



Fearnleys Weekly Report

Activity level

VLCC	Suezmax	Aframax	P.E. of Suez	P.W. of Suez
Firm	Firm	Mixed	Soft	Soft
Last week				Prev. week
VLCCs fixed all areas last week:				59
VLCCs avail. in MEG next 30 days:				124
				108

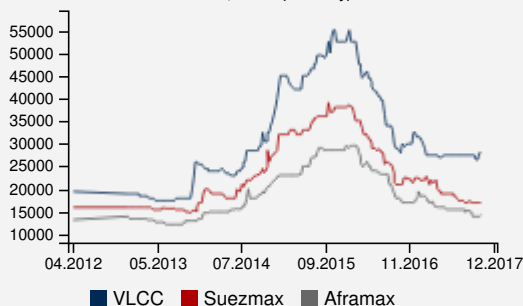
Rates

DIRTY (Spot WS)		This week	Last week	Low 2017	High 2017
MEG / West	VLCC	28.50	25.00	20.00	60.00
MEG / Japan	VLCC	73.00	63.50	39.00	96.50
MEG / Singapore	VLCC	74.00	64.50	40.00	96.00
WAF / FEAST	260,000	73.00	64.00	46.00	97.50
WAF / USAC	130,000	80.00	70.00	52.50	117.5
Sidi Kerir / W Me	135,000	92.50	80.00	62.50	117.5
N. Afr / Euromed	80,000	140.0	150.0	70.00	190.0
UK / Cont	80,000	125.0	120.0	85.00	125.0
Caribs / USG	70,000	137.5	150.0	82.50	215.0

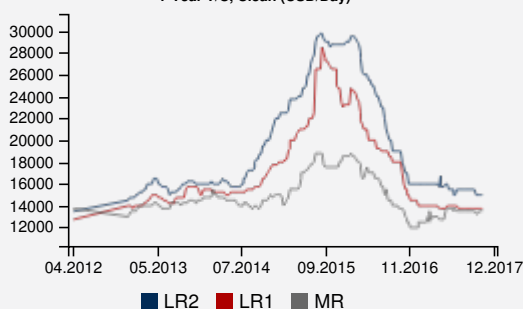
CLEAN (Spot WS)		This week	Last week	Low 2017	High 2017
MEG / Japan	75,000	115.0	130.0	80.00	155.0
MEG / Japan	55,000	120.0	127.5	100.0	150.0
MEG / Japan	30,000	155.0	162.5	120.0	175.0
Singapore / Japan	30,000	175.0	177.5	130.0	215.0
Baltic T/A	60,000	97.50	97.50	85.00	155.0
UKC-Med / States	37,000	100.0	120.0	100.0	210.0
USG / UKC-Med	38,000	75.00	70.00	70.00	150.0

1 YEAR T/C (usd/day) (theoretical)		This week	Last week	Low 2017	High 2017
VLCC	(modern)	28 000	28 000	26 500	30 000
Suezmax	(modern)	17 000	17 000	17 000	22 800
Aframax	(modern)	14 250	14 250	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	13 500	13 500	13 750

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



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



TANKERS

Crude

On the back of a continued healthy demand for all the major VLCC routes the optimism is growing within the owning community. The sentiment is firm and rates continue to cautiously strengthen. The long awaited winter market is here and owners trying hard to recoup some of the meagre earnings earlier in the year. The older ships have become very 'workable' though with discounts to the younger sisters. Earnings for the modern tonnage close to USD 30k/day with owners aiming higher and rates in general under upward pressure for now. Suezmaxes have experienced an interesting and positive week and the market has definitely developed a firmer tone. The end month window in the Med and Blsea saw Suezmaxes fixing numerous Aframax stems which in turn squeezed availability for early November dates, TD6 is currently close to 3 digits now and the bullish sentiment remains. Meanwhile Wafr has seen steady improvement with it reaching ws80 levels for TD20 early this week, steady enquiry out of the north and an active and firmer MEG slowly clearing out ballast putting the latter part of the first decade dates are under pressure and it is expected that further rate improvement is on the cards for the week ahead. The Aframax market in North Sea and Baltic strengthened considerably during last week. With storms and hurricanes queuing up market could remain strong, but with charterers sitting on their cargoes, rates could easily face a downward correction prior to the weekend. October has been a good month for the Owners trading in the Med and Blsea. With TCE's touching above 25k a day, it's been the best period for a while. However, things are softening up a touch at the time of writing as the end month rush has passed and we have had a couple of quieter days. Expect rates to sat above 3 digits for the rest of the week.

Product

EAST OF SUEZ Unfortunately, the downward trajectory has continued this week in the Middle East Gulf. Rates have dropped in all segments. Today LR2s have to agree to ws115 level for a voyage to the Far East and the LR1s are obtaining ws120 level. This is a reduction of about ws10/15 points for both sizes. Westwards rates have also declined, and today LR2s are paid USD 1.8 mill and LR1s USD 1.35 mill, both sizes down about USD 150,000. MRs have not been able to escape the downturn and the rate from West Coast India to Japan is down ws15 points to ws155 level. in the Far East rates have not been under the same pressure and the MR benchmark voyage from Singapore to Japan is still being concluded around the ws175 mark, whilst the short haul voyage from South Korea to Japan has gained USD 15,000 and is today at USD 315,000. WEST OF SUEZ In the Atlantic the MRs have come under further pressure from charterers and is today trading at very low levels. A transatlantic voyage pays today around ws100, which on a round trip is only about USD 2000 per day, and even if owners able to triangulate with a backhaul cargo from US Gulf at ws75 the daily return increases only to USD 4500 per day. LR1s trading in the Atlantic basin are still getting about ws100 level for they services, which is unchanged from last week. The ones that can put on a big smile this week is owners of LR2s fixing backhaul cargoes from Mediterranean to the Far East where the rate has increased with USD 300k to USD 2 mill. Handies on the Continent is still trading around the ws140 mark whilst the sisters in the Mediterranean have lost ws15 points this week, and is today at ws150 mark.



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Activity level

Capesize	Panamax	Supramax
Active	Stable	Stable

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)	9.00	9.40	4.00	9.40
Richards Bay/R.dam	9.00	8.70	4.00	9.00
PANAMAX (usd/day, usd/tonne)				
Transatlantic RV	13 000	12 000	5 600	14 800
TCT Cont / F. East	20 000	19 250	11 600	21 000
TCT F. East / Cont	5 800	4 800	2 500	8 600
TCT F. East RV	14 000	13 000	2 500	14 000
Murmansk b.13-ARA 15/25,000 sc	8.00	7.60	5.00	8.00
SUPRAMAX (usd/day)				
Atlantic RV	12 500	11 750	8 250	12 500
Pacific RV	10 500	10 200	3 900	11 000
TCT Cont / F. East	20 000	19 000	12 000	20 000
1 YEAR T/C (usd/day)				
Capesize 180,000 dwt	17 000	17 000	10 250	17 000
Capesize 170,000 dwt	15 200	15 200	8 650	15 500
Panamax 75,000 dwt	11 500	11 500	7 250	12 400
Supramax 53,000 dwt	10 750	10 750	6 600	10 750
Baltic Dry Index (BDI):	1566	1433	n/a	n/a

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



Activity level

COASTER	15-23,000 cbm	82,000 cbm
Low	Increasing	Stable

LPG Rates

* Excl. waiting time, if any

SPOT MARKET (usd/month)*	This week	Last week	Low 2017	High 2017
VLGC / 84,000	560 000	447 500	180 000	765 000
LGC / 60,000	500 000	470 000	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	410 000	410 000	410 000	540 000
SR / 6,500	360 000	360 000	360 000	450 000
COASTER Asia	240 000	240 000	190 000	240 000
COASTER Europe	230 000	220 000	110 000	230 000

LPG/FOB prices (usd/tonne)

	Propane	Butane	ISO
FOB North Sea / ANSI	514.5	505.5	
Saudi Arabia / CP	575.0	580.0	
MT Belvieu (US Gulf)	479.3	478.5	492.3
Sonatrach : Bethioua	525.0	520.0	

LNG

SPOT MARKET (usd/day)	This week	Last week	Low 2017	High 2017
East of Suez 155-165'cbm	50 000	42 000	25 000	50 000
West of Suez 155-165'cbm	51 000	49 000	29 000	52 000
1 yr TC 155-165'cbm	41 000	40 000	31 000	41 000

DRY BULK

Capesize

Levels for the big ships holding up nicely on healthy iron ore and coal volumes combined with weather delays at major Chinese ports. The WAust/China iron ore conference trade is particularly busy on need of replacements, reaching new highs of USD 9 prmt and possibly more - and a notable increase in US coal exports to India is supporting what is normally erratic fronthaul values. With a 10 pct w-o-w improvement, average daily earnings come in at USD 22k. Fixed-price period activity remains low, due to dramatic differences between 2018 consensus expectations vs ffa values AND spot vs forward pricing - for index-linked a 169k dwt/built 2010 just done for about 12 months at BCI AVE5TC plus a reported 2-3 pct premium.

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 in the Atlantic region has led to more mixed feelings abt 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 ard 13k's and ard 20k's, while Baltic rounds paying mid 13k's. The sentiment in Asia appears to remain and a transpacific RV is now priced at ard 14k's with good activity been reported. Generally, the short-term outlook remains stable. FFA's, Nov is trading mid 12k's, while Q4 is now priced at low 12k's on the P4TC index.

Supramax

Still a positive sentiment in the Pacific, although a bit more quiet with Singapore off at mid-week. Supras achieving around USD 12k for Indo/China coal trips with delivery S.China, while Aussie rounds with delivery N.China is being fixed in the mid USD 11k's. In India, Ultras are able to obtain in the high USD 13k's for a round trip bss ECI via South Africa.

GAS

Chartering

The VLGC market in the West has taken a bit of a breather in comparison from the previous weeks. Things seem to have settled down a bit at rates reflecting USD 23/24,000 per day. Up a couple of thousand from last weeks. In the East, the market activity have picked up somewhat from a couple of quiet weeks, and the rates are on the rise. Vessel availability both West and East can, at the moment be described as tight. The BLPG index has been in the USD 20's and even in high USD 10's since middle of May, but with the recent rate gains we will this week see the index in the USD 30's again for the first time in more than 5 months. Most market players foresaw this to happen in 2018 only and needless to say the owners and operators are pleased to see daily returns reach USD 17,000 and with a potential to improve further in the short term.



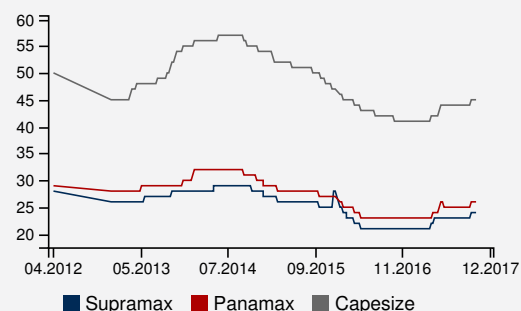
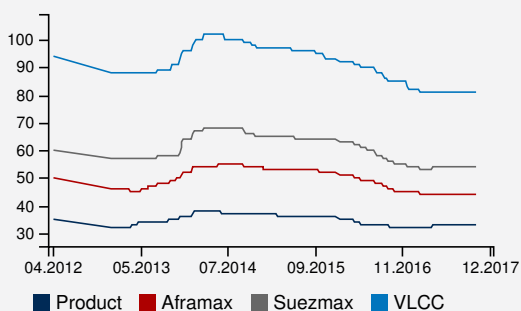
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Activity level

Tankers	Dry Bulk	Others
Low	Low	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	45.00	45.00	41.00	45.00
Panamax	82'dwt	25.50	25.50	23.00	25.50
Supramax	64'dwt	23.50	23.50	21.00	23.50
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	112.9	112.2	108.9	117.6
USD/KRW	1 130	1 132	140.9	1 206
USD/NOK	7.95	7.90	7.77	8.66
EUR/USD	1.18	1.19	1.04	1.20

Interest rate

LIBOR USD 6 mnths	1.55	1.52	1.32	1.55
NIBOR NOK 6 mnths	0.90	0.86	0.86	1.29

Commodity prices

Brent spot (USD)	58.46	56.60	46.15	58.46
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Bunker prices

Singapore	380 CST	350.0	339.0	350.0
	180 CST	380.0	366.0	380.0
	Gasoil	525.0	513.0	525.0
Rotterdam	380 HSFO	328.0	318.0	328.0
	180 CST	350.0	345.0	350.0
	Diesel	522.0	499.0	527.0

NEWBUILDING

Two Norwegian owners have reportedly placed bulk orders at New Times. 2020 Bulk, fronted by Tor Olav Troim, have signed an LOI for two firm Newcastlemaxes, with two options. Fredriksen is rumoured to have returned to New Times for two firm Capesizes, with up to four options.

SALE AND PURCHASE TRANSACTIONS

Type	Vessel	Size	Built	Buyer	Price	Comm.
MT	Ocean Mare	106 004	2006	Greek	13,25	Auction Sale
MT	High Prosperity	48 711	2006	Norwegian	14,30	Incl 6yr TC back
MT	Seaways Ambermar	35 970	2002	Undisclosed	8,50	
BC	Bulk India	177 640	2004	European	15,20	
BC	CSK Fortune	175 526	2003	Greek	12,85	
BC	Mediterranean Trader	169 237	2008	Cyprus Maritime	17,70	
BC	Tenmyo Maru	58 749	2008	Greek	13,80	
BC	Rowan1	57 970	2010	Oldendorff	10,15	
BC	Sibai	57 000	2011	Rhodium Resources	11,90	
BC	Saratov	57 000	2011		11,90	
BC	Chang Hua	53 000	2012	Chinese	12,20	
BC	Milestone	52 370	2003	Chinese	9,00	
BC	Le Tong Patriot	50 785	2006	Chinese	6,50	
BC	Great Mary	32 170	2000	Chinese	5,30	
BC	Clipper Trader	30 487	2008	European	7,10	
BC	Clipper Tradition	30 465	2009		7,60	
BC	Clipper Titan	30 439	2009		7,30	
BC	Clipper Terminus	30 425	2010		8,10	
BC	Hope Star	28 294	1995	Chinese	2,70	
BC	Pac Star	28 255	1995		2,70	

DEMOLITIONS

Sold for demolition

Vessel name	Size	Ldt	Built	Buyer	Price
MV Melite	76 436	10 159	2004	Undisclosed	255
CONT Gitte	9 868	4 571	1992	Pakistani	397
MISC Armada Condor	4 500	3 773	1978	Indian	420
CONT SSL Sagarmala	9 887	3 307	1989	Bangladeshi	400