



Fearnleys Weekly Report

Activity level

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

	Last week	Prev. week
VLCCs fixed all areas last week:	30	48
VLCCs avail. in MEG next 30 days:	125	99

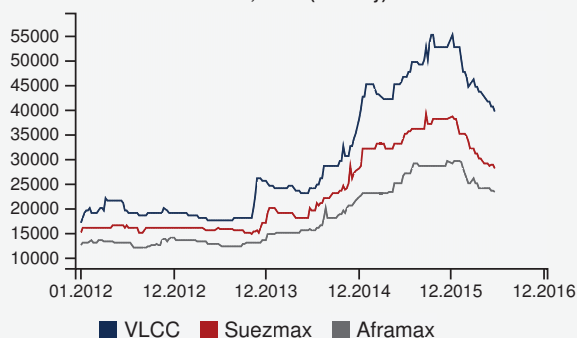
Rates

DIRTY (Spot WS)		This week	Last week	Low 2016	High 2016
MEG / West	VLCC	30.00	36.00	26.00	63.00
MEG / Japan	VLCC	48.50	68.50	47.50	111.5
MEG / Singapore	VLCC	48.50	68.50	48.50	113.5
WAF / FEAST	260,000	55.00	66.00	55.00	113.0
WAF / USAC	130,000	85.00	75.00	60.00	115.0
Sidi Kerir / W Me	135,000	80.00	80.00	67.50	135.0
N. Afr / Euromed	80,000	97.50	105.0	82.50	120.0
UK / Cont	80,000	100.0	100.0	92.50	125.0
Caribs / USG	70,000	95.00	95.00	90.00	145.0

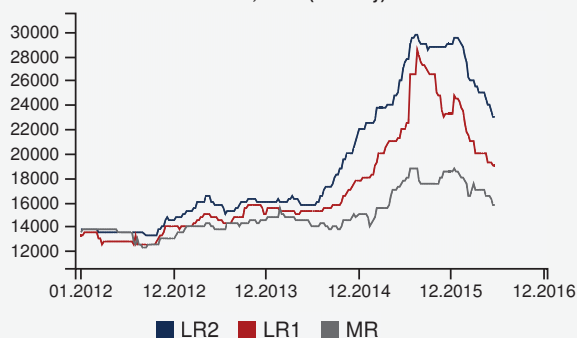
CLEAN (Spot WS)		This week	Last week	Low 2016	High 2016
MEG / Japan	75,000	80.00	85.00	80.00	160.0
MEG / Japan	55,000	90.00	95.00	90.00	150.0
MEG / Japan	30,000	100.0	105.0	100.0	135.0
Singapore / Japan	30,000	125.0	127.5	125.0	150.0
Baltic T/A	60,000	77.50	80.00	77.50	155.0
UKC-Med / States	37,000	90.00	105.0	90.00	152.5
USG / UKC-Med	38,000	60.00	70.00	60.00	125.0

1 YEAR T/C (USD/day) (theoretical)		This week	Last week	Low 2016	High 2016
VLCC	(modern)	39 500	39 500	39 500	55 000
Suezmax	(modern)	28 000	28 000	28 000	38 500
Aframax	(modern)	23 250	23 250	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

As the demand for VLCC tonnage dwindled during the week, rates plunged dramatically both ex Meg and Wafr. Caribs remained soft and limited action was reported ex Nsea giving no support to the VLCC market in general. Stem lists both in BOT and Wafr are out, not boosting owners weak position. While the market is waiting for the demand ex Saudi to come official, the list of available tonnage is building up to more than ample to handle expected demand. The outlook for the VLCC market looks bleak for the owners for the summer as charterers remain in control. The Suezmax market became rather dull first half of last week. With a big crowd of people gathered at Posidonia there was not a great deal of enquiry and the tonnage list grew bigger. As the festivities ended in Greece and daily life came back to normal, more cargoes entered the market for end/early dates. At time of writing plenty of ships have been absorbed ex West Africa but has so far not made any change to rate due to the previous build up of ships. Looking into our crystal ball we don't foresee any significant change to the market we have at the present. Aframax in the North Sea and Baltic had an upswing in rates as third decade proved to be very busy both for Nsea and Baltic on the cargo side. This firm sentiment will continue into the month of July as the list is still very tight for anyone with cargoes loading in the last decade of June. In the Med and Bsea we have, as expected, seen plenty of cargoes dropped in the market the last couple of days. Rates have remained quite stable as there was an overhang of tonnage at the beginning of the week. The strike in French ports is over for now, and as a consequence vessels are coming back out again. This will help the charterers maintain the two digit rate numbers. For the rest of the week we expect the market to remain at current levels, with a small chance of three digit numbers being done.

Product

EAST OF SUEZ The slow pace in the Middle East Gulf continued this week and charterers have been able to push down the rates for a LR2 MEG/JPN voyage another 5 points to WS80. LR1's have experienced the same fate and rates have dropped to WS90 for a voyage MEG/JPN, down 5 point from last week. Rates for westbound voyages are basically unchanged from last week i.e USD 1.750 mill on LR2 and USD 1,275 level basis LR1 respectively. With still ample tonnage available we do not see any immediate signs of recovery. The MR market is also under pressure and today's rate for MEG/JPN is paying WS100 down from WS105 last week **WEST OF SUEZ** The LR2 market on the Continent is still quiet with few cargoes quoted and recent fixtures concluded assess market to be around USD 1,700 mill basis UKC-Japan. Due lack of activity ex UKC/Baltic, several LR2 owners are ballasting towards Mediterranean/Red Sea area. We assess Med-Japan rate to be in region of USD 1,550 mill. LR1's rates are almost unchanged from last week ie around WS 77,5 level bss 60' tons from UKC to West Africa. Due tonnage availability these rates, we expect the rates will also soften for the coming week. The spot market for MR's have dropped considerably during last week where Charterers with transatlantic cargoes have been able to push rates down to WS90 level, some WS15 points less than last week. Backhaul ex US gulf is today paying WS60, only.



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Activity level

Capesize	Panamax	Supramax
Slower	Slow	Stable

Rates	This week	Last week	Low 2016	High 2016
CAPESIZE (usd/day, usd/tonne)				
TCT Cont/Far East (180' dwt)	12 750	12 500	6 100	17 000
Tubarao / R.dam (Iron ore)	4.40	4.50	2.00	5.10
Richards Bay/R.dam	3.90	3.90	2.00	4.20
PANAMAX (usd/day, usd/tonne)				
Transatlantic RV	4 500	4 600	1 400	8 500
TCT Cont / F. East	8 750	8 200	5 000	11 500
TCT F. East / Cont	600.0	570.0	250.0	800.0
TCT F. East RV	3 900	3 800	1 925	5 750
Murmansk b.13-ARA 15/25,000 sc	5.10	5.25	3.60	5.75
SUPRAMAX (usd/day)				
Atlantic RV	6 100	6 500	2 510	7 400
Pacific RV	4 400	4 500	2 000	5 500
TCT Cont / F. East	9 000	9 250	5 100	11 000
1 YEAR T/C (usd/day)				
Capesize 180,000 dwt	7 750	7 750	5 000	8 550
Capesize 170,000 dwt	6 750	6 750	4 500	7 800
Panamax 75,000 dwt	5 250	5 200	4 250	5 750
Supramax 53,000 dwt	5 250	5 750	4 900	6 500
Baltic Dry Index (BDI):	604	610	n/a	n/a

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



Activity level

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

LPG Rates				
* Excl. waiting time, if any				
SPOT MARKET (usd/month)*	This week	Last week	Low 2016	High 2016
VLGC / 84,000	460 000	440 000	440 000	1 765 000
LGC / 60,000	615 000	615 000	615 000	1 500 000
MGC / 38,000	680 000	710 000	680 000	1 075 000
HDY / 22,000	680 000	700 000	680 000	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	145 000	142 500	142 500	155 000
COASTER Europe	175 000	175 000	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)	248.8	286.0	303.2
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	35 000	31 000	29 000	35 000
1 yr TC 155-165'cbm	29 000	29 000	29 000	35 000

DRY BULK

Capesize

Some promising fixtures were done on the West Australia to China route, where miners were paying up for early tonnage. There was a hope general levels would respond but as numerous times before it did not happen. Activity and rate levels in Pacific are flat. In The Atlantic, there is lack of activity with few cargoes around and more ships for prompt dates. Levels out of Brazil however are remaining decent, with last done around USD 9,50 pmt and not too many ballasters for early dates.

Panamax

Atlantic voyage rates are under pressure, but T/C levels holding in the low/mid 4.000. ECSA activity still alive, stable abt 7.250 + 225, or < 17 pmt, descending. USG activity limited @ 9.500 + 200, or at upper 25 pmt, northbound. Pacific rounds in the the 4.000 mark, overtonnaged. For many players the current cash burn rate is a daily battle and threat to their existence. Some major Chrters are offering COA or foward cgoes, possibly a sign of an overall mrkt bottom on a long term perspective. However, Owners are reluctant to book current low levels. The forward curve is flat at 5.500 for the next 18 mos. Consequently, period activity is not ecstatic, with levels fluctuating in the low 5's to low 6's depending on specs.

Supramax

The Far East lacks direction and was not helped by holidays at the end of last week. The only stable rates are for challenging cargo, like nickel ore. Indonesian coal volume is still stable an essentially flat, rate wise. The South African market to India was expected to improve but rates have remained flat. Also the East Coast South America market is not as active as expected. USG is still paying a premium but not effecting the market as a whole. Cargo off the continent is also slow with owners struggling to cover at last done levels. The period market remains quiet and most, of not all, concluded for delivery in the East at sub Index levels.

GAS

Chartering

The sentiment in the VLGC market remained soft over the week, there were no changes in spot rates, but net returns to owners improved somewhat as bunker prices came down concurrent to the softer crude oil. A big chunk of the LPG market community has been gathering in Singapore for a conference this week and the participants have most certainly not been busy concluding freight deals - the activity level in the VLGC market was well below par the last few days. Although there is no official summary of the various presentations, discussions and negotiations (if any...) that took place in Singapore, it is probably fair to say that the delegates return to their respective desks more concerned than when they arrived. The Baltic VLGC index has for all practical purposes been flat the last couple of weeks - just around USD 25/26 per ton or equivalent to roughly USD 15,000 per day on modern VLGCs. We struggle to see any upside to the spot market in the next few weeks, but at the same time we cannot really see that rates will come off much either as long as fleet utilisation is maintained at current level. Fleet news; so far in 2016, 25 vessels have been delivered from the yards, and there are 20 more newbuildings to be added to the fleet between now and the end of the year.



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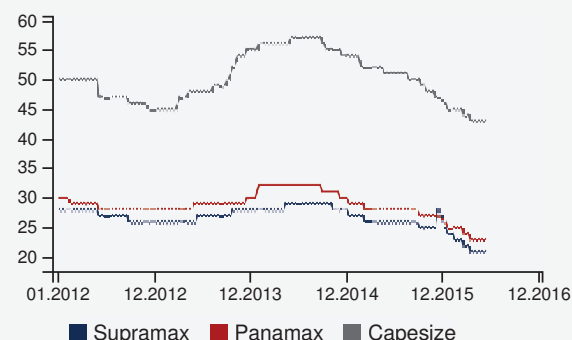
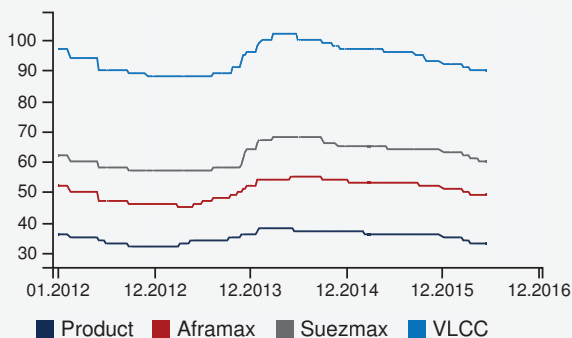
Activity level

Tankers	Dry Bulk	Others
Increasing	Low	Increasing

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	105.9	106.7	105.9	118.6
USD/KRW	1 170	1 152	1 135	1 234
USD/NOK	8.31	8.08	8.08	8.96
EUR/USD	1.12	1.14	1.07	1.15
Interest rate				
LIBOR USD 6 mnths	0.93	0.94	0.85	0.99
NIBOR NOK 6 mnths	1.14	1.13	1.05	1.23
Commodity prices				
Brent spot (USD)	49.30	52.40	28.06	52.40
Bunker prices				
Singapore				
380 CST	234.0	255.0	145.0	255.0
180 CST	244.0	257.0	148.0	257.0
Gasoil	432.0	266.0	265.0	455.0
Rotterdam				
380 HSFO	225.0	236.0	107.0	236.0
180 CST	247.0	255.0	127.0	255.0
Diesel	434.0	452.0	245.0	452.0

NEWBUILDING

Some increased newbuilding activity as deals were inked during the last week's Posidonia Shipping event. Both the Greek Owners Angelicoussis and Tsakos took advantages of crumbling newbuilding prices. Angelicoussis's Maran Gas signed up for two plus two 173,400cbm LNG carriers at DSME, while Maran Tankers signed up for two plus two 318,500dwt VLCCs at the same yard. Tsakos signed a deal with Sungdong for two plus two 75,000dwt LR1 Product Carriers. HHI has confirmed its first LNG order this year, with an order from domestic SK Shipping of two 180,000 cbm LNG carriers.

NEWBUILDING CONTRACTS

Type	No	Size	Yard	Buyer	Del	Price	Comm
CO	2	1100 teu	Guangzhou Wenchong	Tropical Shipping	2017		
CO	2	1800 teu	CSBC	Prevalence	2017		
CO	4	2500 teu	Jinling	Zhonggu	2017-2018		
CO	4	3300 teu	Cosco Zhoushan	CMA CGM	2018		
LNG	2	173400 cbm	DSME	Maran Gas	2019		
LNG	2	180000 cbm	HHI	SK Shipping	2019		
MT	2	75000 dwt	Sungdong	Tsakos	2018		
MT	2	318000 dwt	DSME	Maran Tankers	2018		

SALE AND PURCHASE TRANSACTIONS

Type	Vessel	Size	Built	Buyer	Price	Comm.
MT	Atlantic Hope	47128	2008		22	
MT	Front Dee	49494	2014	Ardmore	29,2	Part of a 6 vessel deal
BC	Billion Trader I	82050	2007	Greek Buyers	9,5	
BC	Cyan Phoenix	37302	2010	Bulgarian Buyers	7,2	
BC	Nord Delphinus	114500	2010	Oldendorff	11,5	