Fearnleys Weekly Report

Activity level

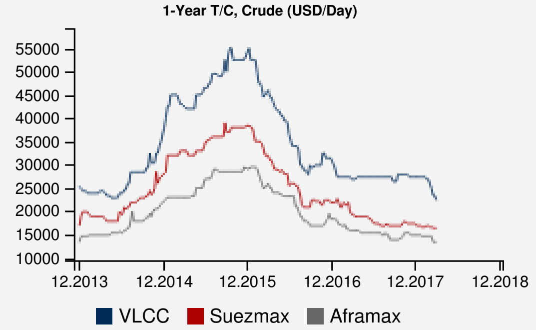
VLCC	Suezmax	Aframax	P.E. of Suez	P.W. of Suez
Firmer	Stable	Mixed	Soft	Stable

	Last week	Prev.week
VLCCs fixed all areas last week:	51	54
VLCCs avail. in MEG next 30 days:	125	124

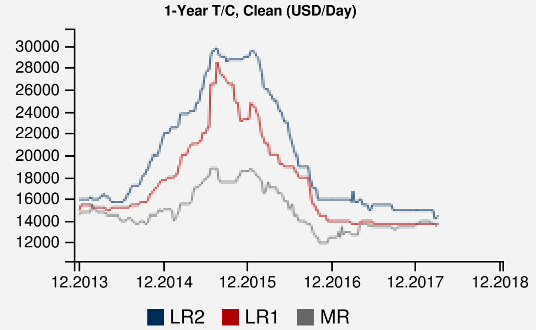
Rates

DIRTY (Spot WS)		This week	Last week	Low 2018	High 2018
MEG / West	VLCC	20.00	16.00	16.00	23.50
MEG / Japan	VLCC	43.50	35.00	35.00	50.00
MEG / Singapore	VLCC	44.00	35.50	35.50	51.00
WAF / FEAST	260,000	45.00	38.00	37.50	48.50
WAF / USAC	130,000	52.50	60.00	50.00	67.50
Sidi Kerir / W Me	135,000	60.00	62.50	55.00	67.50
N. Afr / Euromed	80,000	85.00	90.00	80.00	110.0
UK / Cont	80,000	92.50	97.50	90.00	107.5
Caribs / USG	70,000	90.00	85.00	80.00	132.5
CLEAN (Spot WS)		**This week**	**Last week**	**Low 2018**	**High 2018**
MEG / Japan	75,000	105.0	112.5	80.00	120.0
MEG / Japan	55,000	110.0	115.0	90.00	115.0
MEG / Japan	30,000	138.0	136.0	110.0	138.0
Singapore / Japan	30,000	147.5	145.0	130.0	147.5
Baltic T/A	60,000	90.00	90.00	90.00	145.0
UKC-Med / States	37,000	130.0	120.0	120.0	165.0
USG / UKC-Med	38,000	80.00	90.00	80.00	135.0
1 YEAR T/C (usd/day) (theoretical)		**This week**	**Last week**	**Low 2018**	**High 2018**
VLCC	(modern)	22 500	23 500	22 500	27 500
Suezmax	(modern)	16 500	16 500	16 500	17 000
Aframax	(modern)	13 500	13 500	13 500	15 000
LR2	105,000	14 500	14 250	14 250	15 000
LR1	80,000	13 750	13 750	13 750	13 750
MR	47,000	13 750	13 550	13 550	14 000

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



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



TANKERS

Crude

Continued steady volumes for VLCCs combined with delays in China has thinned the tonnage supply, particularly for modern tonnage. This has given owners a long-awaited opportunity to ask for more than last done levels. Rates have therefore firmed, but only to earnings about USD 10k/day. Better than what we have seen, but far from sufficient. The market has gained momentum and owners are working hard to propel it further. Charterers on their side clearly trying to withstand it and call in a mere 'flash-in-the-pan'. Suezmax owners, happy with themselves after a good March month in Wafr, embarked on April cargoes only to find that their bigger siblings had been there already, leaving only crumbles on the table for the owners to fight for. And as have been the case so far this year, it was back to catching falling knives. Other areas up in the Med/Blsea and on the Continent have not been able to help out on the, shall we say, ample tonnage list, and rates have dropped back to the all too familiar levels seen this year. Owners will be hoping for a busy Basrah-program for April coupled with increased activity in Med/Blsea to keep ships away from Wafr for the week to come. In the Nsea and Baltic, Aframax rates came of a few points, as there's still not enough activity to repeat last week levels. That being said, rates should not move further south as we are already seeing negative returns on certain voyages. "If you can't say something nice about the market, don't say nothing at all". In the Med and Bsea, we entered this week with a long list of available tonnage. The mindset owners had Monday wasn't very bullish, and when the week started of quiet, it didn't take long for the rates to drop. At time of writing, last done Bsea is ws90 and cross-Med ws85, and we believe we could still see a couple of points downward correction towards the end of the week.

Product

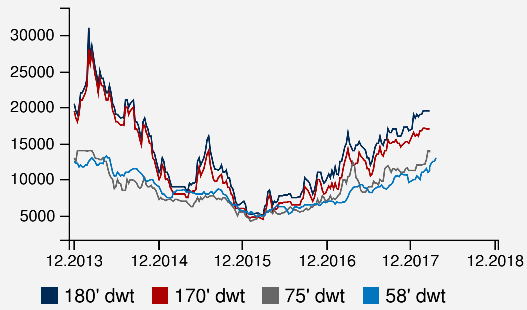
EAST OF SUEZ Last week we noted that we felt the sentiment in the Middle East Gulf was soft and with no sufficient interest from charterers, this week the market has softened. LR2s have been forced to accept ws105 to secure cargoes, and we feel they might find next fixture at even lower number. LR1s have also followed suit, and the rate has dropped from ws115 to ws110 today. For west destinations, the rate for LR1s has been maintained around the USD 1.325 mark whilst we are a little bit uncertain on where the rate will be for LR2s, but we assess it around USD 1.7 mill today. MRs fixing from the region to the Far East have been able to increase rate slightly to ws140 today, despite the soft sentiment for their bigger sister. In the Far East, the positive trend continues and the shorthaul voyage from South Korea to Japan is this week up to USD 370,000 and Singapore to Japan is slightly up to ws150 level. WEST OF SUEZ The market in the Atlantic has been more or less flat this week. The straight Continent to States cargo has gained ws10 points to ws130 this week, but the back-haul cargo has dropped ws10 points to ws80 level. For MR owners triangulating daily earnings are almost the same as last week at around USD 10,000 per day. Rates for LR1 on the Continent trading to West Africa is unchanged at ws90. LR2s have not been able to stop the decline for Far East discharge and lumpsum rate is still around the USD 1.575 mill level. For handies, it has not been a very exciting week. Rates in the Mediterranean have dropped ws10 points to ws145 level, whilst handy vessels on the Continent have gained ws5 points and is today trading at ws160 level.

Activity level

Capesize	Panamax	Supramax
Slow	Mixed	Active

Rates	This week	Last week	Low 2018	High 2018
CAPESIZE (usd/day, usd/tonne)				
TCT Cont/Far East (180' dwt)	19 000	21 300	19 000	37 000
Tubarao / R.dam (Iron ore)	5.70	6.40	5.70	10.00
Richards Bay/R.dam	5.90	6.30	5.90	10.00
PANAMAX (usd/day, usd/tonne)				
Transatlantic RV	13 000	13 750	9 500	13 750
TCT Cont / F. East	19 500	19 500	16 500	19 500
TCT F. East / Cont	5 100	5 100	4 300	5 100
TCT F. East RV	13 750	13 500	9 000	13 750
Murmansk b.13-ARA 15/25,000 sc	8.45	8.55	7.35	8.55
SUPRAMAX (usd/day)				
Atlantic RV	14 500	14 200	12 000	16 000
Pacific RV	11 250	11 000	8 000	11 250
TCT Cont / F. East	20 500	19 500	16 000	20 500
1 YEAR T/C (usd/day)				
Capesize 180,000 dwt	19 500	19 500	17 000	19 500
Capesize 170,000 dwt	17 000	17 000	16 000	17 100
Panamax 75,000 dwt	13 750	14 000	11 250	14 000
Supramax 58,000 dwt	13 000	12 500	10 000	13 000
Baltic Dry Index (BDI):	1117	1169	n/a	n/a

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



DRY BULK

Capesize

Various happenings have put a further negative impact on the present spot market. Tubarao, the main loading port in Brazil, have experienced heavy delays due to rainy season and maintenance. A sludge pipe transporting iron ore to the port of Acu experienced an accident, and FM was declared in Saldanha Bay due to a derailment. Typhoon season in West Australia have also created high swell which have impacted loading. This has pushed the spot rates down to mid USD 14 pmt on Brazil/China route and sub USD 6 pmt on West Aussie/China. Though it is expected that these short terms issues will be quickly fixed and market rebounding. All fundamentals looks good and period market is still above USD 20k mark for 1-year period.

Panamax

A new week with firm rates and a positive sentiment in both hemispheres. However, midweek it seems that the market has taken a breather in the Atlantic region with a softer mood. Lack of fresh cargoes and a growing tonnage list is putting pressure on the freight rates. The TA market is priced at high 12k’s right now and we expect the rates to decrease further in the coming days. Baltic rounds continue to pay premium for ice classed LME’s, while fronthaul’s are being fixed in the 19 to 20k’s depending on duration. The sentiment in Asia appears to remain firm much driven by new enquires from ECSA. A transpacific RV is now priced at high 13k’s and we expect the activity level to be good in the coming days.

Supramax

Still active market. Slightly less demand from Black Sea and USG than it has been in past week, but rates still solid. Grains from B.Sea to SE Asia fixed about 21-22k. Petcoke cargoes from USG to Far East fixed around 25-26 and to Cont/Med about 20k. Another strong week in the Pacific with improvements made on different routes. Nickle ore rounds via Philippines to China has been fixed at mid USD 13k on Ultra and clinker from SE Asia to Chittagong has been fixed at USD 17k. Backhaul trips has paid USD 6k for first 65 days and USD 11,500 thereafter on Supra, while Ultras going in the high USD 5k to USG. From CJK, Supras are achieving around high USD 10k to WCI and 11k to SE Asia.

Activity level

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

LPG Rates

* Excl. waiting time, if any

SPOT MARKET (usd/month)*	This week	Last week	Low 2018	High 2018
VLGC / 84,000	400 000	400 000	400 000	535 000
LGC / 60,000	525 000	525 000	525 000	550 000
MGC / 38,000	470 000	470 000	450 000	470 000
HDY SR / 20-22,000	450 000	450 000	395 000	450 000
HDY ETH / 17-22,000	760 000	760 000	750 000	770 000
ETH / 8-12,000	470 000	470 000	440 000	480 000
SR / 6,500	420 000	420 000	370 000	420 000
COASTER Asia	275 000	275 000	250 000	275 000
COASTER Europe	320 000	320 000	280 000	385 000

LPG/FOB prices (usd/tonne)	Propane	Butane	ISO
FOB North Sea / ANSI	430.5	428.0	
Saudi Arabia / CP	480.0	465.0	
MT Belvieu (US Gulf)	416.8	407.7	419.5
Sonatrach : Bethioua	430.0	440.0	

LNG

SPOT MARKET (usd/day)	This week	Last week	Low 2018	High 2018
East of Suez 155-165'cbm	38 000	40 000	38 000	80 000
West of Suez 155-165'cbm	60 000	60 000	60 000	85 000
1 yr TC 155-165'cbm	56 000	56 000	55 000	56 000

GAS

Fearnleys Weekly Report

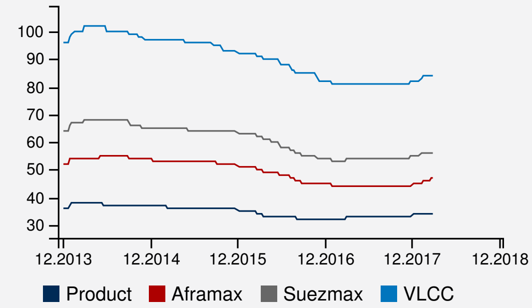
Activity level

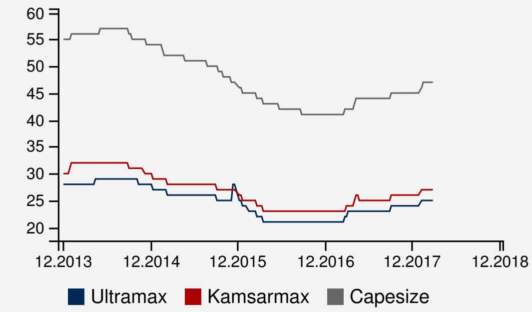
Tankers	Dry Bulkers	Others
Moderate	Low	Low

Prices

Average Far Eastern Prices

PRICES (mill usd)		This week	Last week	Low 2018	High 2018
VLCC	300'dwt	84.00	84.00	82.00	84.00
Suezmax	150'dwt	56.00	56.00	55.00	56.00
Aframax	110'dwt	47.00	47.00	44.50	47.00
Product	50'dwt	34.00	34.00	33.50	34.00
Capesize	180'dwt	46.50	46.50	45.00	46.50
Kamsarmax	82'dwt	27.00	27.00	26.00	27.00
Ultramax	64'dwt	24.50	24.50	24.00	24.50
LNGC	170'cbm - MEGI	184.5	184.5	184.5	184.5





Market brief

		This week	Last week	Low 2018	High 2018
Rate of exchange					
USD/JPY		106.3	106.3	105.8	112.2
USD/KRW		1 072	1 062	1 062	1 086
USD/NOK		7.74	7.75	7.68	8.10
EUR/USD		1.23	1.24	1.20	1.25
Interest rate					
LIBOR USD 6 mnths		2.41	2.30	1.84	2.41
NIBOR NOK 6 mnths		1.20	1.16	0.89	1.20
Commodity prices					
Brent spot (USD)		68.24	64.30	62.46	69.94
Bunker prices					
Singapore	380 CST	370.0	367.0	360.0	389.0
	180 CST	380.0	398.0	366.0	416.0
	Gasoil	600.0	590.0	554.0	610.0
Rotterdam	380 HSFO	356.0	347.0		373.0
	180 CST	381.0	375.0	368.0	398.0
	Diesel	565.0	543.0	527.0	595.0

NEWBUILDING

Moderate newbuilding activity this week, with a majority of the orders in the tanker segment. Korea is still taking the tanker orders except for one VLCC order in China, reported to just below USD 80 m. Korea Line booked two firm VLCCs at Hyundai, reported to about USD 87 m.

NEWBUILDING CONTRACTS

Type	No	Size	Yard	Buyer	Del	Price	Comm
BC	2	82,000 dwt	Yangzijiang	MOL	2019	abt. 26.5 m	
TANK	4	55,000 dwt	GSI	Aurora Tankers	2021		Options declared / IMO II MR
TANK	2	114,000 dwt	Samsung	Unisea	2019 / 2020		+ 2 options
VLGC	2	80,000 cbm	Hyundai	Trafigura	2020		
VLCC	1	300,000 dwt	Bohai	KOTC	2020	$ 79.7 m	
VLCC	2	300,000 dwt	Hyundai	K-Line	2019 / 2020		

SALE AND PURCHASE TRANSACTIONS

Type	Vessel	Size	Built	Buyer	Price	Comm.
MT	HS Medea	113 013	2003	Coral Shipping	10,70	
MT	Sea pioneer	34 671	2007	Undisclosed	10,05	Auction sale
MT	Global Aker	19 924	2001	Undisclosed	9,10	
MT	Maya	12 451	2003	Undisclosed	8,00	
BC	Ocean Scorpio	81 687	2013	Undisclosed	18,30	
BC	Ocean Virgo	81 563	2012		18,30	
BC	Ocean Libra	81 504	2013		18,30	
BC	Drake	76 781	2006	Undisclosed	11,50	Poor condition
BC	African puffin	55 863	2014	Yawatahama Kisen	20,50	Sale leaseback, 15yrs BB
BC	Ocean perfect	53 035	2003	Undisclosed	9,20	SS/DD due
BC	Northern light	28 415	2007	Greek	7,60	
BC	Len Chen No.1	28 412	1998	Chinese	4,10	

DEMOLITIONS

Sold for demolition

Vessel name	Size	Ldt	Built	Buyer	Price
MT Seaways Raphael	308 700	44 290	2000	undisclosed	445
MT DS Vada	309 636	42 971	1997	Bangladeshi	443
MT Millennium	301 171	41 827	1998	Bangladeshi	443
MT Maritime Jewel	299 364	41 732	2000	Bangladeshi	460
MT Pacific Panama	109 693	19 487	1999	Bangladeshi	488
MT Amba Bhakti	106 597	16 344	1997	Bangladeshi	383
MV Vrinda	69 221	10 099	1997	Undisclosed	450
PASS Harsha Vardhana	5 269	5 849	1974	Indian	389
CONT Oel Bengal	14 910	4 895	1985	Undisclosed	478