



Fearnleys Weekly Report

Activity level

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

	Last week	Prev. week
VLCCs fixed all areas last week:	51	27
VLCCs avail. in MEG next 30 days:	145	135

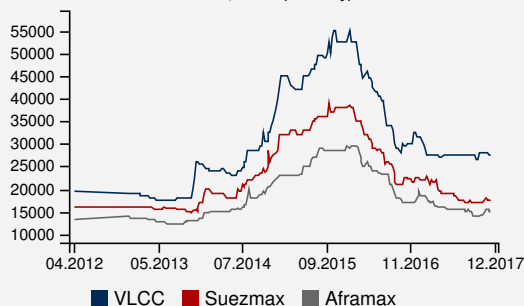
Rates

DIRTY (Spot WS)		This week	Last week	Low 2017	High 2017
MEG / West	VLCC	26.00	27.00	20.00	60.00
MEG / Japan	VLCC	57.50	62.50	39.00	96.50
MEG / Singapore	VLCC	58.50	64.00	40.00	96.00
WAF / FEAST	260,000	64.00	68.00	46.00	97.50
WAF / USAC	130,000	80.00	77.50	52.50	117.5
Sidi Kerir / W Me	135,000	77.50	77.50	62.50	117.5
N. Afr / Euromed	80,000	75.00	97.50	70.00	190.0
UK / Cont	80,000	87.50	105.0	85.00	125.0
Caribs / USG	70,000	160.0	145.0	82.50	215.0

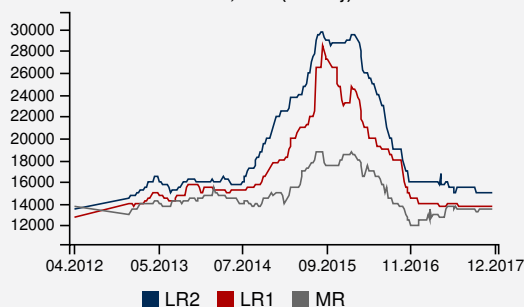
CLEAN (Spot WS)		This week	Last week	Low 2017	High 2017
MEG / Japan	75,000	110.0	122.5	80.00	155.0
MEG / Japan	55,000	127.5	130.0	100.0	150.0
MEG / Japan	30,000	177.5	180.0	120.0	180.0
Singapore / Japan	30,000	190.0	195.0	130.0	215.0
Baltic T/A	60,000	105.0	105.0	85.00	155.0
UKC-Med / States	37,000	135.0	125.0	97.50	210.0
USG / UKC-Med	38,000	125.0	140.0	70.00	150.0

1 YEAR T/C (usd/day) (theoretical)		This week	Last week	Low 2017	High 2017
VLCC	(modern)	27 500	27 500	26 500	30 000
Suezmax	(modern)	17 500	17 500	17 000	22 800
Aframax	(modern)	15 000	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

After a slow week for the VLCCs the tonnage list has grown in most loading areas. The lack of sufficient volumes has continued to weigh on the rates and hence softened. 'Ships-with-needs' continue to have a dampening effect on MEG/East which has also played onto the rates for modern tonnage which have dipped below ws60. Wafr/East also off the peak but appear stable mid ws60's. More tonnage in Caribs and slower activity has pushed rates lower here as well. All in all a bit under pressure despite the time of the year. The past week for Suezmaxes has been a continued battle for owners, the position lists have reflected high availability of tonnage in the west, however the owners' sentiment has been bullish and very determined to work the market up from current levels, they have managed to achieve a few extra points over the week with TD20 reaching ws82.5. Elsewhere the Bsea market the Turkish Straits delays have been fairly steady not overtly affecting freight rates with levels settling at the ws85 mark. Fixing activity increased as this week has progressed but it is going to take a combination of factors including weather delays and replacement deals to allow the market to see any decent improvement, the week ahead has a steady feel for now. Last week the Nsea and Baltic seemed to be able to provide a stable flow of cargoes going into Dec. Unfortunately, this has not been the case as all we have seen is tonnage coming free ready to fix. Consequently, Baltic market drop 10 points off last done. In the Med and Bsea the market is heading towards new lows this week. Even though the activity level the last couple of weeks have been decent, the amount of tonnage in the area is just fascinating. It seems like the owners figured out that Bsea/Med is the place to be closing in to winter months with the delays in Turkish straits etc, but with the amount of ships we see now, there is no chance for the market to recover. Caribs is the only Afra-market with decent returns atm but the volatility there prevents owners from ballasting over, so it seems there is no place to hide.

Product

EAST OF SUEZ This week the market in the Middle East Gulf has shown a different development for the LR1s and the LR2s trading to the Far East. The rate for LR1s has more or less been flat around the ws130 mark whilst the LR2s have had to accept a drop of ws10 points to ws110 today. For Continent destination rates for both sizes have declined about USD 75,000 to USD 1.325 mill for LR1s and USD 1.725 for LR2s. MRs have had a flat week with west coast India to Japan still paying around ws180. In the Far East, the short haul voyage from South Korea to Japan are showing some signs of fatigue and the rate is slightly reduced to USD 380' level. The straight MR voyage from Singapore to Japan also slightly lower at ws190 today. **WEST OF SUEZ** Fairly mixed in the Atlantic also this week. The straight MR voyage from the Continent to States have gained ws10 points and is today at ws135 level, whilst the back-haul cargo ex US Gulf has dropped about ws15 points this last week. Still, owners triangulating have daily earnings of about USD 13,500. Not much to report on the LR1s fixing West Africa where the rate has been flat around ws105 for some time now. Rate for LR2s loading from the Mediterranean back to the Far East has hopefully reached bottom and has this last few days gained about USD 25,000 to lumpsum USD 1.745 mill. The market for the Handies have gone in opposite directions this week and rates for vessels trading in the Mediterranean have gained close to ws30 points to ws185 level today, whilst their sisters in the North have seen a drop in rate of ws10 points to ws140.



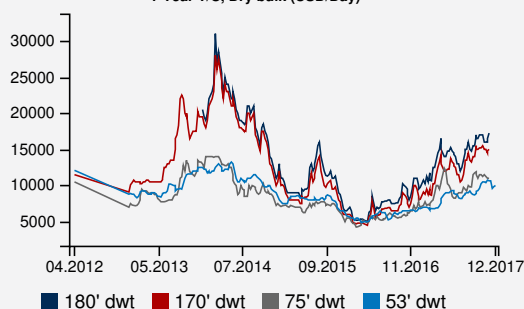
Fearnleys Weekly Report

Activity level

Capesize	Panamax	Supramax
Active	Increasing	Increasing

Rates	This week	Last week	Low 2017	High 2017
CAPESIZE (usd/day, usd/tonne)				
TCT Cont/Far East (180' dwt)	36 500	33 500	12 000	36 500
Tubarao / R.dam (Iron ore)	12.30	11.00	4.00	12.30
Richards Bay/R.dam	11.30	10.00	4.00	11.30
PANAMAX (usd/day, usd/tonne)				
Transatlantic RV	12 000	11 000	5 600	14 800
TCT Cont / F. East	17 500	17 000	11 600	21 000
TCT F. East / Cont	4 600	4 500	2 500	8 600
TCT F. East RV	10 000	9 000	2 500	14 000
Murmansk b.13-ARA 15/25,000 sc	7.90	7.60	5.00	8.20
SUPRAMAX (usd/day)				
Atlantic RV	13 000	13 000	8 250	13 000
Pacific RV	9 250	8 000	3 900	11 000
TCT Cont / F. East	16 000	17 000	12 000	20 000
1 YEAR T/C (usd/day)				
Capesize 180,000 dwt	17 250	16 500	10 250	17 250
Capesize 170,000 dwt	15 000	14 800	8 650	15 500
Panamax 75,000 dwt	11 000	11 000	7 250	12 400
Supramax 53,000 dwt	10 000	9 850	6 600	10 750
Baltic Dry Index (BDI):	1536	1413	n/a	n/a

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



DRY BULK

Capesize

Happy days for the big ships, with high and improving iron ore demand/prices in particular. Coal transaction volumes also higher than foreseen. Weather delays in China and also significantly increased Brazil activity adding fuel to a market segment on fire. Forward pricing at USD 18.00 for C3 and USD 8.00 for C5 basis January loading gives reason for faith entering a normally challenging period. Average earnings coming in at USD 26,600, best so far in 2017 and up 18 pct w-o-w. Gap between physical expectations and FFA's still prohibitive and consequent period activity limited, exceptions worthy of mention include 179,000 dwt, built 2016, delivering China prompt fetching USD 17k basis 11-13 months.

Panamax

Activity in the Panamax market has increased gradually in both hemispheres this week. More cargoes in the Atlantic has changed the sentiment, with the US Gulf as the current hotspot. TA and FH rates are respectively at levels around 12k's and mid 17k's. The sentiment in Asia has turned positive along with the Atlantic region. More activity in the Pacific region has increased the freight rates for a transpacific RV to high 9k's. Generally, the short-term outlook for the Panamax market appears to be positive with good activity been reported in both hemispheres and the trend is well backed by a flying Cape market. FFA's, Dec is priced at high 11k's, while Q1 is now priced at high mid 10k's on the P4TC index.

Supramax

Again, slight improvement from USG both on fronthaul and backhaul where Supras are seeing low mid 20s and very low 20s, respectively. Black Sea meantime still softening and fronthauls getting fixed around 17k and less daily. The Pacific market is continuing its positive trend and high activity with coal as the main driver. Ultras are achieving around USD 16k with Java delivery for Indo coal trips to China, while Aussie RVs to China is paying in the high USD 9k. Meanwhile, trips to WCI with SE Asia delivery has been fixed around low USD 10k on Supra, India coastal ECI to WCI is paying high USD 11k for Ultras and Safr to Singapore/Japan range is paying Supra ows around mid USD 11k+160k bb.

Activity level

COASTER	15-23,000 cbm	82,000 cbm
Firm	Stable	Moderate

LPG Rates

* Excl. waiting time, if any

SPOT MARKET (usd/month)*	This week	Last week	Low 2017	High 2017
VLGC / 84,000	458 000	465 000	180 000	765 000
LGC / 60,000	525 000	525 000	350 000	525 000
MGC / 38,000	430 000	420 000	420 000	550 000
HDY / 22,000	360 000	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	250 000	245 000	190 000	250 000
COASTER Europe	250 000	240 000	110 000	250 000

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)	520.4	465.5	488.2
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	65 000	65 000	25 000	65 000
West of Suez 155-165'cbm	70 000	70 000	29 000	70 000
1 yr TC 155-165'cbm	55 000	54 000	31 000	55 000

GAS

Chartering

Despite the Baltic LPG index breaking USD 30 pmt at the end of last week after a flurry of fixtures in the East, a couple of second half December trader relets have put a dampener on the sentiment and we are back in the high USD 20's again. Little or no vessels have been fixed in the spot market this week out of the Middle-East, however, a couple of short time charters were done for what can be considered as "restricted" trades. It is likely that the market will continue to soften somewhat before activity picks up again, then with eyes on last decade December. Saudi Aramco December CP is expected towards the end of the week, something which may spark some life into chartering activity. In the West, both end December and first half January liftings are being looked at ex-US Gulf, however, any significant firm chartering activity have yet to take place. As with the MEG, there are a few trader relets which are currently there to consider somewhat lower freight rates compared to pure Owners' ideas. A West/East arb which is not supporting current Houston/Chiba via Panama freight ideas is not helping. Two cargo tenders out of West Africa in the end of December and beginning January, are in the market at the moment, and are attracting some attention from various charterers.



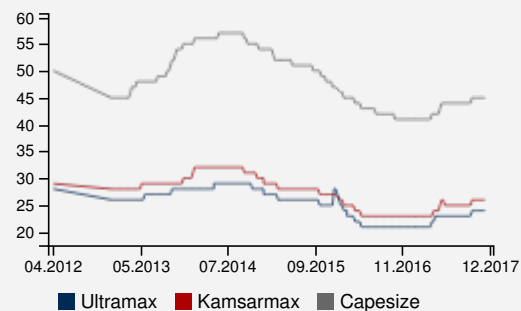
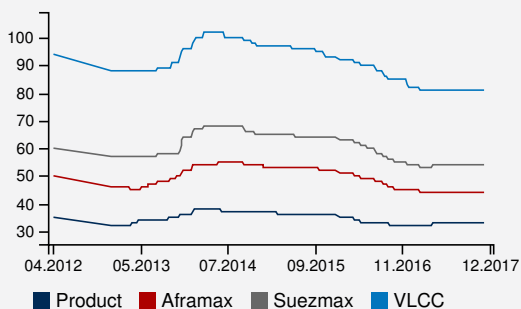
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Activity level

Tankers	Dry Bulk	Others
Moderate	Low	Slow

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
Rate of exchange				
USD/JPY	111.8	111.9	108.9	117.6
USD/KRW	1 077	1 089	140.9	1 206
USD/NOK	8.24	8.22	7.77	8.66
EUR/USD	1.18	1.18	1.04	1.20

Interest rate

LIBOR USD 6 mths	1.66	1.64	1.32	1.66
NIBOR NOK 6 mths	0.87	0.85	0.85	1.29

Commodity prices

Brent spot (USD)	63.54	63.14	46.15	63.54
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Bunker prices

Singapore				
380 CST	376.0	377.0		377.0
180 CST	379.0	380.0		390.0
Gasoil	549.0	563.0		563.0
Rotterdam				
380 HSFO	353.0	347.0		367.0
180 CST	383.0	377.0		395.0
Diesel	542.0	539.0		545.0

NEWBUILDING

The tanker market continues at a moderate pace, with six firm orders this week. Teekay returned to Samsung to declare options for two high spec. shuttle tankers of Suezmax size, with LNG propulsion and DP2, the delivered cost ex. yard is reported to be USD 125 million. Another interesting order, Sovcomflot exercised options at Hyundai Samho for two Aframaxes with Ice-Class 1A and dual-fuel, price is reported to USD 60M per vessel. We also see some orders in the container segment. Interesting to note is Zodiac Maritimes order at Hyundai for five 11,000 teu vessels with scrubbers fitted. The price is rumoured to be USD 90M per vessel, the vessels will go on time charter to Hyundai Merchant Marine when they are delivered.

NEWBUILDING CONTRACTS

Type	No	Size	Yard	Buyer	Del	Price	Comm
CONT	2	1,162 teu	Fujian Mawei	MarLink	2019		
CONT	5	11,000 teu	Hyundai	Zodiac Maritime	2019		Scrubber fitted
CHEM	6	11,000 dwt	Fujian Mawei	Ocean Tankers	2019/2020		+ 4 options
TANK	2	111,900 dwt	Sumitomo	Thenamaris	2020		
TANK	2	114,000 dwt	Hyundai Samho	Sovcomflot	2019		Dual fuelled / Ice-Class 1A / Declared options
TANK	2	154,000 dwt	Samsung	Teekay Offshore	2020		LNG fuelled / DP2 / Declared options

SALE AND PURCHASE TRANSACTIONS

Type	Vessel	Size	Built	Buyer	Price	Comm.
MT	DHT Eagle	309 064	2002	Ridgebury	22,2	
MT	DHT Utah	299 498	2001		22,2	
MT	DHT Utik	299 450	2001		22,2	
MT	Artois	298 330	2001	Ridgebury	22	
MT	Teide Spirit	159 426	2004	Eurotankers	18,40	
MT	Caletta	51 745	2011	Palonji	22,00	
MT	Seaways Andromar	46 195	2004	Greek	11,20	
BC	Rhodes VI	178 031	2009	Zodiac	48,00	
BC	Alexandria VII	178 005	2010			
BC	Zed	73 301	1996	UEA based	6,00	
BC	Equinox Glory	61 299	2016	Vrontados	25,50	

DEMOLITIONS

Sold for demolition

Vessel name	Size	Ldt	Built	Buyer	Price
MT OS Arcadia	298 960	42 173	1996	Bangladeshi	419
MT Green Trader	156 105	24 846	1993	Undisclosed	417
MV POS Dedicator	208 393	24 724	1993	Pakistani	440
MV Silver Voyager	170 409	20 622	1999	Pakistani	461
MV POS Harvester	148 918	17 489	1992	Pakistani	440
MV Navios Gemini S	68 636	9 744	1994	Pakistani	443
MV Gem of Paradip	41 090	7 626	1984	Bangladeshi	396