Fearnleys Weekly Report

Activity level

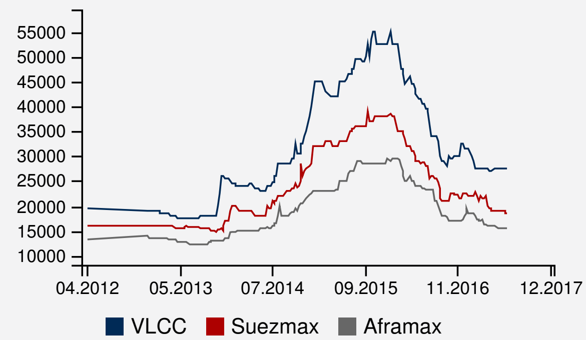
VLCC	Suezmax	Aframax	P.E. of Suez	P.W. of Suez
Stable	Weakening	Mixed	Stable	Stable

	Last week	Prev.week
VLCCs fixed all areas last week:	41	62
VLCCs avail. in MEG next 30 days:	93	117

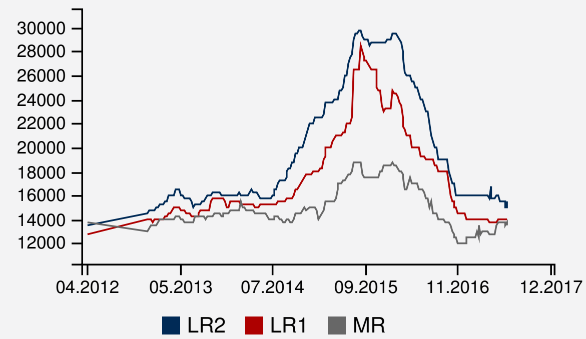
Rates

DIRTY (Spot WS)		This week	Last week	Low 2017	High 2017
MEG / West	VLCC	25.50	26.00	23.00	60.00
MEG / Japan	VLCC	50.00	50.00	45.00	96.50
MEG / Singapore	VLCC	51.00	51.00	45.00	96.00
WAF / FEAST	260,000	55.00	55.00	53.00	97.50
WAF / USAC	130,000	60.00	67.50	60.00	117.5
Sidi Kerir / W Me	135,000	72.50	70.00	70.00	117.5
N. Afr / Euromed	80,000	95.00	92.50	92.50	190.0
UK / Cont	80,000	100.0	95.00	92.50	117.5
Caribs / USG	70,000	90.00	95.00	90.00	215.0
CLEAN (Spot WS)		**This week**	**Last week**	**Low 2017**	**High 2017**
MEG / Japan	75,000	87.50	90.00	80.00	155.0
MEG / Japan	55,000	105.0	110.0	100.0	150.0
MEG / Japan	30,000	127.5	125.0	120.0	167.5
Singapore / Japan	30,000	132.5	132.5	130.0	180.0
Baltic T/A	60,000	110.0	105.0	100.0	155.0
UKC-Med / States	37,000	130.0	150.0	120.0	210.0
USG / UKC-Med	38,000	105.0	115.0	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)	18 500	18 500	18 500	22 800
Aframax	(modern)	15 500	15 500	15 500	18 500
LR2	105,000	15 500	15 000	15 000	16 750
LR1	80,000	14 000	14 000	13 750	14 000
MR	47,000	13 500	13 750	12 500	13 750

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



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



TANKERS

Crude

As the Meg program for June is just about finished and Wafr/East is probably done upto mid July dates, rates appear to have peaked. July stems in the Meg just about started for ex BOT and charterers working hard to squeeze rates. There is resistance and for now rate levels, though still only mid $10's/day, appear to have found some support. I.e. steady for now, but further battles ahead. It has been a challenging past week for the Suezmaxes cargo enquiry has faded and tonnage lists have swelled, the owners tactics have been to fix as early as possible on dates closest to their positions but we have seen new rate lows for the year being recorded as the bite impacts. The situation has not been helped by several vessels failing subjects and they being re-exposed as prompt ships. TD20 Has been hovering around the ws62.5 for much of the last week but that now too is under pressure. Enquiry in the Med and Bsea has been more prevalent however one Indian cargo Arzew/Wc India attracted 16 offers which made for uncomfortable reading. This activity has staved off a complete collapse in the market as ships have been steadily picked off. The signs for the owners in the coming weeks are not rosy but it has taken some owners longer than others to digest this fact, as we are not far off the bottom now and the key for them will be to keep their ships moving. The NSea and Baltic Aframax market has been far more volatile than expected lately, and once again rates are on the move heading north. This happened as Primorsk came back after the pipeline maintenance in addition to increased activity in Fuel Oil and cross Nsea cargoes. Rates are sliding at the moment, but could face another upward correction for end/early fixing. The Med and Bsea have had a steady week with rates moving from low to mid ws90's. Libya activity have saved the owners form the tce move down to break even numbers. July marks the start of the summer volumes, so we do not expect the market to firm anytime soon.

Product

EAST OF SUEZ With limited activity and no shortage of available tonnage the market in the Middle East Gulf owners has not been able to improve rates from currently very low levels. LR2's are still being fixed around the ws87,5 level and their little sister, the LR1's are currently at ws105, this both for Japan discharge. Daily earnings for both sizes are still around USD 7.000 per day. When fixing voyages westwards to the Continent rates are flat at USD 1,3 mill for LR2's and USD 1,1 mill for LR2's and LR1's. The straight MR voyage from west coast India to Japan/south Korea range is also still flat and rate is unchanged from last week at ws125 level. In the Far East MR's are still being paid about ws130 for a voyage from Singapore to Japan whilst the short haul voyage from south Korea to Japan have actually increased from USD 230.000 to USD 260.000 today. WEST OF SUEZ It has not been very exciting for owners trading their vessels in the Atlantic or Mediterranean this week either. Transatlantic voyage for MR's have fallen from ws150 level to ws130 today and the backhaul cargo from U.S. gulf has fallen from ws115 to ws105. This has reduced daily earnings, for a vessel triangulating, from USD 15.000 per day to about USD 12.000 today. LR1's trading from Continent to west Africa have been awarded with a ws5 points increase to ws110 today. The Benchmark voyage for the LR2's loading from the Mediterranean to Japan have gained USD 100.000 and is today paying in the region of USD 1,650 mill. Very little change in rate levels for the Handies trading in the Mediterranean and on the Continent with rates in Mediterranean around ws130 level and ws140 level on the Continent.

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DRY BULK

Capesize

An uneventful and slow week with very low volume of cargoes in both Atlantic and Pacific. Brazil and South Africa have been the weakest, something that been dragging the freight for Brazil/China down below the USD 13 pmt mark. The Pacific market have as always seen a certain flow of west Australia cargoes, but in very limited numbers. The timecharter rate for a pacific round is presently around USD 10,000 daily. It is expected that the market will continue to struggle during the summer time, but it is still a relatively positive belief for the end of the year.

Panamax

It has been an active week for the Pmax. After a long period with decreasing rates and low activity the sentiment has changed somewhat and the market is firmer in both hemispheres, but especially in the north Atl region. Less tonnage and more cargoes in the north Atl has pushed the rates pretty much and the TA market is priced at mid 7k's right now, while FH rates are ard high 12k's. The activity out of S-Am has finally picked up and is a key feature to keep the momentum up in the coming weeks. More activity in the Pacific has pushed the rates for a transpacific RV to mid 6k's. There is a lot of expectations in the FFA market, Jun is priced at mid/high 7k's, while Jul is priced at high 8k's on the P4TC index.

Supramax

Market looked more promising from both sides of the basins. Within Atl USG returned with tick better rates seen as tonnage kept tightening. Ultras from USG to Med were fixed ca 13k daily. On fhaul ultras were fixed around 19k daily to India and around 17-18k daily to Singapore-Japan range. From ECSA to Singapore ultras saw abt 12-13 k daily + bb . Usual scrap runs from Cont to Med were fixed around 9-10k daily. More activity and stronger rates had been conluded in Pacific this week. Nopac rounds were paying supras around low/mid usd 8k and nickel ore from Philippines to S.China paying around mid usd 10k. Trips from Safr to MEG/WCI payed surpas around 14k.

Activity level

Capesize	Panamax	Supramax
Slow	Firmer	Increasing

Rates	This week	Last week	Low 2017	High 2017
CAPESIZE (usd/day, usd/tonne)				
TCT Cont/Far East (180' dwt)	20 000	19 000	12 000	35 000
Tubarao / R.dam (Iron ore)	5.70	5.00	5.00	8.25
Richards Bay/R.dam	5.50	5.00	4.70	7.60
PANAMAX (usd/day, usd/tonne)				
Transatlantic RV	7 500	5 600	5 600	14 800
TCT Cont / F. East	13 000	11 600	11 600	21 000
TCT F. East / Cont	6 500	5 400	2 500	8 600
TCT F. East RV	2 850	2 500	2 500	12 000
Murmansk b.13-ARA 15/25,000 sc	5.80	5.65	5.00	7.45
SUPRAMAX (usd/day)				
Atlantic RV	11 000	10 000	9 400	12 000
Pacific RV	6 900	6 600	3 900	9 200
TCT Cont / F. East	13 000	13 000	12 000	18 000
1 YEAR T/C (usd/day)				
Capesize 180,000 dwt	14 000	14 300	10 250	16 500
Capesize 170,000 dwt	12 500	12 700	8 650	14 250
Panamax 75,000 dwt	8 250	8 250	7 250	12 400
Supramax 53,000 dwt	8 600	8 200	6 600	9 300
Baltic Dry Index (BDI):	**865**	**821**	**n/a**	**n/a**

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

GAS

Chartering

Despite alleged downward pressure on spot rates following poor spreads in an amply supplied LPG market, the VLGC owners are good at fighting back and not letting spot rates fall below mid USD 20's in the East – equal to USD 14/15,000 per day. Similarly, in the West, no matter how poor the arb is, mid USD 50's seems to be as low as the market goes for now – this level corresponds to USD 21/22,000 net per day. We have seen an Indian importer floating sales tender for a contractual FOB cargo in the MEG, other FOB cargoes have been sold as well, but so far this has not done shipping any good. Several players are awaiting acceptances of their July lifting nominations from the main exporters in the MEG, until then we don't expect chartering activity to pick up in the East. In the West market players are waiting to hear latest on inventory builds later today which could spur freight market positively if there is another significant build that could lower Belvieu pricing favourably.

Activity level

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

LPG Rates * Excl. waiting time, if any

SPOT MARKET (usd/month)*	This week	Last week	Low 2017	High 2017
VLGC / 84,000	460 000	405 000	395 000	765 000
LGC / 60,000	485 000	485 000	385 000	500 000
MGC / 38,000	450 000	450 000	450 000	550 000
HDY / 22,000	420 000	435 000	420 000	550 000
ETH / 10,000	445 000	445 000	445 000	540 000
SR / 6,500	420 000	420 000	420 000	450 000
COASTER Asia	190 000	190 000	190 000	190 000
COASTER Europe	185 000	185 000	110 000	195 000

LPG/FOB prices (usd/tonne)	Propane	Butane	ISO
FOB North Sea / ANSI	350.0	327.0	
Saudi Arabia / CP	385.0	390.0	
MT Belvieu (US Gulf)	317.8	328.4	339.6
Sonatrach : Bethioua	355.0	355.0	

LNG

SPOT MARKET (usd/day)	This week	Last week	Low 2017	High 2017
East of Suez 155-165'cbm	32 000	30 000	25 000	38 000
West of Suez 155-165'cbm	41 000	39 000	29 000	52 000
1 yr TC 155-165'cbm	31 000	31 000	31 000	35 000

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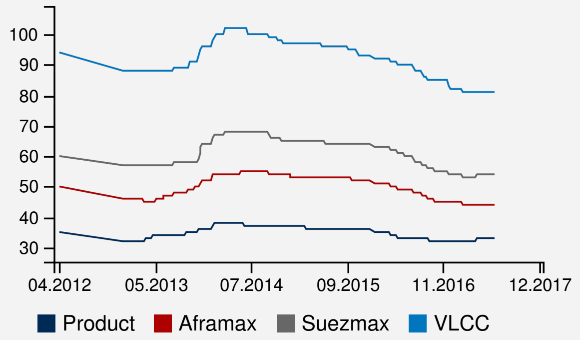
Activity level

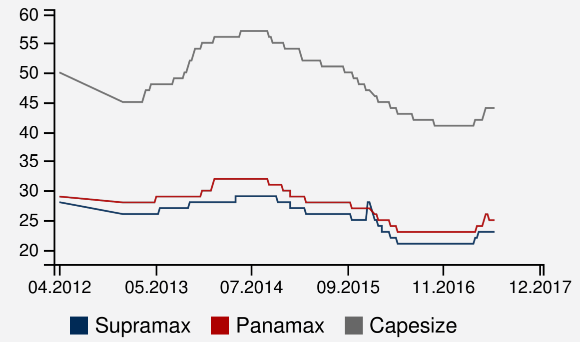
Tankers	Dry Bulkers	Others
Active	Active	Low

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	184.5	184.0	184.5





Market brief

		This week	Last week	Low 2017	High 2017
Rate of exchange					
USD/JPY		109.3	109.4	109.0	117.6
USD/KRW		1 117	1 124	140.9	1 206
USD/NOK		8.36	8.47	8.22	8.66
EUR/USD		1.13	1.12	1.04	1.13
Interest rate					
LIBOR USD 6 mnths		1.42	1.42	1.32	1.45
NIBOR NOK 6 mnths		1.00	0.98	0.98	1.29
Commodity prices					
Brent spot (USD)		48.50	49.70	48.50	56.77
Bunker prices					
Singapore	380 CST	303.0	312.0		345.0
	180 CST	331.0	320.0		360.0
	Gasoil	437.0	434.0		505.0
Rotterdam	380 HSFO	278.0	277.0		310.0
	180 CST	306.0	307.0		339.0
	Diesel	410.0	414.0		475.0

NEWBUILDING

SALE AND PURCHASE TRANSACTIONS

Type	Vessel	Size	Built	Buyer	Price	Comm.
MT	DS Commander	311 168	1999	Winson Shipping	16,5	
MT	Hyundai Samho S852	159 000	2017	Delta Tankers	57,50	
MT	Hyundai Samho S853	159 000	2017		57,50	
MT	Poliegos	157 540	2017	Ocean Yield	54,00	Incl 14yrs BBB
MT	Ruby Express	106 516	2004	Undisclosed	12,30	
MT	Nord Integrity	48 026	2010	Greek	17,50	
MT	Santarina	36 457	1994	Sri lanka based	3,50	
MT	Navig8 Saiph	25 194	2017	CMB Leasing	33,40	Sale leaseback
MT	Navig8 Sceptrum	25 000	2017		33,40	
BC	Ocean Phoenix I	82 471	2007	Greek	13,50	
BC	Coral Garnet	75 674	2007	Erasmus	13,00	
BC	Privaegean	56 582	2011	Starbulk	10,00	
BC	BW Indigo	56 000	2011	Greek	15,40	
BC	Precious Wind	52 551	2001	Greek	6,60	
BC	Jia Tai	35 112	2011	Chinese	6,80	
BC	Sunrise Miyajima	19 127	2007	Turkish	6,20	

DEMOLITIONS

Sold for demolition

Vessel name	Size	Ldt	Built	Buyer	Price
MISC Ore Sossego	264 164	44 969	1991	Indian	333
Roro Maple Ace II	15 361	10 247	1992	Indian	330
Roro Sea Anemos	2 709	3 602	1980	Turkish	220
MT No 8 Kokamaru	2 999	1 589	1994	Chinese	215