



# Fearnleys Weekly Report

## Activity level

VLCC	Suezmax	Aframax	P.E. of Suez	P.W. of Suez
Firmer	Slower	Mixed	Soft	Soft

	Last week	Prev. week
VLCCs fixed all areas last week:	81	43
VLCCs avail. in MEG next 30 days:	112	120

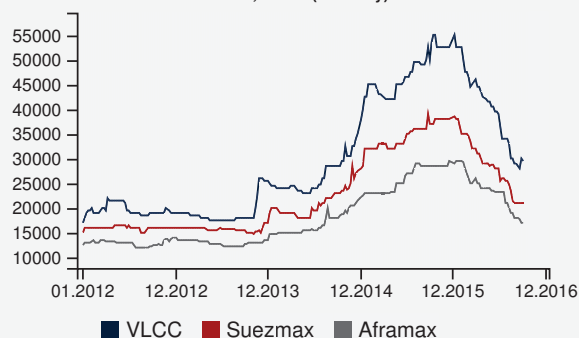
## Rates

DIRTY (Spot WS)		This week	Last week	Low 2016	High 2016
MEG / West	VLCC	25.00	22.50	21.00	63.00
MEG / Japan	VLCC	38.00	32.00	32.00	111.5
MEG / Singapore	VLCC	39.00	33.00	33.00	113.5
WAF / FEAST	260,000	48.50	42.50	38.00	113.0
WAF / USAC	130,000	100.0	90.00	35.00	115.0
Sidi Kerir / W Me	135,000	110.0	90.00	42.50	135.0
N. Afr / Euromed	80,000	92.50	100.0	55.00	122.5
UK / Cont	80,000	115.0	92.50	75.00	125.0
Caribs / USG	70,000	80.00	90.00	75.00	145.0

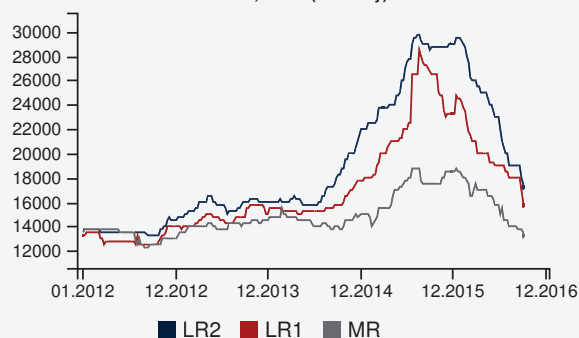
CLEAN (Spot WS)		This week	Last week	Low 2016	High 2016
MEG / Japan	75,000	55.00	67.50	55.00	160.0
MEG / Japan	55,000	80.00	82.50	80.00	150.0
MEG / Japan	30,000	100.0	92.50	92.50	135.0
Singapore / Japan	30,000	117.0	117.5	115.0	150.0
Baltic T/A	60,000	60.00	65.00	60.00	155.0
UKC-Med / States	37,000	80.00	87.50	70.00	152.5
USG / UKC-Med	38,000	67.00	92.50	50.00	125.0

1 YEAR T/C (USD/day) (theoretical)		This week	Last week	Low 2016	High 2016
VLCC	(modern)	29 500	30 000	28 000	55 000
Suezmax	(modern)	21 000	21 000	21 000	38 500
Aframax	(modern)	17 000	17 000	17 000	29 500
LR2	105,000	17 000	17 500	17 000	29 500
LR1	80,000	15 500	16 000	15 500	24 750
MR	47,000	13 000	13 500	13 000	18 750

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



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



## TANKERS

### Crude

After a couple of weeks with sluggish activity for the VLCCs things appear to have changed some. Increased activity for all the major routes has managed to balance out the oversupply of tonnage in most areas. The steady supply of newbuildings and the older ships is still a burden for the Meg/East market. For Meg/West and Wafr/East the modern well approved are thinner on the ground, a fact not unnoticed by the owners. Rates have therefore corrected up, particularly Wafr/East much also on the back of soaring Smax-rates. Still quite some way to go as earnings are still suffering, but some points on the upside could be in the cards. The bullish sentiment that has been evident in the West Africa Smax market continued last week. Charterers reached out trying to secure ships for 2nd decade but the tonnage availability still proved to be tight making rates increase even further. At time of writing it seems rates in Wafr have peaked at around ws105 level and consensus out there is for a slower market going forward, and with potential cancellation of ships/bbls in Nigeria we think rates can quickly correct down. Pressure on rates remains for Smaxes being traded in the Med and Bsea. The great tonnage absorption seen lately has created a small vacuum in the area giving charterers no choice but to pay up. After a quiet end to last week in the Nsea and Baltic, it finally moved up a good 20 points this Tuesday. With several cargoes to cover in the natural fixing window, and only a few prompt ships available, this market could easily move further. Some of the threats to this market moving forward are the Smaxes combining stems at cheaper rates and Afras ballasting in from other weaker markets. After a couple of very busy weeks, the Med and Black Sea market has calmed down again and dropped to mid ws90's. As highlighted above, the north market has been exceptional this week, which again could help prevent the Med-market from falling further. For the week to come we expect it to stabilize at low 90's as we do not expect to see a rush of cargoes hitting the market.

### Product

**EAST OF SUEZ** Unfortunately the downward spiral in the Middle East Gulf continued this week. With plenty of tonnage available and also with the pressure of tonnage arriving from the west. LR2's are reportedly today been fixed as low as ws55 for an east voyage, down from ws67,5 last week. LR1's have not been hit that hard and have been able to more or less maintain last week's level around ws80. For west destinations the lump sum rates have dropped to USD 1.6 mill and USD 1,250 for LR2 and LR1 respectively. On the positive side we can report that MR's trading to Japan have actually been able to increase rate since last week to ws100 from ws 92,5. In the Far East the benchmark voyage from Singapore to Japan basis 30.000 mtons is unchanged from last week At ws117,5 level. **WEST OF SUEZ** After last week's hike in rates for MR's trading in the Atlantic basin due to the Colonial pipeline incident, this week has been a disappointment since the pipeline came online again. Rate for trans-Atlantic voyages have declined from ws87,5 to ws80 and the backhaul from the U.S. gulf to Continent have dropped from ws92,5 to ws67,5 level. LR1's trading to west Africa have been able to maintained the rate around the ws60 level. The market for LR2's in the west is still very depressed and tonnage is building up on the Continent and in the Mediterranean and as a consequence rate are continuously under pressure. Rate for the benchmark voyage from Mediterranean to Japan today is around USD 1,275 mill a decline of about USD 150.000 from last week. Handies trading on the Continent have been able to increase the rate with about ws5 point to ws117,5 level and cross Mediterranean unchanged at ws95.



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## Activity level

Capesize	Panamax	Supramax
Slower	Active	Stable

Rates	This week	Last week	Low 2016	High 2016
<b>CAPESIZE (usd/day, usd/tonne)</b>				
TCT Cont/Far East (180' dwt)	20 000	21 000	6 100	21 000
Tubarao / R.dam (Iron ore)	6.90	6.00	2.00	6.90
Richards Bay/R.dam	6.60	6.00	2.00	6.60
<b>PANAMAX (usd/day, usd/tonne)</b>				
Transatlantic RV	5 600	4 900	1 400	8 500
TCT Cont / F. East	11 000	10 250	5 000	11 500
TCT F. East / Cont	1 150	1 000	250.0	1 200
TCT F. East RV	6 300	6 000	1 925	6 900
Murmansk b.13-ARA 15/25,000 sc	5.40	5.10	3.60	6.10
<b>SUPRAMAX (usd/day)</b>				
Atlantic RV	7 000	6 900	2 510	10 000
Pacific RV	6 500	6 600	2 000	7 000
TCT Cont / F. East	11 000	10 400	1 100	11 000
<b>1 YEAR T/C (usd/day)</b>				
Capesize 180,000 dwt	10 000	10 250	5 000	10 250
Capesize 170,000 dwt	8 750	9 000	4 500	9 000
Panamax 75,000 dwt	6 000	5 850	4 250	6 200
Supramax 53,000 dwt	6 500	6 500	4 900	6 500
<b>Baltic Dry Index (BDI):</b>	<b>912</b>	<b>903</b>	<b>n/a</b>	<b>n/a</b>

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



## Activity level

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

<b>LPG Rates</b>				
* Excl. waiting time, if any				
<b>SPOT MARKET (usd/month)*</b>	<b>This week</b>	<b>Last week</b>	<b>Low 2016</b>	<b>High 2016</b>
VLGC / 84,000	275 000	275 000	215 000	1 765 000
LGC / 60,000	250 000	245 000	215 000	1 500 000
MGC / 38,000	540 000	550 000	540 000	1 075 000
HDY / 22,000	535 000	545 000	535 000	920 000
ETH / 10,000	470 000	480 000	460 000	530 000
SR / 6,500	400 000	400 000	400 000	460 000
COASTER Asia	145 000	142 500	142 500	155 000
COASTER Europe	135 000	135 000	135 000	190 000

<b>LPG/FOB prices (usd/tonne)</b>			
	<b>Propane</b>	<b>Butane</b>	<b>ISO</b>
FOB North Sea / ANSI	261.5	305.5	
Saudi Arabia / CP	295.0	320.0	
MT Belvieu (US Gulf)	265.1	304.7	348.4
Sonatrach : Bethioua	280.0	325.0	

<b>LNG</b>				
<b>SPOT MARKET (usd/day)</b>	<b>This week</b>	<b>Last week</b>	<b>Low 2016</b>	<b>High 2016</b>
East of Suez 155-165'cbm	35 000	35 000	29 000	36 000
West of Suez 155-165'cbm	40 000	40 000	29 000	41 000
1 yr TC 155-165'cbm	32 000	32 000	29 000	35 000

## DRY BULK

### Capesize

Another volatile week in the Capesize market. Freight rates on wc Aussie/China route have gone from the mid USD 6 pmt to high USD 5 pmt level. The activity from west Aussie have been limited and it seems to be the main reason for the decrease in rates. Brazil/China have moved from high USD 12 pmt to arnd USD 12 pmt mark - also on this route the activity have been limited. The average cape rates on tc have gone from arnd USD 15,000 down to USD 13,000 level. The next week is expected to be quiet as China is off on holidays and freight rates might continue to slide. However it is still careful optimism in the market for the next month or two.

### Panamax

A good start to the week with Cape splits continuing to assist rates in both hemispheres. TA's are fixing excess USD 5,600 on timecharter trips, however the voyage rates are lagging and paying much less. Mid week it seems to be cooling off with chrts holding back. In the Pacific we see a pretty stable market hovering arnd mid USD 6k for the rounds and 7k was done for a NoPac round. Chinese holidays approaching and it seems some owners wants to fix now and not wait till next week. The ECSA fhauls were done well above USD 8,300 + 330k early week while mid week gradually falling to abt USD 8k + USD 300k. The period short/medium market periods at arnd USD mid 6 to low 7k, however interest gradually falling.

### Supramax

Flat start to week followed by a slight gain in rates for Supramaxes. Continent is encountering weak tonnage supply. Supramxs are seeing around \$11,000 for Baltic to India and around \$6000 to US Gulf. A 56,000-tonner has seen around \$8,000 from the east Mediterranean to the US Gulf-Caribbean. In the Pacific Supramaxes are fixing trips with delivery Singapore via Indonesia to China for around mid USD 7k. While trips from N. China to Seasia is paying somewhere in the low USD 6'ks and market is softening as owners are keen on fixing their ships before Chinese Holidays in October. For Ultramaxs Nopac RV is in the region of USD 7k, while the short period market in the same area is a few hundred dollars above RV levels.

## GAS

### Chartering

It has not been a busy week in the VLGC market as far as actual, confirmed fixtures is concerned, but the chartering mood was not too bad although it resulted in quite a few failed fixtures. The Baltic VLGC index continued its very steady, very modest upwards curve and gained some 5% over the week – it ended just over the USD 20 mark equal to USD 8,800 per day on a modern vessel. This is way under a sensible, sustainable level – at best it covers OPEX for a few owners. Most owners were hoping for a healthier recovery at this time of the year, but it appears the cargo market has cooled off somewhat and the west/east spreads are actually narrower than what they were a week or two ago. We are not convinced that the spot rates stand much chance to move upwards from the level they are at now in the foreseeable future. The cfr cargo market seems to be amply supplied and the prices have stabilized at best. The fleet balance in the first half of October looks OK, but in the second half of October a few more cargoes are needed to balance out the fleet supply. This is where the hopes of the owners lie; healthy FOB demand triggering freight demand to take some of the vessel length away. There are 8 more vessels to be delivered from the builders before the end of the year, we may see a couple of them holding back and become 2017 deliveries, though.



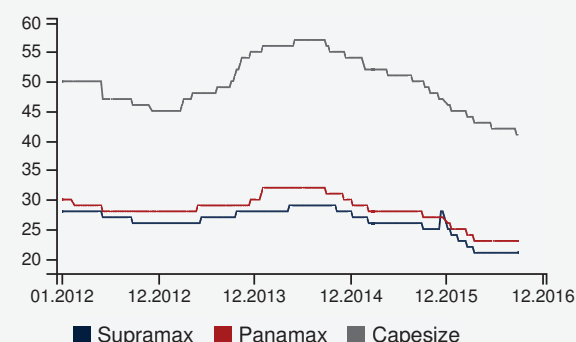
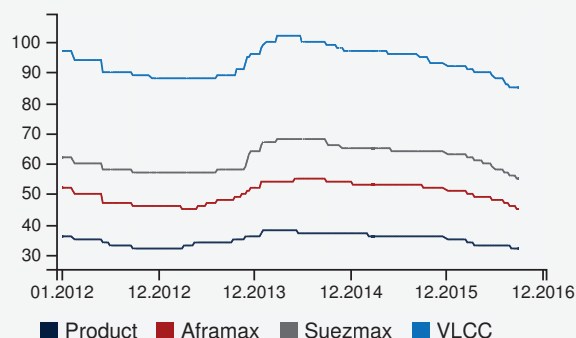
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## Activity level

Tankers	Dry Bulk	Others
Low	Low	Moderate

## 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	55.00	55.00	63.00
Aframax	110'dwt	45.00	45.00	45.00	51.00
Product	50'dwt	32.00	32.00	32.00	35.00
Capesize	180'dwt	41.00	41.00	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	100.6	100.8	100.4	118.6
USD/KRW	1 096	1 115	1 090	1 234
USD/NOK	8.10	8.31	8.08	8.96
EUR/USD	1.12	1.11	1.07	1.15

## Interest rate

LIBOR USD 6 mnths	1.24	1.26	0.85	1.26
NIBOR NOK 6 mnths	1.32	1.27	1.05	1.32

## Commodity prices

Brent spot (USD)	46.60	46.60	28.06	52.40
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## Bunker prices

Singapore	380 CST	257.0	255.0	145.0	258.0
	180 CST	268.0	266.0	148.0	268.0
	Gasoil	420.0	412.0	265.0	460.0
Rotterdam	380 HSFO	247.0	242.0	107.0	247.0
	180 CST	273.0	274.0		274.0
	Diesel	408.0	402.0	245.0	452.0

## NEWBUILDING

Modest activity in the newbuilding market. Two separate chemical tanker orders in Korea and China by Hana Marine (3,500 dwt) and Sirius Rederi (7,999 dwt) respectively. No price reported. In addition, Topaz Energy placed an order for a couple of Module Carriers which comes on top of their 15 vessel original order for river transportation in Russia.

## NEWBUILDING CONTRACTS

Type	No	Size	Yard	Buyer	Del	Price	Comm
Chem	2	7999 dwt	Dingheng	Sirius	2018		
Chem	1	3500 dwt	Dae Sun	Hana Marine	2018		
Heavy Lift	2	15000 dwt	Vard	Topaz Energy	2018	20	

## SALE AND PURCHASE TRANSACTIONS

Type	Vessel	Size	Built	Buyer	Price	Comm.
MT	BLS Liwa	47 128	2008	Undisclosed	19,00	
MT	BLS Ruwais	47 128	2008		19,00	
MT	British Esteem	37 330	2003	Soechi	10,50	
MT	British Explorer	37 321	2003		10,50	
MT	Torea	37 069	2004	Middle Eastern	12,00	
MT	Zircone	8 000	1993	Undisclosed	4,00	
MT	Erowati	6 688	1999	Undisclosed	Undisclosed	
BC	E.R. Borneo	198 987	2010	Greek	21,00	
BC	Shanghai Waigaoqiao 133	180 000	2016	Undisclosed	33,00	
BC	Thames	74 444	2006	Undisclosed	4,00	Through auction
BC	Trident Legacy	57 000	2012	Greek	Undisclosed	
BC	Seastar Empress	35 000	2011	Undisclosed	5,50	Cold layup
BC	Antonia	34 655	2002	Middle Eastern	3,50	
BC	Seastar Endurance	33 500	2011	Undisclosed	6,00	
BC	Urawee Naree	28 415	1997	Undisclosed	3,35	
BC	Vaereina	27 112	2008	Undisclosed	4,90	
BC	Karystos	27 079	1996	Syrian	2,50	

## DEMOLITIONS

### Sold for demolition

Vessel name	Size	Ldt	Built	Buyer	Price
CONT JPS Debussy	80 251	26 353	2001	Undisclosed	317
CONT APL Tourmaline	60 323	21 672	1996	Undisclosed	270
CONT APL Turquoise	60 323	21 558	1996	Undisclosed	270
CONT Box Emma	68 120	20 180	2003	Undisclosed	280
CONT APL Egypt	66 922	20 046	2000	Indian	282
CONT Bella	58 814	18 844	2002	Indisclosed	317
M/V Thor Endeavour	42 529	9 016	1995	Bangladeshi	308
M/V Ocean Armonia	39 013	7 000	1985	Pakistani	298
GC Chengtu	25 661	9 396	1991	Indian	253