



# Fearnleys Weekly Report

## Activity level

VLCC	Suezmax	Aframax	P.E. of Suez	P.W. of Suez
Stable	Firmer	Stable	Active	Active

	Last week	Prev. week
VLCCs fixed all areas last week:	64	46
VLCCs avail. in MEG next 30 days:	97	123

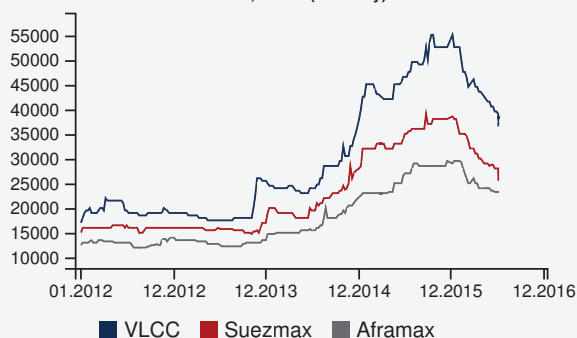
## Rates

DIRTY (Spot WS)		This week	Last week	Low 2016	High 2016
MEG / West	VLCC	27.50	25.00	25.00	63.00
MEG / Japan	VLCC	46.50	40.00	40.00	111.5
MEG / Singapore	VLCC	47.00	42.50	42.50	113.5
WAF / FEAST	260,000	52.50	52.50	52.50	113.0
WAF / USAC	130,000	70.00	72.50	60.00	115.0
Sidi Kerir / W Me	135,000	75.00	77.50	67.50	135.0
N. Afr / Euromed	80,000	112.5	122.5	82.50	122.5
UK / Cont	80,000	110.0	125.0	92.50	125.0
Caribs / USG	70,000	82.50	90.00	82.50	145.0

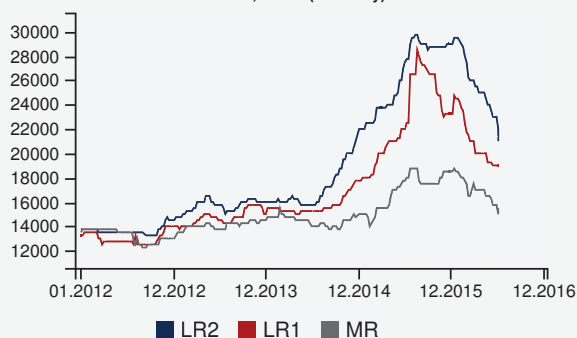
CLEAN (Spot WS)		This week	Last week	Low 2016	High 2016
MEG / Japan	75,000	90.00	80.00	80.00	160.0
MEG / Japan	55,000	107.5	90.00	90.00	150.0
MEG / Japan	30,000	100.0	100.0	100.0	135.0
Singapore / Japan	30,000	122.5	125.0	122.5	150.0
Baltic T/A	60,000	65.00	75.00	65.00	155.0
UK-Med / States	37,000	107.5	90.00	90.00	152.5
USG / UKC-Med	38,000	65.00	70.00	60.00	125.0

1 YEAR T/C (USD/day) (theoretical)		This week	Last week	Low 2016	High 2016
VLCC	(modern)	36 500	39 000	36 500	55 000
Suezmax	(modern)	25 500	28 000	25 500	38 500
Aframax	(modern)	23 250	23 250	23 250	29 500
LR2	105,000	21 000	22 000	21 000	29 500
LR1	80,000	19 000	19 000	19 000	24 750
MR	47,000	15 500	15 000	15 000	18 750

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



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



## TANKERS

### Crude

The VLCC market turned around in owners favor during last week, but most to their regret it did not last for long. The firm momentum fizzled away over the last few days and charterers are getting back in the driving seat. 1st half July is basically finished and charterers are now covering their end 2nd decade stems, while gradually working their way into 3rd decade drip feeding their requirements to the market. Rates are presently stable with an increasing softer undertone. The Atlantic has been quite active with weaker levels recorded. What initially looked like a surplus of available Suezmax tonnage beginning of last week proved not to be the case. Both the Black sea/Med and Baltic/Nsea became more busy and from old habit this took the market a little off guard as focus normally is on West Africa. Plenty of ships got absorbed in the mentioned areas in a few days' time, this left charterers looking to cover 2nd decade cargoes out of West Africa with less alternatives to choose from. At time of writing rates have increased and owners in fixing position remain bullish. If this is short lived or not need to be tested, but in our view we feel activity will ease off going forward and again let the market drift off into calmer "water". In the North Sea and Baltic last week ended on a quiet note. Charterers working their cargoes at the start of this week then managed to push rates down to ws87.5 ex Baltic and ws110 for cross Nsea voyages. Going forward the tonnage list is looking quite balanced, and we expect the market to stay at somewhat current levels with a potential downside of only ws2.5 points for Baltic load. In the Med and Bsea we had a very quiet start to the week. This lack of activity led to a drop in rates to w112,5-115 level. Charterers seized the opportunity to pick ships at lower rates quietly under the radar. At time of writing it is 8 ships on subs in the med and Bsea, and we expect rates to stabilize around these level for the remainder of the week.

### Product

EAST OF SUEZ Towards end of last week charterers with LR1 and LR2 cargoes in the middle east gulf suddenly where in a rush to cover their positions and owners where able to benefit nicely. The rate for LR2's increased some ws7,5 points overnight and LR1's got ws12,5 points extra for their services for Far east destinations. During the week it has been a steady flow of cargoes and Lr2 rates remain stable around the ws90 mark, whilst LR1's today are talking ws110 level. For west destinations USD 1.875 mill are paid for Lr2's and USD 1.550 for Lr1's. For MR's in the region rates are unchanged from last week. i.e ws100 for Far East destination and a straight Singapore to Japan voyage still pays around ws 122,5. WEST OF SUEZ From last week the LR2 market on the Continent and Mediterranean remains soft at around USD 1.6 mill for UKC/JPN, and without any real activity to build on owners are ballasting towards the Med/East to avoid idle days. The LR1 market has also seen limited activity this week and subsequently rates have cooled off and dropped some w10 points last week. Going rate seems to be around the ws65 mark, for Transatlantic/west Africa discharge. On the other hand the Mr market has experienced the complete opposite market. Due extra activity and slimmer position list owners have been able to push rates up towards the ws110 mark for a Transatlantic voyages. Backhaul cargoes from the U.S. gulf for the same vessels have dropped some ws5 points to ws65 level. The handies trading X-UKC have had a rather busy week and rates are at ws 115/120 level, rates for Handies in the Mediterranean unchanged from last week at ws130.



# Fearnleys Weekly Report

## Activity level

Capesize	Panamax	Supramax
Stable	Weakening	Firmer

Rates	This week	Last week	Low 2016	High 2016
<b>CAPESIZE (usd/day, usd/tonne)</b>				
TCT Cont/Far East (180' dwt)	13 000	11 500	6 100	17 000
Tubarao / R.dam (Iron ore)	4.35	4.10	2.00	5.10
Richards Bay/R.dam	3.80	3.70	2.00	4.20
<b>PANAMAX (usd/day, usd/tonne)</b>				
Transatlantic RV	5 250	4 500	1 400	8 500
TCT Cont / F. East	9 750	8 700	5 000	11 500
TCT F. East / Cont	750.0	595.0	250.0	800.0
TCT F. East RV	5 250	4 350	1 925	5 750
Murmansk b.13-ARA 15/25,000 sc	5.25	5.10	3.60	5.75
<b>SUPRAMAX (usd/day)</b>				
Atlantic RV	7 000	6 000	2 510	7 400
Pacific RV	5 200	4 750	2 000	5 500
TCT Cont / F. East	8 350	8 250	5 100	11 000
<b>1 YEAR T/C (usd/day)</b>				
Capesize 180,000 dwt	7 850	7 750	5 000	8 550
Capesize 170,000 dwt	6 850	6 750	4 500	7 800
Panamax 75,000 dwt	5 400	5 400	4 250	5 750
Supramax 53,000 dwt	5 500	5 350	4 900	6 500
<b>Baltic Dry Index (BDI):</b>	<b>640</b>	<b>585</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
Stable	Low	Low

<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	520 000	540 000	440 000	1 765 000	
LGC / 60,000	500 000	500 000	500 000	1 500 000	
MGC / 38,000	640 000	650 000	640 000	1 075 000	
HDY / 22,000	650 000	670 000	650 000	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	145 000	142 500	155 000	
COASTER Europe	170 000	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)		272.2	312.6	333.7
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	30 000	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

This weeks freight and activity level have kept stable. It is support at the present levels and despite a volatile market the freight levels are not dipping down to horrible levels which we saw in Q1 this year. West Aussie market is paying around USD 4,50 pmt but the activity is on the slower side compared to previous weeks. It been reported a 6 -10 months fixture with Pacific delivery close to 10k. Brazil/China freight rates are presently in the low USD 9 pmt, but it is still quite a bit of cargoes which has to be covered for the end of July, so it is expected that the rates here will keep firming. Seasonally the activity is dropping when we entering the holidays months of July/August, and same expected this year.

### Panamax

The Panamax market is moving further North in both hemispheres, although on lower volumes and at a slower pace than last week. Tighter in the North Atlantic giving owners well above 5.000 on T/C and considerably better returns on voyage. USG trading seems a bit tight, and demand is met by a good portion of ballasters. Fronthaul now close to 5 digits from Cont/Gib range. ECSA long haul still alive but levels seems a bit toppish closer to 7.000 + 200 GBB APS. Pacific rounds are well above 5.000 followed by a tick improved interest in period, where levels hover in the mid/upper 5 range. The positive sentiment is supported by a slowly elevated forward curve closer to 6 K for the next 12-18 months,

### Supramax

Supras have seen a distinct improvement during the last week with the index gaining 36 points. The average tc rate has improved from USD 5955 to USD 6337, and it is the front haul rates that are responsible for bringing the market up. There have been some individual fixtures at very strong levels in the Atlantic, and the Pacific was firming but activity has slowed at the time of writing. Short period has been concluded at upper USD 5000 on Index vessels.

## GAS

### Chartering

No change in VLGC spot rates last week, and activity was slightly below previous week. The times where the owners got the "Power of Attorney" to dictate freight rates in the spot market are long gone - for quite some time the charterers have been telling owners what the spreads (read; freight delta between FOB and CFR) are and to which extent the owners have to adjust. Undoubtedly owners have already adjusted significantly over the last few months down to current level somewhere around USD 15/16,000 per day. Recently owners are told they need to adjust down another 40% or so to employ their vessels in the spot market with the most recent, meagre spreads. Those levels are simply too low for owners to consider at the time of writing, but these levels may be inevitable going forward unless a miraculous recovery of spreads incurs. Sigh. Half a dozen VLGCs have already passed through the widened Panama canal a few days after it opened meaning that less fleet capacity is drawn and in the longer run impacting the freight market negatively. There have been talks of several cargo cancellations of USG fob cargoes lately, there has been a few already, but it will be very interesting to see whether we will see multi-cancelling shortly or whether the market like before finds a way to justify the liftings despite the poor trading environment.



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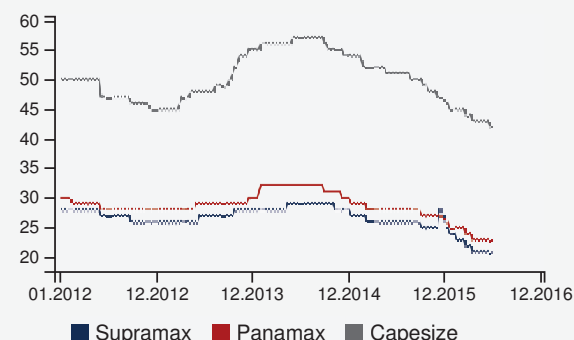
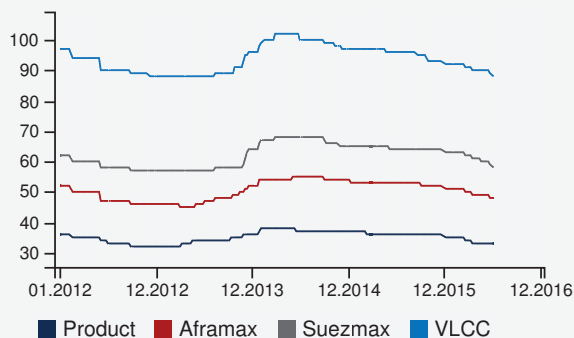
## Activity level

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	88.00	89.00	88.00	92.00
Suezmax	150'dwt	58.00	59.00	58.00	63.00
Aframax	110'dwt	48.00	48.00	48.00	51.00
Product	50'dwt	33.00	33.00	33.00	35.00
Capesize	180'dwt	42.00	42.00	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	193.0	193.0	203.0



## Market brief

	This week	Last week	Low 2016	High 2016
<b>Rate of exchange</b>				
USD/JPY	102.7	104.6	102.7	118.6
USD/KRW	1 156	1 149	1 135	1 234
USD/NOK	8.40	8.30	8.08	8.96
EUR/USD	1.11	1.13	1.07	1.15
<b>Interest rate</b>				
LIBOR USD 6 mnths	0.88	0.93	0.85	0.99
NIBOR NOK 6 mnths	1.16	1.14	1.05	1.23
<b>Commodity prices</b>				
Brent spot (USD)	48.80	50.55	28.06	52.40

## Bunker prices

	This week	Last week	Low 2016	High 2016
<b>Singapore</b>				
380 CST	252.0	243.0	145.0	255.0
180 CST	256.0	258.0	148.0	258.0
Gasoil	460.0	445.0	265.0	460.0
<b>Rotterdam</b>				
380 HSFO	228.0	236.0	107.0	236.0
180 CST	259.0			259.0
Diesel	428.0	442.0	245.0	452.0

## NEWBUILDING

Following a spike in newbuilding orders seen in the after-wake of the Posedonia event, we are now back to more normal levels. We report 9 newbuilding orders at Japanese yards this week. The large Taiwanese dry bulk Owner Wisdom Marine has entered the tanker market by ordering two Aframax Tankers at Japan Marine United (JMU). Another Taiwanese Owner, Sincere Industrial has placed an order for six Handysize Bulk carriers at Namura shipyard, all vessels slated for delivery 2017. Oldendorff has placed an order for one 62,000 dwt Super Eco Bulker at Oshima. Delivery scheduled for 2020, and price reported to 24 mill USD. We see prices still sliding south, with intense yard competition over limited enquiries in the volume segments.

## NEWBUILDING CONTRACTS

Type	No	Size	Yard	Buyer	Del	Price	Comm
BC	1	62000 dwt	Oshima	Oldendorff	2020	24	
BC	6	34000 dwt	Namura	Sincere	2017		
MPP	1	18300 dwt	Ouhua Shipbuilding	BigLift	2018		
MT	2	115000 dwt	JMU	Wisdom Marine	2019	50	
Ro/pax	1	15000 GT	RMC	Mols-Linien	2018		
Ro/pax	2	120 cars	Tersan	Fjord 1	2017		Pure battery

## SALE AND PURCHASE TRANSACTIONS

Type	Vessel	Size	Built	Buyer	Price	Comm.
MT	ShoShone Spirit	320 327	2011	Alpha	62,00	
MT	Alam Bistari	47 065	2001	Middle Eastern	12,30	
MT	DL Sunflower	44 998	1998	Taiwanese	8,50	
MT	Great Star	24 740	1991	Undisclosed	3,10	
MT	AS Ophelia	19 991	2006	Greek	19,30	
MT	Crane Harmony	11 706	2009	Undisclosed	12,00	
MT	Golden wave	8 792	2002	Chinese	8,20	
BC	Cape Althea	179 250	2011	Great Eastern Shipping	24,40	
BC	Key Boundary	83 369	2011	BW Group	13,70	
BC	Molly Manx	57 983	2010	Greek	10,70	
BC	Jin Rong	50 236	2000	Hong Kong based	3,40	
BC	Quinn J	35 000	2011	Greek	9,50	
BC	Oriental Sapphire	16 765	2003	Russian	2,75	
BC	Oriental vega	16 730	2007	Russian	3,75	

## DEMOLITIONS

### Sold for demolition

Vessel name	Size	Ldt	Built	Buyer	Price
M/V Goonyella Trader	170 873	21 320	1996	Bangladeshi	278
M/T New Alliance	106 118	15 685	1998	Chinese	198
CONT Hanjin San Diego	63 520	18 976	1997	Undisclosed	272
CONT Phoenix I	58 724	18 934	2002	Undisclosed	274
CONT Patricia Rickmers	30 781	11 463	1998	Indian	292
CONT Northern Endeavour	33 900	10 864	2001	Indian	286
M/V Victoria R	33 580	8 421	1988	Indian	253
M/V Federal Kasser	29 536	6 692	1985	Indian	259
CONT AS Castor	18 445	6 760	1997	Undisclosed	170