

# Bassøe Friday Report

Week 25 – 24.06.2005

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Nr 25. Vol 28

## Tanker chartering – Crude

### Market comments

It's been a "bust to boom" week in the VLCC market in terms of chartering activity. More than 40 fixtures have been completed, more than the combined total of the previous three weeks. Rates are moving higher but in a relatively modest manner so far, due to the vast overhang of tonnage that had to be cleared out. In that respect the situation at the end of the week has changed significantly with tonnage availability falling to its lowest level since March. If the rebound in activity turns out to be more than just a one-week fling, it looks as though owners will have some chips to play with again. The suezmax market has entered a soft spot in all areas except the Black Sea/Med where competition from VLs is not an issue. Aframax trades have enjoyed an uneven week; Owners are the winners in the Med and Caribs, while charterers have come out on top in the North Sea and the East.

VLCC (DH)		Current trend: <b>Firmer</b>		
Route	WS today	Last week	USD/day	
270' MEG – Korea	67.5	52.5	27,796	
275' MEG – UKC	60.0	52.5	29,052	
260' Bonny – LOOP	70.0	70.0	30,337	

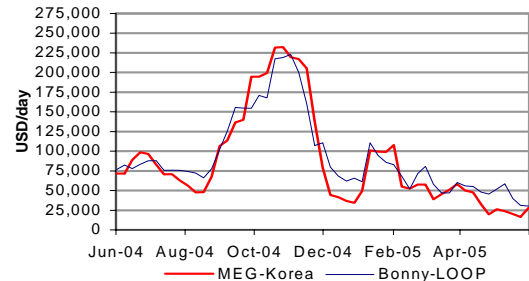
Suezmax		Current trend: <b>Mixed</b>		
Route	WS today	Last week	USD/day	
130' Bonny – Phila.	117.5	132.5	30,286	
130' MAF – Ningpo	110.0	95.0	25,381	
135' Novo – Augusta	170.0	150.0	70,756	

Aframax		Current trend: <b>Weaker</b>		
Route	WS today	Last week	USD/day	
80' TEES – R.dam	130.0	140.0	33,725	
70' PLC – Texas	165.0	180.0	21,667	
80' MEG – Singapore	130.0	165.0	18,830	

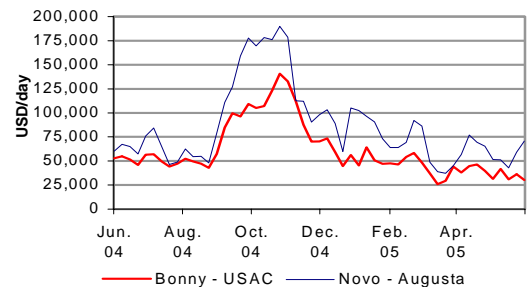
VLCC availability in MEG (# vessels)		
	Single hull	Double hull
Spot	3	0
Next 30 days	25	9

Bunkers (USD/mt)			
	Fujairah		Rotterdam
	261		241

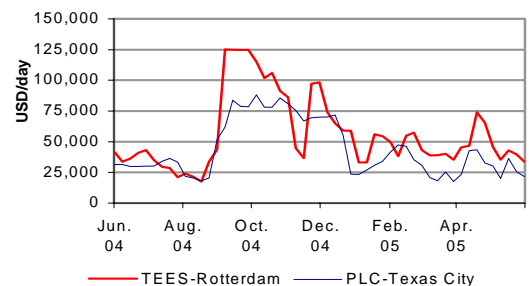
### VLCC earnings



### Suezmax earnings

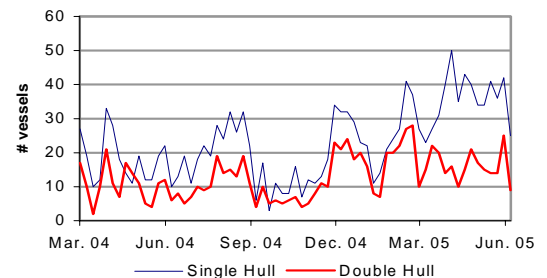


### Aframax earnings



### VLCC availability in MEG

# vessels next 30 days ex. FRO and TI



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# Tanker chartering – Clean

## Market Comment

The product market finally turned this week in the Middle East and India, with suppliers pouring out massive volumes. The tonnage list is thinning and charterers have been forced to pay up and fix further ahead. Rates have also moved sharply higher in the Caribs due to higher volumes, fewer vessels and delays in Mexico.

### Market assessment – MR

Route	WS today	Last week	USD/day
30' Spore - Japan	200.0	195.0	7,625
37' Cont. - US	275.0	267.5	22,946
38' Car. - USAC	225.0	205.0	15,647

### Market assessment – LR

Route	WS today	Last week	USD/day
55' MEG – Japan	210.0	185.0	23,314
75' MEG – Japan	177.5	170.0	25,323

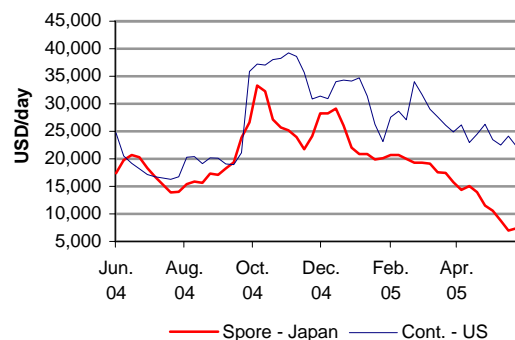
## Freight derivatives

Finally some movement! TD3 trades up about 10pts on the back of an active and stronger underlying market. Less activity in the other dirty routes but the clean routes were traded actively. Both TC4 and TC2 ticked up at least 20pts this week, as the sentiment in all products routes is considerably firmer. All in all, the busiest week in a long time.

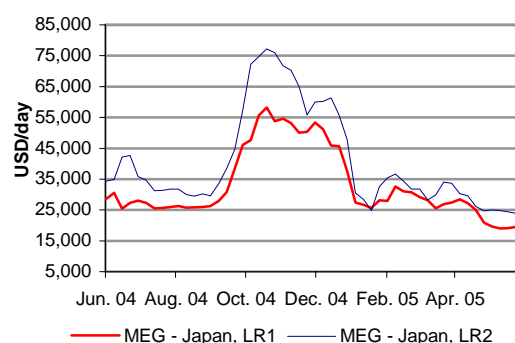
### Weekly change in key FFA contracts

Jul	Aug	Q3	Q4	Q1'06	CAL06
<b>TD3 MEG-Japan, 250' dwt</b>					
74.0	80.0	79.0	109.0	95.0	85.0
11.0	13.0	10.5	11.0	6.0	5.0
<b>TD 5 West Africa – USAC, 130' dwt</b>					
125.0	124.0	125.0	160.0	150.0	134.0
0.0	-2.0	0.0	5.0	2.5	2.0
<b>TD 7, North Sea, UKC, 80' dwt</b>					
137.0	124.0	132.5	170.0	160.0	140.0
5.0	1.5	2.5	5.0	7.5	3.0
<b>TC 2 Cont-USAC, 37' dwt</b>					
265.0	252.5	257.5	292.5	282.5	245.0
25.0	20.0	20.0	10.0	-2.5	6.5
<b>TC 4, Spore-Japan, 30' dwt</b>					
235.0	255.0	257.5	290.0	295.0	257.5
15.5	20.0	22.5	20.0	20.0	7.5

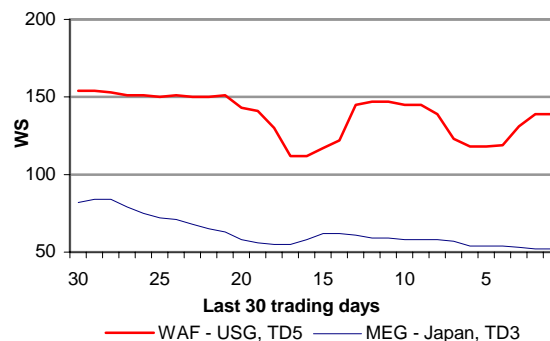
MR earnings



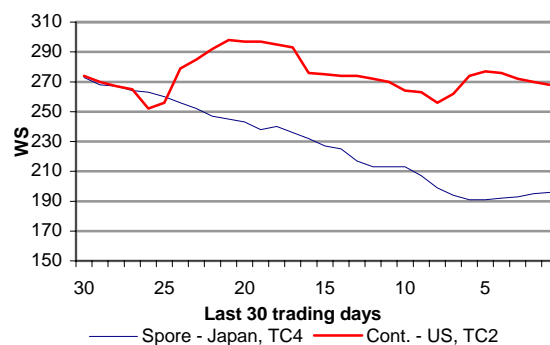
LR earnings



BITR rates, crude



BITR rates, clean



# Sale and purchase

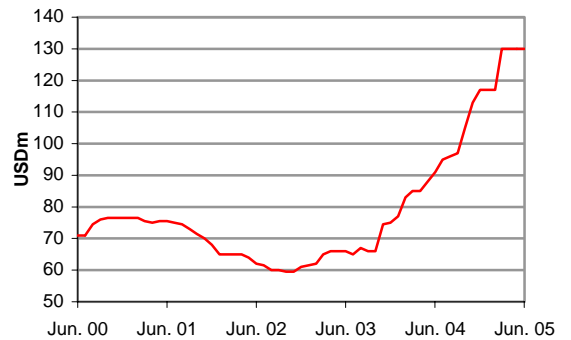
## Market comment

This week’s sale of sistership to the Hyundai built MT “Nordic Fighter” confirms current DH values. Nordic American Tanker Shipping bought the 1998 build suezmax for firm USD 71.4 mill. Nine Norwegian controlled product carriers are also reported sold for region USD 114 mill including balance to bareboat agreement back to OSG.

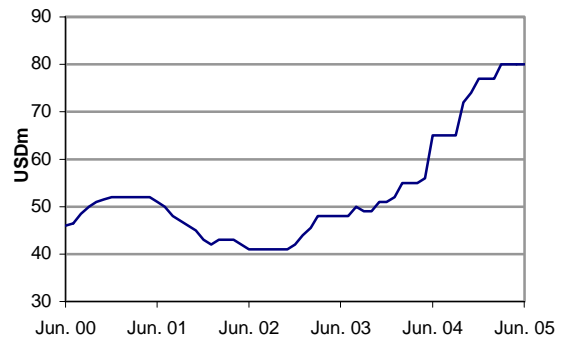
Prices remain surprisingly steady

Second hand values					
Vessel /USDm	Latest	1 mth	2 mth	3 mth	12 mth
300’ D/D 3 yrs	130.0	130.0	130.0	130.0	91.0
300’ D/D 10	100.0	100.0	100.0	100.0	66.0
280’ S/S 1990	56.0	58.0	60.0	58.0	43.0
150’ D/D 3 yrs	80.0	80.0	80.0	80.0	65.0
150’ D/D 10	66.0	67.0	67.0	67.0	49.0
140’ S/S 1990	28.0	29.0	30.0	30.0	22.0
105’ D/D 3 yrs	65.0	65.0	65.0	65.0	52.0
95’ D/D 10yrs	46.0	47.0	47.0	47.0	35.0
95’ S/S 1990	21.0	23.0	25.0	22.0	19.0
70’ D/D 3 yrs	48.0	48.0	47.0	47.0	38.0
47’ D/D 3 yrs	45.0	45.0	46.0	45.0	37.0
45’ D/D 10 yrs	33.0	33.0	32.0	32.0	23.0
40’ S/S 1990	15.0	16.0	16.0	16.0	14.0

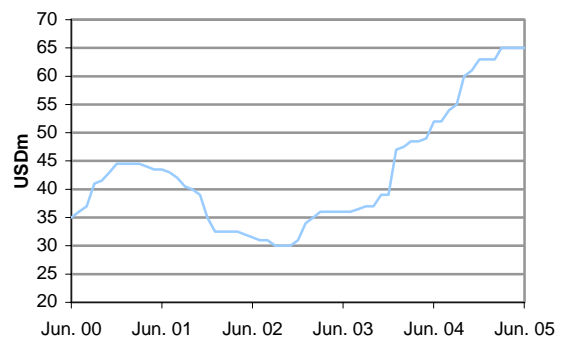
VLCC – 3 year old



Suezmax – 3 year old



Aframax – 3 year old



## S&P Transactions

### Tankers

SISTERSHIP OF M/T "NORDIC FIGHTER" - 153,181 TDW, BUILT 1998 HYUNDAI HI (DOUBLE HULL) SOLD USD 71.4 MILL TO NAT, US.

M/T "JAMAR" - 46,100 TDW, BUILT 1988 BOELWERF

M/T "CAMAR" - 46,100 TDW, BUILT 1988 BOELWERF TEMSE

M/T "ALLENMAR" - 41,750 TDW, BUILT 1988 KOYO MIHARA

M/T "ERMAR" - 39,982 TDW, BUILT 1989 HYUNDAI ENGIN. & CONS.

M/T "COLMAR" - 39,729 TDW, BUILT 1987 MITSUBISHI NAGASAKI

M/T "CITY UNIVERSITY" - 39,000 DWT, BUILT 1987

M/T "PRIMAR" - 39,538 TDW, BUILT 1988 ONOMICHI

M/T "FULMAR" - 39,384 TDW, BUILT 1989 ONOMICHI

M/T "CAPEMAR" - 37,615 TDW, BUILT 1987 KASADO KUDAMATSU

ALL NINE VESSLES SOLD ENBLOC REGION USD 112-115 MILL TO IMS, GREECE. THE PRICE REFLECTS 4YRS BB TO OSG AT USD 6,500/DAY.

M/T "GRAZIA" - 19,950 TDW, BUILT 1987 KASADO KUDAMATSU SOLD USD 8 MILL TO UNDISCLOSED BUYERS AFTER SALE IN FEBRUARY FAILED.

M/T "SUTRA DUA" - 8,073 TDW, BUILT 1991 USUKI ZOSENSHO (COATED, IMO2, IMO3) SOLD USD 7.8 MILL TO KOREAN BUYERS.

### Bulkers

M/S "FIGHTING LADY" - 141,014 TDW, BUILT 1982 HYUNDAI HISOLD USD 24 MILL TO UNDISCLOSED BUYERS

MS "SIBOTI" - 75,000 TDW, BUILT 1992 BURMEISTER & WAIN (COILED ) OBO SOLD FOR FIRM USD 33.25 MILL TO B+H OCEAN CARRIERS, US.

## Demolition

The market goes from bad to worse. Prices are still under pressure and yet another week with no transactions that can give us a clear picture where we are heading. The consequence is a larger degree of uncertainty what prices cash buyers are willing put forward for the various destinations. The cartel in Bangladesh is still in force but with no ships available it is all a bit academic.

To complete the confusion, we hear unsubstantiated rumors that the VLCC TT "Thai Resources" has received an offer at excess USD 300/ldt based on delivery as is Singapore for buyers to take her to China!

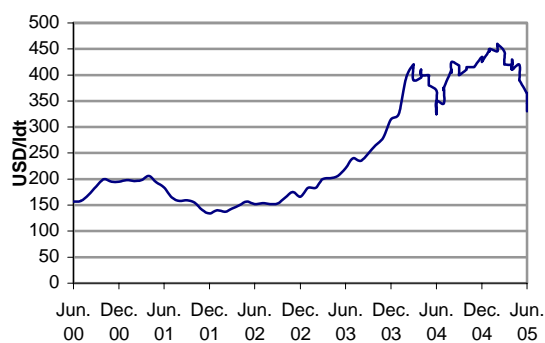
Demolition volume		
# vessels	YTD	Year ago
VLCC	-	4
Suezmax	2	9
Aframax	16	14

Demolition prices (tankers, USD/ldwt)			
China	India	Pakistan	Bangladesh
275	335	320	330

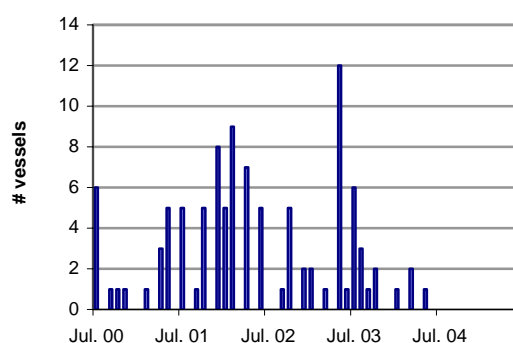
## Transactions

No transactions to report!

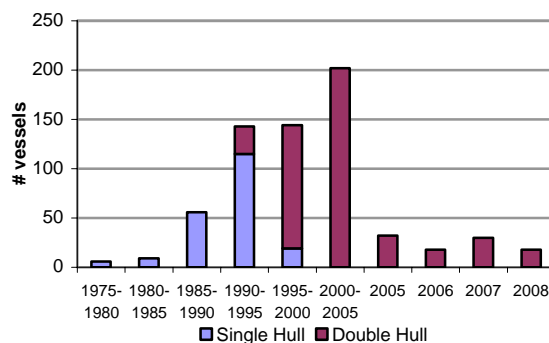
Demolition prices (VLCC, Bangladesh)



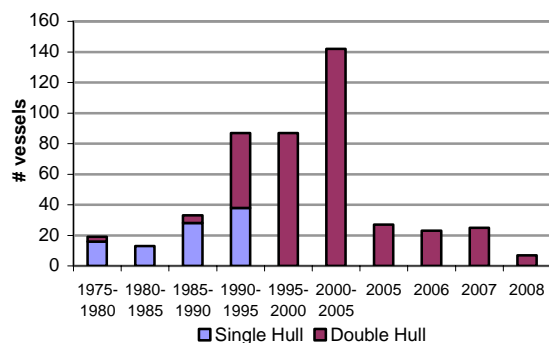
VLCCs sold for demolition



VLCC fleet – Age distribution



Suezmax fleet – Age distribution





## BROKERS OF P. F. BASSØE AS

	<b>AOH (+47)</b>	<b>Mobile (+47)</b>
Gerhard N. Dahl - President	22 95 19 94	91 16 42 35
Ole-Rikard Hammer - Managing Director	66 90 49 91	97 54 06 82
<b>SALE &amp; PURCHASE / NEWBUILDING / PROJECT</b>	<b>22 01 08 25</b>	
Herman Marcussen	22 49 59 90	91 34 00 97
Petter A. Thorendahl	22 44 63 83	90 12 33 06
<b>FREIGHT DERIVATIVES</b>	<b>22 01 08 50</b>	
Kristian Thunes	22 59 27 05	91 58 14 57
Nils Andreas Arnesen	22 43 05 25	90 18 46 49
Alf Fjetland	92 63 44 95	92 63 44 95
Fredrik Sagen Andersen	41 23 30 29	41 23 30 29
<b>TANKER CHARTERING</b>	<b>22 01 08 20</b>	
Gerhard N. Dahl	22 95 19 94	91 16 42 35
Svein Andersen	22 55 43 22	91 17 78 93
Morten Austvold	64 86 78 11	91 70 50 31
Halvor Ellefsen	22 23 11 62	90 01 08 20
Vegard B. Eriksen	32 13 55 91	95 72 52 10
Lars Irgens	22 49 32 72	90 60 13 99
Bjørn-Erik Løkken	22 92 14 74	90 18 80 44
Morten Røine	67 59 11 11	90 61 44 72
Sebastian Venjar	98 62 41 50	98 62 41 50
<b>CLEAN</b>	<b>22 01 08 80</b>	
Tom Ranum	67 12 01 01	90 69 72 10
Knut Ebbesen	22 49 16 95	90 11 09 15
Inge Wallentin	22 73 27 20	90 89 99 28
David Sand	66 82 01 05	90 14 34 31
<b>OPERATION</b>	<b>22 01 08 30</b>	
Gustav Myreng	67 14 92 37	90 12 19 47
Øystein Heggen	67 12 46 51	90 12 19 46
Åge Johnny Haug	69 88 56 80	90 03 55 40
<b>RESEARCH</b>	<b>22 01 09 06</b>	
Ole-Rikard Hammer	66 90 49 91	97 54 06 82
Lars Kalbakken	67 12 42 12	90 02 25 25

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