



Fearnleys Weekly Report

Activity level

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

	Last week	Prev. week
VLCCs fixed all areas last week:	44	20
VLCCs avail. in MEG next 30 days:	123	132

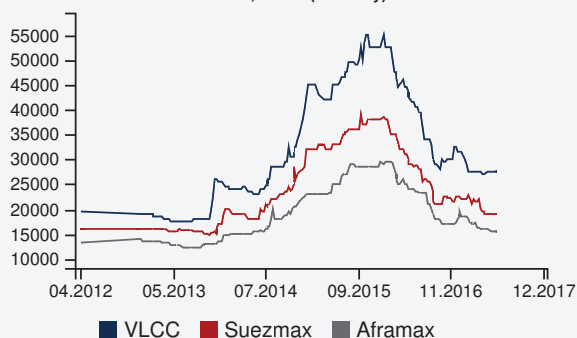
Rates

DIRTY (Spot WS)		This week	Last week	Low 2017	High 2017
MEG / West	VLCC	23.00	29.50	23.00	60.00
MEG / Japan	VLCC	50.00	56.00	45.00	96.50
MEG / Singapore	VLCC	51.00	57.00	45.00	96.00
WAF / FEAST	260,000	53.00	55.00	53.00	97.50
WAF / USAC	130,000	80.00	70.00	70.00	117.5
Sidi Kerir / W Me	135,000	90.00	77.50	75.00	117.5
N. Afr / Euromed	80,000	150.0	110.0	95.00	190.0
UK / Cont	80,000	117.5	97.50	92.50	117.5
Caribs / USG	70,000	140.0	102.5	90.00	215.0

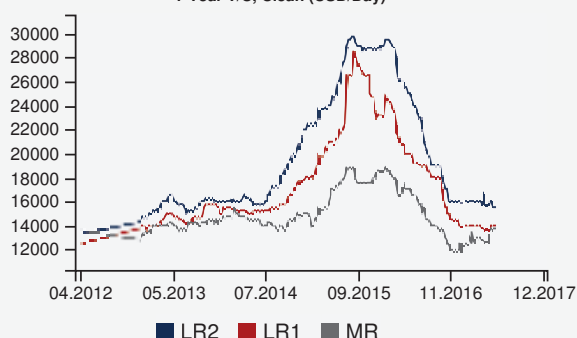
CLEAN (Spot WS)		This week	Last week	Low 2017	High 2017
MEG / Japan	75,000	85.00	100.0	80.00	155.0
MEG / Japan	55,000	100.0	110.0	100.0	150.0
MEG / Japan	30,000	122.5	122.5	120.0	167.5
Singapore / Japan	30,000	130.0	137.5	130.0	180.0
Baltic T/A	60,000	100.0	105.0	100.0	155.0
UK-Med / States	37,000	135.0	120.0	120.0	210.0
USG / UKC-Med	38,000	90.00	95.00	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

Continued lack of volumes have depleted rates and earnings for the Vlcc's down to abt \$15/day. Tonnage in the meantime building up , applying pressure on rates going forward. Older and handicapped tonnage plus newbuildings adding to the sentiment, particularly for Meg/East. The Suezmax activity in the first decade of June picked up last week after a prolonged period of stagnation with levels having maintained was ws72.5 for td20. However sustained activity in both the Nsea and the Med contributed to a considerably tighter position list as tonnage was steadily picked off. In addition at the tail of last week we saw the Med aframaxs spiking rapidly to levels that made more economic sense for charterers to fix on suezmaxes, this pressure has developed further which has been another contributing factor to owners renewed resolve. As we write was w85 has been paid in Wafr to Ukc-Med. Both current fundamentals and sentiment point to a firmer few days ahead, this is an unexpected bonus to owners who only a week or so back were contemplating some difficult months ahead. The Nsea and Baltic Aframaxs finally moved off the rock bottom levels this week. This happened as the early June Baltic programs came out and a couple of prompt replacements were being worked. Rates should move sideways at present levels going forward. In the Med and Bsea we have seen the market reaching new heights. The tonnage list is still looking extremely tight, and with several replacements out there putting even more pressure on the market, we saw w150 being paid for a x-Med voyage. Going forward we expect the market to slow down, but this will not happen overnight and rates will remain at high levels for the week to come.

Product

EAST OF SUEZ As predicted last week the market in the Middle East Gulf seemed a little bit depressed and this week rates have further softened. LR2's rates for Japan discharge is now ws15 point lower than last week and are at ws85, LR1 rates have slipped ws10 points to ws100. These rates gives owners daily earning in the region of USD 5.500/6.000 per day. For vessels fixing westwards rates are almost unchanged from last week at around lumpsum USD 1,3 mill and USD 1,1 mill Respectively for LR2 and LR1. The MR rate from west coast India to Japan is still at ws122,5, same as last week. It seems a little bit more mixed in the Far East. The standard MR voyage from Singapore to Japan is down ws7,5 points while the short haul voyage from south Korea to Japan have improved from USD 210.000 to USD 240.000. **WEST OF SUEZ** The activity has been a bit mixed in the Atlantic this week. The rate for a straight Continent to States voyage for an MR have increased ws15 points to ws135, but on the other hand the backhaul voyage from the U.S. gulf have dropped ws5 points to ws90 level. But in terms of earnings for the combination voyage Continent/States followed by U.S. gulf to Continent have increased by USD 500 to about USD 10.000 per day. The rate for LR1's trading from Continent to west Africa is at around ws100 level, down ws5 points. For the LR2's fixing ex Mediterranean to the Far East rates are hovering around the lumpsum USD 1,6 mill mark. For the Handies owners in the Mediterranean have been able to push the rate up ws5 points to ws140 level whilst their sisters trading on the Continent have seen the rate drop to ws125 from ws135.



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Activity level

Capesize	Panamax	Supramax
Weakening	Weak	Weakening

Rates	This week	Last week	Low 2017	High 2017
CAPESIZE (usd/day, usd/tonne)				
TCT Cont/Far East (180' dwt)	21 000	23 600	12 000	35 000
Tubarao / R.dam (Iron ore)	6.10	6.10	5.10	8.25
Richards Bay/R.dam	5.90	5.80	4.70	7.60
PANAMAX (usd/day, usd/tonne)				
Transatlantic RV	5 700	6 400	5 700	14 800
TCT Cont / F. East	12 000	13 200	12 000	21 000
TCT F. East / Cont	6 500	7 400	2 500	8 600
TCT F. East RV	3 300	3 800	3 300	12 000
Murmansk b.13-ARA 15/25,000 sc	5.75	5.00	5.00	7.45
SUPRAMAX (usd/day)				
Atlantic RV	10 700	11 000	9 400	12 000
Pacific RV	7 300	7 500	3 900	9 200
TCT Cont / F. East	13 000	14 500	12 000	18 000
1 YEAR T/C (usd/day)				
Capesize 180,000 dwt	14 750	15 250	10 250	16 500
Capesize 170,000 dwt	13 250	13 750	8 650	14 250
Panamax 75,000 dwt	8 500	9 500	7 250	12 400
Supramax 53,000 dwt	8 300	8 800	6 600	9 300
Baltic Dry Index (BDI):	934	980	n/a	n/a

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



Activity level

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

LPG Rates				
	* Excl. waiting time, if any			
SPOT MARKET (usd/month)*	This week	Last week	Low 2017	High 2017
VLGC / 84,000	442 000	535 000	400 000	765 000
LGC / 60,000	485 000	485 000	385 000	500 000
MGC / 38,000	470 000	475 000	470 000	550 000
HDY / 22,000	465 000	475 000	465 000	550 000
ETH / 10,000	455 000	465 000	455 000	540 000
SR / 6,500	430 000	440 000	420 000	450 000
COASTER Asia	190 000	190 000	190 000	190 000
COASTER Europe	180 000	185 000	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)	346.5	357.3	394.8
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	27 000	25 000	25 000	38 000
West of Suez 155-165'cbm	38 000	38 000	29 000	52 000
1 yr TC 155-165'cbm	31 000	31 000	31 000	35 000

DRY BULK

Capesize

The market started positive this week with the west Australia route pushing up to USD 6.25pmt and the Brasil – China trade up to USD 15.00. On Tuesday the FFA started to come off as prompt cargoes got covered and not being replaced. Owners followed up with rating last done pushing the market down again. C3 is currently at low 14, but the limited amounts of cargo is indicating that it will continue further down. The only positive sign for now is that there seems to be some fragile support on the c5 at USD 6.00.

Panamax

A new week with a soft sentiment and decreasing rates in both hemispheres. Lack of fresh cargoes especially from Sth Am and a growing tonnage list is again putting pressure on the freight rates. In the Atl region the TA market has dropped to mid 5k's, while FH rates are under 12k's. Activity in the Pacific was limited and the South America cargoes lending little support to falling rates. Transpacific RV is now priced at mid 6k's. With China off Mon/Tue next week there are some expectations for further rate drops, while the north Atl seems to have reached a floor but unlikely there will be much improvement in the coming days. FFA's, June is priced at mid 7k's, while July is priced just above 8k's on the P4TC index.

Supramax

Both basins continued to slide. Some more activity in Atl before holidays in many parts of Europe, but rates stayed shaky. There were several scrap cargoes from Cont to Med, which went around 11-12k depending on vsls. Petcoke cargoes from USG to Med went around 14-15k daily. Grain cargoes from ECSA was fixed around 10-11k to E/WMed. On the period front word went around talking 9k for 3-5 mos bss Atl redel. Pacific rates remained weak. Indo coal rounds are paying around low/mid USD 8k to China, while N.China trips to Seasia is paying around USD 7k and around USD 7.5k for WCI/MEG. Nopac round levels concluded around high 6k bss Korea delivery. Vessels open MEG may obtain rates around USD 8k for trips to ECI.

GAS

Chartering

There was very little, if anything, to be excited about in the VLGC market last week. The Baltic VLGC index has been in red or flat every single quotation day for the last two weeks – actual fixtures and market sentiment have had a softening tendency as well. The latest spot fixture in the East has been concluded in the mid/high USD 20's which equals to some USD 15,000 per day on a modern VLGC – the lowest level since the middle of March. There is hardly any tonnage overhang from May into June, but we seen the number of available June positions in the MEG grow and therefore we cannot really see any upside in coming weeks – our bet is stable at best. In the West we see quite a few open vessels as well, however, for the time being there seems to be fewer cargo cancellations in June than in May meaning a healthier VLGC supply/demand balance. Having said that, the arbitrage from USG to NWW and Asia still looks very poor and there is hardly any incentive to charter in spot tonnage for it. In the period market charterers' interest is still there to take on time charter vessels for 2-3 years +, however, the gap between owners' ideas for any charter stretching beyond mid 2018 and the discount charterers expect for the first year has so far been too hard to bridge.



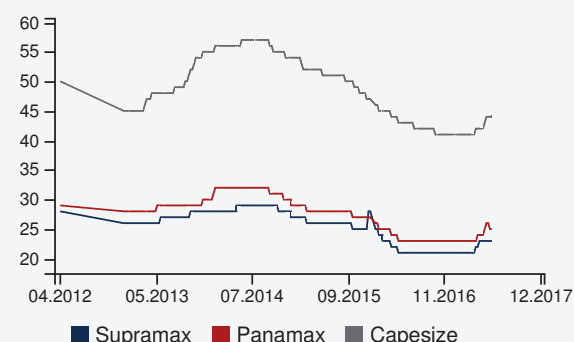
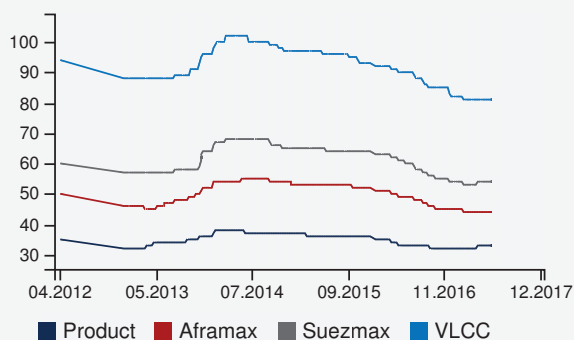
Fearnleys Weekly Report

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	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	25.00	23.00	25.50
Supramax	64'dwt	23.00	23.00	21.00	23.00
LNGC	170'cbm - MEGI	184.5	184.0	184.0	184.5



Market brief

	This week	Last week	Low 2017	High 2017
Rate of exchange				
USD/JPY	111.8	113.1	109.0	117.6
USD/KRW	1 121	1 117	140.9	1 206
USD/NOK	8.40	8.47	8.22	8.66
EUR/USD	1.12	1.11	1.04	1.12

Interest rate

LIBOR USD 6 mnths	1.41	1.42	1.32	1.45
NIBOR NOK 6 mnths	1.01	1.01	0.99	1.29

Commodity prices

Brent spot (USD)	54.24	51.90	49.41	56.77
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Bunker prices

Singapore	380 CST	321.0	311.0	345.0
	180 CST	359.0	343.0	360.0
	Gasoil	481.0	461.0	505.0
Rotterdam	380 HSFO	300.0	288.0	310.0
	180 CST	328.0	316.0	339.0
	Diesel	458.0	436.0	475.0

NEWBUILDING

No new orders to report this week. Having that said, several newbuildings under discussions in China and Korea. Expect to see more order confirmations in the weeks to come. Prices seems to continue its sideways development. Current shipyard capacity is still far beyond imminent demand, hence limited price fluctuation.

SALE AND PURCHASE TRANSACTIONS

Type	Vessel	Size	Built	Buyer	Price	Comm.
MT	Ratna Namrata	105 830	2008	Centrodin Management	21,70	
MT	Ratna Shruti	105 746	2008		21,70	
MT	Ratna Shradha	105 746	2008		21,70	
MT	High Fidelity	49 990	2014	Undisclosed	27,00	
MT	Mare Ambassador	37 371	2005	Undisclosed	10,60	
BC	CPO Asia	179 558	2011	Seaenergy	29,50	30 working days subs
BC	Hyundai Talent	178 896	2012	Navios	30,50	
BC	Hanjin Paradip	82 600	2013	undisclosed	21,00	
BC	Ellivita	75 522	1999	Middle Eastern	6,70	
BC	Ultramax Resale	64 000	2017	Undisclosed	19,30	
BC	Ocean Diamond	53 503	2007	Undisclosed	9,80	
BC	Nordic Aarhus	52 068	2000	Chinese	6,50	
BC	V Gannet	51 536	2002	Undisclosed	6,60	
BC	Navios Horizon	50 346	2001	Chinese	6,80	
BC	Tou Zhan 5	44	1989	Chinese	4,50	

DEMOLITIONS

Sold for demolition

Vessel name	Size	Ldt	Built	Buyer	Price
CONT Otto	26 027	9 161	1999	Bangladeshi	370
MV Oryx	26 973	6 434	1990	Pakistani	350