

Fearnleys Weekly Report

Activity level

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

	Last week	Prev. week
VLCCs fixed all areas last week:	52	30
VLCCs avail. in MEG next 30 days:	115	114

Rates

DIRTY (Spot WS)		This week	Last week	Low 2016	High 2016
MEG / West	VLCC	25.00	27.00	21.00	63.00
MEG / Japan	VLCC	35.00	41.50	32.50	111.5
MEG / Singapore	VLCC	36.00	42.50	33.00	113.5
WAF / FEAST	260,000	40.00	42.50	40.00	113.0
WAF / USAC	130,000	42.50	35.00	35.00	115.0
Sidi Kerir / W Me	135,000	47.50	42.50	42.50	135.0
N. Afr / Euromed	80,000	65.00	65.00	65.00	122.5
UK / Cont	80,000	77.50	77.50	75.00	125.0
Caribs / USG	70,000	82.00	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	115.0	90.00	150.0
MEG / Japan	30,000	105.0	105.0	100.0	135.0
Singapore / Japan	30,000	117.5	115.0	115.0	150.0
Baltic T/A	60,000	85.00	75.00	65.00	155.0
UKC-Med / States	37,000	80.00	90.00	80.00	152.5
USG / UKC-Med	38,000	50.00	50.00	50.00	125.0

1 YEAR T/C (usd/day) (theoretical)		This week	Last week	Low 2016	High 2016
VLCC	(modern)	29 000	30 000	29 000	55 000
Suezmax	(modern)	21 000	21 500	21 000	38 500
Aframax	(modern)	18 000	19 000	18 000	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

The September program in the Meg is under way, but in a rather leisurely tempo. Charterers are holding back and biding their time whilst tonnage is building up. Consequently, rates are under severe attacks when charterers decided to engage and have softened both for East and West destinations. Wafr/East remains docile as well which adds to the tonnage availability. Some more Caribbean/East activity, but rates here also soft though keeping ships from ballasting elsewhere. The entire VLCC segment is lacking momentum and rates could soften further from present levels. After a long period of rates scraping along the bottom, owners are now in the driving seat, though for how long remains to be seen. A rush of enquiries in West Africa coupled with multiple cargoes loading USG for east destinations saw rates in west Africa rise from w35 to w42,5 at the time of writing for Ukc-Med discharge. Long-haul voyages also been booked in Med/Bsea which will help on the, up to now, ample tonnage availability. Meg fixing away steadily, but rates could easily move up if the level of activity in the Atlantic basin continues. The North Sea and Baltic Aframax markets have been fairly quiet the past week. On the bright side we have seen increased activity on fuel oil. But this looks more like opportunity barrels rather than real business. However, even if materialized, this fuel activity will not be enough to pick up the current slack. Also, Primorsk is closed from the 5th until the 9th of September due to maintenance. And as such, both markets will continue to move sideways. Recent cargo activity in the Med and Bsea have been exceptionally high compared to what we have experienced for the past few weeks. However, rates are still hovering around w65-67.50. Owners seems to agree to keep the quoted cargoes private as competition is fierce as charterers have plentiful of tonnage to choose from. Consequently, the charterers can go and pick ships under the radar and seemingly manage to keep the rates at current levels.

Product

EAST OF SUEZ Without any positive or negative impulses this last week the market conditions in the Middle East Gulf is more or less unchanged from last week. LR2's still fixing around ws105/102,5 mark for east discharge and their little sister is still fixing around ws115. Also for west destination's rates have been flat and unchanged at USD 2,100 mill level and USD 1,6 mill level respectively. MR still going around the ws105 level for East discharge. The market in the Far East has also been flat and uneventful and Singapore to Japan still fixing at ws115/117,5 level Basis 30.000 mtons

WEST OF SUEZ In the Atlantic we have seen a two tier market develop this week. The MR segment has been without any positive signs and rates for transatlantic cargoes have dropped 10 ws point to ws 80 level. The backhaul cargo ex U.S. gulf is still at ws50 unchanged from last week. On the other hand LR1 owners have, though from very low levels, been able to push rate for west Africa discharge up 10 ws points this week. Still very quiet for the LR2's on the Continent but rates basis loading in the Mediterranean to far east is now paying USD 1,775 mill level up some USD 50.000 since last week. No big surprise but the Handy/MR market for inter Mediterranean and Continent more or less unchanged at ws112,5 and ws110 level, respectively.

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Activity level

Capesize	Panamax	Supramax
Moderate	Weakening	Active

Rates	This week	Last week	Low 2016	High 2016
CAPE SIZE (usd/day, usd/tonne)				
TCT Cont/Far East (180' dwt)	12 300	12 000	6 100	17 000
Tubarao / R.dam (Iron ore)	4.00	4.00	2.00	5.10
Richards Bay/R.dam	3.00	3.50	2.00	4.20
PANAMAX (usd/day, usd/tonne)				
Transatlantic RV	5 700	6 000	1 400	8 500
TCT Cont / F. East	10 450	10 750	5 000	11 500
TCT F. East / Cont	1 000	1 100	250.0	1 200
TCT F. East RV	5 400	5 600	1 925	6 900
Murmansk b.13-ARA 15/25,000 sc	5.42	5.00	3.60	6.10
SUPRAMAX (usd/day)				
Atlantic RV	7 300	6 000	2 510	10 000
Pacific RV	6 800	6 750	2 000	6 800
TCT Cont / F. East	10 200	10 150	1 100	11 000
1 YEAR T/C (usd/day)				
Capesize 180,000 dwt	7 600	7 500	5 000	8 550
Capesize 170,000 dwt	6 500	6 500	4 500	7 800
Panamax 75,000 dwt	5 600	5 750	4 250	6 200
Supramax 53,000 dwt	6 500	6 250	4 900	6 500
Baltic Dry Index (BDI):	706	685	n/a	n/a

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



Activity level

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

LPG Rates * Excl. waiting time, if any				
SPOT MARKET (usd/month)*	This week	Last week	Low 2016	High 2016
VLGC / 84,000	260 000	260 000	260 000	1 765 000
LGC / 60,000	290 000	290 000	290 000	1 500 000
MGC / 38,000	560 000	570 000	560 000	1 075 000
HDY / 22,000	560 000	570 000	560 000	920 000
ETH / 10,000	480 000	480 000	460 000	530 000
SR / 6,500	410 000	410 000	410 000	460 000
COASTER Asia	142 500	142 500	142 500	155 000
COASTER Europe	135 000	145 000	135 000	190 000

LPG/FOB prices (usd/tonne)			
FOB North Sea / ANSI	247.5	243.5	
Saudi Arabia / CP	285.0	290.0	
MT Belvieu (US Gulf)	243.6	286.5	302.6
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	35 000	34 000	29 000	35 000
West of Suez 155-165'cbm	41 000	41 000	29 000	41 000
1 yr TC 155-165'cbm	31 000	30 000	29 000	35 000

DRY BULK

Capesize

Staggering along at uninspiring levels still hardly covering opex, spot levels coming in at average daily earnings of some USD 6500, a meagre 5% improvement w-o-w. Coal flows continue to disappoint, with only limited spot activity ex ECAUST and even thinner transatlantic volumes. Some bright positional spots for iron ore, for which the Tubarao/Qingdao run appears stable at (a modest) USD 9.30 pmt and Dampier/Qingdao a touch up at USD 4.70 pmt. The overall picture nevertheless remains one of "fundamental overtonnaging". Period activity is limited as FFA curve provides little support, but noticeable fixtures include 179000 dwt NB done ex yard Qingdao for 12-16 months trading at USD 9000/day.

Panamax

Softening in both hemisphere with Chtrs offering less than last done or holding back to fix. Despite higher bunker prices recently, rates are softening on both voyage and TC. Atlantic activity has been easier with insufficient requirements to cover the growing list of open positions. Good units in good positions may get mid 5's on T/C and mid 10's for trip out. Rates for rounds in the Pacific are also under pressure, in particular for NOPAC business as we indicated last week. Indo- or Australia to India rounds still paying in the mid/upper 5s. Post Panamax in good positions have been able to optimize and secure rounds at 6 to 7 K. The forward curve still reflects some optimism for Q4 but period interest is limited.

Supramax

Due to Chinese coal imports which continues to source much of the tonnage in SE Asia combined with a good flow of mineral exports ex Australia the rates continue to firm in SE Asia. Supramaxes are being fixed in region of USD 9k bss Spore delivery while the bigger Ultras are seeing levels of USD 10k for India direction. There has been expectations that ECSA would firm up as grain traders are reletting their Sept stems, but this remains to be materialized. In the USG rates are still strong but not to the extent that the market expected. Period market is fairly active with one Ultramax fixing USD 7,5k + 200k for 5/7 mos bss APS Imbitubay. In the east there are Smaxes fixing at USD high 6k and 7 for short periods.

GAS

Chartering

There was nothing out of the extraordinary to report last week in the VLGC market. The segment behaved very much in line with our (and others') expectation i.e. in a rather flat manner with the MEG/East market around the USD 20 mark or equivalent to some USD 8,500 per day. The Baltic VLGC index was ticking north in small steps last week, but it only made it to where it was 2 weeks ago - a tick above the USD 20 mark. There was some activity in the Atlantic basin where some lifters swapped cargoes around, but it only resulted in one spot fixture that was subfixed USG/Far East at a rate returning slightly better than the Baltic index. We counted more than a dozen spot fixtures in recent weeks where the respective charterers had been granted the option to slowsteam laden voyage and store cargo onboard in anticipation of stronger pricing ahead. Interestingly a few of those cargoes already started discharging in the East hence those vessels could return earlier than expected to look for their next employment. VLGC number 238 was delivered from yard a few days ago, she was the 35th delivery of 2016, and there are now "only" 11 more to go before the end of the year. Thankfully there hasnt been any talks of new orders being discussed/placed despite the softer NB prices indicated from the major yards.



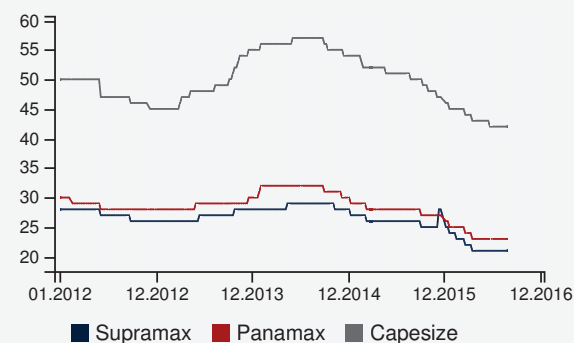
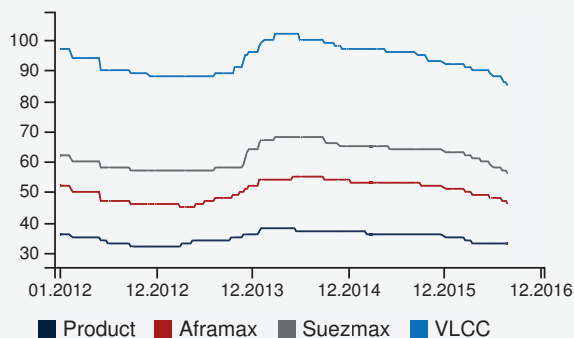
Fearnleys Weekly Report

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	85.00	86.00	85.00	92.00
Suezmax	150'dwt	56.00	57.00	56.00	63.00
Aframax	110'dwt	46.00	47.00	46.00	51.00
Product	50'dwt	32.50	33.00	32.50	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	186.0	187.0	186.0	203.0



Market brief

	This week	Last week	Low 2016	High 2016
Rate of exchange				
USD/JPY	100.4	100.7	100.4	118.6
USD/KRW	1 120	1 108	1 093	1 234
USD/NOK	8.20	8.22	8.08	8.96
EUR/USD	1.12	1.13	1.07	1.15

Interest rate				
LIBOR USD 6 mnths	1.23	1.19	0.85	1.23
NIBOR NOK 6 mnths	1.30	1.31	1.05	1.31

Commodity prices				
Brent spot (USD)	49.66	49.08	28.06	52.40

Bunker prices					
Singapore	380 CST	253.0	255.0	145.0	255.0
	180 CST	265.0	263.0	148.0	265.0
	Gasoil	428.0	435.0	265.0	460.0
Rotterdam	380 HSFO	240.0	242.0	107.0	242.0
	180 CST	268.0	270.0		270.0
	Diesel	414.0	415.0	245.0	452.0

NEWBUILDING

Another quiet week with few new deals. JMU seems to have filled their 2018 deliveries with 3 new VLCC orders from Japanese buyers. The contract value, which most likely is in Japanese Yen, has not been disclosed. On the smaller side of the scale, Cosco placed an order for 4 asphalt carrier at CSSC Chengxi. The 7500 dwt vessels are planned for delivery in 2018.

NEWBUILDING CONTRACTS

Type	No	Size	Yard	Buyer	Del	Price	Comm
Bit	4	7500 dwt	Chengxi	Cosco	2018		
MT	2	320000 dwt	JMU	JX Ocean	2018		
MT	1	320000 dwt	JMU	Kyoei Tanker	2018		

SALE AND PURCHASE TRANSACTIONS

Type	Vessel	Size	Built	Buyer	Price	Comm.
MT	Genmar Victory	313 638	2001	Santek Marine & Trading pte	29,00	
MT	CSK Valiant	107 200	2003	Indonesian	17,50	
MT	Great White	104 024	1999	Onex	13,00	
MT	Lyubov Ryl	6 195	2010	Undisclosed	Undisclosed	
BC	Oriental Angel	95 711	2013	European	16,50	
BC	Coronado	75 706	2000	Chinese	4,00	
BC	North Prince	75 542	1999	Chinese	3,70	
BC	Ocean Life	75 318	2003	Chinese	5,30	
BC	Sunbay	57 000	2008	Undisclosed	5,80	
BC	E. R. Barcelona	55 783	2010	Greek	8,30	
BC	United Jalua	53 414	2010	Undisclosed	5,80	
BC	Ocean King D	47 314	2001	Greek	3,50	
BC	Wan Yang 36	38 183	2011	Chinese	RMB 45,05	At auction
BC	Aroma	28 509	2009	Undisclosed	high 6	

DEMOLITIONS

Sold for demolition

Vessel name	Size	Ldt	Built	Buyer	Price
M/V Richmond	70 316	9 200	1996	Bangladeshi	275
CONT Box Hongkong	67 637	24 061	1995	Undisclosed	283
CONT Box China	67 625	24 073	1996	Undisclosed	283
CONT Seaspan Efficiency	63 160	21 501	2003	Undisclosed	276
CONT Seaspan Excellence	63 160	24 384	2003	Undisclosed	280
CONT Seaspan Expeditior	63 098	21 563	2003	Undisclosed	281
CONT Mol Express	63 046	21 615	2003	Undisclosed	275
CONT Santa Giuliana	30 095	8 870	1996	Undisclosed	286
CONT Nadir	25 039	9 355	1997	Undisclosed	286
M/V Bussara Naree	18 573	4 445	1997	Indian	265
LPG Gas Jade	13 125	6 132	1987	Undisclosed	470