



Fearnleys Weekly Report

Activity level

VLCC	Suezmax	Aframax	P.E. of Suez	P.W. of Suez
Soft	Soft	Mixed	Mixed	Mixed

	Last week	Prev. week
VLCCs fixed all areas last week:	52	37
VLCCs avail. in MEG next 30 days:	97	101

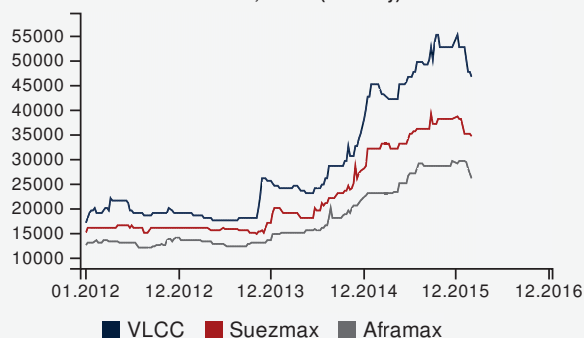
Rates

DIRTY (Spot WS)		This week	Last week	Low 2016	High 2016
MEG / West	VLCC	26.00	32.50	26.00	63.00
MEG / Japan	VLCC	49.50	58.00	49.50	111.5
MEG / Singapore	VLCC	50.00	59.00	50.00	113.5
WAF / FEAST	260,000	55.00	67.50	55.00	113.0
WAF / USAC	130,000	67.50	77.50	67.50	115.0
Sidi Kerir / W Me	135,000	75.00	85.00	75.00	135.0
N. Afr / Euromed	80,000	85.00	97.50	82.50	115.0
UK / Cont	80,000	92.50	92.50	92.50	117.5
Caribs / USG	70,000	142.5	137.5	110.0	142.5

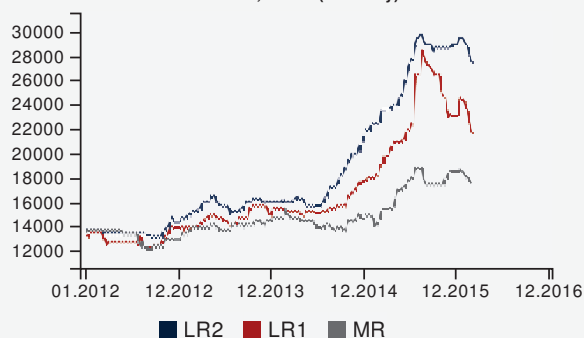
CLEAN (Spot WS)		This week	Last week	Low 2016	High 2016
MEG / Japan	75,000	87.50	87.50	87.50	160.0
MEG / Japan	55,000	100.0	100.0	100.0	150.0
MEG / Japan	30,000	125.0	125.0	100.0	125.0
Singapore / Japan	30,000	135.0	130.0	127.5	147.5
Baltic T/A	60,000	105.0	90.00	90.00	155.0
UKC-Med / States	37,000	115.0	112.5	112.5	152.5
USG / UKC-Med	38,000	120.0	125.0	67.50	125.0

1 YEAR T/C (USD/day) (theoretical)		This week	Last week	Low 2016	High 2016
VLCC	(modern)	46 500	47 500	46 500	55 000
Suezmax	(modern)	34 500	35 000	34 500	38 500
Aframax	(modern)	26 000	27 000	26 000	29 500
LR2	105,000	27 500	28 000	27 500	29 500
LR1	80,000	21 750	22 500	21 750	24 750
MR	47,000	17 500	17 750	17 500	18 750

1-Year T/C, Crude (USD/Day)



1-Year T/C, Clean (USD/Day)



TANKERS

Crude

Despite the feeling that activity appears slow for the VLCCs, the volumes are actually 'normal'. The oversupply of tonnage is weighing heavy on sentiments and rates have corrected down sharply for all major VLCC routes. Earnings for MEG/East and West Africa/East have dipped below USD 40k/day and even Caribbean/East is sharply down due to lower volumes and too many ships. Still delays in eastern ports, but for the time being it has had little to no effect on the general sentiment. As anticipated, the soft sentiment continued last week for Suezmaxes with limited activity in the Med/Black Sea and West Africa. A tonnage build up was unavoidable and resulted in rates dropping further below the W70 mark for voyages from West Africa to Med and Continent. Going forward we feel that an increase in activity for the remainder of 2nd decade will change momentum and give us an upward adjustment in rates as the bottom has possibly been reached for now. Aframax North Sea and Baltic kept on moving sideways at bottom levels since last week. Crude cargoes ex Baltic are now covered out to the 15th, and owners see no signs of recovery in the short run. Med and Black Sea expectations were high due to the heavy March programs. However, the reality was, unfortunately for the Owners, very different. Main reason was the amount of prompt ship available. Two x-Med cargoes loading first decade got 10 and 12 offers. The 10 offers cargo went on subs at WS80 while the 12 offers took the market further down to an astonishing WS70. The Charterers saw the window of opportunity and followed up with several Black Sea cargoes, which all were picked up rather quickly at WS85 levels. Even if the low numbers might look depressing for owners, we believe this market will recover over the next couple of weeks, as a lot of the ships now disappearing are committed far ahead and will not come back in position before end/early decade.

Product

EAST OF SUEZ Decent activity in the Middle East this week for the LR2s, with a good mixture of MEG/Japan and MEG/UKC cargoes in the market. Rates remain on the sluggish side at WS87.5 for MEG/Japan, but with a more balanced position list it seems like the market has bottomed out. The LR1 market has been busy so far this week with more longhaul cargoes coming out of the Middle East. So far rates have gone sideways this week, but as first decade of March is almost cleared of workable ships we might see some higher rates if any prompt cargoes would suddenly appear in the market. Good activity still in the MR market, and rates are slightly up since last week. WEST OF SUEZ After another busy week of Gasoline and Reformate cargoes on the Continent, the LR2 position list is starting to look tighter than we have seen for a while. Rates have so far been relatively steady at around USD 2-2.1 million for ARA/Singapore, but with a shorter list of available tonnage, owners will start pushing for higher rates. It has been a busy week for the LR1s as well, with a good mixture of West Africa and East cargoes out of the Continent. The market has firmed since last week and currently ARA/West Africa is trading at around WS120. The MR market in the Atlantic remains relatively unchanged since last week, with rates going steady both on the Continent and in the US Gulf. The Handy market is still struggling both in the Mediterranean and in the Baltic as we see rates still at soft levels.



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Activity level

Capesize	Panamax	Supramax
Slow	Stable	Increasing

Rates	This week	Last week	Low 2016	High 2016
CAPESIZE (usd/day, usd/tonne)				
TCT Cont/Far East (180' dwt)	6 600	7 500	6 600	12 200
Tubarao / R.dam (Iron ore)	2.00	2.60	2.00	3.70
Richards Bay/R.dam	2.00	2.30	2.00	3.20
PANAMAX (usd/day, usd/tonne)				
Transatlantic RV	1 958	1 900	1 400	4 350
TCT Cont / F. East	5 925	5 750	5 000	8 000
TCT F. East / Cont	360.0	325.0	250.0	480.0
TCT F. East RV	2 990	2 950	1 925	3 250
Murmansk b.13-ARA 15/25,000 sc	3.85	3.75	3.60	4.00
SUPRAMAX (usd/day)				
Atlantic RV	3 500	3 000	2 510	4 400
Pacific RV	3 800	3 450	2 000	3 900
TCT Cont / F. East	6 500	5 500	5 100	7 500
1 YEAR T/C (usd/day)				
Capesize 180,000 dwt	5 350	5 300	5 200	7 000
Capesize 170,000 dwt	4 800	4 800	4 700	6 000
Panamax 75,000 dwt	4 550	4 500	4 250	5 500
Supramax 53,000 dwt	5 100	5 000	4 900	5 500
Baltic Dry Index (BDI):	335	322	n/a	n/a

1-Year T/C, Dry bulk (USD/Day)



Activity level

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

LPG Rates					* Excl. waiting time, if any
SPOT MARKET (usd/month)*	This week	Last week	Low 2016	High 2016	
VLGC / 84,000	935 000	1 010 000	935 000	1 765 000	
LGC / 60,000	910 000	945 000	910 000	1 500 000	
MGC / 38,000	985 000	985 000	985 000	1 075 000	
HDY / 22,000	910 000	910 000	910 000	920 000	
ETH / 10,000	520 000	530 000	520 000	530 000	
SR / 6,500	460 000	460 000	450 000	460 000	
COASTER Asia	145 000	145 000	145 000	155 000	
COASTER Europe	190 000	190 000	175 000	190 000	

LPG/FOB prices (usd/tonne)		Propane	Butane	ISO
FOB North Sea / ANSI		262.0	302.0	
Saudi Arabia / CP		290.0	320.0	
MT Belvieu (US Gulf)		222.7	232.2	250.3
Sonatrach : Bethioua		230.0	285.0	

LNG

SPOT MARKET (usd/day)	This week	Last week	Low 2016	High 2016
East of Suez 155-165'cbm	29 000	29 000	29 000	30 000
West of Suez 155-165'cbm	30 000	30 000	29 000	31 000
1 yr TC 155-165'cbm	30 000	30 000	30 000	35 000

DRY BULK

Capesize

Long suffering from extreme market imbalance not seen for 3-4 decades, focus is divided between spot challenges and concern for big and medium industry names struggling to survive. Daily spot earnings have dipped a further 10-15% w-o-w to an apocalyptic \$2200, and for certain main trades including WAust/China the actual return is less than \$1k/day basis today's conference rate of a meagre \$2.95/3.00 pmt. Mineral volumes keep on disappointing for both fronthaul, transatlantic and -pacific. Period at new lows remain the only relevant alternative to layup for a number of owners, most recently exemplified by 179kdwt/built 2011 done for 11-13 months at BCI AVE 5 TC for 1st 30 days then \$5350 for balance.

Panamax

The Panamax market continue at historical low levels. However, we saw increased activity in both hemispheres during the last week. Atlantic basin more active with coal, iron ore, bauxite and grain shipments. Fronthaul activity firmed a bit last week mainly with grain as driver and rates around 6500+160k for ECSA/Far East. Pacific basin also more active and firmer last week. Nopac rounds paying around 4000 del Japan. Aussie/Indo rounds paying in the high 4k delivery Aussie. Aussie/China rounds paying around 3k. Period fixtures still limited these days but some 10-13 and 11-14 months periods concluded at 4850/4900.

Supramax

In the Pacific, the market is a bit firmer; vessels are fixing basis DOP rather than arrival load port. Levels achieved are in the low USD 4000's, whereas Ultramaxs are asking mid USD 5000's. The East Coast South America market is helping the Indian Ocean market by drawing tonnage out in ballast towards the grain load ports. On the USG to India petcoke run, rates are also firming and high USD 8000's are now the fashion. Period is still slow and the general levels are in USD 5000's with a front-end discount to tempt the takers.

GAS

Chartering

This week started on a slow pace very much as last week ended, and very much as anticipated as most of the market's players have been gathering in Tokyo for the annual LPG conference there. However although people are travelling and away from their desks, there are bits and pieces being done. Both out of the Middle East as well as West Africa. The number of Owner controlled VLGCs available for Middle Eastern cargoes for the month of March has not changed much since last week. The Relets, however, which was circulated last week, have disappeared one-by-one. One was fixed to a 3rd-party out of West Africa and the others were programmed internally in the operators own trading program. In line with this not uneventful, but slow market environment, the Baltic VLGC Index has almost been moving sideways, dropping only a dollar and a half or so from last week, maintaining time charter equivalents in the low USD 30,000's per day.



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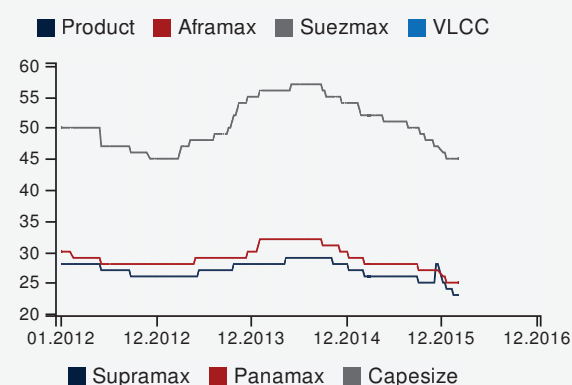
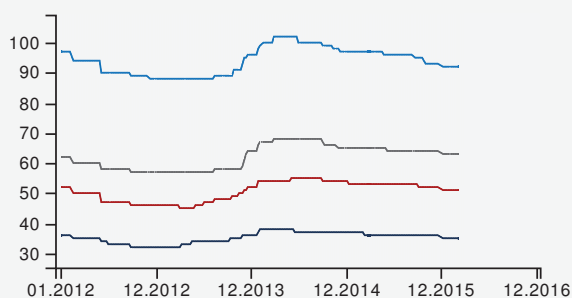
Activity level

Tankers	Dry Bulk	Others
Slow	Slow	Slow

Prices

Average Far Eastern Prices

PRICES (mill usd)		This week	Last week	Low 2016	High 2016
VLCC	300'dwt	91.50	91.50	91.50	92.00
Suezmax	150'dwt	62.50	62.50	62.50	63.00
Aframax	110'dwt	50.50	50.50	50.50	51.00
Product	50'dwt	34.50	34.50	34.50	35.00
Capesize	180'dwt	44.50	44.50	44.50	46.00
Panamax	82'dwt	24.50	24.50	24.50	26.00
Supramax	64'dwt	22.50	22.50	22.50	24.50
LNGC	160'cbm - DFDE	0.00	0.00	190.0	193.0
LNGC	170'cbm - DFDE	0.00	0.00	200.0	203.0



Market brief

	This week	Last week	Low 2016	High 2016
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Rate of exchange

USD/JPY	114.5	111.8	111.8	118.6
USD/KRW	1 227	1 234	1 198	1 234
USD/NOK	8.68	8.74	8.53	8.96
EUR/USD	1.09	1.10	1.07	1.13

Interest rate

LIBOR USD 6 mnths	0.88	0.88	0.85	0.88
NIBOR NOK 6 mnths	1.10	1.13	1.10	1.23

Commodity prices

Brent spot (USD)	36.65	32.62	28.06	36.65
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Bunker prices

Singapore	380 CST	160.0	146.0	145.0	177.0
	180 CST	165.0	151.0	148.0	200.0
	Gasoil	310.0	290.0	265.0	330.0
Rotterdam	380 HSFO	145.0	137.0	107.0	145.0
	180 CST	165.0	158.0	127.0	165.0
	Diesel	305.0	285.0	245.0	305.0

NEWBUILDING

Slow newbuilding market, with few orders to report. The Vietnamese Pha Rung yard is the only yard reporting new orders over the last week. The Korean Owners BS Shipping and Y-Entec have both ordered two 6500 dwt Product Tankers at the Vietnamese yard, with delivery slated for 2018. Interesting to notice that Genting Hong Kong has acquired Nordic Yards Germany. This seems to be a strategic move, as the growth of the world cruise industry, especially in China, has led to an all-time high ordering activity for cruise vessels. By acquiring Nordic Yards, Genting group secures building slots for their own 3 cruise brands.

NEWBUILDING CONTRACTS

Type	No	Size	Yard	Buyer	Del	Price	Comm
PC	2	6500 dwt	Pha Rung	BS Shipping	2018		
PC	2	6500 dwt	Pha Rung	Y-Entec	2018		

SALE AND PURCHASE TRANSACTIONS

Type	Vessel	Size	Built	Buyer	Price	Comm.
MT	Hanjin Ras Tanura	309 988	2011	Saudi Arabian	75,00	
MT	Takachiho	280 889	1998	Greek	21,30	
MT	Amalienborg	40 059	2004	Greek	15,25	
MT	Maracas Bay	30 957	1998	Indonesian	7,75	Zinc Coated
MT	Marida Mulberry	13 226	2008	European	9,00	Epoxy coated
MT	Marida Magnolia	13 226	2008		9,00	
MT	Angimar	5 841	2001	Mexican	5,50	Epoxy coated. Inc 2 yr BB chart, purch obligation
BC	Aquacaro	180 600	2016	Singaporean	32,60	
BC	Shin-Sho	177 489	2006	Greek	11,80	
BC	C.Winner	169 237	2008	Transmed	10,80	
BC	Samjohn Liberty	74 761	1998	Malaysian	2,80	
BC	Samjohn Amity	74 744	1998		2,80	
BC	Pacific Guardian	52 525	2006	Undisclosed	4,50	
BC	Tensei Maru	52 454	2007	Bangladeshi	6,30	
BC	Michael S	50 170	2001	Greek	2,10	Bank deal
BC	Voc Rose	47 183	1998	Undisclosed	2,20	
BC	Voc Daisy	47 183	1998		2,20	
BC	Marvelette	45 621	1998	Undisclosed	2,05	
BC	Enterprise	45 572	2000	Syrian	2,80	
BC	Barra	42 648	1998	Iraqi	2,50	
BC	Long Fortune	36 000	2016	German	6,80	Under construction. Auction sale.
BC	Magic Orient	28 399	1995	Chinese	1,70	

DEMOLITIONS

Sold for demolition

Vessel name	Size	Ldt	Built	Buyer	Price
MV Sunny Star	167 693	18 448	1991	Pakistani	237
MV Winning Friend	152 034	18 538	1993	Bangladeshi	232
MV Huitai	149 228	18 232	1996	Bangladeshi	238
MV Varva	71 862	9 917	1994	Indian	225
CONT HH Emilia	67 618	20 698	1991	Indian	248
MV New Fortune	44 820	7 681	1994	Indian	228
GC Balboa Pearl	42 996	10 888	1986	Indian	228
MV Starford 8	25 357	5 893	1984	Indian	214
MV Haj Walid	23 418	5 358	1985	Indian	223
PCTC Petra	17 955	10 631	1985	Bangladeshi	250
GC Aldan	7 850	4 147	1989	Indian	216