



Fearnleys Weekly Report

Activity level

VLCC	Suezmax	Aframax	P.E. of Suez	P.W. of Suez
Firmer	Stable	Mixed	Slow	Slow

	Last week	Prev. week
VLCCs fixed all areas last week:	54	57
VLCCs avail. in MEG next 30 days:	132	119

Rates

DIRTY (Spot WS)		This week	Last week	Low 2018	High 2018
MEG / West	VLCC	23.50	21.00	21.00	23.50
MEG / Japan	VLCC	50.00	41.00	41.00	50.00
MEG / Singapore	VLCC	51.00	42.00	42.00	51.00
WAF / FEAST	260,000	48.50	43.75	43.75	48.50
WAF / USAC	130,000	55.00	55.00	55.00	62.50
Sidi Kerir / W Me	135,000	60.00	60.00	60.00	67.50
N. Afr / Euromed	80,000	85.00	97.50	82.50	97.50
UK / Cont	80,000	107.5	95.00	92.50	107.5
Caribs / USG	70,000	120.0	132.5	107.5	132.5

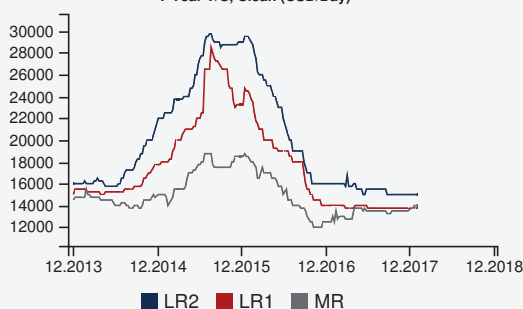
CLEAN (Spot WS)		This week	Last week	Low 2018	High 2018
MEG / Japan	75,000	80.00	80.00	80.00	85.00
MEG / Japan	55,000	90.00	92.50	90.00	100.0
MEG / Japan	30,000	110.0	127.5	110.0	132.5
Singapore / Japan	30,000	130.0	135.0	130.0	145.0
Baltic T/A	60,000	125.0	145.0	125.0	145.0
UKC-Med / States	37,000	140.0	155.0	140.0	155.0
USG / UKC-Med	38,000	135.0	130.0	115.0	135.0

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	16 750	16 750	17 000
Aframax	(modern)	14 750	14 750	14 750	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

After a, so far, weak winter for the VLCC's with earnings dipping well below \$10k/day, we have seen a sharp turnaround in sentiment. Slightly tighter position lists has given owners a window of opportunity to start asking for more to compensate also for the higher bunker prices. Earnings still only mid \$10's/day for the major routes, a far cry from expectations. January ended with some 136 deals from Meg and as we embark on February, optimism remain and rates under upward pressure. Continued high volumes for all the major routes required for sentiment to be maintained. The start to 2018 has been a rough ride for the suezmaxes with earnings down below \$3k/day for TD20 it's is going to take a lot of hard work to claw back the market to respectable earnings above OPEX. It has been a combination of factors that has contributed to the decline. Wafr grades have been very much out of favour with NWE and Med refineries who have been turning to alternatives including Libya. There has been a resurgence in exports from the USG with the favourable pricing of WT1 crude again negating Wafr grades turning the market on its head. The Bsea has also of late has been very limited in volume, the market has plateaued at w67.5 for TD6. The forward outlook remains challenging for owners in the weeks ahead. In the Baltic the end-month cargoes came under some pressure as owners saw a tight window and held back their ships. Owners managed to push rates to three digits, but at the same time Nsea was very quiet, creating a two-tier market. At time of writing Baltic has reached the top and is facing some downward pressure. In the Med and Bsea the date in the calendar should mean we are in the midst of a blooming market with lots of weather, delays and heavy lifting programs. However it could not have been more wrong. List is long, cargoes are few and weather is a bit too stable to kick up a real fuss. Expect things to be rather dull for the remaining days of the week. Fingers crossed for February.

Product

EAST OF SUEZ The market in the Middle East Gulf are going nowhere, and it now seems we have established a floor unfortunately at very low levels. For the LR1s and LR2s, rates for Far East discharge are still hovering around the ws90 and ws80 mark. This only give owners daily earnings in the region of USD 4000/5000. Also for the cargoes going westwards rates are at a standstill around lumpsum USD 1.35 mill for LR2 and USD 1.05 mill for LR1. MRs have experienced a steeper drop in rates and today the west coast India voyage to Japan is at ws110 mark, down from ws125. In the Far East, the short haul voyage from South Korea to Japan have shown a positive trend and is up from USD 250' to USD 290' today. But the other benchmark voyage from Singapore to Japan is slightly down to ws130 level. **WEST OF SUEZ** Last week the Atlantic market did outperform the Far East, but this week rates have also declined in this region. The straight Continent to States voyage has dropped ws15 points to ws140 level, but the backhaul rate from US Gulf has been able to add ws5 points since last week. This have not had much influence on daily earnings for owners triangulating which today is at USD 17,500 per day, down from USD 19,000. After week of high activity and rate improvement LR1 have this week seen rate drop from ws145 to ws125 level. Rate for LR2s from Mediterranean to Far East are almost unchanged at USD 2.05 mill. The Handy market in the Mediterranean and on the Continent have both had to accept a drop in rates of ws20 points to ws140 on the Continent and ws175 in the Mediterranean.



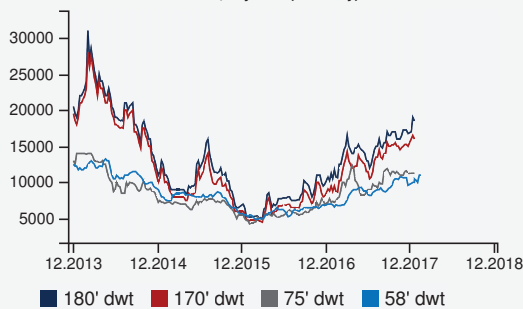
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Activity level

Capesize	Panamax	Supramax
Low	Mixed	Moderate

Rates	This week	Last week	Low 2018	High 2018
CAPESIZE (usd/day, usd/tonne)				
TCT Cont/Far East (180' dwt)	26 500	37 000	26 500	37 000
Tubarao / R.dam (Iron ore)	8.00	10.00	8.00	10.00
Richards Bay/R.dam	8.00	10.00	8.00	10.00
PANAMAX (usd/day, usd/tonne)				
Transatlantic RV	10 500	11 500	10 500	11 500
TCT Cont / F. East	17 500	18 500	17 250	18 500
TCT F. East / Cont	4 400	4 700	4 400	4 700
TCT F. East RV	9 250	10 000	9 250	10 000
Murmansk b.13-ARA 15/25,000 sc	7.75	8.00	7.75	8.00
SUPRAMAX (usd/day)				
Atlantic RV	15 250	15 000	14 600	15 250
Pacific RV	9 750	9 000	8 000	9 750
TCT Cont / F. East	17 500	17 000	16 000	17 500
1 YEAR T/C (usd/day)				
Capesize 180,000 dwt	18 500	19 000	17 000	19 000
Capesize 170,000 dwt	16 000	16 500	16 000	16 500
Panamax 75,000 dwt	11 250	11 250	11 250	11 250
Supramax 58,000 dwt	11 000	11 000	10 000	11 000
Baltic Dry Index (BDI):	1164	1366	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	430 000	470 000	430 000	520 000
LGC / 60,000	550 000	550 000	550 000	550 000
MGC / 38,000	460 000	460 000	450 000	460 000
HDY / 20-22,000	420 000	410 000	395 000	420 000
ETH / 8-10,000	450 000	450 000	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	320 000	280 000	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)	481.9		472.8	511.7
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

DRY BULK

Capesize

Cape market is experiencing the seasonally unexciting start of the year. West Australia has already been affected by the cyclone season, with Port Hedland closing for a few days. This made the west Australia/China route slip from low USD 6's pmt to the high USD 5's. Brazil has been quiet, with a few vessels being picked up in the low USD 14's for Tubarao/China. Brazil does have rainy season this time of year, and normally the miners use this time for maintenance work. The north Atlantic market is however showing slightly stronger fixtures, but with limited volumes. Period rates keep being strong, and there is a general positive view on the market in a slightly longer perspective.

Panamax

Activity in the Panamax market has slowed down gradually 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 10k's, while fronthauls are being fixed in the 17 to 18k's depending on duration. The sentiment in Asia remain soft with a transpacific RV priced at low 9k's and the expectations going forward still being soft. In general, the short-term outlook for the Panamaxes appears to be mixed, but atm it seems that the market heading into a negative direction. FFA's, Feb is trading at mid 10k's, while Q1 is now priced at low 11k's on the P4TC index.

Supramax

The week started slowly in the Pacific but we saw more activity by mid-week. Aussie rv's are getting fixed around USD 10k on Ultras bss Korea delivery. Indo coal rounds via Indonesia to China is paying in the low/mid USD 10k while N.China trips is paying owners around USD 8k to WCI.

GAS

Chartering

The VLGC market is moving sideways with scarce activity on both sides of Suez. The Baltic rate for VLGCs has been dropping in slow increments every day, and the market in the west is following suit. We have seen western LPG traders order VLGC newbuildings for their own books for the last 10/12 years, lately no doubt at an increased pace. So far in 2018 we have seen two Chinese importers also sign VLGC newbuilding orders – 4 in total and all at the same (Chinese) yard – for delivery some time first half 2020.



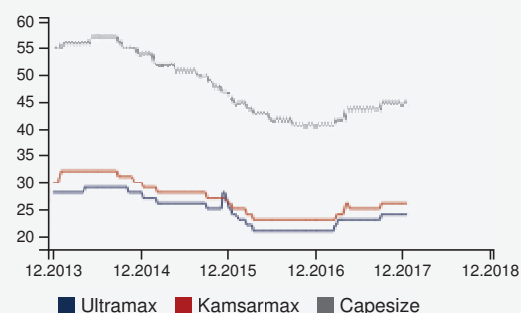
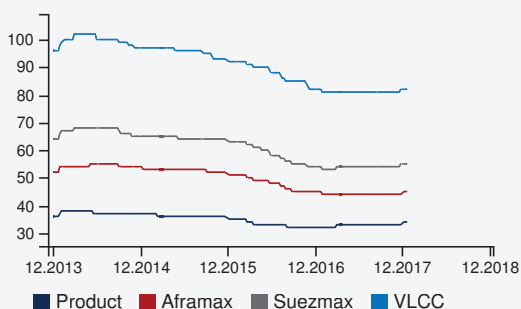
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Activity level

Tankers	Dry Bulk	Others
Weak	Weak	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	110.7	111.6	110.7	112.2
USD/KRW	1 069	1 067	1 063	1 069
USD/NOK	7.88	8.05	7.88	8.10
EUR/USD	1.22	1.20	1.20	1.22

Interest rate

LIBOR USD 6 mths	1.90	1.86	1.84	1.90
NIBOR NOK 6 mths	0.92	0.92	0.89	0.92

Commodity prices

Brent spot (USD)	68.78	69.20	67.00	69.20
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Bunker prices

Singapore	380 CST	388.0	389.0	386.0	389.0
	180 CST	392.0	416.0	392.0	416.0
	Gasoil	599.0	602.0	593.0	602.0
Rotterdam	380 HSFO	373.0	368.0		373.0
	180 CST	398.0	395.0	393.0	398.0
	Diesel	595.0	593.0	585.0	595.0

NEWBUILDING

Moderate newbuilding activity with few orders to report for Tankers and Bulkers this week. In the Tanker segment we saw two options declared for VLCCs at HHI by Kyklades. Utkilen has ordered two firm 9900 dwt Chemical tankers at Avic Dingheng. In the Boxship segment we see continued interest. Ten firm 11,000 teu vessels have been ordered by Shoei Kisen at Imabari on the back of a TC with Evergreen Marine. The order comes with ten optional vessels.

NEWBUILDING CONTRACTS

Type	No	Size	Yard	Buyer	Del	Price	Comm
CHEM	2	9,900 dwt	Avic Dingheng	Utkilen	2019		+ 2 options / Ice Class / LNG Ready
CHEM	1	50,000 dwt	Hyundai Mipo	Chios Navigation	2019		
CHEM	4	55,000 dwt	COMEC (GSI)	IMC & Cosco Shipping	2020/2021		
CONT	4	2,400 teu	Huangpu Wenchong	CNCo	2019/2020		
CONT	10	11,000 teu	Imabari	Shoei Kisen	2020		+ 10 Options / Tier III
VLCC	2	319,000 dwt	HHI	Kyklades	2019/2020		Declared options
VLGC	2	80,000 cbm	Hyundai HI	CCB	2019		
VLGC	2	84,000 cbm	Jiangnan	Oriental Energy	2020		Tier III

SALE AND PURCHASE TRANSACTIONS

Type	Vessel	Size	Built	Buyer	Price	Comm.
MT	Eurochampion 2004	164 608	2005	Undisclosed	65,20	Sale leaseback deal
MT	Euronike	164 565	2005			
MT	Vega Voyager	104 864	2003	Greek	10,80	
MT	Eagle Baltimore	99 405	1996	Undisclosed	7,50	
MT	King Duncan	73 720	2008	Greek	28,50	
MT	King Darius	73 634	2007			
BC	Cape Med	185 827	2006	Israeli	20,60	
BC	Azalea Sky	81 500	2012	Greek	22,40	
BC	Dynasty Xia	56 629	2012	Chinese	25,50	
BC	Dynasty Shang	56 573	2013			
BC	Poseidon SW	55 688	2008	Greek	12,50	
BC	Jag Rahul	52 364	2003	Undisclosed	Undisclosed	
BC	Akili	52 301	2001	Chinese	9,00	
BC	Rong Hai	46 601	1995	Chinese	4,50	
BC	Atlantic Ace	28 671	1999	Chinese	4,80	
BC	Glorious Sunshine	28 306	2009	CSL	8,50	
BC	King Canola	28 207	2013	Greek	10,80	

DEMOLITIONS

Sold for demolition

Vessel name	Size	Ldt	Built	Buyer	Price
MT Northern Star	281 050	38 565	1999	Bangladeshi	408
REEF Triton reefer	9 683	4 852	1990	Indian	460