



Fearnleys Weekly Report

Activity level

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

	Last week	Prev. week
VLCCs fixed all areas last week:	48	60
VLCCs avail. in MEG next 30 days:	99	87

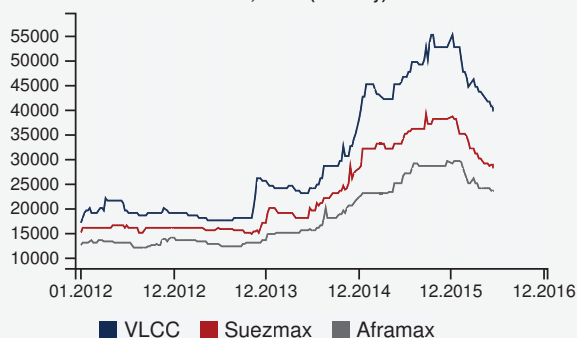
Rates

DIRTY (Spot WS)		This week	Last week	Low 2016	High 2016
MEG / West	VLCC	36.00	35.00	26.00	63.00
MEG / Japan	VLCC	68.50	64.00	47.50	111.5
MEG / Singapore	VLCC	68.50	65.00	48.50	113.5
WAF / FEAST	260,000	66.00	62.50	55.00	113.0
WAF / USAC	130,000	75.00	80.00	60.00	115.0
Sidi Kerir / W Me	135,000	80.00	100.0	67.50	135.0
N. Afr / Euromed	80,000	105.0	120.0	82.50	120.0
UK / Cont	80,000	100.0	97.50	92.50	125.0
Caribs / USG	70,000	95.00	100.0	90.00	145.0

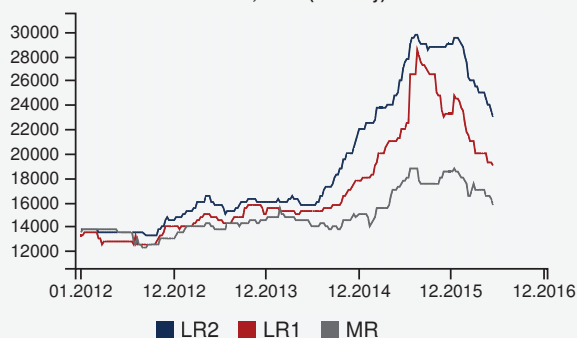
CLEAN (Spot WS)		This week	Last week	Low 2016	High 2016
MEG / Japan	75,000	85.00	90.00	80.00	160.0
MEG / Japan	55,000	95.00	100.0	90.00	150.0
MEG / Japan	30,000	105.0	105.0	100.0	135.0
Singapore / Japan	30,000	127.5	130.0	127.5	150.0
Baltic T/A	60,000	80.00	80.00	77.50	155.0
UK-Med / States	37,000	105.0	110.0	92.50	152.5
USG / UKC-Med	38,000	70.00	70.00	67.50	125.0

1 YEAR T/C (USD/day) (theoretical)		This week	Last week	Low 2016	High 2016
VLCC	(modern)	39 500	40 500	39 500	55 000
Suezmax	(modern)	28 000	28 750	28 000	38 500
Aframax	(modern)	23 250	23 500	23 250	29 500
LR2	105,000	23 000	23 000	23 000	29 500
LR1	80,000	19 000	19 000	19 000	24 750
MR	47,000	15 750	15 750	15 750	18 750

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



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



TANKERS

Crude

The tug of war continued during the week between owners and charterers in the VLCC market. The market saw steady demand and fixing, but charterers moved under the radar as best as they could to avoid boosting owners cause. As the week progressed more tonnage appeared including oilco relets giving charterers wider selection to choose from. All in all the market strengthened a bit ex Meg, but far from what owners had hoped and expected. With charterers program ex Meg mainly covered for June, the market in short term could go a bit quiet putting pressure on rates as supply side remain ample and the July program is still not firm in sight. Some demand has been recorded in the Atlantic but far from enough to have an overall impact on rates. The Suezmax market experienced a pre-Posidonia rush last week and the cargo volume in West Africa produced momentum in owners favour which forced rates up. The Med/Black sea market also firmed mainly due to French ports and the uncertain strike situation, but proved short lived as soon as a solution was in place and congestion got reduced. At time of writing natural fixing dates are in the 3rd decade window of June. The position list is ample for the few enquiries out there and rates are under downward pressure. The Aframax market in the North Sea and Baltic has established itself at ws100 and ws70 for cargoes being fixed in the 2nd decade. Moving into the 3rd decade loading window we could see rates increase on the back of a busier Baltic program. In the meantime, while a major part of the shipping community is busy with Posidonia, rates for Med and Black Sea are under downward pressure. There are still a few ships with uncertain berthing prospects in French Ports affected by the strike. Despite this the market looks like it will come off ratewise as the supply of other available tonnage will create competition as charterers have more tonnage to choose from.

Product

– EAST OF SUEZ – Another week of slow activity and softening rates in the Middle East for the LR2 market. Since last week the market has dropped another 5 points with MEG/JPN currently trading at around WS85. Available tonnage is ample for the rest of June and for the moment we do not see any signs of an immediate recovery. With a continuously quiet market for the LR1's as well, MEG/JPN has dropped another 5 points since last week and currently at around WS95. For both LR2 and LR1 inquiry for westbound cargoes has been limited this week and for the moment we assess MEG/UKC at around USD 1.775mill and USD 1.275mill respectively. The MR market has not changed much since last week, but with a relatively quiet market rates are coming under pressure. – WEST OF SUEZ – The LR2 market in the West is still waiting for a much needed rebound, and while the Naphtha arb to the East remains shut several owners have been forced to start ballasting to the Red Sea and Middle East to secure employment for their ships. For the LR1 market, the week has so far been equally quiet as the one before and rates are under pressure at around WS80 for UKC/WAFR. In the Atlantic MR market activity has been decent out of the Continent and relatively quiet in the US Gulf. Due to an overhang of available tonnage the UKC/USAC has softened a touch since last week and currently the route is trading at around WS105-107.5. With USG/UKC-MED trading around WS70 at best, several owners are ballasting back to the Continent from the USAC and with a lack of Inquiry from West Africa the market looks to be set for another week in the doldrums.



Fearnleys Weekly Report

Activity level

Capesize	Panamax	Supramax
Strong	Slow	Moderate

Rates	This week	Last week	Low 2016	High 2016
CAPESIZE (usd/day, usd/tonne)				
TCT Cont/Far East (180' dwt)	12 500	14 000	6 100	17 000
Tubarao / R.dam (Iron ore)	4.50	4.20	2.00	5.10
Richards Bay/R.dam	3.90	3.70	2.00	4.20
PANAMAX (usd/day, usd/tonne)				
Transatlantic RV	4 600	4 950	1 400	8 500
TCT Cont / F. East	8 200	8 250	5 000	11 500
TCT F. East / Cont	5 700	605.0	250.0	5 700
TCT F. East RV	3 800	4 400	1 925	5 750
Murmansk b.13-ARA 15/25,000 sc	5.25	5.20	3.60	5.75
SUPRAMAX (usd/day)				
Atlantic RV	6 500	7 400	2 510	7 400
Pacific RV	4 500	5 000	2 000	5 500
TCT Cont / F. East	9 250	9 700	5 100	11 000
1 YEAR T/C (usd/day)				
Capesize 180,000 dwt	7 750	7 000	5 000	8 550
Capesize 170,000 dwt	6 750	6 000	4 500	7 800
Panamax 75,000 dwt	5 200	5 250	4 250	5 750
Supramax 53,000 dwt	5 750	6 250	4 900	6 500
Baltic Dry Index (BDI):	610	612	n/a	n/a

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



Activity level

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

LPG Rates					* Excl. waiting time, if any
SPOT MARKET (usd/month)*	This week	Last week	Low 2016	High 2016	
VLGC / 84,000	440 000	605 000	440 000	1 765 000	
LGC / 60,000	615 000	625 000	615 000	1 500 000	
MGC / 38,000	710 000	750 000	710 000	1 075 000	
HDY / 22,000	700 000	750 000	700 000	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	175 000	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)		252.7	288.2	346.6
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	31 000	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 is presently experiencing a small scale rally, with rates in pacific picking up substantially. West Australian iron ore is the main driver, with majors and operators have been fixing a good number of ships over the past days on the c5 route. Levels are presently low 5s compared to index level of Tuesday this week at USD 4,36 pmt. The sentiment in Pacific is therefore solid. There are however no signs of same improvement in the Atlantic with tc rates in the mid USD 6,000s for transatlantic tc trips.

Panamax

The Panamax market continue to slide in both hemipsheres. With Dragon Boat festival the remainder of the week in China and Posedonia in Greece beginning week, several players are away from the market. In the North Atlantic we see a small number of prompt cargoes causing rates to slip, however this might turn as there is quite a big number of 1st half July cargoes quoted in the market. The ECSA market is fairly stable at ard USD 7,200 + 225k GBB. In the Pacific we see rates hovering ard the 4k level and the period activity is scarce. One older unit was fixed for 1 year at USD 5k while modern units worth tick more.

Supramax

In the Far East there has been significant fixing volume and the rates have been holding. There is still a congestion situation in Argentina and more cargo expected for July fuelling expectations that the ECSA market can still see a rally. Having said that the present rates are still flat. India has booked a lot of Urea for PPT delivery and due to the monsoon season that should entail congestion on the West coast of India. The period market remains very quiet, as there is a large gap on the bid/offer.

GAS

Chartering

The VLGC freight market went from bad to worse over the week, and sadly this was what several players anticipated. We saw the thin spreads (FOB/CFR) in the cargo market last week, and since then the margins have narrowed further. There have been a handful spot fixtures since our latest report and the benchmark route has been booked below USD 25 pmt - equivalent to less than USD 15,000 per day now that the bunkerprices have gone up some USD 10 to low USD 250's per ton. On the other hand, the fleet is comparatively well employed and we only see very few vessels idle pending loading their next cargoes. There are hardly any relets from traders adding to the fleet, and as such it is up to the owners to cope with the gloomy freight outlook. The Baltic VLGC index has lagged behind the actual fixtures, but we could in fact see it drop to below USD 25 shortly unless CFR prices increase quickly from current levels and sentiment. A 1991 built vessel that was put on the market for sale a week ago did not receive much interest from potential buyers, there are reasons to believe that 25 years old ladies will not be able to find secondary employment as trading vessel. Our recommendation would be to consider conversion to FSO or even better demolition.



Fearnleys Weekly Report

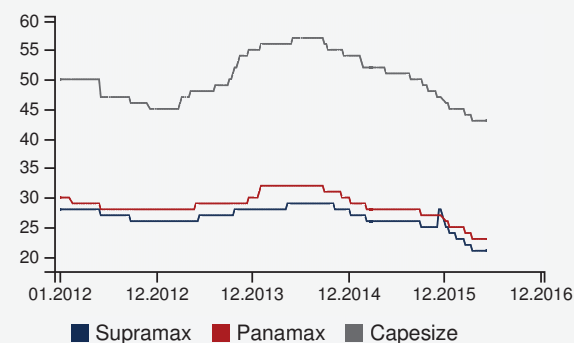
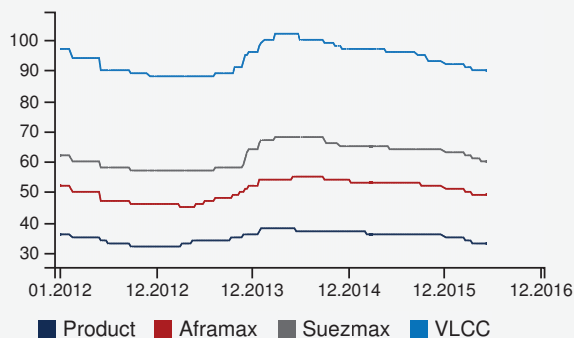
Activity level

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	170'cbm - MEGI	195.0	195.0	195.0	203.0



Market brief

	This week	Last week	Low 2016	High 2016
--	-----------	-----------	----------	-----------

Rate of exchange

USD/JPY	106.7	109.3	106.6	118.6
USD/KRW	1 152	1 193	1 135	1 234
USD/NOK	8.08	8.33	8.08	8.96
EUR/USD	1.14	1.12	1.07	1.15

Interest rate

LIBOR USD 6 mnths	0.94	0.99	0.85	0.99
NIBOR NOK 6 mnths	1.13	1.14	1.05	1.23

Commodity prices

Brent spot (USD)	52.40	49.69	28.06	52.40
------------------	-------	-------	-------	-------

Bunker prices

Singapore	380 CST	255.0	227.0	145.0	255.0
	180 CST	257.0	232.0	148.0	257.0
	Gasoil	266.0	450.0	265.0	455.0
Rotterdam	380 HSFO	236.0	224.0	107.0	236.0
	180 CST	255.0	243.0	127.0	255.0
	Diesel	452.0	444.0	245.0	452.0

NEWBUILDING

SALE AND PURCHASE TRANSACTIONS

Type	Vessel	Size	Built	Buyer	Price	Comm.
MT	Nippon	298,399	2002	Greek	28,50	
MT	ISIS	116 093	2007	Greek	27,50	
MT	Simoa	40 354	2004	Tsakos	12,90	
MT	Golden Pacific	16 600	2011	Greek	12,00	
BC	Red Ivy	181 162	2016	Undisclosed	38,50	
BC	United Treasure	82 926	2006	Greek	8,40	
BC	Endless	73 427	1999	Undisclosed	3,20	
BC	Night Owl	63 600	2016	Raven Capital	18,70	En bloc
BC	Early Bird	63 410	2016		18,70	
BC	Tenko Maru	58 732	2008	Greek	8,90	
BC	Santa Elena	56 011	2005	Undisclosed	7,20	
BC	Petra II	42 263	1991	Russian		enbloc
BC	Petra I	42 263	1991			
BC	Sea Almita	28 290	2001	Turkish	3,80	

DEMOLITIONS

Sold for demolition

Vessel name	Size	Ldt	Built	Buyer	Price
GC Bahamas Pearl	39 218	11 561	1985	Indian	261
MV Energy Enterprise	33 373	10 566	1983	Indian	272