



# Fearnleys Weekly Report

## Activity level

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

	Last week	Prev. week
VLCCs fixed all areas last week:	57	40
VLCCs avail. in MEG next 30 days:	119	127

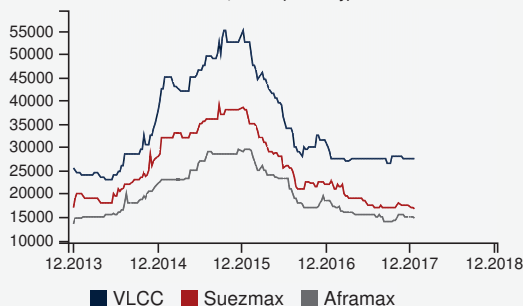
## Rates

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	41.00	42.50	41.00	42.50
MEG / Singapore	VLCC	42.00	43.50	42.00	43.50
WAF / FEAST	260,000	43.75	44.00	43.75	44.00
WAF / USAC	130,000	55.00	62.50	55.00	62.50
Sidi Kerir / W Me	135,000	60.00	67.50	60.00	67.50
N. Afr / Euromed	80,000	97.50	82.50	82.50	97.50
UK / Cont	80,000	95.00	92.50	92.50	95.00
Caribs / USG	70,000	132.5	107.5	107.5	132.5

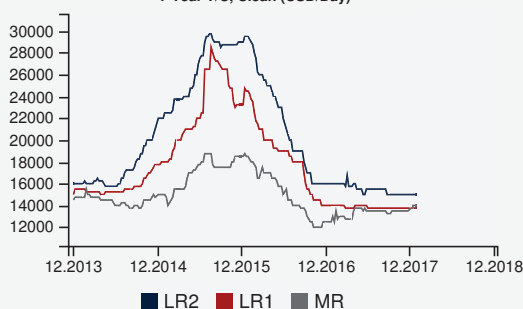
CLEAN (Spot WS)		This week	Last week	Low 2018	High 2018
MEG / Japan	75,000	80.00	85.00	80.00	85.00
MEG / Japan	55,000	92.50	100.0	92.50	100.0
MEG / Japan	30,000	127.5	132.5	127.5	132.5
Singapore / Japan	30,000	135.0	145.0	135.0	145.0
Baltic T/A	60,000	145.0	135.0	135.0	145.0
UKC-Med / States	37,000	155.0	150.0	150.0	155.0
USG / UKC-Med	38,000	130.0	115.0	115.0	130.0

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)	16 750	17 000	16 750	17 000
Aframax	(modern)	14 750	15 000	14 750	15 000
LR2		105,000	15 000	15 000	15 000
LR1		80,000	13 750	13 750	13 750
MR		47,000	14 000	14 000	14 000

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



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



## TANKERS

### Crude

We are near mid-winter with earlier expectations of a 'winter-market' for the VLCC's. The volumes have simply not been sufficient for the respective main routes and tonnage has built up over time. The charterers have and will play their hands carefully and pressure on the rates remain in full force. Earnings are however just about \$8k/day for Meg/East and about \$10k/day for Wafr/East and not expected to change in the near term. A large increase in volumes for all major routes over time is needed to change the present sentiment. The Suezmax market continued to see limited activity last week, Wafr again remained particularly quiet with plenty of available tonnage for the few cargoes that materialized. Med/Bsea at least saw more cargoes that needed coverage but with a overhang of tonnage that has been building up rates unavoidably declined in this area also. On a positive note in a suffering market. The Usg/Caribs experienced increased volumes and steady fixing, at least a small positive factor for owners ending up in the area as their vessels more easily found employment. Nsea and Baltic Aframax rates came down marginally from last week due to a 5 day maintenance in Ust Luga. Early February could look a tad more interesting as new ice is expected in the Gulf of Finland. That being said, the 2016 dreadful ice season looks good compared to this year's one at the time of writing. In the Med and Bsea, we saw a small increase in the rate towards the end of last week. Owners were doing their best to hold back, and let the list of cargoes build up. For once, no one caved and they managed to push rates above w100. This didn't last for long as entering this week an increasing tonnage list and basically zero activity pushed rates right back down again.

### Product

EAST OF SUEZ Owners have little to cheer about in the Middle East Gulf. Once again it has been a quiet week with rates sliding and earnings are now at very low levels. LR2's and LR1's trading to Japan/South Korea range are today only earning about USD 5.000 per day. Rates for westward cargoes are also mostly unchanged at USD 1,4 mill for LR2's and USD 1,1 mill for the LR1's. Even the same muted market for MR's which have seen the rate from west coast India to Japan drop further and is today at ws125 level, which means about USD 5.000 per day. In the Far East it also does not seem there will be any recovery soon and rates are still softening. The short haul voyage from south Korea to Japan has declined further and is today at USD 250'. The MR voyage from Singapore to Japan is down ws10 points to ws135 today. WEST OF SUEZ A slightly different story in the western hemisphere where rates are at higher levels and where we see a more stable market. Mrs trading to the States have seen rates move marginally by ws5 this week but the back haul cargo from the U.S. gulf has gained ws15 points last week giving owners triangulating daily earnings in the region of USD 19.000 per day, up from USD 16.000 per day last week. Activity for LR1's have continued this week both for East destinations and west Africa discharge and the rate for west Africa has improved ws10 points thus giving earnings in the region of USD 18.000 per day. Activity for LR2's loading in the Mediterranean is maintained and rates are unchanged at USD 2,15 mill for Far East discharge. After the party last week for the Handies rates have again dropped and for owners trading on the Continent rates have dropped ws30 Points to ws160 level while the sisters in the Mediterranean are today getting ws195 for their services, down from ws205



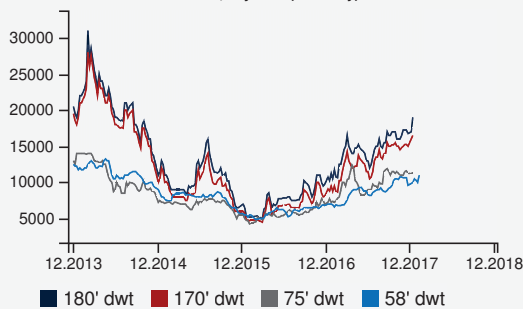
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## Activity level

Capesize	Panamax	Supramax
Mixed	Mixed	Moderate

Rates	This week	Last week	Low 2018	High 2018
<b>CAPESIZE (usd/day, usd/tonne)</b>				
TCT Cont/Far East (180' dwt)	37 000	28 082	28 082	37 000
Tubarao / R.dam (Iron ore)	10.00	9.90	9.90	10.00
Richards Bay/R.dam	10.00	9.80	9.80	10.00
<b>PANAMAX (usd/day, usd/tonne)</b>				
Transatlantic RV	11 500	11 500	11 500	11 500
TCT Cont / F. East	18 500	17 250	17 250	18 500
TCT F. East / Cont	4 700	4 500	4 500	4 700
TCT F. East RV	10 000	9 350	9 350	10 000
Murmansk b.13-ARA 15/25,000 sc	8.00	7.95	7.95	8.00
<b>SUPRAMAX (usd/day)</b>				
Atlantic RV	15 000	14 600	14 600	15 000
Pacific RV	9 000	8 000	8 000	9 000
TCT Cont / F. East	17 000	16 000	16 000	17 000
<b>1 YEAR T/C (usd/day)</b>				
Capesize 180,000 dwt	19 000	17 000	17 000	19 000
Capesize 170,000 dwt	16 500	16 000	16 000	16 500
Panamax 75,000 dwt	11 250	11 250	11 250	11 250
Supramax 58,000 dwt	11 000	10 000	10 000	11 000
<b>Baltic Dry Index (BDI):</b>	<b>1366</b>	<b>1262</b>	<b>n/a</b>	<b>n/a</b>

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



## DRY BULK

### Capesize

Average daily earnings for the big ships up 20 pct to USD 20k. Despite this, spot in fact generally sliding - but with huge climatic differences depending on area. Atlantic going strong on robust mineral volumes and limited availability of early ships, resulting in transatlantic rounds valued at USD 29k for 180000-tonners - up about 40 pct w-o-w. Less joy in the more fundamental feast round trades, where earnings stuck at USD 12k/day, cargo flows not matching prompt tonnage supply and an increasing number of units ballast west betting on the Brazil/Feast route. Period activity substantial, particularly for index-linked deals but also notably 179000 dwt built 2016 done for about 12 months to majors at excess USD 20k

### Panamax

Activity has increased gradually in both hemispheres this week. More cargoes in the Atlantic has changed the sentiment somewhat, with the mineral trades to be the mainstay of the Atlantic market. TA and FH rates are respectively at levels arid mid 11k's and mid 18k's. The sentiment in Asia has turned positive along with the Atl region, but the grain trades seemed to be lacking. A transpacific RV is now priced arid 10k's. Generally, the short term outlook for the Pmax market appears to be positive, but the last couple of days there has been a more mixed feeling abt the direction with more open tonnage compared to fresh cargoes. FFA's, Feb is priced at mid 10k's, while Q1 is now priced at low 11k's on the P4TC index.

### Supramax

USG rates improved both for backhaul and fronthaul, Ultras from USG to Japan receiving around usd 26k daily while supras 1-2k less for same. Continent seemed to keep similar levels as end of year, fhauls were fixed around 19k and levels to USG also seemed quiet firm, that is usd10-11 k daily levels for ultra and for vsls breaching INL. Supras from BSea to Fareast were employed around 17k. The Pacific started the week with bit of activity but rates remained relatively flat. N.China to Seasia levels around USD 7500, while Indo/China coal rounds fixing at around USD 10k. Nickle ore rounds via Pilippines back to China is paying Ultras low USD 9k and nopac rounds back to Seasia is around USD 9k bss delivery Japan/Korea.

## 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	470 000	520 000	470 000	520 000
LGC / 60,000	550 000	550 000	550 000	550 000
MGC / 38,000	460 000	450 000	450 000	460 000
HDY / 20-22,000	410 000	395 000	395 000	410 000
ETH / 8-10,000	450 000	440 000	440 000	450 000
SR / 6,500	370 000	370 000	370 000	370 000
COASTER Asia	250 000	250 000	250 000	250 000
COASTER Europe	280 000	350 000	280 000	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)	491.1	441.7	501.7
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

## GAS

### Chartering

Ten days into the new year it has been a waiting game - players have been waiting for something every day; acceptances of cargo nominations, inventory levels, direction of crude oil prices and probably a few waiting to see where VLGC freight rates are heading, too. So far in January there has not been much change in rates and one can probably say the the annual consistency of a calm start of every year once again has been confirmed. The fleet balance does not look bad at all neither in the East nor in the West, but at the same time the market needs healthier fob/cfr spreads than what we have seen in the last few days to have a chance to improve much in the short term.



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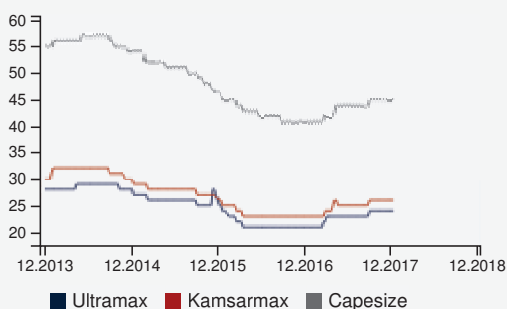
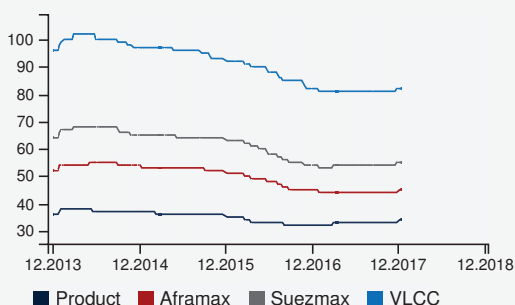
## Activity level

Tankers	Dry Bulk	Others
Weak	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 - MEGI	184.5	184.5	184.5	184.5



## Market brief

	This week	Last week	Low 2018	High 2018
<b>Rate of exchange</b>				
USD/JPY	111.6	112.2	111.6	112.2
USD/KRW	1 067	1 063	1 063	1 067
USD/NOK	8.05	8.10	8.05	8.10
EUR/USD	1.20	1.20	1.20	1.20
<b>Interest rate</b>				
LIBOR USD 6 mths	1.86	1.84	1.84	1.86
NIBOR NOK 6 mths	0.92	0.89	0.89	0.92
<b>Commodity prices</b>				
Brent spot (USD)	69.20	67.00	67.00	69.20
<b>Bunker prices</b>				
Singapore 380 CST	389.0	386.0	386.0	389.0
180 CST	416.0	416.0	416.0	416.0
Gasoil	602.0	593.0	593.0	602.0
Rotterdam 380 HSFO				
180 CST	395.0	393.0	393.0	395.0
Diesel	593.0	585.0	585.0	593.0

## NEWBUILDING

Newbuilding activity in the Dry Bulk segment continues into the second week of 2018. 10 firm bulkers have been reported. Berge Bulk and Fredriksen have both ordered two firm Newcastlemaxes, with two options, at CSIC Bohai. RGL has also firmed up an order at Bohai, for one Newcastlemax. TMS Cardiff Gas and Sovcomflot have both ordered a LNG carrier at Hyundai on the back of a Total time charter. It is also reported that TMS Cardiff Gas booked two LNGCs on top of the first.

## NEWBUILDING CONTRACTS

Type	No	Size	Yard	Buyer	Del	Price	Comm
BC	3	81,500 dwt	Penglai Zhongbai Jinglu	Lavinia			+ 1 option
BC	2	82,000 dwt	Huangpu Wenchong	Seacon Shipping	2019		
BC	2	208,000 dwt	CSIC Bohai	Berge Bulk	2020		+ 2 options / Tier II
BC	2	208,000 dwt	CSIC Bohai	Fredriksen Group	2019		+ 2 options / Tier II
BC	1	208,000 dwt	CSIC Bohai	RGL	2020		Tier II
Ferry	1	3,000 gt / 199 PAX / 60 Cars	Vard Brevik	Boreal	2019		
LNGC	3	174,000 cbm	Hyundai	TMS Cardiff Gas			
LNGC	1	174,000 cbm	Hyundai	Sovcomflot			
VLGC	2	84,000 cbm	Jiangnan	Fortune Oil			

## SALE AND PURCHASE TRANSACTIONS

Type	Vessel	Size	Built	Buyer	Price	Comm.
MT	Gener8 Miltiades	301 038	2016	US Based (international Seaways)	434	Price for multiple Gener8 VSL following below
MT	Gener8 Andriotis	301 014	2016	US Based (international Seaways)	*	
MT	Gener8 Chiotis	300 932	2016	US Based (international Seaways)	*	
MT	Gener8 Stregth	300 960	2015	US Based (international Seaways)	*	
MT	Gener8 Success	300 932	2016	US Based (international Seaways)	*	
MT	Gener8 Supreme	300 932	2016	US Based (international Seaways)	*	
MT	High Freedom	49 990	2014	Japanese	28,00	Sale Leaseback, 10-yr BB With p.o
MT	Team Houston	13 221	2008	Thai (Ama Marine)	8.7	
BC	Kerkis	177 489	2006	H-Line Shipping	22,50	
BC	Voge Enterprise	79 410	2011	US Based	15,00	
BC	Topeka	74 716	2000	Chinese	9,00	
BC	Alpha Harmony	74 492	2001	Chinese	9,60	
BC	Ecola	73 931	2001	Chinese	8,50	
BC	Rose Balsam	55 616	2011	Greek	16,30	
BC	Marine Stars	53 565	2006	Chinese	8,40	
BC	Blue Ocean	31 734	2005	Turkish	9,00	
BC	Hanseatic Trader	4 338	2001	Undisclosed	3,50	
BC	Wilson Holla	4 338	2002	Undisclosed	3,50	
BC	Ali S	3 911	1985	Undisclosed	0,86	