



# Fearnleys Weekly Report

## Activity level

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

	Last week	Prev. week
VLCCs fixed all areas last week:	55	52
VLCCs avail. in MEG next 30 days:	109	116

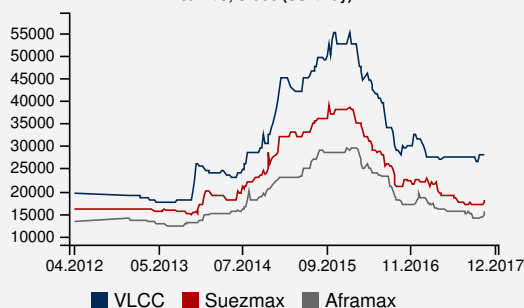
## Rates

DIRTY (Spot WS)		This week	Last week	Low 2017	High 2017
MEG / West	VLCC	28.00	29.00	20.00	60.00
MEG / Japan	VLCC	69.00	70.00	39.00	96.50
MEG / Singapore	VLCC	70.00	71.00	40.00	96.00
WAF / FEAST	260,000	71.50	72.50	46.00	97.50
WAF / USAC	130,000	97.50	85.00	52.50	117.5
Sidi Kerir / W Me	135,000	97.50	95.00	62.50	117.5
N. Afr / Euromed	80,000	125.0	155.0	70.00	190.0
UK / Cont	80,000	105.0	120.0	85.00	125.0
Caribs / USG	70,000	100.0	110.0	82.50	215.0

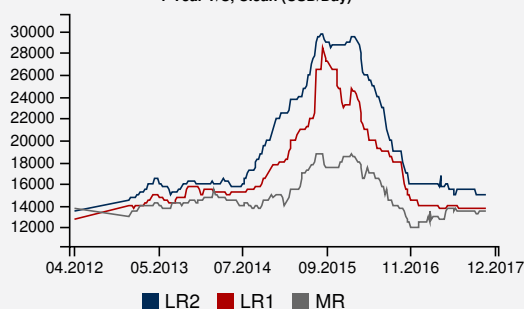
CLEAN (Spot WS)		This week	Last week	Low 2017	High 2017
MEG / Japan	75,000	125.0	112.5	80.00	155.0
MEG / Japan	55,000	120.0	107.5	100.0	150.0
MEG / Japan	30,000	172.5	158.0	120.0	175.0
Singapore / Japan	30,000	175.0	170.0	130.0	215.0
Baltic T/A	60,000	100.0	97.50	85.00	155.0
UKC-Med / States	37,000	105.0	97.50	97.50	210.0
USG / UKC-Med	38,000	90.00	72.50	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)	18 000	17 500	17 000	22 800
Aframax	(modern)	15 500	14 750	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	12 500	13 750

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



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



## TANKERS

### Crude

A quiet week for the VLCC's and the Atlantic basin is still lacking ships with natural positions for the respective fixing windows. Therefore the Caribs and the Nsea are seeing rates firming and charterers stretching well forward on dates. The Meg has lacked activity and rates have eased slightly, but further testing required as charterers are likely to try to shave last done at W70 for Meg/east voyages for modern units. Wafr/East is stable and holding for now, backed by the strong demand in Caribs. Recently suezmax owners found enough action to finally drive rates through the w100 mark for TD20, a combination of a flow of early 2nd decade cargoes and building delays in the Bsea allowed the lists to start tightening. The Bsea initially felt the pressure with rates moving up into w107.5 territory this pressure then spilled over into the Med and West Africa. The latter part of last week saw charterers take a pause in cargo offerings and thus the tonnage began to build again. Currently there is an element of slippage and rates have fallen off slightly. The week ahead likely has a more steady feel as owners will unlikely allow levels to fall further. Aframax trading in the Nsea and Baltic experienced a massive drop in rates this week. Despite some bad weather in the region and delays in strategic ports, rates came off as a result of less activity. Furthermore, majority of available cargoes got covered on oil-company relets adding to the downward pressure on rates. Going forward we might see a positive effect from firmer neighbouring markets. The Med and Bsea continues to be a tricky market to call. The rates continue to move chunks at a time, in both directions. We are currently finding ourselves at the verge of a falling and a firm market, as strange as it sounds. All Owners are now fixated on the heavy 3rd decade Bsea program while the charterers are pointing out that there is not enough going on to even employ their own tonnage. We believe the owners might be right this time around, but the question is still; when and for how long will it last.

### Product

**EAST OF SUEZ** Finally some signs of a strengthening market in the Middle East Gulf and rates have been improving for all sizes in the region. LR2's have able to secure rates today at ws125 which is ws12,5 points higher than last week. Same increase have also LR1's obtained and they are today fixing their vessels at around ws120. Rates for fixing westwards have also improved, but only slightly and levels are today at USD 1,85 mill for LR2's and USD 1,325 for LR1's. The standard MR fixture from west coast India to Japan have improved from to ws172,5 from ws157,5 last week. In the Far East the momentum is also positive and the short haul voyage from south Korea to Japan has improved from USD 325' to USD 345' today and the MR voyage from Singapore to Japan is today at ws175 up ws5 points since last week. **WEST OF SUEZ** In the Atlantic rates have had a slightly positive trend, but we are coming from very low levels. The straight mr voyage from Continent to States is today being concluded around the ws105 mark, up ws5 points since last week. The most positive in the Atlantic this week has been the backhaul cargo from U.S gulf to the Continent which have improved from ws70 level to ws90. Owners able to take advantage of this triangulation trade have been able to increase daily earnings from usd 4.000 per day to Usd 6.000 per day. Lr1's trading to west Africa is still being paid ws100 level. The declining rates for Lr2's fixing from Mediterranean to the Fareast has slowed and today the rate is around Usd 1,725 mill level. Handies trading in the Mediterranean and on the Continent are more or less unchanged from last week at around ws 130/135 Level for both areas.



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## Activity level

Capesize	Panamax	Supramax
Mixed	Mixed	Slower

Rates	This week	Last week	Low 2017	High 2017
<b>CAPE SIZE (usd/day, usd/tonne)</b>				
TCT Cont/Far East (180' dwt)	33 000	33 000	12 000	35 000
Tubarao / R.dam (Iron ore)	10.40	10.20	4.00	10.40
Richards Bay/R.dam	9.60	9.50	4.00	9.60
<b>PANAMAX (usd/day, usd/tonne)</b>				
Transatlantic RV	11 500	11 500	5 600	14 800
TCT Cont / F. East	18 500	19 000	11 600	21 000
TCT F. East / Cont	6 100	6 200	2 500	8 600
TCT F. East RV	12 000	13 500	2 500	14 000
Murmansk b.13-ARA 15/25,000 sc	7.65	7.75	5.00	8.00
<b>SUPRAMAX (usd/day)</b>				
Atlantic RV	12 000	13 000	8 250	13 000
Pacific RV	11 000	11 000	3 900	11 000
TCT Cont / F. East	19 000	19 000	12 000	20 000
<b>1 YEAR T/C (usd/day)</b>				
Capesize 180,000 dwt	16 000	17 000	10 250	17 000
Capesize 170,000 dwt	15 000	15 500	8 650	15 500
Kamsarmax 75,000 dwt	11 500	11 250	7 250	12 400
Ultramax 53,000 dwt	10 650	10 650	6 600	10 750
<b>Baltic Dry Index (BDI):</b>	<b>1496</b>	<b>1573</b>	<b>n/a</b>	<b>n/a</b>

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



## Activity level

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

LPG Rates	* Excl. waiting time, if any			
SPOT MARKET (usd/month)*	This week	Last week	Low 2017	High 2017
VLGC / 84,000	540 000	540 000	180 000	765 000
LGC / 60,000	500 000	500 000	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	230 000	110 000	230 000
LPG/FOB prices (usd/tonne)	Propane	Butane	ISO	
FOB North Sea / ANSI	524.5	502.5		
Saudi Arabia / CP	575.0	580.0		
MT Belvieu (US Gulf)	501.5	482.5	502.3	
Sonatrach : Bethioua	525.0	528.0		

## LNG

SPOT MARKET (usd/day)	This week	Last week	Low 2017	High 2017
East of Suez 155-165'cbm	53 000	52 000	25 000	53 000
West of Suez 155-165'cbm	60 000	60 000	29 000	60 000
1 yr TC 155-165'cbm	42 000	42 000	31 000	42 000

## DRY BULK

### Capesize

The Capesize market is still performing in line with expectations. October has been a relatively strong month, with average time charter rates for October above USD 20,000 daily. Both the Atlantic and the Pacific are fairly balanced, although there has been a tendency of tighter tonnage supply in both basins than we have seen for some time recently. In the Pacific this is mainly due to weather factors whilst in the Atlantic it is a result of increased Brazilian iron ore as well as US coal exports, where there has been more volume second half of this year.

### Panamax

It has been a new slow week for the Panamaxes. After a disjointed week largely affected by Coaltrans in Barcelona combined with little new fresh cargoes in the market the rates are again under pressure, especially in the Pacific region. Nevertheless, the North Atlantic appeared to have steadied a bit the last couple of days with a more balanced market between cargoes and tonnage. In the Atlantic region the TA market is priced at mid 11k's, while FH rates are around mid 18k's. The sentiment in Asia appears to remain soft and a transpacific RV is now priced at around 12k's with limited activity been reported. FFA's, Nov is priced at high 12k's, while Q1 2018 is priced at 10k's on the P4TC index

### Supramax

The Supramax market has lost its momentum, rates are dropping mostly on hauls where trips from USG to Singapore Japan range now at low 20s. Trips from cont to South America are being fixed below 8k daily, tick more to USG. Due to current shortage of cargo in Pacific, and Chinese Coal import is heavily slowed by strict custom clearance, coal round trip have fallen back to 11k passing Singapore on Mitsui 56 type, and today there is rumor one dolphin type fixed 9k dop S.China for 1tct via Indo with bauxite to N.China. One nickel ore carrier was fixed at 10250 for 1tct nickel ore round trip, and another Ultramax 61k nickel ore carrier open CJK fixed 11k for same trip.

## GAS

### Chartering

An imminent lack of chartering activity in the east of Suez market has led to the Baltic started sliding and as such, MEG lifters seems to have taken a "wait and see" approach for further direction. The latest fixture ex MEG has reportedly been concluded in the high USD 20's pmt bss RT/Chiba and with a couple of relets still available for November dates, it is expected to continue downwards in the short term. Indian charterers are running the show on the VLGCs and it is expected a handful of additional cargoes destined for India will be floated going forward. Vessel availability for November is very limited in the US Gulf and accordingly, a relatively prompt vessel enquiry was fixed at a considerable premium to last done on Houston/Flushing basis. Nevertheless, it is likely that the West market may be in for a slight downturn on the back of both trader relets and conventional owners having open positions for December liftings. A couple of enquiries ex West Africa, have absorbed vessels in ballast from the East at rates slightly above current Baltic rates.



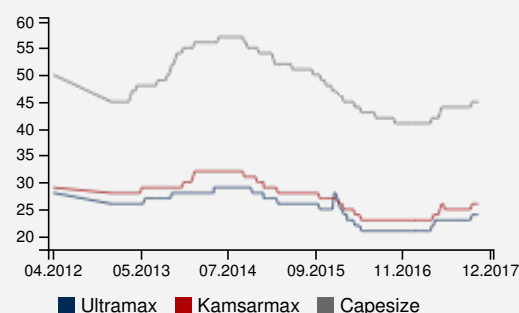
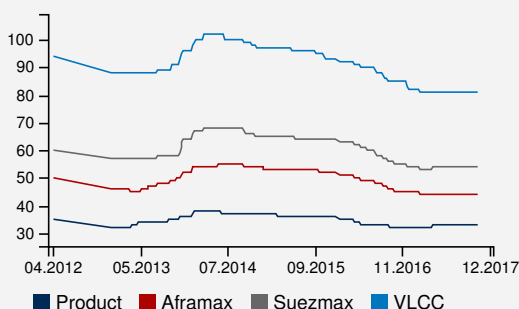
# Fearnleys Weekly Report

## Activity level

Tankers	Dry Bulk	Others
Low	Moderate	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
Kamsarmax	82'dwt	26.00	25.50	23.00	26.00
Ultramax	64'dwt	24.00	23.50	21.00	24.00
LNGC	170'cbm - MEG	184.5	184.5	184.0	184.5



## Market brief

	This week	Last week	Low 2017	High 2017
<b>Rate of exchange</b>				
USD/JPY	114.1	113.6	108.9	117.6
USD/KRW	1 110	1 127	140.9	1 206
USD/NOK	8.10	8.03	7.77	8.66
EUR/USD	1.16	1.18	1.04	1.20
<b>Interest rate</b>				
LIBOR USD 6 mths	1.57	1.57	1.32	1.57
NIBOR NOK 6 mths	0.88	0.91	0.86	1.29
<b>Commodity prices</b>				
Brent spot (USD)	61.40	58.06	46.15	61.40
<b>Bunker prices</b>				
Singapore 380 CST	370.0	343.0		370.0
180 CST	390.0	370.0		390.0
Gasoil	542.0	521.0		542.0
Rotterdam 380 HSFO	348.0	324.0		348.0
180 CST	374.0	352.0		374.0
Diesel	524.0	502.0		527.0

## NEWBUILDING

This week we saw more VLOC orders related to the COAs from Vale, as Korea Line ordered two VLOCs at Hyundai for \$82m per vessel. In the container segment COSCO, Sinotrans and Zhonggu have agreed to build six river box ships at WUT Guangda. Interesting to note is an expected order from COSCO Energy Transportation of 14 tankers at DSIC and CSSC Offshore & Marine Engineering. The 14 tankers include four VLCCs, three Suezmaxes, five Aframaxes and two MR2s.

## NEWBUILDING CONTRACTS

Type	No	Size	Yard	Buyer	Del	Price	Comm
BC	1	20,500 dwt	Fujian Southeast	Fujian Yonghang	2019		
BC	2	64,000 dwt	CSSC Chenxi	Nova	2019		
BC	1	82,000 dwt	Jinling	Qingdao Da Tong	2019		Declared option
CONT	6	1,140 teu	WUT Guangda	COSCO, Sinotrans & CSC and Zhonggu	2019 abt.	\$ 7.5 m	
VLOC	2	325,000 dwt	Hyundai Heavy	Korea Line	2020	\$ 82 m	

## SALE AND PURCHASE TRANSACTIONS

Type	Vessel	Size	Built	Buyer	Price	Comm.
MT	Gener8 Zeus	318 325	2010	International Seaways	53	
MT	RS Kaystros	158 000	2017	Polemis	49,70	
MT	LR Aldebaran	109 672	2007	NGM Energy	15,80	
BC	Pugnani	76 602	2004	Apeejay Surrendra	11,60	
BC	Darya Uma	76 520	2005	Far Eastern	12,50	
BC	Clipper Kasashio	32 221	2008	Vietnamese	9,35	
BC	Alkar trust	30 835	1997	Undisclosed	4,00	
BC	Dubai Castle II	29 409	2000	Undisclosed	mid 4's	

## DEMOLITIONS

### Sold for demolition

Vessel name	Size	Ldt	Built	Buyer	Price
MV Silver Express	161 010	20 039	1995	Pakistani	428
MV Theofano Star	72 651	9 970	1998	Pakistani	364
GC Sai Sunrise	14 101	6 635	1989	Undisclosed	396
GC Selatan Datang	3 956	1 667	1997	Bangladeshi	335