



Fearnleys Weekly Report

Activity level

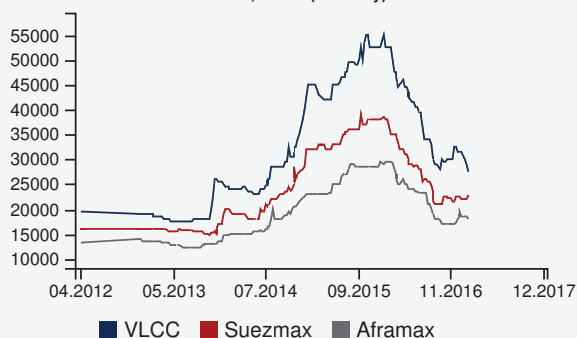
VLCC	Suezmax	Aframax	P.E. of Suez	P.W. of Suez
Stable	Soft	Mixed	Slow	Slow

	Last week	Prev. week
VLCCs fixed all areas last week:	57	61
VLCCs avail. in MEG next 30 days:	102	90

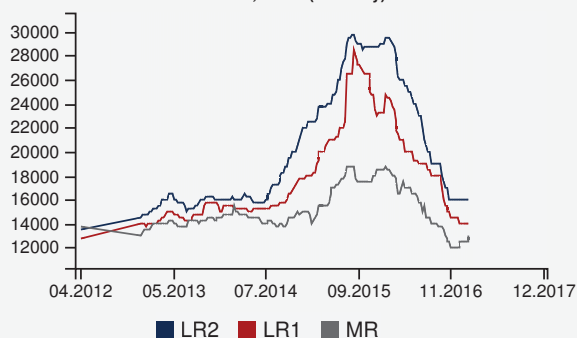
Rates

DIRTY (Spot WS)		This week	Last week	Low 2017	High 2017
MEG / West	VLCC	50.00	52.50	50.00	60.00
MEG / Japan	VLCC	90.00	85.00	85.00	96.50
MEG / Singapore	VLCC	90.00	85.00	85.00	96.00
WAF / FEAST	260,000	83.00	82.50	82.50	97.50
WAF / USAC	130,000	95.00	115.0	95.00	117.5
Sidi Kerir / W Me	135,000	105.0	115.0	105.0	117.5
N. Afr / Euromed	80,000	170.0	190.0	117.5	190.0
UK / Cont	80,000	95.00	100.0	95.00	100.0
Caribs / USG	70,000	160.0	140.0	140.0	215.0
CLEAN (Spot WS)		This week	Last week	Low 2017	High 2017
MEG / Japan	75,000	115.0	127.5	115.0	155.0
MEG / Japan	55,000	115.0	130.0	115.0	150.0
MEG / Japan	30,000	165.0	167.5	165.0	167.5
Singapore / Japan	30,000	172.5	180.0	172.5	180.0
Baltic T/A	60,000	145.0	150.0	140.0	150.0
UKC-Med / States	37,000	155.0	190.0	155.0	200.0
USG / UKC-Med	38,000	120.0	105.0	105.0	127.5
1 YEAR T/C (USD/day) (theoretical)		This week	Last week	Low 2017	High 2017
VLCC	(modern)	27 500	29 000	27 500	30 000
Suezmax	(modern)	22 800	22 000	22 000	22 800
Aframax	(modern)	18 000	18 500	18 000	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	13 000	12 500	12 500	13 000

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



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



TANKERS

Crude

The activity for the VLCC's has been going from hot to cold during the last week. The Feb program in the Meg is well under way with some 25 deals concluded. Jan ended with a total 135 with a very busy 3rd decade. If history repeats itself, we may have a slower first decade but it remains to be seen. 1st half Feb dates Wafr/East has been active, absorbing ships from the East. Rates have therefore shown resilience and remain firmer than most had expected. Tonnage appears to build up and rates likely to come under pressure in the near term. Suezmax activity tailed off in Wafr after a busy post holiday period rates had plateaued with TD20 achieving w87.5('16) and returns close to \$ 39,000 pd, with the increased momentum soaking up tonnage. With end Jan dates being tidied up there was anticipation that early Feb would bring renewed pressure. However charterers were slow to reveal their hand knowingly holding back on stems. So far this week a drip feed of cargoes has caused a sense of panic and owners have had to accept a falling market. The short term outlook is softer across the board even with Bsea delays increasing which would normally impact there are no signs of any respite for owners. Despite ice in some of the strategic Baltic ports, Aframax have been trading down slowly from last done levels. Rates should dip below w100 for end month dates. The Nsea Aframax market is under downward pressure as well. Market has seemed very quiet for the last week. This is mainly due to the fact that majority of cargoes have been done on own tonnage or combined on either Smax or VLCC. The winter season in terms of uncertain weather has taken full effect in the Med and Bsea this week. Turkish strait is currently closed and there are heavy delays in several strategical ports. The seasonal winter weather is a lifesaving buoy for the owners. Especially as the first couple of days of the Novo, CPC and Ceyhan loading programs are looking a bit lacklustre compared to previous months. We expect rates to stay at current levels for the remainder of the week till the weather stabilize ...

Product

EAST OF SUEZ It has been a painful week in the Middle East Gulf with rates sliding further. With less activity, and some impact from the fire in Adnoc's refinery in Ruwais and other maintenance, charterers have not had any problems finding available tonnage. The LR2 rate for Far East destination is today at ws115 level, down from 125 last week. LR1's are also fixing ws115 for same destination which is ws15 points less than last week. Owners of LR2's and LR1's have also had to accept a reduction in rates for cargoes going westwards, LR2 rate is reduced by USD 200.000 to USD 1.750 mill and LR1's are obtaining USD 1,250 mill level, USD 100.000 less than last week. The MR market in the Far East has also been hit this week and the benchmark voyage from Singapore to Japan is today paying ws10 less than last week at ws170, the short haul voyage from south Korea to Japan is today at USD 310.000 level down from USD 320.000. **WEST OF SUEZ** Rates have also come under pressure in the Atlantic. MR's have seen the straight trans-Atlantic voyage drop about ws40 points to ws 150 level today, but on the other side the back haul voyage from U.S. gulf have gained some ws20 points this week so daily earnings for MR's have only been reduced by about USD 1.000 a day. For this combination voyage daily earnings is about USD 15.000 per day. For LR1's the obtained rate for a Continent to west Africa cargo is reduced by ws5 point to ws145. For the LR2's on the Continent and in the Mediterranean the market has also seen lower rates being concluded and the standard voyage from Mediterranean to Far East is today paying about USD 2,0 mill USD 150.000 less than last week. The Handies trading in the Mediterranean and on the Continent have again seen rates being cut and this week the reduction in both segments is about ws40 points to ws160 and ws165 respectively.



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Activity level

Capesize	Panamax	Supramax
Firm	Weakening	Stable

Rates	This week	Last week	Low 2017	High 2017
CAPESIZE (usd/day, usd/tonne)				
TCT Cont/Far East (180' dwt)	21 750	17 750	17 750	21 750
Tubarao / R.dam (Iron ore)	8.00	7.10	7.10	8.00
Richards Bay/R.dam	7.25	6.75	6.75	7.25
PANAMAX (usd/day, usd/tonne)				
Transatlantic RV	10 000	11 000	7 000	11 000
TCT Cont / F. East	13 500	14 500	13 000	14 500
TCT F. East / Cont	2 750	3 000	2 750	3 000
TCT F. East RV	5 500	6 000	5 000	6 000
Murmansk b.13-ARA 15/25,000 sc	6.85	7.00	6.05	7.00
SUPRAMAX (usd/day)				
Atlantic RV	11 000	11 500	11 000	12 000
Pacific RV	4 500	5 000	4 500	5 500
TCT Cont / F. East	13 000	13 500	13 000	14 000
1 YEAR T/C (usd/day)				
Capesize 180,000 dwt	11 250	10 250	10 250	11 250
Capesize 170,000 dwt	9 500	8 800	8 800	9 500
Panamax 75,000 dwt	7 250	7 750	7 250	7 750
Supramax 53,000 dwt	6 900	6 900	6 600	6 900
Baltic Dry Index (BDI):	952	894	n/a	n/a

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



Activity level

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

LPG Rates					* Excl. waiting time, if any
SPOT MARKET (usd/month)*	This week	Last week	Low 2017	High 2017	
VLGC / 84,000	645 000	435 000	435 000	645 000	
LGC / 60,000	450 000	400 000	385 000	450 000	
MGC / 38,000	545 000	550 000	545 000	550 000	
HDY / 22,000	545 000	550 000	545 000	550 000	
ETH / 10,000	540 000	540 000	520 000	540 000	
SR / 6,500	430 000	430 000	420 000	430 000	
COASTER Asia	190 000	190 000	190 000	190 000	
COASTER Europe	125 000	110 000	110 000	125 000	

LPG/FOB prices (usd/tonne)		Propane	Butane	ISO
FOB North Sea / ANSI		386.5	404.5	
Saudi Arabia / CP		435.0	495.0	
MT Belvieu (US Gulf)		380.3	436.0	452.4
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	36 000	38 000	36 000	38 000
West of Suez 155-165'cbm	52 000	52 000	52 000	52 000
1 yr TC 155-165'cbm	35 000	35 000	34 000	35 000

DRY BULK

Capesize

Levels for Brazil have strengthened as a sudden urge for prompt tonnage have cleaned out most of ballasters. This strong demand for prompt Brazil loaders have made an impact on the general sentiment pushing other routs up as well. Especially the Atlantic have seen an impressive increase with the trans-Atlantic now trading at high teens.

Panamax

Panamax rates are under pressure in both hemipsheres. Not enough ppt cgoes in the market and vessels are piling up. T/A rounds abt 10 K - up to 12 K for some rounds. Fhaul arrnd 14 K mid week. Still a huge premium for INL breach and ice trading. Owners in Pacific willing to ballast towards India / ECSA, where lvls are down under \$9,500 + 450,000 GBB APS. With the Chinese Lunar New Year approaching, Chinese players are reducing activity and volumes overall expected to fall. Volatile in the Indian Ocean with rates fluctuating 30 cents/mt day on day. Average T/C level in Pacific arrnd 5.000 for Indo-India and abit higher, 6.000 + for NOPAC or Aussie rounds. Period activity and levels reduced, fair value 7 K for LME 1 ...

Supramax

Market remained flat and the week continued at the same pace as last. Still more enquires from US Gulf, where Supras from to Cont reached around 16-17k. Other way around - handful owners were ballasting to USG from Cont, while employed Supras were fixed around 6-7k. Trips from UK via USEC to ECSA amounted to 8k. Grain cargoes from ECSA to West Med heard around 10-11k. Usual scrap cargoes scored 12k or thereabouts bss del Arag to trip into E Med. Pacific has encountered softening rates too, except for PG/WCI which still looking the stronger area in the east. N. China to Seasia is around USD 3k levels, while S.China trips via Indo back to China is fixing around USD 4k. Nopac rv trading around high USD 4k/low 5k.

GAS

Chartering

The Baltic VLGC index has been ticking up every day last week and has gained some 15/20% over the week, and we will not be surprised to see the index and actual fixtures climb further in the (very) short term - in particular for the MEG/East route. The West VLGC market has been discussed around same levels as last week for potential loadings mid February onwards in the US Gulf, the reason obviously some concerns about CFR pricing in Asia into 2nd half March. The healthier MEG/East market has been made possible primarily by the continued bullish cargo market where the Asian CFR prices have shown no signs of weakness (yet) allowing for a sound FOB/CFR delta between MEG and Asia despite the tighter FOB availabilities that has followed the OPEC production cuts. Most vessels that can load in the MEG and deliver the cargoes in the East by February are controlled by independent owners who have taken the invites from keen charterers. The latest spot fixtures in the East have reached mid USD 30's - Ras Tanura/Chiba - or USD 21,000 per day, better than in a good while but still under commercial breakeven for the fleet.



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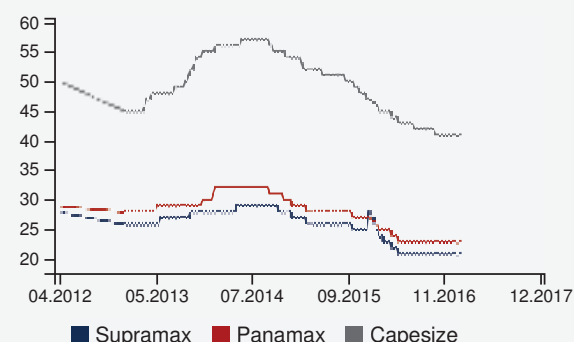
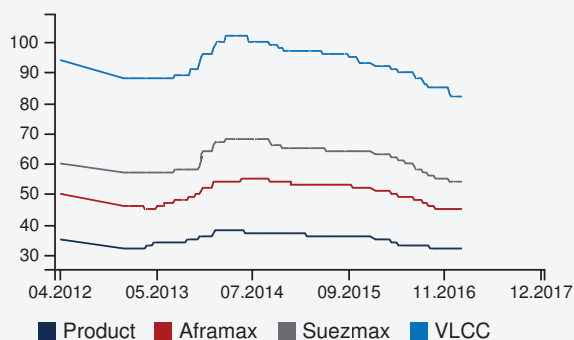
Activity level

Tankers	Dry Bulkers	Others
Low	Low	Slower

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	184.0	184.0	184.5



Market brief

	This week	Last week	Low 2017	High 2017
Rate of exchange				
USD/JPY	113.2	116.7	113.2	117.6
USD/KRW	1 168	1 200	1 168	1 206
USD/NOK	8.45	8.65	8.45	8.65
EUR/USD	1.07	1.04	1.04	1.07

Interest rate				
LIBOR USD 6 mnths	1.33	1.33	1.32	1.33
NIBOR NOK 6 mnths	1.21	1.24	1.21	1.29

Commodity prices				
Brent spot (USD)	54.30	54.40	54.30	55.64

Bunker prices				
Singapore 380 CST	345.0	328.0	328.0	345.0
180 CST	360.0	347.0	347.0	360.0
Gasoil	495.0	479.0	479.0	495.0
Rotterdam 380 HSFO	308.0	296.0	296.0	308.0
180 CST	339.0	325.0	325.0	339.0
Diesel	461.0	451.0	427.0	461.0

NEWBUILDING

FSRU bonanza in Korea this week. Hoegh LNG announced today two newbuilding contracts at HHI and SHI respectively.

NEWBUILDING CONTRACTS

Type	No	Size	Yard	Buyer	Del	Price	Comm
FSRU	1	170,000 CBM	HHI	HLNG	2018		
FSRU	1	170,000 CBM	SHI	HLNG	2019		

SALE AND PURCHASE TRANSACTIONS

Type	Vessel	Size	Built	Buyer	Price	Comm.
MT	Shanghai	320 000	2015	New Shipping	60,00	
MT	Fairchem Maverick	19 900	2012	Norwegian	24,00	
MT	Quercianella	13 776	2004	Undisclosed	6,60	
BC	Cathrin Oldendorff	92 500	2011	Ultraocean	12,50	
BC	Sasebo Hull 838	84 700	2016	Samos Steamship	Undisclosed	
BC	Epson trader II	82 123	2009	Chartworld Shipping	12,60	
BC	Medi Venezia	76 602	2005	Greek	7,50	
BC	Ever Shining	74 346	1999	Chinese	4,40	
BC	General Guisan	73 035	1999	Chinese	4,10	
BC	Antiparos	63 500	2016	Greek	18,30	Court sale
BC	Nord Barcelona	36 746	2011	Norbulk Shipping	9,00	
BC	Trading Fabrizia	35 000	2011	Thalkat Shipping	9,00	
BC	Maple Fortune	32 544	2010	Chinese	Undisclosed	
BC	Genco Reliance	29 952	1999	Chinese	3,50	
BC	Kronos Island	28 348	2013	Evalend Shipping	9,00	
BC	Phoenix Island II	28 202	2011	Greek	xs 8	
BC	Mahoni	27 239	1997	Undisclosed	2,40	Auction sale
BC	Comatce Star	23 725	1995	Undisclosed	2,30	

DEMOLITIONS

Sold for demolition

Vessel name	Size	Ldt	Built	Buyer	Price
MV Bing N	322 941	36 027	1992	Bangladeshi	En bloc 320 each
MV Eva N	218 283	27 547	1997	Bangladeshi	
CONT HS Columbia	68 100	23 312	2001	Indian	329
MV Natty	159 829	21 223	1997	Bangladeshi	En bloc 347 each
MV Tango	160 013	21 039	1997	Bangladeshi	
MV Cornavin	169 963	20 535	1999	Pakistani	344
CONT Wehr Alster	33 694	10 750	2002	Indian	290
CONT RT dagr	21 008	7 413	1998	Indian	337
MV Eastgate 5	27 877	6 058	1990	Pakistani	310