



# Fearnleys Weekly Report

## Activity level

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

	Last week	Prev. week
VLCCs fixed all areas last week:	46	41
VLCCs avail. in MEG next 30 days:	135	130

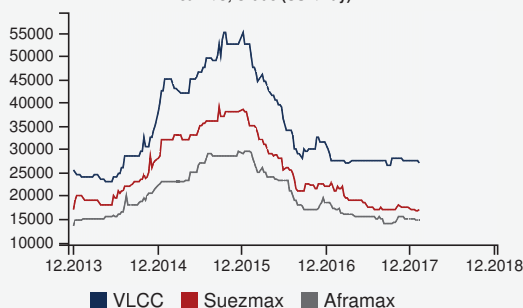
## Rates

DIRTY (Spot WS)		This week	Last week	Low 2018	High 2018
MEG / West	VLCC	18.50	19.00	18.50	23.50
MEG / Japan	VLCC	41.00	43.00	41.00	50.00
MEG / Singapore	VLCC	42.50	44.00	42.00	51.00
WAF / FEAST	260,000	44.50	45.75	43.75	48.50
WAF / USAC	130,000	50.00	50.00	50.00	62.50
Sidi Kerir / W Me	135,000	57.50	60.00	57.50	67.50
N. Afr / Euromed	80,000	102.5	110.0	82.50	110.0
UK / Cont	80,000	90.00	105.0	90.00	107.5
Caribs / USG	70,000	90.00	100.0	90.00	132.5

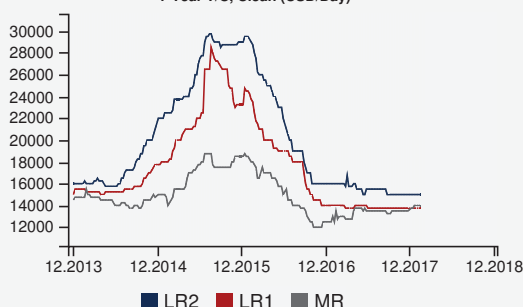
CLEAN (Spot WS)		This week	Last week	Low 2018	High 2018
MEG / Japan	75,000	90.00	85.00	80.00	90.00
MEG / Japan	55,000	95.00	90.00	90.00	100.0
MEG / Japan	30,000	115.0	115.0	110.0	132.5
Singapore / Japan	30,000	132.5	132.5	130.0	145.0
Baltic T/A	60,000	120.0	100.0	100.0	145.0
UKC-Med / States	37,000	155.0	155.0	140.0	155.0
USG / UKC-Med	38,000	80.00	105.0	80.00	135.0

1 YEAR T/C (usd/day) (theoretical)		This week	Last week	Low 2018	High 2018
VLCC	(modern)	27 000	27 500	27 000	27 500
Suezmax	(modern)	17 000	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

Yet another week with low activity has been recorded in the VLCC market ex Meg as the 'free-volumes' are struggling to find their way into the market. Most cargoes for Chinese destinations were absorbed on Chinese units, giving little left for the long list of tonnage in position looking for employment. Although Wafr activity picked up during the last week, the benchmark route Wafr/China has been untested until time of writing when w44.5('18 scale) is reported for this run which equals to abt \$10,500 pd bss round voyage. Some formality has returned to the smax market with natural dates more in line with the norm compared to the lag seen recently. It is evident from the current Wafr list that there has been a thinning of tonnage going forward with quite a significant drop in excess tonnage availability from a week ago, Wafr action has been light but there has been an increase in Med and Bsea fixing which has contributed to a more balanced market. The Bsea has bucked the overall trend and has traded up slightly so far reaching w65 for TD6. Looking forward into next week expectations are for a steady market, Wafr is going to need a clear out of the backlog of early ships before owners can find enough leverage to build sentiment. 1st decade Feb Afra fixing is coming to an end. And so far reality is far from owners expectations. This is mainly due to maintenance in Primorsk. Another factor is that a lot of cargoes have been covered on oil companies own tonnage. Going forward we expect colder weather, and as soon as the Primorsk maintenance comes to an end, rates could turn in Owners' favour. Last week in the Med and Bsea the Afra Owners tried to push the rates up by holding back tonnage. They partly succeeded as the rates ticked up a couple of points. Unfortunately, this was quickly ruined by Smax owners willing to do 80kt at w110. We are now back to Afra ships loading 80kt cargoes as the market has soften, but as long as the Smax market remains soft, we will have no way of pushing the rates above W110 before the Smax suddenly are back in play.

### Product

**EAST OF SUEZ** It could actually be that there is still hope of life in the Middle East Gulf. After weeks of flat rates and very low earnings, rates have slightly started to come to life, carefully. Rates for both LR2s and LR1s have increased with ws5 points this week, and is now at ws90 for LR2 and ws95 for LR1 for Far East discharge. Rates for westward destination is more or less the same as last week at lumpsum USD 1.45 mill for LR2 and USD 1.1 for the LR1s. Unfortunately, MRs in the area has not yet been able to see a glimmer of hope and rate from west coast India to Japan is still at ws115. In the Far East, the short haul voyage from South Korea to Japan is slightly up to USD 285' this week and the voyage from Singapore to Japan is still at ws132.5. **WEST OF SUEZ** In the Atlantic, the MRs trading to the States have had a flat week with rates still at ws155, but unfortunately the backhaul voyage from US Gulf have dropped ws25 points to ws80 level, which for owners triangulating means their daily earnings drop from USD 15,250 to USD 12,000. After last week's drop in rates for LR1 trading from Continent to west Africa, rates have bounced back up again to ws120 today. Rate for LR2s loading in the Mediterranean for Far East discharge is still sliding and has dropped another USD 150,000 to USD 1.75 mill. Handies trading on the Continent have this week seen rates due higher activity move from ws140 level to ws190 today, whilst their sisters in the Mediterranean have more or less had a flat week and is still at ws180 level.



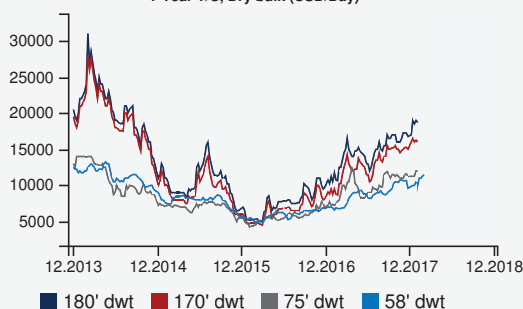
# Fearnleys Weekly Report

## Activity level

Capesize	Panamax	Supramax
Slow	Weakening	Weak

Rates	This week	Last week	Low 2018	High 2018
<b>CAPESIZE (usd/day, usd/tonne)</b>				
TCT Cont/Far East (180' dwt)	24 000	25 600	24 000	37 000
Tubarao / R.dam (Iron ore)	7.00	8.00	7.00	10.00
Richards Bay/R.dam	7.00	7.00	7.00	10.00
<b>PANAMAX (usd/day, usd/tonne)</b>				
Transatlantic RV	12 000	12 750	10 500	12 750
TCT Cont / F. East	18 000	19 000	17 250	19 000
TCT F. East / Cont	4 600	4 750	4 400	4 750
TCT F. East RV	10 000	10 750	9 250	10 750
Murmansk b.13-ARA 15/25,000 sc	8.15	8.30	7.75	8.30
<b>SUPRAMAX (usd/day)</b>				
Atlantic RV	14 000	16 000	14 000	16 000
Pacific RV	9 500	9 750	8 000	9 750
TCT Cont / F. East	19 000	19 500	16 000	19 500
<b>1 YEAR T/C (usd/day)</b>				
Capesize 180,000 dwt	18 700	19 000	17 000	19 000
Capesize 170,000 dwt	16 000	16 250	16 000	16 500
Panamax 75,000 dwt	12 000	12 000	11 250	12 000
Supramax 58,000 dwt	11 500	11 250	10 000	11 500
<b>Baltic Dry Index (BDI):</b>	<b>1152</b>	<b>1200</b>	<b>n/a</b>	<b>n/a</b>

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



## Activity level

COASTER	15-23,000 cbm	82,000 cbm
Active	Moderate	Increasing

## LPG Rates

\* Excl. waiting time, if any

SPOT MARKET (usd/month)*	This week	Last week	Low 2018	High 2018
VLGC / 84,000	435 000	490 000	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 SR / 20-22,000	440 000	420 000	395 000	440 000
HDY ETH / 17-22,000	750 000	750 000	750 000	750 000
ETH / 8-12,000	460 000	460 000	440 000	460 000
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	320 000	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	570.0
MT Belvieu (US Gulf)	447.4	432.6	512.9
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	72 000	80 000	72 000	80 000
West of Suez 155-165'cbm	75 000	85 000	75 000	85 000
1 yr TC 155-165'cbm	56 000	56 000	56 000	56 000

## DRY BULK

### Capesize

Cape market have been uninspiring for the last week. Freight rates been steadily dropping and especially the West Australia/China route have taken a beating, dropping from the low USD 7 pmt level closer to the mid USD 6 pmt level. The Brazil/China route have also struggled with limited activity and slowly sliding freight rates. Few fixtures on the Saldanha/Qingdao route as well, where latest fixture ended at the high USD 10 pmt level. The expectations are that the market will continue to be slow and that a proper increase in activity and freight rates only will return after the Chinese New Year celebrations are finished. Though in the medium term view, the expectations are very positive.

### Panamax

Activity in the Pmax 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 ard 12k's, while fronthaul's 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 10k's and the expectations going forward still being soft. In general, the short-term outlook for the panamax appears to be mixed, but atm it seems that the market heading into a negative direction. FFA's, Feb is trading at ard 11k's, while March is now priced at low 12k's on the P4TC index.

### Supramax

Rather quiet week within Atl, specially Continent due to lack of cargoes. Rates dropped most for USG with tonnage building up in that region. Fhauls were done at low 20s and Supras back to Cont were talking around 18k daily. More Chinese buying grain from Black Sea ports helped rates and activity to rise in that region. Quiet start to the week also in the Pacific with however still fixing going on. Next week will show if the slow down before Chinese New Year has already set in or if we will see more activity. Indo/China coal trips are paying Supras around mid USD 9k, while Nopac rounds are paying around low 10k on Ultras and Aussie rv's around mid USD 9k.

## GAS

### Chartering

The MEG market has this week been dominated by Indian PSU requirements. Rates have been cooling off for a little while now and the appearance of trader relets are not helping the short term outlook. We also continue to witness downward pressure on freight rates in the West, however, we fail to see a large dip in West earnings from today's levels. But there has been a surprisingly healthy amount of activity and fixtures concluded this week, and it will be interesting to see if this continues in the weeks ahead, then we could quickly see freight stabilizing again.



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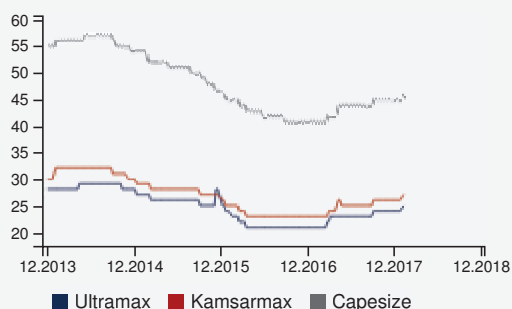
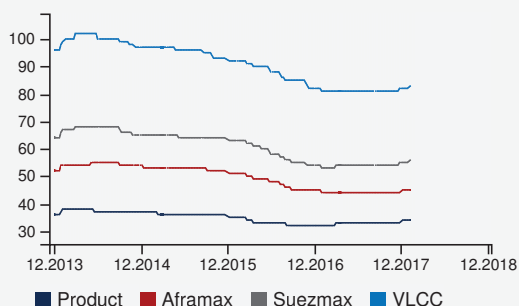
## Activity level

Tankers	Dry Bulk	Others
Low	Moderate	Moderate

## Prices

Average Far Eastern Prices

PRICES (mill usd)		This week	Last week	Low 2018	High 2018
VLCC	300'dwt	83.00	82.00	82.00	83.00
Suezmax	150'dwt	55.50	55.00	55.00	55.50
Aframax	110'dwt	45.00	44.50	44.50	45.00
Product	50'dwt	34.00	33.50	33.50	34.00
Capesize	180'dwt	46.00	45.00	45.00	46.00
Kamsarmax	82'dwt	27.00	26.00	26.00	27.00
Ultramax	64'dwt	24.50	24.00	24.00	24.50
LNGC	170'cbm - MEG	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	109.0	109.5	109.0	112.2
USD/KRW	1 068	1 070	1 063	1 070
USD/NOK	7.68	7.80	7.68	8.10
EUR/USD	1.25	1.23	1.20	1.25

## Interest rate

LIBOR USD 6 mnths	1.97	1.93	1.84	1.97
NIBOR NOK 6 mnths	0.95	0.95	0.89	0.95

## Commodity prices

Brent spot (USD)	68.70	69.94	67.00	69.94
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## Bunker prices

Singapore	380 CST	388.0	388.0	386.0	389.0
	180 CST	394.0	393.0	392.0	416.0
	Gasoil	605.0	610.0	593.0	610.0
Rotterdam	380 HSFO	365.0	372.0		373.0
	180 CST	390.0	397.0	390.0	398.0
	Diesel	590.0	595.0	585.0	595.0

## NEWBUILDING

The drive for newbuildings we experienced late in 2017 has certainly kept going through the first month of the year. Newbuilding prices continue to increase, especially in the Bulker segment, as major yards are more comfortable with their order books. In the Bulker segment, Troim's 2020 Bulklers has declared options for four more Newcastlemaxes at New Times, price is reported to USD 44.7 mill per vessel. Firm orders continue to enter the market on the back of COAs with Vale, both SK Shipping and U-Ming have ordered two firm VLOCs. NYK reports that they have ordered one firm LNG carrier at Hyundai Samho, on contract with EDF LNG.

## NEWBUILDING CONTRACTS

Type	No	Size	Yard	Buyer	Del	Price	Comm
BC	2	37,800 dwt	Imabari	Wisdom Marine	2020	abt. \$ 24.5 m	
BC	1	63,500 dwt	Nantong Xiangyu	HTM Shipping	2020		
BC	4	208,000 dwt	New Times	2020 Bulklers	2020		Scrubber ready / Declared options
CONT	2	2,400 teu	Jiangsu Yangzi	SITC	2020	\$ 25 m	Declared options
LNGC	1	174,000 cbm	Hyundai Samho	NYK Line	2020		
PT	6	23,500 dwt	Fujian Mawei	Ocean Tankers	2020		+ 4 options
TANK	1	50,000 dwt	Hyundai Vinashin	Central Shipping	2019		Option declared
VLCC	1	310,000 dwt	Namura	Kyoei Tanker	2020	\$ 80 m	
VLGC	2	79,500 cbm	Hanjin	Exmar	2020		
VLGC	3	84,000 cbm	Hyundai	Kuwait Oil Tankers	2019 / 2020		
VLOC	2	325,000 dwt	Dalian Shipbuilding	SK Shipping	2021		LNG-Ready / COA to Vale
VLOC	2	325,000 dwt	Qingdao Beihai	U-Ming	2020		LNG-Ready / COA to Vale

## SALE AND PURCHASE TRANSACTIONS

Type	Vessel	Size	Built	Buyer	Price	Comm.
MT	Marika	166 739	2004	Avin	15,50	
MT	Seaways Alcmar	46 248	2004	Undisclosed	10,70	
MT	Green Ray	19 940	2003	Waruna	10,70	
BC	Aquabeauty	171 014	2003	Greek	15,00	
BC	Seas 14	74 476	2006	22	Navios	TC attached
BC	Seas 7	74 475	2006			
BC	Julian	73 613	2003	9,3	Chinese	
BC	Maple Island	55 610	2010	PT Lumoso	15,40	
BC	Mary Lina	52 454	2007	Indonesian	13,00	
BC	Nordic kiel	48 377	2001	Shenyo Shipping	8,30	
BC	Aristimo	45 584	1997	Undisclosed	5,40	
BC	Gleaming Oasis	37 426	2007	Greek	9,50	
BC	Ikan Jebuh	33 145	2011	Greek	12,50	

## DEMOLITIONS

### Sold for demolition

Vessel name	Size	Ldt	Built	Buyer	Price
GAS East Energy	68 122	31 044	1977	Indian	425
MV Akij Glory	42 605	7 362	1985	Bangladeshi	430