



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:	39	41
VLCCs avail. in MEG next 30 days:	99	100

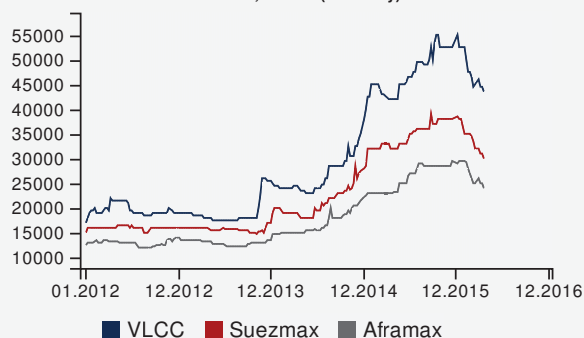
Rates

DIRTY (Spot WS)		This week	Last week	Low 2016	High 2016
MEG / West	VLCC	38.00	40.00	26.00	63.00
MEG / Japan	VLCC	62.50	66.00	49.50	111.5
MEG / Singapore	VLCC	63.00	67.50	50.00	113.5
WAF / FEAST	260,000	67.50	67.50	55.00	113.0
WAF / USAC	130,000	82.50	85.00	67.50	115.0
Sidi Kerir / W Me	135,000	90.00	82.50	72.50	135.0
N. Afr / Euromed	80,000	87.50	82.50	82.50	117.5
UK / Cont	80,000	110.0	110.0	92.50	125.0
Caribs / USG	70,000	97.50	100.0	90.00	142.5

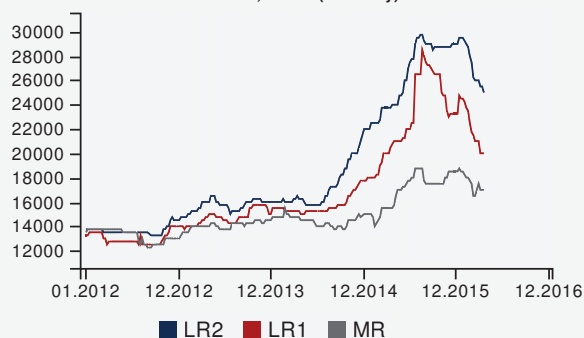
CLEAN (Spot WS)		This week	Last week	Low 2016	High 2016
MEG / Japan	75,000	85.00	90.00	85.00	160.0
MEG / Japan	55,000	97.50	90.00	90.00	150.0
MEG / Japan	30,000	107.5	105.0	100.0	135.0
Singapore / Japan	30,000	135.0	130.0	127.5	150.0
Baltic T/A	60,000	102.5	95.00	90.00	155.0
UKC-Med / States	37,000	117.5	112.5	92.50	152.5
USG / UKC-Med	38,000	85.00	90.00	67.50	125.0

1 YEAR T/C (USD/day) (theoretical)		This week	Last week	Low 2016	High 2016
VLCC	(modern)	43 500	44 500	43 500	55 000
Suezmax	(modern)	30 000	31 000	30 000	38 500
Aframax	(modern)	24 000	25 000	24 000	29 500
LR2	105,000	25 000	25 500	25 000	29 500
LR1	80,000	20 000	20 000	20 000	24 750
MR	47,000	17 000	17 000	16 500	18 750

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



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



TANKERS

Crude

Most players were waiting and holding back for the BOT stem confirmations but it came out thin. The anticipations for the Saudi stem confirmations were as high but has so far been a non-event. Activity remains very sluggish and charterers have held back. The few fresh cargoes in the MEG have been well received, and charterers have managed to shave rates off. Owners still waiting for activity to pick up but rates remain under pressure for now. Wafr/East did spike briefly but volumes here also slow and rates rebounding as well. Therefore more 'mental fencing' between the parties in the days to come. Earnings for MEG and Wafr to East remains in mid USD 40's/day for now. The recent spike in West Africa ended pretty suddenly and rates are now correcting down for the Suezmaxes with charterers having the upper hand on the market. With a handful of cargoes never materializing last week, the tonnage list grew larger leaving plenty of ships open early May. Looking forward the activity should pick up when charterers step up to continue to work their May cargoes, but at time of writing there is ample tonnage available to cover for the current cargoes being worked. North Sea and Baltic got tight for end/early laycan's ex Baltic, which resulted in a significant jump in rates. At the time of writing it looks like rates could move even further, as still April cargoes to cover with few vessels about. MED and Bsea is not making anyone pop the champagne. Owners think the market is too flat, Charterers think the tiny bit of a spike we have had this week is unnecessary, and finally we brokers just want it all. Low rates for the charterers, high rate for the Owners and lots of money in our piggybank. However, the reality of it is that the tiny little jump from ws82.5 to 87.5 x-Med will be a short lived one. Programs are more or less cleared out for the rest of the month and next month is looking thin.

Product

EAST OF SUEZ Without much improvement in the LR2 market in the Middle East, rates have softened further this week down to around ws85 for MEG/Japan whilst rates for MEG/UKC has gone sideways at around USD 1.75 million. In the LR1 market a rather busy start of the week has given the owners enough momentum to push rates in the upwards direction as we see last done for MEG/Japan at ws95 with most owners now shooting for 3-digits. Still there is a few ships within the fixing window, but as charterers keeps on plucking the firm ones, the position list is starting to look slim. After a few weeks in the doldrums, activity has picked up for the MRs also and rates have firmed up a few points since our last report. WEST OF SUEZ It has been a somewhat slow week for the LR2s with only a couple of deals concluded so far. The position list remains relatively balanced, and without much activity from the charterer, rate levels remain steady at around USD 2 million for UKC/Japan. Some activity in the LR1 market this week, with UKC/Wafr and USG/Japan pulling most of the weight. Rates are a few points up since last week at around ws100-102.5 for UKC/Wafr, but for the time being it does not look like we are in for a hefty bull run. Just before the weekend, we saw the Gasoline arb cross-Atlantic pick up again as a number of cargoes came rushing into the market. Owners quickly started to pump up their rate ideas and after a two-day standoff, owners finally succumbed and settled at around ws115. But, with a continuously active market, owners have managed to recapture another 2.5 points so far. Handies trading x-Med are still going strong at around ws185-190 levels, whilst the x-UKC remains relatively flat at around ws122.5-125.



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Activity level

Capesize	Panamax	Supramax
Active	Stable	Mixed

Rates	This week	Last week	Low 2016	High 2016
CAPESIZE (usd/day, usd/tonne)				
TCT Cont/Far East (180' dwt)	16 000	11 000	6 100	16 000
Tubarao / R.dam (Iron ore)	4.00	4.10	2.00	4.10
Richards Bay/R.dam	4.00	3.30	2.00	4.00
PANAMAX (usd/day, usd/tonne)				
Transatlantic RV	8 500	6 700	1 400	8 500
TCT Cont / F. East	11 500	10 000	5 000	11 500
TCT F. East / Cont	650.0	650.0	250.0	650.0
TCT F. East RV	5 000	4 600	1 925	5 000
Murmansk b.13-ARA 15/25,000 sc	5.75	5.50	3.60	5.75
SUPRAMAX (usd/day)				
Atlantic RV	6 000	6 500	2 510	6 500
Pacific RV	4 700	5 500	2 000	5 500
TCT Cont / F. East	10 000	10 500	5 100	10 500
1 YEAR T/C (usd/day)				
Capesize 180,000 dwt	8 300	6 500	5 000	8 300
Capesize 170,000 dwt	7 400	6 000	4 500	7 400
Panamax 75,000 dwt	5 500	5 750	4 250	5 750
Supramax 53,000 dwt	6 000	6 000	4 900	6 000
Baltic Dry Index (BDI):	669	567	n/a	n/a

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



DRY BULK

Capesize

Correcting after last week's quadrupling. This year's highest daily average of USD 8k came on the back of substantial prompt iron ore volumes appearing on the main conference trades ex W.Australia and Brazil to China, and proved short-lived as major players started profit-taking. Indications are, however, this market may have more short-term legs as other major operators foresee steady demand flows to follow. The number of idle units is still considerable, and will in any case effectively curb any dramatic improvement. Period interest and consequent levels improving as FFA's support, with USD 8k done for 2011-built 175,000-tonner basis 5-8 months delivery China end April.

Panamax

A very healthy North Atlantic for both rounds and fronthaul. 8k, and even well above 10k done for various T/A rounds, 12,500 for trips out. ECSA is in a holding pattern at 8k+300k GBB, or just about 6k bss India-Singapore delivery. A relevant question is whether there will be another push from the ECSA grains. Meanwhile, Australia rounds have been concluded well into the 6k level but pressure is on SE Asia positions for Indo/India or S.China rounds where fixtures apparently are done closer to 5k. With a slightly toppish sentiment, the forward curve has lost some strength to be just around 5.5k for the balance of the year. Owners now willing to secure short/medium period in the mid/upper 5k range.

Supramax

A week of mixed signals across both hemispheres. The ECSA market is cooling off but still fetching good levels. USG hauls firming with 13.5k being done for Umax to Korea. In the MEG, the market is tightening up with a steady flow of fertz and mineral cgos destined for China and USG. This again leads to pressure on the S.African market back to China where vessels are fixing 7k DOP WC India. The general feeling for the market in the Eastern hemisphere is "toppish". In the North Atlantic the tonnage is scarce and charterers have to pay up. A 58k dwt was rumored to be fixed at 12k DOP North Continent for scrap to Med. The period market is still active with high 5k for Smax and low 6k for Umax Feast dely.

Activity level

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

LPG Rates <small>* Excl. waiting time, if any</small>				
SPOT MARKET (usd/month)*	This week	Last week	Low 2016	High 2016
VLGC / 84,000	650 000	550 000	550 000	1 765 000
LGC / 60,000	715 000	715 000	715 000	1 500 000
MGC / 38,000	880 000	895 000	880 000	1 075 000
HDY / 22,000	850 000	860 000	850 000	920 000
ETH / 10,000	500 000	500 000	500 000	530 000
SR / 6,500	440 000	440 000	440 000	460 000
COASTER Asia	142 500	142 500	142 500	155 000
COASTER Europe	170 000	170 000	170 000	190 000

LPG/FOB prices (usd/tonne)	Propane	Butane	ISO
FOB North Sea / ANSI	252.5	256.0	
Saudi Arabia / CP	320.0	350.0	
MT Belvieu (US Gulf)	234.5	254.8	264.4
Sonatrach : Bethioua	260.0	295.0	

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	32 000	29 000	32 000
1 yr TC 155-165'cbm	30 000	30 000	30 000	35 000

GAS

Chartering

After announcements of the MEG suppliers' acceptances, the activity in the VLGC market picked up somewhat at the end of last week, and continued quite active at the beginning of this week. Several fixtures were concluded, both in the East and in the West, and although a few fixtures are still being done on floating index related rates, the difference from most recent weeks is that most fixtures are being done at fixed levels. The recent fixed levels from the Middle East to Far East have been done in the mid to high USD 20's, whilst fixtures from US gulf to the Far East have been concluded in the low to mid 60's pmt. Therefore, in the recent days we have had a market where the long hauls from the US to the Far East have been done at premiums to the Baltic. The loading program in the middle-East for April loading is now more-or-less over and done with, and there is only a handful of ships that could still make April days, thus all in all, the general utilization of VLGCs are still quite healthy, especially so bearing in mind all the newbuildings delivered to the market in recent weeks. In line with the above-mentioned comments on activity and utilization, the Baltic VLGC index turned up late last week, after 15 consecutive days with a declining market. The current Baltic level returns just above USD 20,000/day on a modern vessel.



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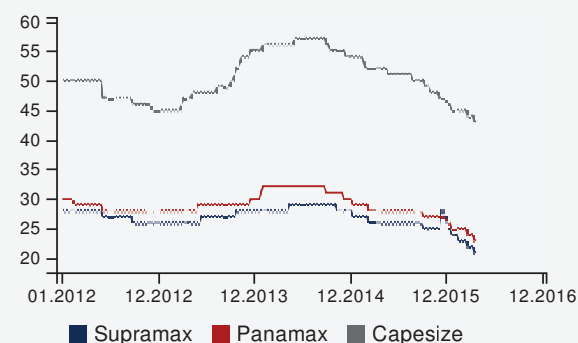
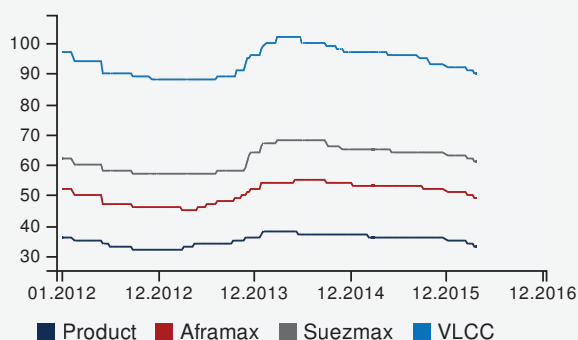
Activity level

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	90.00	90.00	90.00	92.00
Suezmax	150'dwt	61.00	61.00	61.00	63.00
Aframax	110'dwt	49.00	49.00	49.00	51.00
Product	50'dwt	33.00	33.00	33.00	35.00
Capesize	180'dwt	43.00	43.00	43.00	46.00
Panamax	82'dwt	23.00	23.00	23.00	26.00
Supramax	64'dwt	21.00	21.00	21.00	24.50
LNGC	160'cbm - DFDE	190.0	190.0	190.0	193.0
LNGC	170'cbm - DFDE	196.0	196.0	196.0	203.0



Market brief

	This week	Last week	Low 2016	High 2016
Rate of exchange				
USD/JPY	109.3	109.1	109.1	118.6
USD/KRW	1 135	1 147	1 135	1 234
USD/NOK	8.11	8.25	8.11	8.96
EUR/USD	1.14	1.13	1.07	1.14
Interest rate				
LIBOR USD 6 mths	0.90	0.89	0.85	0.91
NIBOR NOK 6 mths	1.07	1.09	1.05	1.23
Commodity prices				
Brent spot (USD)	43.45	44.09	28.06	44.09
Bunker prices				
Singapore 380 CST	191.0	197.0	145.0	197.0
180 CST	196.0	208.0	148.0	208.0
Gasoil	365.0	374.0	265.0	374.0
Rotterdam 380 HSFO	175.0	176.0	107.0	176.0
180 CST	192.0	193.0	127.0	193.0
Diesel	356.0	356.0	245.0	356.0

NEWBUILDING

No new orders to report this week and prices continue the downward trend. Chinese yards have reported an order decline of about 75% compared year-on-year over the first months of 2016. Also the Korean yards have been hit hard, with totally only 9 new orders registered so far this year, only 6 of these ships over 100,000 dwt size.

SALE AND PURCHASE TRANSACTIONS

Type	Vessel	Size	Built	Buyer	Price	Comm.
MT	SN Claudia	109 266	2009	Italians	65,00	En bloc
MT	SN Olivia	109 005	2010			
MT	Nave Constellation	45 000	2012	Singaporean	37,00	En bloc, IMO II
MT	Nave Universe	45 000	2012		37,00	
BC	Alam Pesona	87 052	2005	Greek	6,90	
BC	Nordrhine	75 080	2001	Greek	3,90	
BC	Alexandra	74 756	2001	Greek	4,30	
BC	Falcon	50 296	2001	Greek	3,30	
BC	Bianco Zealand	46 637	1994	Chinese	1,80	
BC	JS Comet	35 362	1999	Undisclosed	2,90	
BC	CS Vanguard	34 812	2004	Undisclosed	3,50	
BC	Bianco Olivia Bulker	32 500	2013	Undisclosed	7,10	
BC	Bianco Victoria Bulker	32 178	2012		6,60	
BC	Lion	31 651	2000	Greek	3,20	

DEMOLITIONS

Sold for demolition

Vessel name	Size	Ldt	Built	Buyer	Price
MV Silver Trade	150 393	18 403	1996	Indian	300
MV Denak Trader	72 171	9 495	1996	Bangladeshi	289
MV Lian Fu Star	70 165	9 422	1994	Undisclosed	295
CONT Conti Taipei	68 086	23 358	2002	Indian	311
CONT Portugal	63 654	18 986	1998	Indian	295
MV Maria T.L	47 075	8 645	1997	Pakistani	289
MV Postojna	46 570	6 889	1998	Indian	305
MV Oriental	45 338	7 714	1997	Bangladeshi	294
MT Sriracha Leader	44 484	8 451	1992	Undisclosed	280
MV Lipica	42 556	7 747	1998	Bangladeshi	285
MV Triglav	42 527	7 776	1998	Bangladeshi	285
MV AK Phoenicia	42 263	7 723	1990	Pakistani	281
MT Argosy	41 035	7 931	1991	Pakistani	305
MV Kinda	35 501	7 237	1984	Undisclosed	266
MV Starford 6	25 449	6 179	1983	Bangladeshi	268
GC K NO. 7	12 299	3 586	1984	Bangladeshi	224
LPG Gaz Fareast	8 106	4 786	1987	Indian	246