



## TANKERS

## CHARTERING

## Crude

VLCC rates seem to have dropped to a level which owners are reluctant to accept. Some increased scrapping activity of VLCC tonnage has been observed, but unfortunately not supporting the oversupplied VLCC situation. The continuous delivery of newbuildings and slow demand speaks for itself and no imminent change should be expected. The SMAX market continued to weaken ex WAFR, while other loading areas remained unchanged from last week. Rates for Aframax in the NSEA remained dull with rates trading at ws 67.5 for cross UK/C voyages. In the Med the rates were softening and did not see enough activity to maintain the already suffering levels which declined to ws 60 level. Caribs up coast voyages saw no change and rates remained unaltered.

## Product

The transatlantic MR market maintains at lowest level we have seen for years. Going rate is ws80-85 basis 37,000 m/t which equals to net TC of about USD zero per day. LR1s are also suffering from a weak market but due to firming market east of Suez, rates improved to ws 97.5 basis 60,000 m/t for a transatlantic voyage. Handies trading cross NWEurope are obtaining ws120-122.5 lvl basis 22,000 m/t. Up coast rates dropped once again in the Caribs with ws85 paid basis 38,000 m/t. Backhaul cargoes quoted are few but last fixture concluded with middle distillates to Europe from the USG/Caribs was ws65 basis 38,000 m/t. The East of Suez market is looking better and rates are firming slightly. The LR2 market has improved to ws95-100 level basis 75,000mt for MEG/Japan and the LR1 is also slightly improving to ws100-105 level for same route basis 55,000mt. The Backhaul voyages MEG/UKC are firming along with the east market to USD 1.7 mill on 65,000mt. There are no major improvements for MRs in Far East, but the rate gained a little to ws85 basis 30,000mt for Singapore/Japan route, which is the highest rate since March. However, the daily return is still below zero for a straight Singapore/Japan voyage on a MR vessel.

## ACTIVITY LEVEL

VLCC	Suezmax	Aframax	P. E. of Suez	P. W. of Suez
Stable	Stable	Slow	Slow	Moderate

RATES This Week Last Week Low 2009 High 2009

DIRTY (Spot WS)		This Week	Last Week	Low 2009	High 2009
MEG / West	VLCC	22.5	25.0	20.0	52.5
MEG / Japan	VLCC	30.5	30.0	25.0	72.5
MEG / Singapore	260,000	31.0	32.0	25.5	75.0
WAF / USG	260,000	37.5	38.5	30.0	95.0
WAF / USAC	130,000	50.0	57.5	42.5	130.0
Sidi Kerir / W Me	135,000	65.0	65.0	13.0	95.0
N. Afr / Euromed	80,000	60.0	65.0	55.0	170.0
UK / Cont	80,000	67.5	67.5	62.5	160.0
Caribs / USG	70,000	67.5	67.5	57.5	365.0

## CLEAN (Spot WS)

MEG / Japan	75,000	95.0	92.5	52.5	130.0
MEG / Japan	55,000	100.0	100.0	50.0	145.0
MEG / Japan	30,000	115.0	105.0	60.0	200.0
Singapore / Japan	30,000	85.0	82.5	60.0	190.0
Baltic T/A	60,000	97.5	95.0	70.0	160.0
UKC-Med / States	37,000	85.0	80.0	70.0	195.0
Caribs / USNH	38,000	85.0	90.0	65.0	170.0

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

VLCC (modern)	32,500	32,500	32,500	55,000
Suezmax (modern)	25,000	25,000	25,000	40,000
Aframax (modern)	17,000	17,000	17,000	29,000
LR2	105,000	17,250	17,500	30,000
LR1	80,000	16,500	16,500	26,500
MR	47,000	11,750	11,750	20,500

VLCCs fixed all areas last week:	23	previous week:	20
VLCCs avail. in MEG next 30 days:	98	last week:	74

## SALE AND PURCHASE

Vessel	Size	Built	Buyer	Price	Comm.
Marina	291 400	2009	Soechi	97,50	DH,Coiled, Sub
Orpheus Orchid	258 080	1992	Sinokor China	15,50	S/H
Sunrise V	258 000	1991	Vale- Conversion	18,80	S/H
Meriom Wave	38 875	2004	South Am.	25,00	Sub. Tender
Hassho Maru No. 5	4 814	1993	Far Eastern	2,45	
Fuji Maru No 7	3 264	1996	Japanese		Undisc

## DRY BULK

## CHARTERING

## Handy

The BSI has been pushing upwards since last week amid continued firm conditions in the Atl. The Supra/Handy markets should remain stable and firm. Pacific Basin was reported to have taken the MV EFFY N, 55,800 dwt, at USD 32,500 dely 10/15 Sep Morocco to New Zealand. Handymaxes open in USG are achieving in the low 30's for trips to the Med and the market there is volatile with more enquiry. Bl.Sea and Cont Supramaxes are achieving low/mid 30,000/day for trips PMO/Japan range. The market is getting slightly better in the Pacific; some more period interest compared to last week. Supratypes open FEast were fixed at around 17,000 for short period, and owners are now asking high teens for same. On tct rates also improved a bit and we hear a 50k dwt vessel open N.China fixed at 13,000 dop for Indonesian coal to India. On voyage bss Supra cargoes of coal from Vietnam to Thailand are paying about 10.25 usd/tonne and i.ore from WCI to China 15 usd/tonne, while ECI to China about 14.5 usd/tonne.

## Panamax

With still lack of tonnage in the N.Cont, rates climbed usd 4000 from last week with TA's fixing arnd usd 25,000, even with less activity in the Atlantic this week. Fronthauls fixed usd 32,000 via St.Lawrence, and usd 31,000 via S.America, up USD 2000 from last week. Little activity in the period market though, 7/9 months fixed usd 26,500 end last week. Steady improvement of rates in the Pacific. Baltic Index up 350 to abt usd 2700. Pacific rounds increased from usd 14,000 to 17,500 pd. Backhaul rates fairly steady at abt usd 9500/10,000, due to a lack of cargoes available. The market is being driven by fresh grain orders. Grain prices at the moment are not so price sensitive as i.ore and coal. Buyers are holding back and not yet prepared to pay or even give a price for minerals, demand from China is decreasing which might be a sign of a short lived upturn. Some period activity; short period being done at abt usd 18/19,000 pd and 1-year abt usd 19/19500.

## Capesize

As the market was developing, it seems the big question being raised was when the freight rate for an Australia to China round would break USD ten. That was done earlier this week, at USD 9.75 on an overaged vessel. For Baltic type vessels, market has however stabilized at low tens. In the Atlantic tonnage has been tighter, and yesterday charters had to pay higher than last done for a transatlantic round, with Puerto Drummond to Rotterdam at USD 15.25 pmt. Last week and beginning of this week the sentiment was poor, with the decreased iron ore imports to China as the main concern. However towards the end of this week the market seems more stable. Although not much period activity to report, it is interesting to see more interest in such business.

## ACTIVITY LEVEL

Capesize	Panamax	Handysize
Moderate	Increasing	Low

RATES This Week Last Week Low 2009 High 2009

CAPESIZE (usd/day, usd/tonne)				
TCT Cont/Far East (172' dwt)	55,754	56,400	11,500	115,000
Tubarao / R.dam (Iron ore)	13.67	13.70	5.20	27.75
Richards Bay/R.dam	11.76	12.65	6.85	22.50

## PANAMAX

Transatlantic RV	25,000	20,250	3,800	35,000
TCT Cont / F. East	33,000	29,500	7,100	43,500
TCT F. East / Cont	10,250	9,500	1,050	14,000
TCT F. East RV	17,250	14,500	1,600	26,000
Murmansk b.13-ARA 15/25,000 sc	10.65	9.60	4.75	13.45
Murmansk b.13-L.pool 15/25,000 sc	11.50	10.10	4.75	14.95

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

## HANDYSIZE

Atlantic RV	23,000	18,500	6,000	31,500
Pacific RV	16,000	10,000	2,500	18,000
TCT Cont / F. East	32,500	32,000	4,750	36,000

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

Capesize	150,000 dwt	27,500	28,000	18,000	36,000
Capesize	170,000 dwt	32,000	33,000	21,500	45,000
Panamax	75,000 dwt	19,000	19,000	11,000	24,000
Handysize	53,000 dwt	17,000	16,000	10,000	18,000

Baltic Dry Index (BDI): This Week: 2491 Last week: 2413

## SALE AND PURCHASE

Vessel	Size	Built	Buyer	Price	Comm.
NOA	43 590	1985	Singapore	7,00	
Xanadu	40 891	1984	Chinese	7,00	
Thor Jasmine	36 663	1985	Far Eastern	5,50	
Thamisa Naree	34 072	1982	Precious Shipping	3,90	
Kanok Naree	33 024	1985	Egyptians	4,95	
Island Triangle	27 400	1984	Far Eastern	4,35	

**GAS****CHARTERING**

Activity slowed down in the VLGC market mainly caused by lack of cargoes and lack of tonnage as well. The tonnage balance looks better than for a long while, and it seems the freight market has settled in the mid/high USD 20's basis MEG/Japan. Some people have commented that spot rates are becoming "high" - but in fact it is a long way to go to reach comfortable earnings. Today's Baltic number and HFO price still gives a net T/C return of a modern VLGC of less than OPEX, and it not until spot rates reach USD 40 pmt and above that owners may start preparing smiles. A spot rate of USD 45/47 per ton for Ras Tanura/Chiba seems far away at the moment, however, that would be the level covering OPEX and financing on the average modern VLGC.

**ACTIVITY LEVEL**

COASTER	15-23,000 cbm		82,000 cbm	
	Increasing	Moderate	Stable	
	This Week	Last Week	Low 2009	High 2009
<b>RATES</b>				
<b>SPOT MARKET</b>				
82.000 cbm / FR	260,000	240,000	105,000	310,000
57.000 cbm / FR	595,000	580,000	475,000	650,000
35.600 cbm / FR	595,000	580,000	515,000	610,000
20.000 cbm / SR*	700,000	700,000	700,000	850,000
10.000 cbm ETH**	570,000	570,000	470,000	600,000
6.500 cbm / SR	475,000	475,000	400,000	510,000
COASTER Europe	220,000	220,000	190,000	270,000
COASTER Asia	210,000	213,500	210,000	265,000

\* 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	531.00	557.50	
Saudi Arabia / CP	565.00	595.00	
MT Belvieu (US Gulf)	504.06	537.99	573.40
Sonatrach : Bethioua	520.00	555.00	

**SALE AND PURCHASE**

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

**DEMOLITION**

Vessels sold for demolition	Type		
	VLCC/VLOO	SUEZMAX	CAPE/OBO
Year to date 2009:	1	2	3
Year to date 2008:	5	0	0
2008 total:	6	0	8

**SOLD FOR DEMOLITION**

Vessel name	Size	Ldt	Built	Buyer	Price
MT Malibu	248 976	31 199	1989	Bangladesh	350
MT Geilo	243 272	30 436	1990	Bangladesh	370
BC Sea Agility	89 618	14 480	1987	Japan	335
MT Fidelity	44 911	12 500	1984	Bangladesh	380
MT Anawan	35 597	9 660	1981	Bangladesh	393
Cont Msc Denisse	23 606	13 574	1977	India	270
Tween Xiang Rui Men	21 530	6 740	1983	India	310
Cont Triumph	18 606	8 639	1978	India	282
Reefer Alcazar Carrier	15 200	10 206	1983	India	320
LPG BW Havlys	13 935	7 220	1983	India	330
Cont Independence	8 775	10 206	1979	India	265
Reefer Frio Oceanic	6 371	3 331	1983	India	320
Reefer Frio Carbric	6 352	3 350	1983	India	320

**NEWBUILDING****GENERAL COMMENT**

No newbuilding contracts to report last week.

**ACTIVITY LEVEL**

Tankers	Dry Bulkers		Others		
	Low	Low	Low	Low	
Average Far Eastern Prices					
<b>PRICES</b>	This Week	Last Week	Low 2009	High 2009	
VLCC	300'dwt	102.0	104.0	102.0	137.0
Suezmax	150'dwt	63.0	63.0	63.0	83.0
Aframax	110'dwt	55.0	55.0	55.0	68.0
Product	47'dwt	38.0	38.0	38.0	46.0
Capesize	180'dwt	60.0	60.0	60.0	76.0
Panamax	76'dwt	37.0	37.0	37.0	42.0
Handymax	56'dwt	32.0	33.0	32.0	37.0

**NEWBUILDING CONTRACTS**

Type	No	Size	Yard	Owner	Del	Mills	Comm.
No							
contra							
cts to							
report							
last							
week.							

**MARKET BRIEF**

Rate of exchange	This Week	Last Week	Low 2009	High 2009	
JPY/USD	92.32	92.44	89.24	100.52	
KRW/USD	1226.83	1249.80	1224.40	1550.90	
NOK/USD	5.91	6.12	5.91	7.14	
USD/EUR	1.45	1.42	1.25	1.45	
<b>Interest rate</b>					
Eurodollar 12 mnths	1.28	1.32	1.28	2.29	
EuroNOK 12 mnths	3.05	3.01	2.44	3.36	
<b>Commodity prices</b>					
Brent spot (USD)	69.94	67.54	35.49	73.90	
<b>Bunker prices</b>					
Singapore	180 CST	442.00	437.00	243.00	465.00
	380 CST	436.00	430.00	235.00	447.00
	Gasoil	575.00	575.00	359.00	600.00
Rotterdam	180 CST	425.00	432.00	220.00	446.00
	380 CST	414.00	414.00	215.00	428.00
	Diesel	525.00	520.00	335.00	560.00

