



TANKERS

CHARTERING

Crude

The VLCC market in the MEG continued to function at a slow bell, and even with a reduced number of VLCCs available in the MEG for the coming 30 day period, the supply of vessels is still plentiful. If we compare the number of cargoes already fixed for November loading plus the number of expected remaining November cargoes with the number of units available for the balance of the month in the MEG, it seems clear that charterers will not experience any shortage of tonnage. In fact, we expect many potential November loaders will eventually have to fix for December dates, just as October loaders had to fix for November dates. With little inquiry, Suezmax rates in WAF adjusted downwards as did Suezmax rates in the Med/Bsea. We once again saw an across-the-board decline in Aframax rates in the Atlantic Basin due to limited activity and accumulation of tonnage.

Product

There was more activity in the transatlantic market, and this produced a slight firming in rate levels with vessels fixed as high as ws185 basis 37,000 m/t. On the other hand, LR trade was slow and rates are dropping; owners of modern units were able to obtain ws220-225 basis 60,000 m/t whilst older, unapproved vessels can't hope for much more than ws150-160. Handies trading cross NWEurope saw rate levels of around ws245-250 basis 22,000 m/t. Rates in the Caribs were maintained at ws165 basis 38,000 m/t for upcoast voyages. We have seen some further interest for backhaul voyages to Europe where rates were around ws105 basis 38,000 m/t. East of Suez rates are in a declining cycle, and we have seen MEG/Japan rates of ws230 basis 55,000 m/t and ws190 basis 75,000 m/t. MRs trading Spore/Japan experienced a rate decrease to ws240 basis 30,000 m/t which is 20 ws points down from last week. We think the outlook is somewhat bleak for the next couple of weeks, and even though activity may spike from time to time, there is little to indicate that rates will turn around.

ACTIVITY LEVEL

VLCC Stable	Suezmax Soft	Aframax Soft		Product Soft	
		This Week	Last Week	Low 2008	High 2008
RATES					
DIRTY (Spot WS)					
MEG / West	VLCC	60.0	60.0	60.0	175.0
MEG / Japan	VLCC	70.0	72.5	67.5	255.0
MEG / Singapore	260,000	71.0	72.5	70.0	265.0
WAF / USG	260,000	80.0	105.0	80.0	240.0
WAF / USAC	130,000	145.0	175.0	115.0	320.0
Sidi Kerir / W Me	135,000	150.0	172.5	110.0	410.0
N. Afr / Euromed	80,000	115.0	130.0	115.0	395.0
UK / Cont	80,000	117.5	120.0	117.5	325.0
Caribs / USG	70,000	125.0	135.0	105.0	410.0
CLEAN (Spot WS)					
MEG / Japan	75,000	190.0	240.0	135.0	350.0
MEG / Japan	55,000	230.0	250.0	155.0	380.0
MEG / Japan	30,000	275.0	280.0	215.0	430.0
Singapore / Japan	30,000	240.0	270.0	170.0	340.0
Baltic T/A	65,000	225.0	230.0	165.0	310.0
UKC-Med / States	37,000	185.0	185.0	185.0	380.0
Caribs / USNH	38,000	165.0	165.0	165.0	315.0
1 YEAR T/C (usd per day) (theoretical)					
VLCC	(modern)	62,500	67,500	60,000	90,000
Suezmax	(modern)	42,500	47,500	42,000	55,000
Aframax	(modern)	32,000	35,000	30,000	42,000
LR2		105,000	32,000	34,000	40,000
LR1		80,000	29,000	29,000	31,000
MR		40,000	23,000	23,000	24,750

VLCCs fixed all areas last week:	25	previous week:	37
VLCCs avail. in MEG next 30 days:	86	last week:	102

SALE AND PURCHASE

Vessel	Size	Built	Buyer	Price	Comm.
Atlantic Crown	46,600	2007	MOSK	57.50	1yr TCB USD 23,900/day
Atlantic Eagle	46,600	2007		57.50	enbloc

DRY BULK

CHARTERING

Handy

ATLANTIC: The underlying tone remained weak in the Atlantic for most sizes, although the rate of decline has slowed. A lot of biz from BSea but mainly towards the east which is not preferred by many owners. The Kingfisher D, 28,424 dwt 2002-built reported to Bunge from Recalada to the Mediterranean at \$6,750 daily Armada took the Golden Kiku, 29,858 dwt 2005-built, ballasting from Casablanca for delivery Santos for a trip the east at \$9,000 daily. We are seeing more grains ex Argentina for the end of the month. ASIA: In the east, Clipper Endeavour 52483 dwt 2004-built fixed 1 year at usd 10,600 which is up from last week by 1000 usd. Rates in the east remained at very low levels for spot tonnage (with Jin Quan, 51,104 dwt/2002-built open Xingang spot fixed at \$2,700 daily for a quick trip from the Philippines to China). There is more enquiry for period across the board which might explain that the market players believe the market has bottomed out. The BPI, BDI AND BSI have positive

Panamax

The market unchanged from last week - quiet with many vessels and few cargoes, although slight increase of the 4 tc Panamax to USD 6900. There has been some 1 year period fixtures done at usd 13/15,000 level and still takers but most owners seem to hold back and hope. Atlantic rounds fix and USD 6000 daily while fronthauls are at usd 11/12,000 daily. Pacific rounds vary from usd 5000 to usd 7000 daily.

Capesize

Cape market continuing with zero activity and there is simply no spot market. Owners realising that firm cargoes are almost impossible to find and a large number of ships (we guesstimate around 100 ships) are kept in waiting-positions, mostly in the Far East. For expensive tc ships this situation is disastrous and the much discussed counterpart risk is becoming increasingly serious. However FFA settlements of end last week were concluded apparently without serious casualties. The cape index rate still easing and the tc spot index now stand at usd 4193. Some bargain hunters looking for modern capers and for 12 mos talking rates in the low usd 20 000.

ACTIVITY LEVEL

Capesize Low	Panamax Low		Handysize Increasing	
	This Week	Last Week	Low 2008	High 2008
RATES				
CAPESIZE (usd/day, usd/tonne)				
TCT Cont/Far East (172' dwt)	10,000	11,500	10,000	285,000
Tubarao / R.dam (Iron ore)	5.30	6.50	5.30	58.50
Queensland / R.dam (Coal)	10.80	12.50	10.80	69.00
PANAMAX				
Transatlantic RV	6,200	5,500	5,500	110,000
TCT Cont / F. East	11,300	11,000	11,000	116,000
TCT F. East / Cont	5,000	5,000	2,500	71,000
TCT F. East RV	6,350	4,500	3,500	79,500
Murmansk b.13-ARA 15/25,000 sc	5.30	5.50	5.30	35.00
Murmansk b.13-L.pool 15/25,000 sc	5.50	6.55	5.50	36.50

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

HANDYSIZE

Atlantic RV	8,500	6,500	6,500	94,750
Pacific RV	3,000	4,000	3,000	60,750
TCT Cont / F. East	9,000	8,000	8,000	86,250

1 YEAR T/C (usd per day)

Capesize	150,000 dwt	17,500	17,500	17,500	154,000
Capesize	170,000 dwt	21,000	21,000	21,000	170,000
Panamax	75,000 dwt	14,500	14,000	14,000	84,000
Handysize	53,000 dwt	10,600	12,500	10,600	63,500

Baltic Dry Index (BDI):	This Week: 824	Last week: 826
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SALE AND PURCHASE

Vessel	Size	Built	Buyer	Price	Comm.
Nord Sun	76,830	2004	Greeks	29.00	1yr 14k/d tcb
Nord Saturn	76,620	2005	Greeks	30.00	del Q1/2009
Lake Harumi	55,699	2006	Greeks	30.00	
Nordholt	55,697	2005	Greeks	26.50	del Q4/2008
Cosmos	50,326	2001	Greeks	22.50	

**GAS****CHARTERING**

The delta between the western and eastern freight-market is larger than what we have seen for long time and increasing further. The activity and demand are moving in different directions. The tight supply of vessels in west has forced charterers to pay up to 50 pct higher rates than what have been achieved from MEG. VLGC are now programmed ex W.Africa for end December loading already while we still see 8-10 vessels opening in MEG within November. This positive trend in the west has also helped both the LGC and the mid-size vessels to keep the rates at healthy numbers without any waitingtime.

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		275,000	380,000	160,000	1,965,000
57.000 cbm / FR		675,000	675,000	675,000	1,050,000
35.600 cbm / FR		815,000	815,000	815,000	955,000
20.000 cbm / SR*		910,000	910,000	850,000	960,000
10.000 cbm ETH**		710,000	710,000	710,000	780,000
6.500 cbm / SR		525,000	540,000	525,000	585,000
COASTER Europe		205,000	220,000	205,000	325,000
COASTER Asia		195,000	220,000	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	438.00	429.50	
Saudi Arabia / CP	490.00	490.00	
MT Belvieu (US Gulf)	373.81	375.68	435.92
Sonatrach : Bethioua	445.00	450.00	

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:	6	0	8
Year to date 2007:	0	2	0
2007 total:	0	2	0

SOLD FOR DEMOLITION

Vessel name	Size	Ldt	Built	Buyer	Price
BC Hebei Century	147,283	30,601	1982	Bangladeshi	225
BC Hebei Hawk	194,694	27,849	1981	Bangladeshi	225
BC Kapadokia	141,475	23,000	1981	China	180
BC Hebei Dove	135,160	21,835	1983	Bangladeshi	225
MT Hawaiian Star	99,335	18,559	1987	Bangladeshi	245
BC Brave J-L	65,418	17,096	1984	Bangladeshi	210
BC Swift-Favour	82,462	17,027	1981	Bangladeshi	205
BC Helen B	69,240	16,889	1983	Bangladeshi	207
BC Fu Shun Hai	54,158	14,625	1983	Indian	200
BC Ocean Express	51,854	11,574	1974	Indian	215
BC Agios Nikolas II	69,112	11,910	1976	Pakistan	222
CV Leblon	1,157	10,073	1982	Indian	200
	TEU				
CV Alianca Urca	1,215	9,975	1981	Indian	200
	TEU				

NEWBUILDING**GENERAL COMMENT**

Not surprisingly the newbuilding market remains calm with no activity to report this week.

ACTIVITY LEVEL

Tankers	Dry Bulkers	Others
Low	Low	Low

Average Far Eastern Prices

PRICES		This Week	Last Week	Low 2008	High 2008
VLCC	300'dwt	148.0	148.0		156.0
Suezmax	150'dwt	93.5	93.5		98.0
Aframax	110'dwt	74.0	74.0		78.0
Product	47'dwt	49.5	49.5		52.0
Capesize	180'dwt	91.0	91.0		96.0
Panamax	76'dwt	51.5	51.5		54.0
Handymax	56'dwt	45.5	45.5		48.0

NEWBUILDING CONTRACTS

Type	No	Size	Yard	Owner	Del	Mills	Comm.
No reportable sales this week							

MARKET BRIEF

Rate of exchange	This Week	Last Week	Low 2008	High 2008
JPY/USD	97.46	99.00	96.90	111.45
KRW/USD	1372.50	1258.00	937.35	1419.00
NOK/USD	7.02	6.72	4.96	7.02
USD/EUR	1.25	1.30	1.25	1.60
Interest rate				
Eurodollar 12 mths	2.70	3.00	2.48	4.25
EuroNOK 12 mths	5.75	5.93	5.67	7.61
Commodity prices				
Brent spot (USD)	53.62	64.43	53.62	140.55
Bunker prices				
Singapore				
180 CST	260.00	288.00	260.00	787.00
380 CST	240.00	267.00	240.00	761.00
Gasoil	555.00	606.00	555.00	1315.00
Rotterdam				
180 CST	243.00	289.00	243.00	776.00
380 CST	211.00	255.00	211.00	719.00
Diesel	553.00	608.00	553.00	1245.00

