



Fearnleys Weekly Report

Activity level

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

Last week Prev. week

VLCCs fixed all areas last week: 40

VLCCs avail. in MEG next 30 days: 127

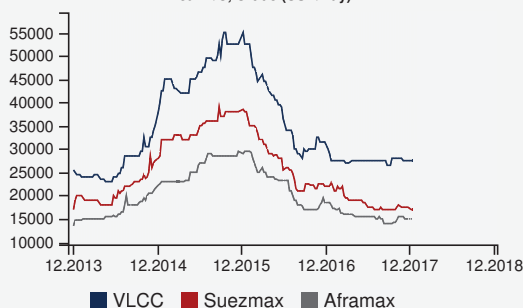
Rates

DIRTY (Spot WS)		This week	Last week	Low 2018	High 2018
MEG / West	VLCC	21.00	21.00	21.00	21.00
MEG / Japan	VLCC	42.50	42.50	42.50	42.50
MEG / Singapore	VLCC	43.50	43.50	43.50	43.50
WAF / FEAST	260,000	44.00	44.00	44.00	44.00
WAF / USAC	130,000	62.50	62.50	62.50	62.50
Sidi Kerir / W Me	135,000	67.50	67.50	67.50	67.50
N. Afr / Euromed	80,000	82.50	82.50	82.50	82.50
UK / Cont	80,000	92.50	92.50	92.50	92.50
Caribs / USG	70,000	107.5	107.5	107.5	107.5

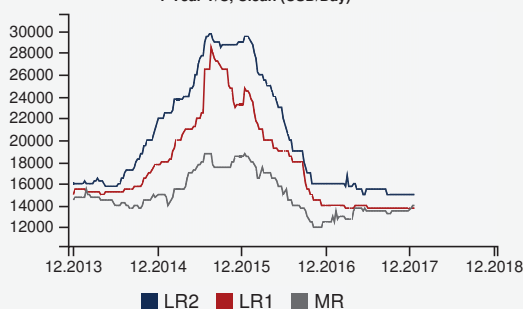
CLEAN (Spot WS)		This week	Last week	Low 2018	High 2018
MEG / Japan	75,000	85.00	85.00	85.00	85.00
MEG / Japan	55,000	100.0	100.0	100.0	100.0
MEG / Japan	30,000	132.5	132.5	132.5	132.5
Singapore / Japan	30,000	145.0	145.0	145.0	145.0
Baltic T/A	60,000	135.0	135.0	135.0	135.0
UKC-Med / States	37,000	150.0	150.0	150.0	150.0
USG / UKC-Med	38,000	115.0	115.0	115.0	115.0

1 YEAR T/C (USD/day) (theoretical)		This week	Last week	Low 2018	High 2018
VLCC	(modern)	27 500	27 500	27 500	27 500
Suezmax	(modern)	17 000	17 000	17 000	17 000
Aframax	(modern)	15 000	15 000	15 000	15 000
LR2	105,000	15 000	15 000	15 000	15 000
LR1	80,000	13 750	13 750	13 750	13 750
MR	47,000	14 000	14 000	14 000	14 000

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



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



TANKERS

Crude

A new year with challenges on the horizon for the VLCC owners. Rates have started off rather soft at the start of the year with earnings hovering just sub \$10k/day for Meg and Wafr/East. Insufficient volumes but most importantly an oversupply of tonnage is the main reason. Charterers remain in the driving seat and are trying to add further pressure on rates. Hard to see rates go much lower but tonnage with 'needs' may have a stronger impact on the sentiment the next couple of months. The Suezmax market has seen very limited action to conclude the year, Wafr was particularly quiet going against the grain of a normally historic 4th quarter strong finish. Tonnage lists have naturally built in the West and it will take an awful lot of volume to thin out the current vessel availability. Owners and charterers are starting to get their heads around the new flat rates for 2018 but so far fixtures are still being concluded on the old scale. The week ahead is likely to gain momentum on the cargo front with the Charterers likely to be able to make a dent in the fixing levels, however a current increasing oil price pushing up the cost of bunkers may hold any rate slide avoiding a complete collapse in freight rates. In the Nsea and Baltic rates remained unchanged going into 2018. Charterers are still fixing on 2017 world scale. That being said charterers should be careful when fixing on 2018 rates. Reason being that flat rates wary a lot due to the exchange rate in local currency to the USD. Ice, if finally, is expected in Baltic and as such rates should move for 3rd decade January loading. In the Med and Bsea we started the new year with a long tonnage list and close to no activity. We are at the time of writing seeing cross Med cargoes being traded in the mid-low w80's (2018 flat). And we don't see any improvement anytime soon. Bsea-cargoes are already covered up to the third decade and with Turkish straits delays stable around 5-7 days. So Charterers have plenty of time to cover their program without adding any pressure to the market.

Product

EAST OF SUEZ Happy new year, but unfortunately the market in the Middle east gulf has not exactly been in a festive mood. Rates are still at low levels and owners have not been able to put any pressure on charterers in order to improve earnings. For LR2's lifting cargoes from the Middle east gulf is still only making a daily return of about USD 6.750 per day on a round voyage basis to Japan with LR1's performing the same voyage are marginally higher at USD 7.250 per day. Rates for both sizes going to the Continent have also slumped during Christmas and are today at USD 1.450 mill for LR2's and USD 1,150 for LR1's down from USD 1,6 mill and USD 1,250 mill respectively just before Christmas. Not very positive start to the new year in the Far East either. The short haul MR voyage from south Korea to Japan has gradually seen the rate drop from USD 390' to USD 260' today, whilst the MR voyage from Singapore to Japan is at ws 140 (2018 scale) which is more or less unchanged from pre-Christmas levels. WEST OF SUEZ The start of the year has been a little bit more positive in the Atlantic. MR's trading to the States have been more or less able to maintain pre-Christmas levels with daily earnings around USD 11.000 per day. The backhaul cargo from U.S gulf has dropped some points but owners triangulating are still obtaining daily earnings in the region of USD 16.000 per day for the whole voyage. The LR1's trading from the Continent to west Africa have been in demand and daily earnings have increased from USD 13.000 to USD 15.500 today. The fixing of LR2's from the Mediterranean to the Far East is still happening with just a minor dent to the rate which today is around USD 2,1 mill. Handies trading in the Mediterranean and on the Continent have not seen much excitement last few days and rates are more or less unchanged from before Christmas at around ws 200 in the Mediterranean and ws190 level on the Continent (both 2081 rates)



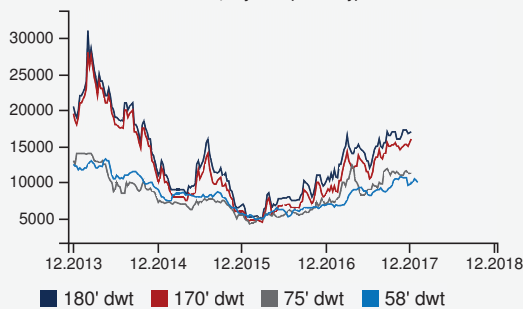
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Activity level

Capesize	Panamax	Supramax
Moderate	Mixed	Slow

Rates	This week	Last week	Low 2018	High 2018
CAPESIZE (usd/day, usd/tonne)				
TCT Cont/Far East (180' dwt)	28 082	28 082	28 082	28 082
Tubarao / R.dam (Iron ore)	9.90	9.90	9.90	9.90
Richards Bay/R.dam	9.80	9.80	9.80	9.80
PANAMAX (usd/day, usd/tonne)				
Transatlantic RV	11 500	11 500	11 500	11 500
TCT Cont / F. East	17 250	17 250	17 250	17 250
TCT F. East / Cont	4 500	4 500	4 500	4 500
TCT F. East RV	9 350	9 350	9 350	9 350
Murmansk b.13-ARA 15/25,000 sc	7.95	7.95	7.95	7.95
SUPRAMAX (usd/day)				
Atlantic RV	14 600	14 600	14 600	14 600
Pacific RV	8 000	8 000	8 000	8 000
TCT Cont / F. East	16 000	16 000	16 000	16 000
1 YEAR T/C (usd/day)				
Capesize 180,000 dwt	17 000	17 000	17 000	17 000
Capesize 170,000 dwt	16 000	16 000	16 000	16 000
Panamax 75,000 dwt	11 250	11 250	11 250	11 250
Supramax 58,000 dwt	10 000	10 000	10 000	10 000
Baltic Dry Index (BDI):	1262		n/a	n/a

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



Activity level

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

LPG Rates

* Excl. waiting time, if any

SPOT MARKET (usd/month)*	This week	Last week	Low 2018	High 2018
VLGC / 84,000	520 000	520 000	520 000	520 000
LGC / 60,000	550 000	550 000	550 000	550 000
MGC / 38,000	450 000	450 000	450 000	450 000
HDY / 22,000	395 000	395 000	395 000	395 000
ETH / 10,000	440 000	440 000	440 000	440 000
SR / 6,500	370 000	370 000	370 000	370 000
COASTER Asia	250 000	250 000	250 000	250 000
COASTER Europe	350 000	350 000	350 000	350 000

LPG/FOB prices (usd/tonne)

	Propane	Butane	ISO
FOB North Sea / ANSI	537.0	492.5	
Saudi Arabia / CP	590.0	570.0	
MT Belvieu (US Gulf)	510.6	472.3	508.8
Sonatrach : Bethioua	550.0	530.0	

LNG

SPOT MARKET (usd/day)	This week	Last week	Low 2018	High 2018
East of Suez 155-165'cbm	80 000	80 000	80 000	80 000
West of Suez 155-165'cbm	85 000	85 000	85 000	85 000
1 yr TC 155-165'cbm	56 000	56 000	56 000	56 000

DRY BULK

Capesize

The market dropped sharply into the new year, with the basket falling from around 30,000 USD p/d to 15,000 USD p/d within just a couple of weeks. However, the market has livened up slightly at the start of the year, raising hopes that January and perhaps February will be firmer than usual. The FFA currently prices January at 14,900 USD p/d and February at 13,200 USD p/d - healthy levels considering the seasonal headwinds faded during these two months (higher vessel deliveries + the Chinese new year).

Panamax

As expected, it has been a slow and sluggish start to 2018, with both owners and charters watching the market to see how it evolves. Over the holidays, there have been many discounted rates agreed, but this might not be representative for the market in general as owners and charters wanted to finish business before the start of 2018. At the time of writing, the TA market has dropped to abt mid 11k's, while fronthaul's are being fixed in the 16 to 17k's depending on duration. The sentiment in Asia remain soft with a transpacific RV priced at mid 9k's and the expectations going forward is mixed. In general, the market need more fresh cargoes in both hemispheres to turn the freight rates into a positive trend.

Supramax

Q1 kicked off with an usual standby with all counterparts waiting for the market to take direction. Further holidays in East-Europe added somnolence to Atl market specially within fertz,coal and scrap cargoes. Supras from Cont/Baltic for fhaul cargoes(+inl breach) though obtained similar levels to last done in end Dec (ca USD 17k daily).Owise very little reported. From last week USG to China ships were fixed 24-15k daily and to S Brazil rates were ca USD 18k daily.Pacific has a same tendency and rates are dropping even further there. Backhauls from CJK to Med were concluded around USD 4k daily on an Ultramax. Supras del Singapore via Indo to China were fixed last week around 11k , now only around 8k daily.

GAS

Chartering

21 VLGC newbuildings were delivered from respective builders in 2017, after 3 demolitions the net addition came out to 18 vessels. The entire VLGC fleet (all counted) stands at 262 whereof roughly 240 vessels count as the trading fleet. News has recently broken that more owners are signing new contracts while NB prices are still considered low and in anticipation of increasing prices ahead. At present the VLGC orderbook (confirmed) represents 12/13% of existing fleet by number considered to be a very healthy level going forward.



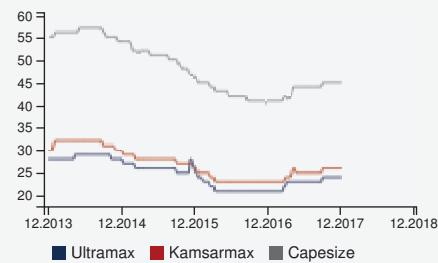
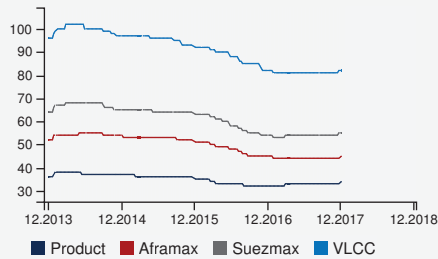
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Activity level

Tankers	Dry Bulkers	Others
Low	Moderate	Moderate

Prices

Average Far Eastern Prices					
PRICES (mill usd)	This week	Last week	Low 2018	High 2018	
VLCC	300'dwt	82.00	82.00	82.00	82.00
Suezmax	150'dwt	55.00	55.00	55.00	55.00
Aframax	110'dwt	44.50	44.50	44.50	44.50
Product	50'dwt	33.50	33.50	33.50	33.50
Capesize	180'dwt	45.00	45.00	45.00	45.00
Kamsarmax	82'dwt	26.00	26.00	26.00	26.00
Ultramax	64'dwt	24.00	24.00	24.00	24.00
LNGC	170'cbm - MEG	184.5	184.5	184.5	184.5



Market brief

	This week	Last week	Low 2018	High 2018
Rate of exchange				
USD/JPY	112.2		112.2	112.2
USD/KRW	1 063		1 063	1 063
USD/NOK	8.10		8.10	8.10
EUR/USD	1.20		1.20	1.20
Interest rate				
LIBOR USD 6 mths	1.84		1.84	1.84
NIBOR NOK 6 mths	0.89		0.89	0.89
Commodity prices				
Brent spot (USD)	67.00		67.00	67.00
Bunker prices				
Singapore 380 CST	386.0		386.0	386.0
180 CST	416.0		416.0	416.0
Gasoil	593.0		593.0	593.0
Rotterdam 380 HSFO				
180 CST	393.0		393.0	393.0
Diesel	585.0		585.0	585.0

NEWBUILDING

Through the holidays and into the new year we have seen moderate activity in the newbuilding market, diversified with regard to segments. In the dry bulk segment, six firm VLOC's have been ordered at Qingdao Beihai by ICBC Leasing, with three options. The VLOC's are ordered on the back of long-terms COAs from Vale. Price reported per vessel is \$ 75 million, similar to the other VLOCs for the same COA, these vessels will also be LNG-ready. Other orders in the dry bulk segment; Norwegian investor Troim and his 2020 Bulkers declared options for two Newcastlemaxes at New Times and Foremost Group ordered two firm Newcastlemaxes at SWS. In the tanker segment, COSCO Shipping Energy continues to order newbuildings, two firm VLCC's at DACKS. Interesting to note, GasLog ordered one firm LNGC, 180,000 cbm, at Samsung HI, at a reported price of abt. \$ 197 mill. Another segment with notable activity was Containers. 14 firm orders for boxships have been reported.

NEWBUILDING CONTRACTS

Type	No	Size	Yard	Buyer	Del	Price	Com
BC	2	208,000 dwt	New Times	2020 Bulkers	2019/2020	\$ 44.7 m	Dec
BC	2	210,000 dwt	SWS	Foremost Group	2020		
CONT	2	600 teu	Huangpu Wenchong	Cape Shipping			
CONT	12	640 teu	Fujian Southeast(4), Fujian Mawei(4), Nantong Xiangyu(4)	Quanzhou Ansheng			
CONT	2	2,700 teu	Huangpu Wenchong	Cape Shipping			
Cruise	1	5,610 lm	Flensburger	Irish Continental Group	2020	\$ 199 m	
Ferry	2	2,500 gt	Mastek	Tanzania	2019/2020		
LNGC	1	180,000 cbm	Samsung HI	GasLog	2019	abt. \$ 197 m	
RoPax	1	14,000 gt / 700 Pax	Tianjin Xingang	COSCO Qingdao	2019		
VLCC	2	308,000 dwt	DACKS	COSCO Shipping Energy	2020/2021		
VLGC	1	82,000 cbm	Kawasaki HI	MOL	2019		
VLGC	2	84,000 cbm	Hyundai HI	Vitol	2019		Dec
VLOC	6	325,000 dwt	Qingdao Beihai	ICBC Leasing	2019/2020	\$ 75 m	+ 3

SALE AND PURCHASE TRANSACTIONS

Type	Vessel	Size	Built	Buyer	Price	Comm.
BC	Mairaki	181 000	2011	Undisclosed	27,50	
BC	Varvara	75 300	2001	Undisclosed	8,80	
BC	Azure Bulker	33 191	2012	Undisclosed	13,00	