



# Fearnleys Weekly Report

## Activity level

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

	Last week	Prev. week
VLCCs fixed all areas last week:	34	57
VLCCs avail. in MEG next 30 days:	115	84

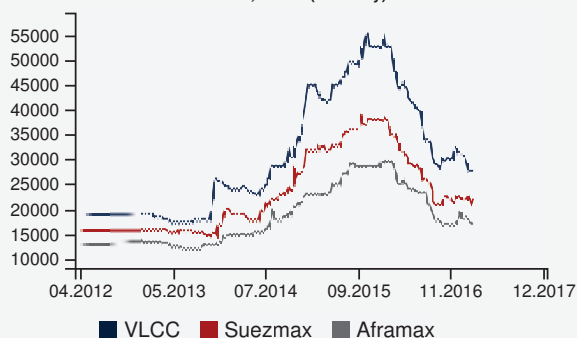
## Rates

DIRTY (Spot WS)		This week	Last week	Low 2017	High 2017
MEG / West	VLCC	39.00	40.00	39.00	60.00
MEG / Japan	VLCC	74.00	75.00	70.00	96.50
MEG / Singapore	VLCC	75.00	75.00	71.00	96.00
WAF / FEAST	260,000	75.00	71.50	71.50	97.50
WAF / USAC	130,000	80.00	72.50	70.00	117.5
Sidi Kerir / W Me	135,000	77.50	75.00	75.00	117.5
N. Afr / Euromed	80,000	95.00	100.0	95.00	190.0
UK / Cont	80,000	110.0	95.00	95.00	110.0
Caribs / USG	70,000	115.0	100.0	100.0	215.0

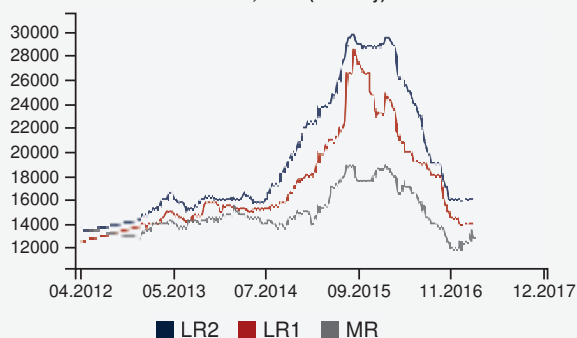
CLEAN (Spot WS)		This week	Last week	Low 2017	High 2017
MEG / Japan	75,000	120.0	80.00	80.00	155.0
MEG / Japan	55,000	120.0	107.5	107.5	150.0
MEG / Japan	30,000	142.5	152.5	142.5	167.5
Singapore / Japan	30,000	160.0	162.5	160.0	180.0
Baltic T/A	60,000	110.0	130.0	110.0	150.0
UK-Med / States	37,000	130.0	140.0	130.0	200.0
USG / UKC-Med	38,000	80.00	100.0	80.00	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)	22 000	21 000	21 000	22 800
Aframax	(modern)	17 000	17 000	17 000	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	12 750	12 500	13 500

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



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



## TANKERS

### Crude

Rates for the VLCCs have held up stronger than the most optimistic had feared. Steady February cargoes in the MEG started to deplete the tonnage availability, and roll over into March preciously slim. March volume in the MEG is so far slim but ships are absorbed under Coa's. Quiet start of the week with rates off the peak and a few more quiet days will add pressure on rates. Earnings still about USD 30k/pd and a continued supply of West Africa/East cargoes necessary to avoid sharp decline in rates for the VLCCs. The million barrel market was facing a prolonged period of potential stagnation however the owners have belligerently battled their way back and managed to claw their way out of a corner. A week ago, rates were at ws72.5 for TD20 whereas currently they are flirting with breaching the ws82.5 level. A combination of vessels being plucked off under the radar in various geographical areas and some key owners taking a strong stance refusing last done levels has forced charterers to concede. The Black Sea market however has not managed to find any respite so far in the early first decade of March with levels steady at ws80 for TD6. The week ahead is potentially positive with charterers currently reaching forward on dates in West Africa proving momentum much to the owners delight. North Sea and Baltic moved up quite a bit at the end of last week and is still looking interesting moving into March fixing. This was mainly caused by tonnage leaving the area in laden condition, and a rush of x-North Sea cargoes in the 18-25 February window. If we see a steady flow of Fuel Oil cargoes ex Baltic, ice rates could easily strengthened another 5-10 ws points. In the Med and Bsea, charterers have now covered all the Bsea stems for the month and are well underway with the x-Med cargoes. Last week, the rates moved up to ws105 for ex Bsea. However for the week to come, the tonnage list is again looking fairly balanced, and we therefore expect the rates to remain stable at just below ws100.

### Product

**EAST OF SUEZ** After weeks with low activity and rates in the Middle East Gulf, this segment finally came back to live towards the very end of last week. The LR2s have been fixing around the ws80 mark for weeks and have had to accept time charter earnings in the USD 4/5000 region, this increased activity have certainly made owners' life a little bit more comfortable. Today owners are fixing at ws120 level and we expect rate to improve further coming days. Fyg, ws120 gives owners a daily earning of about USD 12,000 per day. LR1s have also been able to take part of this increased activity and have been able to increase daily earning from USD 6500 to USD 9000 per day. LR2 fixing westwards are today getting about lumpsum MUSD 1.5 for their services, up some USD 250/300.000 since last week. The market for MRs in the Far East has actually moved in the opposite direction with the standard voyage from Singapore to Japan paying ws160, down from ws167.5, and the short haul voyage from South Korea to Japan have declined from USD 285,000 to USD 260,000.

**WEST OF SUEZ** In the western hemisphere, the market has been on a downward trend all week. The Classic MR voyage from the Continent to the States is today at ws130 level, down from ws140. There has not been any chance to recover any loss with an increased rate for the backhaul voyage from US Gulf to the Continent since this rate also have dropped, to ws80. i.e. daily earnings are then USD 8000 per day compared to USD 11,000 last week. LR1s fixing from the Continent to West Africa are today getting ws110, down from ws130. LR2s trading eastwards from the Mediterranean is still at lumpsum MUSD 1.975 but rates will of course increase on the back of the higher rates seen in the Middle East Gulf. Handies trading short haul cargoes in the Mediterranean have seen the rate declined from ws150 to ws140 today, and handies trading on the Continent have actually had a rate increase from ws165 to ws175 today.



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## Activity level

Capesize	Panamax	Supramax
Slow	Slower	Increasing

Rates	This week	Last week	Low 2017	High 2017
<b>CAPESIZE (usd/day, usd/tonne)</b>				
TCT Cont/Far East (180' dwt)	12 000	13 000	12 000	21 750
Tubarao / R.dam (Iron ore)	5.10	5.30	5.10	8.00
Richards Bay/R.dam	4.70	5.20	4.70	7.25
<b>PANAMAX (usd/day, usd/tonne)</b>				
Transatlantic RV	7 650	8 750	7 000	11 000
TCT Cont / F. East	12 550	12 500	12 500	14 500
TCT F. East / Cont	2 800	2 500	2 500	3 000
TCT F. East RV	7 000	7 000	5 000	7 000
Murmansk b.13-ARA 15/25,000 sc	6.17	6.25	6.05	7.00
<b>SUPRAMAX (usd/day)</b>				
Atlantic RV	9 400	10 000	9 400	12 000
Pacific RV	5 200	4 000	3 900	5 500
TCT Cont / F. East	12 000	12 000	12 000	14 000
<b>1 YEAR T/C (usd/day)</b>				
Capesize 180,000 dwt	10 650	10 750	10 250	11 750
Capesize 170,000 dwt	8 650	8 750	8 650	9 500
Panamax 75,000 dwt	7 800	7 500	7 250	7 800
Supramax 53,000 dwt	7 200	6 900	6 600	7 200
<b>Baltic Dry Index (BDI):</b>	<b>688</b>	<b>702</b>	<b>n/a</b>	<b>n/a</b>

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



## DRY BULK

### Capesize

Cape market have experienced a strong downturn. A cyclone hitting W.Australia last week disrupted the scheduling and the W.Australian miners have only fixed a few vessels this week. The TC rates for a Pacific round is presently around USD 3k level, however some of the voyage rates being fixed in the Pacific is barely making a positive return. Brazil market do also remain limited on the cargo side, but with a big tonnage over-supply. The future tonnage list for March and April is also looking very big, hence the negative sentiment is expected to continue for the next few weeks. This is not unusual for this season of the year, but expectations are that market will slowly increase and in general improve from last year.

### Panamax

It has been a slow week for the Pmax trading with less cargo volume available in the Atlantic. Rates are slowly sliding due to this. There are still expectations to the ECSA grains for March and quite a few ballasters headed that direction. TAs are currently trading in the high 7k region while some Baltic trades with ice class requirements are being paid a premium. In the Far East, we see the opposite trend with rates slowly climbing for Pac rounds. NoPac RVs are fixing in the high 6k's for LMEs and the period interest is increasing with modern large units fixing 1-yr at USD mid 9k. Mid-week we however see reports of grain shippers in the US Pac running empty of cgo which could lead to a change in the sentiment.

### Supramax

Market has shifted sides from Atl to Pac, where Atl is now lagging behind with little action and sliding indices, notably for Atl RV. Ultras from USG to MEG working 15-16k. Ultras from USG to India see 16k and Supras for same around 11k. A very strong push in Pacific this week, rates has improved significantly as higher activity is meets tight tonnage supply in SE Asia. Market is currently working in owners favor with Indo/China coal runs, with delivery Sgp, fixed at low 8k for Supras and arnd mid/high 8k for Ultras, while Indo/India trips are trading around mid/high 9k for Ultras. Ultras are able to obtain around low 7k for Nopac RV. At current pace, rates could very well be higher when this week ends.

## Activity level

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

<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	400 000	440 000	400 000	670 000
LGC / 60,000	425 000	450 000	385 000	500 000
MGC / 38,000	520 000	520 000	520 000	550 000
HDY / 22,000	530 000	535 000	530 000	550 000
ETH / 10,000	520 000	520 000	520 000	540 000
SR / 6,500	440 000	430 000	420 000	440 000
COASTER Asia	190 000	190 000	190 000	190 000
COASTER Europe	130 000	120 000	110 000	130 000

<b>LPG/FOB prices (usd/tonne)</b>		<b>Propane</b>	<b>Butane</b>	<b>ISO</b>
FOB North Sea / ANSI		440.5	453.0	
Saudi Arabia / CP		510.0	600.0	
MT Belvieu (US Gulf)		423.3	562.9	500.6
Sonatrach : Bethioua		440.0	500.0	

<b>LNG</b>				
<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	34 000	34 000	34 000	38 000
West of Suez 155-165'cbm	44 000	45 000	44 000	52 000
1 yr TC 155-165'cbm	34 000	34 000	34 000	35 000

## GAS

### Chartering

There has been some more activity in the VLGC market last week; there have been more freight discussions, market freight quotes and a few fixtures as well. The obtained rates are down from last done, but not by much - we believe the sliding rates will come to an end very soon. The Baltic VLGC index has been in red every day for the last 3-4 weeks and has come off some 25% and has landed in the mid USD 20's - a level below what owners are aiming at the moment, possibly also below what was expected a couple of weeks ago. There are a dozen or so available VLGCs that can load in MEG in February against maybe 1 or 2 unfixed cargoes in the same timespan, hence we will see a rollover of tonnage into next month. The cargo market in the East has remained rather strong for a while, but looking ahead it seems to be in backwardation with narrowing freight margins which means FOB pricing needs to adjust to make spot trading and shipping work. We do not believe freight will come down further in this cycle despite the seemingly ample supply of vessels in the short term. The rumoured VLGC NB order by an Indian owner has yet to materialize and until then we count an orderbook of 35 vessels or roughly 13% addition to existing fleet.



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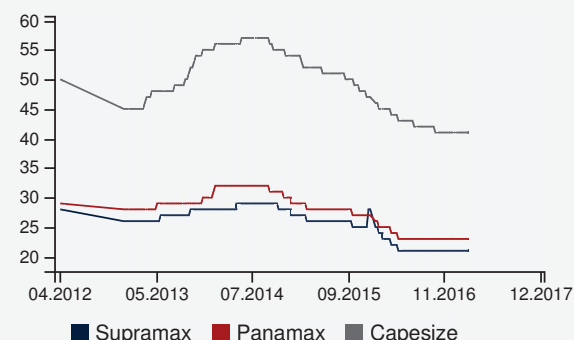
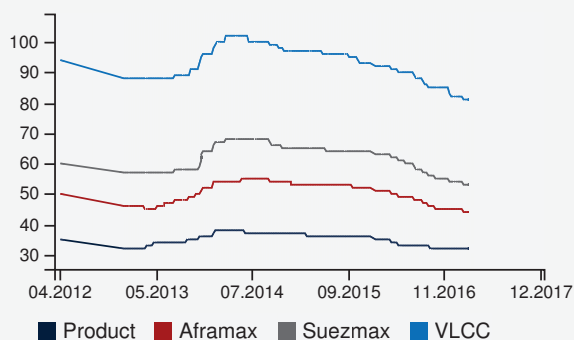
## Activity level

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	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
<b>Rate of exchange</b>				
USD/JPY	114.4	111.9	111.9	117.6
USD/KRW	1 142	1 147	1 142	1 206
USD/NOK	8.39	8.33	8.22	8.65
EUR/USD	1.06	1.07	1.04	1.08

## Interest rate

LIBOR USD 6 mnths	1.34	1.34	1.32	1.35
NIBOR NOK 6 mnths	1.18	1.15	1.15	1.29

## Commodity prices

Brent spot (USD)	55.63	54.85	54.30	55.70
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## Bunker prices

Singapore	380 CST	322.0	317.0	314.0	345.0
	180 CST	329.0	323.0	321.0	360.0
	Gasoil	495.0	490.0	479.0	495.0
Rotterdam	380 HSFO	310.0	295.0	295.0	310.0
	180 CST	330.0	317.0	317.0	339.0
	Diesel	475.0	468.0	427.0	475.0

## NEWBUILDING

No new activity to report this week. Prices seems to be moving sideways. Still some rumors in the tanker sector, however, nothing new to report this week.

## SALE AND PURCHASE TRANSACTIONS

Type	Vessel	Size	Built	Buyer	Price	Comm.
MT	Orthis	219 300	2011	TMS Tankers	57	
MT	Batisaa	51 505	2008	Oaktree	18.50	Internal settlement
MT	Atlantic Hope	47 128	2008		18.50	
MT	High Presence	48 700	2005	Undisclosed	22.00	
MT	Ardmore Seatrader	47 141	2002		22.00	
BC	Teh May	175 085	2004	Undisclosed	10.80	
BC	Fulvia	92 500	2010	Oldendorff	10.50	Bank sale
BC	Flama	80 448	2011	Songa Bulk	14.80	
BC	Conti Spinell	75 200	2011	Undisclosed	11.10	
BC	Zorina	57 000	2011	Universal Ship Investment corp	7.40	Bank sale
BC	Roble N	28 754	1995	ASNL Shipping	2.70	
BC	Atlantic Dream	28 515	2006	Vietnamese	6.50	

## DEMOLITIONS

### Sold for demolition

Vessel name	Size	Ldt	Built	Buyer	Price
CONT Hanjin Vienna	68 263	24 052	2000	Undisclosed	280
MV Star Eleonora	164 218	23 960	2001	Pakistani	345
GAS Gas Concord	56 906	17 784	1976	Bangladeshi	330
CONT Anna Schepers	34 083	10 636	1997	Pakistani	325
MV Carola	73 740	9 506	1997	Indian	333
GC Hong Qing	23 325	5 784	1987	Undisclosed	290
CONT Runner	9 200	4 647	1995	Undisclosed	305