



# Fearnleys Weekly Report

## Activity level

VLCC	Suezmax	Aframax	P.E. of Suez	P.W. of Suez
Firmer	Weak	Mixed	Stable	Stable

	Last week	Prev. week
VLCCs fixed all areas last week:	50	55
VLCCs avail. in MEG next 30 days:	124	109

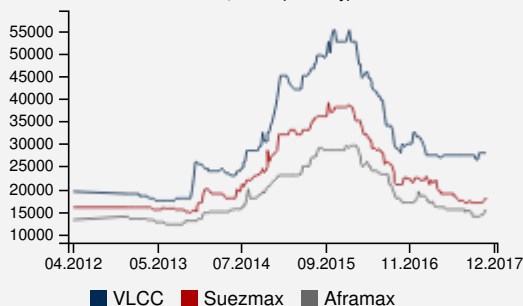
## Rates

DIRTY (Spot WS)		This week	Last week	Low 2017	High 2017
MEG / West	VLCC	27.00	28.00	20.00	60.00
MEG / Japan	VLCC	70.00	69.00	39.00	96.50
MEG / Singapore	VLCC	72.00	70.00	40.00	96.00
WAF / FEAST	260,000	71.00	71.50	46.00	97.50
WAF / USAC	130,000	80.00	97.50	52.50	117.5
Sidi Kerir / W Me	135,000	87.50	97.50	62.50	117.5
N. Afr / Euromed	80,000	102.5	125.0	70.00	190.0
UK / Cont	80,000	85.00	105.0	85.00	125.0
Caribs / USG	70,000	100.0	100.0	82.50	215.0

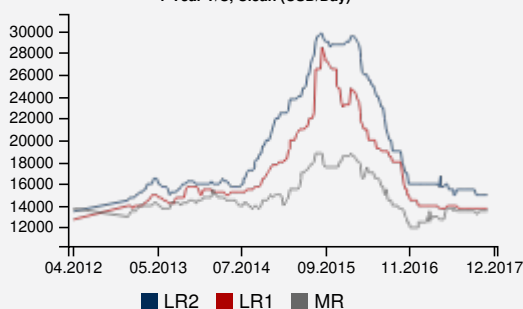
CLEAN (Spot WS)		This week	Last week	Low 2017	High 2017
MEG / Japan	75,000	125.0	125.0	80.00	155.0
MEG / Japan	55,000	125.0	120.0	100.0	150.0
MEG / Japan	30,000	172.5	172.5	120.0	175.0
Singapore / Japan	30,000	177.5	175.0	130.0	215.0
Baltic T/A	60,000	110.0	100.0	85.00	155.0
UKC-Med / States	37,000	105.0	105.0	97.50	210.0
USG / UKC-Med	38,000	115.0	90.00	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)	17 750	18 000	17 000	22 800
Aframax	(modern)	15 500	15 500	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

The VLCC market remained flat during the last week for modern tonnage as charterers focused more on older units, ex dd, no sire etc willing to accept a tempting rebate about some 12-15 ws-points for east voyages. The rebate closed in as the week progressed and increasing resistance from owners were seen. Looking ahead, owners' sentiment remains strong as the remaining 3rd decade cargoes are being worked. Delays still evident in the Far East and adds further pressure. The Suezmax market has been under pressure over the past week, activity in West Africa has slowed to a trickle and naturally the tonnage list has swollen allowing charterers to chip away at levels from the early ws100's down to low ws80's. The Bsea and Med weather delays have reduced to minimal and again cargo activity has been scarce allowing TD6 to fall sharply down to ws90. Current market conditions buck the normal 4th quarter more healthy market trend and owners are running out of time with December dates rapidly approaching. It is going to take a large volume of cargoes lot to soak up the current tonnage back log. However, a higher oil price is pushing up the bunker prices which in turn is eroding earnings, this could be the brake to stop further rate slippage ahead. Aframax trading in the Nsea and Baltic experienced a continued decrease in rates this week. Less cargo activity coupled with an oversupply of available tonnage gave charterers the upper hand and an opportunity to push down the rates. Going forward we see an even further downside before we will see it firm again. Last week the owners in the Med and Bsea were holding for high numbers. But as the fundamentals of the market was pointing towards a softer market, the only thing keeping rates at such high levels were owners' persistence. By the start of this week, owners realized the list of available tonnage was too long to play hard to get, and caved in one at the time. The market has now dropped 40 points and we could see below ws100 by the end of this week.

### Product

**EAST OF SUEZ** After last week's turn of the sentiment in the in the Middle East Gulf one could have hoped for some more speed in the recovery. Rates for both LR1s and LR2s are almost unchanged from last week at ws125 for both sizes for Far East destinations. The fixing rate for Continent discharge is also more or less the same as last week at lumpsum USD 1.9 mill for LR2s and USD 1.325 mill for the LR1s. Same story with the MRs in the region, and the standard voyage from West Coast India to Japan is still at ws175 mark. In the Far East, rate have also traded sideways last week with the standard MR voyage from Singapore to Japan Still trading at ws177.5 level whilst the short haul voyage from South Korea to Japan still at lumpsum USD 345,000. **WEST OF SUEZ** In the Atlantic, rates have improved slightly but we are still at low levels. A straight MR voyage from Continent to States is today at same levels as last week, ws105. But fortunately, the back-haul rate from US Gulf has gained ws25 points this week and is today at ws115 level. This means that owners able to take advantage of this increase and fix a triangulation cargo have been able to increase daily earnings from about USD 6000 to USD 8000 today. LR1s trading in the Atlantic have also been able to improve rates and rate is up about ws10 points to ws110 level for West Africa discharge. Even the LR2s fixing from the Mediterranean to Japan have been able to secure slightly higher rates and is today fixing around lumpsum USD 1.750 mill. For the Handies trading on the Continent and in the Mediterranean rates are more or less unchanged from last week at around ws130 level in both areas.



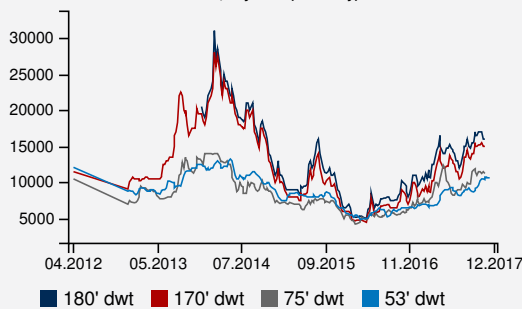
# Fearnleys Weekly Report

## Activity level

Capesize	Panamax	Supramax
Active	Weakening	Slower

Rates	This week	Last week	Low 2017	High 2017
<b>CAPE SIZE (usd/day, usd/tonne)</b>				
TCT Cont/Far East (180' dwt)	34 000	33 000	12 000	35 000
Tubarao / R.dam (Iron ore)	10.85	10.40	4.00	10.85
Richards Bay/R.dam	10.00	9.60	4.00	10.00
<b>PANAMAX (usd/day, usd/tonne)</b>				
Transatlantic RV	12 750	11 500	5 600	14 800
TCT Cont / F. East	18 500	18 500	11 600	21 000
TCT F. East / Cont	5 750	6 100	2 500	8 600
TCT F. East RV	11 000	12 000	2 500	14 000
Murmansk b.13-ARA 15/25,000 sc	8.20	7.65	5.00	8.20
<b>SUPRAMAX (usd/day)</b>				
Atlantic RV	13 000	12 000	8 250	13 000
Pacific RV	10 000	11 000	3 900	11 000
TCT Cont / F. East	18 000	19 000	12 000	20 000
<b>1 YEAR T/C (usd/day)</b>				
Capesize 180,000 dwt	16 000	16 000	10 250	17 000
Capesize 170,000 dwt	15 000	15 000	8 650	15 500
Kamsarmax 75,000 dwt	11 250	11 500	7 250	12 400
Ultramax 53,000 dwt	10 650	10 650	6 600	10 750
<b>Baltic Dry Index (BDI):</b>	<b>1486</b>	<b>1496</b>	<b>n/a</b>	<b>n/a</b>

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



## DRY BULK

### Capesize

Cape market started off flat and uninspiring, but mid-week it made a proper comeback. The main driver of the market have been the west Australia iron ore, where some spot requirements suddenly appeared. This pushed the market from mid USD 7 pmt close to mid USD 8 pmt in 24 hours. This just shows that the Cape market continue to stay volatile, to big excitement for the market players. Brazil to China have not been too active, but continue to be around a healthy USD 18 pmt. Pacific tc market is hovering around the USD 20k mark, and 1-year period is in the USD 15k level. The market keep showing resistance and ability to bounce back every time it is dropping. This show that there is strong fundamentals and support.

### Panamax

It has been a week with firm rates in the Atlantic region, while Pacific has continued the soft sentiment from last week with decreasing freight rates. Nevertheless, mid-week we saw a softer mood also in the Atl region with owners asking less money for their vessels on prompt dates. TA are at levels arid mid/high 12k's while fronthauls are being fixed in the 18 to 19k's, depending on duration. The sentiment in Asia remain soft with a transpacific RV priced at low 11k's and the expectations going forward still being negative. The short-term outlook for the Pmax market remain mixed and the softer trend in the Atl region questions the direction of the market. FFA's, Q1 18 is priced at arid 10k's on the P4TC index.

### Supramax

Atl market was quiet with holidays in Russia and festivities in Hamburg. Plenty of tonnage within Cont but few cargoes. Supra from Baltic to EMED was fixed around 14k/day. Scrap from Cont to Med went around 15.5k/day. USG was only exception where rates were picking up - fronthaul was being fixed at 21k with grains. SE Asia market had less activity too and moved further southern which touched sub USD 11k from Spore, around USD mid 9k from S.China. Many of already being performed Indo/S.China coal shipment had been rejected by port authority in S.China due to strengthen China gov quota and head Chrts are looking at N.China to alternatively sell the coal on board. No sign of recovery in the market is yet there.

## Activity level

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

### LPG Rates

\* Excl. waiting time, if any

SPOT MARKET (usd/month)*	This week	Last week	Low 2017	High 2017
VLGC / 84,000	410 000	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	245 000	240 000	190 000	245 000
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)	491.7	457.5	473.5
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	53 000	25 000	53 000
West of Suez 155-165'cbm	60 000	60 000	29 000	60 000
1 yr TC 155-165'cbm	46 000	42 000	31 000	46 000

## GAS

### Chartering

After a quiet start of the week, the market for end November fixing in the MEG turned quickly. In all likelihood, the short term negative trend is over as the remaining vessel positions are controlled by merely a couple of pure owners. A couple of cargoes, including one from an Indian PSU has yet to be covered. In the West, there is a Bonny cargo tender in the market which may attract some interest towards the end of this week. In the US, the market was rather still-standing this week, largely due to a negative arb. But an industry conference in Panama also have to take some of the blame, taking several market participants away from their desks. For the pressurised Coaster segment, it is interesting to note Statoil sent out a timecharter enquiry basis 2x5000 cbm (PR) LPG/c's for delivery between July 19 and June 20. They are open for offers basis existing tonnage and/or NB's for TC period between 3 up to 5 years firm plus up to 5 optional years. The market for the 5000 cbm PR tonnage has been firming steadily and with little new tonnage added to the fleet it will be interesting to see how the industry will assess this timecharter request.



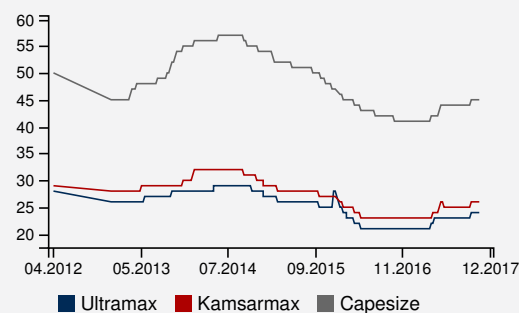
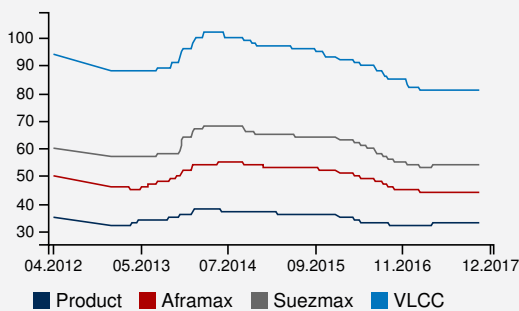
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## Activity level

Tankers	Dry Bulkers	Others
Low	Low	Moderate

## 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	26.00	23.00	26.00
Ultramax	64'dwt	24.00	24.00	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	113.5	114.1	108.9	117.6
USD/KRW	1 115	1 110	140.9	1 206
USD/NOK	8.17	8.10	7.77	8.66
EUR/USD	1.16	1.16	1.04	1.20

## Interest rate

LIBOR USD 6 mths	1.60	1.57	1.32	1.60
NIBOR NOK 6 mths	0.86	0.88	0.86	1.29

## Commodity prices

Brent spot (USD)	63.47	61.40	46.15	63.47
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## Bunker prices

Singapore	380 CST	377.0	370.0	377.0
	180 CST	381.0	390.0	390.0
	Gasoil	545.0	542.0	545.0
Rotterdam	380 HSFO	367.0	348.0	367.0
	180 CST	395.0	374.0	395.0
	Diesel	545.0	524.0	545.0

## NEWBUILDING

A slow week for tankers and dry bulkers, but some activity still. Eight firm orders reported in the container segment and five firm orders in the ferry and cruise segments. Interesting to note, it is confirmed that the 22,000 teu vessels ordered by CMA CGM at Hudong-Zhongguo and Shanghai Waigoqiao will be LNG-fuelled.

## NEWBUILDING CONTRACTS

Type	No	Size	Yard	Buyer	Del	Price	Comm
BC	1	82,000 dwt	Yangzijiang	Chartworld	2019		Declared option
CONT	2	1,668 teu	Yangzijiang	RCL	2019	\$ 19.6 m	+ 2 options
CONT	6	1,900 teu	Jinling	Zhonggu	2019 -		
Cruise	1	12,300 gt	Ulstein	Lindblad Expeditions	2020	\$ 134.6 m	+ 2 options
PAX	4	350 PAX	Astilleros Gondan	Balearia	2017/2018		eco-ships
PAX	2	68 m / 98 m	Damen	Govt. of Ontario	2019/2020		
TANK	1	50,000 dwt	Hyundai	Central Shipping Monaco	2018	\$ 32 m	

## SALE AND PURCHASE TRANSACTIONS

Type	Vessel	Size	Built	Buyer	Price	Comm.
MT	Besiktas Halland	7 701	2208	Kiltank Shipping	9,00	
MT	Sara Theresa	2 955	2003	Undisclosed	4,50	
BC	Nord Venture	82 211	2009	Undisclosed	18,10	
BC	Jiangsu Newyangzi Resale	81 800	2018	Scorpio Bulkers	25,00	
BC	Spring Eagle	58 096	2010	Thoresen Thai	15,40	
BC	New Era	53 125	2003	Akij Group	9,70	
BC	Hai Kuo	49 400	2004	Chinese	8,40	Auction sale
BC	Glory Mercy	37 302	2010	Undisclosed	9,50	
BC	Orient Acrux	32 702	2013	Undisclosed	13,30	
BC	Kittiwake	32 555	2007	Greek	8,90	
BC	King Yukon	32 258	2009	European	10,50	
BC	Olympia IV	32 029	2008	Turkish	9,10	
BC	Clipper Ichiban	28 319	2009	Greek	8,50	
BC	Vinalines Star	26 456	1993	Nhat Viet Transportation	Undisclosed	

## DEMOLITIONS

### Sold for demolition

Vessel name	Size	Ldt	Built	Buyer	Price
CONT Delmas Swala	15 166	5 514	1994	Undisclosed	293
GC Victor Chertkow	7 148	4 101	1991	Bangladeshi	374