



Fearnleys Weekly Report

Activity level

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

	Last week	Prev. week
VLCCs fixed all areas last week:	48	54
VLCCs avail. in MEG next 30 days:	135	136

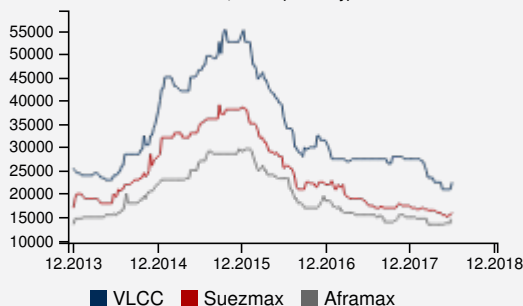
Rates

DIRTY (Spot WS)		This week	Last week	Low 2018	High 2018
MEG / West	VLCC	19.00	19.00	16.00	23.50
MEG / Japan	VLCC	48.00	49.00	35.00	50.00
MEG / Singapore	VLCC	48.00	49.00	35.50	51.00
WAF / FEAST	260,000	47.50	50.00	37.50	50.00
WAF / USAC	130,000	62.50	67.50	50.00	75.00
Sidi Kerir / W Me	135,000	82.50	82.50	55.00	87.50
N. Afr / Euromed	80,000	115.0	97.50	75.00	145.0
UK / Cont	80,000	115.0	100.0	90.00	115.0
Caribs / USG	70,000	142.5	145.0	80.00	145.0

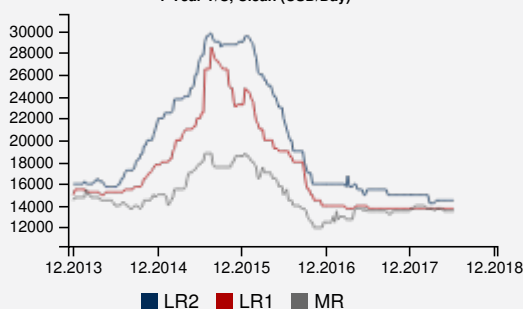
CLEAN (Spot WS)		This week	Last week	Low 2018	High 2018
MEG / Japan	75,000	97.50	117.5	80.00	120.0
MEG / Japan	55,000	115.0	117.5	90.00	117.5
MEG / Japan	30,000	117.5	127.5	110.0	140.0
Singapore / Japan	30,000	127.5	132.5	127.5	147.5
Baltic T/A	60,000	80.00	80.00	80.00	145.0
UKC-Med / States	37,000	115.0	115.0	112.5	165.0
USG / UKC-Med	38,000	67.50	67.50	67.50	135.0

1 YEAR T/C (usd/day) (theoretical)		This week	Last week	Low 2018	High 2018
VLCC	(modern)	22 500	21 000	21 000	27 500
Suezmax	(modern)	16 000	15 500	15 000	17 000
Aframax	(modern)	14 250	14 500	13 500	15 000
LR2	105,000	14 500	14 500	14 250	15 000
LR1	80,000	13 750	13 750	13 750	13 750
MR	47,000	13 500	13 500	13 500	14 000

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



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



TANKERS

Crude

Despite a thinner tonnage list and increased activity last week ex USG-Caribs, the other main VLCC routes remain rather slow. The June program in the MEG coming towards an end with close to 130 deals done, and July stem-confirmations probably not till early next week. Tonnage for MEG and West Africa appears ample for the present activity, and rates have come slightly off. Much of the same expected and a flurry of early month business required for rates to remain stable. I.e. few bright spots on the horizon. The Suezmaxes have seen increased activity over the past week as people have returned from their travels. West Africa has been busy clearing out third decade June dates with rates maintaining at a steady pace at ws65 for TD20, the majority of the discharges have been UKCM focussed with no east demand seemingly. The Black Sea has been relatively inactive, although interestingly those cargoes worked in the end month window have been asking for Far East and UKCM options, TD6 has eroded slightly down to ws85 and earnings are hovering just over USD 10k per day. High priced bunkers continue to hold the market from sliding harshly. In the North Sea and Baltic, Aframaxes got off to a good start this week, as rates began to move already by lunchtime Monday. We are still seeing quite a few examples of short time storage in the North Sea, which was part of the reason for rates to move. Until these ships start discharging, rates could be kept at a moderate high level going forward. The Med and Black Sea have had a re-bounce rate-wise after people was back from Posidonia. Market popped back up to ws120, and owners were again looking towards very high numbers. Unfortunately for them, charterers managed to hold back their cargoes this time, and with a lot of ships coming in from the North and the Atlantic, ws120 was the top this time. Going forward we expect it to be a lot of ships around, and even with slow turnarounds this market will come off quite quickly.

Product

EAST OF SUEZ It has not been a very positive week in the Middle East Gulf. Rates have shown a softer trend, and worst hit have the LR2s been. Rate for LR2s going to the Far East have dropped about ws10 points to ws97.5, whilst the rate for LR1s for same destination are at ws115, slightly down from last week, but unfortunately rate could slide further. For westward voyages LR2s have had to accept about USD 150,000 less paid than last week and is today at about USD 1.85 mill. LR1s have dropped from USD 1.6 mill to USD 1.525 mill today. We feel next fixtures for these movements will be at lower levels. MRs have also seen slower activity, and vessels loading west coast India for discharge Japan have seen rates slide from ws127.5 to ws117.5 today. In the Far East, it has been the same soft trend. The short-haul voyage from South Korea to Japan is today at USD 265' level, down from USD 290', and the MR voyage from Singapore to Japan is currently paying ws127.5, ws5 points less than last week. WEST OF SUEZ After last week's decline this week has been flat for all segments, but still at very low numbers. A straight Continent to States voyage for an MR is still at ws115, and the back-haul cargo from US Gulf has also been maintained at ws67.5. Daily earnings for vessels triangulating is therefore unchanged from last week at about USD 5000 per day. LR2s trading to West Africa is still at ws80 level. The rate for LR2s loading in the Mediterranean for discharge Japan/South Korea range did not move either this week, and should be around the USD 1.785 mill level. An uneventful week also for the Handies on the Continent and in the Mediterranean, and rates are still around ws135 in the Mediterranean and ws145 on the Continent.



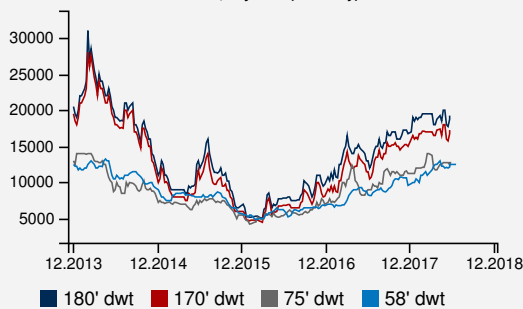
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Activity level

Capesize	Panamax	Supramax
Mixed	Moderate	Mixed

Rates	This week	Last week	Low 2018	High 2018
CAPESIZE (usd/day, usd/tonne)				
TCT Cont/Far East (180' dwt)	32 500	30 000	18 000	37 000
Tubarao / R.dam (Iron ore)	8.00	8.25	5.30	10.00
Richards Bay/R.dam	8.00	7.85	5.40	10.00
PANAMAX (usd/day, usd/tonne)				
Transatlantic RV	12 000	9 000	7 100	13 750
TCT Cont / F. East	18 700	17 000	15 000	19 500
TCT F. East / Cont	5 100	4 800	4 300	5 200
TCT F. East RV	11 500	10 700	9 000	13 750
Murmansk b.13-ARA 15/25,000 sc	8.20	7.35	6.40	8.55
SUPRAMAX (usd/day)				
Atlantic RV	12 000	11 250	11 000	16 000
Pacific RV	12 000	12 000	8 000	12 500
TCT Cont / F. East	17 500	17 500	16 000	20 500
1 YEAR T/C (usd/day)				
Capesize 180,000 dwt	19 250	18 750	17 000	20 000
Capesize 170,000 dwt	17 250	16 750	15 750	18 000
Panamax 75,000 dwt	12 750	12 750	11 250	14 000
Supramax 58,000 dwt	12 500	12 500	10 000	13 000
Baltic Dry Index (BDI):	1404	1340	n/a	n/a

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



DRY BULK

Capesize

Mixed spot developments for the big ships. Overall levels pretty much unchanged w-o-w, with average daily earnings only a fragment down to some USD 17,200. Geographical strengths, however, turned upside down as Atlantic activity now being the main driver. Transatlantic cargo volumes healthy, with resultant earnings up 15 pct to USD 18,500 for modern 180k-tonner - whilst insufficient Australian activity pushes the Waust/China conference rates down from USD 8.30 to USD 7.60 pmt, Pacific rounds down 12 pct to USD 16,700. Expectations remain good for Brazil volumes in particular, and period activity/interest very apparent - recent fixtures include 181k dwt/blt 2015 done for 7-9 months at a strong USD 23,250 to majors.

Panamax

For the second week in a row, rates have increased in both the Atlantic and the Pacific basin, shown through several strong fixtures in the end of last week. The somewhat slower pace of fresh cargoes this week may, however, imply that rates could be under pressure going forward. The TA and FH markets have increased the most, now priced at around 12k and high 18k's, respectively. Eastern freight rates have improved more modestly, where a transpacific RV now yields around mid 11k's. The FFA market is continuously trending upwards, although traders are wary of a slowing physical market, which has increased selling interest in the recent days.

Supramax

Mixed feelings in the Atlantic. USG and ECSA showed improving rates. USG to Brazil went around 18k on Ultra, and Supra with grains from USG to Mexico around 15k. Rates were ca 18k on Ultra from USG to EMed. Ultra from ECSA to China was employed at mid 15s+bb, also similar levels to MEG. BSea didn't support with too strong levels, where fhauls from Med via BSea on Ultra were concluded at ca 17k. A sideways feeling by mid-week in the Pacific after a quiet start. CIS coal is fixing around low/mid USD 12k on Supras, while trips from China to SE Asia is paying in the mid/high USD 10k. Indo/China coal rounds has been concluded in the low USD 12k and nickel ore rounds via Philippines back to China at around USD 13k.

Activity level

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

LPG Rates				
* Excl. waiting time, if any				
SPOT MARKET (usd/month)*	This week	Last week	Low 2018	High 2018
VLGC / 84,000	340 000	360 000	105 000	535 000
LGC / 60,000	400 000	375 000	375 000	550 000
MGC / 38,000	435 000	430 000	430 000	470 000
HDY SR / 20-22,000	430 000	430 000	395 000	450 000
HDY ETH / 17-22,000	720 000	730 000	720 000	770 000
ETH / 8-12,000	450 000	450 000	440 000	480 000
SR / 6,500	430 000	430 000	370 000	430 000
COASTER Asia	290 000	290 000	250 000	320 000
COASTER Europe	290 000	300 000	280 000	385 000
LPG/FOB prices (usd/tonne)				
		Propane	Butane	ISO
FOB North Sea / ANSI		526.0	511.5	
Saudi Arabia / CP		560.0	560.0	
MT Belvieu (US Gulf)		465.0	475.1	648.6
Sonatrach : Bethioua		530.0	540.0	
LNG				
SPOT MARKET (usd/day)	This week	Last week	Low 2018	High 2018
East of Suez 155-165'cbm	60 000	44 000	35 000	80 000
West of Suez 155-165'cbm	70 000	58 000	44 000	85 000
1 yr TC 155-165'cbm	70 000	58 000	52 000	70 000

GAS

Chartering

After seeing big delays from Qatar Petroleum from the week before; acceptance dates from ADNOC was more in-line with the various lifter nominations. Hence, this have not really triggered any new activity on shipping for July loading so far, and we are now waiting for Aramco's acceptances which are expected to come out over this weekend. However, with Eid holidays coming up, it could take longer than usual. Indian Charterers have been a lot more active recently, and we have seen 4 vessels being fixed this week for end June loadings. Time of writing there is still one outstanding requirement from BPCL. In the West, we have seen somewhat increased activity so far this week with a handful of relets being absorbed "off market" for loading end June and first half July. Consequently, we expect pure Owners' freight ideas to turn north as soon as the remaining relets are gone. A market call destined for South America has attracted some interest from both Traders and Owners with relevant positions, however, nothing has been concluded yet. Current transatlantic rates give time charter equivalent (T/C/E) of around USD 23,000 per day, whilst transpacific route returns a level around 16,000 per day.



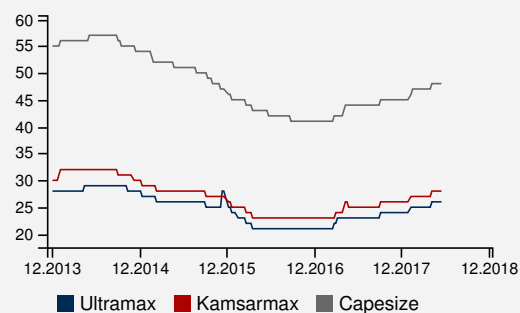
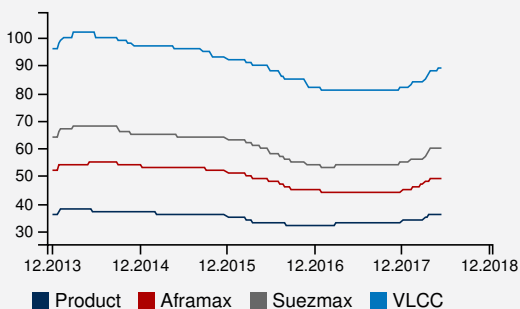
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Activity level

Tankers	Dry Bulk	Others
Moderate	Low	Moderate

Prices

Average Far Eastern Prices					
PRICES (mill usd)		This week	Last week	Low 2018	High 2018
VLCC	300'dwt	89.00	89.00	82.00	89.00
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	48.00	48.00	45.00	48.00
Kamsarmax	82'dwt	28.00	28.00	26.00	28.00
Ultramax	64'dwt	26.00	26.00	24.00	26.00
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	110.5	110.1	105.8	112.2
USD/KRW	1 086	1 067	1 061	1 086
USD/NOK	8.02	8.09	7.68	8.21
EUR/USD	1.18	1.18	1.16	1.25
Interest rate				
LIBOR USD 6 mnths	2.50	2.48	1.84	2.52
NIBOR NOK 6 mnths	1.15	1.15	0.89	1.24
Commodity prices				
Brent spot (USD)	75.80	74.97	62.46	78.70
Bunker prices				
Singapore 380 CST	442.0	448.0	360.0	458.0
180 CST		459.0		490.0
Gasoil	661.0	653.0	554.0	698.0
Rotterdam 380 HSFO	420.0	426.0		441.0
180 CST		451.0		469.0
Diesel	635.0	637.0	527.0	667.0

NEWBUILDING

One big order this week as Grimaldi declared six options for 7800 lm RoRo vessels at Jinling. Expedition cruises continue to gain interest as Brodosplit wins the contract for one polar expedition cruise ship. Samsung debuts in MRs with Mitsui & Co order, but the South Korean shipbuilding giant will not be prioritising smaller ship-type.

NEWBUILDING CONTRACTS

Type	No	Size	Yard	Buyer	Del	Price	Comm
Cruise	1	200 PAX	Brodosplit	Quark Expeditions	2020	\$ 130 m	Expedition Cruise
LNGC	1	173,400 cbm	DSME	Alpha Gas	2021		
RoRo	1	6,700 lm	Jinling	DFDS	2020		
RoRo	6	7,800 lm	Jinling	Grimaldi	2021		Options declared
TANK	2	50,000 dwt	JMU	Nissen Kaiun	2019		
TANK	5	50,000 dwt	Samsung	Mitsui & Co	2020		

SALE AND PURCHASE TRANSACTIONS

Type	Vessel	Size	Built	Buyer	Price	Comm.
MT	STI Milwaukee	49 990	2014	CMB leasing	Undisclosed	Finance deal
MT	STI Tribeca	49 990	2015			
MT	STI Seneca	49 990	2015			
MT	STI Bronx	49 990	2015			
MT	STI Manhattan	49 990	2015			
MT	STI Battery	49 990	2014			
BC	Cemtex Prudence	80 000	2000	Undisclosed	xs 8	
BC	Ocean Skipper	56 815	2011	Undisclosed	low 11	
BC	King Wheat	33 387	2009	Orient Shipping	12,00	

DEMOLITIONS

Sold for demolition

Vessel name	Size	Ldt	Built	Buyer	Price
MT Concord M	301 345	41 653	1996	Bangladeshi	448
OFFS Amity Star	291 381	39 757	1993	Bangladeshi	415
MT Guru Gobind Singh	147 495	22 323	1995	Undisclosed	426
GC Shinline 4	6 682	2 357	1983	Indian	390