



Fearnleys Weekly Report

Activity level

VLCC	Suezmax	Aframax	P.E. of Suez	P.W. of Suez
Soft	Soft	Soft	Soft	Soft

	Last week	Prev. week
VLCCs fixed all areas last week:	37	58
VLCCs avail. in MEG next 30 days:	110	115

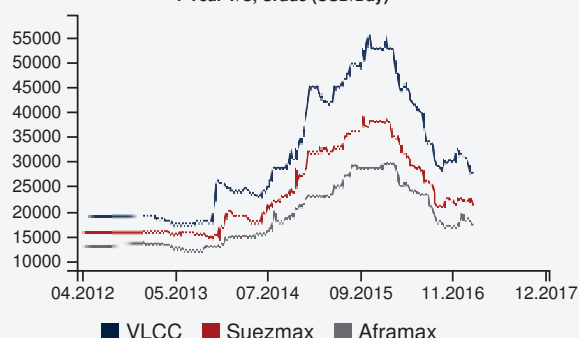
Rates

DIRTY (Spot WS)		This week	Last week	Low 2017	High 2017
MEG / West	VLCC	41.00	48.00	41.00	60.00
MEG / Japan	VLCC	70.00	82.00	70.00	96.50
MEG / Singapore	VLCC	71.00	83.00	71.00	96.00
WAF / FEAST	260,000	72.50	77.50	72.50	97.50
WAF / USAC	130,000	70.00	85.00	70.00	117.5
Sidi Kerir / W Me	135,000	80.00	92.50	80.00	117.5
N. Afr / Euromed	80,000	95.00	137.5	95.00	190.0
UK / Cont	80,000	100.0	100.0	95.00	100.0
Caribs / USG	70,000	135.0	165.0	135.0	215.0

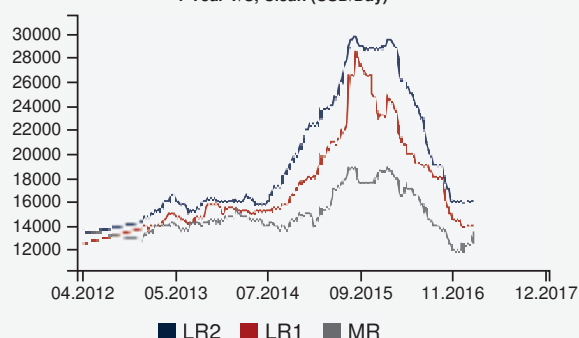
CLEAN (Spot WS)		This week	Last week	Low 2017	High 2017
MEG / Japan	75,000	80.00	85.00	80.00	155.0
MEG / Japan	55,000	110.0	110.0	110.0	150.0
MEG / Japan	30,000	155.0	160.0	155.0	167.5
Singapore / Japan	30,000	167.5	170.0	167.5	180.0
Baltic T/A	60,000	132.5	130.0	130.0	150.0
UKC-Med / States	37,000	157.5	155.0	155.0	200.0
USG / UKC-Med	38,000	100.0	94.00	94.00	127.5

1 YEAR T/C (USD/day) (theoretical)		This week	Last week	Low 2017	High 2017
VLCC	(modern)	27 500	27 500	27 500	30 000
Suezmax	(modern)	21 000	22 000	21 000	22 800
Aframax	(modern)	17 250	17 250	17 250	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	13 500	12 500	12 500	13 500

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



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



TANKERS

Crude

The activity for the VLCC's, in general has not been sufficient and charterers took a big step back over the extensive holidays in the East. The quiet days have had a heavy impact on the sentiment and the ample supply of newbuildings and the older types has sent the rates down sharply. The delta between the different types remain, but with earnings in the low USD 20k/pd MEG/East for newbuildings has also affected the rates on modern tonnage. Increased volumes in both MEG and West Africa is needed, even to maintain present levels. The fundamentals behind last week's standoff did not prove well for the owners. Charterers refused to accept last done and while they played the waiting game, tonnage was popping up all around almost by the hour. When charterers finally broke silence, rates started to slide and at the time of writing rates for a TD20-like voyage sits at a very untested ws72.5 level. If there is anything positive to take away from this, the drop in rates have opened the arbitrage on fuel oil moving east from destinations on both sides of the pond where we have seen a good amount of activity for the last week. Charterers are very much in the driving seat for the week to come, but how much more they will manage to squeeze the rates remains to be seen. In the North Sea and Baltic we witnessed a minor spike last week, but after a couple of quiet days ST Shipping managed to drop the Baltic market with 10 ws points. North Sea rates are coming off as well, and apart from "Doris the Storm" there's not a lot stopping this softening trend. The Med and Black Sea market is looking less attractive then it has done in a long time. This week owners' persistency and the seasonal winter weather had no chance against the long tonnage list and slow cargo activity. Rates have moved down to two digits and, unfortunately, it is looking quite gloomy for the weeks to come. As the situation is now, the market will drop to break-even numbers quite quickly.

Product

EAST OF SUEZ With the ongoing Chinese year celebrations in the Far East the market has been very quiet this week. Gradually people are now returning to their seats, but it will most probably take a few days to get up to speed again. As a consequence rates are more or less where we left off last week. In the Middle East Gulf LR2s are still fixing at ws80 and LR1s between ws110/112.5, this for Far East destination. For voyages going to the Continent the LR2s are still getting around lumpsum USD 1.7 mill for their services. MRs loading WC India for Far East destination still obtaining between ws160/155 mark. In the Far East is has also been quiet and the short haul voyage from South Korea to Japan still pays around lumpsum USD 285,000 mark and the benchmark voyage from Singapore to Japan, basis 30,000 mtons, still fixes around ws170 level. **WEST OF SUEZ** Nothing to celebrate in the western hemisphere. Since last week's drop in rates, this week has been flat and rather uneventful. An MR is still trading at ws155/157.5 mark for States discharge and the followed on voyage from US Gulf back to the Continent again is at ws100. This combination still gives owners a daily earning of about USD 13k per day which is more or less the same as last week. LR1s trading to West Africa range are still getting ws132.5 level for their services. For LR2s the benchmark voyage from Mediterranean to the Far East is today paying around lumpsum MUSD 1.975, up about USD 40,000 since last week. Handies trading in the Mediterranean have seen no change in rates this last week as they are still fixing around ws155. Their sisters on the Continent have had a little bit harder time and charterers have been able to push rates down by ws15 points to ws160.



Fearnleys Weekly Report

Activity level

Capesize	Panamax	Supramax
Slower	Slow	Slow

Rates	This week	Last week	Low 2017	High 2017
CAPESIZE (usd/day, usd/tonne)				
TCT Cont/Far East (180' dwt)	16 500	19 200	16 500	21 750
Tubarao / R.dam (Iron ore)	6.00	7.50	6.00	8.00
Richards Bay/R.dam	6.00	6.90	6.00	7.25
PANAMAX (usd/day, usd/tonne)				
Transatlantic RV	9 000	9 500	7 000	11 000
TCT Cont / F. East	12 750	13 000	12 750	14 500
TCT F. East / Cont	2 500	2 500	2 500	3 000
TCT F. East RV	5 500	5 500	5 000	6 000
Murmansk b.13-ARA 15/25,000 sc	6.55	6.72	6.05	7.00
SUPRAMAX (usd/day)				
Atlantic RV	10 500	11 000	10 500	12 000
Pacific RV	3 900	4 000	3 900	5 500
TCT Cont / F. East	12 000	12 500	12 000	14 000
1 YEAR T/C (usd/day)				
Capesize 180,000 dwt	11 750	10 500	10 250	11 750
Capesize 170,000 dwt	9 500	8 750	8 750	9 500
Panamax 75,000 dwt	7 250	7 400	7 250	7 750
Supramax 53,000 dwt	6 800	6 800	6 600	6 900
Baltic Dry Index (BDI):	786	862	n/a	n/a

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



DRY BULK

Capesize

Dull and with southbound direction for the big ships. Atlantic balance is fairly healthy for the early positions, but with a substantial list of ballasters building up, the outlook for Feb/Mar Brazil loaders is not great. Fronthaul activity is limited, and value of the China-Brazil RV stands at just below USD 8k, down 13% w-o-w. Spot coal volumes remain generally insignificant, and low iron ore flows from West Australia and South Africa add further to present pessimism - Pacific rounds for the standard 180k-tonners pay at best USD 6500, down 20% over last 5 trading days. Period interest, however, remains considerable with last confirmed 177k dwt/built 2011 China prompt done for 14-17 months at USD 11700.

Panamax

With the Chinese Lunar New Year celebration the market in both hemispheres are much slower than usual. Volumes in the Pacific are lower and there is less activity naturally. However, level-wise Nopac and Australia rounds are still hovering a bit below the USD 6k mark. The Atlantic is slightly down around USD 9k for TA rounds but certain areas pays more, including the Baltic and the USG. Breach of INL and ice requirements still pay a solid premium. The activity level seems down, but there is still a certain volume ex ECSA and USG. There is little period interest in the Atlantic and Pacific alike. It remains to be seen what impact the increased activity next week will have on hire levels...

Supramax

Mix of slow activity, few fixtures and poor rates conducted the week. In the Atlantic, USG and ECSA saw most activity, where Ultras have been covered at 19k for fhaul and Supras around 17-18k daily. Vessels from USG with direction to Med saw around 12k/day and to Cont around 15k/day. Very slow week in Asia as expected, with somewhat sliding rates. Nopac RV are paying Ultras around 6k, while coal trips via Indo to China around 5k aps or about 4k del Spore. WCI salt to China is getting fixed between 6k and 7k, while MEG remaining the hotter place in the East where ows might get around 10k for a trip east. South Africa coal trips into MEG/WCI on the other hand is trading around mid 11k level for Supras.

Activity level

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

LPG Rates				
* Excl. waiting time, if any				
SPOT MARKET (usd/month)*	This week	Last week	Low 2017	High 2017
VLGC / 84,000	615 000	670 000	435 000	670 000
LGC / 60,000	480 000	500 000	385 000	500 000
MGC / 38,000	530 000	540 000	530 000	550 000
HDY / 22,000	540 000	545 000	540 000	550 000
ETH / 10,000	530 000	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	120 000	125 000	110 000	125 000
LPG/FOB prices (usd/tonne)				
	Propane		Butane	
FOB North Sea / ANSI	440.5		453.0	
Saudi Arabia / CP	510.0		600.0	
MT Belvieu (US Gulf)	421.0		511.9	
Sonatrach : Bethioua	440.0		500.0	

LNG

SPOT MARKET (usd/day)	This week	Last week	Low 2017	High 2017
East of Suez 155-165'cbm	34 000	35 000	34 000	38 000
West of Suez 155-165'cbm	48 000	52 000	48 000	52 000
1 yr TC 155-165'cbm	34 000	35 000	34 000	35 000

GAS

Chartering

The activity in the VLGC market has continued at the slow pace as last week ended. The celebrations in China and other Asian countries of the Year of the Rooster will probably have to take the blame for it. In the markets east of Suez, we have with the exception of a couple of inquiries from Indian charters seen next to nothing, although we may understand there may be a few cargoes in the pipeline for the end of the week. We have seen the Baltic VLGC index dropping some USD 2.50 pmt which reflects a drop of about USD 2,000 per day, on time charter equivalent basis. The Western markets has been equally quiet, although some ships has disappeared for CoA nominations, the availability of vessels for March loading is literally unchanged from last week. The product pricing for US Gulf cargoes hitting the Far Eastern markets in April, are not allowing for the freight element seen as of late. However, Owners seem quite optimistic about maintaining levels in the mid/high 60s pmt (based on Houston/Chiba via Panama), which still remains last done for the route.



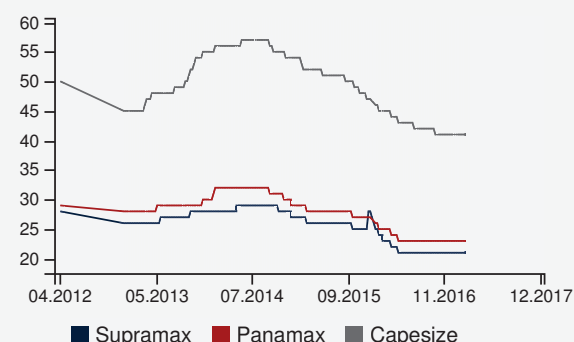
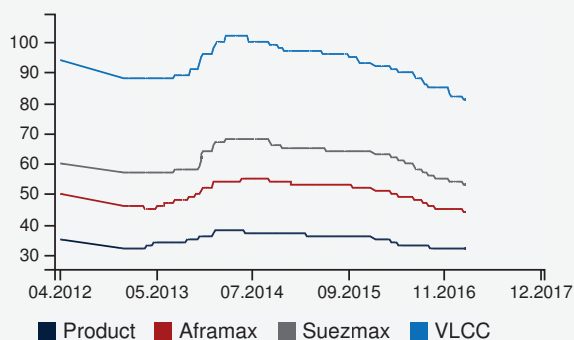
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Activity level

Tankers	Dry Bulk	Others
Increasing	Low	Low

Prices

Average Far Eastern Prices					
PRICES (mill usd)		This week	Last week	Low 2017	High 2017
VLCC	300'dwt	81.00	81.00	81.00	82.00
Suezmax	150'dwt	53.00	53.00	53.00	54.00
Aframax	110'dwt	44.00	44.00	44.00	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	113.3	113.6	113.2	117.6
USD/KRW	1 158	1 166	1 158	1 206
USD/NOK	8.22	8.33	8.22	8.65
EUR/USD	1.08	1.07	1.04	1.08
Interest rate				
LIBOR USD 6 mnths	1.35	1.35	1.32	1.35
NIBOR NOK 6 mnths	1.19	1.20	1.19	1.29

Commodity prices

Brent spot (USD)	55.70	55.13	54.30	55.70
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Bunker prices

Singapore	380 CST	314.0	322.0	314.0	345.0
	180 CST	321.0	327.0	321.0	360.0
	Gasoil	485.0	485.0	479.0	495.0
Rotterdam	380 HSFO	298.0	298.0	296.0	308.0
	180 CST	320.0	320.0	320.0	339.0
	Diesel	469.0	459.0	427.0	469.0

NEWBUILDING

It's been a quiet week, with Far Eastern shipyards being closed for lunar holidays. However, there seems to be some movement in the VLCC sector. In addition to the DHT order at HHI, several rumours of more VLCC orders is circulating in the market. We expect to see more in tanker orders in the weeks to come.

NEWBUILDING CONTRACTS

Type	No	Size	Yard	Buyer	Del	Price	Comm
MT	2	319,000 DWT	HHI	DHT	2018		

SALE AND PURCHASE TRANSACTIONS

Type	Vessel	Size	Built	Buyer	Price	Comm.
MT	OS Concord	301 345	1996	Sentek	16.50	
MT	Aegean Navigator	159 040	2007	Shipping Corporation of India	31.00	
MT	Hyundai Samho S812	114 200	2017	Stealth Maritime	43.50	
MT	Walnut Express	45 729	2004	Undisclosed	10.90	
MT	Davino D	14 236	2005	Chemship BV	14.00	Stst
MT	Global Ceres	12 999	2009	Ama Maritime	12.50	
BC	Beaufiks	180 310	2004	Navios	undisclosed	Purchase option exercised
BC	Conrad Oldendorff	95 711	2013	Cobelfret	19.00	
BC	Orient Phoenix	55 840	2007	Greek	9.50	
BC	Ocean Pioneer	53 489	2006	Undisclosed	6.00	
BC	Ocean Eternity	50 630	2011	Undisclosed	9.00	
BC	Nordic Suzhou	34 676	2002	Norwegian	4.00	
BC	Christiane Oldendorff	33 324	2010	Greek	5.50	
BC	Christoffer Oldendorff	33 324	2010	Greek	5.50	
BC	Xia Zhi Yuan	27 000	2010	Chinese	6.60	Auction sale

DEMOLITIONS

Sold for demolition

Vessel name	Size	Ldt	Built	Buyer	Price
CONT MSC Eugenia	65 535	17 661	1992	Indian	326
CONT Oel Dubai	34 894	11 415	1997	Indian	340
GC Hamra	8 729	3 293	2001	Indian	294