



Fearnleys Weekly Report

Activity level

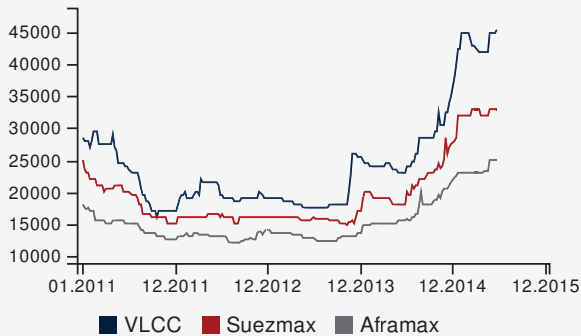
VLCC	Suezmax	Aframax	P.E. of Suez	P.W. of Suez
Firm	Firm	Mixed	Firm	Firmer

	Last week	Prev. week
VLCCs fixed all areas last week:	39	45
VLCCs avail. in MEG next 30 days:	85	92

Rates

DIRTY (Spot WS)		This week	Last week	Low 2015	High 2015
MEG / West	VLCC	39.00	35.00	26.00	49.00
MEG / Japan	VLCC	67.00	61.00	49.00	76.50
MEG / Singapore	VLCC	69.00	63.00	50.00	76.00
WAF / USG	260,000	80.00	75.00	62.50	80.00
WAF / USAC	130,000	100.0	80.00	67.50	125.0
Sidi Kerir / W Me	135,000	100.0	95.00	77.50	125.0
N. Afr / Euromed	80,000	132.5	140.0	85.00	200.0
UK / Cont	80,000	140.0	155.0	92.50	155.0
Caribs / USG	70,000	150.0	147.5	97.50	190.0
CLEAN (Spot WS)		This week	Last week	Low 2015	High 2015
MEG / Japan	75,000	125.0	125.0	85.00	125.0
MEG / Japan	55,000	142.5	140.0	97.50	145.0
MEG / Japan	30,000	135.0	137.5	107.5	137.5
Singapore / Japan	30,000	140.0	135.0	115.0	150.0
Baltic T/A	60,000	135.0	135.0	110.0	145.0
UKC-Med / States	37,000	180.0	165.0	100.0	190.0
USG / UKC-Med	38,000	115.0	125.0	50.00	160.0
1 YEAR T/C (usd/day) (theoretical)		This week	Last week	Low 2015	High 2015
VLCC	(modern)	45 500	45 000	38 000	45 500
Suezmax	(modern)	33 000	33 000	28 000	33 000
Aframax	(modern)	25 000	25 000	22 250	25 000
LR2	105,000	26 000	26 000	22 000	26 000
LR1	80,000	22 000	21 250	17 750	22 000
MR	47,000	17 500	17 250	14 000	17 500

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



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



TANKERS

Crude

Another active week for the VLCCs in the MEG with a continuous flow of June cargoes, which brought the monthly count up to the highest of the year (132). The move from working June stems to July stems was seamless and no quiet spell at all. That has kept the pressure on and with a thinning tonnage list with ships from the East, July is already well under way. The continuous flow of fresh business has boosted optimism and rates have gradually firmed and pushed earnings up to mid USD 60's/day for MEG/East voyages. Delays on tonnage in the East has also spurred more activity Wafr/East and pushing charterers to work all the way to the third decade July and rates firming here as well. We have again experienced an active fixing week on Suezmaxes for the main trading routes. This lead to a tighter tonnage availability for the unusually high fixing activity for the first decade of July laycans in Wafr. As a result, we have seen rates jumping from ws80 on TD 20 at the end of last week to ws100 level today. We expect to see the market remain firm, not only due to delays in weather ports, but also due to ullage problems in several discharge ports both East and West. North Sea and Baltic market were rather quiet at the end of last week and rates came off 25-30 ws points from last done. However, at time of writing activity has picked up for both Nsea and Baltic, and rates are again under upward pressure as there are very limited tonnage around for cargoes loading end June and early July. Mediterranean and Blsea were very busy at the end of last week and rates ticked up towards ws140 level. Congestion in specific ports and increased enquiries ex Libya was the main factor to why the market increased. However, rates came off by 10 ws points as activity eased somewhat in the 3rd decade. Going forward, supply and demand are looking more balanced and rates have stabilized around ws130 level.

Product

EAST OF SUEZ The Sentiment in the LR2 market remains firm, with steady activity out of the Middle East and Far East. Rates are unchanged from last week, and charterers are today fixing dates well into July at market levels so it seems the possible correction has been pushed further back. The LR1 market is also steaming ahead, with a slight increase in rates for MEG/Japan compared to last week. Notably, during the last couple of days we have seen several fixtures cancelled and replaced in the Middle East due to delays in Fujairah and Karachi where several ships are stuck in congestion to discharge the inbound Gasoline. Still there are a few ships hanging in limbo, as they await a decision from the charterer and depending the outcome, we might see a few more replacement fixtures with high rates. The MR market has had an active week, but for the longer hauls rates have remained relatively steady. **WEST OF SUEZ** With a tight position list and good activity from charterers in the Med and UKC, rates for the LR2s trading Naphtha remains firm. Still there is outstanding cargoes from both areas, and with the Red Sea also keeping up the pressure we do not see any downside to the current rates. Since last week there has not been many changes to the LR1 market as we still see limited available tonnage and steady activity for Gasoline and Gas Oil demand from Wafr. For the MR market in the Atlantic a lack of open tonnage with cargo-friendly background within the fixing window has prompted rates to firm up during the last couple of days. The Handy market in the Baltic has not yet been affected, but with a somewhat tight list here as well there is potential. The Med was looking busier at the start of the week, but currently activity seems to have tapered off and rates have come down a few points already.



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Activity level

Capesize	Panamax	Handysize
Active	Stronger	Firming

Rates	This week	Last week	Low 2015	High 2015
CAPESIZE (usd/day, usd/tonne)				
TCT Cont/Far East (172' dwt)	11 000	9 750	9 440	18 700
Tubarao / R.dam (Iron ore)	5.80	5.00	4.00	6.50
Richards Bay/R.dam	5.35	4.90	3.00	5.50
PANAMAX (usd/day, usd/tonne)				
Transatlantic RV	8 000	5 710	3 000	8 000
TCT Cont / F. East	13 000	10 400	8 000	13 000
TCT F. East / Cont	600.0	335.0	100.0	600.0
TCT F. East RV	6 000	5 000	2 700	6 000
Murmansk b.13-ARA 15/25,000 sc	5.75	5.25	4.40	5.75
Murmansk b.13-L.pool 15/25,000 sc	6.45	5.90	4.95	6.45
HANDYSIZE (usd/day)				
Atlantic RV	8 200	7 200	5 200	8 530
Pacific RV	6 900	6 500	4 000	9 000
TCT Cont / F. East	9 400	9 000	7 200	11 100
1 YEAR T/C (usd/day)				
Capesize 180,000 dwt	12 500	9 750	8 500	13 000
Capesize 170,000 dwt	10 500	8 600	7 500	12 000
Panamax 75,000 dwt	7 500	7 000	6 250	7 500
Handysize 53,000 dwt	8 000	8 000	7 500	9 000
Baltic Dry Index (BDI):	725	618	n/a	n/a

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



DRY BULK

Capesize

Finally some excitement for the Capesize players; After a long period with more or less no activity in the Atlantic, there are finally more requirements bringing the transatlantic market closer to ships running costs, i.e. around the 7000 mark. The Tubarao/Qingdao route is up by almost two dollars in short time. In the Pacific, the demand out of West Australia has been fairly steady for some weeks now and rates on timecharter are similar to the ones in the Atlantic whilst c5 still holds in the lower 5's. Consequently, there are increased interest in period tonnage as well, with values for a year approaching USD 12,000 daily.

Panamax

The market started off in a hectic way with fixtures done at well above last done. The consensus was that the rate hike was just for June dates, and would come off once these were covered - which seems not to be the case. Mid-week the TA's are up around 40% w-o-w. Grains out of ECSA supporting the Atlantic market as well and owners are in time of writing asking USD 9k for rounds. Fhaults bss APS ECSA concludes at around USD 13,500 + USD 360k GBB. In the Pacific, we see RV being fixed at USD 6k, which is about 1k better than levels from last week. Supported by stronger FFA's and spot market, the period market is back into play. A 77k dwt was rumored fixed at USD 8k bss delivery Point Comfort for a year.

Handy

The Handy/Supra market is firming in both hemispheres this week. The push in the bigger sizes has started to influence the smaller ships as well. Especially the USG is tighter for prompt ships and a healthy USD 17.5k was concluded for a trip from USG to India. In the Pacific we also see a good push in rates with Indo/India coal cargoes being fixed at around USD mid 8's for good specked Smaxes. Owners fixing Indo/China will have to discount some from the India trades, but Supras are being fixed at around USD 7k for same. Period fixtures are scattered but shorter periods can achieve mid/high 7's depending on delivery and speed/consumption figures. We do expect this rate climb to continue at least throughout the week.

Activity level

COASTER	15-23,000 cbm	82,000 cbm
Mixed	Stable	Moderate

LPG Rates	This week	Last week	Low 2015	High 2015
* Excl. waiting time, if any				
SPOT MARKET (usd/month)*				
82.000 cbm / FR	3 195 000	2 900 000	1 430 000	3 195 000
59.000 cbm / FR	1 950 000	1 950 000	1 500 000	1 950 000
35.600 cbm / FR	1 100 000	1 100 000	1 000 000	1 100 000
20.000 cbm / SR	1 075 000	1 075 000	950 000	1 075 000
10.000 cbm ETH	540 000	540 000	500 000	560 000
6.500 cbm / SR	455 000	455 000	435 000	460 000
COASTER Europe	210 000	205 000	135 000	210 000
COASTER Asia	140 000	140 000	135 000	140 000

LPG/FOB prices (usd/tonne)	Propane	Butane	ISO
FOB North Sea / ANSI	312.0	356.0	
Saudi Arabia / CP	405.0	440.0	
MT Belvieu (US Gulf)	183.7	227.6	236.2
Sonatrach : Bethioua	310.0	360.0	

LNG	This week	Last week	Low 2015	High 2015
SPOT MARKET (usd/day)				
East of Suez 155-165'cbm	33 000	33 000	29 000	65 000
West of Suez 155-165'cbm	35 000	35 000	29 000	70 000
1 yr TC 155-165'cbm	36 500	36 500	36 500	61 500

GAS

Chartering

With the risk of repeating what we have written before in this column; when supply/demand of a fleet segment is in equilibrium it takes very few moves to set the course of the market. Recently there have been more than a few moves hence the VLGC Baltic index as well as actual fixtures have hurried north and already reached high USD 110's where daily return equals more than USD 100,000 on a MEG/Far East voyage. Some recent MEG/India fixtures have returned from USD 120,000 upto 170,000 per day - typically reflecting the rate premium Indian charterers have to pay for the programming risk owners incur. A couple of fresh MEG/India freight inquiries for loading in the first 10 days of July have not been offered for yet, no doubt because charterers have very little to choose from. Needless to say this also impacts the current strong momentum in spot rates, and any downside in the rates seems to be gone for the next few weeks. The 8th VLGC newbuilding of 2015 was put in service this week and there are 29 vessels to go before the 2015 orderbook is delivered. The newbuilding additions to the fleet so far this year has not been sufficient to match the increase in LPG exports in 2015, therefore the remaining orderbook will not have much impact until second half of 3rd quarter and the fleet tightness should last for a few more months.



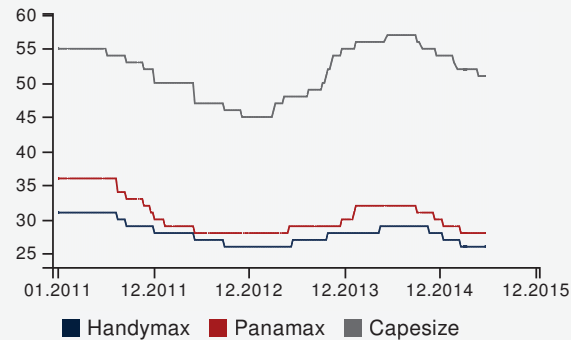
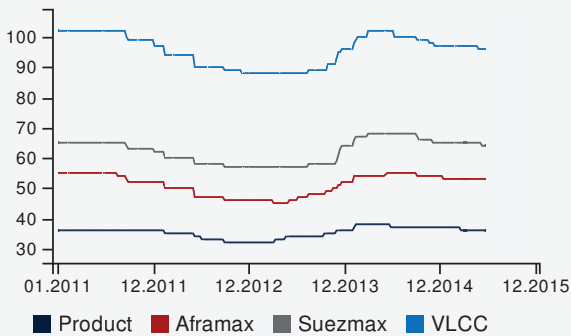
Activity level

Tankers	Dry Bulkers	Others
Stable	Slow	Moderate

Prices

Average Far Eastern Prices

PRICES (mill usd)		This week	Last week	Low 2015	High 2015
VLCC	300'dwt	96.00	96.00	96.00	97.00
Suezmax	150'dwt	64.00	64.00	64.00	65.00
Aframax	110'dwt	53.00	53.00	53.00	53.50
Product	50'dwt	36.00	36.00	36.00	37.00
Capesize	180'dwt	51.00	51.00	51.00	54.00
Panamax	82'dwt	27.50	27.50	27.50	29.50
Handymax	64'dwt	25.50	25.50	25.50	27.50
LNGC	160'cbm - DFDE	195.0	195.0	195.0	200.0
LNGC	170'cbm - DFDE	206.0	206.0	206.0	208.0



Market brief

	This week	Last week	Low 2015	High 2015
Rate of exchange				
JPY/USD	123.9	122.8	116.3	124.4
KRW/USD	1 118	1 108	1 071	1 130
NOK/USD	7.75	7.71	7.45	8.34
USD/EUR	1.13	1.13	1.06	1.18

	This week	Last week	Low 2015	High 2015
Interest rate				
LIBOR USD 6 mnths	0.45	0.44	0.36	0.45
NIBOR NOK 6 mnths	1.37	1.38	1.16	1.51

	This week	Last week	Low 2015	High 2015
Commodity prices				
Brent spot (USD)	65.07	65.94	47.16	69.08

	This week	Last week	Low 2015	High 2015
Bunker prices				
Singapore 380 CST	360.0	370.0	269.0	380.0
180 CST	372.0	383.0	274.0	395.0
Gasoil	556.0	595.0	485.0	610.0
Rotterdam 380 LSFO	331.0	339.0	232.0	364.0
380 HSFO	331.0	339.0	232.0	364.0
180 CST	368.0	367.0	279.0	403.0
Diesel	560.0	580.0	447.0	607.0

NEWBUILDING

In spite of a steady activity on the tanker side as well as for jumbo-sized container vessels, prices remain unchanged. All other segments remain slow and with an expected slowdown also for large container ships, even a continued tanker activity cannot prevent prices from coming under pressure for the remainder of this year. Teekay reported a 2+1 LNGC order at Hyundai Samho, which came as a small surprise considering their huge construction program at DSME. Although price was not reported it is believed these ships to be north of USD 200 mill.

NEWBUILDING CONTRACTS

Type	No	Size	Yard	Buyer	Del	Price	Comm
MT	2	150000 dwt	CIC Jiangsu	Marine Management	2017		+ 2 opt
MT	2	115000 dwt	CIC Jiangsu	Marine Management	2017		+2 opt
PC	2	50000 dwt	SPP	Yasa	2017		
CO	6	14000 teu	Hyundai H.I.	CMA CGM	2017		
LNG	2	174000 cbm	Hyundai H.I.	Teekay LNG	2019		+1 opt

SALE AND PURCHASE TRANSACTIONS

Type	Vessel	Size	Built	Buyer	Price	Comm.
MT	4 x Hyundai Resales	308 000	2015/2016	Euronav	96,00	Each, with options for 2+2 at \$98 Mill each
MT	Kare Sea	47 343	1998	Undisclosed	9,50	
MT	Faouet	36 939	2005	Undisclosed	16,20	
MT	Purha	25 000	2003	Donsotank	13,50	
MT	Jurmo	25 049	2004		14,00	
BC	Geosand Max	176 371	2011	Norwegian	28,00	
BC	Cupid Feather	68 621	1994	Chinese	3,20	Incl TC back
BC	Oshima 10781	60 400	2015	Greek	25,00	
BC	Oshima 10782	60 400	2016		25,00	
BC	Pacific Dolphin	49 047	1996	Far Eastern	4,60	
BC	New Vision	48 221	1999	Indonesian	5,40	

DEMOLITIONS

Sold for demolition

Vessel name	Size	Ldt	Built	Buyer	Price
MV Star Mega	170 631	21 020	1994	Indian	380
MV Aeolian Glory	157 991	19 125	1995	Bangladeshi	383
MV Empress	151 662	17 738	1992	Pakistani	378
MV Ancona	75 100	11 565	1995	Bangladeshi	380
MV Anhdika Sharmila	64 975	11 004	1985	Bangladeshi	340
MV Long Yuan	69 346	9 980	1989	Indian	380
MV Sentosa	36 205	8 948	1982	Indian	372
MV Natzutec	27 922	7 668	1981	Bangladeshi	360
REEF Baltic Sky	12 299	7 281	1978	Bangladeshi	421
MV Boontrika Naree	27 881	6 054	1990	Indian	370
MV Saisaban	26 648	5 551	1986	Pakistani	363
CONT An Chun	15 106	4 904	1986	Indian	305