



Fearnleys Weekly Report

Activity level

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

	Last week	Prev. week
VLCCs fixed all areas last week:	30	42
VLCCs avail. in MEG next 30 days:	114	116

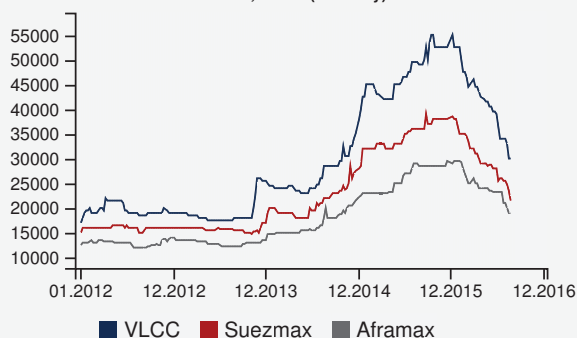
Rates

DIRTY (Spot WS)		This week	Last week	Low 2016	High 2016
MEG / West	VLCC	27.00	24.00	21.00	63.00
MEG / Japan	VLCC	41.50	35.00	32.50	111.5
MEG / Singapore	VLCC	42.50	37.50	33.00	113.5
WAF / FEAST	260,000	42.50	42.50	41.50	113.0
WAF / USAC	130,000	35.00	35.00	35.00	115.0
Sidi Kerir / W Me	135,000	42.50	45.00	42.50	135.0
N. Afr / Euromed	80,000	65.00	65.00	65.00	122.5
UK / Cont	80,000	77.50	75.00	75.00	125.0
Caribs / USG	70,000	75.00	75.00	75.00	145.0

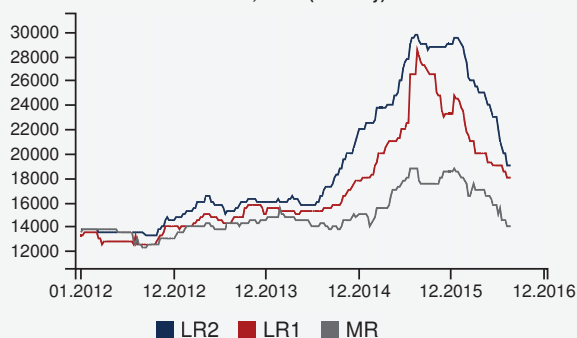
CLEAN (Spot WS)		This week	Last week	Low 2016	High 2016
MEG / Japan	75,000	105.0	105.0	80.00	160.0
MEG / Japan	55,000	115.0	107.5	90.00	150.0
MEG / Japan	30,000	105.0	110.0	100.0	135.0
Singapore / Japan	30,000	115.0	120.0	115.0	150.0
Baltic T/A	60,000	75.00	70.00	65.00	155.0
UK-Med / States	37,000	90.00	95.00	82.00	152.5
USG / UKC-Med	38,000	50.00	55.00	50.00	125.0

1 YEAR T/C (USD/day) (theoretical)		This week	Last week	Low 2016	High 2016
VLCC	(modern)	30 000	30 000	30 000	55 000
Suezmax	(modern)	21 500	23 500	21 500	38 500
Aframax	(modern)	19 000	19 000	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 slow start of the week as players waited for the September stem confirmations in the Meg. The BOT stem confirmations resulted in very little but when the Saudi stems were out , activity resumed. Owners have in the meantime held back and it's clear that the rates did bottom last week and are showing some firming tendencies towards the end of the week. Meg/East has ticked up to w42,5 and Meg/West to w27,5. Wafr/East activity still a bit slow, mostly due to very soft Suezmax rates. Further increase may not be that easy. Caribs/East has seen more activity, but rates had fallen sharply and further increase probably down the road, if at all. The activity level for Suezmaxes picked up last week, although rates are not holding up as a new low were concluded for a Wafr/TA voyage due to a long positions list. The September program are under way in West Africa, and the activity is expected to continue , although with little or no help from Black Sea/Med so far , we expect rates to stay soft in short term. In the MEG rates seems to have settled a bit as we have seen a handful of Suezmaxes covering initial VLCC cargoes. Aframax trading in the North Sea and Baltic encountered another dull week with rates hovering at bottom levels with returns at about \$3000 per day. However, on the back of more activity ex Baltic and Owners not willing to give short options at current levels, Owners sentiment are picking up and rates could improve marginally for September dates. Rates for Med and Bsea have softened even further from last week. A ws62,5 was fixed from Ceyhan earlier this week. However we could be seeing the bottom of the market for now, as there are some positive signs emerging for the period ahead. Better cargo activity for the last two weeks have helped thin out the tonnage list, and the Bsea loading program for September is rather busy.

Product

EAST OF SUEZ For the LR2's in the middle east gulf the market has been fairly active but not sufficiently enough to increase rates. Owners still get ws105 for far east discharge and USD 2,1 mill for Continent discharge. Good activity also in the LR1 segment but here owners have been more successful in taking advantage of the activity and have been able to push rates up some 5/10 points to ws115 today and lumpsum USD 1.6 mill for Continent discharge. And the momentum is still positive. For MR's it has been a slight decline in rates and rates have dropped some 5 point since last week. WEST OF SUEZ In the Atlantic rates have been under pressure and MR's fixing from the Continent to States have seen rate drop to ws90 this week. The backhaul cargo ex U.S. gulf has not given any relief as owner have been pushed to agree to ws50 level, down from ws55. After last week's almost 20 point drop for the LR1's rate seems now to have flattened out and currently owners are fixing around ws75 level for a cargo from Continent to west Africa. LR2's have been quiet and the benchmark voyage from Mediterranean is unchanged around USD 1.725 mill level for far east destination. It has also been quiet for Cargoes ex Continent with several owners ballasting towards Mediterranean after completing discharge. No big surprises in the Handy market this week either with rates floating around ws122,5 for cross Mediterranean and ws115 for cross Continent.



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Activity level

Capesize	Panamax	Supramax
Stable	Stable	Stable

Rates	This week	Last week	Low 2016	High 2016
CAPESIZE (usd/day, usd/tonne)				
TCT Cont/Far East (180' dwt)	12 000	11 500	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	6 000	5 250	1 400	8 500
TCT Cont / F. East	10 750	10 500	5 000	11 500
TCT F. East / Cont	1 100	1 000	250.0	1 200
TCT F. East RV	5 600	5 250	1 925	6 900
Murmansk b.13-ARA 15/25,000 sc	5.00	4.80	3.60	6.10
SUPRAMAX (usd/day)				
Atlantic RV	6 000	6 000	2 510	10 000
Pacific RV	6 750	6 100	2 000	6 750
TCT Cont / F. East	10 150	9 750	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	5 750	5 800	4 250	6 200
Supramax 53,000 dwt	6 250	6 250	4 900	6 500
Baltic Dry Index (BDI):	685	638	n/a	n/a

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



Activity level

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

LPG Rates					* Excl. waiting time, if any
SPOT MARKET (usd/month)*	This week	Last week	Low 2016	High 2016	
VLGC / 84,000	260 000	318 000	260 000	1 765 000	
LGC / 60,000	290 000	318 000	290 000	1 500 000	
MGC / 38,000	570 000	580 000	570 000	1 075 000	
HDY / 22,000	570 000	580 000	570 000	920 000	
ETH / 10,000	480 000	480 000	460 000	530 000	
SR / 6,500	410 000	420 000	410 000	460 000	
COASTER Asia	142 500	142 500	142 500	155 000	
COASTER Europe	145 000	150 000	145 000	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	
MT Belvieu (US Gulf)		233.8	269.5	302.0
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	34 000	29 000	34 000
West of Suez 155-165'cbm	41 000	41 000	29 000	41 000
1 yr TC 155-165'cbm	30 000	30 000	29 000	35 000

DRY BULK

Capesize

An extremely volatile last week, where the main driver have been the west Australia market. Freight rates moved from very low USD 4 pmt level to very high USD 4 pmt level at the end of last week. However now mid week the freight rates on west Australia have dropped below the mid USD 4 pmt level again. The Atlantic market did not support the activity level and the increase in freight levels which we saw in the Pacific and on west Australia. The Brazil to China route have remained just above USD 9 pmt level. So main focus remains on the active and volatile west Australia market now that we enter the autumn months which seasonally have strong activity, hopefully freight rates could follow up if activity increase.

Panamax

Early week holidays reducing trading and leaving market direction vague and abit topish. However, from mid week it seems fhaul from USG and Black Sea is still driving the sentiment and lifting the Atlantic levels close to 6.000 for T/A and 11.000 for long trips out. Fine tuned and tight for tonnage on the Continent giving owners a premium for short T/A runs or fronthaul.Firming up in the Eastern Hemisphere led by fresh Indo- and Aussie rounds paying on average mid 5's up to low 6K. NOPAC activity abit scarce with an increase in open positions ppt onw who will need further fresh requiremnts to hold that market up.Period activity and levels unchanged, with owners talking 6K + for short/medium but not much reported.

Supramax

The week has held up. After the most of the world is back at work there is some optimism again in the market. The far east volume has increased as well as the freight rates. In the Atlantic there is a fair amount of activity and it is especially the USG market where demand for end August loaders has grown, fueling the market. The same can be said for grain from the Black Sea to India and Bangladesh, but concerns about the monsoon season are holding owners back. The period market remains quiet.

GAS

Chartering

Despite some increased spot activity in the VLGC spot market over the last few trading days, we have not seen much improvement in the rates. A handful of the latest spot fixtures were concluded on floating Baltic average September hence the actual freight economics are unknown at the moment. The Baltic VLGC index had been falling in small steps every single day for nearly a month ticked an equally small step up yesterday. It is hard to say whether this is a temporary micro-recovery, stabilization or whether there is some sort of "protection" of rates when net returns are on their way below OPEX. In short the market is characterized by ample supply of vessels and FOB cargoes - the big hurdle is the same as in the past months; the CFR markets are weak, too, leaving the FOB/CFR delta well below the comfort zone. We believe this is the bottom of the current freight cycle - yes, there are quite a few prompt vessels in various locations, but we have seen recently that this maybe the end of owners willingness/ability to adjust to the meagre freight delta. In other words, rates will not go lower, but earnings may as increased idle time could become an issue ahead.



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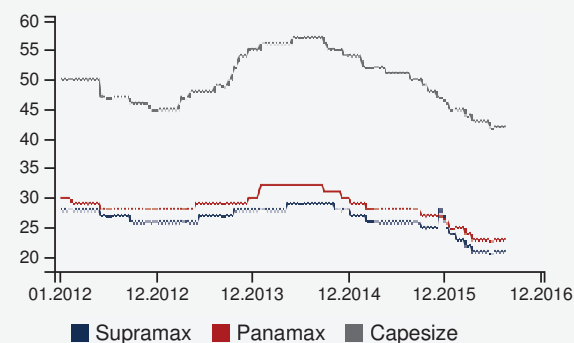
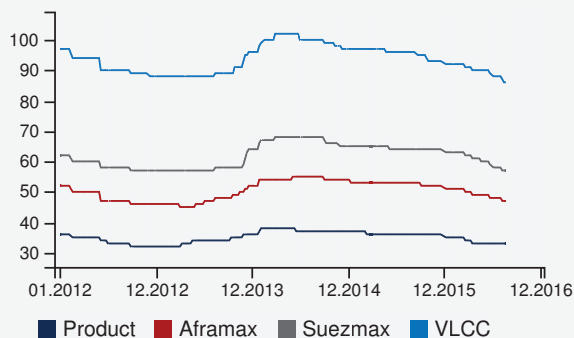
Activity level

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	86.00	86.00	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	100.7	101.1	100.7	118.6
USD/KRW	1 108	1 093	1 093	1 234
USD/NOK	8.22	8.30	8.08	8.96
EUR/USD	1.13	1.12	1.07	1.15

Interest rate				
LIBOR USD 6 mnths	1.19	1.19	0.85	1.19
NIBOR NOK 6 mnths	1.31	1.29	1.05	1.31

Commodity prices				
Brent spot (USD)	49.08	45.15	28.06	52.40

Bunker prices					
Singapore	380 CST	255.0	224.0	145.0	255.0
	180 CST	263.0	234.0	148.0	263.0
	Gasoiil	435.0	390.0	265.0	460.0
Rotterdam	380 HSFO	242.0	215.0	107.0	242.0
	180 CST	270.0	239.0		270.0
	Diesel	415.0	369.0	245.0	452.0

NEWBUILDING

Korean order book is now at the lowest point since 2003, and yards are currently going through tough restructuring programs to face the slowdown. On the positive side, HHI has confirmed an order for 2 VLCC tankers from the Greece Owner Almi Tankers. Delivery slated for 1st half 2018 from the HHI Samho facility. This is the first VLCC order for HHI this year. The UK owner Lomar Shipping has placed a major order of totally 7 firm + 12 optional 1800 teu container vessels at Jiangziji and Cosco Guangdong. Delivery scheduled for 2018 and 2019. The Fincantieri backed shipbuilder Vard has confirmed that the Ponant cruise order consisting of four 180 pax cruise ships is now firm. Delivery scheduled for 2018-19 from the Vard Søviken yard.

NEWBUILDING CONTRACTS

Type	No	Size	Yard	Buyer	Del	Price	Comm
CO	4	1800 teu	Yangzijiang	Lomar	2018-19		
CO	3	1800 teu	Cosco Guangdong	Lomar	2019		
MT	2	317000 dwt	HHI	Almi Tankers	2018		

SALE AND PURCHASE TRANSACTIONS

Type	Vessel	Size	Built	Buyer	Price	Comm.
MT	Pacific Duchess	46 697	2009	Undisclosed	43,00	En bloc
MT	Pacific Marchioness	46 697	2010			
BC	TRF Charleston	208 000	2017	Korean buyer	33-34	
BC	TRF Christiania	208 000	2017		33-34	
BC	Atlas Island	76 554	2008	Greek	9,50	
BC	Grand Sky	75 752	1998	Chinese	3,00	
BC	Yangtze	73 461	2001	Chinese	3,10	
BC	N/B Resale Hull DE031	61 200	2017	BW Group	18,30	
BC	Jin Bi	48 220	2000	Chinese	3,80	
BC	Moondy Bay	18 315	1997	Undisclosed	1,88	At auction

DEMOLITIONS

Sold for demolition

Vessel name	Size	Ldt	Built	Buyer	Price
FPSO Federal I	149 237	24 550	1982	Undisclosed	205
CONT HS Beethoven	58 213		2002	Undisclosed	275
CONT Seaspan Excellence	61 441	24 384	2003	Undisclosed	280
M/V Sireen B.	21 339	5 214	1984	Pakistani	Undisclosed
REEF Lapponian Reefer	11 095		1992	Indian	Undisclosed
MPP Dream True	11 242	4 405	1983	Pakistani	246