



Fearnleys Weekly Report

Activity level

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

	Last week	Prev. week
VLCCs fixed all areas last week:	52	59
VLCCs avail. in MEG next 30 days:	102	110

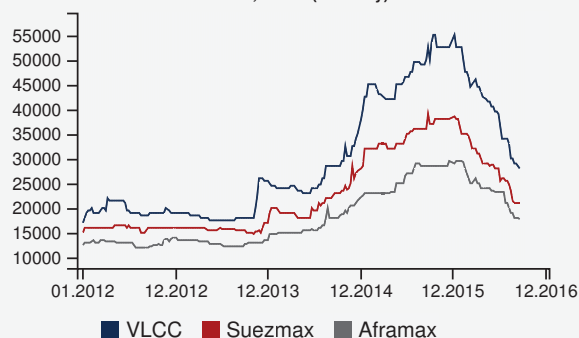
Rates

DIRTY (Spot WS)		This week	Last week	Low 2016	High 2016
MEG / West	VLCC	22.50	24.00	21.00	63.00
MEG / Japan	VLCC	35.00	34.00	32.00	111.5
MEG / Singapore	VLCC	36.00	35.00	33.00	113.5
WAF / FEAST	260,000	42.50	38.00	38.00	113.0
WAF / USAC	130,000	47.50	47.00	35.00	115.0
Sidi Kerir / W Me	135,000	62.50	52.00	42.50	135.0
N. Afr / Euromed	80,000	90.00	70.00	55.00	122.5
UK / Cont	80,000	95.00	90.00	75.00	125.0
Caribs / USG	70,000	95.00	105.0	75.00	145.0

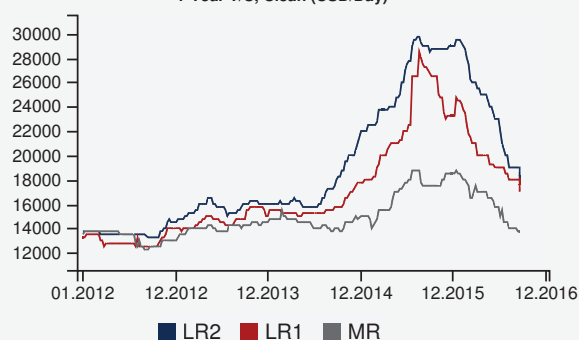
CLEAN (Spot WS)		This week	Last week	Low 2016	High 2016
MEG / Japan	75,000	87.50	95.00	80.00	160.0
MEG / Japan	55,000	90.00	100.0	90.00	150.0
MEG / Japan	30,000	92.50	95.00	92.50	135.0
Singapore / Japan	30,000	117.5	117.5	115.0	150.0
Baltic T/A	60,000	70.00	77.50	65.00	155.0
UK-Med / States	37,000	70.00	77.50	70.00	152.5
USG / UKC-Med	38,000	52.50	55.00	50.00	125.0

1 YEAR T/C (USD/day) (theoretical)		This week	Last week	Low 2016	High 2016
VLCC	(modern)	28 000	28 500	28 000	55 000
Suezmax	(modern)	21 000	21 000	21 000	38 500
Aframax	(modern)	17 750	18 000	17 750	29 500
LR2	105,000	18 000	19 000	18 000	29 500
LR1	80,000	17 000	18 000	17 000	24 750
MR	47,000	13 750	13 750	13 750	18 750

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



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



TANKERS

Crude

The VLCC market ex MEG saw steady demand during latter part of last week, but the lukewarm sentiment did not carry over into this week. Rates have remained stable over the week, but corrected in the early part of this week with half a point down for Meg/West while Meg/East saw an increase of 1 to 2 points. The overhang of tonnage has decreased somewhat and bad weather in the Far East may further delay a few units. All in all there is still enough tonnage to cover charterers expected demand. The Atlantic also saw more of the same with steady activity, and charterers managed to maintain recent levels except for Wafr where demand on fairly prompt dates brought levels up to w42.5-45 level for the Wafr/East run. Suezmaxes in West Africa remained more or less unchanged last week with the exception of some prompt replacement deals that payed up. At time of writing the tonnage list has seemingly become tighter due to steady activity in all areas combined with the paper trading up for October dates, on the back of this owners bullish sentiment has grown and expectations are for higher rates for the first decade of October fixing. The Med Suez players have already seen the effect of less available tonnage on the back of ships being pushed east and recent deals from Black sea and Ceyhan have paid up some 5 – 7.5 World Scale points above previous deals. In the N.sea and Baltic rates have now settled since last week's sudden jump. However there seems to be a lot of different opinions out there whether or not this market still have the potential to firm even further. For the time being, we believe it will continue sideways. Last week's momentum in the Med and Bsea have continued throughout this week. We have seen more cargo activity than expected. A busy CPC program and xmed activity have pushed rates above w90. Owners are still bullish for the week to come and are still holding for higher numbers.

Product

EAST OF SUEZ After last week's festivities in Singapore, the hangover feeling now presides in the market in the Middle east Gulf. With more and more tonnage, both LR1's and LR2's are becoming available. With less activity from charterers, rate levels have continued the downward trend. LR2's are today fixing around ws87,5 and LR1's ws90 level for Far East discharge. This is a ws10 points drop since last week, MR's are paying about ws92.5 for same destination and this only a 2,5 point Reduction since last week. MR's locally in Far East have had a stable market last week and rates unchanged i.e Singapore to Japan is still ws 117,5 WEST OF SUEZ It would have been nice to write that the west market had gone in the opposite direction but unfortunately not. Rates have been softening in all segments and for all voyages, except for the Handysize cross market in the Mediterranean and on the Continent. MR's fixing trans-Atlantic are fixing ws70 today, actually the same rate as LR1's are getting for west Africa discharge, a ws7,5/10 point drop since last week. MR backhaul cargo from U.S. gulf pays ws52,5 today 2,5 point less than last week. LR2's on the Continent are seeing very few cargoes locally and most vessels have to ballast towards Mediterranean and Suez to find cargoes and as a consequence the rate from Mediterranean has softened another USD 100.000 to Lumpsum USD 1.500 mill



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Activity level

Capesize	Panamax	Supramax
Moderate	Slower	Slower

Rates	This week	Last week	Low 2016	High 2016
CAPESIZE (usd/day, usd/tonne)				
TCT Cont/Far East (180' dwt)	15 500	14 700	6 100	17 000
Tubarao / R.dam (Iron ore)	5.45	5.40	2.00	5.45
Richards Bay/R.dam	5.35	5.00	2.00	5.35
PANAMAX (usd/day, usd/tonne)				
Transatlantic RV	4 400	5 000	1 400	8 500
TCT Cont / F. East	9 750	10 000	5 000	11 500
TCT F. East / Cont	900.0	1 000	250.0	1 200
TCT F. East RV	5 300	5 500	1 925	6 900
Murmansk b.13-ARA 15/25,000 sc	5.05	5.10	3.60	6.10
SUPRAMAX (usd/day)				
Atlantic RV	7 000	7 550	2 510	10 000
Pacific RV	6 500	6 800	2 000	7 000
TCT Cont / F. East	10 000	10 000	1 100	11 000
1 YEAR T/C (usd/day)				
Capesize 180,000 dwt	8 500	8 200	5 000	8 550
Capesize 170,000 dwt	7 400	7 200	4 500	7 800
Panamax 75,000 dwt	5 600	5 600	4 250	6 200
Supramax 53,000 dwt	6 500	6 500	4 900	6 500
Baltic Dry Index (BDI):	756	773	n/a	n/a

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



DRY BULK

Capesize

Last week ended on a very strong note mainly driven by a active Brazil market. Vale was picking a healthy amount of vessels and this was putting pressure on the rates in both basins. Brazil to China freight rates was close to USD 12 pmt and west Australia/China hit close to USD 6 pmt. This made the average of the TC market to finally climb above the 10k mark. It was seasonally expected a stronger push as we about to enter October, and Brazil production of iron ore was expected to be strong for these months. As we are mid week, the freight rates have taken a drop and wc Ausse is dropped down to around USD 5 pmt mark again. Despite a correction we do expect the next months to be slightly positive.

Panamax

The seasonal Q4 upswing is not in sight, leaving a sluggish sentiment. Added by a variety of holidays in the Far East, shaving trading volumes. The Atlantic basin is getting battered by less fresh requirements and a growing list of open positions. Chrters not eager to pull the trigger and T/A rounds on voyage far under the index at abt 4.500 on T/C. Fronthaul from USG leaving the 10 + 250 level with less volumes than expected so far. ECSA long hauls at abt 7500 + 250 on reduced volumes. Eastern hemisphere started firm but turning sour mid week. NOPAC rounds sliding from upper 6's early week to upper 5's mid week. Less interest in period with an uninspiring forward curve hovering arnd 5750 for the LME nxt 12 mths.

Supramax

With holidays in the eastern hemisphere beginning this week, the sentiment and activity level has been decreasing. In the Pacific, Supramaxes achieving arnd USD high 6's/7k for coal trips del Singapore via Indonesia to China. Trips from USG with petcoke to India is paying around USD 13k and low 12k's for Singapore/Japan redelivery on Supramaxes. Levels for fronthauls via ECSA is around low 11k+130k for Ultramaxs to Seasia and low 10k+130k for Supramaxes to India/Bangladesh. For trip via ECSA to Continent Ultramaxs are fixed around 9k. Supramaxes are seeing levels around 9k for trip via Black Sea to PG/India. The period activity has been scarce, but we do expect more activity next week.

Activity level

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

LPG Rates

* Excl. waiting time, if any

SPOT MARKET (usd/month)*	This week	Last week	Low 2016	High 2016
VLGC / 84,000	215 000	215 000	215 000	1 765 000
LGC / 60,000	215 000	215 000	215 000	1 500 000
MGC / 38,000	560 000	560 000	560 000	1 075 000
HDY / 22,000	550 000	560 000	550 000	920 000
ETH / 10,000	480 000	480 000	460 000	530 000
SR / 6,500	400 000	400 000	400 000	460 000
COASTER Asia	142 500	142 500	142 500	155 000
COASTER Europe	135 000	135 000	135 000	190 000

LPG/FOB prices (usd/tonne)	Propane	Butane	ISO
FOB North Sea / ANSI	261.5	305.5	
Saudi Arabia / CP	295.0	320.0	
MT Belvieu (US Gulf)	248.1	292.8	314.3
Sonatrach : Bethioua	280.0	325.0	

LNG

SPOT MARKET (usd/day)	This week	Last week	Low 2016	High 2016
East of Suez 155-165'cbm	36 000	36 000	29 000	36 000
West of Suez 155-165'cbm	41 000	41 000	29 000	41 000
1 yr TC 155-165'cbm	32 000	32 000	29 000	35 000

GAS

Chartering

Another week has passed where the VLGC market was limping sideways in the continued narrow trading environment. To a certain extent as expected the spot rates did not drop any further and we may have the bottom of the cycle just behind us, USD 6,500 per day net return is obviously not sustainable for anyone in the VLGC market. The Baltic VLGC index gained a couple of cents earlier this week for the first time in 3 weeks, however, we maintain our view that there does not seem to be any quick and easy way out of the current misery. It has been a wait and see attitude from most potential charterers last week, and they all wait to hear back from the Middle East producers how their acceptance dates line up with the lifters' nomination dates for October. There seems to be ample LPG supply in the MEG and therefore the lifters might get earlier acceptance dates than what they nominated. This may hopefully create some freight/swap inquiries. A modern VLGC has been fixed on subs to an Indian Oil Company for a 2 years' time charter (+ options) with planned delivery 1st half October in the mid USD 500's per month (USD 18,300/day). This level was considered as fair for a 12 months charter, but on the low side for a 24 months charter. There is a fairly good chance, though, that 18,000 per day may turn out to be a decent deal for both owner and charterer eventually.



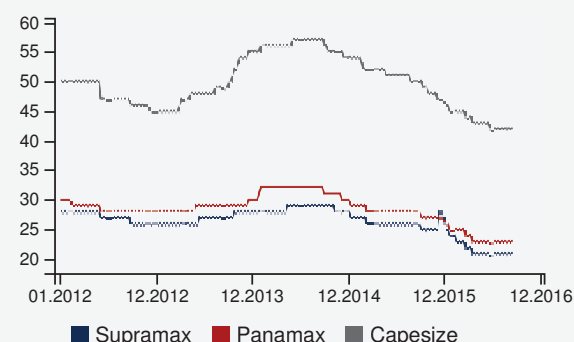
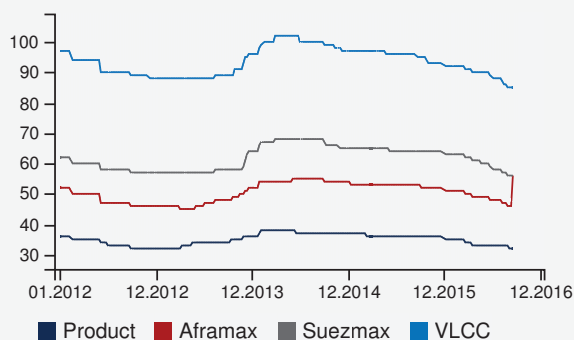
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Activity level

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	85.00	85.00	85.00	92.00
Suezmax	150'dwt	56.00	56.00	56.00	63.00
Aframax	110'dwt	56.00	46.00	46.00	56.00
Product	50'dwt	32.00	32.00	32.00	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	186.0	186.0	186.0	203.0



Market brief

	This week	Last week	Low 2016	High 2016
Rate of exchange				
USD/JPY	102.6	101.5	100.4	118.6
USD/KRW	1 126	1 090	1 090	1 234
USD/NOK	8.22	8.17	8.08	8.96
EUR/USD	1.12	1.12	1.07	1.15

Interest rate

LIBOR USD 6 mnths	1.25	1.25	0.85	1.25
NIBOR NOK 6 mnths	1.30	1.29	1.05	1.31

Commodity prices

Brent spot (USD)	46.80	47.19	28.06	52.40
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Bunker prices

Singapore	380 CST	258.0	255.0	145.0	258.0
	180 CST	266.0	262.0	148.0	266.0
	Gasoil	415.0	415.0	265.0	460.0
Rotterdam	380 HSFO	241.0	237.0	107.0	242.0
	180 CST	269.0	267.0		271.0
	Diesel	401.0	400.0	245.0	452.0

NEWBUILDING

Modest activity this week, with Taiwanese owner, Wisdom, returning to Japan for a pair of Ultramax bulkers. Price was reported at USD 24 mill, which in comparison to China is abt USD 2-3 mill higher. Also reported, Chinese JOSCO, ordered a trio of boxships at YZJ. No price reported, however the delivery time is already in December 2017 for 1st vessel.

NEWBUILDING CONTRACTS

Type	No	Size	Yard	Buyer	Del	Price	Comm
BC	2	63000 dwt	Imabari	Wisdom Marine	2019	24	
Cont	3	1900 teu	Yangzijiang	JOSCO	2017-2018		

SALE AND PURCHASE TRANSACTIONS

Type	Vessel	Size	Built	Buyer	Price	Comm.
MT	Isis	116 093	2007	Greek	24,00	
MT	Diamond Orchid	19 702	2008	Tuften Oceanic	20,75	26 grades
MT	Princimar Americas	19 707	2004	Tuften Oceanic	18,50	36 grades
BC	C. Blossom	179 185	2009	Five Ocean	18,50	
BC	Emma Schulte	115 000	2011	Oldendorff	12,60	
BC	C Gerrald	76 000	2016	Chinese	9,50	At auction
BC	Jiangsu Rongsheng 1145	75 750	2016	Chinese	11,00	
BC	Darya Shree	74 823	2004	Chinese	5,20	
BC	Darya Rani	64 000	2016	Celsius Shipping	17,50	
BC	Darya Maya	64 000	2016	Celsius Shipping	17,60	
BC	Jin Han	61 414	2011	Tuften Oceanic	en-bloc 28	
BC	Jin Ming	61 414	2010	Tuften Oceanic		
BC	Western Singapore	52 239	2003	Indonesian	4,60	
BC	Jin Bi	48 220	2000	Greek	3,50	
BC	Hanjin Liverpool	36 851	2012	Greek	7,90	
BC	Hanjin Isabel	36 798	2012	Greek	8,30	
BC	Lisa J	34 426	2010	Tuften Oceanic	10,10	
BC	Steven C	34 340	2009	Tuften Oceanic	9,40	
BC	Karine Bulker	32 271	2008	European	7,70	

DEMOLITIONS

Sold for demolition

Vessel name	Size	Ldt	Built	Buyer	Price
CONT Northern Grace	66 895	20 076	2000	Bangladeshi	295
CONT HS Colon	58 399	19 259	2002	Bangladeshi	275
CONT Westphalia	42 200	15 161	2003	Bangladeshi	240
M/V Deep True	26 541	5 666	1985	Indian	268