



Fearnleys Weekly Report

Activity level

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

	Last week	Prev. week
VLCCs fixed all areas last week:	62	32
VLCCs avail. in MEG next 30 days:	125	138

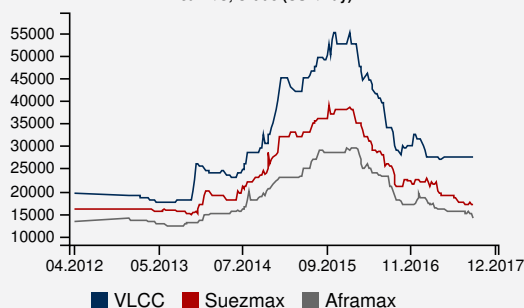
Rates

DIRTY (Spot WS)		This week	Last week	Low 2017	High 2017
MEG / West	VLCC	22.00	22.00	22.00	60.00
MEG / Japan	VLCC	41.00	39.00	39.00	96.50
MEG / Singapore	VLCC	42.50	40.00	40.00	96.00
WAF / FEAST	260,000	50.00	46.00	46.00	97.50
WAF / USAC	130,000	67.50	57.50	52.50	117.5
Sidi Kerir / W Me	135,000	77.50	72.50	62.50	117.5
N. Afr / Euromed	80,000	100.0	75.00	70.00	190.0
UK / Cont	80,000	95.00	85.00	85.00	117.5
Caribs / USG	70,000	165.0	145.0	82.50	215.0

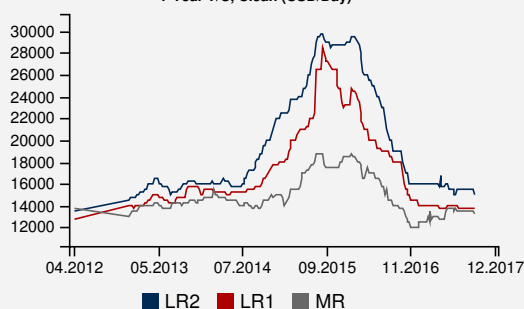
CLEAN (Spot WS)		This week	Last week	Low 2017	High 2017
MEG / Japan	75,000	100.0	105.0	80.00	155.0
MEG / Japan	55,000	125.0	120.0	100.0	150.0
MEG / Japan	30,000	146.0	148.0	120.0	167.5
Singapore / Japan	30,000	160.0	160.0	130.0	180.0
Baltic T/A	60,000	120.0	105.0	85.00	155.0
UKC-Med / States	37,000	150.0	210.0	105.0	210.0
USG / UKC-Med	38,000	105.0	90.00	72.00	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)	14 000	14 000	14 000	18 500
LR2		105,000	15 000	15 500	16 750
LR1		80,000	13 750	13 750	14 000
MR		47,000	13 250	13 500	13 750

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



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



TANKERS

Crude

The activity for the VLCCs, particularly from MEG, sharply increased over the last few days. True to form the majority done secretly and well off the market. Owners' resistance definitely up which has stopped the slide in rates and they have managed a slight increase. Tonnage still in abundance and it will take both time and effort to add more. Wafra/East much the same and rates off the lows with last done ws50. Suezmaxes finally found some positivity last week impacted by the uncertain itineraries on many ships due to Hurricane Harvey and a number of vessels being chartered in to replace Aframaxs that were compromised by the storm. Naturally sentiment rallied and rates climbed to ws72.5 for TD20. Charterers reacted by sitting back to dampen enthusiasm creating a quiet end to the week. However as this week has progressed we have observed the market stabilising as Charterers patience has paid off and the tonnage lists have reflected a build-up of new candidates to cover current requirements. The outlook for the week ahead is balanced, however if the Caribs market tightens up with the approaching 2nd Hurricane Irma, the West Africa market will likely experience a secondary rally giving owners the impetus they need to capitalise. Nsea and Baltic are following their neighbouring markets and have started the journey towards a brighter future. Baltic crude cargoes are only covered 10 days ahead, and would expect Charterers to do a bit of shopping prior the weekend. Both markets should move further up on the back of pure sentiment. In the Med and Bsea rates have moved up to a more sustainable level. A tighter tonnage list, higher cargo-activity, and Owners that have been waiting for this scenario for almost two months caused this increase. There were and still are prompt ships around, but Owners held back which resulted in ws100 being done several times. Unfortunately, there are still some prompt ships around and dates are now fixed far forward. Hence, Owners will need to gear up for a fight to keep the rates at three digits.

Product

EAST OF SUEZ In the absence of any impulses, it has been very little change in the market in the MEG this week. With low activity charterers have been able to put pressure on the LR2s and owners have had to accept a decline of ws5 points to ws100, and it could drop further. Little bit different for the LR1s where owners have been able to secure slightly higher rates and is today fixing at ws125 level. For both sizes rates for Continent discharge have slipped and is today at lumpsum USD 1.6 mill for LR2s and USD 1.325 mill for LR1s, down USD 125' and 50', respectively. No change for the MRs trading from WC India to Japan where the rate has been stable at ws147. In the Far East the MR voyage from Singapore to Japan is still at ws160 level but the short haul voyage from South Korea to Japan is up USD 10' to USD 280,000. **WEST OF SUEZ** In the Atlantic, the market is on a slippery slope after the sharp upturn last week due to the damaging tropical storm 'Harvey' making landfall in the US Gulf. It seems refining capacity will be online earlier than predicted and less product has to be imported, and also the export from US Gulf is coming online. The straight MR voyage from the Continent to States has dropped from a top at around ws250 to ws150 today, and is still under pressure. The backhaul cargoes from US Gulf is increasing and so is the rate, and this voyage today pays around ws105 level. This triangulation gives owners today a daily earning of about USD 14,000, down from USD 23,000 a few days ago. Also the LR1s have seen rates increase, with more tonnage being used for transatlantic cargoes rates for West Africa discharge did peak around the ws145 mark, but has today slipped to about ws120 level. LR2s loading in the Mediterranean have also been able to increase rates slightly and is today obtaining close to USD 1.6 mill. Handies trading in the Mediterranean have secured a ws15 point increase last week and rate is today at ws135 level. On the Continent the rate has gone from ws130 to a peak at ws220 level, has dropped to ws173 today, and is still under pressure ...



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Activity level

Capesize	Panamax	Supramax
Active	Increasing	Firm

Rates This week Last week Low 2017 High 2017

CAPESIZE (usd/day, usd/tonne)

TCT Cont/Far East (180' dwt)	31 000	29 000	12 000	35 000
Tubarao / R.dam (Iron ore)	7.00	7.60	4.00	8.25
Richards Bay/R.dam	7.00	7.20	4.00	7.60

PANAMAX (usd/day, usd/tonne)

Transatlantic RV	10 000	9 100	5 600	14 800
TCT Cont / F. East	18 000	16 500	11 600	21 000
TCT F. East / Cont	3 800	3 500	2 500	8 600
TCT F. East RV	10 500	9 200	2 500	12 000
Murmansk b.13-ARA 15/25,000 sc	7.10	6.75	5.00	7.45

SUPRAMAX (usd/day)

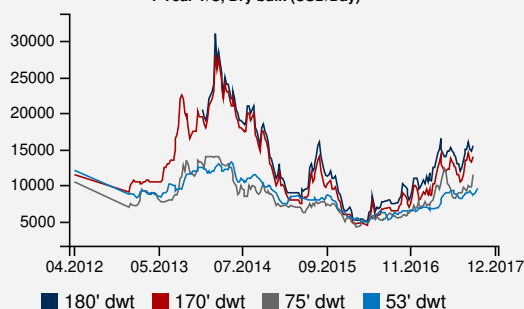
Atlantic RV	9 600	9 500	8 250	12 000
Pacific RV	9 900	9 500	3 900	9 900
TCT Cont / F. East	17 000	15 500	12 000	18 000

1 YEAR T/C (usd/day)

Capesize 180,000 dwt	15 500	14 750	10 250	16 500
Capesize 170,000 dwt	14 000	13 250	8 650	14 500
Panamax 75,000 dwt	11 500	9 800	7 250	12 400
Supramax 53,000 dwt	9 600	9 300	6 600	9 600

Baltic Dry Index (BDI): 1250 1181 n/a n/a

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



DRY BULK

Capesize

Earnings for the big ships keep up nicely as dips are moderate and short-lived. Coal and iron ore volumes from main areas Australia, South Africa and Brazil all appear robust, which combined with a modest presence of prompt units give close to market equilibrium and reason for continued short-term improvements. Average daily income up some 8 pct w-o-w, coming in at close to USD 18,500. FFA values still do not support for long period, with levels presently in backwardation territory. Activity/focus is thus for shorter deals - exemplified by 178,000 dwt/built 2017 open China mid Sept done for 4-6 months at USD 17,700, also 208,000 dwt/built 2011 open China prompt fetching USD 20,000 basis 2-6 months from majors.

Panamax

It has been an active week. After a period with decreasing rates and low activity, the sentiment has changed substantially and the market is firmer in both hemispheres. Less tonnage and more cargoes in the north Atlantic has pushed the rates upwards and the TA market is priced at 10k's right now, while FH are being fixed in the 18 to 20k's depending on duration. The activity out of the US Gulf and South America has been a key feature to keep the momentum. More activity in the Pacific has pushed the rates for a transpacific RV to mid 10k's, while trips from Singapore via ECSA with redel FE being fixed at around 13k's. FFA's, Sep is priced at mid 11k's, while Oct is priced at high 12k's on the P4TC index.

Supramax

Less activity in the Atlantic in start of the week with the US holidays. Ows asking levels around low USD 20k for trip ex USG to Feast, while ECSA fronthauls has been fixed around USD 13500+350k bb. The Cont and Baltic has been slow with few orders for a while and the usual scrap runs to E.Med pays ows around USD 10k. The last month before rain season comes to Philippines and the nickel ore market is becoming even hotter, an Ultra open S.China fixed USD 14k and another open Lanshan fixed USD 12.6k. The highest rate level seen the last two years. Coal biz follows same trend, with charterers taking vessels from CJK for Indo coal. A Supra fixed 9k dop CJK to Thailand and a 53k open S.China fixed USD 9750 for Indo rv.

Activity level

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

LPG Rates

* Excl. waiting time, if any

SPOT MARKET (usd/month)* This week Last week Low 2017 High 2017

VLGC / 84,000	340 000	295 000	180 000	765 000
LGC / 60,000	390 000	380 000	350 000	500 000
MGC / 38,000	420 000	420 000	420 000	550 000
HDY / 22,000	350 000	350 000	350 000	550 000
ETH / 10,000	440 000	440 000	440 000	540 000
SR / 6,500	390 000	390 000	390 000	450 000
COASTER Asia	195 000	195 000	190 000	195 000
COASTER Europe	190 000	165 000	110 000	195 000

LPG/FOB prices (usd/tonne)

	Propane	Butane	ISO
FOB North Sea / ANSI	447.0	445.0	
Saudi Arabia / CP	480.0	500.0	
MT Belvieu (US Gulf)	426.6	439.4	458.3
Sonatrach : Bethioua	475.0	475.0	

LNG

SPOT MARKET (usd/day) This week Last week Low 2017 High 2017

East of Suez 155-165'cbm	38 000	38 000	25 000	40 000
West of Suez 155-165'cbm	43 000	43 000	29 000	52 000
1 yr TC 155-165'cbm	36 000	35 000	31 000	36 000

GAS

Chartering

The market for VLGCs in the East is tightening further. The list of vessels available for loading within the month of September is getting shorter as ships are being booked one-by-one, and rates are increasing slowly but surely by a dollar or so on a week-on-week basis. The week so far we have seen one ship being fixed on Indian business, with another potential cargo being worked. As for the standard MEG/East runs, we have seen some 3-4 ships being fixed with another 2-3 on subs at the time of writing. The Western market is experiencing a lot of uncertainty due to large delays for Houston loadings, 1 ship which berthed in Targa around the 19th of August has only managed to leave the terminal yesterday, which means the ship has stayed at berth for close to 2.5 weeks. It's been a quiet week in terms of spot activity for October loadings as most players seems to sit back for a bit, waiting for news on when the terminals are going to be able to load all the ships waiting for revised laycans. Freight for Houston/East via Panama has risen as a result of the massive delays and availability of ships looks tighter than it's been for a long time, we expect Owners sentiment to stay strong in the weeks ahead.



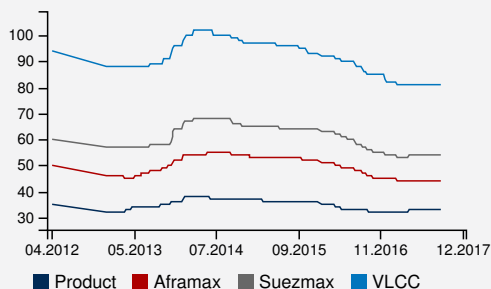
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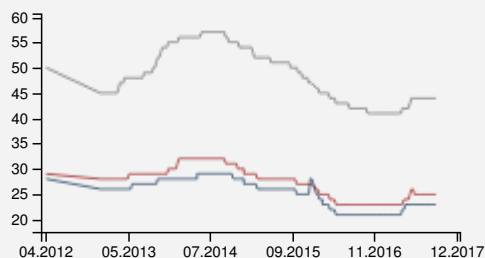
Tankers	Dry Bulk	Others
Moderate	Stable	Low

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	25.00	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



■ Product ■ Aframax ■ Suezmax ■ VLCC



■ Supramax ■ Panamax ■ Capesize

Market brief

	This week	Last week	Low 2017	High 2017
Rate of exchange				
USD/JPY	108.9	110.1	108.9	117.6
USD/KRW	1 136	1 124	140.9	1 206
USD/NOK	7.77	7.79	7.77	8.66
EUR/USD	1.19	1.19	1.04	1.19

Interest rate

LIBOR USD 6 mnths	1.46	1.45	1.32	1.46
NIBOR NOK 6 mnths	0.88	0.87	0.87	1.29

Commodity prices

Brent spot (USD)	54.16	51.67	46.15	56.77
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Bunker prices

Singapore	380 CST	331.0	313.0	345.0
	180 CST	335.0	317.0	360.0
	Gasoil	501.0	475.0	505.0
Rotterdam	380 HSFO	315.0	292.0	315.0
	180 CST	343.0	320.0	343.0
	Diesel	494.0	458.0	494.0

NEWBUILDING

Newbuilding activity is firm, with 29 new orders plus 10 options. In the dry bulk segment, the activity is continuing at the same pace as last week. Nissen Kaiun orders ten Kamsarmaxes at the Japanese yards Imabari and Tsuneishi Zosen Shipbuilding, five at each, all Tier II vessels. The Greek tanker company Aegean has returned to Cosco Zhoushan with a debut order in the dry bulk segment containing four kamsarmaxes, with four options. The low market price for VLCC facilitates two large orders this week. HMM orders five VLCCs at DSME, including five optional vessels, while NYK has ordered three VLCCs at Japan Marine United and one unit at Nippon. Despite an increase in the steel prices, we see little change in newbuilding prices.

NEWBUILDING CONTRACTS

Type	No	Size	Yard	Buyer	Del	Price	Comm.
BC	1	20,500 dwt	Fujian Southeast	Fujian Anda	2019		
BC	2	62,000 dwt	Cosco Dalian	Cosco Shipping	2019	abt. 34 mill USD	+ 1 o
BC	4	82,000 dwt	Cosco Zhoushan	Aegean Shipping	2019		+ 4 o
BC	10	85,000 dwt	Imabari (5) and Tsuneishi Zosen Shipbuilding (5)	Nissen Kaiun	2019 / 2020	27 mill USD	Tier
CON	2	11,000 teu	Hanjin Heavy	HMM		81 mill USD	
PC	1	15,000 dwt	Fujin Mawei	CNAF Haixin Shipping	2019		
VLCC	5	300,000 dwt	DSME	HMM	2019 -	abt. 84 mill USD	+ 5 o
VLCC	4		Japan Marine (3) and Nippon (1)	NYK	2019 / 2020		

SALE AND PURCHASE TRANSACTIONS

Type	Vessel	Size	Built	Buyer	Price	Comm.
MT	Nichinori	298 414	2002	Sinokor	21	
BC	True Frontier	179 147	2010	H Line Shipping	29,75	
BC	Haris Athina	74 786	2001	Chinese	7,50	
BC	Star Jing	62 562	2013	Raffles Ship Management	14,80	
BC	Star Vivian	63 548	2013		14,80	
BC	CMB Coralie	53 463	2009	Undisclosed	9,30	
BC	Avocet	53 462	2010	South East	xs 10	
BC	Lucky Best	45 675	1996	Chinese	3,70	
BC	Aristo River	33 532	2005	Greek	high 7's	
BC	Jupiter Charm	32 449	2010	Greek	8,10	
BC	Brasschat	31 800	2009	AB Maritime	6,50	
BC	Zarechensk	31 800	2009	AB Maritime	6,50	
BC	Glory Marugame	28 343	2008	Starmarine	7,80	

DEMOLITIONS

Sold for demolition

Vessel name	Size	Ldt	Built	Buyer	Price
MT Blue Trader	149 775	24 462	1997	Bangladeshi	378
CONT APL Coral	64 145	22 965	1998	Indian	420
MT Alors	45 998	10 766	1991	Undisclosed	405
MT Stoc	19 990	6 540	1984	Bangladeshi	371
GC Jenwin III	8 844	2 474	1981	Bangladeshi	345