



Fearnleys Weekly Report

Activity level

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

	Last week	Prev. week
VLCCs fixed all areas last week:	38	64
VLCCs avail. in MEG next 30 days:	137	135

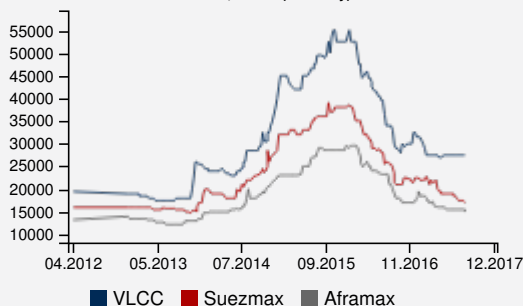
Rates

DIRTY (Spot WS)		This week	Last week	Low 2017	High 2017
MEG / West	VLCC	23.00	23.00	23.00	60.00
MEG / Japan	VLCC	49.00	51.00	45.00	96.50
MEG / Singapore	VLCC	49.00	52.00	45.00	96.00
WAF / FEAST	260,000	48.00	52.00	48.00	97.50
WAF / USAC	130,000	65.00	60.00	52.50	117.5
Sidi Kerir / W Me	135,000	70.00	70.00	62.50	117.5
N. Afr / Euromed	80,000	87.50	90.00	72.50	190.0
UK / Cont	80,000	85.00	85.00	85.00	117.5
Caribs / USG	70,000	92.50	100.0	82.50	215.0

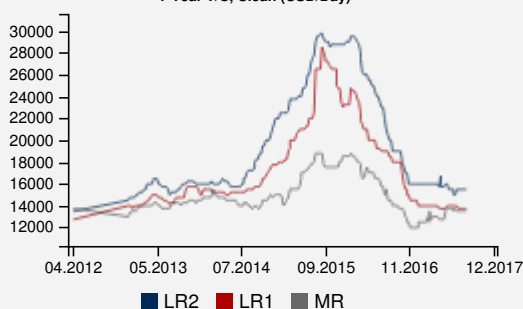
CLEAN (Spot WS)		This week	Last week	Low 2017	High 2017
MEG / Japan	75,000	120.0	117.5	80.00	155.0
MEG / Japan	55,000	120.0	117.5	100.0	150.0
MEG / Japan	30,000	138.5	137.5	120.0	167.5
Singapore / Japan	30,000	147.5	147.5	130.0	180.0
Baltic T/A	60,000	105.0	125.0	100.0	155.0
UKC-Med / States	37,000	115.0	120.0	115.0	210.0
USG / UKC-Med	38,000	75.00	90.00	75.00	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	15 000	15 000	18 500
LR2		105,000	15 500	15 500	16 750
LR1		80,000	13 750	13 750	14 000
MR		47,000	13 500	13 500	13 750

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



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



TANKERS

Crude

Another week with the lack of general volumes for the VLCC's having made the tonnagelist longer than for quite some time. Therefore the competition for the cargoes has intensified and the downward pressure increased. I.e rates have softened both in the Meg and also in West Africa. Earnings approaching \$10k/day and we may be near a bottom, at least for now. Pressure however remains. Suezmaxes have again experienced a testing week with very limited action in the west to wet appetites, the available positions in West Africa for end 2nd decade in August tightened up slightly on the back of the high volume of fixing east of Suez and Td20 climbed up to the ws67.5 level where it has been hovering into the early part of this week. The Med and Black sea markets have been seasonally quiet with refinery demand down TD6 is currently steady at ws 75 but there is expected increased volume due in the coming weeks which could stimulate some momentum. Statistically there are 13 new build Suezmaxes due to be delivered during the balance of August through to September which will only add to the challenges for the owners over the next few weeks. The North Sea and Baltic markets extended its Summer-trail along the bottom of the market for another week. The fact that the majority of Litasco Murmansk cargoes have been done on Suezmaxes has not helped at all, and we expect the market to stay at present levels for at least one more week. The cargo activity has been fairly high in the Med and Bsea this week. Levels have nonetheless stayed the same apart from the occasional prompt replacement or the lucrative long voyages. The volumes are just not good enough to push the rates up on a more permanent basis. As a result, we expect the market to continue in the same fashion as the previous weeks and everything will feel like a déjà vu for next week's weekly.

Product

EAST OF SUEZ With relative good activity in the Middle east gulf it has not been very hard for owners to maintain last weeks improved rates and even gain a bit more. The rate for LR2's fixing for south Korea/Japan range is today at w120, up slightly from last week and LR1's are also getting around ws120 level for same destination. Rates for westward destination are much firmer and USD 1,7 mill is today paid for LR2's, up from USD 1,45 mill. LR1's slightly less but up about USD 75,000 to USD 1,225 mill today. Unfortunately MR's have not been able to take part of this positive trend and rate for east destination remains the same at ws137,5 level. In the Far east rates remains unchanged for the standard MR voyage from Singapore to Japan at ws147,5 mark and the short haul voyage from south Korea to Japan has decline from USD 270' to USD 250' today. **WEST OF SUEZ** The positive trend in the east has in no way had any influence on the market in the western hemisphere where rates have continued their downward trend in almost all segments. The straight Continent to States voyage for MR's have dropped ws5 point to ws115 level and no help received from the backhaul cargo from U.S. gulf where rates have declined further ws15 points. This means daily earnings for MR's doing the Atlantic triangulation has dropped from about USD 9,000 per day to USD 6,000 per day. After a long time with good earnings for the LR1's trading to west Africa rate have this week slipped to ws105 level down from ws125. The downward trend for LR2's loading in the Mediterranean for south Korea/Japan range also has continued this week and rate today is about USD 1,65 mill compared to USD 1,8 mill last week. For Handies trading in the Mediterranean and on the Continent rate remains unchanged from last week at ws120 in Mediterranean and ws140 on the Continent



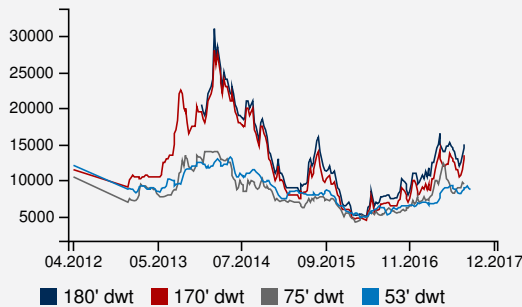
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Activity level

Capesize	Panamax	Supramax
Firmer	Increasing	Weakening

Rates	This week	Last week	Low 2017	High 2017
CAPESIZE (usd/day, usd/tonne)				
TCT Cont/Far East (180' dwt)	23 300	19 400	12 000	35 000
Tubarao / R.dam (Iron ore)	5.80	5.25	4.00	8.25
Richards Bay/R.dam	5.20	4.95	4.00	7.60
PANAMAX (usd/day, usd/tonne)				
Transatlantic RV	9 600	10 500	5 600	14 800
TCT Cont / F. East	16 000	16 250	11 600	21 000
TCT F. East / Cont	3 000	3 300	2 500	8 600
TCT F. East RV	7 800	9 000	2 500	12 000
Murmansk b.13-ARA 15/25,000 sc	6.00	6.60	5.00	7.45
SUPRAMAX (usd/day)				
Atlantic RV	9 250	10 000	9 250	12 000
Pacific RV	7 750	8 500	3 900	9 200
TCT Cont / F. East	13 500	14 000	12 000	18 000
1 YEAR T/C (usd/day)				
Capesize 180,000 dwt	15 000	14 500	10 250	16 500
Capesize 170,000 dwt	13 500	13 000	8 650	14 250
Panamax 75,000 dwt	9 500	9 500	7 250	12 400
Supramax 53,000 dwt	8 750	8 900	6 600	9 300
Baltic Dry Index (BDI):	993	968	n/a	n/a

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



Activity level

COASTER	15-23,000 cbm	82,000 cbm
Slow	Soft	Stable

LPG Rates

* Excl. waiting time, if any

SPOT MARKET (usd/month)*	This week	Last week	Low 2017	High 2017
VLGC / 84,000	210 000	220 000	210 000	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	370 000	370 000	550 000
ETH / 10,000	445 000	445 000	445 000	540 000
SR / 6,500	400 000	400 000	400 000	450 000
COASTER Asia	195 000	195 000	190 000	195 000
COASTER Europe	160 000	160 000	110 000	195 000

LPG/FOB prices (usd/tonne)

	Propane	Butane	ISO
FOB North Sea / ANSI	384.0	378.0	
Saudi Arabia / CP	420.0	460.0	
MT Belvieu (US Gulf)	386.2	402.6	420.1
Sonatrach : Bethioua	400.0	410.0	

LNG

SPOT MARKET (usd/day)	This week	Last week	Low 2017	High 2017
East of Suez 155-165'cbm	40 000	39 000	25 000	40 000
West of Suez 155-165'cbm	43 000	41 000	29 000	52 000
1 yr TC 155-165'cbm	33 000	32 000	31 000	35 000

DRY BULK

Capesize

Rates improved on the background of increased iron ore prices, up approx 10 % so far this week. Activity was good, despite a small correction towards the middle of the week. However sentiment remains positive and the general demand for tonnage is strong. Brazil -China route is around healthy USD 14 pmt and the front haul market is well excess of USD 20,000 daily.

Panamax

After leaving last week on a softer note in both hemispheres this trend continued into this week. Mid week we do however see some signs of firming rates in the Atlantic, both for TA's and Fhauls. TA's now paying in the high 9's while shorter Baltic rounds are seeing 11-12k. Fhauls for the bigger candidates are seeing levels around 18k with Cont delivery. We do see more coal cgos out of USEC and also some more activity in the rest of North Atlantic. In the Pacific we have seen the same tendency at Pac rounds are now paying around 7,5-8k.

Supramax

In the Pacific rates has remained weak and under pressure this week with most routes softening. Indo/China coal rounds are getting fixed around mid USD 8k with Singapore delivery. Nackle ore rounds via Philippines has been fixed around USD 9k, while trips WCI/MEG to Spore/Japan is paying around low USD 9k. In the Atlantic Black sea market has still been fairly firm while Cont/Baltic has softened. ECSA fronthaul to Bangladesh has been fixed around mid USD 13k + USD 350k bb, while from further north in the Atlantic USG to India is paying around USD 20k.

GAS

Chartering

The VLGC market in the East has remained almost completely flat over the past week. The three last quotes on the Baltic for the bench mark route Ras Tanura to Chiba, have been repeated. In terms of activity, the market has been in a wait for acceptance mode, and as such only a handful of fixtures has been concluded. The activity in the Western market has been a bit better, with cargoes being covered both out of West Africa as well as the US Gulf. Very much like the Eastern market, the freight economics in the west has been moving sideways. Whereas going freight rates in the East reflect a Time charter equivalent (T/C/E) of around USD 7,000 per day or slightly below, the equivalent returns in the transatlantic market is slightly above 10,000 per day, whilst transpacific voyages returns something closer to USD 8,000 per day (T/C/E calculated based on the performance of an average market vessel). The major news for the week is the potentially large newbuilding order done by one of the major trading companies in this market. An order has been placed for 2 firm plus up to 6 optional VLGCs. Another major event this week is the entrance of one of the major suppliers of the market, with a tender for one or two VLGCs for long term charter.



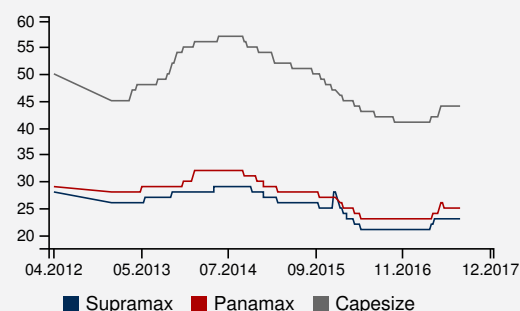
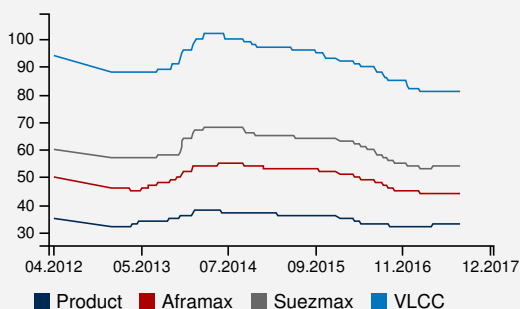
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Activity level

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	110.4	111.7	109.0	117.6
USD/KRW	1 121	1 117	140.9	1 206
USD/NOK	7.89	7.98	7.89	8.66
EUR/USD	1.19	1.16	1.04	1.19

Interest rate

LIBOR USD 6 mnths	1.45	1.45	1.32	1.46
NIBOR NOK 6 mnths	0.93	0.96	0.93	1.29

Commodity prices

Brent spot (USD)	51.40	50.40	46.15	56.77
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Bunker prices

Singapore	380 CST	310.0	310.0	345.0
	180 CST	352.0	342.0	360.0
	Gasoil	480.0	472.0	505.0
Rotterdam	380 HSFO	296.0	297.0	310.0
	180 CST	325.0	324.0	339.0
	Diesel	468.0	456.0	475.0

NEWBUILDING

More activity for MR tankers this week. Both Danish owner, Torm, and Norwegian owner, DSD, confirmed orders in China and Vietnam. Although at undisclosed prices, we believe MR prices to be in the low thirties. On the dry side, Great Wave Navigation (believed to be an offshore subsidiary JV with Cargill, Mitsui and Tokyo Trading), placed an order for 3+3 Capesize at Jiangsu New Yangzijiang in China. Vitol confirmed this week an order for up to eight VLGCs at HHI, whereof two are firm.

NEWBUILDING CONTRACTS

Type	No	Size	Yard	Buyer	Del	Price	Comm
PC	4	50,000dwt	GSI	Torm	2019		+4 options
BC	3	180,000 dwt	New Yangzijiang	Great Wave Nav	2019		+3 options
LPG	2	84,000cbm	HHI	Vitol	2019		+6 options
PC	2	50,000dwt	Hyundai-Vinashin	DSD	2019-2020		+2 options

SALE AND PURCHASE TRANSACTIONS

Type	Vessel	Size	Built	Buyer	Price	Comm.
MT	Tsurusaki	300 838	2002	Thai (Nathalin)	Undisclosed	
BC	Trans Nanjing	92 500	2011	Far Eastern	Undisclosed	
BC	Atlantic Prime	82 600	2011	Belgian (Ebe)	19,00	
BC	Pedhoulas Broker	81 541	2012	Greek (Safe Bulkers)	21,90	Internal sale and leaseback deal
BC	Pedhoulas Fighter	81 541	2012	Greek (Safe Bulkers)	21,90	Internal sale and leaseback deal
BC	Golden Trader	79 600	2011	Malaysian	16,50	
BC	CSE Harmony Express	76 634	2002	Undisclosed	9,00	
BC	Pina Cafiero	76 668	2002	Undisclosed	8,80	
BC	Christine B	58 058	2009	Greek (Navios)	13,50	
BC	Tan Binh 136	28 700	2007	Sri Lanka based (Tokyo Cement)	7,90	