



# Fearnleys Weekly Report

## Activity level

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

	Last week	Prev. week
VLCCs fixed all areas last week:	55	48
VLCCs avail. in MEG next 30 days:	106	110

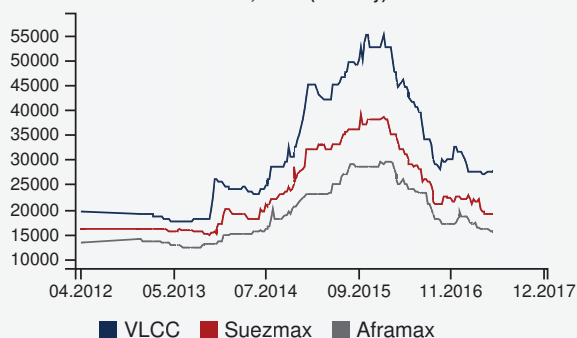
## Rates

DIRTY (Spot WS)		This week	Last week	Low 2017	High 2017
MEG / West	VLCC	31.00	32.00	25.00	60.00
MEG / Japan	VLCC	61.00	60.00	45.00	96.50
MEG / Singapore	VLCC	62.50	61.00	45.00	96.00
WAF / FEAST	260,000	60.00	62.50	55.00	97.50
WAF / USAC	130,000	70.00	80.00	70.00	117.5
Sidi Kerir / W Me	135,000	80.00	90.00	75.00	117.5
N. Afr / Euromed	80,000	105.0	102.5	95.00	190.0
UK / Cont	80,000	100.0	92.50	92.50	110.0
Caribs / USG	70,000	130.0	125.0	90.00	215.0

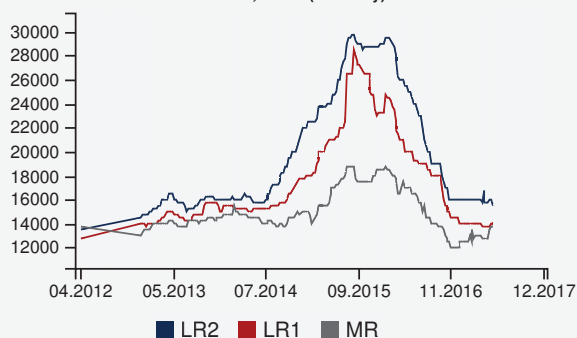
CLEAN (Spot WS)		This week	Last week	Low 2017	High 2017
MEG / Japan	75,000	105.0	90.00	80.00	155.0
MEG / Japan	55,000	117.5	110.0	100.0	150.0
MEG / Japan	30,000	122.5	120.0	120.0	167.5
Singapore / Japan	30,000	137.5	137.5	137.5	180.0
Baltic T/A	60,000	112.5	110.0	110.0	155.0
UK-Med / States	37,000	120.0	145.0	120.0	210.0
USG / UKC-Med	38,000	90.00	85.00	80.00	150.0

1 YEAR T/C (USD/day) (theoretical)		This week	Last week	Low 2017	High 2017
VLCC	(modern)	27 500	27 500	27 000	30 000
Suezmax	(modern)	19 000	19 000	18 500	22 800
Aframax	(modern)	15 500	15 500	15 500	18 500
LR2	105,000	15 500	15 500	15 500	16 750
LR1	80,000	14 000	14 000	13 750	14 000
MR	47,000	13 750	13 750	12 500	13 750

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



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



## TANKERS

### Crude

Despite holidays, activity for the VLCCs has been relatively healthy. Rates both ex MEG and West Africa have held up stronger than most had thought. The May program in MEG is close to being finished and we are in the 'interim-month-days'. West Africa/East with June program well under way. Rates appear steady for most major routes, but may have peaked around present levels. As predicted, the Suezmaxes experienced a sharp correction downwards last week as activity became sparse in West Africa in the third decade of May, charterers were in complete control and were able to pull rates down by over 10 points where it has settled at ws72.5. The Mediterranean and Black Sea have experienced similar lethargy and the signs are that we are entering into a period of sustained pressure for owners. Cargoes are increasingly being shown with a wide range of discharge options as traders seem to be struggling to sell barrels. Owners are currently reluctant to let the market slip any further but unless volumes increase substantially a further erosion of rates seems likely in the week ahead. Afra-rates in the North Sea and Baltic seem to have stabilized, and charterers are working far forward as the downside is minimal. At these levels some owners are refusing to give short options with actual flat due to horrible returns. This could apply a tiny bit of pressure for end month fixing. This week in the Mediterranean and Black Sea we have seen the market cool off yet again, after last week's firming rates. We expect the market to soften a bit more before stabilizing at low ws100 level.

### Product

EAST OF SUEZ Still fairly quiet in the Middle East Gulf with improved rates from last week, but we have to remember we are coming from very low numbers. Today an Lr2 are able to obtain ws107.5, which is almost ws17.5 higher than last week, and this means increased daily earning to about USD 10,500 per day, for a voyage going east. LR1s are today getting ws117.5 for their services, which is about ws7.5 points higher than last week, and gives owners a daily earning of about USD 9000 per day. For the voyages going to the Continent rate is more or less unchanged at lumpsum USD 1.3 mill for LR2s and USD 1.1 mill for LR1s. MR rates are unchanged from last week with the rate for west coast India to Japan still at the ws120 mark. In the Far East, the standard voyage from Singapore to Japan is still at ws135 and the short haul voyage from South Korea to Japan is at USD 210,000. WEST OF SUEZ It has been a mixed week in the Atlantic this week. The straight Continent to States voyages for an MR has dropped about ws25 points last week to ws120 level today. On the other hand, the rate for a back haul cargo from US Gulf to the Continent has increased about 5 ws points. This means daily earning for an MR basis triangulation have seen daily earning slip by USD 1500 to about USD 9500 per day. LR1s doing voyages from the Continent to West Africa is still being paid ws110 level. The rate for LR2s loading in the Mediterranean for the Far East is still in the region of USD 1.65 mill with a low of USD 1.6 mill this week. The downward trajectory continued for handies trading in the Mediterranean and on the Continent with rates in the Mediterranean dropping 20 ws points to ws150 and a drop of 25 ws points on the Continent to ws125 level.



# Fearnleys Weekly Report

## Activity level

Capesize	Panamax	Supramax
Slower	Slow	Slow

Rates	This week	Last week	Low 2017	High 2017
<b>CAPESIZE (usd/day, usd/tonne)</b>				
TCT Cont/Far East (180' dwt)	23 600	23 500	12 000	35 000
Tubarao / R.dam (Iron ore)	6.15	6.00	5.10	8.25
Richards Bay/R.dam	5.90	5.00	4.70	7.60
<b>PANAMAX (usd/day, usd/tonne)</b>				
Transatlantic RV	7 200	8 500	6 800	14 800
TCT Cont / F. East	13 600	14 000	12 000	21 000
TCT F. East / Cont	7 700	8 600	2 500	8 600
TCT F. East RV	4 000	4 200	4 000	12 000
Murmansk b.13-ARA 15/25,000 sc	5.85	6.20	5.85	7.45
<b>SUPRAMAX (usd/day)</b>				
Atlantic RV	11 200	11 000	9 400	12 000
Pacific RV	7 500	8 000	3 900	9 200
TCT Cont / F. East	14 000	15 000	12 000	18 000
<b>1 YEAR T/C (usd/day)</b>				
Capesize 180,000 dwt	14 750	14 750	10 250	16 500
Capesize 170,000 dwt	12 250	12 250	8 650	14 250
Panamax 75,000 dwt	10 000	10 250	7 250	12 400
Supramax 53,000 dwt	8 900	8 900	6 600	9 300
<b>Baltic Dry Index (BDI):</b>	<b>1005</b>	<b>1034</b>	<b>n/a</b>	<b>n/a</b>

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



## Activity level

COASTER	15-23,000 cbm	82,000 cbm
Low	Low	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	655 000	630 000	400 000	765 000
LGC / 60,000	485 000	485 000	385 000	500 000
MGC / 38,000	475 000	485 000	475 000	550 000
HDY / 22,000	475 000	485 000	475 000	550 000
ETH / 10,000	465 000	485 000	465 000	540 000
SR / 6,500	430 000	430 000	420 000	450 000
COASTER Asia	190 000	190 000	190 000	190 000
COASTER Europe	180 000	180 000	110 000	195 000

<b>LPG/FOB prices (usd/tonne)</b>			
	<b>Propane</b>	<b>Butane</b>	<b>ISO</b>
FOB North Sea / ANSI	326.5	328.0	
Saudi Arabia / CP	385.0	390.0	
MT Belvieu (US Gulf)	329.5	350.0	349.0
Sonatrach : Bethioua	330.0	350.0	

## 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	26 000	26 000	26 000	38 000
West of Suez 155-165'cbm	36 000	35 000	29 000	52 000
1 yr TC 155-165'cbm	31 000	31 000	31 000	35 000

## DRY BULK

### Capesize

Rates improved towards the end of last week with a positive trend continuing into this week. However as we got to the middle of the week, rates were coming slightly off partly due to less activity because of holidays in the Far East. Demand for Brazilian Iron ore is lower as reflected by the lower iron ore price, but the C3 freight keeps stable in the mid 13s pmt whilst the c5 freight has been moving from mid 5s to mid 6s. Period activity has been limited this week.

### Panamax

It has been a slow and uneventful week for the Pmax market. Golden week in Asia last week combined with lack of fresh cargoes and a growing tonnage list is again putting pressure on rates in both hemispheres. In the Atl region the TA market has been most exposed with rates falling to just above 7k, while a Kmax was reported fixed for 1tct via St.Lawrance redel Skaw/Gib for just USD 5500/day. FH rates hover around mid 13k's. In the east there have been some new fresh biz this week and with more activity out of S.Am the owners hopes this could redress the balance of the market. Trans-Pacific RV is now at levels around mid 7k. The expectations for both hemispheres remain mixed, but there is a slight more optimistic tone.

### Supramax

In the Atlantic, only USG were showing some improvement, where petcoke cargoes to India was fixed in range of 19-23k daily and to Continent 15k with same. Usual scrap runs from Cont to Mediterranean now concluded at 11-12k daily. From Black Sea to Far East rates remained ca 15k daily. The sentiment in the Pacific kept softening with plenty of tonnage and less orders showing around. Supra open in Singapore hardly saw 8k for Pacific R/V. A 58k vsl fixed/failed at 7200 for coal biz to Philippines bss Spore del. For Indo/China coal biz it was seen only 7k levels bss end May dates. Less nickel ore activities recently i.e. Supras get only 8k levels bss HK del. For steel cargoes chrts rating Supras at 6k bss Bohai Gulf.

## GAS

### Chartering

It has been rather calm in the VLGC spot market last week, it did not help the market much when Far East players returned to their desks from Golden Week holidays some days ago. In the East we have seen a couple of spot charters following some FOB sales by MEG exporters at rates more or less in line with recent weeks' levels. There doesn't seem to be any upside in spot rates over the next weeks, but at the same time the freight market is good at resisting quiet periods with tight margins and poor encouragement from potential charterers. Therefore we do not see that the spot market will drop much over the next few weeks either, although the influx of newbuildings in Q2 and Q3 must have an impact at some stage in coming months. The Baltic index is today at the same level it was at two weeks ago - in the meantime it has been up and down in small increments. In the West we have seen a few spot fixtures in the mid USD 50's USG/Chiba (via Panama) i.e. lower than 10 days ago and for the first time since the "new" Panama opened last year the parity to net return is very similar to the East market when voyage days lost at the canal are taken into the calculation.



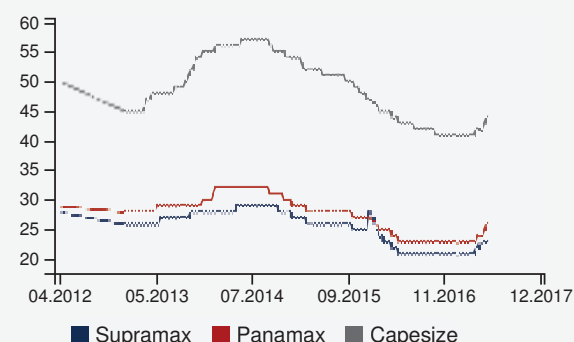
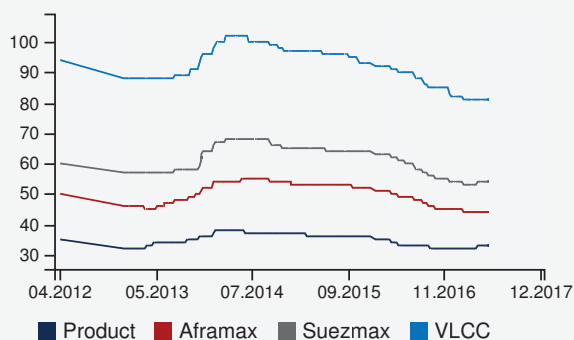
# Fearnleys Weekly Report

## Activity level

Tankers	Dry Bulk	Others
Slower	Low	Slower

## 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	54.00	54.00	53.00	54.00
Aframax	110'dwt	44.00	44.00	44.00	45.00
Product	50'dwt	33.00	33.00	32.00	33.00
Capesize	180'dwt	44.00	44.00	41.00	44.00
Panamax	82'dwt	25.50	25.50	23.00	25.50
Supramax	64'dwt	23.00	23.00	21.00	23.00
LNGC	170'cbm - MEGI	184.0	184.5	184.0	184.5



## Market brief

	This week	Last week	Low 2017	High 2017
<b>Rate of exchange</b>				
USD/JPY	113.9	112.3	109.0	117.6
USD/KRW	1 136	1 130	140.9	1 206
USD/NOK	8.66	8.60	8.22	8.66
EUR/USD	1.09	1.09	1.04	1.09
<b>Interest rate</b>				
LIBOR USD 6 mnths	1.45	1.43	1.32	1.45
NIBOR NOK 6 mnths	1.03	1.09	0.99	1.29
<b>Commodity prices</b>				
Brent spot (USD)	49.41	50.60	49.41	56.77
<b>Bunker prices</b>				
Singapore				
380 CST	296.0	303.0		345.0
180 CST	305.0	341.0		360.0
Gasoil	444.0	461.0		505.0
Rotterdam				
380 HSFO	263.0	274.0		310.0
180 CST	293.0	302.0		339.0
Diesel	401.0	422.0		475.0

## NEWBUILDING

Tanker orders continue to tick in. Latest being Euronav ordering a pair of Suezmaxes from HHI with 2018 delivery. This proves shipyards still may squeeze in early deliveries for returning clients when required. When it comes to price development, steel prices have been at a standstill over the past months, removing the steel effect driving input cost for shipyards. We maintain a sideways price development for time being.

## NEWBUILDING CONTRACTS

Type	No	Size	Yard	Buyer	Del	Price	Comm
LNG	2	7,500 cbm	SHI	Korea Line	2019		
MT	2	157,000 dwt	HHI	Euronav	2018		Ice 1C

## SALE AND PURCHASE TRANSACTIONS

Type	Vessel	Size	Built	Buyer	Price	Comm.
MT	Gener8 Theseus	299 392	2017	MISC Group	81	
MT	Gener8 Noble	298 991	2017	MISC Group	81	
MT	Gener8 Orion	160 289	2002	Indian	12,80	
MT	MTM Princess	20 963	1999	Undisclosed	11,00	Stst
MT	Sky Dream	19 807	2010	Blystad	Undisclosed	Stst
MT	Nordic Theresa	7 842	2008	Turkish	low 7's	
MT	Cansu D	5 809	2005	Macoil Greece	6,50	
MT	San Bertoldo	4 993	2017	Tarbit	17,50	
BC	Triton Condor	180 274	2009	Navios	28,30	
BC	Fu Min	72 437	1997	Chinese	5,20	
BC	Marjatta P	56 023	2006	Meghna Group	11,90	

## DEMOLITIONS

### Sold for demolition

Vessel name	Size	Ldt	Built	Buyer	Price
CONT Al Endeavor	61 441	22 444	2003	Undisclosed	390
MV Pos Challenger	148 914	17 943	1992	Undisclosed	375
CONT Rajiv Ghandi	28 965	8 421	1994	Indian	300