Fearnleys Weekly Report

Activity level

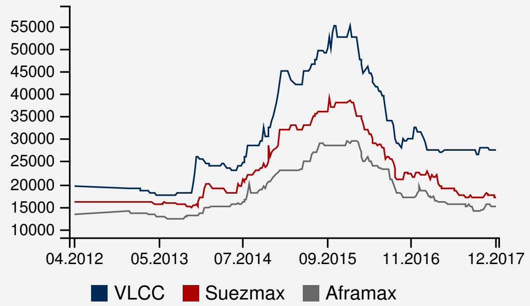
VLCC	Suezmax	Aframax	P.E. of Suez	P.W. of Suez
Stable	Stable	Mixed	Soft	Firm

	Last week	Prev.week
VLCCs fixed all areas last week:	54	61
VLCCs avail. in MEG next 30 days:	130	133

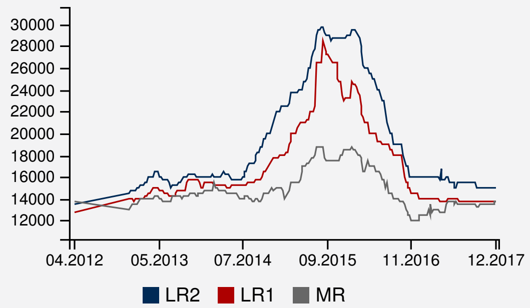
Rates

DIRTY (Spot WS)		This week	Last week	Low 2017	High 2017
MEG / West	VLCC	24.00	25.00	20.00	60.00
MEG / Japan	VLCC	53.00	49.00	39.00	96.50
MEG / Singapore	VLCC	54.00	50.00	40.00	96.00
WAF / FEAST	260,000	56.00	53.50	46.00	97.50
WAF / USAC	130,000	87.50	85.00	52.50	117.5
Sidi Kerir / W Me	135,000	82.50	85.00	62.50	117.5
N. Afr / Euromed	80,000	110.0	90.00	70.00	190.0
UK / Cont	80,000	100.0	102.5	85.00	125.0
Caribs / USG	70,000	150.0	165.0	82.50	215.0
CLEAN (Spot WS)		**This week**	**Last week**	**Low 2017**	**High 2017**
MEG / Japan	75,000	100.0	110.0	80.00	155.0
MEG / Japan	55,000	125.0	137.5	100.0	150.0
MEG / Japan	30,000	165.0	172.5	120.0	180.0
Singapore / Japan	30,000	175.0	180.0	130.0	215.0
Baltic T/A	60,000	135.0	140.0	85.00	155.0
UKC-Med / States	37,000	165.0	150.0	97.50	210.0
USG / UKC-Med	38,000	155.0	145.0	70.00	155.0
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)	17 000	17 000	17 000	22 800
Aframax	(modern)	15 000	15 000	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	14 000	13 750	12 500	14 000

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



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



TANKERS

Crude

After a slow period with rates sliding for all the major VLCC-routes we have this week seen a 180 degree turn. As soon as stem confirmations in the MEG were clear for Jan and the holidays approaching quickly, activity soared as all seemed to decide to cover prior x-mas. Optimism did rise among owners along with super high volumes, but rates have however only slightly increased, simply as tonnage has been in abundance. A lacklustre end to the year for Suezmax owners as activity in Wafr over the past week has been thin. A holding factor has been the rising bunker prices which have caused the owners to dig in refusing less than ws90 for TD20, giving tce returns of close to USD 14k per day. The west position lists are swelling and there will be a large carry over of tonnage into the 2nd decade of January for Wafr if the current malaise continues. The Bsea has too been considerably slow on activity with ws92.5 seemingly the conference rate for TD6. Owners sentiment is currently resigned to a depressed market over the Christmas period, they will be hoping that the New Year brings increased cargo volume and a 2018 with less newbuilding deliveries flooding the market. Nsea and Baltic Aframaxes definitely had potential to move in the beginning of this week. The result was a minor upward correction as the owners with a lot of tonnage didn’t want to get stuck with spot ships over the holidays. As a consequence they had to try to repeat close to last done. In the Med and Bsea it looked for a short while like we were finally heading towards the very familiar Christmas rush. However, it never reached above ws120 and it was over in a heartbeat. So, we are at the time of writing back to a softening market.

Product

EAST OF SUEZ With the year coming to an end and the festivities starts, the market in the Middle East Gulf seems a little bit depressed. With slower activity comes softening rates, which owners have experienced last few days. Rate for LR2s have slided from ws110 to ws100 today and the LR1s have seen rates drop from ws140 level to ws125 today, and with confidence fading we might see rates come under further pressure. Voyages to the Continent are also softening for both sizes and is today at about USD 1.6 mill for LR2s and USD 1.25 mill for LR1s. The MRs in the region have not either been able to avoid falling rates, and the standard voyage from west coast India to Japan is down about ws10 points to ws165 today. Also in the Far East rates have come under pressure and the short haul voyage from South Korea to Japan fell from USD 350’ to USD 320’ today, and the MR voyage from Singapore to Japan is today at ws175 level, down from ws180. WEST OF SUEZ The market in the Atlantic seems to be in a higher Christmas spirit with rates on move upwards. A straight MR voyage from Continent to States has gained ws15 points last week and the back-haul voyage from US Gulf is up ws10 points, meaning daily return for an MR triangulation today is about USD 19,000, up from USD 16,500 last week. LR1s are the only ones with a slight decline in rates this week with a ws5 points decline to ws135 level today for west Africa discharge. LR2s loading in the Mediterranean for the Far East are still getting higher rates and rates paid today is close to USD 2.2 mill. Handies trading in the Mediterranean are today trading at ws210 level compared to ws180 last week, whilst their sisters on the Continent have been able to increase rate from ws190 to ws210 today.

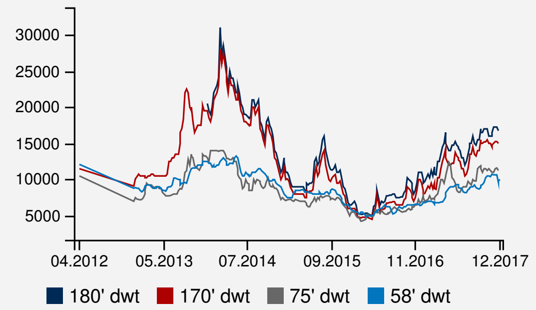
Fearnleys Weekly Report

Activity level

Capesize	Panamax	Supramax
Slow	Weakening	Soft

Rates	This week	Last week	Low 2017	High 2017
CAPESIZE (usd/day, usd/tonne)				
TCT Cont/Far East (180' dwt)	30 000	41 300	12 000	41 500
Tubarao / R.dam (Iron ore)	10.90	13.60	4.00	13.60
Richards Bay/R.dam	10.90	12.40	4.00	12.40
PANAMAX (usd/day, usd/tonne)				
Transatlantic RV	14 500	18 000	5 600	18 000
TCT Cont / F. East	18 500	20 500	11 600	21 000
TCT F. East / Cont	5 000	5 200	2 500	8 600
TCT F. East RV	10 500	11 500	2 500	14 000
Murmansk b.13-ARA 15/25,000 sc	8.65	9.50	5.00	9.50
SUPRAMAX (usd/day)				
Atlantic RV	15 000	15 000	8 250	15 000
Pacific RV	9 000	10 000	3 900	11 000
TCT Cont / F. East	16 000	18 000	12 000	20 000
1 YEAR T/C (usd/day)				
Capesize 180,000 dwt	16 750	17 250	10 250	17 250
Capesize 170,000 dwt	15 000	15 250	8 650	15 500
Panamax 75,000 dwt	11 250	11 600	7 250	12 400
Supramax 58,000 dwt	10 300	10 500	6 600	10 750
Baltic Dry Index (BDI):	**1476**	**1730**	**n/a**	**n/a**

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



DRY BULK

Capesize

As seasonally expected, the holiday season kicked in and the market suddenly went very quiet. Most cargoes for December have been covered and the January stems have seen a lot of available tonnage. Freight rates on the west Australia/China route have in few days dropped from high USD 9 pmt to the low USD 8 pmt level. The owners are presently underbidding each other in order to secure employment over the holidays. Brazil/China route also very quiet and the freight levels are coming off. Period rates are still being fixed at healthy levels, with 1 to 1.5 years fixtures concluded at USD 16,000 level, showing strong confidence in the market for next year.

Panamax

Activity in the Panamax market has slowed down quite substantially the last week. Lack of fresh cargoes in both hemispheres and a growing tonnage list is putting pressure on the freight rates. In the Atlantic region, the TA market has dropped to mid 14k's, while fronthaul's are being fixed in the 18 to 19k's depending on duration. The sentiment in Asia remain soft with a transpacific RV priced at mid 10k's and the expectations going forward still being negative. Generally, the short-term outlook for the Panamaxes appears to be soft, especially with the upcoming holidays. FFA's, Jan is trading at low 11k's, while Q1 is now priced at high 10k's on the P4TC index.

Supramax

Market reducing speed. Rates are dropping further for supras outbound USG on fronth, bkhaul is more stable i.e 25k/22k respectively. Vessels from Cont via Baltic to SE Asia performed around $15k day. From Cont to SAM supras made ca $10k daily. Scrap cargoes from Cont to Med have concluded around 16k this week. From other side of the basin market has been sideways with bit lower number from last done. There are continuous cargo flow 20/25 Dec onward, but the sentiment seems to have more chemistry with forthcoming holiday season. In the most chance, do not expect any dramatic changes in the near future. For 56k, deals have concluded around 7k dop SE Asia, S.China for trip via Indo/China and 6k for trip via Indo/WCI.

Activity level

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

LPG Rates * Excl. waiting time, if any

SPOT MARKET (usd/month)*	This week	Last week	Low 2017	High 2017
VLGC / 84,000	590 000	570 000	180 000	765 000
LGC / 60,000	550 000	550 000	350 000	550 000
MGC / 38,000	440 000	440 000	420 000	550 000
HDY / 22,000	375 000	370 000	350 000	550 000
ETH / 10,000	420 000	420 000	410 000	540 000
SR / 6,500	370 000	370 000	360 000	450 000
COASTER Asia	250 000	250 000	190 000	250 000
COASTER Europe	370 000	350 000	110 000	370 000

LPG/FOB prices (usd/tonne)	Propane	Butane	ISO
FOB North Sea / ANSI	556.5	503.0	
Saudi Arabia / CP	590.0	570.0	
MT Belvieu (US Gulf)	485.2	444.5	461.8
Sonatrach : Bethioua	560.0	530.0	

LNG

SPOT MARKET (usd/day)	This week	Last week	Low 2017	High 2017
East of Suez 155-165'cbm	80 000	80 000	25 000	80 000
West of Suez 155-165'cbm	85 000	85 000	29 000	85 000
1 yr TC 155-165'cbm	55 000	55 000	31 000	55 000

GAS

Chartering

The Saudi acceptances came out this week with most lifters seeing some delays and now trying to renominate dates. A handful of fixtures were concluded at rates in the mid/low USD 30's for end December and first decade January dates. Some potential shipping activity looming in the MEG as players are expected to clear their first half Jan positions before leaving for Christmas and New Year holidays. The VLGC market in the West has been moving a bit sideways this week, and transpacific premiums has shrunk significantly. A couple of fixtures done out of West Africa and US Gulf, at levels only slightly above the current MEG/Japan equivalents. Friday the 22nd December will be the last Baltic posting in 2017 and we do not expect much changes to the index over the next couple of days. Vitol has secured 2 more VLGC NB options at HHI which means they have potentially 6 more on top of the 4 vessels (2019 delivery) they have already confirmed. Statoil has not officially confirmed that they have finalized the award of their VLGC tender, however, we can expect a couple of NB orders to be placed soon by a European owner to meet Statoil's technical specification.

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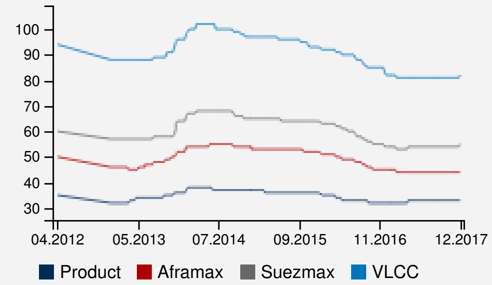
Activity level

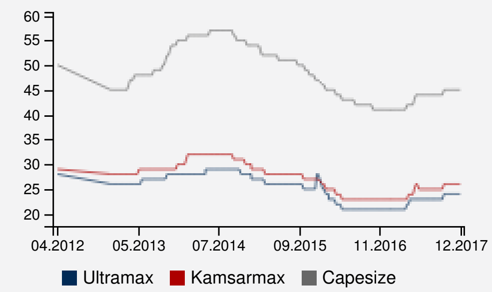
Tankers	Dry Bulkers	Others
Moderate	Moderate	Moderate

Prices

Average Far Eastern Prices

PRICES (mill usd)		This week	Last week	Low 2017	High 2017
VLCC	300'dwt	81.50	81.00	81.00	82.00
Suezmax	150'dwt	54.50	54.00	53.00	54.50
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		113.1	113.1	108.9	117.6
USD/KRW		1 081	1 091	140.9	1 206
USD/NOK		8.34	8.36	7.77	8.66
EUR/USD		1.18	1.18	1.04	1.20
Interest rate					
LIBOR USD 6 mnths		1.79	1.74	1.32	1.79
NIBOR NOK 6 mnths		0.94	0.92	0.85	1.29
Commodity prices					
Brent spot (USD)		63.74	63.58	46.15	63.74
Bunker prices					
Singapore	380 CST	375.0	366.0		377.0
	180 CST	380.0	370.0		398.0
	Gasoil	560.0	561.0		563.0
Rotterdam	380 HSFO	351.0	344.0		367.0
	180 CST	382.0	374.0		395.0
	Diesel	550.0	555.0		555.0

NEWBUILDING

Moderate activity for newbuilding orders in both the tanker segment as well as the dry bulk segment. Wisdom Marine continues to order dry bulk newbuildings, two firm ultramaxes at Kawasaki. Bank of Communications Financial Leasing returned to Chengxi for four more kamsarmaxes. In the tanker segment, COSCO Shipping Energy ordered seven firm tankers at Guangzhou. In the cruise segment, Ponant placed an order for one firm cruise vessel at the Fincantieri controlled shipyard, Vard. The cruise vessel will be hybrid fuelled, LNG and battery, with Polar Class 2. Also, Viking Ocean Cruises placed an order for two cruises at Fincantieri. All three cruise vessels are reported to cost about USD 322 million per vessel. CMA CGM placed an order for three firm 2200 teu vessels at Yangzijiang, reported to be scrubber-ready.

NEWBUILDING CONTRACTS

Type	No	Size	Yard	Buyer	Del	Price	Comm
BC	4	6,500 dwt	Jiangsu Dayang	Shinsung Shipping			
BC	2	61,000 dwt	Kawasaki	Wisdom Marine		abt. $ 26 m	
BC	1	62,000 dwt	COSCO Dalian	Cosco Shipping	2019	abt. $ 34 m	Declared option
BC	4	82,000 dwt	Chengxi	BoCom FL	2019/2020		Tier III
CHEM	2	14,000 dwt	Wuchang	Marnavi	2019/2020		
CONT	3	2,200 teu	Yangzijiang	CMA CGM	2019 / 2020		Scrubber-ready
Cruise	1	30,000 gt	Vard	Ponant	2021	abt. $ 322 m	Hybrid fuelled (Battery and LNG) / Polar
Cruise	2	47,800 gt	Fincantieri	Viking Ocean Cruises	2022/2023	$ 322 m	
TANK	2	64,900 dwt	Guangzhou	COSCO Shipping Energy	2020		
TANK	3	114,000 dwt	Guangzhou	COSCO Shipping Energy	2019/2020		
TANK	2	114,000 dwt	Guangzhou	COSCO Shipping Energy	2020		Coated (LR2)
TANK	2	114,000 dwt	Hanjin	Pantheon Tankers	2019		
TANK	1	319,000 dwt	Hyundai	Enesel	2019		Declared option

SALE AND PURCHASE TRANSACTIONS

Type	Vessel	Size	Built	Buyer	Price	Comm.
MT	Samsung 2215	157 000	2018	Ocean Yield	43,20	10 yrs BBB closed with purchase options
MT	Samsung 2214	157 000	2018		43,20	
MT	Samsung 2216	157 000	2018		43,20	
MT	Nissos Serifos	115 688	2012	Navigare Capital partners	30,00	Sale Leaseback 5yr BB at 10.85k/day
MT	Fairchem Yuka	19 961	2010	Ace Tankers	18,50	
BC	Americana	91 941	2010	Safe Bulkers	14,80	Auction sale
BC	Varvara	75 321	2001	Chinese	8,80	
BC	Friedrich Oldendorff	74 483	2006	HK Based	10,50	
BC	Essence Of Seatrek	63 500	2015	Eagle Bulk	21,30	
BC	Albion	58 732	2008	Undisclosed	13,30	
BC	Canary K	58 223	2012	Neptune Dry	16,70	
BC	Aysenaz A	46 708	2001	Chinese	7,80	
BC	Jiangmen 153	39 300	2918		20,00	
BC	Global horizon	33 633	2010	Ocean Longevity	11,95	
BC	Clipper Selo	32 389	2011	Pacific basin	10,10	
BC	Clipper Panaorama	32 353	2011		10,10	

DEMOLITIONS

Sold for demolition

Vessel name	Size	Ldt	Built	Buyer	Price
MT Plata Glory	300 133	38 975	1999	Undisclosed	438
MT Moscow Star	106 553	16 392	1999	Undisclosed	415
MT Nireas	33 100	10 662	1996	Undisclosed	375
MT Cassandra	40 584	9 596	1996	Undisclosed	375
MT Adimral L	41 100	8 258	1990	Undisclosed	435
Research Northern Explorer	1 000	2 106	1987	Indian	510