



TANKERS

CHARTERING

Crude

Activity in the VLCC market continued to be slow and steady with charterers still firmly in control and more or less at liberty to decide what rate they shall pay and which tonnage they shall chose and being able to do this time after time without any hindrance or hesitation. Owners, on the other hand, exhibit little consistency in their chartering strategy; some proceed slowly hesitating to fix out their tonnage, whilst others refuse to face current rate levels, whilst others accept whatever they can get in order to keep idle time to a minimum. At the end of the day, the supply of available tonnage remains more than ample and this indicates that the market will probably stay at the low rate levels currently prevailing. With increased WAF activity for Suezmaxes charterers have looked to combine cargoes on VLCCs, but since most loading windows are too prompt to accommodate VLCC ballast from the East, VLCC rates in WAF have firmed up. The WAF Suezmax market has been rather busy of late, so busy, in fact, that there is a considerable number of uncovered requirements still seeking tonnage. Owners have not failed to notice this, and with a supply/demand ratio turning in their favour, it seems likely that they will offer more resistance in the near future. Suezmax rates were also on the rise in the Med/Bsea and with more activity, greater Turkish straits delays and a firmer Aframax market in the area, more improvements may be in the offing. Aframax trading in the Nsea/Baltic saw rates improve as some mid month windows proved difficult for charterers to cover. In the Med/Bsea Aframax rates reached the ws140 level for loading Ceyhan on the back of greater delays in the Turkish straits and the emergence of Libya cargoes. In the Caribs, Aframax rates remained largely unchanged from last week's levels.

Product

After a firm spike in transatlantic rates over the last 2 weeks, activity have slowed down and tonnage availability is now more sufficient on the Continent, with rates descending to ws155 for UKC/USAC basis 37kt. LR1s trading Baltic/USAC looks a bit more promising with rates higher at ws115 basis 60kt, still with some potential for firming. The smaller tonnage tramping across NWEurope are relatively flat with Handy- and Flexi-size vessels fixing ws160 basis 30kt, and ws210 basis 22kt. Stateside activity is relatively firm with backhaul voyages USG/UKC-Med busy at ws117.5, and Caribs upcoast voyages fixing at ws150 basis 38kt. In the clean tanker market, East of Suez, activity remains slow. Since last week, rate levels have continued to drop as a result of the increasing tonnage availability. LR1s trading MEG/JPN are now fixing at WS120 level basis 55kt, and the number of prompt ships remain high. There has been a softening undertone on the LR2s for quite some time, but rates have remained stable. However, as a result of fewer cargo enquiries, the LR2s trading MEG/JPN are now fixing at WS120 level basis 75kt. On the LR1s trading MEG/UKC, the story is similar, and rates are now estimated to USD 1.85 million basis 65kt of Jet fuel. MRs trading SPORE/JPN are still seeing rates around WS150 basis 30kt, while MRs trading MEG/JPN have seen a decline in rates, and are now fixing around WS 140 basis 35kt.

ACTIVITY LEVEL

VLCC	Suezmax	Aframax	P. E. of Suez	P. W. of Suez
Mixed	Firm	Mixed	Slow	Stable

RATES This Week Last Week Low 2011 High 2011

DIRTY (Spot WS)

MEG / West	VLCC	32.5	34.0	30.0	47.5
MEG / Japan	VLCC	41.0	41.5	41.5	80.0
MEG / Singapore	260,000	42.5	42.5	42.5	80.0
WAF / USG	260,000	50.0	45.0	45.0	80.0
WAF / USAC	130,000	80.0	75.0	57.5	112.5
Sidi Kerir / W Me	135,000	90.0	85.0	57.5	140.0
N. Afr / Euromed	80,000	130.0	87.5	70.0	192.5
UK / Cont	80,000	100.0	97.5	80.0	150.0
Caribs / USG	70,000	90.0	90.0	80.0	195.0

CLEAN (Spot WS)

MEG / Japan	75,000	120.0	122.5	97.5	132.5
MEG / Japan	55,000	120.0	125.0	110.0	152.5
MEG / Japan	30,000	140.0	150.0	120.0	198.0
Singapore / Japan	30,000	150.0	150.0	120.0	160.0
Baltic T/A	60,000	115.0	110.0	105.0	160.0
UKC-Med / States	37,000	155.0	180.0	125.0	242.5
Caribs / USNH	38,000	150.0	132.5	115.0	210.0

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

VLCC	(modern)	17,000	17,000	17,000	29,500
Suezmax	(modern)	16,000	16,000	16,000	25,000
Aframax	(modern)	13,500	13,500	13,500	18,000
LR2	105,000	15,500	15,500	15,250	18,750
LR1	80,000	14,000	14,000	14,000	15,750
MR	47,000	13,250	13,250	12,750	13,500

VLCCs fixed all areas last week:	38	previous week:	36
VLCCs avail. in MEG next 30 days:	106	last week:	110

SALE AND PURCHASE

Vessel	Size	Built	Buyer	Price	Comm.
Spring Ursa	16 026	1997	Undisclosed	8,70	StSt
Sichem Peace	8 801	2005	Undisclosed	10,00	
Kilstraum	4 618	1988	Russians	3,50	StSt

DRY BULK

CHARTERING

Handy

No run-up in the activity or spikes in freight rates due to Chinese holidays. The US Gulf Continent rates (around USD 2750028000 p/d) continued its slow upward trend as we have seen the last 3 weeks. The return cargoes fixed at a stable level, tick above USD 6000 p/d. The fronthauls were paid tick more than last week, USD 23k from the Continent. The Pacific market remains quiet due to ongoing holidays in China. For Indo-India, large eco Supra can fetch close to usd 16k for S.China position and PAC RV close to usd 15k. Indian iron ore market very quiet as not many cargoes seen in the market however rates from WCI fixing around usd 15k for WCI-China and 12k for ECI-China. RBCT-India round rates around usd 13k. Red Sea fertilisers to India are fixed around mid-20s. Short period rates are around 15k for large Supras but seeing less takers.

Panamax

It seems to be a Golden Week! In the Western hemisphere, more minerals and grain is coming out than perhaps anticipated, not only from the US Gulf/USEC but also from ECSA. Atlantic is tight for tonnage, in particular on the Continent where levels now are in the 17's. Fronthaul fixtures are done above healthy 25k, and tonnage may secure even low 30k for Black Sea to MEG or Far East via an increasingly threat from piracy in Aden/Indian Ocean. Pacific market is on the rise as well, on thin volumes though as most Far Eastern players are off this week. NoPac rounds fixed at 13500 on LME, and low 14000 secured for ECSA round from Singapore. Period activity is slow, with levels close to 13k. The forward curve is flat and without much enthusiasm despite the positive spot market conditions.

Capesize

Due to the holidays in China, the activity has been slower this week. However rates remain steady and owners remain positive, and there are expectations for further improvements next week when the Chinese are back. West Australia fixtures have been done at 10.60 to 11.90 range - with an average in the 10.70s. The Atlantic has been inactive, so has the period market.

ACTIVITY LEVEL

Capesize	Panamax	Handysize
Moderate	Low	Low

RATES This Week Last Week Low 2011 High 2011

CAPESIZE (usd/day, usd/tonne)

TCT Cont/Far East (172' dwt)	45,400	48,000	16,000	49,500
Tubarao / R.dam (Iron ore)	13.80	14.40	7.25	14.40
Richards Bay/R.dam	12.30	12.80	8.50	13.00

PANAMAX (usd/day, usd/tonne)

Transatlantic RV	16,500	14,550	10,500	20,600
TCT Cont / F. East	25,000	23,300	19,600	27,500
TCT F. East / Cont	5,000	4,500	3,400	7,100
TCT F. East RV	13,000	11,500	7,400	17,250
Murmansk b.13-ARA 15/25,000 sc	9.30	9.10		10.25
Murmansk b.13-L.pool 15/25,000 sc	10.35	10.10		11.35

HANDYSIZE (usd/day)

Atlantic RV	17,000	16,550	11,000	23,000
Pacific RV	13,700	13,600	4,000	18,000
TCT Cont / F. East	23,100	24,300	19,750	33,000

1 YEAR T/C (usd/day)

Capesize	150,000 dwt	14,500	14,750	9,500	18,500
Capesize	170,000 dwt	16,250	16,500	10,750	21,000
Panamax	75,000 dwt	13,250	13,000	12,500	17,500
Handysize	53,000 dwt	13,000	13,000	11,000	17,000

Baltic Dry Index (BDI):	This Week: 1908	Last week: 1920
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SALE AND PURCHASE

Vessel	Size	Built	Buyer	Price	Comm.
Alhandra	38 888	1985	Chinese	6,50	
African Altair	37 300	2011	Undisclosed	23,60	
Dong Fang Xing	36 428	1972	Chinese	3,60	
Clipper Kikushio	32 317	2006	Chinese	23,50	

**GAS****CHARTERING**

The VLGC market this week has been and is busy and rates have now reached mid USD 70's. The question is whether this is the peak or just another step on the ladder towards USD 80/mt or even USD 90/mt. The Baltic has been lagging behind the latest spot deals but should catch up and move up more than the 2 dollar increase seen over the last week. The west of Suez market is still fairly quiet with only one fixture being concluded this week for October lifting. Because the activity level in the West is much softer than in the East, most vessels are ballasted straight back to continue trading in the eastern hemisphere.

ACTIVITY LEVEL

COASTER	15-23,000 cbm		82,000 cbm	
Moderate	Firm		Active	
RATES	This Week	Last Week	Low 2011	High 2011
SPOT MARKET (usd/month***)				
82,000 cbm / FR	1,440,000	1,340,000	335,000	1,340,000
57,000 cbm / FR	900,000	900,000	590,000	900,000
35,600 cbm / FR	800,000	700,000	575,000	700,000
20,000 cbm / SR*	730,000	730,000	690,000	780,000
10,000 cbm ETH**	610,000	610,000	560,000	650,000
6,500 cbm / SR	530,000	530,000	530,000	585,000
COASTER Europe	335,000	335,000	320,000	450,000
COASTER Asia	232,500	225,000	220,000	250,000

* 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)

*** Excl. waiting time, if any

LNG	This Week	Last Week	Low 2011	High 2011
SPOT MARKET (usd/day)				
East of Suez 138-145'cbm	105,000	105,000	59,000	105,000
West of Suez 138-145'cbm	110,000	110,000	62,500	110,000
1 yr TC 138-145'cbm	112,000	112,000	69,500	112,000

LPG/FOB prices (usd/tonne)	Propane	Butane	ISO
FOB North Sea / ANSI	770.00	839.50	
Saudi Arabia / CP	735.00	815.00	
MT Belvieu (US Gulf)	759.35	805.78	977.01
Sonatrach : Bethioua	770.00	865.00	

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 2011:	10	5	63
Year to date 2010:	10	5	1
2010 total:	10	6	2

SOLD FOR DEMOLITION

Vessel name	Size	Ldt	Built	Buyer	Price
MT Jag Pari	29 139	8 696	1982	Indian	510
MV Wales II	27 419	6 360	1975	Indian	505
CONT MSC Tuscany	24 383	9 227	1978	Indian	520
CONT MSC Fado	19 621	7 661	1978	Indian	515
Tween Asak	14 763	4 812	1977	Indian	515
MV Jollas	14 534	6 756	1979	Indian	515
RORO Global Freighter	8 911	5 960	1977	Indian	510
ROPAX Smallwood	4 625	12 499	1989	Indian	490
ROPAX Caribo	3 662	12 952	1985	Indian	490

NEWBUILDING**GENERAL COMMENT**

We register 4 Ro-Ro vessels ordered over the past week. Nor Lines, part of Norway's DSD group, has placed contract for 2+2 LNG powered 5000 dwt Ro-Ro vessels at Tsuji HI in China, with deliveries October 2013 and January 2014. While the French ship-owner Maritime Nantaise has placed an order for 2+1 12,600 dwt Ro-Ro vessels at Hyundai Mipo, with deliveries slated for April and July 2013. Also interesting to notice that the Turkish container ship owner Arkas has placed an order for its largest ever vessels at the Chinese yard STX Dalian.

ACTIVITY LEVEL

Tankers	Dry Bulkers	Others
Low	Low	Moderate

Average Far Eastern Prices

PRICES (mill usd)		This Week	Last Week	Low 2011	High 2011
VLCC	300'dwt	99.0	99.0	99.0	102.0
Suezmax	150'dwt	63.0	63.0	63.0	65.0
Aframax	110'dwt	52.0	52.0	52.0	55.0
Product	47'dwt	36.0	36.0	36.0	36.0
Capesize	180'dwt	53.0	53.0	53.0	55.0
Panamax	76'dwt	33.0	33.0	33.0	36.0
Handymax	56'dwt	29.0	29.0	29.0	31.0

NEWBUILDING CONTRACTS

Type	No	Size	Yard	Owner	Del	Mill\$	Comm.
BC	5	76000 dwt	Yangfan	SITC Huahan	2012/		
				Shipping	13		
CO	2	2900 teu	STX Dalian	Arkaz	2013		
Ro-Ro	2	5000 dwt	Tsuji Hi	Nor Lines	2013/		LNG
					14		prop.
Ro-Ro 2 + 1	12600 dwt	Hyundai Mipo	Maritime Nantaise	2013			
MT	2	75000 dwt	Rongsheng	Shanghai North Sea	2013		shuttle tanker

MARKET BRIEF

Rate of exchange		This Week	Last Week	Low 2011	High 2011
JPY/USD		76.82	76.41	76.37	85.20
KRW/USD		1190.22	1170.59	1049.97	1190.22
NOK/USD		5.88	5.70	5.28	5.93
USD/EUR		1.33	1.37	1.30	1.49
Interest rate					
Eurodollar 12 mnths		0.88	0.86	0.73	0.88
EuroNOK 12 mnths		3.43	3.58	3.09	3.80
Commodity prices					
Brent spot (USD)		101.26	108.93	92.46	124.48
Bunker prices					
Singapore	180 CST	645.00	655.00	520.00	695.00
	380 CST	635.00	645.00	510.00	680.00
	Gasoil	877.00	887.00	782.00	1035.00
Rotterdam	180 CST	620.00	639.00	515.00	694.00
	380 CST	605.00	615.00	495.00	666.00
	Diesel	875.00	915.00	770.00	1031.00

