



Fearnleys Weekly Report

Activity level

VLCC	Suezmax	Aframax	P.E. of Suez	P.W. of Suez
Soft	Soft	Mixed	Mixed	Soft

	Last week	Prev. week
VLCCs fixed all areas last week:	41	58
VLCCs avail. in MEG next 30 days:	95	84

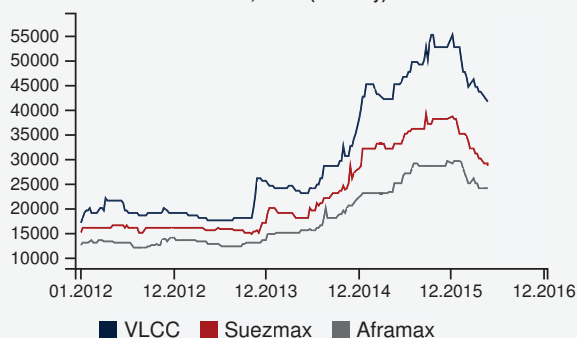
Rates

DIRTY (Spot WS)		This week	Last week	Low 2016	High 2016
MEG / West	VLCC	38.00	42.50	26.00	63.00
MEG / Japan	VLCC	67.50	72.50	47.50	111.5
MEG / Singapore	VLCC	68.50	74.00	48.50	113.5
WAF / FEAST	260,000	60.00	68.00	55.00	113.0
WAF / USAC	130,000	62.50	75.00	62.50	115.0
Sidi Kerir / W Me	135,000	67.50	90.00	67.50	135.0
N. Afr / Euromed	80,000	95.00	115.0	82.50	117.5
UK / Cont	80,000	117.5	100.0	92.50	125.0
Caribs / USG	70,000	95.00	95.00	90.00	145.0

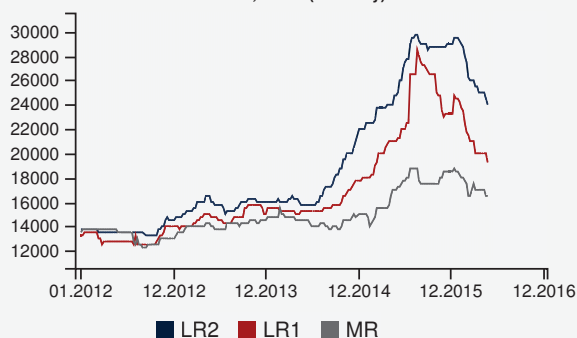
CLEAN (Spot WS)		This week	Last week	Low 2016	High 2016
MEG / Japan	75,000	97.50	80.00	80.00	160.0
MEG / Japan	55,000	105.0	97.50	90.00	150.0
MEG / Japan	30,000	112.5	115.0	100.0	135.0
Singapore / Japan	30,000	130.0	130.0	127.5	150.0
Baltic T/A	60,000	77.50	92.50	77.50	155.0
UKC-Med / States	37,000	115.0	120.0	92.50	152.5
USG / UKC-Med	38,000	90.00	105.0	67.50	125.0

1 YEAR T/C (USD/day) (theoretical)		This week	Last week	Low 2016	High 2016
VLCC	(modern)	41 500	41 500	41 500	55 000
Suezmax	(modern)	28 500	29 000	28 500	38 500
Aframax	(modern)	24 000	24 000	24 000	29 500
LR2	105,000	24 000	24 000	24 000	29 500
LR1	80,000	19 250	19 250	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 volumes in the MEG for May came out somewhat bigger than most had thought. The start of the June liftings have however started slower with only about 15 concluded so far. Rates MEG/East are varying some 10 ws-points depending on 'pedigree' of ship and destination and therefore a bit undecided. The tonnage list is starting to lengthen as delays in Chinese ports going down, which not unnoticed by charterers who appear calm. Wafr/East volumes a bit thinner and rates off the peak and likely to be under pressure, mirroring the trend in the MEG, though not yet quite decided. The early June Suez cargoes in Wafr proved to bring rates to new lows. Even if a requested Indian replacement cargo got fixed at higher level from last done, the rates took a dip for natural dates as charterers have been reluctant in entering the market, leaving the tonnage list ample. In the East, the rates also faced a decline in rates when the early June BOT program materialized. Owners that want to take their vessels for Western destinations face fierce competition as the sentiment remains soft/weak for the Suezmaxes. Med and Bsea rates are moving quicker than the roadrunner. Last week ws115 was repeated several times ex Bsea. While this week, rates down to ws95 have been repeated. The position list offers Charterers tonnage, which are well spread throughout the different load areas. However, we will soon start to see June cargoes coming out, which might help the Owners out a bit, but market is looking balanced going forward. The Med situation is the total opposite for Aframax trading in the Nsea and Baltic. Here rates jumped 15-20 points in the Nsea. Last done in the Baltic is 32.5 points up from bottom level. The reason for this steep increase in rates is that a lot of the vessels loading in the area have discharge orders outside the North Sea, which again led to a tight loading window for 3rd decade May. This will continue into early June dates before the position list will start looking more balanced again.

Product

EAST OF SUEZ After a busy week in the Middle East, a much needed rebound has emerged in the LR2 market. In a matter of days the owners have managed to claim some 15 points on the MEG/Japan trade and potentially we could be seeing 3-digit rates in the days to come. West-bound cargoes have been rather quiet so far this week and with the current sentiment in the market we assess MEG/UKC at USD 1.7 million level – to be tested. The LR1 market has not received the same attention and MEG/Japan is currently trading around ws102.5-105, but if the LR2 position list keeps going at the same pace, we might see some charterers splitting their cargoes and jump on the smaller sizes. The MR market has been steady to firm this week, and rates have gone sideways. **WEST OF SUEZ** Last week we finally saw some much needed activity in the LR2 market out of the Continent and Mediterranean, and charterers collectively cleared out most of the prompt ships in the ARA area. This week however, activity has again declined and owners have once again began looking at cargoes out of the Red Sea and Middle East. After a few quiet weeks and rates under pressure, the LR1 market came back online just before the weekend as a couple of UKC/West Africa came crashing into the market dropping rates down to a definite year-low of ws75. The tonnage list is still fairly open and it seems rates have stabilized for now somewhere between ws75-80. The MR market on the Continent has not had the most exciting week and whilst we have seen steady inquiry for gasoline bound for the USA, West African demand has been slow. In effect, rates for UKC/USAC has dropped a few points and currently trading at around ws115. Handies trading X-Med and X-UKC have seen a further softening this week with rates at ws115 and ws120 respectively.



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Activity level

Capesize	Panamax	Supramax
Strong	Stronger	Stable

Rates	This week	Last week	Low 2016	High 2016
CAPESIZE (usd/day, usd/tonne)				
TCT Cont/Far East (180' dwt)	16 250	12 900	6 100	17 000
Tubarao / R.dam (Iron ore)	4.65	4.20	2.00	5.10
Richards Bay/R.dam	3.98	3.60	2.00	4.20
PANAMAX (usd/day, usd/tonne)				
Transatlantic RV	5 750	5 300	1 400	8 500
TCT Cont / F. East	8 750	8 500	5 000	11 500
TCT F. East / Cont	800.0	600.0	250.0	800.0
TCT F. East RV	5 250	4 750	1 925	5 750
Murmansk b.13-ARA 15/25,000 sc	5.30	5.15	3.60	5.75
SUPRAMAX (usd/day)				
Atlantic RV	6 500	6 600	2 510	6 600
Pacific RV	4 500	4 500	2 000	5 500
TCT Cont / F. East	10 200	10 800	5 100	11 000
1 YEAR T/C (usd/day)				
Capesize 180,000 dwt	7 000	6 500	5 000	8 550
Capesize 170,000 dwt	6 000	5 500	4 500	7 800
Panamax 75,000 dwt	5 750	5 300	4 250	5 750
Supramax 53,000 dwt	6 250	6 250	4 900	6 500
Baltic Dry Index (BDI):	642	579	n/a	n/a

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



Activity level

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

LPG Rates					* Excl. waiting time, if any
SPOT MARKET (usd/month)*	This week	Last week	Low 2016	High 2016	
VLGC / 84,000	630 000	630 000	550 000	1 765 000	
LGC / 60,000	615 000	700 000	615 000	1 500 000	
MGC / 38,000	800 000	810 000	800 000	1 075 000	
HDY / 22,000	780 000	790 000	780 000	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	170 000	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)		297.0	315.4	330.8
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	29 000	29 000	35 000

DRY BULK

Capesize

It has been a big jump in the freight rates for Capesize this week. All of the Australian iron ore miners have been very active, which has pushed up the freight on west Aussie/China route from around USD 3.50 pmt to USD 4.50 pmt. It does seem that the Australian miners are trying to sell as much as possible of the iron ore while the iron ore prices are good. Presently iron ore prices are around USD 55 pmt, but all the miners expect the iron ore prices to drop to considerable lower levels in months to come. The Atlantic market has not seen the same increase in activity, but also here the freight rates have pushed up. The average of the 5 TC routes have gone from mid USD 5000 to high USD 7000.

Panamax

Following some early week holidays, the week got to a slow start coming from a sideways moving market. However, overall the tendency is slightly positive with fixtures reported somewhat above last done in both hemispheres. In the Atlantic, some Chrters have had to pay up considerably to cover their requirements, and fixtures are done both in the stronger 6k's and 7k's on T/C. Voyage rates are not firming up to the same extent though. ECSA grains are still active with 7400 + 240k done on LME basis APS. Business in the Pacific is repeatedly done well into the 5k range, either for NOPAC, Aussie or Indo rounds. Short period in the mid 5k's and even fair 6250 now done on a Kamsarmax for a year, del Singapore.

Supramax

It was a slow start to the week with holidays in most European countries out for holiday. We see trips from the Med to the US fixing in region of USD 4500 and the return leg into Med at around USD 10k. In the Pacific, we see the same stand off as last week with big gaps between bid/ask. Singapore/China being fixed at around 5k and destination India at 6.5k. Period market been quiet except for some shorter periods concluded end last week in the 6's.

GAS

Chartering

The VLGC market was not particularly busy over the last week, but at least the spot rates were given another push upwards and the USD 30 barrier (Ras Tanura/Chiba basis) came down when a couple of vessels were fixed at that level. Subsequently another vessel was fixed on subs considerably higher, but in the end the fixture was not confirmed. Nonetheless, the owners were spurred by this turn of events, and have now jacked their ideas up by some 25% for their next positions in the MEG. The owners ask for a more modest increase in spot freight from the USG to the Far East, a lifter in Houston around 20th June had to pay more than USD 70 per ton to secure a vessel. But, the FOB/CFR spreads have not developed in favour of owners' ideas, to the contrary the arbitrage from West to East has narrowed following Belvieu's pricing that has outpaced the CFR prices in Asia. We also understand that a contractual lifting in Houston around 20th June has been cancelled due to poor trade economics, and again the threats of further cargo cancellations have emerged. The HFO bunker prices have shot up some USD 20 per ton since last week, therefore the net returns to owners have stayed pretty much the same as last week i.e. around USD 21,000 per day in the MEG/East market.



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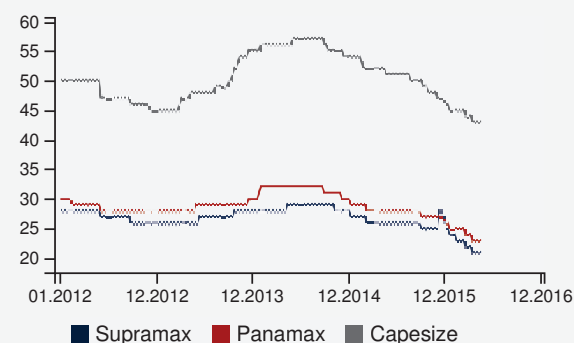
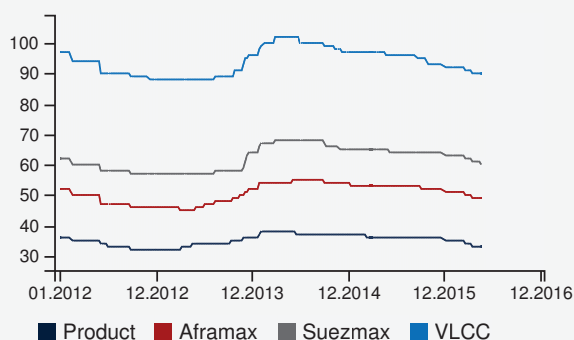
Activity level

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	60.00	61.00	60.00	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	108.7	106.6	118.6
USD/KRW	1 183	1 168	1 135	1 234
USD/NOK	8.23	8.22	8.11	8.96
EUR/USD	1.13	1.14	1.07	1.15

Interest rate

LIBOR USD 6 mnths	0.91	0.90	0.85	0.91
NIBOR NOK 6 mnths	1.16	1.12	1.05	1.23

Commodity prices

Brent spot (USD)	49.07	45.31	28.06	49.07
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Bunker prices

Singapore	380 CST	228.0	216.0	145.0	228.0
	180 CST	234.0	221.0	148.0	234.0
	Gasoil	440.0	416.0	265.0	440.0
Rotterdam	380 HSFO	221.0	195.0	107.0	221.0
	180 CST	240.0	212.0	127.0	240.0
	Diesel	424.0	379.0	245.0	424.0

NEWBUILDING

The newbuilding market remains quiet and prices continue the downward trend in a weak market. Only one order to report over the past week in the volume sectors, as the Greece owner Super Eco-Tankers confirmed an order for two firm 40,000 dwt IMO-II Product carriers at Hyundai Mipo. Delivery slated for 2017 and 2018. Algerian Hyproc Shipping has ordered one firm plus one optional 13,000 cbm LPG Carriers at CSSC Jiangnan shipyard.

NEWBUILDING CONTRACTS

Type	No	Size	Yard	Buyer	Del	Price	Comm
PC	2	40000 dwt	Hyundai Mipo	Super-Eco Tankers	2017/18		IMO-II
LPG	1	13000 cub	Jiangnan	Hyproc Shipping	2018	40	
Module Carrier	15	15000 dwt	Vard	Topaz Energy	2017/18	20	

SALE AND PURCHASE TRANSACTIONS

Type	Vessel	Size	Built	Buyer	Price	Comm.
MT	Signal Maya	46 843	2005	Undisclosed	15,50	Pumproom type
MT	Stavanger Eagle	45,898	2004	Shenlong Maritime	16,00	Pumproom type, prompt delivery
BC	Klara Selmer	176,000	2012	Marmaras	20,00	
BC	SA Alius	171,480	2001	Chinese	7,80	
BC	SRI Prem Veena	82,792	2007	Undisclosed	9,30	
BC	Nordweser	75,321	2001	Erasmus Shpg	4,40	
BC	Jia Yue	63,800	2016	Danish	16,50	
BC	ABY Paola	60,935	2015	Chellaram	19,50	
BC	Klara Selmer	176,000	2012	Marmaras	20,00	
BC	SA Alius	171,480	2001	Chinese	7,80	
BC	SRI Prem Veena	82,792	2007	Undisclosed	9,30	
BC	Christoph S	57,000	2011	AB Maritime	7,10	
BC	Frederike Selmar	56,847	2009	Greek	5,90	
BC	CMB Laszlo	35,700	2016	Undisclosed	14,50	
BC	Samjin 1064	35,700	2016	German	14,50	
BC	CMB Diego	35,700	2016	Undisclosed	14,50	
BC	CS Vanguard	34,812	2004	Greek	3,50	
BC	Kenanga	27,259	1996	Undisclosed	1,70	

DEMOLITIONS

Sold for demolition

Vessel name	Size	Ldt	Built	Buyer	Price
MV Anangel Eternity	171 176	21 211	1999	Bangladeshi	300
MV Chine Steel Express	154 556	22 746	1997	Undisclosed	290
MV GS Angel	122 259	16 477	1995	Pakistani	320
CONT Hanjin Mundra	65 533	18 963	1997	Undisclosed	320
CONT Hansa Constitution	34 954	11 355	1997	Undisclosed	310
CONT Glory	30 447	10 485	1996	Undisclosed	300
GC Ocean Hope	29 512	8 005	1996	Bangladeshi	300
MV Rui Fu	25 759	5 435	1985	Bangladeshi	265
CONT MSC Lieselotte	21 370	10 655	1983	Indian	307
CONT Acapulco	14 148	5 652	1996	Undisclosed	290