



Fearnleys Weekly Report

Activity level

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

	Last week	Prev. week
VLCCs fixed all areas last week:	42	47
VLCCs avail. in MEG next 30 days:	116	115

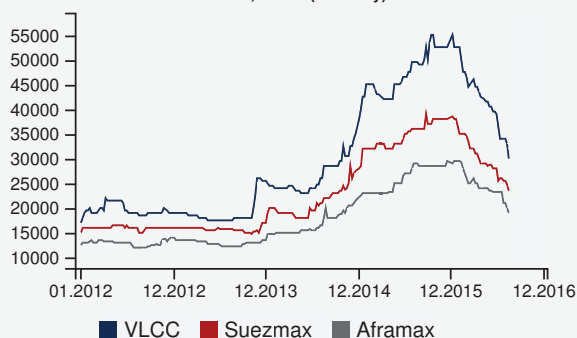
Rates

DIRTY (Spot WS)		This week	Last week	Low 2016	High 2016
MEG / West	VLCC	24.00	21.00	21.00	63.00
MEG / Japan	VLCC	35.00	32.50	32.50	111.5
MEG / Singapore	VLCC	37.50	33.00	33.00	113.5
WAF / FEAST	260,000	42.50	41.50	41.50	113.0
WAF / USAC	130,000	35.00	40.00	35.00	115.0
Sidi Kerir / W Me	135,000	45.00	50.00	45.00	135.0
N. Afr / Euromed	80,000	65.00	70.00	65.00	122.5
UK / Cont	80,000	75.00	75.00	75.00	125.0
Caribs / USG	70,000	75.00	75.00	75.00	145.0

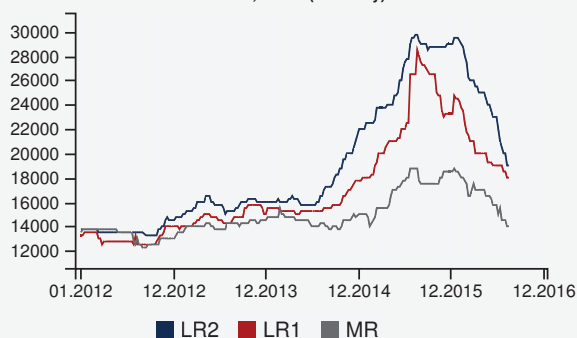
CLEAN (Spot WS)		This week	Last week	Low 2016	High 2016
MEG / Japan	75,000	105.0	105.0	80.00	160.0
MEG / Japan	55,000	107.5	105.0	90.00	150.0
MEG / Japan	30,000	110.0	110.0	100.0	135.0
Singapore / Japan	30,000	120.0	120.0	120.0	150.0
Baltic T/A	60,000	70.00	90.00	65.00	155.0
UK-Med / States	37,000	95.00	82.00	82.00	152.5
USG / UKC-Med	38,000	55.00	55.00	55.00	125.0

1 YEAR T/C (USD/day) (theoretical)		This week	Last week	Low 2016	High 2016
VLCC	(modern)	30 000	33 000	30 000	55 000
Suezmax	(modern)	23 500	24 750	23 500	38 500
Aframax	(modern)	19 000	20 000	19 000	29 500
LR2	105,000	19 000	19 000	19 000	29 500
LR1	80,000	18 000	18 000	18 000	24 750
MR	47,000	14 000	14 000	14 000	18 750

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



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



TANKERS

Crude

A slightly more active week for the VLCC's as we are about to finish the August loading program in the Meg. Rates in the early part of the week took a serious dive both in the Meg and also in Wafr, with earnings falling to close to running cost levels. Owners started to build resistance and have managed on sheer stubbornness to turn things around, though only marginally. Rates therefore off the bottoms but further upside in rates is likely to be hard work. Simply inadequate demand and too many ships for all the major VLCC routes. Suezmaxes in West Africa did not see any change from last week with rates continuing to suffer at a year low. The list of available ships is still too big for any change to take place at time of writing, charterers have been picking ships quietly off market for the few cargoes working. If the current situation keeps up for long, it will be a question of time before we see owners start to slow steam to try change the market balance. At time of writing with both Nigeria and Libya not even close to producing at normal we don't see any rapid change to the prevailing market. In the Med / Bsea same scenario is evident, a surplus of ships in position for the few cargoes that is materializing which is keeping rates "hostage" at a suffering low. Aframax rates in the North Sea and Baltic softened even further compared to last week levels. Despite increased activity for both Nsea and Baltic rates are still at bottom levels. Until the abundance of available tonnage are mopped away, we don't expect any immediate recovery in rates, and that could take a while. Med and Bsea market keeps breaking records, not in the good way, but rather quite the opposite. WS70 was the market number last week. This week mid WS60's has been fixed several times. For longer cross med voyages numbers go below WS60. Owners are frantically trying to hide their positions, but were brutally caught out when fifteen owners offered in on a Sidi Kerir/Portugal cargo.

Product

EAST OF SUEZ The market in the east has not changed noticeably since last week and for the LR1's and the LR2's the rate for east destinations remain the same as last week, i.e ws107,5 and ws105 respectively. For west destinations the market is also unchanged around the USD 2 mill mark for LR2's and USD 1,5 for LR1's. No big surprises in the MR segment either with the benchmark voyage from Sikka to Japan still fixing around ws105 level and Singapore to Japan at ws120. We feel a slight softening trend in the market so rates could come under pressure coming week.

WEST OF SUEZ After a steady week for MR's trading trans-Atlantic with rates hovering around the ws80 mark several charterers came into the market yesterday and suddenly the rate was up ws15 points, to ws 95 level, and the momentum is there for further improvement. Backhaul cargo ex U.S. gulf is unchanged from last week at around the ws55 mark. Contrary to MR's, owners of LR1's have had slow activity and rates for west Africa have dropped almost Ws 20 points since last week to ws70 today. LR2 fixing still slow and we still assess rate to USD 1.8 mill ex Cont for Japan, while rate is assessed at around USD 1,7 mill ex med. No big surprises in the handy market this week, cross Mediterranean still around 112,5 and cross UKC 107,5.



Fearnleys Weekly Report

Activity level

Capesize	Panamax	Supramax
Increasing	Mixed	Stable

Rates	This week	Last week	Low 2016	High 2016
CAPESIZE (usd/day, usd/tonne)				
TCT Cont/Far East (180' dwt)	11 500	12 000	6 100	17 000
Tubarao / R.dam (Iron ore)	4.00	4.00	2.00	5.10
Richards Bay/R.dam	3.50	3.50	2.00	4.20
PANAMAX (usd/day, usd/tonne)				
Transatlantic RV	5 250	5 200	1 400	8 500
TCT Cont / F. East	10 500	9 100	5 000	11 500
TCT F. East / Cont	1 000	1 000	250.0	1 200
TCT F. East RV	5 250	5 000	1 925	6 900
Murmansk b.13-ARA 15/25,000 sc	4.80	4.70	3.60	6.10
SUPRAMAX (usd/day)				
Atlantic RV	6 000	8 700	2 510	10 000
Pacific RV	6 100	6 000	2 000	6 600
TCT Cont / F. East	9 750	9 500	1 100	11 000
1 YEAR T/C (usd/day)				
Capesize 180,000 dwt	7 500	7 500	5 000	8 550
Capesize 170,000 dwt	6 500	6 500	4 500	7 800
Panamax 75,000 dwt	5 800	5 800	4 250	6 200
Supramax 53,000 dwt	6 250	6 000	4 900	6 500
Baltic Dry Index (BDI):	638	641	n/a	n/a

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



Activity level

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

LPG Rates					* Excl. waiting time, if any
SPOT MARKET (usd/month)*	This week	Last week	Low 2016	High 2016	
VLGC / 84,000	318 000	390 000	318 000	1 765 000	
LGC / 60,000	318 000	390 000	318 000	1 500 000	
MGC / 38,000	580 000	590 000	580 000	1 075 000	
HDY / 22,000	580 000	590 000	580 000	920 000	
ETH / 10,000	480 000	480 000	460 000	530 000	
SR / 6,500	420 000	425 000	420 000	460 000	
COASTER Asia	142 500	142 500	142 500	155 000	
COASTER Europe	150 000	160 000	150 000	190 000	

LPG/FOB prices (usd/tonne)				
	Propane	Butane	ISO	
FOB North Sea / ANSI	247.5	243.5		
Saudi Arabia / CP	285.0	290.0	302.6	
MT Belvieu (US Gulf)	227.3	274.6		
Sonatrach : Bethioua	252.0	262.0		

LNG

SPOT MARKET (usd/day)	This week	Last week	Low 2016	High 2016
East of Suez 155-165'cbm	34 000	30 000	29 000	34 000
West of Suez 155-165'cbm	41 000	37 000	29 000	41 000
1 yr TC 155-165'cbm	30 000	29 000	29 000	35 000

DRY BULK

Capesize

The Pacific side is looking more positive, driven by Australian iron ore. The increased activity by the Australian miners has improved rates by 30 cents so far this week and owners are convinced the trend will continue. In the Atlantic however the situation remains as per last week with a surplus of spot ships and hardly any spot cargoes. The five tc average is presently USD 5500.

Panamax

The sluggish tendency from last week has been temporized by early week holidays in the East and muted activity. Fresh Atlantic requirements and increased USG fronthaul activity lifted the sentiment from mid week though. T/A rounds now paying above 5.000 on T/C, although voyage rates not showing same improved results yet. Fronthaul from Cont alt USG stand well above 10.000 bs Cont/Med delivery, and Owners are reluctant to move. ECSA fronthaul still alive and done above 7500 + 250 mid week. In the Eastern hemisphere rates have been more shaky, but rates seem to hold in a 5.000 market on average and moving north. Period activity a bit scarce with levels in the mid/upper 5's for Panamax for short up to abt 1 year.

Supramax

Rates continue to be under pressure with index ending up with 639 points and average TC value at USD6,680. Supply of vessels within Continent/Baltic has increased and although the preference is to stay in the Atlantic, there are more owners willing to rate to the Far East. Fertilizer business among 30,000dwt have seen rates around USD19 from Baltic to Brazil.. Rates out of ECSA are definitely softening while the USG is uncertain. In addition, slow start for the week in Asia with national holidays in Singapore and Japan. Rates in South East Asia are generally moving sideways, or softening. Most trades are concluded on a leg basis with owners absorbing the ballast. The period market is quiet for now.

GAS

Chartering

Following up on last week's text the VLGC market freights are still under pressure although this week we have seen some more spot activity EOS but unfortunately not enough to turn the downward freight spiral. A couple of VLGC's are now confirmed around the USD 20 pmt mark (or even just below) basis RT / Chiba for 2nd Half Aug laycan(s). We hope we will soon see some bright lights in the end of the tunnel but as of now it's difficult to assess when potentially we will see a turning point. The arbitrage shows no signs of improvement and the cargo cancellations ex US Gulf continues. Sofar in August we count 9 VL cargo cancellations and Traders are willing to continue to cancel these cargoes unless they get freight that makes economics better than cancelling.



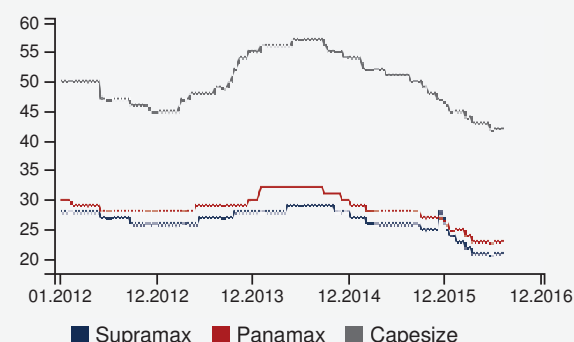
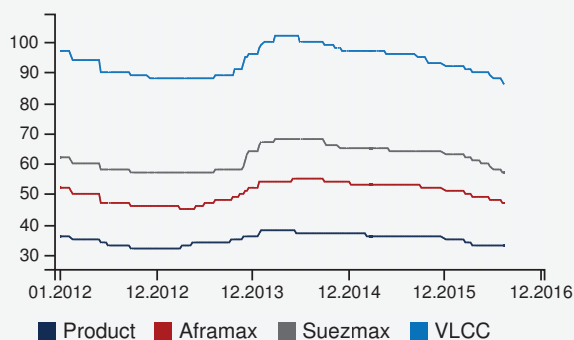
Fearnleys Weekly Report

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	86.00	87.00	86.00	92.00
Suezmax	150'dwt	57.00	57.00	57.00	63.00
Aframax	110'dwt	47.00	47.00	47.00	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	187.0	187.0	187.0	203.0



Market brief

	This week	Last week	Low 2016	High 2016
Rate of exchange				
USD/JPY	101.1	101.3	100.7	118.6
USD/KRW	1 093	1 118	1 093	1 234
USD/NOK	8.30	8.44	8.08	8.96
EUR/USD	1.12	1.12	1.07	1.15
Interest rate				
LIBOR USD 6 mnths	1.19	1.13	0.85	1.19
NIBOR NOK 6 mnths	1.29	1.23	1.05	1.29

Commodity prices

Brent spot (USD)	45.15	42.30	28.06	52.40
------------------	-------	-------	-------	-------

Bunker prices

Singapore	380 CST	224.0	212.0	145.0	255.0
	180 CST	234.0	218.0	148.0	258.0
	Gasoil	390.0	365.0	265.0	460.0
Rotterdam	380 HSFO	215.0	206.0	107.0	236.0
	180 CST	239.0	235.0		263.0
	Diesel	369.0	346.0	245.0	452.0

NEWBUILDING

Limited newbuilding activity over the past week with no new orders to report as we peak the summer season in Europe. However, as newbuilding prices continue the south trend, we do expect to see Tanker orders being placed in the short term, especially for VLCCs.

SALE AND PURCHASE TRANSACTIONS

Type	Vessel	Size	Built	Buyer	Price	Comm.
MT	Kaminesan	303 896	2003	Eurotankers	28,30	Ballast tanks require works
MT	Navig8 Solace	109 999	2016	BoC	40,50	10yr BBB with call option
MT	Navig8 Solidarity	109 999	2015		38,40	
MT	Navig8 Stability	109 999	2016		40,50	
MT	Oliphant	40 000	2004	Sea World Management	13,50	Incl. 2yr TC back
MT	Nord Mermaid	38 461	2006	Undisclosed	mid 13,00	
MT	North Contender	19 925	2005	Vietnamese	18,80	SUS 316L
MT	Showa Maru	5 676	2007	Uyeno Transtech	7,00	
BC	Rikke	81 582	2016	Nisshin Shipping	22,00	
BC	Tsuneishi Zhoushan SS-221	81 582	2016		22,00	
BC	JS Meuse	63 500	2012	Undisclosed	12,20	
BC	Dalian Cosco KHI DE031	61 000	2016	BW Group	18,30	
BC	Kilian S	56 793	2010	Wilmar International	6,90	On subs
BC	Maemi Pioneer	53 505	2007	Undisclosed	8,20	
BC	Kittiwake	53 146	2002	UK based	4,30	
BC	Triple Ever	52 454	2005	Singaporean	7,30	
BC	Newlead Castellano	35 542	2013	MTM	7,40	At auction
BC	Bulker Alessia	35 000	2010	Greek	9,20	
BC	Castle Island	28 759	1997	Undisclosed	low 2,00	
BC	San Nikolas	28 322	1996	Chinese	2,25	
BC	Quin Feng 318	27 120	2010	Chinese	2,70	

DEMOLITIONS

Sold for demolition

Vessel name	Size	Ldt	Built	Buyer	Price
OFFSH Federal I	149 235	24 550	1982	Pakistani	205
CONT Cap Stewart	51 046	16 054	2001	Bangladeshi	270
CONT Anke	42 200	14 900	2002	Bangladeshi	297
M/V Dream True	11 207	4 405	1983	Pakistani	246