



Fearnleys Weekly Report

Activity level

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

	Last week	Prev. week
VLCCs fixed all areas last week:	64	28
VLCCs avail. in MEG next 30 days:	135	129

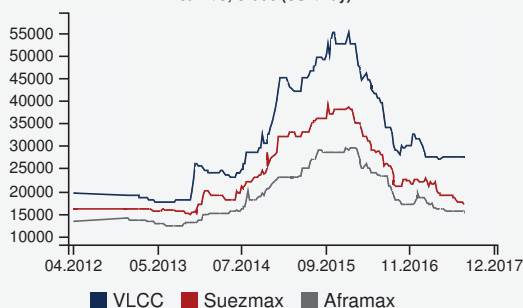
Rates

DIRTY (Spot WS)		This week	Last week	Low 2017	High 2017
MEG / West	VLCC	23.00	24.00	23.00	60.00
MEG / Japan	VLCC	51.00	50.00	45.00	96.50
MEG / Singapore	VLCC	52.00	51.00	45.00	96.00
WAF / FEAST	260,000	52.00	50.00	50.00	97.50
WAF / USAC	130,000	60.00	57.50	52.50	117.5
Sidi Kerir / W Me	135,000	70.00	62.50	62.50	117.5
N. Afr / Euromed	80,000	90.00	90.00	72.50	190.0
UK / Cont	80,000	85.00	90.00	85.00	117.5
Caribs / USG	70,000	100.0	92.50	82.50	215.0

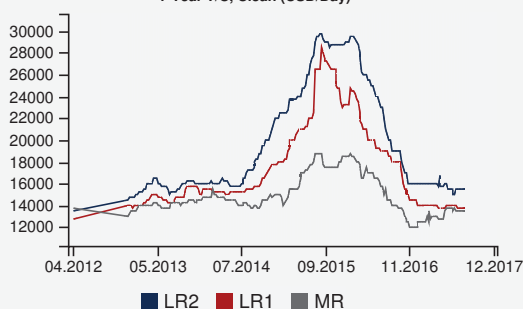
CLEAN (Spot WS)		This week	Last week	Low 2017	High 2017
MEG / Japan	75,000	117.5	92.50	80.00	155.0
MEG / Japan	55,000	117.5	107.5	100.0	150.0
MEG / Japan	30,000	137.5	132.5	120.0	167.5
Singapore / Japan	30,000	147.5	150.0	130.0	180.0
Baltic T/A	60,000	125.0	125.0	100.0	155.0
UKC-Med / States	37,000	120.0	125.0	120.0	210.0
USG / UKC-Med	38,000	90.00	105.0	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)	17 000	17 000	17 000	22 800
Aframax	(modern)	15 000	15 500	15 000	18 500
LR2		105,000	15 500	15 000	16 750
LR1		80,000	13 750	13 750	14 000
MR		47,000	13 500	12 500	13 750

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



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



TANKERS

Crude

After a slow end of last and the beginning of this week, activity has picked up for the VLCC's. Rates in the MEG have been under constant bombardment as ships remain ample but many have chosen the younger sister the last days. Rates appear to have found support in the low 50s. Wafr/East much the same where w50 was done but has found some increased resistance. Its summer in many ways. Sparse activity has been the challenge for Suezmax owners in the west over the past week with the MEG dominating the action east of Suez, this did however result in a thinning of the east ballasters for WAfr. At the latter part of last week we saw owners sentiment developing into a cautiously bullish tone with expectations that there would be a busier week ahead, TD20 had peaked at ws 67.5 albeit briefly. However the expected action on 2nd decade dates early this week failed to materialise and the view is that we will see rates slipping back towards ws 60 before the week is out. TD6 has also had a very quiet period with 1st decade August dates being slowly worked both west and east destinations being fixed but there was not enough impetus to. The outlook for the week ahead is steady to soft with owners looking to keep tonnage moving and fixing closest to their dates. After a short lived spike on rates for Aframaxes trading in the Nsea and Baltic areas, charterers are back in the driving seat. Entering the next fixing window we will most likely see a downward correction on rates as there are not enough cargoes to absorb the abundance of available tonnage building up in the area. The med and bsea have for the past few weeks been a stable pattern of Owners fighting their way back to low w90 for Petrogal to come inn and crush it back down again. This time around it was an ex dd that took the hit and accepted w75 for one of the Mediterranean's longest runs. However even if that run might look ok for this particular Owner, the fact is that for the rest of them, mid w80's is the new number for other xmed and bsea voyages. Expect this to continue this week and over to the next.

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Product

EAST OF SUEZ Finally there are some good news for owners trading in the Middle East Gulf. Owners of both LR1's and LR2's have been able to secure higher rates this week. The rate for LR2's going to the Far East have improved from ws92,5 last week to ws117,5, so for the first time in a long time owners are seeing earnings in the 5 digit range. LR1's have also experienced higher activity and have been able to push rate upwards to ws117,5 a ws10 points increase from last week. The rate for westward destinations have also as a consequence increased to lumpsum USD 1,45 for LR2 and USD 1,175 for LR1's. The MR's in the region have also starting to see some improvements and the standard voyage from west coast India to far east has gained ws5 points to ws137,5 today. In the Far East owners have not had the opportunity to increase rates and the Singapore to Japan voyage basis 30.000 tons is still at ws150 level and the short haul voyage from south Korea to Japan is still USD 27.000 level.

WEST OF SUEZ In comparison the market in the Atlantic has been flat and even softening. For MR's trading to the States the rate of ws122,5 is unchanged from last week but the back haul rate from U.S. gulf has dropped ws15 points so daily earnings have dropped from about USD 11.250 per day to USD 9.000 per day. LR1's operating in the Atlantic have been able to maintain the rate for west Africa discharge at ws125. Unfortunately the uptick in rates for the LR2's fixing from the Mediterranean to Far East have come to an end and we are today back at lumpsum 1,8 mill USD 75.000 less than last week. It has also been a slow week for Handies trading on the Continent and in the Mediterranean and the rate remains at ws140 and ws125, respectively



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Activity level

Capesize	Panamax	Supramax
Mixed	Firm	Moderate

Rates	This week	Last week	Low 2017	High 2017
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CAPESIZE (usd/day, usd/tonne)

TCT Cont/Far East (180' dwt)	19 400	19 000	12 000	35 000
Tubarao / R.dam (Iron ore)	5.25	4.00	4.00	8.25
Richards Bay/R.dam	4.95	4.00	4.00	7.60

PANAMAX (usd/day, usd/tonne)

Transatlantic RV	10 500	11 000	5 600	14 800
TCT Cont / F. East	16 250	17 000	11 600	21 000
TCT F. East / Cont	3 300	3 500	2 500	8 600
TCT F. East RV	9 000	9 000	2 500	12 000
Murmansk b.13-ARA 15/25,000 sc	6.60	7.05	5.00	7.45

SUPRAMAX (usd/day)

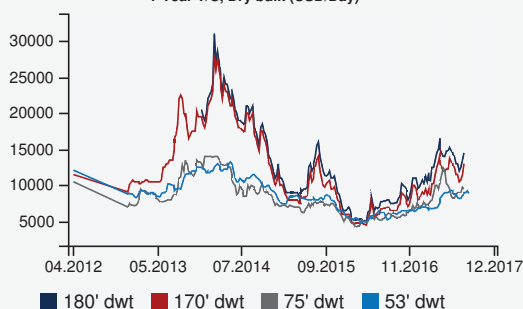
Atlantic RV	10 000	11 000	9 400	12 000
Pacific RV	8 500	8 750	3 900	9 200
TCT Cont / F. East	14 000	16 000	12 000	18 000

1 YEAR T/C (usd/day)

Capesize 180,000 dwt	14 500	13 500	10 250	16 500
Capesize 170,000 dwt	13 000	11 500	8 650	14 250
Panamax 75,000 dwt	9 500	9 750	7 250	12 400
Supramax 53,000 dwt	8 900	9 250	6 600	9 300

Baltic Dry Index (BDI):	968	948	n/a	n/a
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1-Year T/C, Dry bulk (USD/Day)



Activity level

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

LPG Rates

* Excl. waiting time, if any

SPOT MARKET (usd/month)*

	This week	Last week	Low 2017	High 2017
VLGC / 84,000	220 000	240 000	220 000	765 000
LGC / 60,000	350 000	350 000	350 000	500 000
MGC / 38,000	420 000	420 000	420 000	550 000
HDY / 22,000	370 000	380 000	370 000	550 000
ETH / 10,000	445 000	445 000	445 000	540 000
SR / 6,500	400 000	410 000	400 000	450 000
COASTER Asia	195 000	195 000	190 000	195 000
COASTER Europe	160 000	165 000	110 000	195 000

LPG/FOB prices (usd/tonne)

	Propane	Butane	ISO
FOB North Sea / ANSI	315.0	284.5	
Saudi Arabia / CP	345.0	365.0	
MT Belvieu (US Gulf)	356.9	389.6	405.4
Sonatrach : Bethioua	315.0	315.0	

LNG

SPOT MARKET (usd/day)

	This week	Last week	Low 2017	High 2017
East of Suez 155-165'cbm	39 000	38 000	25 000	39 000
West of Suez 155-165'cbm	41 000	40 000	29 000	52 000
1 yr TC 155-165'cbm	32 000	31 000	31 000	35 000

DRY BULK

Capesize

A volatile week in the Cape market. West Aussie started on a firm note for thereafter falling a bit back. It has been very positional where some spot positions getting as high as USD 6 pmt while slightly later positions had to settle for USD 5,70-80 pmt and softening bit further. The Brazil to China market started firm with rates reaching the mid USD 13 pmt level but subsequently dropping to around the USD 12 pmt mark. The period market still firm and getting a good premium to spot market. 1 year period on a standard 180k dwt still able get very close to the USD 15 000 mark.

Panamax

It has been a new week with firm rates in both hemispheres, but the last days there has been a softer mood especially in the Atlantic. Less activity from ECSA and a more balanced market both in Black Sea and the north Atlantic has led to somewhat weaker rates compared to last week. TA and FH rates are respectively at levels around mid 10k's and low 16k's, while Baltic rounds are paying around mid 11k's. The sentiment in Asia appears to remain, despite some softer rates the last couple of days. A transpacific RV is now priced at around 9k's with decent activity been reported. FFA's, Aug is priced at 9k's, while Q4 is now priced at mid 9k's.

Supramax

Black sea still performing good although bit less fixtures concluded/reported. Rates lie somewhere around 18 -19 on fronthaul. Both USG and ECSA have showed signs of slowing down with USG at the forefront. USG to around 13 k. Ultras from ECSA to around 14k daily. From ECSA to WCSA 17k. On haul to Singapore-Japan around 14k daily+ bb. Cont have been quiet firm, with supras fixed to ECSA around 7k and on haul around 16k.

GAS

Chartering

We are rather confident that the VLGC market in the East has bottomed out following more than 6 weeks slowly falling freight rates that in the end reached more or less OPEX level of some USD 7,300 per day. We are not entirely convinced that the Atlantic market has reached bottom yet, though. We have seen rates come off gradually and we see more available vessels and shorter voyages being fixed. The long lasting and fairly resistant West Premium is gone, and we will not be surprised to see the West discounted to the East/Baltic market going forward. We see that the current low freight rates matched with stronger CFR prices in Asia can spur activity in coming weeks, however, there is a backlog of freight capacity that needs to be cleared first.



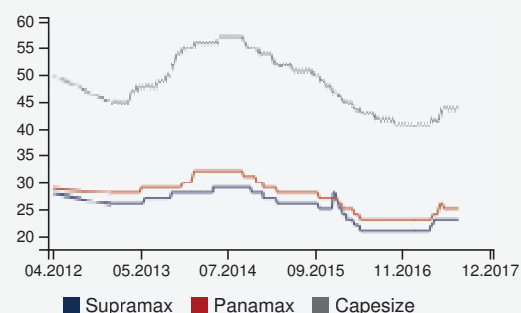
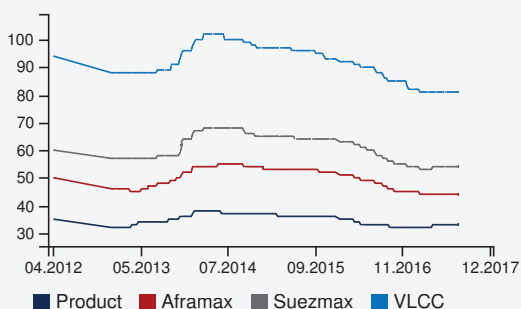
Fearnleys Weekly Report

Activity level

Tankers	Dry Bulk	Others
Slow	Slow	Slow

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 - MEG	184.5	184.5	184.0	184.5



Market brief

	This week	Last week	Low 2017	High 2017
Rate of exchange				
USD/JPY	111.7	111.6	109.0	117.6
USD/KRW	1 117	1 121	140.9	1 206
USD/NOK	7.98	8.07	7.98	8.66
EUR/USD	1.16	1.15	1.04	1.16

Interest rate

LIBOR USD 6 mnths	1.45	1.46	1.32	1.46
NIBOR NOK 6 mnths	0.96	0.99	0.96	1.29

Commodity prices

Brent spot (USD)	50.40	48.95	46.15	56.77
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Bunker prices

Singapore	380 CST	310.0	301.0	345.0
	180 CST	342.0	307.0	360.0
	Gasoil	472.0	444.0	505.0
Rotterdam	380 HSFO	297.0	283.0	310.0
	180 CST	324.0	313.0	339.0
	Diesel	456.0	426.0	475.0

NEWBUILDING

Prices seems to be still moving sideways. The yards are still very much hungry for new business and in some special circumstances even reducing from current levels. As we are moving into summer holiday season its not expected to change significantly. Having said that, we do see several owners preparing for orders during 2nd half of the year.

NEWBUILDING CONTRACTS

Type	No	Size	Yard	Buyer	Del	Price	Comm
Resale	1	37500	Nanjing Dongze	Ukrainian	2017	undisclosed	
Resale	2	37500	Nanjing Dongze	Ukrainian	2017	undisclosed	

SALE AND PURCHASE TRANSACTIONS

Type	Vessel	Size	Built	Buyer	Price	Comm.
MT	Front Ardenne	153 152	1997	Undisclosed	8,00	
MT	Gener8 Phoenix	153 015	1999	Undisclosed	10,50	
MT	Gener8 Horn	159 475	1999	Undisclosed	10,50	
MT	Resolve	46 048	2004	Undisclosed	11,00	
BC	North Trader	176 955	2006	Shinyo International	17,20	
BC	Blue Island	152 398	2000	Far Eastern	8,20	
BC	Cretan Wave	74 107	2001	Undisclosed	7,00	
BC	Furka	50 630	2011	Undisclosed	14,50	
BC	Atlantic Daisy	34 406	2007	Far Eastern	9,40	
BC	Ephesus III	31 818	2004	Manta Denizcilik	6,75	