



# Fearnleys Weekly Report

## Activity level

| VLCC      | Suezmax | Aframax | P.E. of Suez | P.W. of Suez |
|-----------|---------|---------|--------------|--------------|
| Weakening | Stable  | Mixed   | Active       | Active       |

VLCCs fixed all areas last week: 37

VLCCs avail. in MEG next 30 days: 95

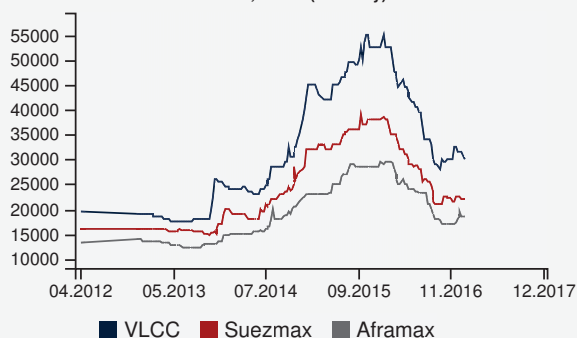
## Rates

| DIRTY (Spot WS)   |         | This week | Last week | Low 2017 | High 2017 |
|-------------------|---------|-----------|-----------|----------|-----------|
| MEG / West        | VLCC    | 60.00     | 60.00     | 60.00    | 60.00     |
| MEG / Japan       | VLCC    | 96.50     | 96.50     | 96.50    | 96.50     |
| MEG / Singapore   | VLCC    | 96.00     | 96.00     | 96.00    | 96.00     |
| WAF / FEAST       | 260,000 | 97.50     | 97.50     | 97.50    | 97.50     |
| WAF / USAC        | 130,000 | 117.5     | 117.5     | 117.5    | 117.5     |
| Sidi Kerir / W Me | 135,000 | 117.5     | 117.5     | 117.5    | 117.5     |
| N. Afr / Euromed  | 80,000  | 117.5     | 117.5     | 117.5    | 117.5     |
| UK / Cont         | 80,000  | 100.0     | 100.0     | 100.0    | 100.0     |
| Caribs / USG      | 70,000  | 215.0     | 215.0     | 215.0    | 215.0     |

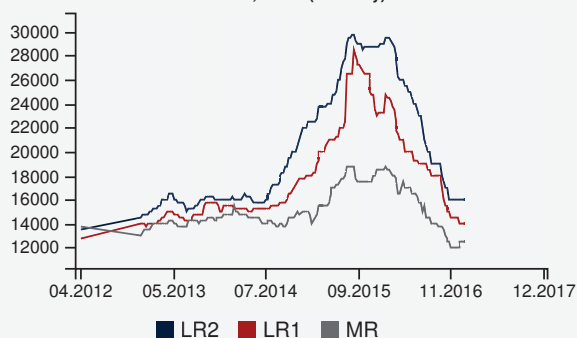
| CLEAN (Spot WS)   |        | This week | Last week | Low 2017 | High 2017 |
|-------------------|--------|-----------|-----------|----------|-----------|
| MEG / Japan       | 75,000 | 155.0     | 155.0     | 155.0    | 155.0     |
| MEG / Japan       | 55,000 | 150.0     | 150.0     | 150.0    | 150.0     |
| MEG / Japan       | 30,000 | 165.0     | 165.0     | 165.0    | 165.0     |
| Singapore / Japan | 30,000 | 180.0     | 180.0     | 180.0    | 180.0     |
| Baltic T/A        | 60,000 | 140.0     | 140.0     | 140.0    | 140.0     |
| UKC-Med / States  | 37,000 | 200.0     | 200.0     | 200.0    | 200.0     |
| USG / UKC-Med     | 38,000 | 127.5     | 127.5     | 127.5    | 127.5     |

| 1 YEAR T/C (USD/day) (theoretical) |          | This week | Last week | Low 2017 | High 2017 |
|------------------------------------|----------|-----------|-----------|----------|-----------|
| VLCC                               | (modern) | 30 000    | 30 000    | 30 000   | 30 000    |
| Suezmax                            | (modern) | 22 000    | 22 000    | 22 000   | 22 000    |
| Aframax                            | (modern) | 18 500    | 18 500    | 18 500   | 18 500    |
| LR2                                | 105,000  | 16 000    | 16 000    | 16 000   | 16 000    |
| LR1                                | 80,000   | 14 000    | 14 000    | 14 000   | 14 000    |
| MR                                 | 47,000   | 12 500    | 12 500    | 12 500   | 12 500    |

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



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



## TANKERS

### Crude

Activity was slow for the VLCCs prior to the holidays though with some activity between Christmas and New Year. Rates are off the peak in both MEG and Waf, though still yielding healthy returns but with sluggish volumes. A bit wait and see attitude out there, as most expect market to come off. Question is however when and in the interim owners trying to secure present levels for their preferred voyages, and most select the longer ones, which indicates the view in the near term. Suezmaxes saw a condensed last week between the holidays with limited activity in all areas. There were split camps amongst both owners and charterers as to which direction the market should take. It took a cargo from South African charterers Engen to finally demonstrate the softer nature of levels causing TD20 to head towards the mid ws90's. The second decade of January has seen relatively thin activity so far. The Bsea and Med have also been quieter with rates eroding on the back of adequate tonnage. Market players are currently digesting the new 2017 flats and busy converting from 2016. The immediate outlook for the market is softer as charterers remain patient in forcing their hand. Aframax trading in the Baltic and Nsea encountered quite a lot of bad weather at the start of the new year. Despite this situation, rates have come under downward pressure in the current fixing window. We could see some more ice develop in strategic Baltic ports due to cold weather here, but until then we don't expect any upswing in rates, rather the opposite. In the Med and Bsea the rates remained stable over the festive period but dropped down to ws87.5 at the beginning of the New Year. This caused a rush of cargoes as several charterers tried to secure a low rate. However a busy end-month program in Bsea have made the owners more bullish and ws100 (2016 rates) is last done at the time if writing.

### Product

After the Christmas holidays, first day of trading was yesterday and the positive sentiment in the market which started before the holidays is still continuing but at a little bit slower pace. All segments, and trades, have shown improvements since last report. Since we now have new Worldscale rates, which are lower than last year, the increase in rates this year looks more impressive than it actually is, and it is difficult to pinpoint the changes from last report. Generally speaking time charter earnings in the Far East for the LR2s is about USD 19,500 per day and for LR1s about USD 13,000 per day. In the west, MRs have daily earnings of about USD 20,000 for a straight transatlantic voyage followed by US Gulf back to the Continent. LR1s trading to West Africa from Continent is making about USD 15,000 per day and for LR2 in the west the benchmark voyage from Mediterranean to the Far East is unchanged at about lumpsum USD 2.0 mill.



# Fearnleys Weekly Report

## Activity level

| Capesize | Panamax | Supramax  |
|----------|---------|-----------|
| Firm     | Mixed   | Weakening |

| Rates                                | This week  | Last week | Low 2017   | High 2017  |
|--------------------------------------|------------|-----------|------------|------------|
| <b>CAPESIZE (usd/day, usd/tonne)</b> |            |           |            |            |
| TCT Cont/Far East (180' dwt)         | 21 000     | 21 000    | 21 000     | 21 000     |
| Tubarao / R.dam (Iron ore)           | 7.75       | 7.75      | 7.75       | 7.75       |
| Richards Bay/R.dam                   | 7.20       | 7.20      | 7.20       | 7.20       |
| <b>PANAMAX (usd/day, usd/tonne)</b>  |            |           |            |            |
| Transatlantic RV                     | 7 000      | 7 000     | 7 000      | 7 000      |
| TCT Cont / F. East                   | 13 000     | 13 000    | 13 000     | 13 000     |
| TCT F. East / Cont                   | 2 750      | 2 750     | 2 750      | 2 750      |
| TCT F. East RV                       | 5 000      | 5 000     | 5 000      | 5 000      |
| Murmansk b.13-ARA 15/25,000 sc       | 6.05       | 6.05      | 6.05       | 6.05       |
| <b>SUPRAMAX (usd/day)</b>            |            |           |            |            |
| Atlantic RV                          | 12 000     | 12 000    | 12 000     | 12 000     |
| Pacific RV                           | 5 500      | 5 500     | 5 500      | 5 500      |
| TCT Cont / F. East                   | 14 000     | 14 000    | 14 000     | 14 000     |
| <b>1 YEAR T/C (usd/day)</b>          |            |           |            |            |
| Capesize 180,000 dwt                 | 10 750     | 10 750    | 10 750     | 10 750     |
| Capesize 170,000 dwt                 | 9 100      | 9 100     | 9 100      | 9 100      |
| Panamax 75,000 dwt                   | 7 250      | 7 250     | 7 250      | 7 250      |
| Supramax 53,000 dwt                  | 6 600      | 6 600     | 6 600      | 6 600      |
| <b>Baltic Dry Index (BDI):</b>       | <b>969</b> |           | <b>n/a</b> | <b>n/a</b> |

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



## DRY BULK

### Capesize

Cape market have kept surprisingly firm and active during the Christmas and New Year holidays. The first week of the new year have continued in the same firm pace. Period activity have also picked up, with levels again above USD 10k mark for 1-year period. Transatlantic rv market is around 15k and the Pacific rv market keeps just above 10k. Seasonally the first quarter of the year is the weakest with bad weather in both Brazil and Far East, and miners often scheduling maintenance during this period. However based on past few weeks, the market is a bit more cautious optimistic about the near future. Compared to the same period last year, we do at least have a much better starting point for the year ahead.

### Panamax

Quiet but falling after the holidays. Whilst Cape rates are picking up quickly, Panamax are under pressure. Atlantic rounds in the 6-7k on T/C. Fhaul not much reported but vsls asking 14k from Cont. In the East, it took months for TC rates to rise from USD 5 to 9k's, however in only two weeks' time it has dropped back to 5k lvls. Commodity trading slow especially for coking coal and steam coal in China, due to new policies in China. Apart from short Indo rounds, there have been a substantial build-up of prompt tonnage. Period interest and activity looks scarce. Expectations for Nopac and ECSA grain volume during Q1 has not materialized yet, and the Chinese Lunar New Year is already looming in three weeks' time.

### Supramax

The first week after a slow Christmas break has started off with little activity and softening rates. Not surprisingly, the market is finding its level again and so far this year not many fresh fixtures has been concluded. N. China to SE Asia is being traded in the low/mid 5k's, while Nopac rv around mid/high 5k's. Coal trips with delivery Singapore via Indo to China is paying around mid/high 5k, while WC India/MEG is still the stronger area in Pacific where owners are taking USD 8/low 8 for trip Feast. In the Atlantic, Brazil to Emed is getting covered at around USD 13-14k, while Emed to Wmed/Wafr is around USD 11-12k. ECSA fh to MEG/Jpn is paying around USD low 12k+225k bb and USG fh to Sgp/Jpn around USD 17k.

## Activity level

| COASTER | 15-23,000 cbm | 82,000 cbm |
|---------|---------------|------------|
| Stable  | 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 2017</b> | <b>High 2017</b> |
| VLGC / 84,000                     | 565 000          | 565 000          | 565 000         | 565 000          |
| LGC / 60,000                      | 385 000          | 385 000          | 385 000         | 385 000          |
| MGC / 38,000                      | 550 000          | 550 000          | 550 000         | 550 000          |
| HDY / 22,000                      | 550 000          | 550 000          | 550 000         | 550 000          |
| ETH / 10,000                      | 520 000          | 520 000          | 520 000         | 520 000          |
| SR / 6,500                        | 420 000          | 420 000          | 420 000         | 420 000          |
| COASTER Asia                      | 190 000          | 190 000          | 190 000         | 190 000          |
| COASTER Europe                    | 110 000          | 110 000          | 110 000         | 110 000          |
| <b>LPG/FOB prices (usd/tonne)</b> |                  |                  |                 |                  |
|                                   | <b>Propane</b>   |                  | <b>Butane</b>   |                  |
| FOB North Sea / ANSI              | 386.5            |                  | 404.5           |                  |
| Saudi Arabia / CP                 | 435.0            |                  | 495.0           |                  |
| MT Belvieu (US Gulf)              | 359.5            |                  | 427.5           |                  |
| Sonatrach : Bethioua              | 400.0            |                  | 430.0           |                  |

## LNG

|                              |                  |                  |                 |                  |
|------------------------------|------------------|------------------|-----------------|------------------|
| <b>SPOT MARKET (usd/day)</b> | <b>This week</b> | <b>Last week</b> | <b>Low 2017</b> | <b>High 2017</b> |
| East of Suez 155-165'cbm     | 38 000           | 38 000           | 38 000          | 38 000           |
| West of Suez 155-165'cbm     | 52 000           | 52 000           | 52 000          | 52 000           |
| 1 yr TC 155-165'cbm          | 34 000           | 34 000           | 34 000          | 34 000           |

## GAS

### Chartering

The buzz in the VLGC market before Christmas did not carry on through the festive season, however, we saw spot rates maintain at the levels they reached in the little upturn last month. The spot market in the New Year has been fairly active, although it has not resulted in too many fresh fixtures. Most activity was spurred by strong appetite among Asian importers despite the fast rising CFR prices, but the market is looking at price backwardation further ahead hence we could see at market about to stall for now. In the West owners ask USD 60+ for Houston/Chiba (Panama) in first half February while the charterers now can pay in the very low 50's, they say – this is obviously a reflection of how the spreads are traded into second half of first quarter at current. The VLGC positions are scarce in the short term, but we do see more availabilities towards the end of January in the East while both cargoes and vessels are sold out in the West for January.



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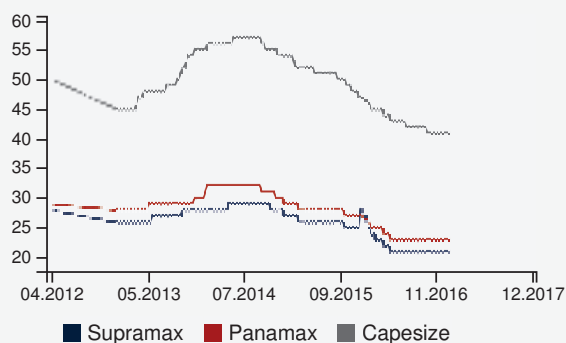
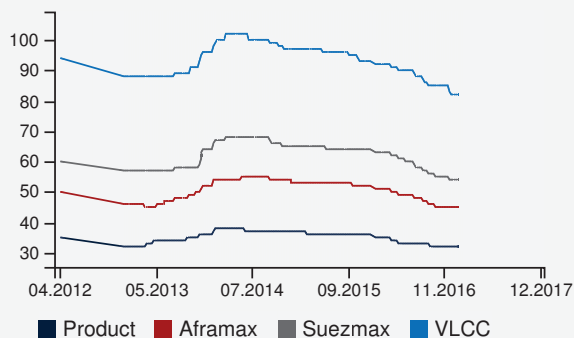
## Activity level

| Tankers | Dry Bulk | Others |
|---------|----------|--------|
| Low     | Low      | Low    |

## Prices

Average Far Eastern Prices

| PRICES (mill usd) | This week      | Last week | Low 2017 | High 2017 |
|-------------------|----------------|-----------|----------|-----------|
| VLCC              | 300'dwt        | 82.00     | 82.00    | 82.00     |
| Suezmax           | 150'dwt        | 54.00     | 54.00    | 54.00     |
| Aframax           | 110'dwt        | 45.00     | 45.00    | 45.00     |
| Product           | 50'dwt         | 32.00     | 32.00    | 32.00     |
| Capesize          | 180'dwt        | 41.00     | 41.00    | 41.00     |
| Panamax           | 82'dwt         | 23.00     | 23.00    | 23.00     |
| Supramax          | 64'dwt         | 21.00     | 21.00    | 21.00     |
| LNGC              | 170'cbm - MEGI | 184.5     | 184.5    | 184.5     |



## Market brief

|                         | This week | Last week | Low 2017 | High 2017 |
|-------------------------|-----------|-----------|----------|-----------|
| <b>Rate of exchange</b> |           |           |          |           |
| USD/JPY                 | 117.6     |           | 117.6    | 117.6     |
| USD/KRW                 | 1 206     |           | 1 206    | 1 206     |
| USD/NOK                 | 8.62      |           | 8.62     | 8.62      |
| EUR/USD                 | 1.04      |           | 1.04     | 1.04      |
| <b>Interest rate</b>    |           |           |          |           |
| LIBOR USD 6 mnths       | 1.32      |           | 1.32     | 1.32      |
| NIBOR NOK 6 mnths       | 1.29      |           | 1.29     | 1.29      |
| <b>Commodity prices</b> |           |           |          |           |
| Brent spot (USD)        | 55.64     |           | 55.64    | 55.64     |
| <b>Bunker prices</b>    |           |           |          |           |
| Singapore               |           |           |          |           |
| 380 CST                 | 343.0     |           | 343.0    | 343.0     |
| 180 CST                 | 349.0     |           | 349.0    | 349.0     |
| Gasoil                  | 495.0     |           | 495.0    | 495.0     |
| Rotterdam               |           |           |          |           |
| 380 HSFO                | 307.0     |           | 307.0    | 307.0     |
| 180 CST                 | 329.0     |           | 329.0    | 329.0     |
| Diesel                  | 427.0     |           | 427.0    | 427.0     |

## NEWBUILDING

Slow activity in all segments with no new orders to report as we enter the first week of 2017.

## SALE AND PURCHASE TRANSACTIONS

| Type | Vessel          | Size    | Built | Buyer             | Price       | Comm.                 |
|------|-----------------|---------|-------|-------------------|-------------|-----------------------|
| MT   | Asian Spirit    | 151 000 | 2004  | Eurotankers       | 21,00       |                       |
| MT   | Cosmic          | 150 000 | 2000  | Great Eastern     | 14,50       |                       |
| MT   | Devon           | 159 600 | 2011  | Great Estern      | 75,00       | En bloc. Forward dely |
| MT   | Eugenie         | 157 600 | 2010  | Great Eastern     |             |                       |
| MT   | Mermaid Express | 45 000  | 2002  | Oceangold Tankers | 9,20        |                       |
| MT   | Mermaid Express | 45 000  | 2002  | Oceangold Tankers | 9,20        |                       |
| BC   | Pleiades Dream  | 180 140 | 2009  | Undisclosed       | Undisclosed |                       |
| BC   | Western Tokyo   | 55 831  | 2012  | Greek             | 14,25       |                       |
| BC   | Nord Discovery  | 52 300  | 2006  | Taiwanese         | 7,50        |                       |

## DEMOLITIONS

### Sold for demolition

| Vessel name         | Size    | Ldt    | Built | Buyer       | Price |
|---------------------|---------|--------|-------|-------------|-------|
| MV Confignon        | 172 000 | 21 327 | 1997  | Pakistani   | 341   |
| MV Vinalines Global | 73 000  | 10 305 | 1994  | Pakistani   | 262   |
| MV Eleni P          | 72 000  | 9 700  | 1997  | Bangladeshi | 300   |
| MV Ore Bruchutu     | 251 000 | 27 810 | 1986  | Bangladeshi | 338   |
| MV Jumana           | 42 000  | 6 700  | 1991  | Pakistani   | 300   |