



Fearnleys Weekly Report

Activity level

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

	Last week	Prev. week
VLCCs fixed all areas last week:	51	41
VLCCs avail. in MEG next 30 days:	95	95

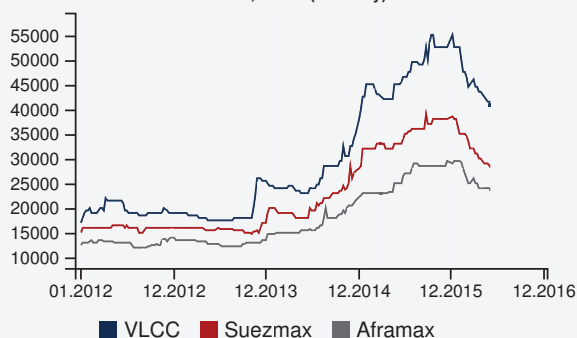
Rates

DIRTY (Spot WS)		This week	Last week	Low 2016	High 2016
MEG / West	VLCC	32.50	38.00	26.00	63.00
MEG / Japan	VLCC	55.00	67.50	47.50	111.5
MEG / Singapore	VLCC	56.00	68.50	48.50	113.5
WAF / FEAST	260,000	56.00	60.00	55.00	113.0
WAF / USAC	130,000	60.00	62.50	60.00	115.0
Sidi Kerir / W Me	135,000	72.50	67.50	67.50	135.0
N. Afr / Euromed	80,000	110.0	95.00	82.50	117.5
UK / Cont	80,000	105.0	117.5	92.50	125.0
Caribs / USG	70,000	100.0	95.00	90.00	145.0

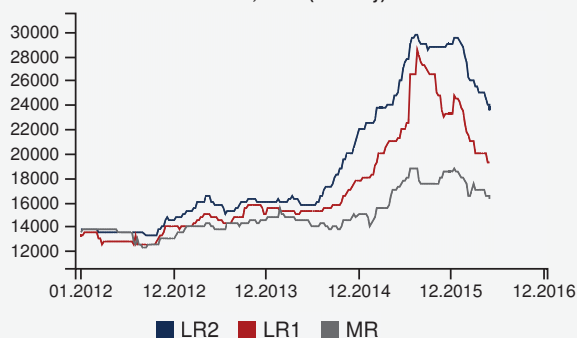
CLEAN (Spot WS)		This week	Last week	Low 2016	High 2016
MEG / Japan	75,000	100.0	97.50	80.00	160.0
MEG / Japan	55,000	105.0	105.0	90.00	150.0
MEG / Japan	30,000	110.0	112.5	100.0	135.0
Singapore / Japan	30,000	130.0	130.0	127.5	150.0
Baltic T/A	60,000	82.50	77.50	77.50	155.0
UKC-Med / States	37,000	120.0	115.0	92.50	152.5
USG / UKC-Med	38,000	80.00	90.00	67.50	125.0

1 YEAR T/C (USD/day) (theoretical)		This week	Last week	Low 2016	High 2016
VLCC	(modern)	40 500	41 500	40 500	55 000
Suezmax	(modern)	28 750	28 500	28 500	38 500
Aframax	(modern)	23 500	24 000	23 500	29 500
LR2	105,000	23 500	24 000	23 500	29 500
LR1	80,000	19 250	19 250	19 250	24 750
MR	47,000	16 250	16 500	16 250	18 750

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



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



TANKERS

Crude

Sluggish volumes in the Meg and Wafr combined with less delays in Chinese ports has lengthened the list of available tonnage. Charterers firmly in the driving seat have held back and have managed to engineer rates down. Earnings Meg and Wafr/East corrected down to mid \$30's/day with a constant downward pressure. An increasing feeling of softening undertones throughout the VLCC market as we may see the start of the summer market. Expectations for the soft trend in the Smax market to continue proved correct last week, enquiries remained limited out of Wafr. Excess tonnage supply in combination with the force majeure situation in Nigeria has taken its toll on rates which have been struggling in the WS 50's for Wafr/UkcM voyages. At time of writing some activity is creating more momentum with a lot of ships getting fixed on subs for private deals sealed under the "radar", but the enquiry is for the time being not enough for the market to make the big jump and firm up. Med/Blsea has also seen increased activity with charterers booking Smaxes on Afra cargoes but only to fail the vessels as the Afra-rates corrected down shortly after. In the Nsea and Baltic rates came off for both loading areas. The downward correction happened as charterers had more available tonnage to choose from in the end/ely loading window. At the time of writing, it seems the market has bottomed out. However, with the activity slowly picking up again, we expect that Owners will manage to push rates back up again in the short term. Med and Bsea continued in the same fashion as last week with rates jumping up and down like Kriss Kross in his 90's hit – "Jump". Smaxes desperately looking for more action elsewhere went on subs for p/c Afra cargoes slowing down the firm momentum. At the same time, date sensitive cargoes had to pay up rate wise, leaving the market a bit disorientated of what direction it would go. However now that the dust has settled, we are left with a relatively well balanced market and rates will stabilize around ws110-115 level moving into 1st decade June loading window.

Product

– EAST OF SUEZ – After a period of firming rates and booming activity in the Middle East, the LR2 market has flattened out and rates currently looking steady at WS97.5-100 LVL for MEG/JPN and around USD 1.80-1.85mill for MEG/UKC. The position list looks balanced and it looks as though the market could go in either directions. For the LR1 market we have not seen too many changes since last week, and MEG/JPN is still trading around WS105 levels with MEG/UKC at around USD 1.35mill. With a steady and relatively flat MR market as well at around WS110 for MEG/JPN, there has not been very much excitement in the clean spot market East of Suez this week.. – WEST OF SUEZ – Rolling from last week the LR2 market on the Continent and Mediterranean remains soft at around USD 1.7mill for UKC/JPN, and without any real activity to build on we are seeing owners either considering ballasting towards the East or doing DPP cargoes to avoid any more idle days. In the LR1 market there has been some activity to work with, and as most of the prompt ships on the Continent has been fixed away rates owners have managed to score a few points in the interim. Since last week we have seen some yo-yo tendencies in the MR market on the Continent with UKC/USAC trading around WS125 at the beginning of the week before coming down again to WS120 where it looks to be levelling off at the moment. The Handies has had a rather busy week with X-UKC at around WS135 and X-MED at WS130.



Fearnleys Weekly Report

Activity level

Capesize	Panamax	Supramax
Slower	Weakening	Moderate

Rates	This week	Last week	Low 2016	High 2016
CAPESIZE (usd/day, usd/tonne)				
TCT Cont/Far East (180' dwt)	14 000	16 250	6 100	17 000
Tubarao / R.dam (Iron ore)	4.30	4.65	2.00	5.10
Richards Bay/R.dam	3.70	3.98	2.00	4.20
PANAMAX (usd/day, usd/tonne)				
Transatlantic RV	5 100	5 750	1 400	8 500
TCT Cont / F. East	8 350	8 750	5 000	11 500
TCT F. East / Cont	610.0	800.0	250.0	800.0
TCT F. East RV	4 500	5 250	1 925	5 750
Murmansk b.13-ARA 15/25,000 sc	5.00	5.30	3.60	5.75
SUPRAMAX (usd/day)				
Atlantic RV	7 200	6 500	2 510	7 200
Pacific RV	4 800	4 500	2 000	5 500
TCT Cont / F. East	9 800	10 200	5 100	11 000
1 YEAR T/C (usd/day)				
Capesize 180,000 dwt	6 800	7 000	5 000	8 550
Capesize 170,000 dwt	5 900	6 000	4 500	7 800
Panamax 75,000 dwt	5 400	5 750	4 250	5 750
Supramax 53,000 dwt	6 250	6 250	4 900	6 500
Baltic Dry Index (BDI):	605	642	n/a	n/a

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



Activity level

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

LPG Rates					* Excl. waiting time, if any
SPOT MARKET (usd/month)*	This week	Last week	Low 2016	High 2016	
VLGC / 84,000	710 000	630 000	550 000	1 765 000	
LGC / 60,000	615 000	615 000	615 000	1 500 000	
MGC / 38,000	780 000	800 000	780 000	1 075 000	
HDY / 22,000	770 000	780 000	770 000	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)		270.2	298.0	317.3
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

The market is again under pressure with lack of fresh requirements in both Pacific as well as in Atlantic. The daily tc rate for a trip in pacific is around is USD 5,000 and the Atlantic below USD 8,000, The overall sentiment is depressed but there is a hope we are at the bottom and there will be more demand, although it seems more like a hope than reality right now.

Panamax

Atlantic hemisphere softening and rates slipping from last week due to little fresh cargoes including less grain from ECSA / to feast. Atlantic rounds paying arnd low 5000 USD depending delivery and duration. Typical fronthaul grain now paying low/ mid usd 7000 + 200+ k bb to the far east. With uncertain prospects for ECSA cargoes more owners showing interest and competing for indonesian rounds. It s simply still too many vessel"s and too few cargoes leading to the poor rate conditions. Pacific market pending between 4500 for Aussie/ India while Aussie / China paying mid 5000. Very few period deals reported but a standard Panamax can obtain 5200/ 5400 for a year while a decent Kamsarmax get 5850 for ...

Supramax

It has been a week with both stronger and stable rates in the Supramax market. We see a firming market in WCI/AG rge where an owner got USD 6k DOP WCI for trip via AG to Japan. The ECSA market is refreshing with more 2nd half June cgos entering the mrkt. Whereas in the Feast we still see the big gap between bid/ask and more or less unchanged ratewise at mid/high 4k depending on trade. The Atlantic mrkt is coming up with more pressure in the North for both scrap cgos to Med and USEC cgos back to Continent. The period market has been quiet but mid week we see an Umax getting fixed at 10k for short period bss delivery Atlantic.

GAS

Chartering

It has been a rather uneventful week in the VLGC market, the daily activity level has ranged from very slow to half active. The market cheered when the VLGC Baltic index broke through the USD 30 barrier last week, but thereafter the sentiment has softened and we may soon start seeing spot rates in the USD 20's again. Sigh. On the other hand, we do see the that prevailing low freight market employs the ever growing spot fleet quite well, we see surprisingly few idle vessels scattered around. The current and forward looking FOB/CFR spreads and in particular affecting exports from the USG are not favourable to the freight market at all. The VLGC freight market badly needs support from the cargo side where the FOB/CFR difference needs to increase in order to improve freight economics. This becomes essential as many more VLGC newbuildings soon arrive from the yards and at least half a year ahead of the next incremental export facility in the US Gulf. It has been rather quiet in the period market for VLGCs lately, it is obviously not a good timing for neither charterers nor owners to discuss term commitment when the market is where it is.



Fearnleys Weekly Report

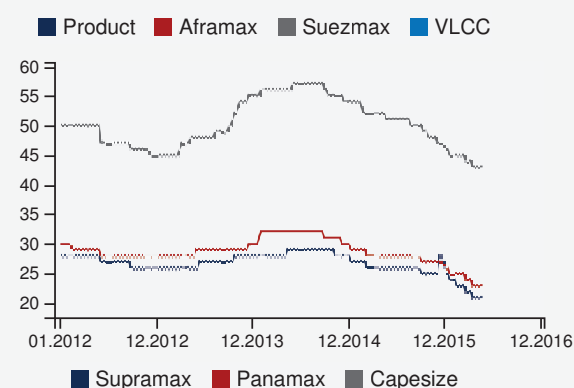
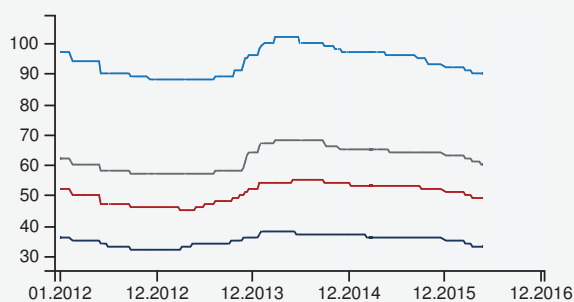
Activity level

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	60.00	60.00	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	0.00	109.3	0.00	118.6
USD/KRW	0.00	1 183	0.00	1 234
USD/NOK	0.00	8.23	0.00	8.96
EUR/USD	0.00	1.13	0.00	1.15

Interest rate

LIBOR USD 6 mnths	0.97	0.91	0.85	0.97
NIBOR NOK 6 mnths	1.13	1.16	1.05	1.23

Commodity prices

Brent spot (USD)	0.00	49.07	0.00	49.07
------------------	------	-------	------	-------

Bunker prices

Singapore	380 CST	228.0	228.0
	180 CST	234.0	234.0
	Gasoil	440.0	440.0
Rotterdam	380 HSFO	221.0	221.0
	180 CST	240.0	240.0
	Diesel	424.0	424.0

NEWBUILDING

The shipbuilding crisis gains momentum as several medias reports that Korean government risks another WTO spat if it intervenes to save shipbuilders, and that STX is likely to enter court receivership. Despite of the negative news flow, Chinese builder, Shanghai Shipyard, received an order from its compatriot, Zhonggu Shipping for 4+2 2500 teu container carriers.

NEWBUILDING CONTRACTS

Type	No	Size	Yard	Buyer	Del	Price	Comm
PC	2	42000 DWT	HMD	Super-Eco Tankers	2017-2017		
Cont	4	2500 teu	Shanghai Shipyard	Zhonggu Shipping	2017-2018		

SALE AND PURCHASE TRANSACTIONS

Type	Vessel	Size	Built	Buyer	Price	Comm.
MT	New Coral	297500	2010	Frontline	60	En Bloc
MT	New Medal	297500	2009	Frontline	57,5	En Bloc
MT	King Emerald	38900	2004	CPO	45	En Bloc Price
MT	King Edward	38900	2004	CPO		En Bloc Price
MT	King Ernest	38900	2004	CPO		En Bloc Price
MT	King Everest	38900	2001	CPO		En Bloc Price
BC	25.05.2016	Besiktas	179 000	2011	Greek	23,00
BC	25.05.2016	Besiktas Turkmenistan	179 000	2011	Greek	23,00
BC	25.05.2016	Miraero Ace	81 500	2012	Far Eastern	14,00
BC	25.05.2016	Grand Ocean	81 600	2012	Undisclosed	12,40
BC	25.05.2016	Ocean Qingdao	75 600	2011	Undisclosed	11,50
BC	25.05.2016	NB Resale DE030	61 000	2016	Undisclosed	18,90
BC	25.05.2016	NB Resale DE031	61 000	2016	Undisclosed	18,90
BC	25.05.2016	Saint Dionysis	31 800	2002	European	3,30