Fearnleys Weekly Report

Activity level

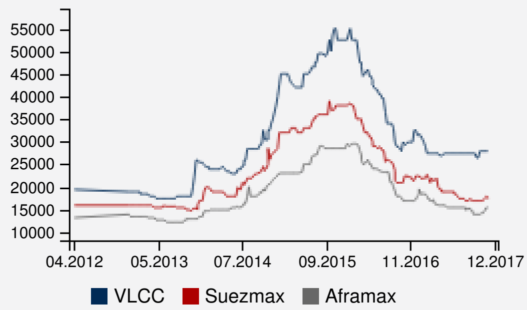
VLCC	Suezmax	Aframax	P.E. of Suez	P.W. of Suez
Stable	Soft	Mixed	Stable	Firming

	Last week	Prev.week
VLCCs fixed all areas last week:	57	50
VLCCs avail. in MEG next 30 days:	105	124

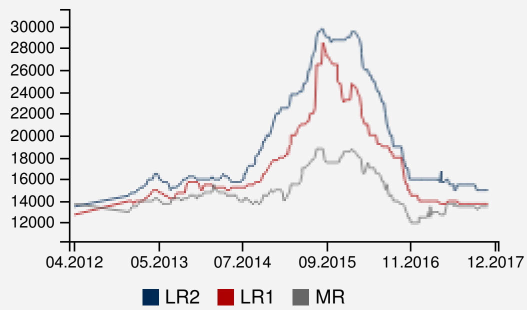
Rates

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	69.00	70.00	39.00	96.50
MEG / Singapore	VLCC	79.00	72.00	40.00	96.00
WAF / FEAST	260,000	70.00	71.00	46.00	97.50
WAF / USAC	130,000	72.50	80.00	52.50	117.5
Sidi Kerir / W Me	135,000	75.00	87.50	62.50	117.5
N. Afr / Euromed	80,000	100.0	102.5	70.00	190.0
UK / Cont	80,000	87.50	85.00	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	122.5	125.0	80.00	155.0
MEG / Japan	55,000	125.0	125.0	100.0	150.0
MEG / Japan	30,000	175.0	172.5	120.0	175.0
Singapore / Japan	30,000	177.5	177.5	130.0	215.0
Baltic T/A	60,000	105.0	110.0	85.00	155.0
UKC-Med / States	37,000	140.0	105.0	97.50	210.0
USG / UKC-Med	38,000	135.0	115.0	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)	17 500	17 750	17 000	22 800
Aframax	(modern)	15 500	15 500	14 000	18 500
LR2	105,000	15 000	15 000	15 000	16 750
LR1	80,000	13 750	13 750	13 750	14 000
MR	47,000	13 500	13 500	12 500	13 750

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



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



TANKERS

Crude

The VLCC Meg program for November was concluded last week with some 132 done, volumes not seen since January. We are between the months and as usual activity a bit subdued. A couple of December deals done, but basically Bot cargoes and rates basically as per last done levels. Saudi stem-confirmations possibly out end week. Wafr/East activity also a bit slower, but owners remain resilient and rates remain stable as optimism in general still in place for the winter. The Suezmaxes have experienced rates steadily eroding over the past week, with Wafr slipping from the low w80's down to w72.5 for TD20, the end November cargoes were thin on the ground and other areas remained quiet allowing tonnage to build. Owners earnings have been further eaten into by increasingly expensive bunkers adding to the pain the earning levels are now below the $10 k per day threshold . So far the Turkish straits delays have been unseasonably minimal, although this is expected to change in the weeks ahead in the winter months. There is a glimmer of hope in the Med and Bsea where there has been a sudden flurry of action on the Aframaxes and lists have tightened. This was the trigger a year ago for Suezmaxes and owners will be watching with keen interest for any opportunity to capitalize. The week ahead currently has a softer feel but this could turn around on increased volume or weather delays. Norwegian meteorologists are guessing we will have a warm start to this winter season, and North Sea and Baltic aframax markets should be moving sideways heading towards December. The fact that there is a 5 day maintenance coming up in Primorsk undermines the "bold" statement above. The Med and Bsea softened last week, and has stayed rather flat ever since . However it is once again looking to firm up next week, as tonnage is quickly being picked up for early 1st decade, leaving the cross-med cargoes with fewer options going forward.

Product

EAST OF SUEZ Whilst the festivities have been ongoing in Dubai this week it has been little momentum for the owners to push rates upwards. In the Middle East Gulf, all segments are more or less unchanged from last week with the LR2s and LR1s fixing for Japan discharge both obtaining about ws122.5/125 mark. Rates for going to the Continent also more or less same at USD 1.8 mill for LR2 and USD 1.3 mill for LR1s. The standard MR voyage loading from west coast India to Japan is still at ws175 level. A little bit more mixed in the Far East where an MR voyage from Singapore to Japan is still being covered at ws177.5 level, whilst the short haul voyage from South Korea to Japan has increased from USD 345' to USD 380' today. WEST OF SUEZ By contrast, the market in the Atlantic has been active this week and the MR segment has been on fire. The rate for a straight Continent to the States has improved from ws105 to ws140 today and on the back of that the back-haul cargo from US Gulf to the Continent have also improved from ws105 to ws135 level today. This means that owners triangulating in the Atlantic are obtaining a daily return of about USD 14,000 compared to USD 8000 per day last week. Rates for LR1s are flat around the ws105 mark for a voyage to West Africa, and LR2s loading in the Mediterranean for Japan range are still being paid around the USD 1.750 mill mark. No change in rate levels for the handies trading in the Mediterranean and on the Continent. Rates are still in the region of ws125/130 level.

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DRY BULK

Capesize

Softening but overall still healthy. Uncertainty over Chinese industrial production and raw materials import policy, along with an apparent spot slowdown, causing near-term concern. Average daily earnings down some 6 pct w-o-w to come in at USD 20500, mostly due to reduced cargo flows and subsequent freight levels for the fundamental WAust/China- and related interpacific trades. Fronthaul trades see quite some volatility as well, but at less volumes. Period activity still low as ffa for 2018 is a prohibitive factor. Notable exceptions include 179000 dwt/built 2010 done for 12-15 months at USD 16k China prompt, also reported 176000 dwt/built 2007 fixing USD 14500 for 11-13 months but with jan/mar 2018 delivery.

Panamax

The activity has slowed down quite substantially the last week. Lack of fresh cargoes in both hemispheres and a growing tonnage list with prompt dates is putting pressure on the freight rates and again it is the Pacific region which is most exposed. TA and FH rates are respectively at levels ard low 11k’s and low 17k’s. The Atl market is expected to slide further in the coming days with negligible fresh biz, especially from US Gulf. The sentiment in Asia remain soft with a transpacific RV priced at 9k’s and the expectations going forward still being negative. Generally, the short-term outlook for the Pmax appears to be soft. FFA’s, Dec is priced at low/mid 10k’s, while Q1 is now priced at low 9k’s on the P4TC index.

Supramax

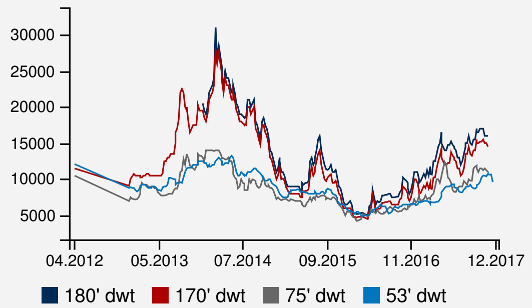
Another week with rates easing over all the Supra routes within Atl. Fhauls from USG got payed around 21-22k daily and ultras 1.5k more for same. Grain cargoes from Black Sea to SE Asia were fixed around 19k daily. Vessels from Cont to USG saw around 8000k daily. Seems that chrts are waiting with concluding any deals whilst owners are keen fix their tonnage.. The Pacific market has also continued the negative trend from last week. Supras are getting paid arnd mid USD 7k + 30k bb for Indo coal rounds to China, while rates from N.China to Seasia is around low/mid USD 6k. Supras have achieved high USDd 9k for salt trips from WCI to China and trips via S.Afr direction China has been done around low USD 12k + 220k.

Activity level

Capesize	Panamax	Supramax
Moderate	Soft	Weakening

Rates	This week	Last week	Low 2017	High 2017
CAPESIZE (usd/day, usd/tonne)				
TCT Cont/Far East (180' dwt)	32 000	34 000	12 000	35 000
Tubarao / R.dam (Iron ore)	11.00	10.85	4.00	11.00
Richards Bay/R.dam	10.00	10.00	4.00	10.00
PANAMAX (usd/day, usd/tonne)				
Transatlantic RV	11 250	12 750	5 600	14 800
TCT Cont / F. East	17 000	18 500	11 600	21 000
TCT F. East / Cont	5 000	5 750	2 500	8 600
TCT F. East RV	9 000	11 000	2 500	14 000
Murmansk b.13-ARA 15/25,000 sc	7.70	8.20	5.00	8.20
SUPRAMAX (usd/day)				
Atlantic RV	12 800	13 000	8 250	13 000
Pacific RV	8 000	10 000	3 900	11 000
TCT Cont / F. East	17 500	18 000	12 000	20 000
1 YEAR T/C (usd/day)				
Capesize 180,000 dwt	16 000	16 000	10 250	17 000
Capesize 170,000 dwt	14 500	15 000	8 650	15 500
Panamax 75,000 dwt	11 000	11 250	7 250	12 400
Supramax 53,000 dwt	9 600	10 650	6 600	10 750
Baltic Dry Index (BDI):	**1374**	**1486**	**n/a**	**n/a**

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



GAS

Chartering

The East players have been busy absorbing/planning their programmes after the release of the December ADNOC acceptances with some reported delays. It has yet to spark off any big activity, however, should something happen, the vessel avails are relatively tight seeing that a couple of owners control the majority of open vessels. Depending on how the December Saudi dates look (due to come out any time soon), potential relets may or may not appear. The West has been relatively calm on the surface, however, bits and pieces are being looked at in the quiet. Cargo buyers’ and sellers’ ideas are not matching for the time being, and most players are awaiting the US statistics due to be released later today. The week-on-week change on the Baltic VLGC index has gradually ticked upwards, with yesterday’s quote ending just above USD 31 pmt reflecting a time charter equivalent rate just above USD 500,000 per month/USD 16,500 per day, up some USD 140,000/month (or USD 4,500/day) from the week before.

Activity level

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

LPG Rates * Excl. waiting time, if any

SPOT MARKET (usd/month)*	This week	Last week	Low 2017	High 2017
VLGC / 84,000	465 000	410 000	180 000	765 000
LGC / 60,000	525 000	500 000	350 000	525 000
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	245 000	190 000	245 000
COASTER Europe	240 000	230 000	110 000	240 000

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)	502.1	476.2	494.1
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	64 000	60 000	29 000	64 000
1 yr TC 155-165'cbm	50 000	46 000	31 000	50 000

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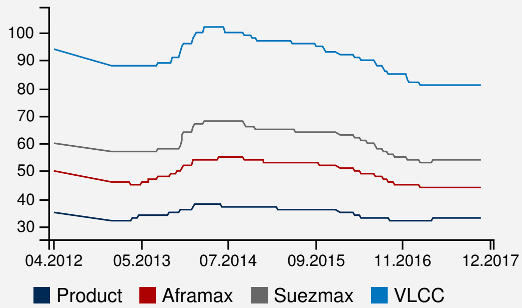
Activity level

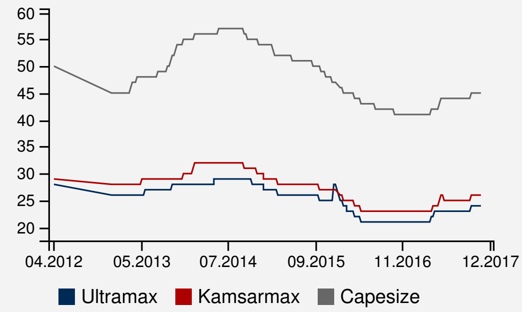
Tankers	Dry Bulkers	Others
Low	Moderate	Low

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	26.00	23.00	26.00
Ultramax	64'dwt	24.00	24.00	21.00	24.00
LNGC	170'cbm - MEGI	184.5	184.5	184.0	184.5





Market brief

		This week	Last week	Low 2017	High 2017
Rate of exchange					
USD/JPY		112.7	113.5	108.9	117.6
USD/KRW		1 112	1 115	140.9	1 206
USD/NOK		8.24	8.17	7.77	8.66
EUR/USD		1.18	1.16	1.04	1.20
Interest rate					
LIBOR USD 6 mnths		1.62	1.60	1.32	1.62
NIBOR NOK 6 mnths		0.90	0.86	0.86	1.29
Commodity prices					
Brent spot (USD)		61.47	63.47	46.15	63.47
Bunker prices					
Singapore	380 CST	372.0	377.0		377.0
	180 CST	375.0	381.0		390.0
	Gasoil	536.0	545.0		545.0
Rotterdam	380 HSFO	346.0	367.0		367.0
	180 CST	374.0	395.0		395.0
	Diesel	525.0	545.0		545.0

NEWBUILDING

A slow week in all segments except for dry bulk. The rumored deals from Troim and Fredriksen at New Times have been firmed up. Two firm Newcastlemaxes by Troim's 2020 Bulkers at New Times with up to six options. Fredriksen also ordered two firm Newcastlemaxes, with two options. The price is reported at USD 44.5 mill for both orders. Interesting to note, a LOI have been signed between Statoil and Sembcorp Marine to build a FPSO for the Johan Castberg field. The price is rumored to be USD 490 mill.

NEWBUILDING CONTRACTS

Type	No	Size	Yard	Buyer	Del	Price	Comm
BC	1	82,000 dwt	Taizhou Kouan	Aquavita	2020		+ 1 option
BC	1	82,000 dwt	Taizhou Kouan	W Marine	2020		+ 1 option
BC	3	82,000 dwt	Taizhou Kouan	Tomini	2020		
BC	2	208,000 dwt	New Times	2020 Bulkers			+ 6 options
BC	2	208,000 dwt	New Times	Fredriksen Group			+ 2 options
Tank	1	50,000 dwt	Hyundai	Central Shipping Monaco	2019	$ 35 m	Correction

SALE AND PURCHASE TRANSACTIONS

Type	Vessel	Size	Built	Buyer	Price	Comm.
MT	Cap Georges	148 000	1998	Indian	9,80	
BC	Archigetis	81 076	2011	Zela Shipping	xs 20	
BC	Glory Pegasus	77 663	1998	Undisclosed	7,80	
BC	Fighter	48 193	2001	Chinese	8,20	
BC	Atlantic Spirit	33 427	2007	Turkish	9,80	
BC	Atlantic Treasure	33 401	2008	Greek	10,00	

DEMOLITIONS

Sold for demolition

Vessel name	Size	Ldt	Built	Buyer	Price
MT Pacific Cape	109 354	19 826	2000	Undisclosed	417
MT Kola Bay	60 963	12 652	1983	Undisclosed	210
MV Mikhail Kutuzov	23 169	8 476	1979	Pakistani	373
MV Gulmar	27 652	5 903	1986	Pakistani	338
MT Razna	4 999	3 131	1984	Bangladeshi	360