



# Fearnleys Weekly Report

## Activity level

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

	Last week	Prev. week
VLCCs fixed all areas last week:	46	30
VLCCs avail. in MEG next 30 days:	123	125

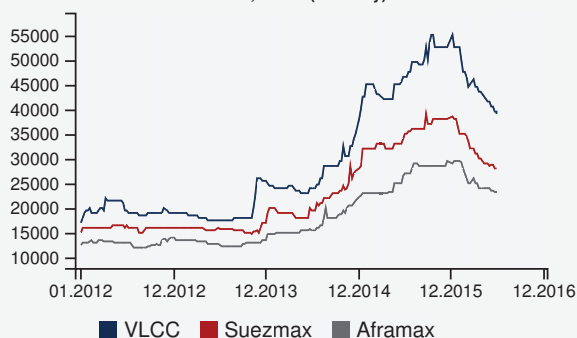
## Rates

DIRTY (Spot WS)		This week	Last week	Low 2016	High 2016
MEG / West	VLCC	25.00	30.00	25.00	63.00
MEG / Japan	VLCC	40.00	48.50	40.00	111.5
MEG / Singapore	VLCC	42.50	48.50	42.50	113.5
WAF / FEAST	260,000	52.50	55.00	52.50	113.0
WAF / USAC	130,000	72.50	85.00	60.00	115.0
Sidi Kerir / W Me	135,000	77.50	80.00	67.50	135.0
N. Afr / Euromed	80,000	122.5	97.50	82.50	122.5
UK / Cont	80,000	125.0	100.0	92.50	125.0
Caribs / USG	70,000	90.00	95.00	90.00	145.0

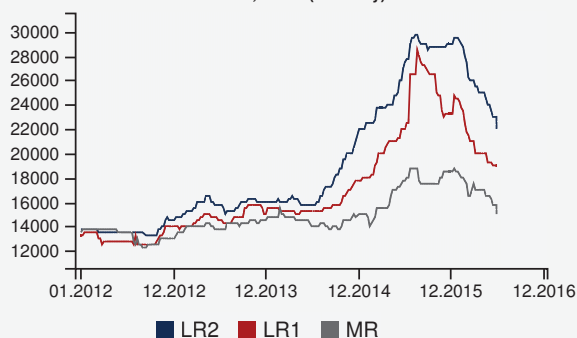
CLEAN (Spot WS)		This week	Last week	Low 2016	High 2016
MEG / Japan	75,000	80.00	80.00	80.00	160.0
MEG / Japan	55,000	90.00	90.00	90.00	150.0
MEG / Japan	30,000	100.0	100.0	100.0	135.0
Singapore / Japan	30,000	125.0	125.0	125.0	150.0
Baltic T/A	60,000	75.00	77.50	75.00	155.0
UKC-Med / States	37,000	90.00	90.00	90.00	152.5
USG / UKC-Med	38,000	70.00	60.00	60.00	125.0

1 YEAR T/C (USD/day) (theoretical)		This week	Last week	Low 2016	High 2016
VLCC	(modern)	39 000	39 500	39 000	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	22 000	23 000	22 000	29 500
LR1	80,000	19 000	19 000	19 000	24 750
MR	47,000	15 000	15 750	15 000	18 750

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



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



## TANKERS

### Crude

As we move further into the summer months, the soft trend continues for VLCCs. The position list still looks long as we move in to 2nd decade fixing ex Meg. Charterers have been in the driving seat the past week as a lack of enquiry has been introduced to the market, and this has resulted in a decline in rates. The most recent activity has however shown more resistance from owners, as quietly-made deals are being sealed, and eventually surfacing into the market. Showing that there are more limited supply for the time being than previously thought, and a potential rebound of rates might be within reach for owners. Suezmaxes in West Africa saw plenty of activity at the start of last week. This in combination with strengthening rates on the Vlcc's which gained momentum also for the Smax. But the situation was short lived and at time of writing we are facing a much slower market with falling rates as the only outcome. As the strike situation in France got resolved there was an injection of more or less prompt ships which only added further downward pressure. In the Med / Bsea cargo activity has been limited for some time now. Recent cargoes being worked in the first decade window has generated many offers and naturally rates have been coming off also in this area. Aframax rates in the Nsea and Baltic remain firm as we move into early July fixing dates. Both markets should slide sideways this week as the position list looks fairly balanced. Moving into next week we could see rates soften slightly as more vessels will be coming back into position. Med and bsea jumped up 15 points last week. Statoil paid up 10 points on a Ceyhan cargo – causing somewhat of a panic among charterers. A lot of cargoes were thrown in to the market and owners saw their chance to get some extra points. This week we have seen some replacements done out of bsea at w125, and as Trieste have two berths down for maintainance, and other key-ports having a slow turnaround, we expect the market to stay around w120 for the rest of the week.

### Product

**EAST OF SUEZ** It has been a little bit more activity in the Middle East Gulf this week but also a fair amount of failing. It seems charterers are having some difficulties in placing the cargoes available. For the LR2's MEG/JPN rates remain unchanged from last week at ws80 but there are some rumors ws82,5 has been put on subs today. LR1's also unchanged at ws90. For westbound destinations rates for Lr2's are around USD 1.775 and USD 1.800 being done on prompt dates, LR1's are still around the USD 1.300 mark. The MR market is unchanged at ws100 for Far east destination. We feel a floor has been found and rates will not fall further but have a better chance of a slow improvement. **WEST OF SUEZ** The MR market for vessels trading trans Atlantic has flattened out at ws90 after a drop last week, but with a more favorable arb Back haul cargoes ex U.S gulf have increased And rates have increase some ws15 points since last week to ws75 level. LR1 market has seen rates slide further this week, and with ample tonnage supply charterers have been able to secure rates around ws70 level some ws7,5 points lower than last week. LR2' market still quiet with few fixtures and we still assess the rate to be around USD 1.6/1.7 mill for Japan discharge, and latest assessment from the Mediterranean is USD 1.6 mill.



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## Activity level

Capesize	Panamax	Supramax
Slower	Firmer	Stable

Rates	This week	Last week	Low 2016	High 2016
<b>CAPESIZE (usd/day, usd/tonne)</b>				
TCT Cont/Far East (180' dwt)	11 500	12 750	6 100	17 000
Tubarao / R.dam (Iron ore)	4.10	4.40	2.00	5.10
Richards Bay/R.dam	3.70	3.90	2.00	4.20
<b>PANAMAX (usd/day, usd/tonne)</b>				
Transatlantic RV	4 500	4 500	1 400	8 500
TCT Cont / F. East	8 700	8 750	5 000	11 500
TCT F. East / Cont	595.0	600.0	250.0	800.0
TCT F. East RV	4 350	3 900	1 925	5 750
Murmansk b.13-ARA 15/25,000 sc	5.10	5.10	3.60	5.75
<b>SUPRAMAX (usd/day)</b>				
Atlantic RV	6 000	6 100	2 510	7 400
Pacific RV	4 750	4 400	2 000	5 500
TCT Cont / F. East	8 250	9 000	5 100	11 000
<b>1 YEAR T/C (usd/day)</b>				
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	5 400	5 250	4 250	5 750
Supramax 53,000 dwt	5 350	5 250	4 900	6 500
<b>Baltic Dry Index (BDI):</b>	<b>585</b>	<b>604</b>	<b>n/a</b>	<b>n/a</b>

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



## Activity level

COASTER	15-23,000 cbm	82,000 cbm
-	-	Increasing

<b>LPG Rates</b>					* Excl. waiting time, if any
<b>SPOT MARKET (usd/month)*</b>	<b>This week</b>	<b>Last week</b>	<b>Low 2016</b>	<b>High 2016</b>	
VLGC / 84,000	540 000	460 000	440 000	1 765 000	
LGC / 60,000	500 000	615 000	500 000	1 500 000	
MGC / 38,000	650 000	680 000	650 000	1 075 000	
HDY / 22,000	670 000	680 000	670 000	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	145 000	142 500	155 000	
COASTER Europe	175 000	175 000	165 000	190 000	

<b>LPG/FOB prices (usd/tonne)</b>		<b>Propane</b>	<b>Butane</b>	<b>ISO</b>
FOB North Sea / ANSI		288.5	269.0	
Saudi Arabia / CP		330.0	365.0	
MT Belvieu (US Gulf)		275.5	303.0	326.1
Sonatrach : Bethioua		290.0	300.0	

## LNG

<b>SPOT MARKET (usd/day)</b>	<b>This week</b>	<b>Last week</b>	<b>Low 2016</b>	<b>High 2016</b>
East of Suez 155-165'cbm	30 000	29 000	29 000	30 000
West of Suez 155-165'cbm	35 000	35 000	29 000	35 000
1 yr TC 155-165'cbm	29 000	29 000	29 000	35 000

## DRY BULK

### Capesize

Previous week was active due to a strong west Australia market. FMG and BHP was pushing out cargoes before the end of June which is the end of the financial year in Australia. Rio Tinto following the UK financial year, which different, however also Rio was active. The spot requirements pushed the C5 freight rates to USD 5 pmt. However this week have been extremely quiet. BHP and FMG have been absent from the market and Rio have fixed a very few, freight rates have therefore dropped down to very low USD 4 pmt level again. The Brazil market remains fairly stable and is at the moment looking fairly firm at arnd USD 9 pmt level.

### Panamax

Somewhat tighter in north Atlantic for shorter rounds. It looks like more owners prefer fronthaul now leaving less vessels left in the Northern Atlantic. Atlantic rounds now paying 4200 /4300 USD per day. More grains expected out of USG and /ECSA pushing fronthaul rates a bit. voyage rates sub 17 while tc tic over 7k+200 bb More activity in the far east Nopac rounds being fixed at 5k, same goes for Aussie / Japan/ China rounds. Expectations for summer mixed, paper is up but hard to believe its more than a short spike. Could it be owners finally getting a little premium after a long period of suffering. Period fixtures start slowly to move and 4/8 months concluded at 6000 daily while 1 year periods is now USD ...

### Supramax

Supramax freight rates in the Far East have risen slightly this past week and vessels are not ballasting. The South African and East Coast South America markets are looking a bit firmer as well as cargo out of the Arabian Gulf. The USG has slipped a bit and is no longer paying a premium. Cargo off the continent and East Med is scarce and vessels are ballasting out of loading areas. On the period front there is increased interest which is encouraging, with a few Ultramaxs securing premiums.

## GAS

### Chartering

Over the last few days we have seen a most welcome increase in chartering activity and an even more welcome boost of the spot rates. As of now it is hard to say whether this is the beginning of a sustainable improvement out of the rate misery or whether this hike was caused by quite a few deals in a fairly narrow window where number of vessels was limited for loading late June/early July in the MEG. Nonetheless, spot rates as well as the Baltic has come up some 10% and would be quickly on their way to the USD 30 mark (RT/Chiba) if recent activity level carries on. However, the recently (and frequently) published LPG spreads through 2016 do not allow for much improvement in the freight market at all. In fact it is very bleak reading material which everybody involved in freight hopes will be proven very wrong as we soon start with the 2nd half of the year. The fleet balance into July seems to be fairly normal in the East, but in the West it seems the owners have already taken their precautions for the 2 weeks' overhaul at Enterprise in the last week of June, first week of July and the shortage of 8-10 cargoes. Various rumours have circulated about cancellations of a pair of VLGCs (2018) at a Chinese yard and that there are still 2 unplaced orders at JMU for 2019.



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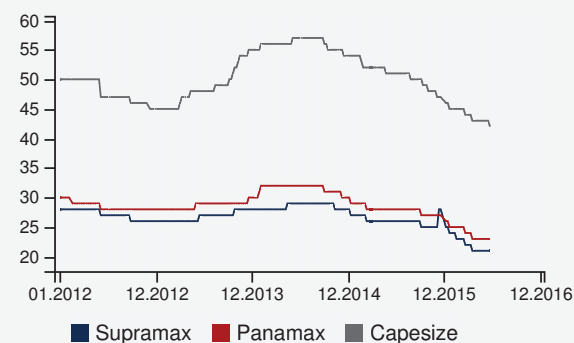
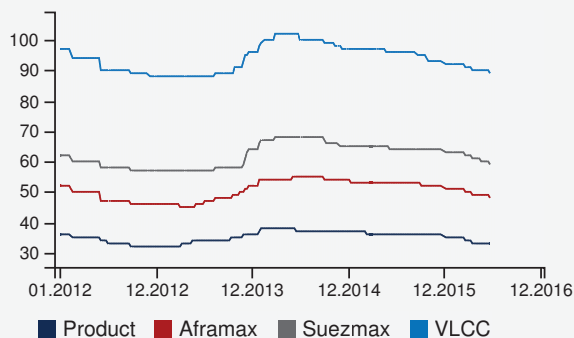
## Activity level

Tankers	Dry Bulk	Others
Low	Low	Active

## Prices

Average Far Eastern Prices

PRICES (mill usd)		This week	Last week	Low 2016	High 2016
VLCC	300'dwt	89.00	90.00	89.00	92.00
Suezmax	150'dwt	59.00	60.00	59.00	63.00
Aframax	110'dwt	48.00	49.00	48.00	51.00
Product	50'dwt	33.00	33.00	33.00	35.00
Capesize	180'dwt	42.00	43.00	42.00	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	193.0	195.0	193.0	203.0



## Market brief

	This week	Last week	Low 2016	High 2016
<b>Rate of exchange</b>				
USD/JPY	104.6	105.9	104.6	118.6
USD/KRW	1 149	1 170	1 135	1 234
USD/NOK	8.30	8.31	8.08	8.96
EUR/USD	1.13	1.12	1.07	1.15
<b>Interest rate</b>				
LIBOR USD 6 mnths	0.93	0.93	0.85	0.99
NIBOR NOK 6 mnths	1.14	1.14	1.05	1.23
<b>Commodity prices</b>				
Brent spot (USD)	50.55	49.30	28.06	52.40

## Bunker prices

Singapore	380 CST	243.0	234.0	145.0	255.0
	180 CST	258.0	244.0	148.0	258.0
	Gasoil	445.0	432.0	265.0	455.0
Rotterdam	380 HSFO	236.0	225.0	107.0	236.0
	180 CST		247.0		255.0
	Diesel	442.0	434.0	245.0	452.0

## NEWBUILDING

Strong box ship activity this week. Wan Hai Lines ordered eight 1900 TEU containerships from Japanese shipyard Naikai Zosen. According to a buyer statement, the order was made in the range between USD 212-236 mill. In addition, Chinese owner Quanzhou Ansheng Shipping ordered 6x 2400 TEU container carriers at two Chinese yards. On the tanker side, Arab Maritime Petroleum Transport Co booked 2 LR3s at HHI.

## NEWBUILDING CONTRACTS

Type	No	Size	Yard	Buyer	Del	Price	Comm
PC	2	158000 DWT	HHI	AMPTC	2018		
CONT	4	2400 TEU	Xiamen	Quanzhou Ansheng	2017-2018		
CONT	2	2400 TEU	Taizhou Sanfu	Quanzhou Ansheng	2017		
CONT	8	1900 TEU	Naikai	Wan Hai Lines	2018-2019		

## SALE AND PURCHASE TRANSACTIONS

Type	Vessel	Size	Built	Buyer	Price	Comm.
MT	Sikinos	150 709	2000	Indian (Aza Shipping)	20,00	
MT	Fiona	8 511	1997	S. Korean	5,20	
MT	Lian Run 6	2 359	2006	Chinese	2,10	
BC	SA Fortius	171 509	2001	Chinese	7,60	
BC	Roma Snug	118 000	2011	German (Oldendorff)	12,00	
BC	Asti Snug	118 000	2011	German (Oldendorff)	12,00	
BC	Meteor	84 589	2010	BW Group	12,50	Bank Sale
BC	AMS Pegasus II	81 512	2012	Greek	12,20	
BC	Elpis I	75 169	2001	Undisclosed	4,10	
BC	Samjin 1051	58 000	2016	German (Oldendorff)	13,00	
BC	Ikan Sudip	56 055	2008	Undisclosed	8,70	
BC	Atlas	53 806	2002	Undisclosed	3,40	
BC	Karoline Snug	33 324	2010	German (Oldendorff)	5,00	
BC	Lucy Snug	33 324	2010	German (Oldendorff)	5,00	
BC	Nord Houston	32 389	2011	Danish (Clipper group)	6,35	
BC	Nord Vancouver	32 353	2011	Danish (Clipper group)	6,35	
BC	Nord London	32 312	2011	Danish (Clipper group)	6,35	
BC	Nord Hong Kong	32 289	2011	Danish (Clipper group)	6,95	
BC	Azalea K	29 400	2011	Greek	7,60	
BC	Goldenstar	28 383	2001	Undisclosed	4,10	
BC	Bright Life	28 207	2011	Greek (British Bulk)	7,50	

## DEMOLITIONS

### Sold for demolition

Vessel name	Size	Ldt	Built	Buyer	Price
MV C. Queen	151 330	19 547	1994	Bangladeshi	279
MV APJ Akhil	42 760	10 275	1989	Pakistani	262
MV Tropical Star	38 248	6 681	1984	Undisclosed	195
MV Bruiser	29 089	7 299	1995	Indian	238