



Fearnleys Weekly Report

Activity level

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

	Last week	Prev. week
VLCCs fixed all areas last week:	20	55
VLCCs avail. in MEG next 30 days:	132	106

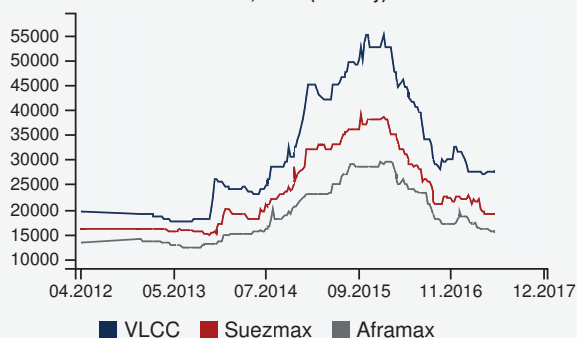
Rates

DIRTY (Spot WS)		This week	Last week	Low 2017	High 2017
MEG / West	VLCC	29.50	31.00	25.00	60.00
MEG / Japan	VLCC	56.00	61.00	45.00	96.50
MEG / Singapore	VLCC	57.00	62.50	45.00	96.00
WAF / FEAST	260,000	55.00	60.00	55.00	97.50
WAF / USAC	130,000	70.00	70.00	70.00	117.5
Sidi Kerir / W Me	135,000	77.50	80.00	75.00	117.5
N. Afr / Euromed	80,000	110.0	105.0	95.00	190.0
UK / Cont	80,000	97.50	100.0	92.50	110.0
Caribs / USG	70,000	102.5	130.0	90.00	215.0

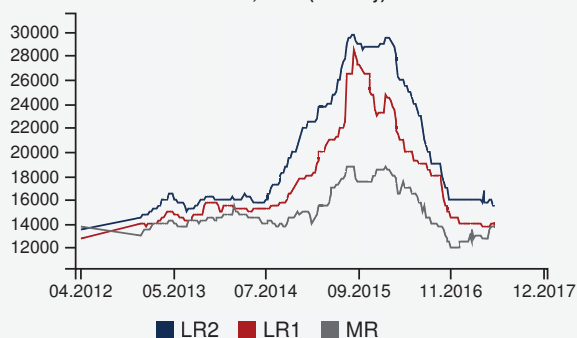
CLEAN (Spot WS)		This week	Last week	Low 2017	High 2017
MEG / Japan	75,000	100.0	105.0	80.00	155.0
MEG / Japan	55,000	110.0	117.5	100.0	150.0
MEG / Japan	30,000	122.5	122.5	120.0	167.5
Singapore / Japan	30,000	137.5	137.5	137.5	180.0
Baltic T/A	60,000	105.0	112.5	105.0	155.0
UKC-Med / States	37,000	120.0	120.0	120.0	210.0
USG / UKC-Med	38,000	95.00	90.00	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

After the May program for Meg finished last week it has been a slow start for June. Wafr/East volumes are lagging as well and rates under increasing pressure. Rates have corrected down and tonnage starting to build up and charterers going slow for now. Tonnage also building up in USG and rates Americas/East likely to come under pressure as well. The Suezmaxes have found their bottom level for now it seems, the conference rate is currently ws72.5 for TD20 with earnings in the early teens. The activity levels have been sparse to say the least but the Wafr list has been ticking over, supplemented by the action in the Nsea which has contributed to staving off a complete further collapse. There has been positive talk this week around the reintroduction of the Forcados barrels into the market as production slowly comes back into play this will eventually add much needed volume for the Suezmaxes. The Bsea and Med have been ticking over in the end third decade date range with rates stable for now, however next week will be telling as several owners have multiple ship positions on the next tranche of market dates. Aframax in the Baltic has been has been fixing at a regular rate, but the lack of Nsea cargoes is taking its toll on the returns. Rates have remained nearly unchanged these last two weeks, and we do not expect them to move much heading into June. Bsea and Med got off to a good start this week due to the end-month rush. At time of writing we have almost 10 cargoes working in the market, and the owners are ready to strike while the iron is hot. These cargoes, combined with a lot of uncertain itineraries, will definitely put pressure on the rates for the reminding of the week.

Product

EAST OF SUEZ With a continuous slow pace from charterers the market in the Middle East Gulf have shown no signs of improving, rather the opposite. Both LR2's and LR1's have had to accept a ws5/7,5 points reduction this week with LR2's now at ws100 and LR1's at ws110, and still market is a bit softish. Daily earning is today about USD 9.000 for LR2's and about Usd 8.000 for LR1's. Obtained rates for west cargoes are still at same levels i.e USD 1,3 mill for LR2's and USD 1,150 mill for LR1's. the MR market have been able to maintain last week's level at around ws122,5 for Far East discharge. In the Far East the benchmark voyage from Singapore to Japan is still at ws137,5 and the short haul voyage from south Korea to Japan is still at USD 210.000. **WEST OF SUEZ** The slow activity continued also this week in the Atlantic and rates barely moved in any direction. The classic MR voyage from the Continent to States is unchanged at ws120 whilst the backhaul voyage from U.S Gulf has gained ws5 points to ws95, which means owners who have been able to take advantage of this triangulation still have daily earnings around USD 9.500 per day, unchanged from last week. The rate for LR1's trading from the Continent to west Africa have dropped from ws115 to ws105 today. For the LR2's the benchmark voyage from Mediterranean to the Far east is almost unchanged at USD 1,640 mill level. The Handies trading on the Continent and in the Mediterranean are almost flat at ws125 for those trading on the Continent and Ws140 for those in the Mediterranean



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Activity level

Capesize	Panamax	Supramax
Moderate	Soft	Slow

Rates	This week	Last week	Low 2017	High 2017
CAPESIZE (usd/day, usd/tonne)				
TCT Cont/Far East (180' dwt)	23 600	23 600	12 000	35 000
Tubarao / R.dam (Iron ore)	6.10	6.15	5.10	8.25
Richards Bay/R.dam	5.80	5.90	4.70	7.60
PANAMAX (usd/day, usd/tonne)				
Transatlantic RV	6 400	7 200	6 400	14 800
TCT Cont / F. East	13 200	13 600	12 000	21 000
TCT F. East / Cont	7 400	7 700	2 500	8 600
TCT F. East RV	3 800	4 000	3 800	12 000
Murmansk b.13-ARA 15/25,000 sc	5.00	5.85	5.00	7.45
SUPRAMAX (usd/day)				
Atlantic RV	11 000	11 000	9 400	12 000
Pacific RV	7 500	7 500	3 900	9 200
TCT Cont / F. East	14 500	14 500	12 000	18 000
1 YEAR T/C (usd/day)				
Capesize 180,000 dwt	15 250	14 750	10 250	16 500
Capesize 170,000 dwt	13 750	12 250	8 650	14 250
Panamax 75,000 dwt	9 500	10 000	7 250	12 400
Supramax 53,000 dwt	8 800	8 800	6 600	9 300
Baltic Dry Index (BDI):	980	1005	n/a	n/a

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



DRY BULK

Capesize

No big changes w-o-w but presently softening slowly on close to no coal transactions and unimpressive volumes also for the major iron ore trades. The 1-2 active miners moderately active only have very few stems to cover on the West Australia/China trade - resultant freight levels down a nominal 7 pct to USD 5.80 pmt. The Brazil/China trade is equally uneventful but slightly more positive in comparison, up a nominal 5 pct to USD 14.30 pmt, making overall average daily earnings for 180000-tonners stable at around USD 12k over the week. Period interest considerable but activity limited - representative fixtures include 177000 dwt/2005 done for 8-12 month at USD 15600 and 174000 dwt/2007 basis 12-16 months at USD 14150.

Panamax

Another uneventful week with falling rates in both hemispheres. After a new holiday-disrupted week with little new fresh cargoes in the market the rates are again under pressure, especially in the Atl region. TA rates has dropped to mid 6k's, while the FH rates is in the range of low 13k's. The activity in the East has also been slow in accordance with the Atl market, but the changes in the rates has not been that depressive compared to the TA and FH market. Transpacific RV is now priced in the range mid 7k's. The expectations about renewed activity from South America is much needed in order to lift the current rate levels in both basins. FFA's, May is priced at high 7l's, while June is at mid 7k's on the P4TC index.

Supramax

Atl market have stayed quiet with no substantial developments. Cont to Med scrap cargoes have concluded around 11k. Supras with petcoke cargoes from USG to Far East have been employed at a range of 20- 22k daily and 14k for same cargo out Black Sea Sugar cargoes from ECSA to Emed have gone around 9k daily. Despite more cargoes with end of May dates the atmosphere in Far East stayed rather negative. Coal trips to China with vessels open Indo have been fixed around 8k and bss Spore ca 7.5k Still very few nickel cargoes on market while steel cargoes for S E Asia trip were fixed at 6.5k aps Bohai Gulf. Weak period market as there is plenty of pessimism around with regards to next few months.

Activity level

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

LPG RATES <small>* Excl. waiting time, if any</small>				
SPOT MARKET (usd/month)*	This week	Last week	Low 2017	High 2017
VLGC / 84,000	535 000	655 000	400 000	765 000
LGC / 60,000	485 000	485 000	385 000	500 000
MGC / 38,000	475 000	475 000	475 000	550 000
HDY / 22,000	475 000	475 000	475 000	550 000
ETH / 10,000	465 000	465 000	465 000	540 000
SR / 6,500	440 000	430 000	420 000	450 000
COASTER Asia	190 000	190 000	190 000	190 000
COASTER Europe	185 000	180 000	110 000	195 000

LPG/FOB prices (usd/tonne)	Propane	Butane	ISO
FOB North Sea / ANSI	326.5	328.0	
Saudi Arabia / CP	385.0	390.0	
MT Belvieu (US Gulf)	329.5	352.2	352.5
Sonatrach : Bethioua	330.0	350.0	

LNG				
SPOT MARKET (usd/day)	This week	Last week	Low 2017	High 2017
East of Suez 155-165'cbm	25 000	26 000	25 000	38 000
West of Suez 155-165'cbm	38 000	36 000	29 000	52 000
1 yr TC 155-165'cbm	31 000	31 000	31 000	35 000

GAS

Chartering

We look back at a fairly uneventful week where freight rates have moved in micro increments rather similar to the Baltic VLGC index which has been a flatliner for more than a week. It wasn't until yesterday the index deviated (down) by more than a few cents from the USD 31 mark when it became known that some fixing had been concluded in the high USD 20's MEG/East. The trading margins have not developed favourably over the week anywhere, and there has been very little room for spot chartering initiative lately. Market players seem to react to assumed discounts only whether it is freight or cargo – this scenario is going to carry on for a while, we believe. The three panellists assessing the daily BFA (Baltic forward assessment) have been very consistent lately, and they made very small and few changes for their assessments, the latest reaching through 2018 quarterly as well as a yearly 2019. Only 6 VLGC new buildings were delivered so far in 2017, however, over the next 5-6 weeks another 6 new vessels will be delivered from the shipyards. So far we have seen the latest additions to the fleet being remarkably well absorbed into the trading fleet causing minimal idle time, however, it is a relevant question whether the new fleet coming will fit in as smooth without impacting waiting time.



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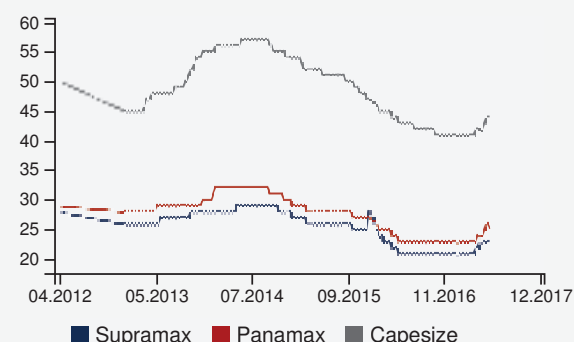
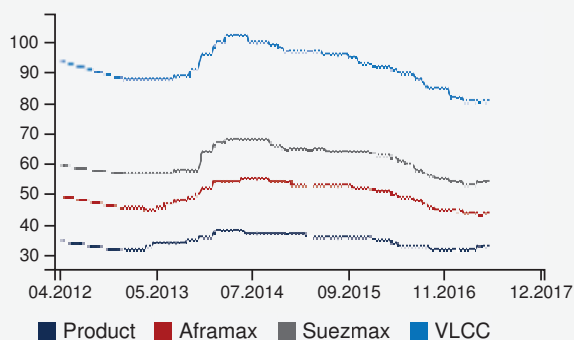
Activity level

Tankers	Dry Bulk	Others
Slower	Stable	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	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	25.00	25.50	23.00	25.50
Supramax	64'dwt	23.00	23.00	21.00	23.00
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	113.1	113.9	109.0	117.6
USD/KRW	1 117	1 136	140.9	1 206
USD/NOK	8.47	8.66	8.22	8.66
EUR/USD	1.11	1.09	1.04	1.11

Interest rate

LIBOR USD 6 mnths	1.42	1.45	1.32	1.45
NIBOR NOK 6 mnths	1.01	1.03	0.99	1.29

Commodity prices

Brent spot (USD)	51.90	49.41	49.41	56.77
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Bunker prices

Singapore	380 CST	311.0	296.0	345.0
	180 CST	343.0	305.0	360.0
	Gasoil	461.0	444.0	505.0
Rotterdam	380 HSFO	288.0	263.0	310.0
	180 CST	316.0	293.0	339.0
	Diesel	436.0	401.0	475.0

NEWBUILDING

Newbuilding market is still active this week with 9 firm vessels confirmed. Greek owner, Evangelos Pistiolis, extended their series of MR tankers at Hyundai Vinashin with a Tier II product tanker. Taiwan Navigation placed an order with Oshima for two Ultramax BCs, rumored to be priced at USD 25.5 mill. Jon Fredriksen controlled Frontline, placed an order for 2+2 VLCC at HHI. Price is rumored to be slightly less than USD 80 mill.

NEWBUILDING CONTRACTS

Type	No	Size	Yard	Buyer	Del	Price	Comm
MT	2	319,000 dwt	HHI	Frontline	2019		+2 options
BC	2	62,000 dwt	Oshima	Taiwan Navigation	2019		
BC	4	81,200 dwt	Chenxi	Korea Line	2019-2020	24,5	
PC	1	50,000 dwt	Hyundai-Vinashin	Central Shipping Monaco	2018		Tier II

SALE AND PURCHASE TRANSACTIONS

Type	Vessel	Size	Built	Buyer	Price	Comm.
MT	Amantea	309 200	2002	Minerva Marine	23,5	
MT	Dalian venture	296 700	2011	Zodiac	53,5	
MT	Aegean Fighter	158 932	2017	Olympic Shipping	55,00	
MT	Aegean Miracle	158 932	2017	Olympic Shipping	55,00	
BC	Chouilly	182 600	2016	Seaenergy	45,00	
BC	Lord Byron	76 838	2005	Greek	11,50	
BC	CE-Guardian	52 525	2006	Undisclosed	10,00	
BC	Ho Fong	46 762	2001	Undisclosed	6,70	

DEMOLITIONS

Sold for demolition

Vessel name	Size	Ldt	Built	Buyer	Price
CONT Rajiv Gandhi	28901	8288		Undisclosed	300