



Fearnleys Weekly Report

Activity level

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

	Last week	Prev. week
VLCCs fixed all areas last week:	61	37
VLCCs avail. in MEG next 30 days:	90	95

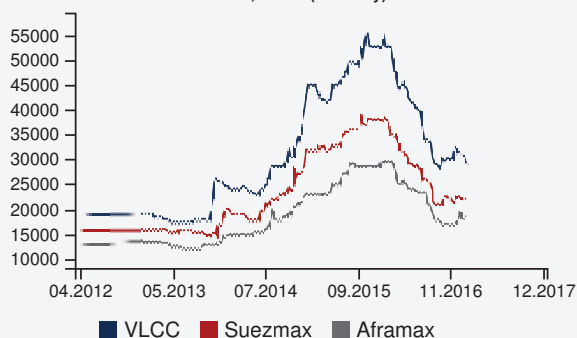
Rates

DIRTY (Spot WS)		This week	Last week	Low 2017	High 2017
MEG / West	VLCC	52.50	60.00	52.50	60.00
MEG / Japan	VLCC	85.00	96.50	85.00	96.50
MEG / Singapore	VLCC	85.00	96.00	85.00	96.00
WAF / FEAST	260,000	82.50	97.50	82.50	97.50
WAF / USAC	130,000	115.0	117.5	115.0	117.5
Sidi Kerir / W Me	135,000	115.0	117.5	115.0	117.5
N. Afr / Euromed	80,000	190.0	117.5	117.5	190.0
UK / Cont	80,000	100.0	100.0	100.0	100.0
Caribs / USG	70,000	140.0	215.0	140.0	215.0

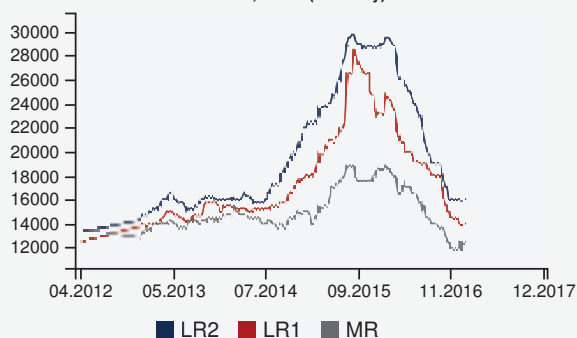
CLEAN (Spot WS)		This week	Last week	Low 2017	High 2017
MEG / Japan	75,000	127.5	155.0	127.5	155.0
MEG / Japan	55,000	130.0	150.0	130.0	150.0
MEG / Japan	30,000	167.5	165.0	165.0	167.5
Singapore / Japan	30,000	180.0	180.0	180.0	180.0
Baltic T/A	60,000	150.0	140.0	140.0	150.0
UKC-Med / States	37,000	190.0	200.0	190.0	200.0
USG / UKC-Med	38,000	105.0	127.5	105.0	127.5

1 YEAR T/C (USD/day) (theoretical)		This week	Last week	Low 2017	High 2017
VLCC	(modern)	29 000	30 000	29 000	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

After a week with very slow activity for the VLCC's, particularly in the Meg and Wafr with all arrows pointing down, activity resumed. In the meantime rates had corrected down sharply and charterers tried hard to shave even more off. The final January stems in the Meg and early February cargoes in Wafr gave the market some wind which halted the slide. It may however be temporary as tonnage remain in abundance and volumes expected to lag, therefore pressure expected to remain on earnings. The Suezmax market last week saw an injection of activity after a quieter holiday season. In Wafr the second decade saw sustained cargo volume with rates peaking at the ws90 level offering reasonable returns at around USD 35,000 per day. This was combined with decent enquiry in both the Med and the Nsea that culminated in a clear out of the backlog of tonnage lists that had been building. Owners overall sentiment had seemingly not been dampened by previous inactivity. Currently the cargo volume has now slowed and even though owners are still showing signs of bullishness the forward position lists are swelling, a steady week lies ahead although West Africa could be described as date sensitive. Aframax Baltic and Nsea rates declined last week. However, it could easily bounce back this week as more cold weather is expected and some talks of ice class 1C not being sufficient to load in strategic Baltic ports. More rough weather is also expected, adding some uncertainty to the rate levels. Spot Nsea ships are also considering ballasting to a firmer med market offering a valid alternative to a somewhat slow cross Nsea market right now. This week has been exceptionally busy in the med and Bsea. Terrible weather in the area have caused significant delays in both Turkish straits and key ports, and this combined with a heavy third decade CPC program have caused rates to jump 70 points in just a couple of days. There are still some cargoes left to fix, but as we have started seeing ballasters coming in from other areas, we expect this market to cool off going into next week.

Product

EAST OF SUEZ It now seems the positive momentum the clean market had before and during the holidays has turned and rates are declining and the imminent future does not look to bright. Needless to say, but with less activity from charterers tonnage are getting more and more plentiful. Rates for LR2's going to Japan, are today paying around the ws130 level, Down from ws155 a week ago. LR1's have seen the rate obtainable drop from ws150 to ws130 for same destination. Rates for moving LR2 cargoes westwards are still more or less unchanged from last week at around lumpsum USD 1,9 mill. For MR's the market is unchanged with 35.000 from west coast India to Japan still paying ws170 level. The benchmark voyage from Singapore to Japan basis 30.000 mtons is still ws180 and the short haul voyage from South Korea to Japan still at USD 320.000 mark. **WEST OF SUEZ** The market in the West have also been slower and rates have come under pressure. A straight trans-Atlantic voyage for an MR is today being fixed around ws190 level which is down from ws200 last week. The back haul voyage from U.S. gulf to the Continent has lost about 20 point last week and is today worth around ws105. The combination voyage is today giving owners an daily earning of USD 16.000 compared to USD 20.000 last week. Contrary to their sisters in the East, LR1 and LR2 owners have been able to fend of the negative trend. LR1 owners have been able to increase rate from Continent to west Africa with 10 point to ws150 and LR2's on the Continent and in the Mediterranean have experienced the benchmark voyage from Mediterranean to far East have increased with about USD 150.000 to lumpsum USD 2,150 mill. After last week's very high rates for Handies in the Mediterranean and on the Continent, ws242,5 and ws265 respectively rates have now come off and owners are today paid ws200 in Mediterranean and ws210 on the Continent for their services.



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Activity level

Capesize	Panamax	Supramax
Moderate	Firming	Slow

Rates	This week	Last week	Low 2017	High 2017
CAPESIZE (usd/day, usd/tonne)				
TCT Cont/Far East (180' dwt)	17 750	21 000	17 750	21 000
Tubarao / R.dam (Iron ore)	7.10	7.75	7.10	7.75
Richards Bay/R.dam	6.75	7.20	6.75	7.20
PANAMAX (usd/day, usd/tonne)				
Transatlantic RV	11 000	7 000	7 000	11 000
TCT Cont / F. East	14 500	13 000	13 000	14 500
TCT F. East / Cont	3 000	2 750	2 750	3 000
TCT F. East RV	6 000	5 000	5 000	6 000
Murmansk b.13-ARA 15/25,000 sc	7.00	6.05	6.05	7.00
SUPRAMAX (usd/day)				
Atlantic RV	11 500	12 000	11 500	12 000
Pacific RV	5 000	5 500	5 000	5 500
TCT Cont / F. East	13 500	14 000	13 500	14 000
1 YEAR T/C (usd/day)				
Capesize 180,000 dwt	10 250	10 750	10 250	10 750
Capesize 170,000 dwt	8 800	9 100	8 800	9 100
Panamax 75,000 dwt	7 750	7 250	7 250	7 750
Supramax 53,000 dwt	6 900	6 600	6 600	6 900
Baltic Dry Index (BDI):	894	969	n/a	n/a

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



DRY BULK

Capesize

After a surprisingly strong first week of the new year, the market are now softening. Brazil market show very low activity which is normal during this time of the year, due to maintenance and lower export from Brazil. Tct rates for Brazil to China have dropped down to 17k daily. The pacific market do have healthy volumes of cargoes out of west Australia, but it is an over supply of tonnage at the moment. Past month have seen a substantial amount of delays of vessels in north China discharge ports due to fog and bad weather, but it now seems all those vessels are opening at the same time, putting pressure on the rates. Pacific round voyages now at 8k a day level. It does seem the downward trend might continue.

Panamax

With ECSA grains and short Baltic coal volume picking up steadily, Panamax rates have firmed up across all areas. \$10k+500k reported early week for ECSA/FEAST grains on super eco kmax, and Baltic coal RV has climbed up to \$15-16,000 level. Substantial premium for INL breach or ice trading in the N Atlantic. In the Pacific Owners are more confident, willing to go to India/Middle East at discounted rates, before the coming ECSA season. Pacific RV are concluded at USD 6,000, but we'll still need more prompt cargoes in order to sustain the current market level. As a result period rates are fairly strong with very high \$8,000's reported for 1 year period on a Kamsarmax and \$9,000 for short period basis delivery India.

Supramax

Slightly more activity although rates still under pressure USG has guided the way with generous supply of cargoes supporting the rates. Supras fixed from USG to Far East around 15-16k daily- with end Jan dates. Moving south Supras from ECSA to W Med reaching 13k daily, and same to Baltic 11k daily. Some ultras on spot received 18k for trip to cont. 55k dwt supras from Cont to Med with scrap has been fixed around 12k daily. A difficult week in Pacific where rates fell even lower. China to SE Asia steel trips are being traded in the USD 3k's, while Nopac RV around USD 5k. Backhaul levels from China is around USD 2k, while chrters aiming in the USD 1k's. Overall owners and chrters looking to cover open positions before CNY

Activity level

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

LPG Rates				
* Excl. waiting time, if any				
SPOT MARKET (usd/month)*	This week	Last week	Low 2017	High 2017
VLGC / 84,000	435 000	565 000	435 000	565 000
LGC / 60,000	400 000	385 000	385 000	400 000
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	540 000	520 000	520 000	540 000
SR / 6,500	430 000	420 000	420 000	430 000
COASTER Asia	190 000	190 000	190 000	190 000
COASTER Europe	110 000	110 000	110 000	110 000
LPG/FOB prices (usd/tonne)				
	Propane		Butane	
FOB North Sea / ANSI	386.5		404.5	
Saudi Arabia / CP	435.0		495.0	
MT Belvieu (US Gulf)	362.1		423.6	
Sonatrach : Bethioua	400.0		430.0	

LNG

SPOT MARKET (usd/day)	This week	Last week	Low 2017	High 2017
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	35 000	34 000	34 000	35 000

GAS

Chartering

The Baltic VLGC index has been in red every day in the new year although it hasn't lost more than roughly 10% over the first one and a half weeks. At the same time as the freight index has been coming off in small steps, the cargo market has been rather inviting although the earlier vessel positions have been the most sought after so far. In the West, however, there has been no signs whatsoever of any weakening market and in particular the first half February loaders have been in high demand. The latest spot fixtures show that the premium (over the Baltic index) for loading in the West has increased quite a lot; while the latest MEG/East returns some USD 14,500 per day, the latest USG/East via Panama returns about USD 26,000 per day. That equals a West premium of not less than 80% on net daily returns! The first pair of 2017 VLGC newbuildings have just been delivered to the VLGC fleet – now consisting of 246 vessels (all counted).



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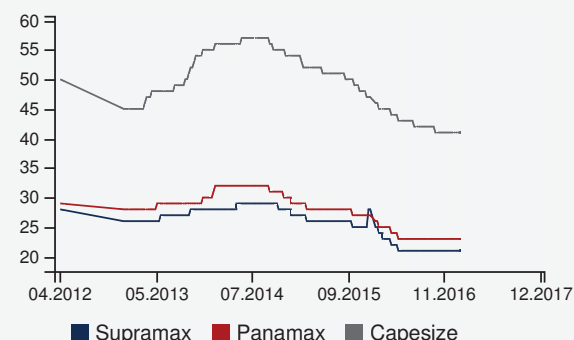
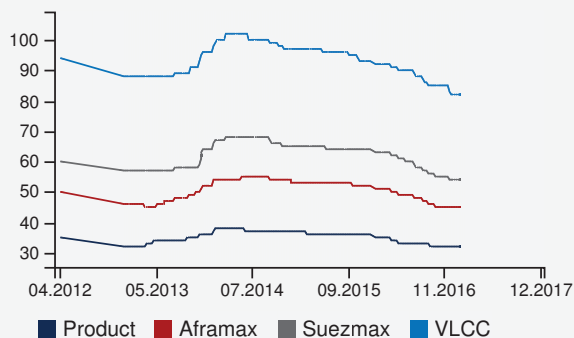
Activity level

Tankers	Dry Bulkers	Others
Increasing	Low	Moderate

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	82.00
Suezmax	150'dwt	54.00	54.00	54.00	54.00
Aframax	110'dwt	45.00	45.00	45.00	45.00
Product	50'dwt	32.00	32.00	32.00	32.00
Capesize	180'dwt	41.00	41.00	41.00	41.00
Panamax	82'dwt	23.00	23.00	23.00	23.00
Supramax	64'dwt	21.00	21.00	21.00	21.00
LNGC	170'cbm - MEGI	184.0	184.5	184.0	184.5



Market brief

	This week	Last week	Low 2017	High 2017
Rate of exchange				
USD/JPY	116.7	117.6	116.7	117.6
USD/KRW	1 200	1 206	1 200	1 206
USD/NOK	8.65	8.62	8.62	8.65
EUR/USD	1.04	1.04	1.04	1.04
Interest rate				
LIBOR USD 6 mnths	1.33	1.32	1.32	1.33
NIBOR NOK 6 mnths	1.24	1.29	1.24	1.29
Commodity prices				
Brent spot (USD)	54.40	55.64	54.40	55.64

Bunker prices

Singapore	380 CST	328.0	343.0	328.0	343.0
	180 CST	347.0	349.0	347.0	349.0
	Gasoil	479.0	495.0	479.0	495.0
Rotterdam	380 HSFO	296.0	307.0	296.0	307.0
	180 CST	325.0	329.0	325.0	329.0
	Diesel	451.0	427.0	427.0	451.0

NEWBUILDING

The newbuilding market is moving on reports of several orders in Korea and China. John Fredriksens, Ship Finance International, placed an order for 2+2 LR2s at Daehan Shipyard. While Chinese state-owned shipyard Jiangnan, confirm order for 1+1 13,000 CBM LPG carrier with Algerian State owned Sonatrach.

NEWBUILDING CONTRACTS

Type	No	Size	Yard	Buyer	Del	Price	Comm
PC	1	50,000 DWT	HMD	Sangji Shipping	2018		
PC	2	114,000 DWT	Daehan	Ship Finance	2018		2 options
LPG	1	13,000 CBM	Jiangnan	Sonatrach	2019		1 option

SALE AND PURCHASE TRANSACTIONS

Type	Vessel	Size	Built	Buyer	Price	Comm.
MT	Neptun	307 284	2007	Wafra Capital	46,50	Incl. 5yrs BB at \$22k
MT	Nautilus	307 284	2006		46,50	Incl. 5yrs BB at \$22k
MT	Navarin	307 284	2007		46,50	Incl. 5yrs BB at \$22k
MT	Nucleus	307 284	2007		46,50	Incl. 5yrs BB at \$22k
MT	Sifnos	150 875	1999	Undisclosed	12,50	
MT	EA Sirius	12 922	2009	Phillipino	11,50	
MT	Crystal nord	8 104	1994	Undisclosed	3,50	
MT	Mediator	5 706	2008	South Korean	6,50	
BC	Hanjin Buchanan	115 000	2011	Greek	13,00	
BC	Hanjin Odessa	115 000	2011		13,00	
BC	Jun Jie	74 005	2000	Chinese	4,80	
BC	Nyon	73 035	1999	Chinese	4,10	
BC	New Celedonia Maru	58 086	2013	Undisclosed	High 14's	
BC	Medi Imabari	56 047	2008	Greek	10,10	
BC	Santa Isabella	55 862	2006	Undisclosed	8,30	
BC	Navios Apollon	52 073	2000	Chinese	5,00	
BC	Nemtas-2	48 857	2005	Bangladeshi	High 7's	
BC	BBC Pluto	37 495	2010	North European	9,50	Ice 1C
BC	Eternal Ocean	33 382	2013	Schulte	13,00	
BC	Zhi Jing	33 076	2008	Chinese	4,00	
BC	Azure Bay	31 700	2005	Greek	7,00	
BC	Prokopis K	23 825	1995	Undisclosed	2,30	
BC	Voge Renate	23 407	1997	Greek	2,30	

DEMOLITIONS

Sold for demolition

Vessel name	Size	Ldt	Built	Buyer	Price
MT Varada Blessing	299 994	38 115	1993	Undisclosed	299
CONT AI Enterprise	61 441	22 444	2003	Indian	336
CONT Zim Savannah	66 937	20 896	2004	Indian	334
MV Long Fu Star	171 039	19 992	1996	Undisclosed	329
CONT Run Peng	59 840	18 895	1995	Undisclosed	327
MT Pacific Steam	24 728	7 835	1985	Indian	540
CONT Cresco	22 900	7 771	1996	Undisclosed	335
CONT Sonoma	22 384	7 430	1997	Indian	341
CONT Kota Wisata	24 155	7 284	1994	Bangladeshi	322
CONT Eleni I	22 250	7 284	1996	Undisclosed	310