



Fearnleys Weekly Report

Activity level

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

	Last week	Prev. week
VLCCs fixed all areas last week:	57	71
VLCCs avail. in MEG next 30 days:	78	73

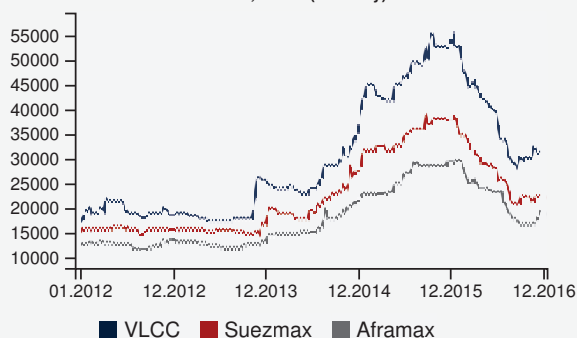
Rates

DIRTY (Spot WS)		This week	Last week	Low 2016	High 2016
MEG / West	VLCC	50.00	42.50	21.00	63.00
MEG / Japan	VLCC	87.50	72.50	32.00	111.5
MEG / Singapore	VLCC	88.50	73.50	33.00	113.5
WAF / FEAST	260,000	80.00	75.00	38.00	113.0
WAF / USAC	130,000	100.0	67.50	35.00	115.0
Sidi Kerir / W Me	135,000	102.5	85.00	42.50	135.0
N. Afr / Euromed	80,000	122.5	140.0	55.00	190.0
UK / Cont	80,000	100.0	130.0	75.00	137.5
Caribs / USG	70,000	95.00	87.50	75.00	155.0

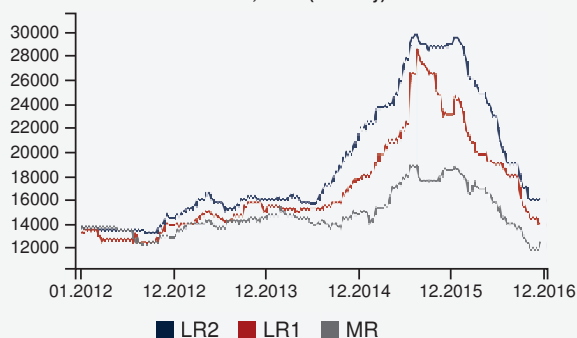
CLEAN (Spot WS)		This week	Last week	Low 2016	High 2016
MEG / Japan	75,000	80.00	70.00	55.00	160.0
MEG / Japan	55,000	80.00	75.00	75.00	150.0
MEG / Japan	30,000	102.5	100.0	92.00	135.0
Singapore / Japan	30,000	125.0	107.5	102.0	150.0
Baltic T/A	60,000	85.00	85.00	55.00	155.0
UKC-Med / States	37,000	105.0	90.00	70.00	155.0
USG / UKC-Med	38,000	90.00	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)	19 500	18 500	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	12 500	12 000	18 750

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



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



TANKERS

Crude

A continuously tighter tonnage list due to delays and uncertain positions has made charterers reach well forward on dates and on high volumes, particularly in the MEG and West Africa. Rates have corrected up sharply as selection of tonnage has been thin and earnings for MEG and Wafr/East has crept up above USD 50k/day. Atlantic also remains active with tonnage in the areas being swept up. The announced OPEC cuts and eventual effects on the market has created some dark clouds on the horizon but for the time being owners are in the driving seat and enjoying the present earnings. It has been a good week for the Suezmaxes with a marked improvement across the board, it has been driven by strong activity in all areas culminating in tighter position lists and stronger owner sentiment. TD20 has breached the ws100 level with returns back at close to USD 40k/day. Meanwhile the Med and Bsea have seen more modest improvements with a temporary spike in the Turkish straits delays adding pressure, this has now dissipated and Med ships are now closely watching the potential continuation of a stronger West Africa market with baited breath. The outlook for the week pre-Christmas is positive and Charterers will have their work cut out to keep the rates in check. Limited activity level for Aframax in the North Sea left non-ice tonnage with limited alternatives. Charterers seized the opportunity and one cargo attracted as much as 9 offers, resulting in a fixture cutting earnings in half. Baltic cargoes are still fixed at ws105 levels as Charterers want to secure ice tonnage for Baltic loadings. Rates have hit bottom for now, but going forward we could see a two tier market. Med and Bsea have been at a crossroad all week. Rates have hovered between low ws120 and mid ws130. However, we seem to be going down the softening path as Turkish straits delays have been reduced. Also, Bsea program is more or less covered for the month, and as some of the Libya stems have been covered on Suezmax tonnage, this adds to the downward pressure on rates for Aframax.

Product

EAST OF SUEZ With more activity from the charterers' side owners have this week been able to secure higher rates in the Middle East Gulf and we might see further increase coming week. Going rate today for LR2s is around ws80, up from 70 last week. LR1s is also fixing around the ws80 mark. The rate for going to the Continent has increase with about USD 100,000 for both sizes to USD 1.675 mill and USD 1.2 mill, respectively. MRs is more or less unchanged from last at ws102.5 for Far East discharge. The positive momentum have also prevailed in the Far East this week with the standard voyage from Singapore to Japan improving to ws125, up from ws107.5 and the short haul voyage from South Korea to Japan has improved from lumpsum USD 265,000 to USD 300,000 today. WEST OF SUEZ Yet another week without any major changes in the Atlantic market for either sizes. The MRs trading to the States from the Continent have this week been able to secure business at around ws105 level, which is 10 points higher than last week. But on the other side the backhaul voyage ex US Gulf have dropped about 5 ws points to ws90, so the daily earnings for owners is almost unchanged at around USD 12,000 per day. LR1s have also not been able to improve rates and is still fixing around ws85 level for West Africa discharge. For the LR2s we have seen a few more reports of fixtures ex Continent to Singapore at around lumpsum USD 1.5 mill level, but not still enough action to put pressure on charterers. The benchmark voyage from the Mediterranean to Japan is almost unchanged at lumpsum 1.75 mill. Handies trading short haul in the Mediterranean have had a flat week and going rate is still around the ws137.5 mark, whilst handies on the Continent have had to accept a reduction from ws120 to ws112.5 today.



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Activity level

Capesize	Panamax	Supramax
Slower	Weakening	Moderate

Rates	This week	Last week	Low 2016	High 2016
CAPESIZE (usd/day, usd/tonne)				
TCT Cont/Far East (180' dwt)	12 300	17 600	6 100	28 000
Tubarao / R.dam (Iron ore)	6.20	7.70	2.00	9.15
Richards Bay/R.dam	6.30	7.70	2.00	8.35
PANAMAX (usd/day, usd/tonne)				
Transatlantic RV	14 000	19 000	1 400	19 000
TCT Cont / F. East	15 000	20 000	5 000	20 000
TCT F. East / Cont	4 000	4 750	250.0	4 750
TCT F. East RV	7 000	9 000	1 925	9 000
Murmansk b.13-ARA 15/25,000 sc	8.19	8.95	3.60	8.95
SUPRAMAX (usd/day)				
Atlantic RV	15 000	14 000	2 510	15 000
Pacific RV	5 600	5 800	2 000	7 000
TCT Cont / F. East	16 000	15 500	1 100	16 000
1 YEAR T/C (usd/day)				
Capesize 180,000 dwt	9 500	10 000	5 000	11 000
Capesize 170,000 dwt	8 000	8 500	4 500	10 000
Panamax 75,000 dwt	7 500	7 750	4 250	7 750
Supramax 53,000 dwt	7 000	7 000	4 900	7 000
Baltic Dry Index (BDI):	1003	1162	n/a	n/a

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



DRY BULK

Capesize

The end of the year atmosphere have kicked in, and the activity is slowing down. This do affect the rates, which is also slowly moving downwards. Brazil market have been very quiet and the TC rates for a Brazil/China trip gone from 18k down to do 12k. It is still some activity on west Australia, but rates keep sliding and the TC rates for Pacific round have gone from 11k to below 7k. Despite the slower activity and the lower rates, the market is not yet collapsing as we have seen during previous low seasons. So at the moment there still seem to be some support, and it does appear to be more January cargoes from Brazil appearing now.

Panamax

As we approach the Xmas holidays, market is softening after the recent strong rates, sliding in both hemispheres. North Atlantic is still reporting decent rates, 20k for Baltic rounds, Baltic to Med done at USD 19,500. Fronthaul about 15+500 bss USG and ECSA fixed at USD 9800+480 APS. Sentiment in Pacific turned negative this week with tonnage list increasing in the north. Owners now lowering rates for NOPAC R to low USD 7s which also fixed dely S Korea for LME mid-week. Charts holding back with most spot requirements covered. Period rates revised to high 7s/low 8s for short period dep on spec's. Overall, the Panamax market remain under pressure with a negative sentiment likely to continue until the new year.

Supramax

Pacific has been relatively quiet this week, with some softening signs. Supramaxes are achieving around high USD 7k for Indo/China coal rounds, while steels from N.China to SE Asia is still being fixed around USD 5500. Trips from ECI to China is paying in the level of low USD 8k. Owners deciding to put their Supra on a backhaul from China to Continent are getting compensated around USD 4k for the first 65 days, and thereafter high USD 6k/low 7k. While tones for Pacific were a bit down, Atlantic still kept going. Healthy rates for fhaul and TA rounds, where Supras received close to 17k bss del Itaqui with trip to ARAG. Supras from Med to NCSA saw between 8-10k and to West Africa close to 10k.

Activity level

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

LPG Rates

* Excl. waiting time, if any

SPOT MARKET (usd/month)*	This week	Last week	Low 2016	High 2016
VLGC / 84,000	350 000	350 000	215 000	1 765 000
LGC / 60,000	375 000	375 000	215 000	1 500 000
MGC / 38,000	550 000	515 000	515 000	1 075 000
HDY / 22,000	550 000	550 000	520 000	920 000
ETH / 10,000	520 000	510 000	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

LPG/FOB prices (usd/tonne)	Propane	Butane	ISO
FOB North Sea / ANSI	334.0	352.5	
Saudi Arabia / CP	380.0	420.0	
MT Belvieu (US Gulf)	321.7	400.9	418.3
Sonatrach : Bethioua	345.0	380.0	

LNG

SPOT MARKET (usd/day)	This week	Last week	Low 2016	High 2016
East of Suez 155-165'cbm	33 000	33 000	29 000	36 000
West of Suez 155-165'cbm	48 000	48 000	29 000	48 000
1 yr TC 155-165'cbm	34 000	33 000	29 000	35 000

GAS

Chartering

Just as the VLGC market started to look like it was going to enter Christmas holiday mood early and end the year with a yawn, there was a sudden spot fixing rally the last couple of days. Not less than half a dozen VLGCs were booked, all but one for late December loading – and all of them MEG/Far East. The confirmed freight rates did not point the market in any new direction – they were all concluded in line with this week's Baltic rate, i.e. mid USD 20's. With a HFO price in the USD 320's per ton these latest fixtures return some USD 11,500 per day on a standard VLGC. In the West, there were more talks than action – the freight margins from USG to Far East has not improved at all lately. A 2008-built VLGC was fixed for a 12 months' timecharter with prompt delivery at just over USD 400,000 per month – this T/C level corresponds to a ton rate Ras Tanura/Chiba in the mid/high USD 20's with the current bunker prices. For what it is worth; this is the same level the Baltic FFA panellists put down yesterday as the CAL17 rate for this route.



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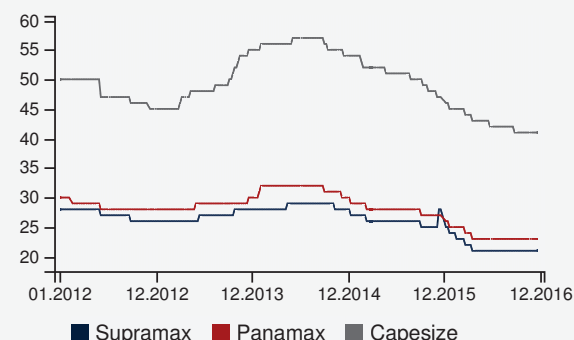
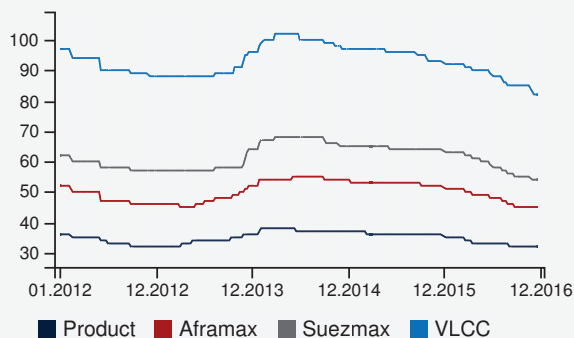
Activity level

Tankers	Dry Bulkers	Others
Moderate	Low	Mixed

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	184.5	186.0	184.5	203.0



Market brief

	This week	Last week	Low 2016	High 2016	
Rate of exchange					
USD/JPY	114.9	114.0	100.4	118.6	
USD/KRW	1 170	1 168	1 090	1 234	
USD/NOK	8.47	8.36	8.03	8.96	
EUR/USD	1.06	1.07	1.06	1.15	
Interest rate					
LIBOR USD 6 mnths	1.30	1.29	0.85	1.30	
NIBOR NOK 6 mnths	1.30	1.32	1.05	1.32	
Commodity prices					
Brent spot (USD)	55.15	53.37	28.06	55.15	
Bunker prices					
Singapore	380 CST	328.0	320.0	145.0	328.0
	180 CST	336.0	327.0	148.0	336.0
	Gasoil	474.0	459.0	265.0	475.0
Rotterdam	380 HSFO	300.0	294.0	107.0	300.0
	180 CST	322.0	315.0		322.0
	Diesel	460.0	443.0	245.0	460.0

NEWBUILDING

IRISL is back in Korean placing a USD 650 mill order at HHI/HMD with a mix of MR tankers and mega container carriers. HMD also secured a 1+1 LNG bunkering vessel from Bernhard Schulte, growing LNG Feeder/Bunkering orderbook up to 7 vessels.

NEWBUILDING CONTRACTS

Type	No	Size	Yard	Buyer	Del	Price	Comm
PC	50000	dwt	Hyundai Vinashin	Central Shipping	2018		+ one option
PC	49000	dwt	HMD	IRISL	35	2018-2019	
CONT	14400	teu	HHI	IRISL	110	2018	
LNG	7500	cbm	HMD	Schulte Group	2018		+ one option

SALE AND PURCHASE TRANSACTIONS

Type	Vessel	Size	Built	Buyer	Price	Comm.
MT	Nissos Kythnos	115 674	2011	Minerva Marine	27,00	
MT	Oriental Clematis	14 227	2006	Undisclosed	13,50	IMO II/III
BC	Ore Belo Horizonte	180 000	2011	Polaris Shipping	35,00	Incl. COA
BC	Ore Parati	180 000	2011		35,00	
BC	Ore Mangaratiba	179 385	2011		35,00	
BC	Ore Pantanal	179 385	2010		35,00	
BC	BSI Cadogan	81 277	2016	Undisclosed	20,00	
BC	Marichristina	74 410	2001	Greek	low 5's	
BC	Trident Challenger	57 000	2010	P&P Shipping	8,60	
BC	Anassa Ioanna	53 125	2003	Indonesian	6,50	
BC	Genco Success	47 000	1997	Chinese	2,80	
BC	Baofeng	46 637	1997	Undisclosed	2,50	

DEMOLITIONS

Sold for demolition

Vessel name	Size	Ldt	Built	Buyer	Price
CONT MSC Leanne	60 639	23 451	1989	Indian	293
CONT MSC Carole	60 640	23 450	1989	Indian	295
CONT Kaethe C. Rickmers	68 282	20 019	2004	Bangladeshi	315
CONT Mare Atlanticum	52 248	16 108	2000	Bangladeshi	300
CONT Bravo	36 028	12 603	2001	Undisclosed	295
CONT Willi	30 738	11 446	1998	Indian	300
CONT Belgica	34 015	10 500	1997	Undisclosed	302
GC Atlantic Navigator	18 731	9 120	1992	Bangladeshi	293
CONT Hansa Calypso	21 480	6 944	1998	Indian	298
GC Sunny Napier II	23 842	6 000	1993	Chinese	260