



Fearnleys Weekly Report

Activity level

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

	Last week	Prev. week
VLCCs fixed all areas last week:	60	51
VLCCs avail. in MEG next 30 days:	87	95

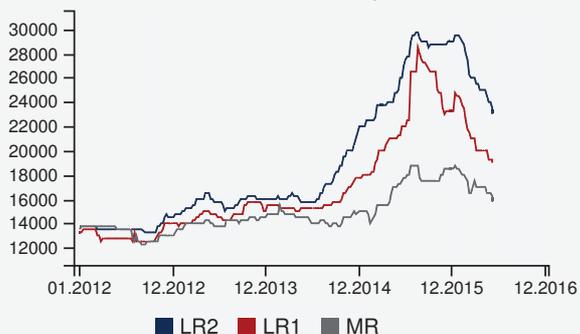
Rates

DIRTY (Spot WS)		This week	Last week	Low 2016	High 2016
MEG / West	VLCC	35.00	32.50	26.00	63.00
MEG / Japan	VLCC	64.00	55.00	47.50	111.5
MEG / Singapore	VLCC	65.00	56.00	48.50	113.5
WAF / FEAST	260,000	62.50	56.00	55.00	113.0
WAF / USAC	130,000	80.00	60.00	60.00	115.0
Sidi Kerir / W Me	135,000	100.0	72.50	67.50	135.0
N. Afr / Euromed	80,000	120.0	110.0	82.50	120.0
UK / Cont	80,000	97.50	105.0	92.50	125.0
Caribs / USG	70,000	100.0	100.0	90.00	145.0
CLEAN (Spot WS)		This week	Last week	Low 2016	High 2016
MEG / Japan	75,000	90.00	100.0	80.00	160.0
MEG / Japan	55,000	100.0	105.0	90.00	150.0
MEG / Japan	30,000	105.0	110.0	100.0	135.0
Singapore / Japan	30,000	130.0	130.0	127.5	150.0
Baltic T/A	60,000	80.00	82.50	77.50	155.0
UKC-Med / States	37,000	110.0	120.0	92.50	152.5
USG / UKC-Med	38,000	70.00	80.00	67.50	125.0
1 YEAR T/C (USD/day) (theoretical)		This week	Last week	Low 2016	High 2016
VLCC	(modern)	40 500	40 500	40 500	55 000
Suezmax	(modern)	28 750	28 750	28 500	38 500
Aframax	(modern)	23 500	23 500	23 500	29 500
LR2	105,000	23 000	23 500	23 000	29 500
LR1	80,000	19 000	19 250	19 000	24 750
MR	47,000	15 750	16 250	15 750	18 750

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



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



TANKERS

Crude

The VLCC market saw renewed demand particularly ex MEG. Although charterers tried to move carefully under the radar, market turned around to owners favour except ex Caribs. The few cargoes being quoted open in the market ex MEG received limited response all at strong levels indicating the supply of tonnage up to 20/6 is slowly, but gradually getting slimmer. Presently the fixture count for June is well ahead of what was concluded at same time last month for May. The momentum has definitely turned into owners favour. Owners are counting on strong demand in 3rd decade, as was the case in April and May. They have all the intention to push numbers further up, but it remains to be seen as May upto now has been more active than the previous months. A busy week for suezmaxes with strong numbers in all areas. The initial spike was created by the tight Med/Bsea market due to uncertainties with vessels tied up in French ports. The tonnage-list in Med/Bsea for vessels with firm itineraries has been short and as a result, the rates jumped up to a W100 level for TD6 voyages. In Wafr, the force majeure in most of the Nigerian ports has been repealed and as a result, differed barrels entered the market. With laycan up to 25/6. In the Baltic and Nsea rates came off with few points mainly due to lack of activity cross Nsea. Also, an expected maintenance period in the port of Primorsk adding some downward pressure on rates. We don't expect rates to soften dramatically, but we could see a small downward correction. Rates in the Med and Bsea have finally stabilised around ws115 level. Bsea have been the most active area, however at time of writing, more Med cargoes are materialising, and as such adding some upward pressure on rates. Quite a few ships still have no firm berthing prospects, partly due to French strikes and a slow turnaround in Trieste. Having said that, the Trieste situation looks like it slowly could be resolved. Consequently, we will see more ships being pushed out with firm positions, which could ease this firm momentum IF Charterers play the coming day's right.

Product

EAST OF SUEZ After a quiet week in the Middle East the LR2 market have gone from flat to softening. With a growing position list and few uncovered cargoes in the market, rates have dropped some 10 points already as MEG/Japan is currently assessed at around ws90. We have even seen a couple of fixtures with Platts-related freight structure, which we normally see in a falling market. The LR1 market has not seen much action this week either. So far MEG/Japan has dropped some 5 points to around ws100, but should the rest of the week prove equally quiet we might see rates drop down to double digits. For the MRs the week has been relatively steady and rates have not moved much compared to last week. **WEST OF SUEZ** It has been another week of slim pickings in the LR2 market and rates remain sluggish at around USD 1.6 million for Med/Japan. Activity is still at a minimum with a difficult Naphtha and Gasoline/Reformate arb to the East and as available tonnage keeps building there is currently very dark at the end of the tunnel. After some much needed activity last week, the LR1 market has cooled off and yet again rates are looking at bit shaky at ws80 for UKC/Wafr. The MR market in the Atlantic has had a rough week so far with USG/UKC-Med trading at around ws70 and UKC/USAC at around ws110. For the moment, the soft US Gulf market has prompted owners to ballast back to Continent after finishing discharge in the USAC area and thereby adding extra tonnage to list. On the Continent, the last couple of days has been busier, and currently it looks like the market is bottoming out.



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Activity level

Capesize	Panamax	Supramax
Firm	Slow	Stable

Rates	This week	Last week	Low 2016	High 2016
CAPESIZE (usd/day, usd/tonne)				
TCT Cont/Far East (180' dwt)	14 000	14 000	6 100	17 000
Tubarao / R.dam (Iron ore)	4.20	4.30	2.00	5.10
Richards Bay/R.dam	3.70	3.70	2.00	4.20
PANAMAX (usd/day, usd/tonne)				
Transatlantic RV	4 950	5 100	1 400	8 500
TCT Cont / F. East	8 250	8 350	5 000	11 500
TCT F. East / Cont	605.0	610.0	250.0	800.0
TCT F. East RV	4 400	4 500	1 925	5 750
Murmansk b.13-ARA 15/25,000 sc	5.20	5.00	3.60	5.75
SUPRAMAX (usd/day)				
Atlantic RV	7 400	7 200	2 510	7 400
Pacific RV	5 000	4 800	2 000	5 500
TCT Cont / F. East	9 700	9 800	5 100	11 000
1 YEAR T/C (usd/day)				
Capesize 180,000 dwt	7 000	6 800	5 000	8 550
Capesize 170,000 dwt	6 000	5 900	4 500	7 800
Panamax 75,000 dwt	5 250	5 400	4 250	5 750
Supramax 53,000 dwt	6 250	6 250	4 900	6 500
Baltic Dry Index (BDI):	612	605	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	605 000	710 000	550 000	1 765 000
LGC / 60,000	625 000	615 000	615 000	1 500 000
MGC / 38,000	750 000	780 000	750 000	1 075 000
HDY / 22,000	750 000	770 000	750 000	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		288.5	269.0	
Saudi Arabia / CP		330.0	365.0	
MT Belvieu (US Gulf)		274.8	300.1	298.0
Sonatrach : Bethioua		290.0	300.0	
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 Cape market have continued its positive trend from the past few weeks. Freight rates have found support and keeps firm, mainly due to a healthy volume of cargoes out of west coast Australia, supported by stronger than expected iron ore prices. East coast Australia coal cargoes have also made a reappearance and helped support the Far East freight levels. West Aussie to China freight rates have stabilized in the low/mid USD 4 pmt level. The Atlantic market have limited activity, but rated to remain stable, with Brazil/China freight rates at low USD 8 pmt level. In general, it is a slightly more positive atmosphere out there and the expectations are carefully optimistic.

Panamax

It has been a slow start to the week and we see rates sliding in both hemispheres. TA's are now paying ard 5k depending on trade and duration while we do see some more Fhauls in the market with grains and fertilizer paying ard 9500 with a grainclean premium prized in. In the Pacific we see the same tendency as for the smaller Supramaxes. Less cargo into WCI since now entering the monsoon season and regular NoPac rounds paying low 5k. The period market is also slow but some short period fixtures for Kmaxes has been reported in the low 5k region.

Supramax

It was a quiet start to the week with holidayus in the UK and USA. May ended with no major change in either hemispheres. There are rumours in the market of more grain stems out of ECSA for 22nd half June which again can put pressure on the rates in the Atlantic. While the Pacific have seen less stems for WCI with the upcoming monsoon season it is still a good amount of Indonesian coal to China paying around mid 5k del Singapore for a good standard Smax. A bit more activity in the period market with larger good spec units now getting bids closer to 6k.

GAS

Chartering

There was a thin hope that the June posted prices from the main exporters could spur some spot activity for the VLGCs, but they came out a couple of days ago right as expected and for that matter already accounted for. Besides a couple of deals done by Indian charterers, there was very little going on in the VLGC spot market. Unfortunately, the spreads between FOB and CFR, in particular USG/Asia, have not improved at all and the risk of cancellations of FOBs in the USG is becoming more and more realistic. May was a fairly busy month in the USG with more VLGC cargoes lifted than ever before, however, the number of cargoes in June and July will be lower due to scheduled terminal overhauls. Charterers' and Owners' rate ideas for spot show rather big gaps, too, e.g. while the owners indicate in the mid USD 60's basis USG/Far East, the charterers claim that something in the mid USD 50's may work. Sigh. Later this month we will see the first VLGC passing through the new Panama Canal on the 27th, and needless to say it will be very interesting to see the frequency of VLGCs passing thereafter on this substantially shorter laden voyage to Asia. We do not see much change in spot rates ahead through June, but as long as fleet utilization is as high as it is, it will not take many additional fixtures to give the freight market a welcome push.

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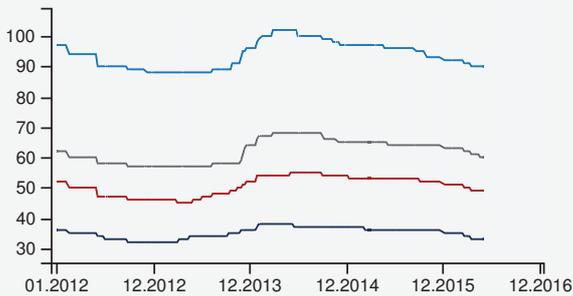
Activity level

Tankers	Dry Bulkers	Others
Low	Low	Low

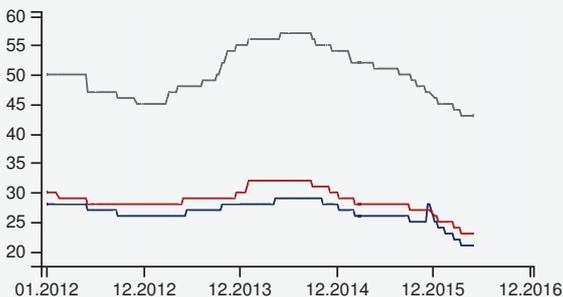
Prices

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	195.0	196.0	195.0	203.0



■ Product ■ Aframax ■ Suezmax ■ VLCC



■ Supramax ■ Panamax ■ Capesize

Market brief

	This week	Last week	Low 2016	High 2016
Rate of exchange				
USD/JPY	109.3	109.3	106.6	118.6
USD/KRW	1 193	1 184	1 135	1 234
USD/NOK	8.33	8.36	8.11	8.96
EUR/USD	1.12	1.12	1.07	1.15
Interest rate				
LIBOR USD 6 mnths	0.99	0.97	0.85	0.99
NIBOR NOK 6 mnths	1.14	1.13	1.05	1.23
Commodity prices				
Brent spot (USD)	49.69	47.77	28.06	49.69
Bunker prices				
Singapore				
380 CST	227.0	228.0	145.0	228.0
180 CST	232.0	233.0	148.0	234.0
Gasoil	450.0	455.0	265.0	455.0
Rotterdam				
380 HSFO	224.0	217.0	107.0	224.0
180 CST	243.0	236.0	127.0	243.0
Diesel	444.0	425.0	245.0	444.0

NEWBUILDING

Activity is fading out as we are entering the summer months. Only two VLGCs reported in a solely Japanese deal. JMU received an order from compatriot NYK. Although price is not revealed, it is believed these ships is priced at low to mid 70s.

NEWBUILDING CONTRACTS

Type	No	Size	Yard	Buyer	Del	Price	Comm
LPG	2	83,000 CBM	JMU	NYK	2019		

SALE AND PURCHASE TRANSACTIONS

Type	Vessel	Size	Built	Buyer	Price	Comm.
MT	E Elephant	317 800	2011	Minerva	55,60	
MT	CPO Japan	51 747	2010	Union Maritime	23,80	
MT	CPO Korea	51 747	2009		22,20	
MT	Bow Sailor	6 008	1999	Undisclosed	6,40	StSt
BC	Galaxy Dream	181 371	2013	Singaporean	27,50	
BC	Shining Dragon	181 365	2012	Belgian	25,50	
BC	Hanjin Saldanha Bay	179 147	2010	S. Korean	37,50	price incl. T/C until 2024 at \$19,500/day
BC	Conti Jade	92 500	2012	Undisclosed	11,40	
BC	Conti Japsis	92 500	2012		11,00	
BC	Suirei Maru	88 736	1996	Chinese	4,00	
BC	Medi Tokyo	74 356	1999	Chinese	3,50	
BC	Ikan Siakap	58 713	2008	Bangladeshi	8,40	
BC	Alam Murni	53 553	2003	greek	4,70	
BC	Jin An	50 786	2000	Undisclosed	3,00	
BC	Top Brilliance	45 769	1998	Chinese	2,60	
BC	Sea Harvest	28 294	2000	Undisclosed	3,70	

DEMOLITIONS

Sold for demolition

Vessel name	Size	Ldt	Built	Buyer	Price
MV Suchada Naree	23 732	5 000	1994	Bangladeshi	250
CONT Shin Chun	14 263	4 871	1987	Indian	205