



# Fearnleys Weekly Report

## Activity level

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

	Last week	Prev. week
VLCCs fixed all areas last week:	72	52
VLCCs avail. in MEG next 30 days:	92	97

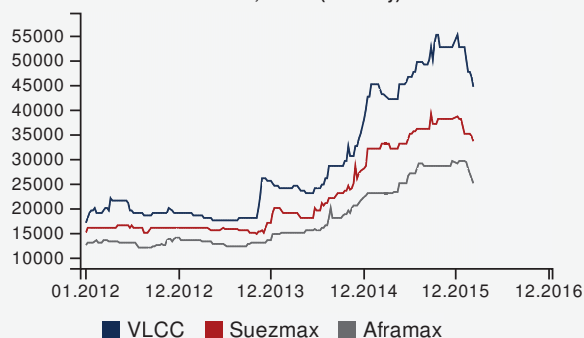
## Rates

DIRTY (Spot WS)		This week	Last week	Low 2016	High 2016
MEG / West	VLCC	35.00	26.00	26.00	63.00
MEG / Japan	VLCC	65.00	49.50	49.50	111.5
MEG / Singapore	VLCC	66.00	50.00	50.00	113.5
WAF / FEAST	260,000	65.00	55.00	55.00	113.0
WAF / USAC	130,000	72.50	67.50	67.50	115.0
Sidi Kerir / W Me	135,000	72.50	75.00	72.50	135.0
N. Afr / Euromed	80,000	92.50	85.00	82.50	115.0
UK / Cont	80,000	115.0	92.50	92.50	117.5
Caribs / USG	70,000	140.0	142.5	110.0	142.5

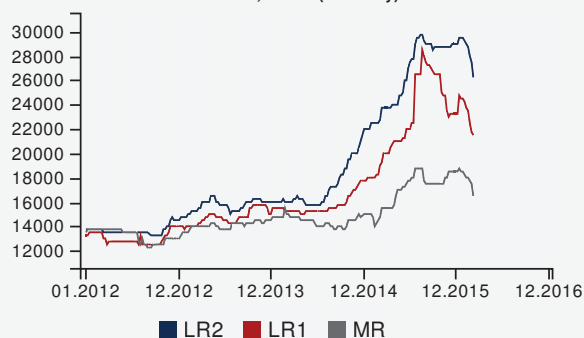
CLEAN (Spot WS)		This week	Last week	Low 2016	High 2016
MEG / Japan	75,000	87.50	87.50	87.50	160.0
MEG / Japan	55,000	110.0	100.0	100.0	150.0
MEG / Japan	30,000	130.0	125.0	100.0	130.0
Singapore / Japan	30,000	135.0	135.0	127.5	147.5
Baltic T/A	60,000	110.0	105.0	90.00	155.0
UKC-Med / States	37,000	100.0	115.0	100.0	152.5
USG / UKC-Med	38,000	90.00	120.0	67.50	125.0

1 YEAR T/C (USD/day) (theoretical)		This week	Last week	Low 2016	High 2016
VLCC	(modern)	44 500	46 500	44 500	55 000
Suezmax	(modern)	33 500	34 500	33 500	38 500
Aframax	(modern)	25 000	26 000	25 000	29 500
LR2	105,000	26 250	27 500	26 250	29 500
LR1	80,000	21 500	21 750	21 500	24 750
MR	47,000	16 500	17 500	16 500	18 750

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



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



## TANKERS

### Crude

The extensive delays in the Far East has thinned workable tonnage dramatically and with volumes in the MEG exceeding the most optimistic expectations it has played things firmly into the owners' hands. Rates have therefore sharply turned around for the major VLCC routes and the momentum is being propelled upwards. March stems are still being worked in the MEG with April stem-confirmations just around the corner, the trend may well continue. West Africa/East is also impacted and charterers stretching well into April to secure tonnage. Suezmaxes saw steady fixing last week with rates going sideways for West Africa/Ukcm voyages. But at time of writing we are experiencing the market gaining more momentum after several vessels disappearing under the radar, the rates have spiked up 2.5-5 points for TD20 voyages. It seems Suezmaxes has benefited from the firming of VLCC rates and the frequent fixing in Med/Black Sea and it will be interesting to see if the rates holds up for the week to come as the current fixing window for end-month cargoes out of Black Sea are coming to an end. Aframax Owners encountered another week with a flat market fixing WS92.5 cross Nsea and WS70 out of the Baltic. There is still quite a lot of available tonnage that will need to be absorbed before this market will pick up rate wise. However, going forward end 3rd decade March loadings could prove to be a bit more interesting from an Owners perspective. In the Med and Black Sea the market has shot through the roof due to lack of tonnage for early 3rd decade loading. WS120 has been fixed out of Black Sea, and it's just a question of time before we see the same levels in the Med. Going forward the market will remain strong.

### Product

**EAST OF SUEZ** Since last week there has been very little to get excited about in the LR2 market out of the Middle East. Rates remain soft at around WS87.5 for MEG/Japan and USD 1.65 million for MEG/UKC, and unless we see a sudden change of pace from the Charterers we do not see the market rebounding any time soon. The LR1 market on the other hand has firmed up to WS110 for MEG/Japan, and has since then been going steady at those levels. At the time of writing however the market has slowed down somewhat and rates look to be under pressure again. Since our last report the MR market has gone steady and rates are unchanged at relatively strong levels. **WEST OF SUEZ** In comparison to the last few weeks, the LR2 market has been rather dull. Even though the position list is looking relatively tight for the time being, rates could potentially soften slightly again as there are few uncovered cargoes in the market. The LR1 market has been equally quiet this week, and owners have not been able to take advantage the short list of available tonnage to drive rates up. In the Atlantic MR market, the US Gulf has come off this week after inquiry abruptly slowed down after the weekend. On the Continent, the UKC/USAC market has not been bolstering with activity either and with a ship reported in the market on subs for WS97.5 this morning we have seen a new low for 2016. The Handy market is still experiencing sluggish rates and at the time of writing x-UKC and x-Med are trading at WS120 and WS132.5, respectively.



# Fearnleys Weekly Report

## Activity level

Capesize	Panamax	Supramax
Moderate	Increasing	Firmer

Rates	This week	Last week	Low 2016	High 2016
<b>CAPESIZE (usd/day, usd/tonne)</b>				
TCT Cont/Far East (180' dwt)	6 500	6 600	6 500	12 200
Tubarao / R.dam (Iron ore)	2.80	2.00	2.00	3.70
Richards Bay/R.dam	2.40	2.00	2.00	3.20
<b>PANAMAX (usd/day, usd/tonne)</b>				
Transatlantic RV	3 000	1 958	1 400	4 350
TCT Cont / F. East	7 000	5 925	5 000	8 000
TCT F. East / Cont	500.0	360.0	250.0	500.0
TCT F. East RV	4 600	2 990	1 925	4 600
Murmansk b.13-ARA 15/25,000 sc	4.10	3.85	3.60	4.10
<b>SUPRAMAX (usd/day)</b>				
Atlantic RV	3 800	3 500	2 510	4 400
Pacific RV	4 200	3 800	2 000	4 200
TCT Cont / F. East	7 500	6 500	5 100	7 500
<b>1 YEAR T/C (usd/day)</b>				
Capesize 180,000 dwt	5 350	5 350	5 200	7 000
Capesize 170,000 dwt	4 800	4 800	4 700	6 000
Panamax 75,000 dwt	5 200	4 550	4 250	5 500
Supramax 53,000 dwt	5 500	5 100	4 900	5 500
<b>Baltic Dry Index (BDI):</b>	<b>376</b>	<b>335</b>	<b>n/a</b>	<b>n/a</b>

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



## Activity level

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

<b>LPG Rates</b>					* Excl. waiting time, if any
<b>SPOT MARKET (usd/month)*</b>	<b>This week</b>	<b>Last week</b>	<b>Low 2016</b>	<b>High 2016</b>	
VLGC / 84,000	850 000	935 000	850 000	1 765 000	
LGC / 60,000	860 000	910 000	860 000	1 500 000	
MGC / 38,000	975 000	985 000	975 000	1 075 000	
HDY / 22,000	905 000	910 000	905 000	920 000	
ETH / 10,000	520 000	520 000	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	185 000	190 000	175 000	190 000	

<b>LPG/FOB prices (usd/tonne)</b>		<b>Propane</b>	<b>Butane</b>	<b>ISO</b>
FOB North Sea / ANSI		262.0	302.0	
Saudi Arabia / CP		290.0	320.0	
MT Belvieu (US Gulf)		241.6	251.6	263.2
Sonatrach : Bethioua		230.0	285.0	

## LNG

<b>SPOT MARKET (usd/day)</b>	<b>This week</b>	<b>Last week</b>	<b>Low 2016</b>	<b>High 2016</b>
East of Suez 155-165'cbm	30 000	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

Increased iron ore prices created a positive sentiment across the market beginning of the week. Along with higher bunker prices, rates as well as activity were improving. However, as so often in recent times, it did not take long before things calmed down. The West Australia to China route has so far this week been fixed in the range of USD 2.95 to USD 3.05. Demand out of Brazil to China has picked up but rates are still relatively low, presently in the mid 5s pmt. The oversupply of tonnage is apparent.

### Panamax

The market have proven signs of being alive. Propelled by ECSA activity and elevated levels up to average 6500+150 GBB APS both fronthaul and the Far East have come up substantially. As owners in India-Spore range now also able to secure 5k DOP for long grains hauls via ECSA, Aussie and Indo rounds naturally move up as well. NOPAC and Pacific rounds well into the 5k range accordingly. All above, gently assisted by a push on the forward curve, fuelling period interest in the eastern hemisphere with short period at mid 5k and 1-year done at low 5k. The Atlantic is more active although not to the same extent, giving Owners an improved 3k on TC. Fronthaul from Atlantic paying close to 7k.

### Supramax

There is a marked improvement in the supra market. Early South America loaders have dried up and there is a premium to be had for the moment. Also in the Indian Ocean vessels are now commanding numbers which equate into the high USD 4000's basis delivery East Coast India. In the Pacific, volumes have been good and numbers are on the increase. The Atlantic trade from the East Med to the USG which was a "bunkers only" market, is now up at USD 1500 daily. The Continent has also picked up, but front hauls from this area are still in the USD 7000 level, whereas from the USG the numbers are in the USD 8000's. Most of the recent upward movement is attributable to the grain market.

## GAS

### Chartering

After a slow last week, with market players travelling to the LPG conference in Tokyo, we had expected the activity to pick up somewhat this week. However, so far this has not been the case. The market has been rather quiet with very little activity to report. With the exception of the Indians and one western trader, there is only a couple of fixtures/sub-fixtures concluded. The number of Owner controlled VLGCs available for Middle Eastern cargoes for the month of March has been reduced slightly. But this is mainly because Owners have decided to position their ships into the Western hemisphere, rather than chartering out positions. In line with this more-or-less uneventful market, the Baltic VLGC Index has dropped another couple of dollars from last week, reflecting a time charter equivalent rate in the mid/high USD 20,000's per day.



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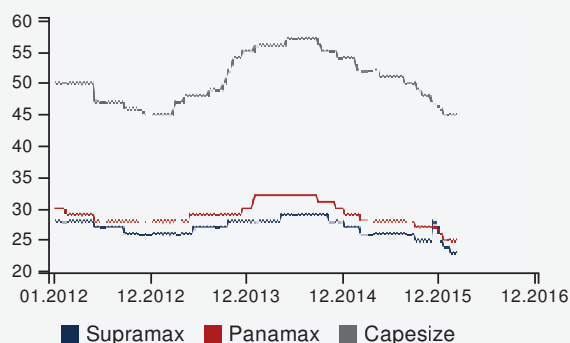
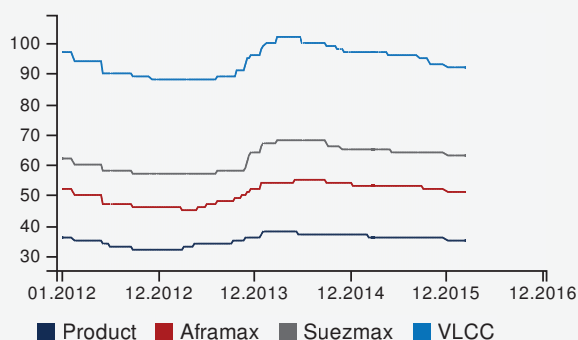
## Activity level

Tankers	Dry Bulk	Others
Slow	Moderate	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
<b>Rate of exchange</b>				
USD/JPY	112.8	114.5	111.8	118.6
USD/KRW	1 216	1 227	1 198	1 234
USD/NOK	8.57	8.68	8.53	8.96
EUR/USD	1.10	1.09	1.07	1.13

## Interest rate

LIBOR USD 6 mths	0.90	0.88	0.85	0.90
NIBOR NOK 6 mths	1.08	1.10	1.08	1.23

## Commodity prices

Brent spot (USD)	40.42	36.65	28.06	40.42
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## Bunker prices

Singapore	380 CST	178.0	160.0	145.0	178.0
	180 CST	182.0	165.0	148.0	200.0
	Gasoil	340.0	310.0	265.0	340.0
Rotterdam	380 HSFO	165.0	145.0	107.0	165.0
	180 CST	182.0	165.0	127.0	182.0
	Diesel	345.0	305.0	245.0	345.0

## NEWBUILDING

This week we are reporting new orders of Dry Bulk vessels with total cargo capacity in excess of 12 million dwt. Chinese state owned firms have ordered totally thirty 400,000 dwt Valemaxes for delivery in 2018 from domestic yards. These vessels are likely to be deployed on the Brazil-China trade. Contract price reported to 85 million USD per ship. Fednav has returned to Oshima for a quartet of Handysize Bulk carriers. All slated for 2018 delivery. The newbuilding market remains in general slow in all other segments with continued pressure on prices due to lack of new orders.

## NEWBUILDING CONTRACTS

Type	No	Size	Yard	Buyer	Del	Price	Comm
BC	4	34500 dwt	Oshima	Fednav	2018		Lake fitted
BC	4	400000 dwt	SWS	China Merchants	2018		
BC	4	400000 dwt	Beihai	China Merchants	2018		
BC	2	400000 dwt	CIC Jiangsu	China Merchants	2018		
BC	10	400000 dwt	SWS	China Cosco Shipping Corp	2018		
BC	6	400000 dwt	Yangzijiang	ICBC Leasing	2018		
BC	4	400000 dwt	Beihai	ICBC Leasing	2018		
RoRo	2	4000 lm	Flensburger	TBC	2018		

## SALE AND PURCHASE TRANSACTIONS

Type	Vessel	Size	Built	Buyer	Price	Comm.
MT	Pacific London	113 334	1999	Undisclosed	15,00	
MT	Kassos	95 420	1995	Indian	8,30	
MT	Searambler	37 135	2001	UAE Based	11,00	
MT	Deva Maria	13 921	1990	Undisclosed	2,50	
BC	C.Winner	169 237	2008	Greek	11,30	
BC	Lowlands Camellia	76 807	2006	Greek	6,50	
BC	Iwagi 395	61 000	2016	Japanese	18,50	
BC	Chang Cheng Guo Xing	57 173	2010	Chinese	6,90	At auction
BC	Chang Cheng Guo Rong	57 080	2010		6,90	
BC	Chang Cheng Guo Rui	57 000	2011		7,30	
BC	Capital	56 000	2013	Greek	8,30	
BC	Secret	56 000	2012		8,30	
BC	Global Island	53 556	2004	Greek	4,50	
BC	Aurora Sapphire	48 893	2000	Bangladeshi	2,90	
BC	CS Chara	30 634	2006	Greek	4,30	

## DEMOLITIONS

### Sold for demolition

Vessel name	Size	Ldt	Built	Buyer	Price
MV Quorn	179 869	22 586	1996	Bangladeshi	246
MV Sunny Voyager	152 025	18 254	1994	Bangladeshi	247
CONT Northern Divinity	45 117	14 446	1997	Indian	257
MV The Opener	70 029	12 126	1994	Undisclosed	238
MV Aquaria	73 236	10 481	1994	Indian	240
MV Kythnos Warrior	72 072	9 617	1996	Indian	230
MV Sea Glory	27 279	6 935	1 997	Chinese	135
MV Flora	26 587	5 618	1 985	Undisclosed	230
CONT Fortune Navigator	8 515	4 246	1 998	Indian	245
GC Port Numbay	7 920	3 240	1 983	Bangladeshi	230
MV Mighty Pleiades	68 962		1 997	Indian	240