Fearnleys Weekly Report

Activity level

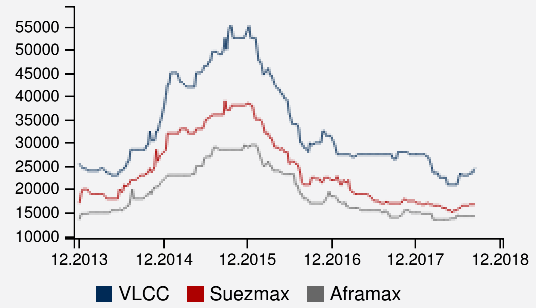
VLCC	Suezmax	Aframax	P.E. of Suez	P.W. of Suez
Stable	Stable	Mixed	Soft	Soft

	Last week	Prev.week
VLCCs fixed all areas last week:	57	60
VLCCs avail. in MEG next 30 days:	128	130

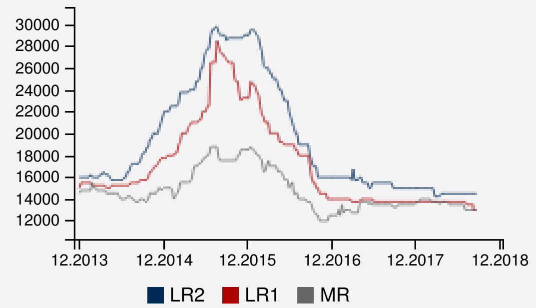
Rates

DIRTY (Spot WS)		This week	Last week	Low 2018	High 2018
MEG / West	VLCC	25.00	26.00	16.00	26.00
MEG / Japan	VLCC	57.00	58.50	35.00	58.50
MEG / Singapore	VLCC	58.00	59.50	35.50	59.50
WAF / FEAST	260,000	56.00	58.50	37.50	58.50
WAF / USAC	130,000	65.00	62.50	50.00	75.00
Sidi Kerir / W Me	135,000	77.50	80.00	55.00	87.50
N. Afr / Euromed	80,000	100.0	112.5	75.00	145.0
UK / Cont	80,000	125.0	112.5	90.00	125.0
Caribs / USG	70,000	145.0	125.0	80.00	145.0
CLEAN (Spot WS)		**This week**	**Last week**	**Low 2018**	**High 2018**
MEG / Japan	75,000	95.00	97.50	80.00	120.0
MEG / Japan	55,000	100.0	100.0	90.00	120.0
MEG / Japan	30,000	120.0	120.0	110.0	150.0
Singapore / Japan	30,000	125.0	125.0	120.0	150.0
Baltic T/A	60,000	80.00	85.00	75.00	145.0
UKC-Med / States	37,000	110.0	110.0	100.0	165.0
USG / UKC-Med	38,000	90.00	90.00	67.00	135.0
1 YEAR T/C (usd/day) (theoretical)		**This week**	**Last week**	**Low 2018**	**High 2018**
VLCC	(modern)	24 500	24 000	21 000	27 500
Suezmax	(modern)	16 750	16 750	15 000	17 000
Aframax	(modern)	14 250	14 250	13 500	15 000
LR2	105,000	14 500	14 500	14 250	15 000
LR1	80,000	13 000	13 000	13 000	13 750
MR	47,000	13 000	13 000	13 000	14 000

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



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



TANKERS

Crude

The general volumes for the VLCC's are still healthy with some 70+ deals already done ex Meg for Sept. In Wafr, charterers looking up towards the end of the month and ex Americas dates into Oct already in play. Despite extensive weather delays in the Far East, tonnage supply remain stable, though not an overly long tonnage list. Rates remain stable for now and the increased use of the older types of ships has probably been a major reason for rates to have remained flat. The optimism for the winter is far from diminished among owners who will use any opportunity to push rates up. Confidence in the Suezmax market has steadily built over the past week particularly in West Africa. During the latter part of last week the position list began to thin and owners sensed a potential for improvement, however the public holiday in London allowed Charterers a pause and several fresh ships materialized dampening the upward momentum. Increasing bunker prices have been eroding into earnings adding to the owners resistance . There has been a developing reluctance from owners to fix western positions into the east both in waf and the med, this has been mirrored in the MEG with owners favouring west cargoes over east destinations. Seemingly owners are positioning themselves for the potential of a stronger 4th quarter. In the North Sea and Baltic rates once again plummeted on the back of less activity and tonnage building up. Also, with surrounding markets offering an alternative, we see spot vessels ballasting out of the area instead of fixing current bottom levels in the north. Despite a rather skinny Baltic crude September program, we could see rates improve moving into third decade fixing window. In the Med and Black Sea the market has remained stable, still giving owners a decent return. Libya activity early September, combined with a decent CPC program in the 10-15 window, has kept rates at w120 and above. As mentioned above, with a soft Baltic and UKC market we will see more ships ballast towards the med putting downward pressure on the Med-market.

Product

EAST OF SUEZ LR2 owners in the Middle East Gulf working their tonnage with east destinations have had to see levels drop slightly,from ws 100 mid last week down to ws 95 mark. The LR1's trading AG/East have managed to remain stand and still fixing their vessels around ws100 levels. LR2's reported fixed from AG heading to UKC around $ 1.9 million, which is the same as last week. This is though slightly more positive than what we can say about the LR1's, where charterers have gained some ground and managed to put further pressure on freight levels – UKC option from the AG is now sub $ 1,5 million. MR's moving east keeping their position and doing similar levels as we saw last week, ws120. On short haul business in the east, Handies (30kt) from Singapore to Japan is trading sideways at ws 125 levels, while MR's slipped slightly since last week on a South Korea to Japan voyage, now fixing at around usd 230.000. WEST OF SUEZ As expected, we have seen a slow start to the week due to the Bank Holiday on Monday in the UK. A few more requirements on the whiteboard yesterday, but rates have continued it's downward trend on some of the main routes from the UKC and Baltic. A straight cross Atlantic voyage now moving at ws 110 levels basis 37KT. Back haul U.S. gulf to UKC followed the downward spiral as well with ws 90 levels being achieved. MR's from the continent with WAF destinations has been repeated at ws 120, while the LR'1 have seen a slight softening since last week and is now at the ws 80 mark for same destination. Yet another quiet week for Lr2's from Mediterranean going east, with freights reported from EastMed with Japan option at lumpsum $ 1.550 million. Not a lot of excitment been seen in the handy segment either, with rates from the Baltic to UKC being done in the high ws 120'ies to ws 130.In the Mediterranean, handies soften a tad last couple of days and numbers now done sub ws 120 on 30kt size.

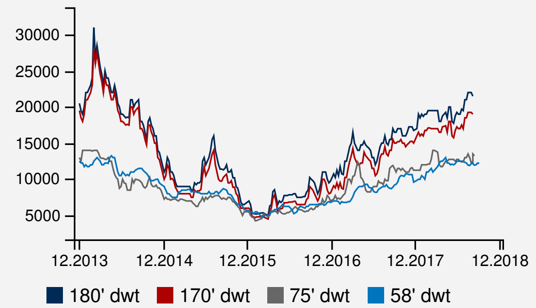
Fearnleys Weekly Report

Activity level

Capesize	Panamax	Supramax
Slower	Mixed	Mixed

Rates	This week	Last week	Low 2018	High 2018
CAPESIZE (usd/day, usd/tonne)				
TCT Cont/Far East (180' dwt)	39 000	42 000	18 000	44 000
Tubarao / R.dam (Iron ore)	10.20	10.00	5.30	11.50
Richards Bay/R.dam	9.30	9.00	5.40	12.30
PANAMAX (usd/day, usd/tonne)				
Transatlantic RV	14 700	13 700	7 100	15 000
TCT Cont / F. East	21 500	20 500	15 000	21 800
TCT F. East / Cont	4 900	4 800	4 300	5 200
TCT F. East RV	11 300	11 000	8 300	13 750
Murmansk b.13-ARA 15/25,000 sc	9.00	8.50	6.40	9.00
SUPRAMAX (usd/day)				
Atlantic RV	15 000	15 000	11 000	16 000
Pacific RV	10 500	9 900	8 000	12 500
TCT Cont / F. East	19 000	19 000	16 000	20 500
1 YEAR T/C (usd/day)				
Capesize 180,000 dwt	21 500	21 500	17 000	22 000
Capesize 170,000 dwt	19 000	19 000	15 750	19 250
Panamax 75,000 dwt	13 250	13 500	11 250	14 000
Supramax 58,000 dwt	12 200	12 250	10 000	13 000
Baltic Dry Index (BDI):	**1661**	**1735**	**n/a**	**n/a**

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



DRY BULK

Capesize

There was a slow start this week with holiday in UK on Monday. The index has been slowly coming off since then; The C5 route has seen a drop from USD 9,6 pmt level very end of last week to present USD 9 pmt. C3 has been gradually coming off over the last weeks, with index presently at USD 22,6 pmt. The general sentiment is anticipating this being close to the short term bottom for this route. Period activity being relatively good with healthy tonnage demand for short period upto 1 year period.

Panamax

This week started on a more cautious note with a holiday in the UK on Monday and generally few reported fixtures that day. Short Baltic rounds were solid with several Kamsarmaxes being fixed in the region USD 17500-19.000 per day. A few healthy trips out were reported with a Kmx supposedly fixing a trip basis APS delivery in the Baltic to India at USD 30.000, and another Kmax fixing Black Sea to the Far East at USD 27.500. Transatlantic round voyages hover around mid USD 14.000, and short fronthauls from the continent get fixed around USD 21.500. Rates in the Pacific has remained rather flat for the week, and a transpacific RV currently pays owners around low USD 11.000.

Supramax

Week started at an extremely slow pace. USG was less attractive this week, especially for prompt tonnage. Ultras from USEC to Cont were fixed around 20k. Less cargoes from Cont this week, Supras from Baltic to India were discussed at high teens. Usual scrap runs from Cont to Med were done around 13k +. Less activity from B Sea, but rates kept still at low 20s for Fhaul runs with grains Better situation in Pacific basin this week.Steels from N China to PG was fixed close to 10k. CIS coal to Far East went at mid tens and to SE ASIA at ca USD 8k. Coal runs from SAF to Far East were fixed around USD 13k + bb. On the period front Supras were closed at USD 12500 for 5-7 mos.

Activity level

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

LPG Rates — * Excl. waiting time, if any

SPOT MARKET (usd/month)*	This week	Last week	Low 2018	High 2018
VLGC / 84,000	698 000	715 000	105 000	756 000
LGC / 60,000	500 000	500 000	375 000	550 000
MGC / 38,000	480 000	480 000	430 000	485 000
HDY SR / 20-22,000	440 000	440 000	395 000	450 000
HDY ETH / 17-22,000	700 000	700 000	700 000	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	285 000	285 000	250 000	320 000
COASTER Europe	300 000	300 000	280 000	385 000

LPG/FOB prices (usd/tonne)	Propane	Butane	ISO
FOB North Sea / ANSI	525.0	552.0	
Saudi Arabia / CP	580.0	595.0	
MT Belvieu (US Gulf)	528.8	544.2	559.3
Sonatrach : Bethioua	555.0	570.0	

LNG

SPOT MARKET (usd/day)	This week	Last week	Low 2018	High 2018
East of Suez 155-165'cbm	69 000	67 000	35 000	80 000
West of Suez 155-165'cbm	84 000	82 000	44 000	85 000
1 yr TC 155-165'cbm	80 000	80 000	52 000	80 000

GAS

Chartering

The West VLGC market has been somewhat active this week on the back of a couple of cargo tenders ex West Africa and South America respectively. A handful of US cargoes have been covered on freight as well. Freight rates are ticking along sideways to slightly negative if anything and are hoovering the mid/high USD 60's per ton basis Houston/Chiba via the Panama Canal. It is a typical 'quiet time' in the market for shipping in the East, as we are still waiting for September CP and first October acceptances from Middle Eastern suppliers. Freight rates are somewhat under pressure as there is still some shipping length from Traders from 2H September, while the various Owners also have ships. We do however only expect rates to come off slowly unless there is a significant appetite from Traders to charter in for 2H September.

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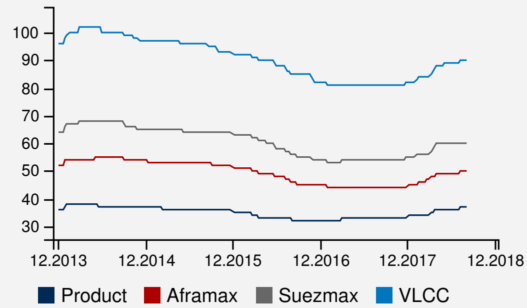
Activity level

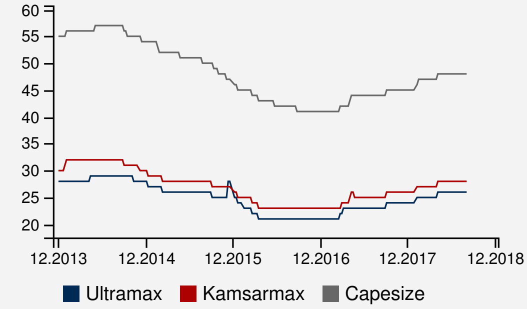
Tankers	Dry Bulkers	Others
Slow	Slow	Moderate

Prices

Average Far Eastern Prices

PRICES (mill usd)		This week	Last week	Low 2018	High 2018
VLCC	300'dwt	90.00	90.00	82.00	90.00
Suezmax	150'dwt	60.00	60.00	55.00	60.00
Aframax	110'dwt	49.50	49.50	44.50	49.50
Product	50'dwt	36.50	36.50	33.50	36.50
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 - MEGI	186.5	186.5	184.5	186.5





Market brief

		This week	Last week	Low 2018	High 2018
Rate of exchange					
USD/JPY		111.4	110.3	105.8	113.0
USD/KRW		1 111	1 119	1 061	1 133
USD/NOK		8.35	8.34	7.68	8.43
EUR/USD		1.17	1.16	1.13	1.25
Interest rate					
LIBOR USD 6 mnths		2.53	2.51	1.84	2.53
NIBOR NOK 6 mnths		1.16	1.18	0.89	1.24
Commodity prices					
Brent spot (USD)		76.50	73.87	62.46	78.70
Bunker prices					
Singapore	380 CST	461.0	447.0	360.0	471.0
	180 CST	493.0	456.0		503.0
	Gasoil	680.0	653.0	554.0	698.0
Rotterdam	380 HSFO	426.0	415.0		443.0
	180 CST	451.0	442.0		469.0
	Diesel	653.0	615.0	527.0	667.0

NEWBUILDING

We continue to see stable activity for Newbuildings with 17 firm orders this week. The US-based investment firm Mangrove Partners declared options for two more Newcastlemaxes at Yangzijiang. In the Container segment, Wan Hai Lines have booked 10 firm Bangkok-maxes split between CSSC's yard Huangpu Wenchong and Japan Marine United.

NEWBUILDING CONTRACTS

Type	No	Size	Yard	Buyer	Del	Price	Comm
BC	1	64,000 dwt	Wuhu Shipyard	Ningbo Runhua	2020		
BC	2	208,000 dwt	Yangzijiang	Mangrove Partners	2020	$ 48.5 m	Options declared
CONT	2	1,800 TEU	Hyundai Mipo	XT Shipping	2020		Options declared
CONT	4	1,900 TEU	CSSC Huangpu Wenchong	Wan Hai Lines	2020	$ 26.5 m	+ 2 options
CONT	6	1,900 TEU	JMU	Wan Hai Lines	2020		+ 2 options
TANK	2	114,000 dwt	Daehan	Enesel AS	2020	abt. $ 48 m	+ 2 options

SALE AND PURCHASE TRANSACTIONS

Type	Vessel	Size	Built	Buyer	Price	Comm.
MT	Glory Crescent	105 405	2013	AG Shipping	25,60	Uncoiled
MT	High Beam	46 646	2009	Naikai Zosen	14,80	
MT	MR Nautilus	43 538	1998	Brodogradilist	4,80	
MT	Yuhua Star	16 026	1997	Chinese	5,70	
BC	Ocean broaden	63 562	2013	Chinese	15,70	
BC	Avlemon	42 584	1997	Chinese	3,20	Auction sale
BC	Newchang	38 800	2017	Berge Bulk	18,90	
BC	Global Arc	33 438	2013	Japanese	15,30	Incl 1 yr TC NYK
BC	IVS Shikra	29 664	2008	Greek	7,80	
BC	Bright Rainbow	28 397	2013	UK based	11,30	
BC	Di Sheng	27 641	2010	Huaian Fuhang	9,20	Auction sale
BC	Vinalines Fortuna	26 369	1991	Undisclosed	2,30	

DEMOLITIONS

Sold for demolition

Vessel name	Size	Ldt	Built	Buyer	Price
MT Al Anbariah	95 628	15 933	1993	Indian	445
CONT Esm Cremona	12 583	5 246	1992	Bangladeshi	455
RORO Asstar Trabzon	3 388	2 255	1974	Indian	422