



Fearnleys Weekly Report

Activity level

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

	Last week	Prev. week
VLCCs fixed all areas last week:	37	38
VLCCs avail. in MEG next 30 days:	96	95

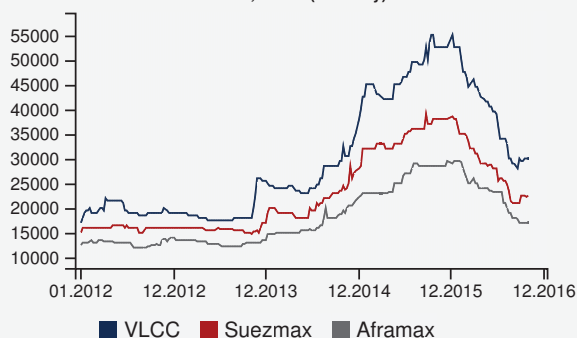
Rates

DIRTY (Spot WS)		This week	Last week	Low 2016	High 2016
MEG / West	VLCC	36.00	40.00	21.00	63.00
MEG / Japan	VLCC	55.00	69.00	32.00	111.5
MEG / Singapore	VLCC	56.00	70.00	33.00	113.5
WAF / FEAST	260,000	62.50	69.00	38.00	113.0
WAF / USAC	130,000	62.50	62.50	35.00	115.0
Sidi Kerir / W Me	135,000	75.00	85.00	42.50	135.0
N. Afr / Euromed	80,000	72.50	67.50	55.00	122.5
UK / Cont	80,000	97.50	95.00	75.00	125.0
Caribs / USG	70,000	90.00	112.5	75.00	145.0

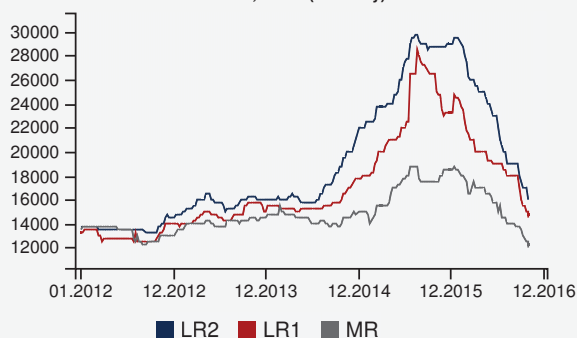
CLEAN (Spot WS)		This week	Last week	Low 2016	High 2016
MEG / Japan	75,000	85.00	90.00	55.00	160.0
MEG / Japan	55,000	90.00	95.00	75.00	150.0
MEG / Japan	30,000	97.00	92.50	92.00	135.0
Singapore / Japan	30,000	110.0	115.0	110.0	150.0
Baltic T/A	60,000	67.00	65.00	55.00	155.0
UKC-Med / States	37,000	90.00	80.00	70.00	152.5
USG / UKC-Med	38,000	60.00	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	30 000	28 000	55 000
Suezmax	(modern)	22 500	22 250	21 000	38 500
Aframax	(modern)	17 000	17 000	17 000	29 500
LR2	105,000	16 000	16 000	16 000	29 500
LR1	80,000	14 500	15 000	14 500	24 750
MR	47,000	12 000	12 500	12 000	18 750

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



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



TANKERS

Crude

Activity wise it has been a slower week as a whole. Older tonnage in the Meg building up and weighing on the rates, which have corrected down to mid w50's Meg/East. Somewhat thinner of the more modern ones with owners clearly expecting rates to firm throughout the winter. Therefore Wafr/East rates have not corrected nearly as much as in the Meg, and delta between the trades widened to abt 10 ws points. Expectations among owners for volumes to increase and rates for now may have found a bottom. More battles ahead. Suezmaxes in West Africa dipped to ws 67.5 levels as the tonnage hangover from October began to bite. As the week has progressed there has been further dampening and it has plateaued at ws 65 for td20. Meanwhile, eyes have been on the Novo and CPC programmes where activity has picked up but the availability of ships has increased due to west med tonnage ignoring West Africa and focusing on the better tce returns ex Black Sea. The coming week will be challenging for owners in West Africa the latter part of the 2nd decade is over tonned due to sparse activity. The Black Sea is expected to stabilise as the heavy programme continues. Last week was pretty busy in the North Sea and Baltic, and an increase in rates was expected by the majority of owners. The result was year to date's smallest and must short-lived spike at a staggering 2.5 points up for nearly a day. Expect softening rates for the week to come due to upcoming maintenance in Primorsk. In the Black Sea and Med it has been an interesting week for everyone involved. Rates were under pressure at the end of last week, and high w80's was paid from Bsea ely November dates. After the weekend we saw more ppt tonnage in place, and 3 cross med market quotes made owners resign, and putting the market back at low w70's. The Bsea program is getting extremely busy from next week so the market have some upward potential for the rest of the month.

Product

EAST OF SUEZ After two weeks of improved rates in the Middle East Gulf for the owners of LR1's and LR2's it now seems like we might have lost some of the momentum. After the rate for LR2's and LR1's peaked at ws90 and ws95 respectively, for east destinations, it now seems charterers are a little bit more in control and rates have started to decline slightly. Today we assess the market to be ws85 for the LR2's and ws90 for LR1's, ws5 points less than last week. For LR2's loading for Continent rates are more or less unchanged at around lumpsum USD 1.850 mill. Mr's have also experienced a slight rate reduction of about ws5 point to ws97,5 level, for Far east discharge, slightly down from last week. The benchmark voyage in the Far east from Singapore to Japan, basis 30.000 mtons, also slightly reduced to ws 110 level. WEST OF SUEZ On the Continent the activity has been good over the last few days and MR's trading trans-Atlantic have been able to increase rate to ws90. Up ws10 point since last week. Even the backhaul cargo ex U.S. gulf to the Continent is up this week and is paying ws60, up from ws50. LR1's trading from Continent to west Africa has not been able to take advantage of the positive sentiment and rate is more or less unchanged from last week i.e at ws70 level. LR2's still struggling to find employment when open on the Continent and most owners still have to ballast towards Mediterranean/Middle east gulf. On the positive side the rate from Mediterranean to Japan have firmed slightly and is today paying about lumpsum USD 1.420 mill. Handies trading in the Mediterranean and on the Continent have had a good week with a ws10 points increase on the Continent and a ws15 point increase In the Medierranean.



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Activity level

Capesize	Panamax	Supramax
Weak	Mixed	Mixed

Rates	This week	Last week	Low 2016	High 2016
CAPESIZE (usd/day, usd/tonne)				
TCT Cont/Far East (180' dwt)	14 300	17 700	6 100	21 000
Tubarao / R.dam (Iron ore)	5.60	6.80	2.00	7.30
Richards Bay/R.dam	5.40	6.40	2.00	6.80
PANAMAX (usd/day, usd/tonne)				
Transatlantic RV	8 400	8 500	1 400	8 500
TCT Cont / F. East	12 000	12 000	5 000	12 000
TCT F. East / Cont	1 500	1 400	250.0	1 500
TCT F. East RV	7 250	7 750	1 925	7 750
Murmansk b.13-ARA 15/25,000 sc	6.30	6.10	3.60	6.30
SUPRAMAX (usd/day)				
Atlantic RV	7 900	7 200	2 510	10 000
Pacific RV	6 200	6 200	2 000	7 000
TCT Cont / F. East	10 500	10 000	1 100	11 000
1 YEAR T/C (usd/day)				
Capesize 180,000 dwt	8 000	8 750	5 000	10 250
Capesize 170,000 dwt	7 000	7 500	4 500	9 000
Panamax 75,000 dwt	6 200	6 250	4 250	6 250
Supramax 53,000 dwt	6 400	6 600	4 900	6 600
Baltic Dry Index (BDI):	802	872	n/a	n/a

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



Activity level

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

LPG Rates					* Excl. waiting time, if any
SPOT MARKET (usd/month)*	This week	Last week	Low 2016	High 2016	
VLGC / 84,000	475 000	320 000	215 000	1 765 000	
LGC / 60,000	275 000	270 000	215 000	1 500 000	
MGC / 38,000	525 000	525 000	525 000	1 075 000	
HDY / 22,000	525 000	525 000	525 000	920 000	
ETH / 10,000	470 000	470 000	460 000	530 000	
SR / 6,500	400 000	400 000	400 000	460 000	
COASTER Asia	145 000	145 000	142 500	155 000	
COASTER Europe	110 000	120 000	110 000	190 000	

LPG/FOB prices (usd/tonne)		Propane	Butane	ISO
FOB North Sea / ANSI		297.0	355.5	
Saudi Arabia / CP		340.0	370.0	
MT Belvieu (US Gulf)		304.1	357.3	415.4
Sonatrach : Bethioua		305.0	360.0	

LNG

SPOT MARKET (usd/day)	This week	Last week	Low 2016	High 2016
East of Suez 155-165'cbm	32 000	32 000	29 000	36 000
West of Suez 155-165'cbm	39 000	39 000	29 000	41 000
1 yr TC 155-165'cbm	32 000	32 000	29 000	35 000

DRY BULK

Capesize

After taking a serious hit this week, rates are still under pressure. Weaker demand in the Pacific is resulting in more spot ships and ships in ballast. Simultaneously there are hardly any spot iron ore cargoes from Brazil, a situation similar to what happened 4th quarter last year. The average drop in rates so far this week has been USD 500 - 700 daily but it is still difficult to tell when the floor will be reached.

Panamax

Atlantic continue firm, but Pacific seems toppish? In the Atlantic, a steady flow of new business is still outnumbering the amount of open vsls. Short hauls via Baltic/Murmansk remain at USD 10.000's and trips out from Murmansk done at USD 13.000. Black Sea to Far East fixed at healthy 14.000 on good tonnage whereas haul via USG are concluded around 11.000's + USD 325.000 gbb. Fair activity in the Pacific, however rates seems abit toppish with Aussie rounds paying abt USD 7.000's. Furthermore Nopac rounds are down from mid 7.000's til just under USD 7.000. Period fixtures are scares, but mid USD 9.000s done with Atlantic delivery for 5-7 mths, and similar period with Pacific delivery hovers around mid USD 7.000.

Supramax

The trend from last week is passed on. Ecsa still strong with Supras from N Brazil to Med fixed at \$9,000 to \$9,500 daily. Cont and Baltic is encountering numerous cargoes, driving up the rates. Many owners will go to Med, 56,716-dwt allegedly went at \$8,750 daily del Skaw, redel EMed. Healthy rates on front hauls with Supras achieving 5 digits. Rates for backhaul are still under pressure. Nopac rounds have been fixed around mid 6k for Supramaxes, while Supras from N.China to SEA is getting arnd mid/high 5k's. Indo coal runs have softened this week with Supras achieving around mid 6k and same runs to India is paying arnd high 7k's. Overall owners are looking to book forward cargoes while market is firm.

GAS

Chartering

In terms of actual fixtures, the market activity has been somewhat lacklustre so far this week. However, the fundamentals for fixing is on one hand improving, with arbs opening up, but on the other hand the shipping rates are increasing and in-turn making trades more difficult. So far this week, we have seen 2-3 fixtures done in the East including one short-term time charter and another spot voyage on subjects at time of writing. In the West, there are a similar number of fixtures concluded or in the process of conclusion, and at levels significantly higher than what was done last week. The rate for the Baltic VLGC benchmark voyage from Ras Tanura to Japan has increased with about \$3.5 pmt on a week-on-week basis compared to roughly \$1.5 pmt last week. This represents an increase of about \$3,900 per day on a time charter equivalent (T/C/E) basis. Yesterday's rate represents a T/C/E of about \$435,000 pcm, or \$14,500 per day, however fixtures returning higher levels, is already concluded. Although it is still ample availability of ships, especially in the markets East of Suez, we do believe the improved trading environment will further push rates in the upwards direction in the near-term future.



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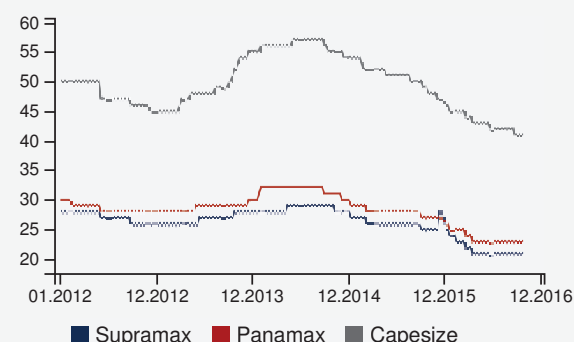
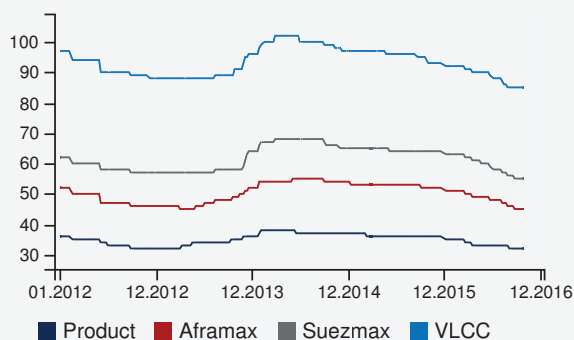
Activity level

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	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
Rate of exchange				
USD/JPY	104.4	103.4	100.4	118.6
USD/KRW	1 135	1 123	1 090	1 234
USD/NOK	8.25	8.17	8.03	8.96
EUR/USD	1.09	1.10	1.07	1.15
Interest rate				
LIBOR USD 6 mnths	1.26	1.26	0.85	1.26
NIBOR NOK 6 mnths	1.25	1.29	1.05	1.32

Commodity prices

Brent spot (USD)	50.67	52.38	28.06	52.40
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Bunker prices

Singapore	380 CST	283.0	295.0	145.0	295.0
	180 CST	297.0	300.0	148.0	300.0
	Gasoil	462.0	475.0	265.0	475.0
Rotterdam	380 HSFO	269.0	275.0	107.0	275.0
	180 CST	299.0	295.0		299.0
	Diesel	440.0	448.0	245.0	452.0

NEWBUILDING

No new orders to report this week.

SALE AND PURCHASE TRANSACTIONS

Type	Vessel	Size	Built	Buyer	Price	Comm.
MT	Red Oak	13 020	2009	Undisclosed	11,50	
MT	Tradewind Union	10 600	1997	Undisclosed	5,30	
BC	G Pegasus	229 186	2004	Greek	13,00	
BC	Barock	82 688	2007	Greek	11,30	
BC	Red queen	76 752	2005	Greek	low 6	
BC	Sorrento	76 633	2004	Undisclosed	6,40	
BC	Avra	75 121	2001	Chinese	4,50	
BC	Divine Seas	63 301	2016	Greek	xs 18	
BC	Pearl Halo	58 096	2010	BW Group	12,00	
BC	Falcon trader II	54 924	2009	Far Eastern	11,90	
BC	Ocean Destiny	49 546	2009	Chinese	9,80	Woodchip carrier
BC	Exelixis	29 926	1997	Undisclosed	2,60	Cold lay-up
BC	IS Trinity	28 740	2009	European	6,50	

DEMOLITIONS

Sold for demolition

Vessel name	Size	Ldt	Built	Buyer	Price
MV New Katerina	170 082	29 416	1997	Pakistani	311
GAS Nichiyuh Maru	50 741	16 367	1989	Chinese	268
RORO Morining Mercator	23 096	14 224	1988	Chinese	218
MV The Guide	72 326	10 296	1996	Pakistani	310
MV Asia Cement No. 2	11 999	4 009	1987	Chinese	205