



# Fearnleys Weekly Report

## Activity level

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

	Last week	Prev. week
VLCCs fixed all areas last week:	71	59
VLCCs avail. in MEG next 30 days:	73	99

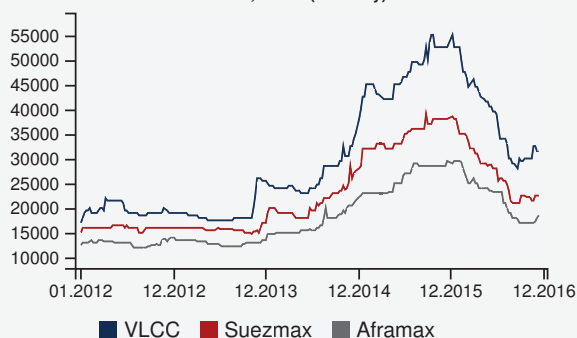
## Rates

DIRTY (Spot WS)		This week	Last week	Low 2016	High 2016
MEG / West	VLCC	42.50	40.00	21.00	63.00
MEG / Japan	VLCC	72.50	67.50	32.00	111.5
MEG / Singapore	VLCC	73.50	69.00	33.00	113.5
WAF / FEAST	260,000	75.00	68.50	38.00	113.0
WAF / USAC	130,000	67.50	95.00	35.00	115.0
Sidi Kerir / W Me	135,000	85.00	105.0	42.50	135.0
N. Afr / Euromed	80,000	140.0	180.0	55.00	190.0
UK / Cont	80,000	130.0	137.5	75.00	137.5
Caribs / USG	70,000	87.50	155.0	75.00	155.0

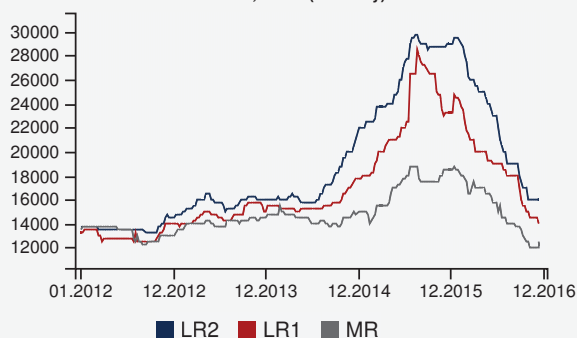
CLEAN (Spot WS)		This week	Last week	Low 2016	High 2016
MEG / Japan	75,000	70.00	75.00	55.00	160.0
MEG / Japan	55,000	75.00	77.50	75.00	150.0
MEG / Japan	30,000	100.0	92.50	92.00	135.0
Singapore / Japan	30,000	107.5	102.5	102.0	150.0
Baltic T/A	60,000	85.00	90.00	55.00	155.0
UK-Med / States	37,000	90.00	100.0	70.00	155.0
USG / UKC-Med	38,000	95.00	95.00	50.00	125.0

1 YEAR T/C (USD/day) (theoretical)		This week	Last week	Low 2016	High 2016
VLCC	(modern)	31 500	31 500	28 000	55 000
Suezmax	(modern)	22 500	22 500	21 000	38 500
Aframax	(modern)	18 500	18 000	17 000	29 500
LR2	105,000	16 000	16 000	16 000	29 500
LR1	80,000	14 000	14 000	14 000	24 750
MR	47,000	12 500	12 000	12 000	18 750

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



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



## TANKERS

### Crude

Over the past week the VLCC market saw continued steady activity especially ex MEG and Wafr. Charterers tried to secure tonnage cautiously off the market to avoid rates firming further up. All in vain as the market detected the demand as ships disappeared on a steady basis. Slow turn around in discharge ports in India and Far East is due to reasons such as limited shore ullage and bad weather which has delayed tonnage returning to load areas. All in all causing a reduction of the overhang of available tonnage forcing charterers to pay firmer numbers. Only the weak Suezmax market can possibly threaten the present firm VLCC trend. Suezmaxes have experienced a tough week as thin enquiry in the third decade has eaten into the owner's resolve and rates have steadily fallen away as TD20 is currently at ws70 with TCE at 24,500 per day. Charterers have resorted to starvation tactics and are showing cargoes privately under the radar in order to maintain a level of uncertainty about stems. The sparse activity has been echoed in the Black Sea and Med where rates have similarly eroded. The short term outlook is in charterers favour but it seems the North Sea arb is open which is snapping up tonnage one glimmer of hope for owners. Cross Nsea Aframax cargoes has been giving a better return per day compared with the Baltic cargoes going to the Cont lately. This week it has been a bit of a standoff in the Baltic, but charterers finally gave in and at the time of writing Baltic rates are up by 7.5 ws points. We expect continuing strong markets in the north fixing towards a New Year filled with ice and bad weather. The Med and Black Sea has been on fire these last few weeks, but it all came to an end as more available tonnage came back into play. We could see a swift recovery, as supply and demand is finally balanced, and it will not take much to get it back on track.

### Product

EAST OF SUEZ Yet again it has been a quiet week in the Middle East Gulf and charterers seems to be in control of rates. The standard LR2 fixture to Japan is today at ws70, a 5 points drop since last week. Fyg, ws70 give owners a daily return of only about USD 6000 per day. LR1 rates for the same destination is also more or less unchanged from last week and pays about ws75/77.5 level. For west voyages the lumpsum rates are around USD 1.6 mill for LR2s and USD 1.1 mill for LR1s, also same as last week. MRs fixing for Far East from west coast India have been able to increase rates from ws92.5 to ws100 today. A little bit more positive trend in the Far East with the standard Singapore to Japan voyage increasing 5 points to ws107.5 and the short haul voyage from South Korea to Japan today at USD 265,000, up from USD 250,000. WEST OF SUEZ With a lot of owners, charterers and brokers enjoying the pre-Christmas festivities in London, the market in the western hemisphere has been fairly uneventful. The classic MR voyage from the Continent to the States has dropped ws10 this week to ws90 and with no extra help to be gained to triangulate since the backhaul cargo ex US Gulf is still at ws95. The MR combination voyage is today giving owners a daily earning of approximately USD 11,500 per day. Owners of LR1s trading to West Africa have also experienced a flat market and going rate is ws85 level. For LR2 becoming open on the Continent it is still difficult to find employment and most owners have to ballast towards Mediterranean to find more possibilities for employment. It has been a little bit more quiet this week and the benchmark voyage from Mediterranean to Japan pays about USD 100,000 less than last week and today's rate is around lumpsum USD 1.775 mill. Handies operating on the Continent are seeing a little bit more positive trend and the market is up 15 ws points this week to ws115, and same size vessels trading in the Mediterranean have been able to maintain the fairly high level around ws140.



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## Activity level

Capesize	Panamax	Supramax
Weakening	Strong	Firm

Rates	This week	Last week	Low 2016	High 2016
<b>CAPESIZE (usd/day, usd/tonne)</b>				
TCT Cont/Far East (180' dwt)	17 600	21 500	6 100	28 000
Tubarao / R.dam (Iron ore)	7.70	8.00	2.00	9.15
Richards Bay/R.dam	7.70	8.00	2.00	8.35
<b>PANAMAX (usd/day, usd/tonne)</b>				
Transatlantic RV	19 000	16 600	1 400	19 000
TCT Cont / F. East	20 000	17 200	5 000	20 000
TCT F. East / Cont	4 750	4 200	250.0	4 750
TCT F. East RV	9 000	8 600	1 925	9 000
Murmansk b.13-ARA 15/25,000 sc	8.95	8.45	3.60	8.95
<b>SUPRAMAX (usd/day)</b>				
Atlantic RV	14 000	13 400	2 510	14 000
Pacific RV	5 800	5 800	2 000	7 000
TCT Cont / F. East	15 500	14 500	1 100	15 500
<b>1 YEAR T/C (usd/day)</b>				
Capesize 180,000 dwt	10 000	11 000	5 000	11 000
Capesize 170,000 dwt	8 500	9 500	4 500	10 000
Panamax 75,000 dwt	7 750	7 000	4 250	7 750
Supramax 53,000 dwt	7 000	7 000	4 900	7 000
<b>Baltic Dry Index (BDI):</b>	<b>1162</b>	<b>1204</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
Increasing	Firm	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	450 000	420 000	215 000	1 765 000	
LGC / 60,000	375 000	375 000	215 000	1 500 000	
MGC / 38,000	515 000	525 000	515 000	1 075 000	
HDY / 22,000	550 000	540 000	520 000	920 000	
ETH / 10,000	510 000	500 000	460 000	530 000	
SR / 6,500	420 000	420 000	400 000	460 000	
COASTER Asia	170 000	170 000	142 500	170 000	
COASTER Europe	110 000	110 000	110 000	190 000	

<b>LPG/FOB prices (usd/tonne)</b>		<b>Propane</b>	<b>Butane</b>	<b>ISO</b>
FOB North Sea / ANSI		334.0	352.5	
Saudi Arabia / CP		380.0	420.0	
MT Belvieu (US Gulf)		319.1	408.8	518.2
Sonatrach : Bethioua		345.0	380.0	

## LNG

<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	33 000	32 000	29 000	36 000
West of Suez 155-165'cbm	48 000	48 000	29 000	48 000
1 yr TC 155-165'cbm	33 000	32 000	29 000	35 000

## DRY BULK

### Capesize

There were signs of a positive start to the week with slightly stronger FFA values on Monday. However, it soon became clear that physical support was lacking and rates dropped in the Pacific as well as the Atlantic. There has been a drop of USD 2500 on average in one week and West Australia round is being fixed in the upper USD 5's. The Atlantic is sliding steady with a surplus of prompt tonnage. There is still a hope for a last rally before the Christmas holidays, but obviously chances are getting slimmer as we are getting well into December.

### Panamax

The firm tendency continues in both hemispheres, especially in North Atlantic. Longhauls out of NOPAC, USG and ECSA combined with weather delays contribute to the solid levels. T/A rounds in 18-20k range, and even solid 30k or equivalent on T/C done Baltic to Med. Fronthaul >20k from Cont, 16+550 from USG. ECSA hovers around 9+400 bss COGH. The tone is positive in the East, despite a gradually growing tonnage list. Indo rounds fixed in the 8500-9500 range. Low/mid 9's done mid-week for Aussie-China and for NOPAC biz - even up to 11k reported for Pac rounds. With the hot spot market and a rising forward curve, owners have gradually increased their rates for period. 8500 to 9500 done on short/medium period.

### Supramax

Market remained firm - true mostly within Atlantic. Star performer USG remained its title, where Supras reached around USD 21k for trip to Cont. Cont and Baltic have encountered with tight tonnage. Supras out Baltic to USG were paying above USD 10k net. Supras del in Med for 4/7 mos trading ww USD 12k. The Pacific basin is flat compared to Atlantic, apart from S.Africa/MEG range where market still is strong. ECI to China is paying Supra owners around USD 6k, while trips from N.China to SE Asia is paying high USD 5k/6k. Several owners are looking to cover their vessels on periods. The period market has improved somewhat, where owners achieving around USD 7k on short periods up to 1 year.

## GAS

### Chartering

There have been a few VLGC fixtures last week with the USG loadings still fetching a good premium over and above the Baltic Index as well as the actual fixtures in the East. We are looking at a freight market that appears to be in fair balance on the supply and demand side, but we have seen rather high demand for 1st half January tonnage pushing western rates up recently. The Baltic was moving up day by day last week, however, it lacked the pace and enthusiasm the owners would have liked to see, and yesterday the curve turned modestly south again on some fixtures concluded below the index. We believe the spot market is going to be rather flat in the remainder of December and the year now that the news of last week with OPEC cuts - LPG prices may have stabilized in the Far East by the look of it. The highlight of the VLGC week is obviously that BW LPG finally has succeeded in taking over Aurora LPG, the agreement was reached earlier this week. All 9 Aurora owned VLGCs have been traded in the spot market recently which means BW LPG will get commercial control of all of them some time during first quarter 2017.



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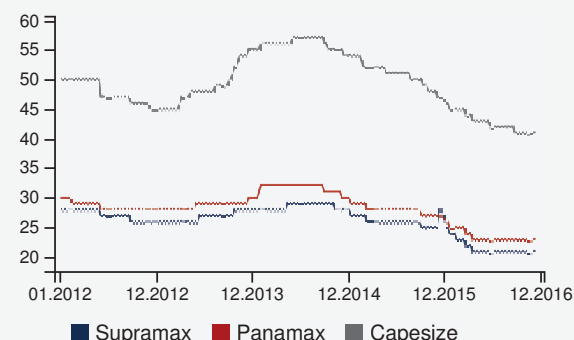
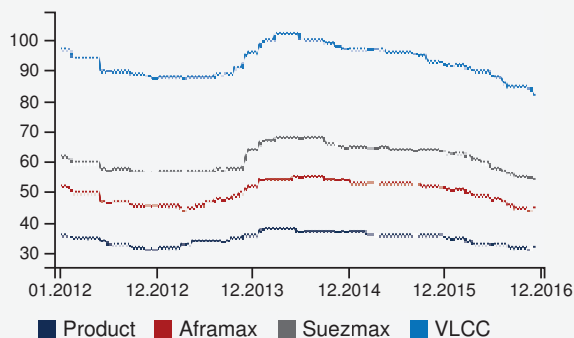
## Activity level

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	82.00	82.00	82.00	92.00
Suezmax	150'dwt	54.00	54.00	54.00	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	114.0	113.6	100.4	118.6
USD/KRW	1 168	1 172	1 090	1 234
USD/NOK	8.36	8.50	8.03	8.96
EUR/USD	1.07	1.06	1.06	1.15

<b>Interest rate</b>				
LIBOR USD 6 mnths	1.29	1.29	0.85	1.29
NIBOR NOK 6 mnths	1.32	1.32	1.05	1.32

<b>Commodity prices</b>				
Brent spot (USD)	53.37	50.47	28.06	53.37

<b>Bunker prices</b>				
Singapore				
380 CST	320.0	294.0	145.0	320.0
180 CST	327.0	304.0	148.0	327.0
Gasoil	459.0	435.0	265.0	475.0
Rotterdam				
380 HSFO	294.0	266.0	107.0	294.0
180 CST	315.0	287.0		315.0
Diesel	443.0	418.0	245.0	452.0

## NEWBUILDING

Slow newbuilding activity with no new orders to report over the past week.

## SALE AND PURCHASE TRANSACTIONS

Type	Vessel	Size	Built	Buyer	Price	Comm.
MT	Gener8 Spyridon	159 959	2000	Greek	15,00	
MT	Ratne Shalini	105 849	2010	Undisclosed	xs 90,00	
MT	Ratna Namrata	105 830	2008			
MT	Ratna Shruti	105 746	2008			
MT	Ratna Shradha	105 746	2008			
MT	Gener8 Pericles	105 674	2003	Chinese	14,00	
MT	British Unity	46 803	2004	Greek	12,40	En bloc basis
MT	British Liberty	46 803	2004		12,40	
MT	British Loyalty	46 803	2004		12,40	
MT	Welwitschia	45 999	1998	Wilmar	Low 5's	Epoxy coated, ice class 1C
MT	Rio Daytona	12 835	2010	German	Undisclosed	Internal sale
MT	Rio Dauphin	12 713	2009			
MT	Cape Dawson	12 789	2009		3,35	
MT	Crystal West	8 143	1994	Undisclosed	3,35	Stst tanks
MT	Crystal Zuid	8 143	1994			
BC	Hanjin Port Walcott	180 012	2012	Greek	Undisclosed	Private deal
BC	Hanjin Newcastle	179 905	2011			
BC	Bulk brasil	82 449	2008	Undisclosed	11,20	
BC	Antonis	81 510	2013	BW Group	16,00	
BC	Mission Hills	75 924	2001	Chinese	5,10	
BC	Nordems	75 253	2001	Chinese	xs5	
BC	K. Brave	56 070	2006	Undisclosed	9,40	
BC	Aurora Christine	46 709	2000	Undisclosed	4,90	
BC	Puffin	37 301	2003	Undisclosed	4,00	
BC	Newlead Albion	32 318	2012	Singaporean	6,00	
BC	Newlead Vanetico	32 318	2012		6,00	
BC	Qin Feng 180	21 503	2009	Chinese	4,21	Auction sale RMB 29

## DEMOLITIONS

### Sold for demolition

Vessel name	Size	Ldt	Built	Buyer	Price
MV Star Desponia	170 172	21 472	1999	Bangladeshi	315
CONT AS Tamina	33 914	10 700	1998	Bangladeshi	305
MV Pacific Pioneer	69 279	10 041	1994	Bangladeshi	280
MV Hawk	45 111	7 773	1994	Bangladeshi	295
RORO City of Tokyo	12 730	12 393	1987	Bangladeshi	305
RORO Salzgitter	12 077	11 791	1987	Bangladeshi	248