



Fearnleys Weekly Report

Activity level

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

	Last week	Prev. week
VLCCs fixed all areas last week:	52	72
VLCCs avail. in MEG next 30 days:	79	92

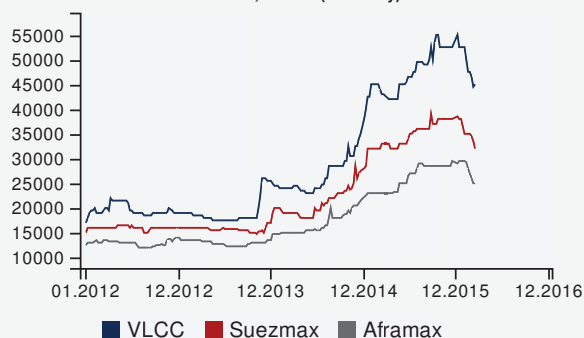
Rates

DIRTY (Spot WS)		This week	Last week	Low 2016	High 2016
MEG / West	VLCC	50.00	35.00	26.00	63.00
MEG / Japan	VLCC	100.0	65.00	49.50	111.5
MEG / Singapore	VLCC	100.0	66.00	50.00	113.5
WAF / FEAST	260,000	90.00	65.00	55.00	113.0
WAF / USAC	130,000	82.50	72.50	67.50	115.0
Sidi Kerir / W Me	135,000	82.50	72.50	72.50	135.0
N. Afr / Euromed	80,000	92.50	92.50	82.50	115.0
UK / Cont	80,000	112.5	115.0	92.50	117.5
Caribs / USG	70,000	110.0	140.0	110.0	142.5

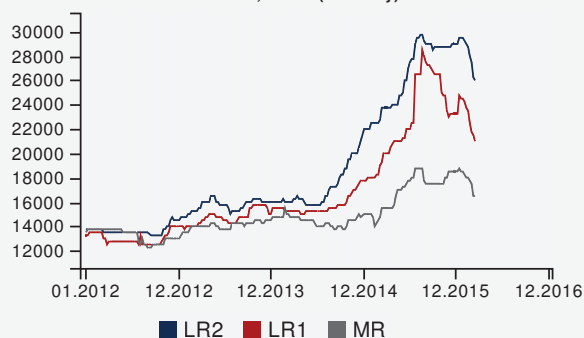
CLEAN (Spot WS)		This week	Last week	Low 2016	High 2016
MEG / Japan	75,000	100.0	87.50	87.50	160.0
MEG / Japan	55,000	117.5	110.0	100.0	150.0
MEG / Japan	30,000	135.0	130.0	100.0	135.0
Singapore / Japan	30,000	140.0	135.0	127.5	147.5
Baltic T/A	60,000	100.0	110.0	90.00	155.0
UKC-Med / States	37,000	95.00	100.0	95.00	152.5
USG / UKC-Med	38,000	87.50	90.00	67.50	125.0

1 YEAR T/C (USD/day) (theoretical)		This week	Last week	Low 2016	High 2016
VLCC	(modern)	45 000	44 500	44 500	55 000
Suezmax	(modern)	32 000	33 500	32 000	38 500
Aframax	(modern)	25 000	25 000	25 000	29 500
LR2	105,000	26 000	26 250	26 000	29 500
LR1	80,000	21 000	21 500	21 000	24 750
MR	47,000	16 500	16 500	16 500	18 750

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



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



TANKERS

Crude

The result of the extensive delays in the Far East and waiting time at BOT has created so much uncertainty on supply of tonnage that charterers did not manage to hold back, despite not having stem confirmations in hand. With owners firmly in the driving seat they have managed to boost rates and earnings above USD 80k/day MEG/East, levels not even the most optimistic could dream of at this time of the year. West Africa/East has followed and further testing ahead. Peaked or further upside the big question as Saudi stem confirmations expected this evening. After a steady start beginning of last week, Suezmax rates increased when charterers started quoting 1st decade April cargoes out of West Africa. Combined with the strong rates in the VLCC segment the sentiment for Suezmax turned around in owners favour, with potential split of VLCC cargoes. In the East, several Suezmaxes have been taken on short TC/storage, which has put pressure on the rates due to limited tonnage availability. Med/Black Sea has not seen much activity and at time of writing we are still waiting for April stems to come into play. Aframax trading in the North Sea and Baltic market faced another week of rates hovering around bottom levels. However, market is looking a bit more interesting going forward. The Baltic program for early April cargoes is looking relatively good in terms of volume, hence owners feel they will be in a position to push rates upwards in the short term. In the Med and Black Sea rates came off significantly at the end of last week, due to some quiet days. The start of the week proved more busy than expected and rates bounced back to levels above ws110. Going forward we expect market to remain strong for March and early April.

Product

EAST OF SUEZ At the end of last week the LR2 market in the Middle East picked up the pace as we saw a good number of Naphtha and Distillates cargoes flowing into the market. This week has so far been equally busy and as a result, owners have managed to push rates up to around ws100 for MEG/Japan and USD 1.9 million for MEG/UKC, with the position list looking tight for the remainder of March. The LR1 market has also seen its share of the action, but with a longer position list to work with rates have only firmed up a few points as we see MEG/Japan and MEG/UKC trading at around ws117.5 and USD 1.55 million, respectively. For the MRs, the week has been relatively good as rates have firmed up a few points. **WEST OF SUEZ** In lack of a better word for it, the LR2 market is quiet. Since last week there has been limited inquiry for charters and just a single spot fixture reported in the market. As a result, several owners have started looking towards the East market and already we have seen ships coming open on the Continent and Mediterranean starting to ballast towards the Suez Canal. The LR1s have not seen much action either this week, and rates have already started softening with last done on UKC/West Africa at ws110. MRs trading in the Atlantic have seen a further softening in the US Gulf with rates a few points down since last week. On the Continent, activity has been good over the past few days and some of the excess tonnage has started to clear out. With the current momentum we could potentially see a rebound in the market, but with Easter Holiday lurking just around the corner it might be short lived. In the Handy market, soft rates remain constant in both the Baltic and Mediterranean markets.



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Activity level

Capesize	Panamax	Supramax
Slower	Slow	Stable

Rates	This week	Last week	Low 2016	High 2016
CAPESIZE (usd/day, usd/tonne)				
TCT Cont/Far East (180' dwt)	6 100	6 500	6 100	12 200
Tubarao / R.dam (Iron ore)	3.00	2.80	2.00	3.70
Richards Bay/R.dam	2.40	2.40	2.00	3.20
PANAMAX (usd/day, usd/tonne)				
Transatlantic RV	3 500	3 000	1 400	4 350
TCT Cont / F. East	6 700	7 000	5 000	8 000
TCT F. East / Cont	500.0	500.0	250.0	500.0
TCT F. East RV	4 700	4 600	1 925	4 700
Murmansk b.13-ARA 15/25,000 sc	4.45	4.10	3.60	4.45
SUPRAMAX (usd/day)				
Atlantic RV	4 500	3 800	2 510	4 500
Pacific RV	5 000	4 200	2 000	5 000
TCT Cont / F. East	8 000	7 500	5 100	8 000
1 YEAR T/C (usd/day)				
Capesize 180,000 dwt	5 200	5 350	5 200	7 000
Capesize 170,000 dwt	4 700	4 800	4 700	6 000
Panamax 75,000 dwt	5 100	5 200	4 250	5 500
Supramax 53,000 dwt	5 500	5 500	4 900	5 500
Baltic Dry Index (BDI):	393	376	n/a	n/a

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



Activity level

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

LPG Rates					* Excl. waiting time, if any
SPOT MARKET (usd/month)*	This week	Last week	Low 2016	High 2016	
VLGC / 84,000	815 000	850 000	815 000	1 765 000	
LGC / 60,000	835 000	860 000	835 000	1 500 000	
MGC / 38,000	965 000	975 000	965 000	1 075 000	
HDY / 22,000	900 000	905 000	900 000	920 000	
ETH / 10,000	520 000	520 000	520 000	530 000	
SR / 6,500	450 000	460 000	450 000	460 000	
COASTER Asia	145 000	145 000	145 000	155 000	
COASTER Europe	185 000	185 000	175 000	190 000	

LPG/FOB prices (usd/tonne)		Propane	Butane	ISO
FOB North Sea / ANSI		216.0	241.0	
Saudi Arabia / CP		290.0	320.0	
MT Belvieu (US Gulf)		233.2	245.8	255.6
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	30 000	30 000	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

There are challenging days with rates more or less unchanged from last week; West Australia to China still below USD 3 pmt, and Tubarao to China in the upper 5s. In the Atlantic, the need for more cargoes is desperate.

Panamax

The Panamax market seems to be a bit toppish this week. The latest increase in rates has been led by elevated volumes and levels from the coming ECSA grain season. A good portion of the fleet is in ballast towards the grain ports, but charterers are holding back on 2nd half April stem to suppress the recent rise. FFA's have dropped below 5k for the remainder of the year, which in turn will put pressure on the period market. On another note, we see bunker prices increasing and this will most likely lead to higher USD/mt rates. TA's are now paying excess 3.5k and still a nice premium for breach of INL cargo in Baltic at USD 4.5-5k. In the Pacific, rounds are being fixed at mid/high 4k.

Supramax

Supra rates have improved somewhat. Vessels are achieving USD 5000's for trips with delivery in South East Asia. In the Atlantic, the rates from South America are firmer, with cargo to Europe commanding about USD 7000 for the leg. Front haul candidates achieve about USD 8000 with a 70-80k ballast bonus. Grain from the USG is about on par with South America, but petcoke cargoes have to pay up a bit. All of these rates are for spot cargoes, all forward business is heavily discounted, and we are not aware why this is, but it shows a lack of confidence in the market. Period is generally inactive as the availability of spot tonnage does not justify paying a premium to secure period cover.

GAS

Chartering

It has not been the busiest week of the year in the VLGC market, there were a few fixtures though both in the East as well as in the West. Following four weeks of daily declines of the Baltic VLGC index, it now seems it has settled in the low/mid USD 30's for the index voyage, a level that corresponds to roughly USD 27k/day on a modern vessel at current bunker prices. The long hauls (read: Houston/Far East via Chiba) out of US Gulf are still done at some discount to the Baltic, while the shorter voyages in the Atlantic are still concluded at a Baltic premium. There has been a tiny improvement in the fob/cfr spreads lately, but not sufficient to spur spot chartering beyond what has to be done. In the short term we believe the spot VLGC freight market will remain around current levels until either the Asian prices start increasing and/or the FOBs in the USG and MEG become cheaper. The news of the week is undoubtedly the Helios Pool's announcement of taking on eight modern VLGCs that were earlier committed on long-term TC to Oriental Energy. In return, Oriental Energy gives the Helios Pool a significant COA back, which we assume corresponds to the added freight capacity for the Helios LPG Pool. This manoeuvre brings the fleet of the Helios LPG Pool up to 29 when all the vessels are delivered from respective yards by 3rd quarter 2016.



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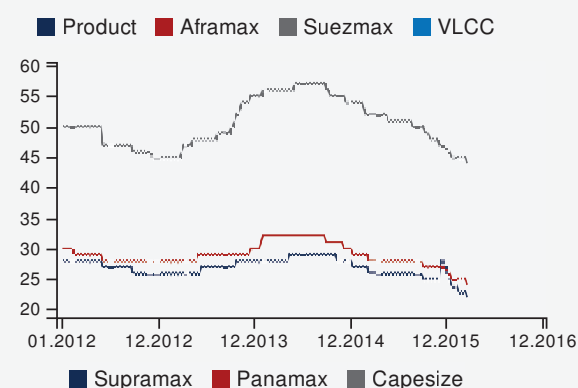
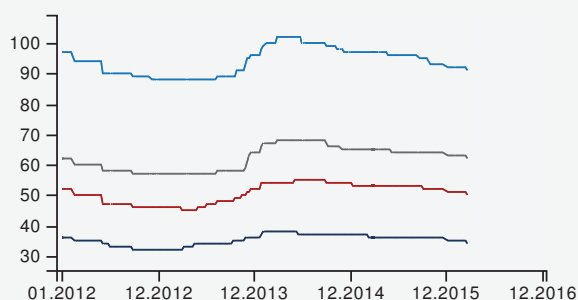
Activity level

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	91.00	91.50	91.00	92.00
Suezmax	150'dwt	62.00	62.50	62.00	63.00
Aframax	110'dwt	50.00	50.50	50.00	51.00
Product	50'dwt	34.00	34.50	34.00	35.00
Capesize	180'dwt	44.00	44.50	44.00	46.00
Panamax	82'dwt	24.00	24.50	24.00	26.00
Supramax	64'dwt	22.00	22.50	22.00	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
Rate of exchange				
USD/JPY	113.7	112.8	111.8	118.6
USD/KRW	1 193	1 216	1 193	1 234
USD/NOK	8.59	8.57	8.53	8.96
EUR/USD	1.11	1.10	1.07	1.13

Interest rate				
LIBOR USD 6 mths	0.91	0.90	0.85	0.91
NIBOR NOK 6 mths	1.05	1.08	1.05	1.23

Commodity prices				
Brent spot (USD)	39.85	40.42	28.06	40.42

Bunker prices				
Singapore				
380 CST	171.0	178.0	145.0	178.0
180 CST	175.0	182.0	148.0	200.0
Gasoil	335.0	340.0	265.0	340.0
Rotterdam				
380 HSFO	152.0	165.0	107.0	165.0
180 CST	169.0	182.0	127.0	182.0
Diesel	331.0	345.0	245.0	345.0

NEWBUILDING

Slow newbuilding market, with no orders to report for Bulk and Tankers over the past week. Two Ro-Ro vessel orders have been placed at European yards. CLdN has signed up for two firm 5400 LM Ro-Ro vessels with options for further four units at Uljanik. Vessels slated for delivery from September 2017. The German Shipyard Flensburger will soon start construction of two 4000 LM Ro-Ro vessels. Buyer's identity not revealed. The offshore specialist Vard has received an order for four luxury expedition cruise vessels from the French owner Ponant. Vessels will be built at Vard, Romania, and finally outfitted at Vard, Norway. The order is still subject to several conditions. Newbuilding prices continue the downward trend with lack of activity in most segments.

NEWBUILDING CONTRACTS

Type	No	Size	Yard	Buyer	Del	Price	Comm
Cruise	4	180 pax	Vard	Ponant	2018/19		LOI
Ro-Ro	2	4000 LM	Flensburger	TBC	2018		
Ro-Ro	2	5400 LM	Uljanik	CLdN	2017/18		

SALE AND PURCHASE TRANSACTIONS

Type	Vessel	Size	Built	Buyer	Price	Comm.
MT	Trident Star	105 996	2005	Nathalin	26,50	on subs
MT	Ratna Puja	104 635	2006	Eurotankers	22,50	
MT	Golden Gulf	46 700	1995	UAE Based	7,50	Enbloc
MT	Eships Eagle	13 148	2007		9,50	
MT	Eships Agamid	13 130	2006		9,00	
MT	Eships Barracuda	13 130	2006		9,00	
MT	Eships Cobia	13 130	2006		9,00	
BC	Zeynep K	81 000	2010	Undisclosed	10,25	At auction
BC	Sadan K	80 306	2010		10,25	
BC	Ji May	75 900	2001	Chinese	2,80	
BC	Washington Trader	74 228	2000	Chinese	2,60	
BC	DN Millet	58 600	2011	Undisclosed	8,30	
BC	DN Vatan	58 600	2011		8,30	
BC	Calypso Colossus	55 429	2009	Greek	8,40	
BC	Santa Margherita	53 260	2005	Undisclosed	3,50	
BC	Shimanami Resale	37 500	2016	Undisclosed	14,80	

DEMOLITIONS

Sold for demolition

Vessel name	Size	Ldt	Built	Buyer	Price
MV Cape Century	172 683	21 104	2001	Pakistani	247
MV Cape Venus	172 612	21 165	1996	Indian	239
MV Pos Ambition	149 330	17 077	1992	Bangladeshi	245
CONT Zambia	82 171	28 544	1998	Bangladeshi	287
MV Suerte	72 516	11 343	1995	Indian	257
MV Orient Rich	70 119	9 284	1995	Undisclosed	260
MV MP Panamax 6	68 541	10 306	1995	Undisclosed	256
MV The Creator	68 371	9 861	1995	Indian	260
CONT MOL Integrity	66 559	24 572	2001	Undisclosed	258
CONT Zim Europa	45 850	16 900	1997	Indian	245
CONT Amorld Schulte	41 000	13 900	2002	Undisclosed	274
CONT Priwall	39 666	11 447	1997	Undisclosed	270
MV Ak Abba	29 611	6 656	1985	Undisclosed	251
LPG Coniston	4 801	2 490	1991	Bangladeshi	240