



Fearnleys Weekly Report

Activity level

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

	Last week	Prev. week
VLCCs fixed all areas last week:	56	37
VLCCs avail. in MEG next 30 days:	89	96

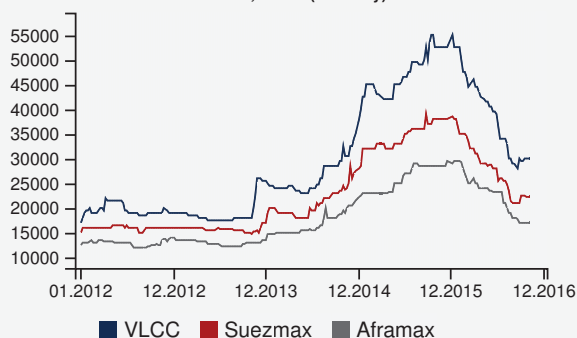
Rates

DIRTY (Spot WS)		This week	Last week	Low 2016	High 2016
MEG / West	VLCC	38.00	36.00	21.00	63.00
MEG / Japan	VLCC	64.00	55.00	32.00	111.5
MEG / Singapore	VLCC	65.00	56.00	33.00	113.5
WAF / FEAST	260,000	66.00	62.50	38.00	113.0
WAF / USAC	130,000	57.50	62.50	35.00	115.0
Sidi Kerir / W Me	135,000	65.00	75.00	42.50	135.0
N. Afr / Euromed	80,000	67.50	72.50	55.00	122.5
UK / Cont	80,000	87.50	97.50	75.00	125.0
Caribs / USG	70,000	137.5	90.00	75.00	145.0

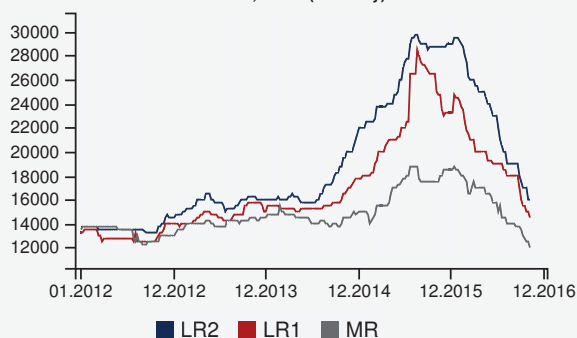
CLEAN (Spot WS)		This week	Last week	Low 2016	High 2016
MEG / Japan	75,000	80.00	85.00	55.00	160.0
MEG / Japan	55,000	85.00	90.00	75.00	150.0
MEG / Japan	30,000	97.50	97.00	92.00	135.0
Singapore / Japan	30,000	110.0	110.0	110.0	150.0
Baltic T/A	60,000	100.0	67.00	55.00	155.0
UKC-Med / States	37,000	155.0	90.00	70.00	155.0
USG / UKC-Med	38,000	120.0	60.00	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)	22 250	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	14 500	14 500	24 750
MR	47,000	12 000	12 000	12 000	18 750

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



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



TANKERS

Crude

A very active week for the VLCCs and mainly in the MEG. Charterers stretching well forward on the dates, historically as anticipating rates firming in the near term. The rates have edged up ex MEG for both East and West but not to the extent some expected due to the activity. Ships are still in abundance and hence competition strong for fresh business and it appears rates flattening. Possibly as some electing to secure present levels. West Africa/East activity not as active as the MEG, but December dates in play and also here rates may have reached a peak for now. Possibly a few quiet days ahead when resilience will be tested. Suezmaxes have found little respite in West Africa as tonnage has built with East ballasters swelling the list. Td20 flirted with mid ws50's before stabilising at the ws57.5 level, even replacement cargoes comfortably achieved last done levels. The Black Sea retreated from recent highs as a quiet Med market added tonnage to the list and rates fell by almost 10 points to ws70 for TD6. Owners will be looking to the third decade in West Africa for much needed momentum, but with a quiet Med market this coming week owners have little to grip onto. The Black Sea has yet to find its bottom level but Charterers are aggressively pulling it towards the mid ws60's. As predicted last week, the North Sea and Baltic experienced softer rates. However, for the time being it seems like the bottom has been reached. Going forward we believe rates will stabilize around current levels, before firming up again for third decade fixing. In the Med and Black Sea, we saw some lower rates done cross-Med at the beginning of the week. However, a busy Black Sea program helped shorten the position list the last couple of days, and as owners are feeling they have the momentum on their side, we expect rates to move towards mid 70's by the end of the week.

Product

EAST OF SUEZ It has been a quiet week in the Middle East Gulf with limited activity from charterers, and as a consequence rates have declined slightly. Today LR2s are being paid around ws80 for their services and LR1s are getting ws85 level, for Far East destinations. This is down ws5 points since last week. The West rates for both sizes are still around lumpsum USD 1.8 and 1.35 million, more or less unchanged from last week. MRs have also had an uneventful week and rates from the Middle East Gulf to Far East is unchanged at ws97.5 level basis 35,000 mtons. The same is the situation in the Far East, with the benchmark voyage from Singapore to Japan unchanged from last week at ws110 level. **WEST OF SUEZ** The market in the Atlantic was going sideways until the unfortunate and tragic accident with the Colonial pipeline yesterday. The last 24 hours rates have really taken off in the Atlantic due to this. The MR rates from Continent to the States increased overnight close to ws70 points and the backhaul cargo increased over ws60 points to ws125 level yesterday. This increased earnings for an MR in the Atlantic from USD 10,000 to USD 26,000 overnight. LR1s did also attract more interest from charterers and rate was up close to ws35 points last night. It is difficult to find out when the pipeline will be fully operational again, but the market will be very good for owners until the pipeline is fixed. Unfortunately it does not yet seem like the LR2s have seen any change in interest and the benchmark rate from the Mediterranean to Japan is still quoted around the lumpsum USD 1.4 mark. Handies trading in the Mediterranean is still fixing around the ws125 mark and handies on the Continent have been able to increase the rate to ws125 level, up from ws110.



Fearnleys Weekly Report

Activity level

Capesize	Panamax	Supramax
Slower	Firmer	Mixed

Rates	This week	Last week	Low 2016	High 2016
CAPESIZE (usd/day, usd/tonne)				
TCT Cont/Far East (180' dwt)	17 200	14 300	6 100	21 000
Tubarao / R.dam (Iron ore)	5.80	5.60	2.00	7.30
Richards Bay/R.dam	5.70	5.40	2.00	6.80
PANAMAX (usd/day, usd/tonne)				
Transatlantic RV	9 500	8 400	1 400	9 500
TCT Cont / F. East	12 000	12 000	5 000	12 000
TCT F. East / Cont	1 500	1 500	250.0	1 500
TCT F. East RV	6 900	7 250	1 925	7 750
Murmansk b.13-ARA 15/25,000 sc	6.25	6.30	3.60	6.30
SUPRAMAX (usd/day)				
Atlantic RV	8 500	7 900	2 510	10 000
Pacific RV	5 800	6 200	2 000	7 000
TCT Cont / F. East	10 500	10 500	1 100	11 000
1 YEAR T/C (usd/day)				
Capesize 180,000 dwt	8 500	8 000	5 000	10 250
Capesize 170,000 dwt	7 500	7 000	4 500	9 000
Panamax 75,000 dwt	6 500	6 200	4 250	6 500
Supramax 53,000 dwt	6 500	6 400	4 900	6 600
Baltic Dry Index (BDI):	834	802	n/a	n/a

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



Activity level

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

LPG Rates					* Excl. waiting time, if any
SPOT MARKET (usd/month)*	This week	Last week	Low 2016	High 2016	
VLGC / 84,000	550 000	475 000	215 000	1 765 000	
LGC / 60,000	375 000	275 000	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	155 000	145 000	142 500	155 000	
COASTER Europe	110 000	110 000	110 000	190 000	

LPG/FOB prices (usd/tonne)				
	Propane	Butane	ISO	
FOB North Sea / ANSI	346.0	363.5		
Saudi Arabia / CP	390.0	440.0		
MT Belvieu (US Gulf)	291.8	342.0	407.7	
Sonatrach : Bethioua	350.0	383.0		

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

Last week ended with a strong push on the Brazil/China tour, where rates moved to the USD 11 pmt level and on high volumes. The West Australia/China route also moved up close to mid USD 5 pmt level. This week the activity have dropped and the freight levels moved back down again to USD 10 pmt for Brazil/China and just below USD 5 pmt mark for West Australia/China. It does appear that this is where the freight levels are expected to be for the next week as well. Most owners now have a preference to do Brazil/China as this will occupy the vessel way into the Q1 period, which seasonally is the weakest period of the year.

Panamax

In the Atlantic we experience a lack of prompt tonnage which put pressure on rates. Chrts with mid Nov cancelling struggle to get ships able cancelling which subsequently push rates. We see the same tendency in Baltic where Pmaxes have been fixed at USD 12k DOP cont for Baltic rounds. In the Eastern hemisphere Ppmx still asking a decent return for Pac R/V's, 93000dwt in the sth seeing 9000 on same, with ones in the north seeing high 7's/8k. Tight on the prompt side forcing chrts to pay up. There's a few early ecaussie cgo with chtrs bidding high 7's for early kmax against ows talking in the 8's. However tng list in Nchina-JPN is getting longer, LME offering high 6's for a nopac rv against chtrs bidding low-mid 6 ...

Supramax

In the Atlantic we see a bit more activity than in the eastern hemisphere. Fhauls via Black Sea fixing in the high 10k and USG/Cont paying high 11k. The Pacific has continued dropping this week. Supras in N.China is achieving low/mid USD 5k for trip to Seasia, while S.China via Indo to China is fixing at high USD 3k's. Trips from ECI to China is trading around USD 4k, while Supras bss del Singapore are getting around 6k for trips via Indo to China.

GAS

Chartering

The activity level in the VLGC market has gradually eased off over the last week. This could be caused by new posted prices, a softer crude as well as Asian LPG CFR prices on the decline eventually, but, the Baltic VLGC index gained some 10% over the week. Actual spot fixtures in the West were totally dominated by major oil companies in full control of respective loading facilities at stronger freight rates than what the more competitive charterers/traders would consider. The latest USG/Far East fixture (via Panama) was concluded above USD 60 pmt, which equals to a premium above the Baltic of roughly 30% basis net daily returns. In the East we have seen the rise of spot rates slow down quite a bit as the activity decelerated, however, we saw relet vessels being looked at and subfixed very soon after they surfaced. The latest Baltic is posted in the very high USD 20's which equals roughly USD 18,000 per day, much higher than a month ago, but owners are far from satisfied yet as this level albeit takes care of OPEX only partly covers financing of VLGCs. In the short term, the spot rates may have stalled around the current levels as the fob/cfr margins have come under pressure lately. At the end of the day it boils down to supply and demand, though, and for now it seems the fleet balance (in the East) is fair in coming weeks.



Fearnleys Weekly Report

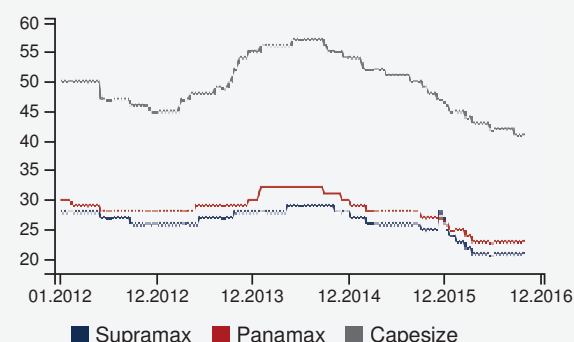
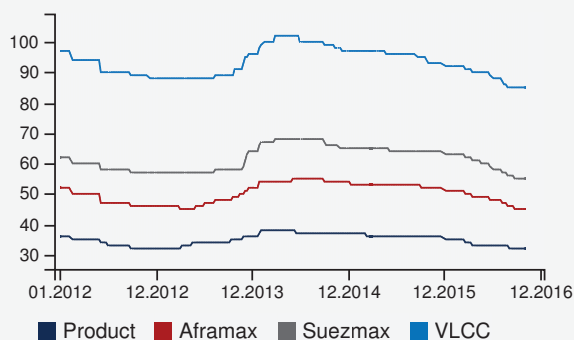
Activity level

Tankers	Dry Bulk	Others
Active	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	103.5	104.4	100.4	118.6
USD/KRW	1 149	1 135	1 090	1 234
USD/NOK	8.18	8.25	8.03	8.96
EUR/USD	1.11	1.09	1.07	1.15

Interest rate

LIBOR USD 6 mnths	1.26	1.26	0.85	1.26
NIBOR NOK 6 mnths	1.27	1.25	1.05	1.32

Commodity prices

Brent spot (USD)	47.66	50.67	28.06	52.40
------------------	-------	-------	-------	-------

Bunker prices

Singapore	380 CST	270.0	283.0	145.0	295.0
	180 CST	288.0	297.0	148.0	300.0
	Gasoil	460.0	462.0	265.0	475.0
Rotterdam	380 HSFO	245.0	269.0	107.0	275.0
	180 CST	275.0	299.0		299.0
	Diesel	410.0	440.0	245.0	452.0

NEWBUILDING

Strong chemical carrier activity this week with 10 vessels reported at 3 different Chinese shipyards, in addition to the 3 Suezmax orders placed by NATS at SHI. Although difficult to demonstrate, we have the impression of more shipyard activity with owners frequently visiting Far Eastern shipyards with various inquiries.

NEWBUILDING CONTRACTS

Type	No	Size	Yard	Buyer	Del	Price	Comm
MT	3	157,000 DWT	SHI	NATS	2018		
Chem	4	50,000 DWT	Wuchang SB	Gulf Navigation	2018		2 options
Chem	4	49,000 DWT	Hudong	Odfjell	2019-2020	60	Stainless. 2 options
Chem	2	16,300 DWT	Dingheng	Furetank Rederi	2018-2019	30	

SALE AND PURCHASE TRANSACTIONS

Type	Vessel	Size	Built	Buyer	Price	Comm.
MT	Ganges Spirit	159 453	2002	Greek	17,50	
MT	Yamuna Spirit	159 435	2002	Greek	17,50	
MT	Siena	105 357	2002	Bakri Navigation	15,00	
MT	Morning Glory VIII	99 990	2002	Undisclosed	13,00	
BC	Hanjin Cape Lambert	179 147	2009	Great Eastern Shipping	19,00	
BC	Abyo Oprah	82 551	2006	Greek	9,50	
BC	Bavang	82 028	2016	Chellaram Shipping	19,20	
BC	Shin Yo	76 863	2006	Zihni Shipping	high 7	
BC	New Command	76 662	2002	Chinese	4,60	SS/DD due
BC	Pan Uno	75 955	2001	Chinese	4,60	
BC	Sonoma	74 786	2001	European	4,30	Cold lay-up, SS/DD passed
BC	Genco leader	73 941	1999	Chinese	3,50	
BC	CS Daisy	56 971	2010	Undisclosed	xs 7	
BC	Stelvio	48 549	2007	Greek	7,50	
BC	Maratha Premier	34 930	2016	Greek	16,50	
BC	Rainbow Harmony	35 000	2009	Greek	9,00	
BC	Rainbow Lucky	33 478	2010	Greek	9,00	
BC	Ho Xin	24 823	2007	Undisclosed	4,50	

DEMOLITIONS

Sold for demolition

Vessel name	Size	Ldt	Built	Buyer	Price
CONT YM Los Angeles	65 123	22 002	2006	Indian	313
CONT HS Caribe	58 512	19 136	2002	Indian	306
CONT JPO Canopus	52 786	16 900	2005	Undisclosed	302
CONT RT Aegir	34 015	10 500	1997	Indian	310
M/V Agia Markella	71 662	9 962	1996	Bangladeshi	301
GC Jia Xing	22 109	9 505	1992	Indian	280
GC Hijau Semangat	10 813	3 926	1997	Bangladeshi	270