



Fearnleys Weekly Report

Activity level

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

	Last week	Prev. week
VLCCs fixed all areas last week:	42	37
VLCCs avail. in MEG next 30 days:	74	80

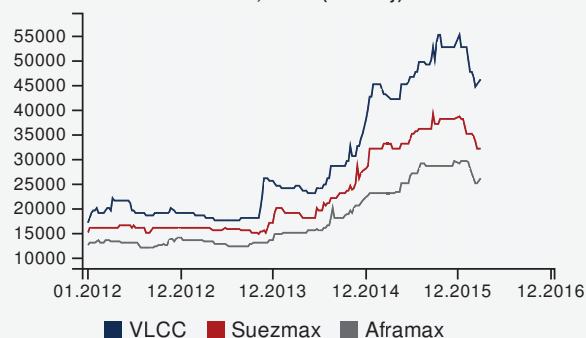
Rates

DIRTY (Spot WS)		This week	Last week	Low 2016	High 2016
MEG / West	VLCC	47.50	35.00	26.00	63.00
MEG / Japan	VLCC	82.50	62.50	49.50	111.5
MEG / Singapore	VLCC	84.00	62.50	50.00	113.5
WAF / FEAST	260,000	80.00	66.00	55.00	113.0
WAF / USAC	130,000	75.00	72.50	67.50	115.0
Sidi Kerir / W Me	135,000	80.00	75.00	72.50	135.0
N. Afr / Euromed	80,000	115.0	117.5	82.50	117.5
UK / Cont	80,000	125.0	110.0	92.50	125.0
Caribs / USG	70,000	90.00	90.00	90.00	142.5

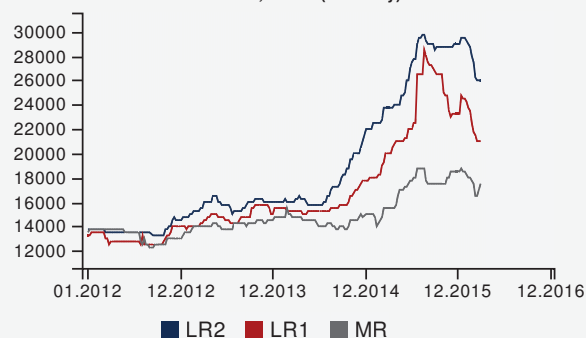
CLEAN (Spot WS)		This week	Last week	Low 2016	High 2016
MEG / Japan	75,000	105.0	105.0	87.50	160.0
MEG / Japan	55,000	122.5	125.0	100.0	150.0
MEG / Japan	30,000	127.5	132.5	100.0	135.0
Singapore / Japan	30,000	150.0	150.0	127.5	150.0
Baltic T/A	60,000	100.0	100.0	90.00	155.0
UKC-Med / States	37,000	92.50	92.50	92.50	152.5
USG / UKC-Med	38,000	115.0	110.0	67.50	125.0

1 YEAR T/C (USD/day) (theoretical)		This week	Last week	Low 2016	High 2016
VLCC	(modern)	46 000	45 500	44 500	55 000
Suezmax	(modern)	32 000	32 000	32 000	38 500
Aframax	(modern)	26 000	25 000	25 000	29 500
LR2	105,000	26 000	26 000	26 000	29 500
LR1	80,000	21 000	21 000	21 000	24 750
MR	47,000	17 500	17 250	16 500	18 750

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



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



TANKERS

Crude

The extensive delays in Chinese ports in particular continuous and pushed charterers over the Easter holidays to secure tonnage with secure itineraries. This has created a very bullish momentum, which has pushed rates up sharply in the MEG for all options. Rates MEG/East moved quickly to ws70 and last done at ws80 for MEG/China yielding about USD 60k/day. West Africa/East is following with a thinning list of tonnage in the east making charterers reach even into May laycan, propelling the momentum further for the VLCC's. Charterers saw some resistance from Suezmax owners before the Easter holidays kicked in. Tonnage with firm positions looked to do higher than last done for Wafr/Ukc-Med voyages, and managed pushed the rates upwards 2.5-5 points to a new fixing level. The activity picked up after the holidays with charterers working up to end of 2nd decade in Wafr although the rates have remained steady off last done for the time being. The MEG are seeing firm numbers with a potential further upswing as end month Basrah liftings are coming into play in addition to uncertain positions in the Spore-China range due to bad weather and ullage. Rates in the North Sea and Baltic Aframax markets bounced back over Easter after a short-lived dip. The main reasons for rates firming again being a very busy Baltic crude program for April and fewer vessels than normal being declared short. At time of writing the list of available tonnage seems in balance with the expected cargoes, and rates should slide sideways in than short term, but with a slight potential of firming moving further into 3rd decade April fixing window. Charterers in the Med and Bsea managed to cover what they needed before Easter, without rates moving as much as expected. We are now seeing levels around ws115 being done, and as the position list is looking rather balanced, we expect the market to remain stable for the week to come.

Product

EAST OF SUEZ The LR2 market in the Middle East remains flat and uneventful. The spot rates for the last week have been around ws105 for east destinations and USD 2.1/2.15 for Continent discharge. The same can be said about the LR1 market with ws122.5/125 being fixed for east destinations and USD 1.650 mill level for west destinations. The MR rates ex Middle East Gulf rate have slipped to the ws130 mark for Far East destination, whilst the benchmark voyage basis 30,000 mtons from Singapore to Japan is unchanged at ws150 level. WEST OF SUEZ Activity in the west has not really started yet after the Easter holidays. LR2s on the Continent and in the Mediterranean are seeing fewer cargoes and in some cases owners have ballasted their vessels to Red Sea and MEG to secure cargoes. We assess the rate from Continent to Far east at USD 2.1 mill level and USD 1.85 mill from Mediterranean. LR1 on rates in the west have remained stable as Continent to West Africa is unchanged at around ws100 level basis 60,000 mt. MRs have seen rates for States discharge soften to ws92.5 level but at the same time the backhaul rate has improved some 25 points which gives a combo earnings of about USD 17,500 per day.



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Activity level

Capesize	Panamax	Supramax
Slow	Moderate	Stable

Rates	This week	Last week	Low 2016	High 2016
CAPESIZE (usd/day, usd/tonne)				
TCT Cont/Far East (180' dwt)	6 300	6 100	6 100	12 200
Tubarao / R.dam (Iron ore)	3.30	3.00	2.00	3.70
Richards Bay/R.dam	2.40	2.00	2.00	3.20
PANAMAX (usd/day, usd/tonne)				
Transatlantic RV	4 000	3 500	1 400	4 350
TCT Cont / F. East	7 000	6 500	5 000	8 000
TCT F. East / Cont	450.0	475.0	250.0	500.0
TCT F. East RV	4 100	4 250	1 925	4 700
Murmansk b.13-ARA 15/25,000 sc	4.60	4.45	3.60	4.60
SUPRAMAX (usd/day)				
Atlantic RV	4 200	5 000	2 510	5 000
Pacific RV	4 800	5 250	2 000	5 250
TCT Cont / F. East	8 500	8 500	5 100	8 500
1 YEAR T/C (usd/day)				
Capesize 180,000 dwt	5 000	5 200	5 000	7 000
Capesize 170,000 dwt	4 500	4 700	4 500	6 000
Panamax 75,000 dwt	4 850	4 800	4 250	5 500
Supramax 53,000 dwt	5 800	5 750	4 900	5 800
Baltic Dry Index (BDI):	414	401	n/a	n/a

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



Activity level

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

LPG Rates					* Excl. waiting time, if any
SPOT MARKET (usd/month)*	This week	Last week	Low 2016	High 2016	
VLGC / 84,000	770 000	785 000	770 000	1 765 000	
LGC / 60,000	835 000	835 000	835 000	1 500 000	
MGC / 38,000	945 000	965 000	945 000	1 075 000	
HDY / 22,000	890 000	900 000	890 000	920 000	
ETH / 10,000	520 000	520 000	520 000	530 000	
SR / 6,500	440 000	450 000	440 000	460 000	
COASTER Asia	142 500	145 000	142 500	155 000	
COASTER Europe	175 000	180 000	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)		226.0	240.7	252.0
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	32 000	30 000	29 000	32 000
1 yr TC 155-165'cbm	30 000	30 000	30 000	35 000

DRY BULK

Capesize

Another uneventful week with fixtures concluded at last done levels, C5 levels remain around the USD 3 mark, whilst C3 is still just short of USD 6. A couple of stronger fixtures has been concluded in the Atlantic, mainly explained by ice conditions at load port.

Panamax

The Atlantic activity has been reasonable taken the Easter days into account. Rates in Northern Atlantic keep steady and Pmaxes obtain low 4k while Kmax being fixed mid 4k for t/a rounds. Some charterers utilizing the favourable "low" rates locking in coa's these days. Grain houses active booking ships. S.American grain absorbing tonnage and rates firmer for trips to Feast. Good Kmaxes fixed at high 6 and 7k+200bb to Feast. Pacific little slower after Easter and nopac round covered in the low/mid 4. Aussie/India also in the low 4k. Some medium periods typical 6-8 months covered at low 6k while 1-year Pmaxes obtain 4.8-4.9k now. Still expectations for the grain ECSA on short term.

Supramax

It is still decent activity out of the ECSA and rates are pushing up. Owners with Ultramaxs are asking USD 10k+USD 100k GBB for trip Feast whereas for Continent destination asking around USD 9k. It is not the same push out of the NCSA and owners are ballasting towards USG for cargo coverage. In the Pacific, we see some negative signs with owners fixing below 5k bss Spore for trips to full India. This is below last done but for the longer duration trips via NoPac owners are asking 5.5-6k DOP Feast rates whereas charterers are back to rating APS at lower levels. The period market in the Pacific is back above the 5k mark and owners fixing out on period in the Atlantic are closer to 6k.

GAS

Chartering

It has been a quiet week indeed, it feels as if the rest of the world took the same Easter holidays as Europe did recently. Only half a dozen VLGCs were fixed over the last 10 days, and typically they were fixed at floating rates linked to the Baltic index, usually Baltic average of the month of loading. A couple of fixtures loading in the USG in May have already been concluded on this basis, hence we will not know the actual rate for another 2 months. The VLGC LPG index itself paused over the Easter holidays, but it was put down to 31.25 on the first day thereafter. This is the lowest Baltic level in 6 years (April 2010). The question is whether this is as low as it gets in the current cycle - the answer to that lie with LPG pricing in comparison to other hydrocarbons as well as the Asians' appetite for the gas. We believe the index/actual fixtures will remain in the low USD 30's for a while. There is a risk owners may use the momentum of slightly improved west/east arbitrage in the last few days to increase spot rates, however, the margins are extremely thin and any increase in freight rates may close the tiny spot arbitrage as quickly as it "opened". The most recent VLGC fixtures return some USD 24,300 per day on a modern VLGC based on current Baltic level, we estimate this is somewhat below the average commercial breakeven of the VLGC fleet.



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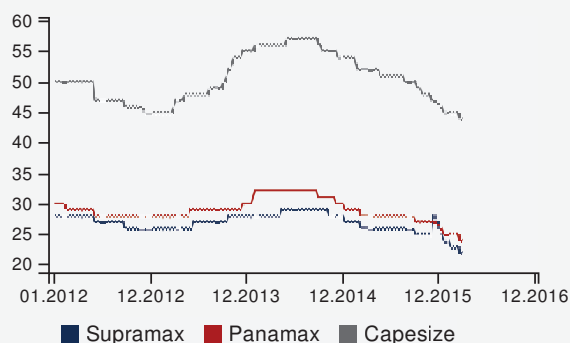
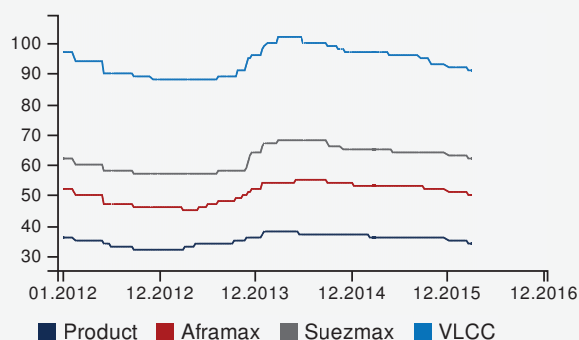
Activity level

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	90.50	91.00	90.50	92.00
Suezmax	150'dwt	61.50	62.00	61.50	63.00
Aframax	110'dwt	49.50	50.00	49.50	51.00
Product	50'dwt	33.50	34.00	33.50	35.00
Capesize	180'dwt	43.50	44.00	43.50	46.00
Panamax	82'dwt	23.50	24.00	23.50	26.00
Supramax	64'dwt	21.50	22.00	21.50	24.50
LNGC	160'cbm - DFDE	190.0	0.00	190.0	193.0
LNGC	170'cbm - DFDE	200.0	0.00	200.0	203.0



Market brief

	This week	Last week	Low 2016	High 2016
Rate of exchange				
USD/JPY	112.6	112.7	111.8	118.6
USD/KRW	1 151	1 151	1 151	1 234
USD/NOK	8.33	8.32	8.32	8.96
EUR/USD	1.13	1.13	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)	39.68	39.55	28.06	40.42
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Bunker prices

Singapore	380 CST	184.0	187.0	145.0	187.0
	180 CST	190.0	194.0	148.0	200.0
	Gasoil	360.0	365.0	265.0	365.0
Rotterdam	380 HSFO	159.0	160.0	107.0	165.0
	180 CST	185.0	180.0	127.0	185.0
	Diesel	330.0	344.0	245.0	345.0

NEWBUILDING

Quiet newbuilding activity in all segments, and only one single order to report over the last week. Chinese yards have experienced a decline in order intake of 75.1% over the first part of the year compared year-on-year 2015. On the opposite side, Bulk Carrier scrapping has hit an all-time high in the same period, with about 165 bulkers scrapped, representing about 1.7% of the world's bulker fleet. High numbers of Capesize and Panamax bulk carriers have also been scrapped over the past year to date, with some 2.1% and 1.8% of the respective fleets sold for demolition. Still too soon for optimism...

NEWBUILDING CONTRACTS

Type	No	Size	Yard	Buyer	Del	Price	Comm
BC	6	9800 dwt	CSC Jiangdong	Ningbo Dayu Shipping	2017/18		

SALE AND PURCHASE TRANSACTIONS

Type	Vessel	Size	Built	Buyer	Price	Comm.
MT	Ganges Spirit	159 453	2002	Undisclosed	26,00	
MT	Yamuna Spirit	159 435	2002		26,00	
MT	Nan Lian 2	4 192	2010	Undisclosed	4,30	
MT	Nogogini	11 639	1996	Far Eastern	4,00	
BC	Darya Shanthi	73 389	2001	European	6,50	Enbloc
BC	Darya Tara	73 281	2000			
BC	World	56 000	2012	Undisclosed	9,20	
BC	Sharp	56 000	2013		9,20	
BC	Lemessos	53 571	2008	Undisclosed	4,20	
BC	Luzon	53 507	2009		4,20	
BC	Laguna	53 477	2009		4,20	
BC	Livorno	53 428	2009		4,20	
BC	Longkou	53 408	2008		4,20	
BC	Limas	53 406	2009		4,20	
BC	Jin Hui	50 777	2000	Undisclosed	2,95	
BC	XO Tiger	46 609	1997	Undisclosed	2,20	
BC	Maraki	26 472	1994	Turkish	2,00	

DEMOLITIONS

Sold for demolition

Vessel name	Size	Ldt	Built	Buyer	Price
MV RZS Harmony	171 779	22 363	1999	Pakistani	280
MV Ocean Queen	168 146	21 051	1996	Pakistani	270
MV Goodwill	149 401	17 006	1992	Pakistani	280
GC Caribe Pearl	38 760	12 052	1986	Indian	280
MV Anatoli	47 116	8 752	1998	Pakistani	275
GC Voge Freeway	29 227	8 000	1998	Undisclosed	180