



# Fearnleys Weekly Report

## Activity level

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

	Last week	Prev. week
VLCCs fixed all areas last week:	43	52
VLCCs avail. in MEG next 30 days:	120	102

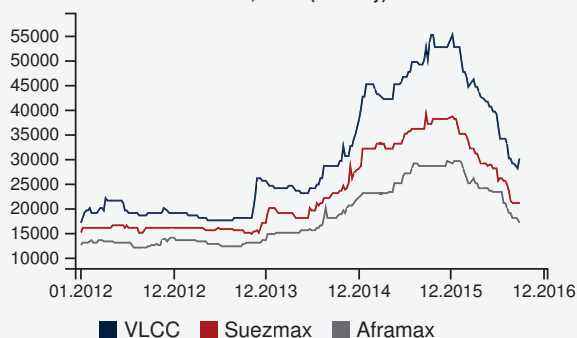
## Rates

DIRTY (Spot WS)		This week	Last week	Low 2016	High 2016
MEG / West	VLCC	22.50	22.50	21.00	63.00
MEG / Japan	VLCC	32.00	35.00	32.00	111.5
MEG / Singapore	VLCC	33.00	36.00	33.00	113.5
WAF / FEAST	260,000	42.50	42.50	38.00	113.0
WAF / USAC	130,000	82.50	47.50	35.00	115.0
Sidi Kerir / W Me	135,000	90.00	62.50	42.50	135.0
N. Afr / Euromed	80,000	100.0	90.00	55.00	122.5
UK / Cont	80,000	92.50	95.00	75.00	125.0
Caribs / USG	70,000	90.00	95.00	75.00	145.0

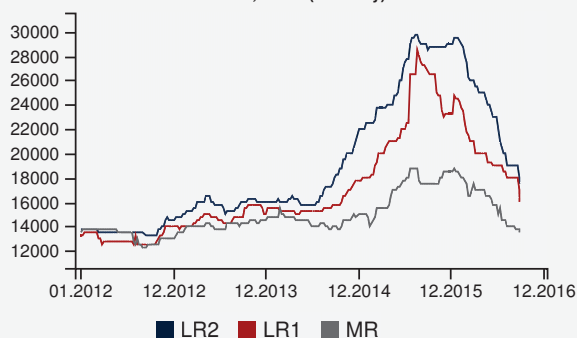
CLEAN (Spot WS)		This week	Last week	Low 2016	High 2016
MEG / Japan	75,000	67.50	87.50	67.50	160.0
MEG / Japan	55,000	82.50	90.00	82.50	150.0
MEG / Japan	30,000	92.50	92.50	92.50	135.0
Singapore / Japan	30,000	117.5	117.5	115.0	150.0
Baltic T/A	60,000	65.00	70.00	65.00	155.0
UKC-Med / States	37,000	87.50	70.00	70.00	152.5
USG / UKC-Med	38,000	92.50	52.50	50.00	125.0

1 YEAR T/C (USD/day) (theoretical)		This week	Last week	Low 2016	High 2016
VLCC	(modern)	30 000	28 000	28 000	55 000
Suezmax	(modern)	21 000	21 000	21 000	38 500
Aframax	(modern)	17 000	17 750	17 000	29 500
LR2	105,000	17 500	18 000	17 500	29 500
LR1	80,000	16 000	17 000	16 000	24 750
MR	47,000	13 500	13 750	13 500	18 750

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



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



## TANKERS

### Crude

The VLCC market ex Meg kept on limping along on with rates hovering around recent levels. Charterers continued to drip feed their requirement to the market which remained oversupplied. The Atlantic saw renewed interest from charterers and levels increased from Nsea, Caribs and Wafr. The uptick in Wafr was however short lived as levels corrected down to last week's rates. Although modern tonnage open in the East have found employment ex Wafr the supply situation on in Meg remains unchanged and no imminent change to recent trend is expected. The Suezmax market in the Atlantic basin has seen considerable gains in the past week, the situation was compounded by several Charterers holding back on 3rd decade of September stems hoping they could kill owners sentiment. However, vessels were steadily picked off in the Med/Black Sea and the availability in Wafr tightened, owners capitalized and by the end of the week rates moved into the mid ws60's. The pressure moved into 1st decade Oct dates with owners holding back on offers and Charterers paying up to ws 85 for last done Wafr/Ukcm. The Med/Black sea markets have seen healthy gains at more sustainable levels of around ws 15-20 points. We anticipate West Africa to push upwards towards ws 90 for TD20 with continued bullish sentiment from owners into the early 2nd decade of Oct. Aframax rates in the North Sea and Baltic dropped a couple of points on the back of a quiet end to last week. However, a busier Baltic program for the month of October fueled the Owners with more optimism. At the time of writing we are experiencing a re-bounce in rates and we expect this firm sentiment to continue for the first decade of October. In the Med and Bsea the firming trend from last week continued. Rates have stabilized at three digits. We have seen everything from w100 to w115 been done, much depending on lay can. The list is very tight for anyone looking off prompt dates. Going forward we believe the market will stabilize as the cargo activity is expected to slow down for the beginning of October.

### Product

EAST OF SUEZ After yet another week with falling rates in the Middle East Gulf and one can only hope that we now have reached the bottom. For Far East destinations the LR2's have been forced to a ws20 point reduction and are today fixing in the ws67,5 region. For same destination LR1's are today fixing around ws82,5 level down from ws90 level. For west destination rates have been reduced by USD 100/150.000 to USD 1,8 mill/USD 1,3 mill for LR2, LR1 respectively. MR's trading in the Middle East Gulf and in the Far east have not had to endure any changes since last week and 35.000 tons from WC India to Japan still fixing around ws 92,5 level and Singapore to Japan, basis 30.000 tons still around the Ws117,5 mark. WEST OF SUEZ The really happy guys this week is owners of MRs. The Colonial pipeline in the U.S gulf have had to close due to a leakage and as a consequence rates for trans-Atlantic and U.S. gulf to Continent voyages have increased. The trans-Atlantic rate has gone up to ws87,5 level, up from ws 70 and the backhaul voyage from ws50 to ws92,5 today and the repairs to the pipeline will only be ready in a weeks' time. Our calculations show that time charter earnings for the round voyage last week was USD 5.000 per day and today around USD 13.000. LR1's and LR2' in the Atlantic have not been invited to the party and the LR1 rate from Continent to west Africa has declined ws5 points to ws65 level and most LR2's still have to ballast from the Continent towards Mediterranean to find employment, with the rate for Far East discharge showing a further decline from USD 1.5 mill to USD 1,4 level. Handies trading on the Continent have finally seen some more action from charterers and rates have increased ws10 points to ws115 today, cross Mediterranean still trading in the ws100/95 interval.



# Fearnleys Weekly Report

## Activity level

Capesize	Panamax	Supramax
Active	Increasing	Stable

Rates	This week	Last week	Low 2016	High 2016
<b>CAPESIZE (usd/day, usd/tonne)</b>				
TCT Cont/Far East (180' dwt)	21 000	15 500	6 100	21 000
Tubarao / R.dam (Iron ore)	6.00	5.45	2.00	6.00
Richards Bay/R.dam	6.00	5.35	2.00	6.00
<b>PANAMAX (usd/day, usd/tonne)</b>				
Transatlantic RV	4 900	4 400	1 400	8 500
TCT Cont / F. East	10 250	9 750	5 000	11 500
TCT F. East / Cont	1 000	900.0	250.0	1 200
TCT F. East RV	6 000	5 300	1 925	6 900
Murmansk b.13-ARA 15/25,000 sc	5.10	5.05	3.60	6.10
<b>SUPRAMAX (usd/day)</b>				
Atlantic RV	6 900	7 000	2 510	10 000
Pacific RV	6 600	6 500	2 000	7 000
TCT Cont / F. East	10 400	10 000	1 100	11 000
<b>1 YEAR T/C (usd/day)</b>				
Capesize 180,000 dwt	10 250	8 500	5 000	10 250
Capesize 170,000 dwt	9 000	7 400	4 500	9 000
Panamax 75,000 dwt	5 850	5 600	4 250	6 200
Supramax 53,000 dwt	6 500	6 500	4 900	6 500
<b>Baltic Dry Index (BDI):</b>	<b>903</b>	<b>756</b>	<b>n/a</b>	<b>n/a</b>

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



## DRY BULK

### Capesize

Rallying - mainly on a combination of weather delays in Far East, significantly increased transatlantic mineral volumes, positive chinese iron ore import trend, and falling number of ballasters heading for Brazil. Average daily earnings for the standard 180000-tonners are up 55% w-o-w, coming in at year-best of around USD 15k. Base trades like Waust/China and Brazil/China are expected to maintain momentum for yet some days to come, and paper developments reflect physical expectations - consequently period interest picking up, last exemplified by 177000 dwt/blt 2009 done for 4-8 months at USD 10500 basis delivery Shanghai prompt, also 180000 dwt/blt 2010 fixing 6-9 months at USD 10000 basis delivery Bayuquan prompt.

### Panamax

Sentiment, volumes and rates have improved propelled by the elevated Cape levels and some cape split cgoes. Added by a fair number of fresh requirements in both hemispheres the market has become more balanced from mid week. Levels in the Atlantic has gradually improved to 5K for T/A rounds and 10 K + for fhaul. Trips from USG close to USD 27 pmt on voyage and up to 11 + 250 on KMAX bss APS. ECSA activity thin but healthy 8 + 300 reported. Improved activity out of NOPAC where levels mid week climb above high 6, and upper 5 to mid 6 done for Aussie or Indo rounds. Despite only a marginal lift on the forward curve, period interest has improved to give Owners of top notch KMax mid/high 6's for 5-7 months up to abt 1 yr.

### Supramax

A slow start to the week in the Supramax segment in the Atlantic with not much being reported. In the Blacksea Supramaxes are getting around USD 11k for trips with grain to Far East. Supramaxes are achieving around USD 6k for trip from China to Southeast Asia, while coal runs with Singapore delivery via Indonesia to China is around USD 7k and a bit more for Thailand redelivery. Supramaxes with Continent delivery is getting paid low USD 6k's. Some more period has been concluded with the widely reported Supramax fixing USD 6k for 3/5 months aps Fujajrah and an Ultramax fixing 4/6 months with Kohsichang delivery at USD7350.

## Activity level

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

### LPG Rates

\* Excl. waiting time, if any

SPOT MARKET (usd/month)*	This week	Last week	Low 2016	High 2016
VLGC / 84,000	275 000	215 000	215 000	1 765 000
LGC / 60,000	245 000	215 000	215 000	1 500 000
MGC / 38,000	550 000	560 000	550 000	1 075 000
HDY / 22,000	545 000	550 000	545 000	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)	264.4	302.4	331.4
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	35 000	36 000	29 000	36 000
West of Suez 155-165'cbm	40 000	41 000	29 000	41 000
1 yr TC 155-165'cbm	32 000	32 000	29 000	35 000

## GAS

### Chartering

The highlight of the week in the VLGC market was hardly the continued slow but steady rise of the Baltic VLGC index, in fact two weeks have passed since the index last pointed south. The index may break through the USD 20 barrier on the back of some increased activity in recent days matched with slightly more favourable LPG pricing. We consider the first VLGC demolition in roughly 5.5 years the most interesting news recently, a 1986 vessels was just sold to breakers at an undisclosed price. The other highlight of the week was undoubtedly BWLPG's offer to purchase the remaining 68% shares in Aurora LPG after they earlier in the week increased their share by some 10%. Aurora LPG owns 9 VLGCs built between 2008 and 2016, in addition they (Aurora) have timechartered in 4 VLGCs that do not form part of the company BW LPG is looking to take over. If the recent chase for FOB cargoes both in the MEG and USG continues and they eventually result in spot fixtures, tonnage length will be diminished and we may see spot rates accelerate quicker than what we have seen in a while. However, the fob/cfr spreads are still not too good and any quick freight gain may turn off the initiatives from the cargo market.



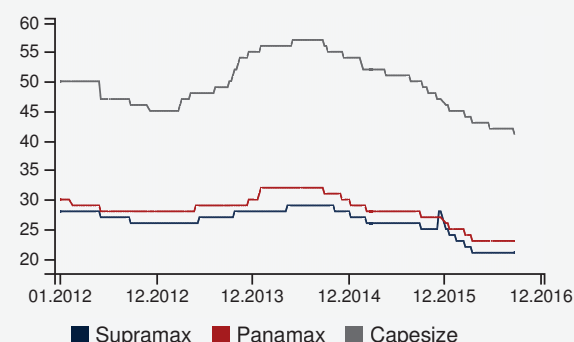
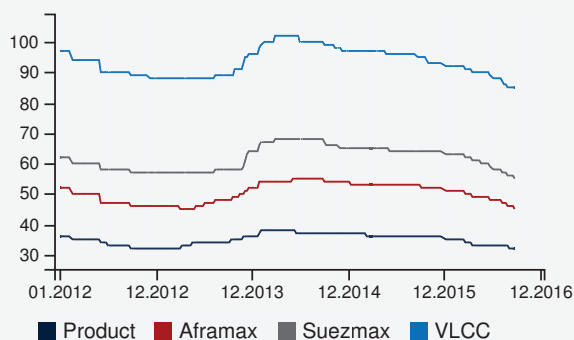
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## Activity level

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	55.00	56.00	55.00	63.00
Aframax	110'dwt	45.00	46.00	45.00	51.00
Product	50'dwt	32.00	32.00	32.00	35.00
Capesize	180'dwt	41.00	42.00	41.00	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
<b>Rate of exchange</b>				
USD/JPY	100.8	102.6	100.4	118.6
USD/KRW	1 115	1 126	1 090	1 234
USD/NOK	8.31	8.22	8.08	8.96
EUR/USD	1.11	1.12	1.07	1.15

<b>Interest rate</b>				
LIBOR USD 6 mnths	1.26	1.25	0.85	1.26
NIBOR NOK 6 mnths	1.27	1.30	1.05	1.31

<b>Commodity prices</b>				
Brent spot (USD)	46.60	46.80	28.06	52.40

Bunker prices					
Singapore	380 CST	255.0	258.0	145.0	258.0
	180 CST	266.0	266.0	148.0	266.0
	Gasoil	412.0	415.0	265.0	460.0
Rotterdam	380 HSFO	242.0	241.0	107.0	242.0
	180 CST	274.0	269.0		274.0
	Diesel	402.0	401.0	245.0	452.0

## NEWBUILDING

Another quiet week in the newbuilding market with newbuilding prices continuing the downward trend. Eastern Pacific has placed an order for 2 firm and 2 optional Aframax Tankers at Hanjin (Philippines) at a price reported as low as 42.5 mill USD/each. The Japanese owner JX Ocean has returned to Mitsubishi for one 83,000cbm LPG carrier with delivery set to 2019.

## NEWBUILDING CONTRACTS

Type	No	Size	Yard	Buyer	Del	Price	Comm
MT	2	115000 dwt	Hanjin HI	Eastern Pacific	2018	42.5	
Asphalt carrier	1	37000 dwt	Chengxi	Kumiai Senpaku	2018		
LPG	1	83000 cbm	Mitsubishi	JX Ocean	2019	70	

## SALE AND PURCHASE TRANSACTIONS

Type	Vessel	Size	Built	Buyer	Price	Comm.
MT	Sriracha Trader	47 629	1995	Chinese	3,40	Out of class
MT	Ardmore Centurion	28 987	2005	Nigerian	15,70	
MT	Navig8 Saiph	25 000	2017	SBI Holdings	37,00	
MT	Navig8 Sceptum	25 000	2017	SBI Holdings	37,00	
BC	Hanjin Matsuyama	179 166	2011	Winning Shipping	22,80	
BC	E.R. Bavaria	179 436	2010	Greek	20,80	
BC	E.R. Boston	178 978	2010		20,80	
BC	E.R. Bayern	178 978	2010		20,80	
BC	Elpsis I	75 169	2001	Undisclosed	4,50	
BC	Samjohn Amity	74 744	1998	Chinese	3,20	
BC	Primrose	74 716	2001	Indisclosed	3,20	
BC	Fleet Phoenix	55 903	2006	Maghna Carriers	8,90	
BC	Virginia	50 175	2001	Chinese	4,50	
BC	Long Beach	23 641	2000	Undisclosed	3,10	

## DEMOLITIONS

### Sold for demolition

Vessel name	Size	Ldt	Built	Buyer	Price
CONT Viktoria Wulff	58 260	21 531	2006	Undisclosed	303
CONT HS Mozart	58 486	19 172	2002	Bangladeshi	310
MV The Forgiver	70 003	12 152	1994	Pakistani	302
MV Green Arrow	24 784	6 045	1985	Turkish	0
MV Splendour	23 593	5 192	1984	Bangladeshi	273