



Fearnleys Weekly Report

Activity level

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

	Last week	Prev. week
VLCCs fixed all areas last week:	41	58
VLCCs avail. in MEG next 30 days:	135	128

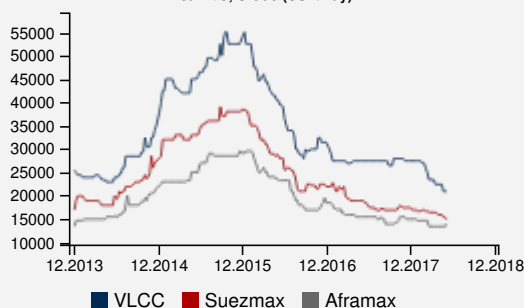
Rates

DIRTY (Spot WS)		This week	Last week	Low 2018	High 2018
MEG / West	VLCC	18.00	18.00	16.00	23.50
MEG / Japan	VLCC	41.00	42.00	35.00	50.00
MEG / Singapore	VLCC	41.00	43.00	35.50	51.00
WAF / FEAST	260,000	43.00	43.50	37.50	48.50
WAF / USAC	130,000	62.50	57.50	50.00	67.50
Sidi Kerir / W Me	135,000	80.00	77.50	55.00	80.00
N. Afr / Euromed	80,000	100.0	87.50	75.00	110.0
UK / Cont	80,000	92.50	92.50	90.00	107.5
Caribs / USG	70,000	102.5	100.0	80.00	132.5

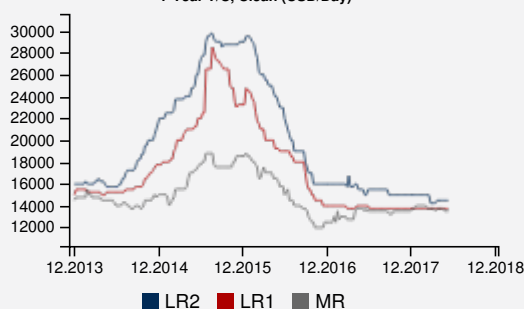
CLEAN (Spot WS)		This week	Last week	Low 2018	High 2018
MEG / Japan	75,000	90.00	90.00	80.00	120.0
MEG / Japan	55,000	110.0	110.0	90.00	115.0
MEG / Japan	30,000	125.0	125.0	110.0	140.0
Singapore / Japan	30,000	132.5	132.5	130.0	147.5
Baltic T/A	60,000	85.00	85.00	80.00	145.0
UKC-Med / States	37,000	125.0	140.0	112.5	165.0
USG / UKC-Med	38,000	87.50	100.0	80.00	135.0

1 YEAR T/C (usd/day) (theoretical)		This week	Last week	Low 2018	High 2018
VLCC	(modern)	21 000	21 000	21 000	27 500
Suezmax	(modern)	15 000	15 500	15 000	17 000
Aframax	(modern)	13 750	13 750	13 500	15 000
LR2		105,000	14 500	14 250	15 000
LR1		80,000	13 750	13 750	13 750
MR		47,000	13 500	13 500	14 000

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



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



TANKERS

Crude

After a rather busy last week for the VLCC's the activity stalled and along with the sentiment the rates also turned downwards. With the current stronger bunker prices, one should not expect the rates to pick up again in the near future, but so far the rates are balancing of last-done levels in east of Suez. The Atlantic has endured stronger rates, with tighter tonnage list specifically in the cbs/usg area and the momentum there has made certain owners ballasting from the east in order to secure long hauls at more 'decent' levels. Suezmaxes have experienced a positive week in terms of cargo activity, West Africa has been particularly busy with 3rd decade May dates clearing out tonnage however rates have not seen any impact with sufficient tonnage availability. Many east ballasters have targeted Waf rather than MEG, and with Rotterdam now more fluid Charterers have had the pick of ships. TD6 has been steady at ws 87.5 with earnings above USD 10,000 pd, respectable considering bunker prices are up over 20 percent in the last two months. The outlook for the week ahead has a steady prognosis provided the flow of cargoes does not cease. Rates in the Baltic finally improved a few points after having stayed flat for quite a while. The market has got a tighter feel about it going forward. Vessels are still sitting off discharge ports awaiting berthing. Other vessels are floating awaiting orders. Ratewise it seems like it is the short-haul trades in the Nsea and the Baltic where the upside remains for now. The last decade of the month seems busy cargowise. Also, a busier program out of west coast Norway could be main drivers for a further uptick in rates. In the med and bsea we have finally seen a positive correction. A lot of ships have left the area and the positionlist finally points in direction of owners advantage. Last done from Bsea is w92,5 and if we can maintain the recent activity, this could look promising for the rest of the week.

Product

EAST OF SUEZ The market in the Middle east gulf seems to be at a standstill and with not enough cargoes rates are unchanged from last week. Just to recap, rate for lr2's ad lr1's trading to the Far east is still Ws90 and ws110 respectively. Fixtures to the Continent is unchanged for lr1's at USD 1,425 mill but lr2's have seen a slight increase and is today at USD 1,625 mill. Same fate for the mr's in the region who are still paid about ws125 for a voyage from west coast India to Singapore. also same rates as last week in the Far east with short haul voyage from south Korea to Japan still at USD WEST OF SUEZ In the Atlantic we have seen rates soften in most of the segments. Owners trading their mr's from the Continent to states have seen rates drop last couple of days and today ws125 seems to be the going rate And the back haul cargo from the U.S. gulf has also softened and is today at ws87,5 level. This means a reduction for owners triangulating of about USD 4.000 per day to USD 8.250 today. For the LR1's trading to west Africa rates are still around the ws85 mark. The slowly decline in rate for lr2's loading in the Mediterranean to the Far east has accelerated last couple of day and today the lumpsum rate is at about USD 1,425 mill. For the Handies in the Mediterranean and on the Continent it has also been an uneventful week without any changes and rates are still ws150 on the Continent and ws140 in the Mediterranean.



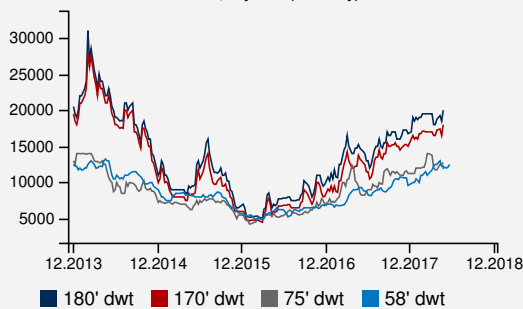
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Activity level

Capesize	Panamax	Supramax
Weakening	Mixed	Mixed

Rates	This week	Last week	Low 2018	High 2018
CAPE SIZE (usd/day, usd/tonne)				
TCT Cont/Far East (180' dwt)	34 250	34 700	18 000	37 000
Tubarao / R.dam (Iron ore)	9.10	9.50	5.30	10.00
Richards Bay/R.dam	8.30	8.40	5.40	10.00
PANAMAX (usd/day, usd/tonne)				
Transatlantic RV	8 000	8 500	8 000	13 750
TCT Cont / F. East	15 600	16 000	15 600	19 500
TCT F. East / Cont	4 750	4 700	4 300	5 200
TCT F. East RV	11 500	11 000	9 000	13 750
Murmansk b.13-ARA 15/25,000 sc	7.15	7.30	6.40	8.55
SUPRAMAX (usd/day)				
Atlantic RV	11 500	11 500	11 500	16 000
Pacific RV	12 500	12 000	8 000	12 500
TCT Cont / F. East	17 500	18 000	16 000	20 500
1 YEAR T/C (usd/day)				
Capesize 180,000 dwt	20 000	20 000	17 000	20 000
Capesize 170,000 dwt	18 000	18 000	16 000	18 000
Panamax 75,000 dwt	12 750	12 750	11 250	14 000
Supramax 58,000 dwt	12 500	12 150	10 000	13 000
Baltic Dry Index (BDI):	1403	1465	n/a	n/a

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



Activity level

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

LPG Rates

* Excl. waiting time, if any

SPOT MARKET (usd/month)*	This week	Last week	Low 2018	High 2018
VLGC / 84,000	240 000	225 000	105 000	535 000
LGC / 60,000	375 000	375 000	375 000	550 000
MGC / 38,000	450 000	450 000	450 000	470 000
HDY SR / 20-22,000	450 000	450 000	395 000	450 000
HDY ETH / 17-22,000	740 000	740 000	740 000	770 000
ETH / 8-12,000	460 000	460 000	440 000	480 000
SR / 6,500	430 000	430 000	370 000	430 000
COASTER Asia	320 000	290 000	250 000	320 000
COASTER Europe	290 000	320 000	280 000	385 000

LPG/FOB prices (usd/tonne)

	Propane	Butane	ISO
FOB North Sea / ANSI	462.0	455.0	
Saudi Arabia / CP	500.0	505.0	
MT Belvieu (US Gulf)	485.8	479.6	650.4
Sonatrach : Bethioua	470.0	485.0	

LNG

SPOT MARKET (usd/day)	This week	Last week	Low 2018	High 2018
East of Suez 155-165'cbm	38 000	37 000	35 000	80 000
West of Suez 155-165'cbm	47 000	45 000	44 000	85 000
1 yr TC 155-165'cbm	56 000	55 000	52 000	56 000

DRY BULK

Capesize

Both the physical and the paper market have dropped sharply the last couple of days on the back of a lack of fresh cargoes and a growing tonnage list. The index fell by 1,600 USD today with further falls likely in our view. On the futures market, May was down almost 1,400 USD yesterday to 16,400 USD. More modest sell-offs were seen on the longer end of the futures curve indicating that the market sees the recent weakness as more of a short-term issue. After all, volatility has to be expected in the Capesize market and we could easily see the index fall back below 10,000 USD p/d again during the summer.

Panamax

A new week without any substantial changes in the market trends compared to last week. Nevertheless, there have been more activity in pacific especially on NOPAC rv and on the Indo trades, while ECSA have been busy in the Atlantic basin, despite freight rates continue to drop on the TA and FH trades. TA rates is now priced at low 8k's, while the FH rates is in the range of mid/high 15k's. Transpacific RV is now priced in the range mid 11k's and the good activity in the East is expected to continue in the coming days, the question is whether the Atlantic market will follow the same trend as Pacific.

Supramax

More liveliness compared to last week. Still USG dropping a bit, supras for early June fixing ca 17k for fhaul. From Ecsa to Med Supras were fixed around 15k and to Cont around 13k. Little fresh from Cont - to Se Asia Supras went around 18k and similar for redel India. Supra for early June dates from Med to India were discussed ca 17k levels. Pacific market is firm with vessels fixing better then last done on most routes. Supras fixing arnd USD 15k for Indo/China coal trips, while Aussie rv fixing around mid USD 12k. From S.Africa vessels are seing around low USD 12k+250k bb, while CIS coal trips are paying in the mid/high USD 11k passing Busan.

GAS

Chartering

For the first time in a while shipping availability in the East is more tight. This on the back of less trader relets being pushed around (partly due to poor freight market environment), but also due to improved West/East freight market and subsequently more ships being sent back West on spec. A few ships was fixed earlier this week around \$25-26pmt Baltic, and we expect to see more cargoes pushed out in the market after pending Saudi acceptances for June are out. This will certainly set the direction for freight going forward. With current bunker prices and the traded freight levels, the market in the East reflects Time charter equivalent rates around USD 8,200 per day. A positive arb kicked off May and June fixing out of US Gulf and currently the owners are aiming around USD 60 pmt basis Houston/Chiba via Panama. For the time being there is only one vessel left for end May dates and first half June is very tight. Time charter equivalent (T/C/E) rates to the current transpacific route is around USD 16,500 per day and for the Transatlantic routes, the level is just above USD 20,000 per day.



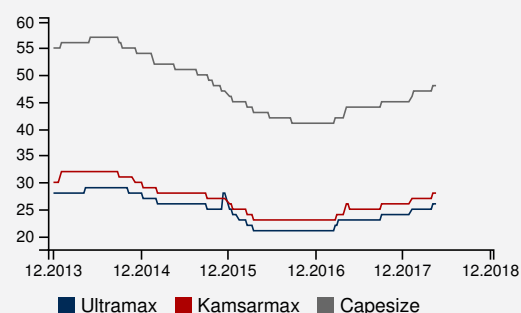
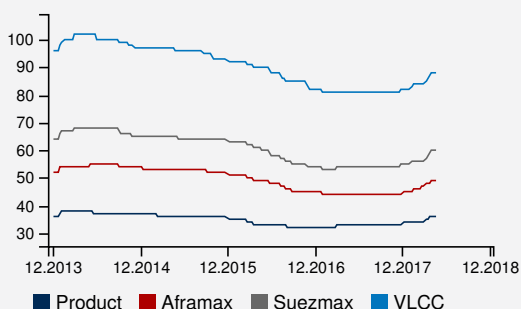
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Activity level

Tankers	Dry Bulk	Others
Moderate	Moderate	Low

Prices

Average Far Eastern Prices					
PRICES (mill usd)		This week	Last week	Low 2018	High 2018
VLCC	300'dwt	88.00	88.00	82.00	88.00
Suezmax	150'dwt	60.00	60.00	55.00	60.00
Aframax	110'dwt	49.00	49.00	44.50	49.00
Product	50'dwt	36.00	36.00	33.50	36.00
Capesize	180'dwt	47.50	47.50	45.00	47.50
Kamsarmax	82'dwt	27.50	27.50	26.00	27.50
Ultramax	64'dwt	25.50	25.50	24.00	25.50
LNGC	170'cbm - MEG	185.0	185.0	184.5	185.0



Market brief

	This week	Last week	Low 2018	High 2018
Rate of exchange				
USD/JPY	110.1	109.7	105.8	112.2
USD/KRW	1 078	1 079	1 061	1 086
USD/NOK	8.11	8.07	7.68	8.11
EUR/USD	1.18	1.19	1.18	1.25

Interest rate

LIBOR USD 6 mths	2.49	2.52	1.84	2.52
NIBOR NOK 6 mths	1.19	1.20	0.89	1.24

Commodity prices

Brent spot (USD)	78.20	77.48	62.46	78.20
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Bunker prices

Singapore				
380 CST	447.0	438.0	360.0	447.0
180 CST	479.0	470.0	366.0	479.0
Gasoil	690.0	675.0	554.0	690.0
Rotterdam				
380 HSFO	426.0	414.0		426.0
180 CST	453.0	441.0	368.0	453.0
Diesel	657.0	647.0	527.0	657.0

NEWBUILDING

Moderate activity in the traditional sectors, Dry Bulk and Tanker. Hunter Group have firmed up three VLCCs at DSME, with three options. They now have seven firm VLCCs at DSME, with scrubbers installed. Korean owner Sinokor has reportedly firmed up four Newcastlemaxes at Jinhai, with up to 16 options.

NEWBUILDING CONTRACTS

Type	No	Size	Yard	Buyer	Del	Price	Comm
BC	50,000 dwt	Chengxi	Nova Shipping	2020	\$ 32.8 m	+ 4 options	
BC	61,000 dwt	Cosco Dalian	Fukujin Kisen	2019			
BC	208,000 dwt	Jinhai	Sinokor Merchant Marine	2020			
TANK	50,000 dwt	Hyundai Vinashin	BoCom FL	2020	abt. \$ 32 m	Options declared	
TANK 2	115,000 dwt	Hanjin HIC	CMB SA	2019 / 2020			
TANK	300,000 dwt	DSME	Hunter Group	2020			
					\$ 85.5 m	Options declared / + 3 options	

SALE AND PURCHASE TRANSACTIONS

Type	Vessel	Size	Built	Buyer	Price	Comm.
MT	Takamine	306 206	2004	Hellenic Tankers	22,7	
MT	United Dynamic	161 653	2010	Delta tankers	27,00	Bank sale
MT	Christina Kirk	53 450	2010	Celsius	17,80	
MT	Gunhild Kirk	50 326	2009	Celsius	17,50	
MT	British Tranquility	47 210	2005		10,710,7	
MT	British Serenity	47 210	2005	Undisclosed	10,70	
MT	British Courtesy	47 210	2005		Undisclosed	
MT	Edith Kirk	37 255	2004	Celsius	Undisclosed	
MT	Marie Kirk	37 217	2004			
BC	Sincere Salute	85 778	2004	Chinese	13,00	
BC	Ionian Eagle	74 085	2001	Undisclosed	10,20	
BC	Anna	52 466	2002	Chinese	high 8's	

DEMOLITIONS

Sold for demolition

Vessel name	Size	Ldt	Built	Buyer	Price
MT Silver Glory	299 988	44 380	2001	Undisclosed	437
MT Ridgebury Pioneer	306 397	42 420	1999	Indian	408
MT Oil Runner	126 360	27 381	1997	Undisclosed	470
MT Amazon Guardian	72 910	14 575	1999	Pakistani	455
MT Martha Progress	29 998	6 107	1987	Bangladeshi	407
MT Asta Samudra	18 625	5 168	1994	Bangladeshi	250
GC Somaya	12 334	3 853	1982	Pakistani	415
GAS Baruc	4 380	2 761	1991	Indian	455