



Fearnleys Weekly Report

Activity level

VLCC	Suezmax	Aframax	P.E. of Suez	P.W. of Suez
Firmer	Weakening	Mixed	Firm	Mixed
				Last week Prev. week
VLCCs fixed all areas last week:				47 49
VLCCs avail. in MEG next 30 days:				125 124

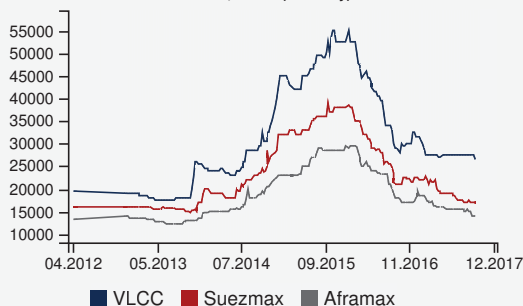
Rates

DIRTY (Spot WS)		This week	Last week	Low 2017	High 2017
MEG / West	VLCC	21.00	20.00	20.00	60.00
MEG / Japan	VLCC	43.00	41.00	39.00	96.50
MEG / Singapore	VLCC	44.00	40.00	40.00	96.00
WAF / FEAST	260,000	49.00	47.00	46.00	97.50
WAF / USAC	130,000	65.00	72.50	52.50	117.5
Sidi Kerir / W Me	135,000	67.50	77.50	62.50	117.5
N. Afr / Euromed	80,000	110.0	125.0	70.00	190.0
UK / Cont	80,000	110.0	107.5	85.00	117.5
Caribs / USG	70,000	140.0	140.0	82.50	215.0

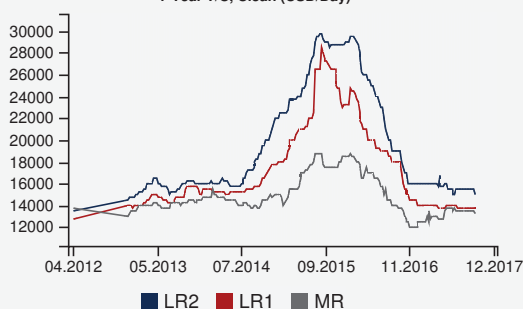
CLEAN (Spot WS)		This week	Last week	Low 2017	High 2017
MEG / Japan	75,000	117.5	112.5	80.00	155.0
MEG / Japan	55,000	145.0	132.5	100.0	150.0
MEG / Japan	30,000	162.5	165.0	120.0	167.5
Singapore / Japan	30,000	215.0	190.0	130.0	215.0
Baltic T/A	60,000	105.0	105.0	85.00	155.0
UKC-Med / States	37,000	110.0	110.0	105.0	210.0
USG / UKC-Med	38,000	77.50	87.50	72.00	150.0

1 YEAR T/C (usd/day) (theoretical)		This week	Last week	Low 2017	High 2017
VLCC	(modern)	26 500	26 500	26 500	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	15 000	16 750
LR1		80,000	13 750	13 750	14 000
MR		47,000	13 250	13 250	12 500

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



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



TANKERS

Crude

The VLCC market ended last week on a generally quiet and soft note except Caribs/East. Much to owners delight renewed activity has been recorded ex Meg at the beginning of the week, but rates have so far been stable. Some more resistance from owners and a slight upward bias on rates mid week. Supply is however ample, despite tonnage continue to ballast from east towards the Atlantic. It has been another tough week for Suezmax owners who have seen a gradual erosion of rates as activity has all but dried up in West Africa, TD20 is at w67.5 but there are ominous signs that we will see a further fall if third decade dates don't start to work promptly. Most of the activity has been concentrated east of Suez with the MEG being the focus of market attention. Both the Med and Bsea have also experienced limited action with TD6 hovering at w80, again cargoes are needed to clear out the building tonnage backlog. The outlook for owners in the short term looks bleak for the week ahead. Aframax in the Nsea and Baltic have experienced slightly better rates in the last week with earnings hovering around a modest \$11,000 per day. Going forward charterers do expect the market to come off slightly due to a more balanced tonnage list in their favour. But for the time being rates are moving sideways. This week in the Med and Bsea have been like and emotional roller coaster for everyone involved. Rates have fluctuated from w122.5 (ex dd ship) to w107.5. All cross-Med cargoes off similar dates. It has been all about timing and a good portion of luck this week as all owners, charterers and brokers have struggled to call the market. Moving over to next week, the educated shipping force are still disagreeing on the direction, but we believe low 100 to high 90's is the key. It remains to see if we have read the crystal ball correct.

Product

East of Suez Owners' dug their heels in last week leaving charterers with no choice other than to pay up. LR1s lead the charge as rates rose to ws145 for MEG/East. Inspired by their little sisters, LR2s joined the party and managed to move the market for MEG/East up to ws117.5, a five-point increase since we last spoke. Charterers are just about to re-group from last week's shock and is now putting pressure on the LR1s, and we expect the rates to decline slightly to be more in line with the current levels that LR2s are trading at. However, if that level will be maintained remains to be seen as the LR2s show no signs of willingness to leave the party just yet with the sentiment going forward still very much firm. MRs too have managed to keep push the market up with rates increasing steadily across the board for all the major routes east of Suez. West of Suez West/East movements on LR1 and LR2 still being a fairly rare bird as it seems that rates is not where they need to be at the moment to make any sense of sending ships east from the Continent and Mediterranean. A couple of fixtures have been concluded with rates sliding further south toward the USD 1.5 mill mark. Like the three little pigs struggling to find a house strong enough to resist the huffs and puffs from the big bad wolf, MRs in the West have struggled to find a new ground floor for Cont/TA rates of which to start fight back. Depending on options needed, rates have varied from between ws100 and ws115 for TA destinations with rates still to settle. Taken the role as the big bad wolf, Handies in the Med and Blsea have blown down every attempt to hold back from the pigs, this time in role of the charterers. Rates have quickly moved up to the ws200 mark, a 60-point jump since last week's newsletter. On the other side of the pond, there has been a lot of intra-region activity with little back-haul activity to report, and rates keeping steady.

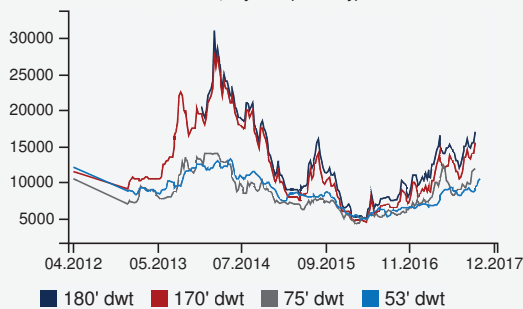


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Activity level

Capesize	Panamax		Supramax	
Active	Mixed		Firm	
Rates	This week	Last week	Low 2017	High 2017
CAPESIZE (usd/day, usd/tonne)				
TCT Cont/Far East (180' dwt)	32 000	30 000	12 000	35 000
Tubarao / R.dam (Iron ore)	8.90	8.30	4.00	8.90
Richards Bay/R.dam	8.30	7.80	4.00	8.30
PANAMAX (usd/day, usd/tonne)				
Transatlantic RV	11 500	11 500	5 600	14 800
TCT Cont / F. East	19 500	19 500	11 600	21 000
TCT F. East / Cont	4 800	4 500	2 500	8 600
TCT F. East RV	13 500	12 500	2 500	13 500
Murmansk b.13-ARA 15/25,000 sc	7.55	7.15	5.00	7.55
SUPRAMAX (usd/day)				
Atlantic RV	11 500	10 000	8 250	12 000
Pacific RV	11 000	10 500	3 900	11 000
TCT Cont / F. East	19 000	19 000	12 000	19 000
1 YEAR T/C (usd/day)				
Capesize 180,000 dwt	17 000	15 500	10 250	17 000
Capesize 170,000 dwt	15 500	14 000	8 650	15 500
Panamax 75,000 dwt	11 900	11 750	7 250	12 400
Supramax 53,000 dwt	10 500	10 250	6 600	10 500
Baltic Dry Index (BDI):	1449	1337	n/a	n/a

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



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	390 000	420 000	180 000	765 000
LGC / 60,000	445 000	425 000	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	420 000	420 000	420 000	540 000
SR / 6,500	380 000	390 000	380 000	450 000
COASTER Asia	200 000	200 000	190 000	200 000
COASTER Europe	195 000	180 000	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)		457.8	459.8	471.2
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	39 000	39 000	25 000	40 000
West of Suez 155-165'cbm	43 000	43 000	29 000	52 000
1 yr TC 155-165'cbm	37 000	36 000	31 000	37 000

DRY BULK

Capesize

With good demand out of Brazil as well as steady supply of coal cargoes, Cape rates are on the run again. With the average TC rate breaking USD 20,000 again, we are set for an active and fruitful fourth quarter.

Panamax

It has been a new week with firm rates and a positive sentiment in both hemispheres, however midweek it seems that the market has taken a breather. Less activity from the grain houses in both US Gulf and ECSA has led to more mixed feelings about the direction of the market going forward, and those charterers that can wait to fix tend to do that. TA and FH rates are respectively at levels high 11k's and mid 19k's, while Baltic rounds paying mid 12k's. The sentiment in Asia appears to remain and a transpacific RV is now priced at mid 13k's with good activity been reported. Generally, the short-term outlook remain stable. FFA's, Oct is trading mid 12k's, while Q4 is now priced at low 12k's on the P4TC index.

Supramax

Atlantic market has kept its solid trend. USG firming up again with fhauls paying around 23k/day and cargoes to Bl.Sea ca 15-16k. Supras from Cont to Far East got employed around 20k/day. Bl.Sea, although, kept dropping due to less grain cargoes, but still at good balance. Fhauls there went at ca 17.5-18k/day. Another big jump in SE Asia market which reached USD 15.5k from Singapore, USD 12k from S.China for d 56 type. Chrts suffered due to lack of opening tonnage within this region, which was further tightened due to 2 typhoon hitting Vietnam/S.China sea. Indo coal demand was still healthy to usual destination incl. China and India while there were additional support from Aussie Iron Ore/Salt/Grain.

GAS

Chartering

In the Western markets, it seems the LPG product market and the VLGC shipping market has been on colliding courses this week, which have resulted in a very quiet start of the week. A few players have been on the market looking for shipping cover, but nothing has resulted in actual fixtures, as there are a significant miss-match on Owners ideas versus Charterers ideas at the current moment. On the period front, we see more ships being extended and fixed for term charters. A couple of modern ships has been booked for a 12-months period, at market linked rates, whilst another couple of previous generation ships has been booked at fixed rates in the mid/high teens per day. In the Eastern markets a few Charterers have been on out there with some cargo/ship swaps, as dates has not matched own loading schedules, but otherwise the market has been pretty quiet.



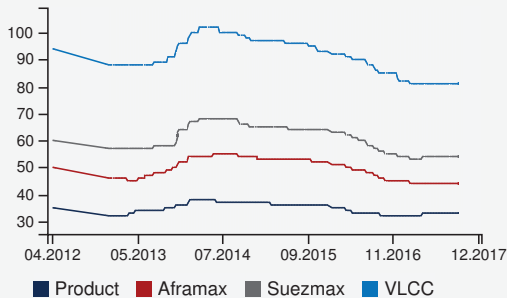
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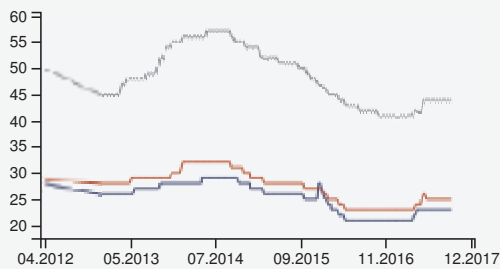
Tankers	Dry Bulk	Others
Low	Low	Moderate

Prices

Average Far Eastern Prices					
PRICES (milli 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



■ Product ■ Aframax ■ Suezmax ■ VLCC



■ Supramax ■ Panamax ■ Capesize

Market brief

	This week	Last week	Low 2017	High 2017
Rate of exchange				
USD/JPY	111.4	110.5	108.9	117.6
USD/KRW	1 128	1 128	140.9	1 206
USD/NOK	7.78	7.89	7.77	8.66
EUR/USD	1.20	1.19	1.04	1.20
Interest rate				
LIBOR USD 6 mths	1.48	1.45	1.32	1.48
NIBOR NOK 6 mths	0.86	0.88	0.86	1.29
Commodity prices				
Brent spot (USD)	55.76	54.48	46.15	56.77
Bunker prices				
Singapore 380 CST	339.0	334.0		345.0
180 CST	344.0	365.0		365.0
Gasoil	512.0	506.0		512.0
Rotterdam 380 HSFO	319.0	313.0		319.0
180 CST	346.0	340.0		346.0
Diesel	505.0	490.0		505.0

NEWBUILDING

Newbuilding activity has picked up with 11 orders this week. The LOI we saw last month has become firm orders of nine 22,000 teu vessels for CMA CGM at Hudong and SWS. The vessels are most likely being built with LNG as the preferred fuel. The Brazilian mining group Vale has firmed up long-term COAs for at least 30 VLOC newbuildings, with gas-ready engines that should be Tier III compliant. The 30 VLOCs are distributed among seven shipping companies in China and Korea. In the PCTC segment, Toyota is backing an order for 20 LNG-fuelled PCTCs distributed among the owners NYK, K Line, and Toyofuji.

NEWBUILDING CONTRACTS

Type	No	Size	Yard	Buyer	Del	Price	Comm
ACC	1	5,000 gt	Fujian Mawei	Fuchuan Investment	1q 2019		
CONT	9	22,000 TEU	Hudong-Zhonghua and Shanghai Waigaoqiao	CMA CGM			Most likely LNG fuel
PAX	1	200 PAX	Wight	Jacobite Cruises			

SALE AND PURCHASE TRANSACTIONS

Type	Vessel	Size	Built	Buyer	Price	Comm.
MT	Isuzugawa	299 984	2004	Sinokor	25,8	
MT	FD Sea Wish	40 083	2002	Nigerian	7,50	
BC	CDBL Ore	180 300	2011	Greek	120,00	
BC	CDBL Ace	175 931	2011			
BC	CDBL Era	175 911	2011			
BC	CDBL Ivy	175 851	2011			
BC	Bulk Monaco	76 596	2008	Greek	13,80	
BC	Seawing I	73 901	2005	Chinese	8,50	
BC	Rak Ana	50 786	2000	Chinese	6,90	

DEMOLITIONS

Sold for demolition

Vessel name	Size	Ldt	Built	Buyer	Price
MV Stellar unicorn	280 537	33 581	1993	Bangladeshi	414
MT Nataly	143 286	24 512	1993	Pakistani	423
MV Fair	173 020	20 736	1997	Indian	370
MV Silver Ocean	151 102	17 987	1994	Pakistani	440
GC Jamileh	7 879	4 282	1986	Undisclosed	405