



Fearnleys Weekly Report

Activity level

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

	Last week	Prev. week
VLCCs fixed all areas last week:	47	36
VLCCs avail. in MEG next 30 days:	101	105

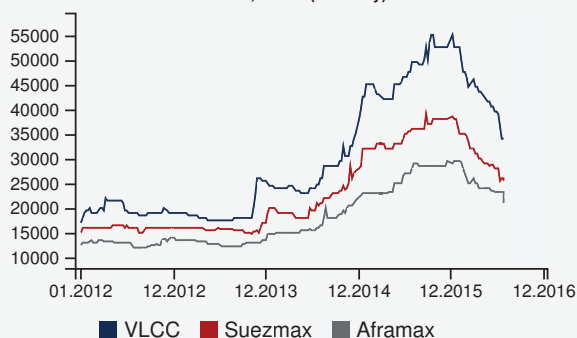
Rates

DIRTY (Spot WS)		This week	Last week	Low 2016	High 2016
MEG / West	VLCC	27.00	25.00	25.00	63.00
MEG / Japan	VLCC	44.00	42.50	40.00	111.5
MEG / Singapore	VLCC	45.00	44.00	42.50	113.5
WAF / FEAST	260,000	49.00	48.50	48.50	113.0
WAF / USAC	130,000	55.00	67.50	55.00	115.0
Sidi Kerir / W Me	135,000	67.50	72.50	67.50	135.0
N. Afr / Euromed	80,000	75.00	85.00	75.00	122.5
UK / Cont	80,000	90.00	95.00	90.00	125.0
Caribs / USG	70,000	77.50	75.00	75.00	145.0

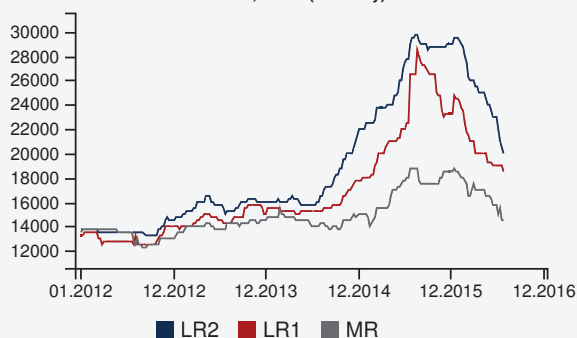
CLEAN (Spot WS)		This week	Last week	Low 2016	High 2016
MEG / Japan	75,000	85.00	85.00	80.00	160.0
MEG / Japan	55,000	97.50	100.0	90.00	150.0
MEG / Japan	30,000	110.0	100.0	100.0	135.0
Singapore / Japan	30,000	120.0	120.0	120.0	150.0
Baltic T/A	60,000	75.00	65.00	65.00	155.0
UK-Med / States	37,000	105.0	90.00	90.00	152.5
USG / UKC-Med	38,000	65.00	72.50	60.00	125.0

1 YEAR T/C (USD/day) (theoretical)		This week	Last week	Low 2016	High 2016
VLCC	(modern)	34 000	34 000	34 000	55 000
Suezmax	(modern)	25 500	26 000	25 500	38 500
Aframax	(modern)	21 000	23 250	21 000	29 500
LR2	105,000	20 000	20 000	20 000	29 500
LR1	80,000	18 500	18 500	18 500	24 750
MR	47,000	14 500	14 500	14 500	18 750

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



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



TANKERS

Crude

Despite July ending with record high volumes ex Meg it has not been sufficient for the market to firm for the VLCCs. On the contrary, rates have softened for virtually all the major routes. The volumes both in West Africa, Caribbean and North Sea have all been relatively slow and tonnage has been building up. The multiple newbuildings having been delivered is much a part of it. The August program ex Meg is on the way, but measured whilst West Africa appears to be close to finished already. Its summer and rates are under pressure for now. The soft Suezmax market continued during last week with limited activity west of Suez. Charterers seem to have had a thin program 1st decade ex Wafr, and now are working up to as far as middle August laycan. The West African market is not getting any help from other areas due to limited activity in the Caribs and Blea. Some would argue that the market has bottomed for now. Earnings are at the lowest so far this year, and some Owners have elected to hold back keeping their vessels spot off Gibraltar. Somewhat more activity in the Meg, but rates remain flat due an oversupply tonnage. Aframax trading in the Nsea and Baltic hit a year low on earnings. Rates dropped to low ws60 level ex Baltic. We will see a downward correction in the Nsea as well down to ws90. Despite a decent activity level, the abundance of available tonnage in the area reinforces the soft momentum. Rates in the Black Sea and Med have since last week dropped another 10-12.5 points. Cross-med activity has been exceptionally low and bsea cargoes alone are not enough to keep supply and demand in balance. The cargo programs available show that August will not be a particularly heavy month. It is time to buckle up and hold on tight as the market is looking very soft going forward.

Product

EAST OF SUEZ The lr2 and lr1 market can look back at a steady week with rates almost unchanged from last week. The lr1's have seen rates for far east destination drop marginally to ws97,5 and lr2 still pays ws85. The same goes for west destinations with lr2's getting paid around USD 1.825 mill and lr1's around USD 1.5 mill mark. The market looks flattish for coming week. The mr market in the Far east has been quiet with only a slight increase in rates. **WEST OF SUEZ** After a long period of a flat and unexciting market in the west at least owners of mr's and lr1's have had some fun this week. The Transatlantic rates Have increase on Mr's from ws 90 to ws105 today and rumors owners able to push rate further, lr's was paid ws65 last week for their service and are today able to secure ws75 from charterers. A little bit disappointing then that the rate for back haul from U.S gulf have dropped 7.5 points. Lr2's on the Continent are still having a hard time finding employment and several vessel are ballasting towards Mediterranean, only a couple of fixtures reported at lump sum USD 1.8 mill for Japan. Handies trading short haul on the Continent unchanged at around ws110 level.



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Activity level

Capesize	Panamax	Supramax
Active	Stable	Stable

Rates	This week	Last week	Low 2016	High 2016
CAPESIZE (usd/day, usd/tonne)				
TCT Cont/Far East (180' dwt)	14 000	15 000	6 100	17 000
Tubarao / R.dam (Iron ore)	4.60	4.80	2.00	5.10
Richards Bay/R.dam	3.90	3.90	2.00	4.20
PANAMAX (usd/day, usd/tonne)				
Transatlantic RV	7 900	7 500	1 400	8 500
TCT Cont / F. East	11 400	11 500	5 000	11 500
TCT F. East / Cont	1 200	1 100	250.0	1 200
TCT F. East RV	6 900	6 500	1 925	6 900
Murmansk b.13-ARA 15/25,000 sc	6.10	6.00	3.60	6.10
SUPRAMAX (usd/day)				
Atlantic RV	10 000	8 250	2 510	10 000
Pacific RV	6 600	6 200	2 000	6 600
TCT Cont / F. East	10 000	1 100	1 100	11 000
1 YEAR T/C (usd/day)				
Capesize 180,000 dwt	8 000	8 000	5 000	8 550
Capesize 170,000 dwt	6 950	6 950	4 500	7 800
Panamax 75,000 dwt	6 200	6 000	4 250	6 200
Supramax 53,000 dwt	6 200	6 250	4 900	6 500
Baltic Dry Index (BDI):	0	711	n/a	n/a

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



Activity level

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

LPG Rates					* Excl. waiting time, if any
SPOT MARKET (usd/month)*	This week	Last week	Low 2016	High 2016	
VLGC / 84,000	425 000	405 000	405 000	1 765 000	
LGC / 60,000	425 000	425 000	425 000	1 500 000	
MGC / 38,000	600 000	610 000	600 000	1 075 000	
HDY / 22,000	600 000	610 000	600 000	920 000	
ETH / 10,000	460 000	460 000	460 000	530 000	
SR / 6,500	425 000	430 000	425 000	460 000	
COASTER Asia	142 500	142 500	142 500	155 000	
COASTER Europe	160 000	165 000	160 000	190 000	

LPG/FOB prices (usd/tonne)		Propane	Butane	ISO
FOB North Sea / ANSI		271.0	282.5	
Saudi Arabia / CP		295.0	310.0	
MT Belvieu (US Gulf)		245.5	280.9	313.1
Sonatrach : Bethioua		290.0	310.0	

LNG

SPOT MARKET (usd/day)	This week	Last week	Low 2016	High 2016
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

The freight rates has dropped despite a active market. FMG, BHP and Rio have all provided a good amount of cargoes to the market, but freight rates have dropped from just above mid USD 4 pmt to close to USD 4 pmt on this route. The Brazil/China route have also dropped from mid usd 9 pmt to arnd USD 9 pmt. Despite a healthy amount of cargoes, it just seems that the fundamental problem of the industry continues to prevail , that there is simply too much tonnage. Period fixtures remain scarce, however as we getting closer to the autumn, which seasonally is strong, there are a few chrtrs which think it is a good time to take a vessel for the rest of the year.

Panamax

The market is stable in the atlantic hemisphere,especially for TA and South America. Need for prompt tonnage from USG and USEC for Continent/Med. Specific trades been paying a premium due to lack of prompt tonnage. Mid 8K for a good kmax,10K seen on Postpanamax for Usec/Cont. South American market still hold stable rates. Have seen 9K for Kamsarmax and Postpanamaxes to cont. Fronthaul rates in the mid 11K from ecsa to feast. We believe grain will be the driver also the coming week NoPac rounds being fixed in the high 6/7k range. Indo/ India roundes being fixed in the mid high 7k range Aussie/China rounds covered arnd 7k. Medium periods 4/7 months covered in the mid 6k range. We belive one year paying ...

Supramax

A bit slower week within Supramaxes, with index gaining modest 2 points ending up with 702 points. Contributed mainly by poor transatlantic rates and similarly poor rates seen on North Continent to South East Asia. To mark that a trip from US Gulf to the East has been seen at 8500 US /day. Rather stable rates within Far East with Supramaxe being fixed at USD 7500/day for trip from Singapore to China via Indonesia. Fertilizer business with 30,000t range from Baltic to Brazil pending around USD 16-17/t while to Bangladesh seeing rates around 34's/t.

GAS

Chartering

It has not been very busy in the VLGC spot market since our report Wednesday last week. With the risk of repeating ourselves, the trading environment still does not allow for neither conventional nor creative spot chartering, unfortunately. There is no lack of LPG fob cargoes, no lack of available VLGCs - the buyers have several cargoes on their way already to choose from and cfr values have been under further pressure lately. The VLGC fleet balance is so far not too bad, however, we have started seeing that some open positions are coming closer and closer in addition to a few prompt vessels. We maintain our view that spot rates have stabilized in the mid USD 20's per ton on Ras Tanura / Chiba basis and that the downside risk is minimal. The most obvious reason for the current market level being the floor in the short term is of course that a new freight rate adjustment from the owners' side to meet with the spreads of late would be so big that the freight market will collapse in a way that nobody wants to be part of. Therefore, the risk of increased idle time in the coming weeks is rather high, unfortunately. At the end of March the Baltic index dropped into the USD 20's - it has stayed in the 20's since then except a short period in May when it sneaked above the USD 30 mark before it softened again.



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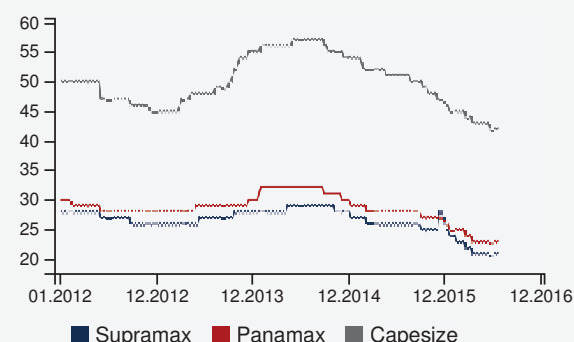
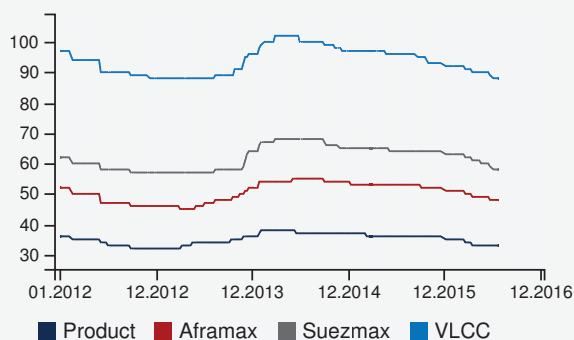
Activity level

Tankers	Dry Bulk	Others
Slow	Slow	Slow

Prices

Average Far Eastern Prices

PRICES (mill usd)		This week	Last week	Low 2016	High 2016
VLCC	300'dwt	88.00	88.00	88.00	92.00
Suezmax	150'dwt	58.00	58.00	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
Rate of exchange				
USD/JPY	106.5	104.8	100.7	118.6
USD/KRW	1 141	1 146	1 135	1 234
USD/NOK	8.50	8.40	8.08	8.96
EUR/USD	1.10	1.11	1.07	1.15
Interest rate				
LIBOR USD 6 mnths	1.00	0.95	0.85	1.00
NIBOR NOK 6 mnths	1.18	1.16	1.05	1.23

Commodity prices

Brent spot (USD)	46.82	47.64	28.06	52.40
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Bunker prices

Singapore	380 CST	238.0	249.0	145.0	255.0
	180 CST	245.0	255.0	148.0	258.0
	Gasoil	409.0	420.0	265.0	460.0
Rotterdam	380 HSFO	230.0	234.0	107.0	236.0
	180 CST	259.0	263.0		263.0
	Diesel	389.0	410.0	245.0	452.0

NEWBUILDING

Quiet week for the newbuilding market with only one order to report. Australia's Toll Shipping has signed shipbuilding Contracts with Jinling for two 12,000dwt RoRo vessels for delivery 2018.

NEWBUILDING CONTRACTS

Type	No	Size	Yard	Buyer	Del	Price	Comm
RoRo	2	12000 dwt	Jinling	Toll Shipping	2018		

SALE AND PURCHASE TRANSACTIONS

Type	Vessel	Size	Built	Buyer	Price	Comm.
MT	New tinos	305 839	1999	Undisclosed	29,00	
MT	Challenge Prospect	48 539	2005	Great Eastern Shipping	14,00	
MT	Teesta Spirit	46 921	2004	Greek	14,50	
MT	Kelp	8 424	2002	S. Korean	7,80	StSt
MT	Key South	6 412	2010	Sea Tank	10,00	
BC	United Legacy	81 344	2014	Greek	high 17,00	
BC	Mulberry Paris	76 492	2004	Greek	5,50	
BC	Samjohn Liberty	74 761	1998	Chinese	2,60	
BC	Altair	74 665	2001	Undisclosed	Undisclosed	
BC	Yangfan BC64KDM08	64 000	2016	Celsius Shipping	16,50	
BC	Darya Maya	64 000	2016	Chinese	16,90	
BC	Darya Rani	64 000	2016	Chinese	16,90	
BC	Venice Tiziano	63 800	2016	S. Korean	16,00	
BC	Maple Grove	53 474	2006	Meghna Shipping	7,80	
BC	Kenda 558	32 600	2016	Undisclosed	16,50	
BC	Cape Spencer	28 799	1997	Chinese	2,40	
BC	Shinline 9	7 009	1990	Middle Eastern	undisclosed	

DEMOLITIONS

Sold for demolition

Vessel name	Size	Ldt	Built	Buyer	Price
CONT Chicago Bridge	67 170	23 700	2001	Undisclosed	283
CONT Hammonia Ionium	34 809	11 132	1997	Indian	295
M/V True Brothers	29 643	6 645	1985	Indian	253