oceanaut		enbloc
Three Stars	74,823	2005	Oceanaut		enbloc
Medi Cebu	52,464	2002	Oceanaut		enbloc
Sea Crown	43,304	1984	Greeks	28.50	4/25cr

GAS

CHARTERING

It has been a very, very quiet week in the VLGC market; no spot fixtures were reported. A couple of September cargoes have been talked of in the market, but in the end charterers and owners could not agree on rates. There seems to be ample supply of available VLGCs in the MEG in September, a few on a prompt basis, against very few cargoes. Independent owners control the vast majority of the available vessels, and by now there are no signs of any panic among them - owners´ rate indications remain in the high usd 60s per ton Ras Tanura/Chiba. The Baltic VLGC index, however, has come down every single day for the last 7 days; the index has only come off usd 2.50 per ton the last week. The VLGC market certainly has a weaker undertone now, but it remains to be seen to which extent rates will come off eventually.

ACTIVITY LEVEL

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

RATES	This Week	Last Week	Low 2008	High 2008
SPOT MARKET				
82.000 cbm / FR	1,395,000	1,395,000	160,000	1,965,000
57.000 cbm / FR	1,050,000	1,050,000	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	210,000	207,500	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	830.50	833.00	
Saudi Arabia / CP	800.00	840.00	
MT Belvieu (US Gulf)	837.50	836.49	864.90
Sonatrach : Bethioua	835.00	862.00	

SALE AND PURCHASE

Vessel	Cbm	Type	Built	Buyers	Price	Misc

No reportable sales this week

DEMOLITION

Vessels sold for demolition

	VLCC/VLOO	SUEZMAX	CAPE/OBO
Year to date 2008:	5	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 Homi Bhabha	41,126	9,300	1982	Indians	725
MV Snow Flower	12,782	9,220	1972	Indians	704
MV Katerina R	2,279	1,154	1978	Indians	Undisc

NEWBUILDING

GENERAL COMMENT

After weeks with high newbuilding activity for larger tankers, we now observe a slower market with only one VLCC unit contracted over the past week. The slower newbuilding activity for dry bulk vessels observed over the summer season continues with only two orders placed, respectively for Handysize and Kamsarmax vessels. Despite the slower activity, prices are still keeping firm, however the firming US Dollar might be cooling off the price pressure.

ACTIVITY LEVEL

Tankers	Dry Bulkers	Others
Moderate	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	96.0	93.0	96.0
Panamax	76´dwt	54.0	54.0	52.0	54.0
Handymax	56´dwt	48.0	48.0	45.0	48.0

NEWBUILDING CONTRACTS

Type	No	Size	Yard	Owner	Del	Mill$	Comm.
Type	No	Size	Yard	Owner	Del	Mill$	Desc
BC	2+6	35000 dwt	Nantong Daoda	Atlas Shipping	2010/ 11/12		
BC	2	81000 dwt	STX	ETA	2011	58.3	
MPP	1	15000 dwt	Dalian Shipbuilding	Jindal	2010		
MPP	2	7500 dwt	Dalian Shipbuilding	Jindal	2009/ 10		
MT	1	300000 dwt	Mitsubishi	NYK	2011		
LPG	2	22500 cbm	HHI	AP Møller	2011		
PC	2	6600 dwt	Oskaya	AET	2009		

MARKET BRIEF

Rate of exchange		This Week	Last Week	Low 2008	High 2008
JPY/USD		108.63	108.76	96.90	111.45
KRW/USD		1144.95	1083.90	937.35	1144.95
NOK/USD		5.54	5.37	4.96	5.54
USD/EUR		1.44	1.48	1.44	1.60
Interest rate					
Eurodollar 12 mnths		3.22	3.24	2.48	4.25
EuroNOK 12 mnths		6.83	6.81	5.67	6.96
Commodity prices					
Brent spot (USD)		105.66	114.90	87.52	140.55
Bunker prices					
Singapore	180 CST	697.00	710.00	451.00	787.00
	380 CST	673.00	685.00	440.00	761.00
	Gasoil	965.00	995.00	770.00	1315.00
Rotterdam	180 CST	645.00	668.00	432.00	776.00
	380 CST	604.00	636.00	404.00	719.00
	Diesel	885.00	1040.00	702.00	1245.00

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