



Fearnleys Weekly Report

Activity level

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

	Last week	Prev. week
VLCCs fixed all areas last week:	58	62
VLCCs avail. in MEG next 30 days:	84	86

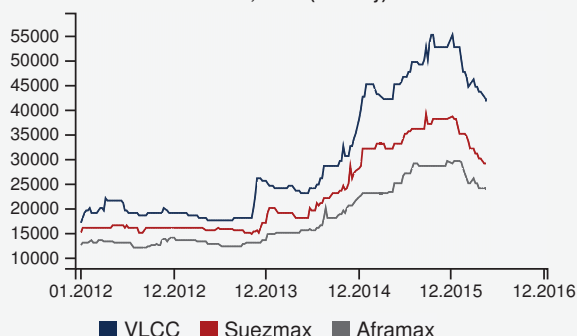
Rates

DIRTY (Spot WS)		This week	Last week	Low 2016	High 2016
MEG / West	VLCC	42.50	35.00	26.00	63.00
MEG / Japan	VLCC	72.50	57.50	47.50	111.5
MEG / Singapore	VLCC	74.00	60.00	48.50	113.5
WAF / FEAST	260,000	68.00	60.00	55.00	113.0
WAF / USAC	130,000	75.00	72.50	67.50	115.0
Sidi Kerir / W Me	135,000	90.00	75.00	72.50	135.0
N. Afr / Euromed	80,000	115.0	85.00	82.50	117.5
UK / Cont	80,000	100.0	107.5	92.50	125.0
Caribs / USG	70,000	95.00	135.0	90.00	145.0

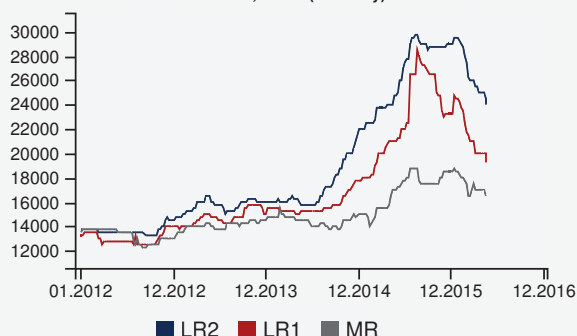
CLEAN (Spot WS)		This week	Last week	Low 2016	High 2016
MEG / Japan	75,000	80.00	80.00	80.00	160.0
MEG / Japan	55,000	97.50	95.00	90.00	150.0
MEG / Japan	30,000	115.0	120.0	100.0	135.0
Singapore / Japan	30,000	130.0	135.0	127.5	150.0
Baltic T/A	60,000	92.50	95.00	90.00	155.0
UKC-Med / States	37,000	120.0	122.5	92.50	152.5
USG / UKC-Med	38,000	105.0	80.00	67.50	125.0

1 YEAR T/C (USD/day) (theoretical)		This week	Last week	Low 2016	High 2016
VLCC	(modern)	41 500	42 000	41 500	55 000
Suezmax	(modern)	29 000	29 000	29 000	38 500
Aframax	(modern)	24 000	24 000	24 000	29 500
LR2	105,000	24 000	24 500	24 000	29 500
LR1	80,000	19 250	20 000	19 250	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 firm trend continued in the VLCC market and owners managed to push rate levels further upward. Rates improved rapidly last few days when charterers approached the market with very end May stems all seeming a bit tricky in terms of load/discharge-ports, approvals, intake, laytime, age etc – hence requiring modern tonnage which limited within the month. It looks like charterers May program ex MEG is finished. The BOT June program was released yesterday, much earlier than expected, showing more demand than recent last two months, boosting owners market view. The charterers may have a different opinion as they are not showing too much firm at the moment possibly in an attempt to cool off owners optimism. For Suezmaxes the past week saw plenty of activity for Wafr/Ukcm voyages, although rates balanced at relatively flat levels throughout the period. W72,5 was repeated on several fixtures, although last reports suggest the rates have climbed 2,5 points to reach W75. Looking forward, we might see less activity as the reported Force Majeure now also in Bonny due to a pipeline leakage. In Med/Black sea the rates also took a jump as a prompt cargo got replaced at rates well above last done. The North Sea and Baltic has had a couple of busy days, but only moved up 2,5 points at the time of writing. The Baltic market should normally have moved further based on the amount of cargoes worked, but as must of it's been underground activity owners have had a hard time getting an overview. Expect both market to stay firm moving into June and could easily jump up about 10 points for end month fixing. Mid last week, the Med and bsea gave the Owners a long awaited upswing. Due to several ballasters from med last week, the position list suddenly looked rather tight, and Charterers all wanted to secure a ship before it was too late. This caused an upward pressure and pushed the rates up to w120 levels. Next week the list will again increase in length and Charterers are trying their best to hold back cargoes which will push rates down towards w100 again.

Product

– EAST OF SUEZ – The LR2 market in the Middle East has had a busy week with a good mixture of west-bound Distillate cargoes and East-bound Naphtha. Rates on the other hand has been steady at around USD 1.6mill for MEG/UKC and WS80 level for MEG/JPN as a rather hefty overhang of available tonnage has left charterers with the upper hand. For the LR1's the week has been a bit more mixed with rates fluctuating between WS97.5-107.5 for MEG/JPN coming on the back of a date-sensitive position list. No big surprises in the MR market this week as rates have been steady but quiet, and as a result we are more likely to see a softening tendency rather than firming. – WEST OF SUEZ – After a few weeks with slow activity and an increasingly open position list, the so far has provided the market with a bit of action finally. Sadly for the owners it has been at sluggish rate-levels and not enough to skim away enough overcapacity to supply any kind of momentum. With MED/JPN now at USD 1.6mill, a definitive year-low, owners are crossing their fingers for a rebound as soon as possible. The LR1 market is still struggling with a lack of activity, with hardly any inquiry at all this week and rates are coming under heavy pressure. On the Continent the MR market has been relatively balanced with UKC/USAC trading at around WS120-122.5. On the other side of the Atlantic, the US Gulf market has been busy with rates for USG/UKC up some 25points since last week. In the Mediterranean the Handy market has almost hit bottom again with X-MED trading 20 points further down at around WS130.



Fearnleys Weekly Report

Activity level

Capesize	Panamax	Supramax
Slower	Mixed	Mixed

Rates	This week	Last week	Low 2016	High 2016
CAPESIZE (usd/day, usd/tonne)				
TCT Cont/Far East (180' dwt)	12 900	15 800	6 100	17 000
Tubarao / R.dam (Iron ore)	4.20	4.70	2.00	5.10
Richards Bay/R.dam	3.60	4.00	2.00	4.20
PANAMAX (usd/day, usd/tonne)				
Transatlantic RV	5 300	5 700	1 400	8 500
TCT Cont / F. East	8 500	8 700	5 000	11 500
TCT F. East / Cont	600.0	600.0	250.0	650.0
TCT F. East RV	4 750	4 800	1 925	5 750
Murmansk b.13-ARA 15/25,000 sc	5.15	5.45	3.60	5.75
SUPRAMAX (usd/day)				
Atlantic RV	6 600	6 500	2 510	6 600
Pacific RV	4 500	5 000	2 000	5 500
TCT Cont / F. East	10 800	11 000	5 100	11 000
1 YEAR T/C (usd/day)				
Capesize 180,000 dwt	6 500	7 500	5 000	8 550
Capesize 170,000 dwt	5 500	6 900	4 500	7 800
Panamax 75,000 dwt	5 300	5 500	4 250	5 750
Supramax 53,000 dwt	6 250	6 500	4 900	6 500
Baltic Dry Index (BDI):	579	652	n/a	n/a

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



Activity level

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

LPG Rates				
* Excl. waiting time, if any				
SPOT MARKET (usd/month)*	This week	Last week	Low 2016	High 2016
VLGC / 84,000	630 000	615 000	550 000	1 765 000
LGC / 60,000	700 000	705 000	700 000	1 500 000
MGC / 38,000	810 000	820 000	810 000	1 075 000
HDY / 22,000	790 000	800 000	790 000	920 000
ETH / 10,000	460 000	460 000	460 000	530 000
SR / 6,500	430 000	430 000	430 000	460 000
COASTER Asia	142 500	142 500	142 500	155 000
COASTER Europe	170 000	165 000	165 000	190 000

LPG/FOB prices (usd/tonne)			
	Propane	Butane	ISO
FOB North Sea / ANSI	267.5	278.0	
Saudi Arabia / CP	325.0	380.0	
MT Belvieu (US Gulf)	255.9	278.6	295.6
Sonatrach : Bethioua	270.0	312.0	

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

DRY BULK

Capesize

An overall negative sentiment with rates under pressure in the Pacific as well as in the Atlantic. Although west Australia round voyage found a floor in the mid 3's pmt, general demand in the pacific is low and activity weak. Same goes for the backhaul, transatlantic and fronthaul routes, where index seems to be lagging behind actual rates. Period activity is unchanged from last week.

Panamax

Sliding in Atlantic, flat and uninspiring in Pacific, or is it vice versa? In general the market is moving sideways without any clear direction in lack of a fresh injection. Depending on vessel size, spec's and trade, fixtures are close to last done +/- TA rounds are in the 5.000 range and fronthaul, although limited from the North Atlantic is abt 8.500. ECSA grain is still alive, at abt 7.250 + 225 APS. Activity stable and rates in the eastern hemisphere hovering in the 4.500-5.500 range, with many Owners aiming at long ECSA runs if relevant. The forward curve is flat at the mid 5 mark for the next 2 years, and although period takers seems few, regular LME's achieve low/mid 5's for the typical 4-7 months or 1 yr.

Supramax

It has been a week with mixed signals in both hemispheres. The levels in the north Atlantic has been fairly stable at ard 6,500 for TA's. We do however see that the pressure out of ECSA and Safr is coming off and this could again put pressure on the north. In the Pacific we basically see the same levels as last week, but sentiment is coming off. Smaxes are still being fixed at USD 5k dely Spore for trip China and USD 6k for India direction. There are still some NoPac cargoes in the market but the activity is drastically down. We do believe we will see softening rates going forward short term. Period activity has been scarce this week.

GAS

Chartering

It has not been particularly busy in the VLGC market lately. The spot rates may have ticked up marginally, but not by more than what compensates for the more expensive bunker that has been tailing crude gains. In other words, we are looking at net daily returns to owners just north of the USD 20,000/day mark. The Baltic VLGC index has been boring reading over the week, minor daily increments have helped the index struggle its way to reach 30 (USD/ton Ras Tanura/Chiba), a level not seen since the end of March. Several market players will be sitting back awaiting the Middle East suppliers' acceptances of June lifting nominations, hence we do not believe in a busier market over the next few days. We still see the large spot VLGC fleet pretty well utilized, idle time does hardly exist, however, as long as there is no helping hand from the trade margins the owners can not expect that freight rates can be increased much and fast over the summer. BW LPG took delivery of the BW Volans today, by that delivery we are exactly half way through the list of 2016 newbuilding deliveries, 23 delivered and 23 to go. We estimate that roughly 75% of the 2016 vintage will be delivered in the first half of the year - well prepared for the next export expansions.



Fearnleys Weekly Report

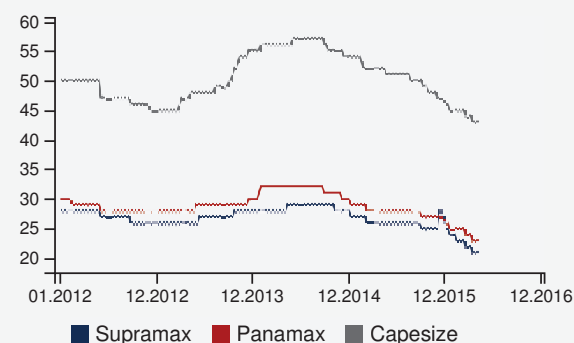
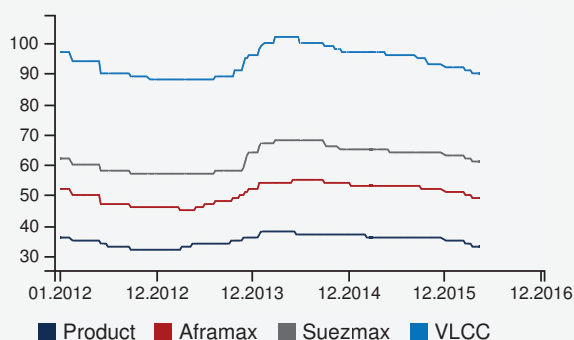
Activity level

Tankers	Dry Bulk	Others
Low	Low	Low

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	108.7	106.6	106.6	118.6
USD/KRW	1 168	1 155	1 135	1 234
USD/NOK	8.22	8.11	8.11	8.96
EUR/USD	1.14	1.15	1.07	1.15

Interest rate

LIBOR USD 6 mnths	0.90	0.91	0.85	0.91
NIBOR NOK 6 mnths	1.12	1.12	1.05	1.23

Commodity prices

Brent spot (USD)	45.31	45.16	28.06	46.58
------------------	-------	-------	-------	-------

Bunker prices

Singapore	380 CST	216.0	216.0	145.0	218.0
	180 CST	221.0	221.0	148.0	229.0
	Gasoil	416.0	413.0	265.0	419.0
Rotterdam	380 HSFO	195.0	195.0	107.0	195.0
	180 CST	212.0	212.0	127.0	212.0
	Diesel	379.0	379.0	245.0	379.0

NEWBUILDING

Slow newbuilding activity over the past week, with only one order to report. The Genting Group subsidiary Star Cruises confirmed an order for two 5,000-berth cruise vessels at Lloyd Werft, due for delivery 2019 and 2020. Genting Group purchased Lloyd Werft and Nordic Yards earlier this year and this latest cruise order is part of the Genting Group strategy to build vessels for their cruise subsidiaries at their German yards.

NEWBUILDING CONTRACTS

Type	No	Size	Yard	Buyer	Del	Price	Comm
Cruise	2	201000 gt	Lloyd Werft	Star Cruises	2019/20		

SALE AND PURCHASE TRANSACTIONS

Type	Vessel	Size	Built	Buyer	Price	Comm.
MT	DS Chief	311 224	1999	Taiwanese	25,20	
MT	Front Vanguard	300 058	1998	Undisclosed	24,30	
MT	DHT Target	164 626	2001	US based	22,50	
MT	Majestic	150 284	2000	NATS	19,60	
MT	Authentic	150 249	2004		29,70	
MT	Romantic	150 247	2004		29,70	
MT	Poetic	150 103	2003		27,00	
MT	Sichem Contester	19 822	2007	Tufton Oceanic	20,30	StSt
MT	Golden Crest	12 898	2008	Korean	25,70	
MT	Golden Dominance	12 866	2008			
MT	Sankei Maru	2 051	1995	Undisclosed	0,80	
BC	Archimedes	81 123	2011	Greek	14,70	at auction
BC	Hermes Island	74 867	2012	Greek	13,50	
BC	Jiangsu Hantong Resale HT64-209	63 800	2016	Undisclosed	16,00	
BC	Loyal Union	48 549	2007	Undisclosed	6,30	
BC	Voc Rose	47 183	1998	Chinese	2,50	
BC	Bianco Olivia Bulker	32 500	2013	Turkish	7,10	
BC	Cabot Aviva	32 500	2011	European	6,20	at auction

DEMOLITIONS

Sold for demolition

Vessel name	Size	Ldt	Built	Buyer	Price
MV Onga	229 228	26 640	2001	Chinese	220
MV Shin Ondo	151 833	19 800	1996	Chinese	220
CONT DS Dominion	80 550	27 201	2001	Undisclosed	310
CONT Conti Melbourne	68 834	24 215	2000	Undisclosed	318
MV Tolmi	30 946	13 036	1989	Indian	295
CONT Taurus	29 260	10 427	1998	Indian	280
MV Arwad Tower	28 269	6 137	1985	Pakistani	290
MV Hua Tai	26 771	9 735	1984	Bangladeshi	285