

# WEBER WEEKLY TANKER REPORT



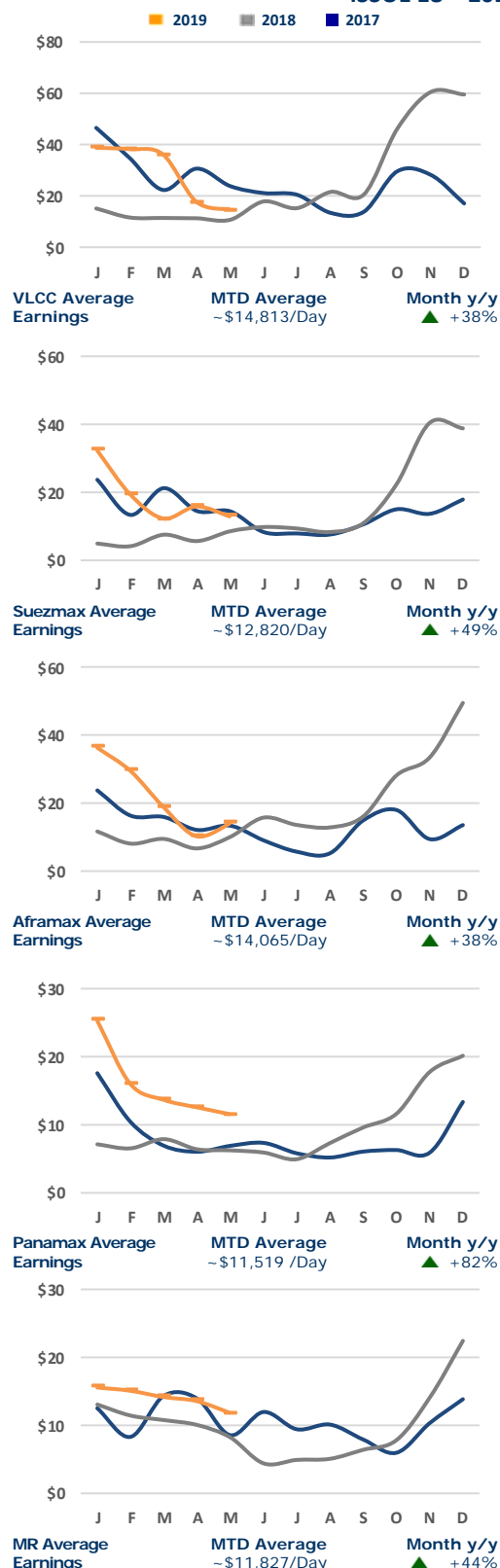
WEEK 18 – 3 May 2019

ISSUE 18 – 2019

Spot Market	WS/S	TCE	WS/S	TCE
<b>VLCC</b> (13.0 Kts L/B)		<b>26-Apr</b>		<b>3-May</b>
AG>USG 280k	20.0	--	18.8	--
AG>SPORE 270k	41.8	\$17,605	37.9	\$13,823
AG>JPN 265k	40.3	\$18,187	36.8	\$14,651
AG>CHINA 270k	42.9	\$17,142	38.1	\$12,333
WAFR>CHINA 260k	44.8	\$20,703	40.8	\$16,803
USG>SPORE 270k	\$4.11m	\$17,297	\$3.7m	\$13,308
AG>USG/USG>SPORE/AG	--	\$26,319	--	\$21,982
<i>VLCC Average Earnings</i>		<i>\$19,356</i>		<i>\$14,813</i>
<b>SUEZMAX</b> (13.0 Kts L/B)				
WAFR>USG 130k	61.9	\$14,010	54.5	\$10,158
WAFR>UKC 130k	65.6	\$10,974	59.0	\$7,726
BSEA>MED 140k	82.5	\$15,648	77.5	\$12,467
CBS>USG 150k	57.5	\$12,810	56.5	\$12,417
USG>UKC 130k	45.5	--	43.5	--
CBS>USG/USG>UKC/WAFR	--	\$21,710	--	\$21,820
AG>USG 140k	31.3	--	28.5	--
USG>SPORE 130k	\$2.70m	--	\$2.56m	--
AG>USG/USG>SPORE/AG	--	\$24,776	--	\$24,001
<i>Suezmax Average Earnings</i>		<i>\$15,597</i>		<i>\$12,820</i>
<b>AFRAMAX</b> (13.0 Kts L/B)				
N.SEA>UKC 80k	88.8	\$8,391	97.0	\$14,848
BALT>UKC 100k	77.5	\$17,974	87.0	\$24,715
CBS>USG 70k	77.5	\$2,806	77.5	\$3,121
USG>UKC 70k	69.4	--	70.0	--
CBS>USG/USG>UKC/NSEA	--	\$12,713	--	\$13,287
MED>MED 80k	81.3	\$6,438	79.0	\$5,745
AG>SPORE 70k	102.5	\$14,881	110.5	\$17,795
<i>Aframax Average Earnings</i>		<i>\$11,260</i>		<i>\$14,065</i>
<b>PANAMAX</b> (13.0 Kts L/B)				
CBS>USG 50k	126.3	\$10,777	125.0	\$10,730
CONT>USG 55k	103.1	\$10,489	101.5	\$10,749
ECU>USWC 50k	165.0	\$21,160	160.5	\$20,244
<i>Panamax Average Earnings</i>		<i>\$11,663</i>		<i>\$11,519</i>
<b>LR2</b> (13.0 Kts L/B)				
AG>JPN 75k	99.3	\$15,039	106.8	\$17,796
AG>UKC 80k	\$1.95m	\$12,924	\$2.13m	\$16,765
MED>JPN 80k	\$1.84m	\$6,571	\$1.82m	\$6,586
AG>UKC/MED>JPN/AG	--	\$16,443	--	\$18,402
<i>LR2 Average Earnings</i>		<i>\$15,507</i>		<i>\$17,998</i>
<b>LR1</b> (13.0 Kts L/B)				
AG>JPN 55k	92.1	\$7,342	104.0	\$10,417
AG>UKC 65k	\$1.56m	\$9,156	\$1.66m	\$11,205
UKC>WAFR 60k	110.9	\$7,544	104.5	\$6,447
AG>UKC/UKC>WAFR/AG	--	\$16,056	--	\$16,723
<i>LR1 Average Earnings</i>		<i>\$11,699</i>		<i>\$13,570</i>
<b>MR</b> (13.0 Kts L/B)				
UKC>USAC 37k	153.1	\$14,334	146.5	\$13,263
USG>UKC 38k	75.0	\$6	71.5	\$(458)
USG>UKC/UKC>USAC/USG	--	\$12,388	--	\$11,342
USG>CBS (Pozos Colorados) 38k	\$375k	\$6,401	\$361k	\$5,667
USG>CHILE (Coronel) 38k	\$1.15m	\$12,700	\$1.12m	\$11,901
CBS>USAC 38k	115.0	\$8,664	111.0	\$8,060
WCIND>JPN/ROK>SPORE/WCIND	--	\$12,071	--	\$12,336
<i>MR Average Earnings</i>		<i>\$12,432</i>		<i>\$11,827</i>
<b>Handy</b> (13.0 Kts L/B)				
MED>EMED 30k	140.0	\$12,466	130.6	\$9,999
SPORE>JPN 30k	143.5	\$8,907	140.4	\$8,650
<i>Handy Average Earnings</i>		<i>\$10,188</i>		<i>\$9,136</i>

Average Earnings weighted proportionally to regional activity share of each size class' worldwide market (including routes not necessarily shown above).

Time Charter Market \$/day (theoretical)	1 Year	3 Years
<b>VLCC</b>	\$32,000	\$35,000
<b>Suezmax</b>	\$23,500	\$26,000
<b>Aframax</b>	\$20,500	\$22,000
<b>Panamax</b>	\$16,500	\$17,500
<b>MR</b>	\$14,500	\$16,000
<b>Handy</b>	\$13,500	\$13,500



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# WEBER WEEKLY TANKER REPORT



## SPOT MARKET SUMMARY

### VLCC

It proved another sluggish week of activity in the Arabian Gulf (AG) VLCC sector with over-supply further weighing on sentiment and bringing rates down to year-to-date lows. Modern units are showing returns around break-even levels, while older, distressed tonnage is operating below OPEX for the first time in almost a year. The lethargic pace of inquiry left those few Charterers that entered the market with ample choices, affording them the patience to proceed slowly and move rates further south. While we did see an uptick in Americas activity, several spot ships in the Caribbean quickly concluded the business and, with eastern ballast in the background, the USG to Singapore rate fell almost \$800,000 from last done before inquiry provided a temporary floor. For the moment over-supply limits any possible uptick in momentum and the question in the short term is how much further will rates fall as Owners consider sitting versus locking in levels at or below OPEX.

Eastbound rates ended last week in the mid ws30's for distressed units, with charterers concentrating on the more competitive older units, as the last rate on a modern unit was in the low ws40's. This week, the rates on modern tonnage were tested as ws37 was concluded on a modern vessel to China, setting the pace and putting returns very close to break-even returns. The older tonnage followed suit, getting the normal discount and rates softened into the low ws30's.

Westbound business was once again limited, but remains preferred as it still offers the highest possible returns even with the softer Americas export levels. AG to the USG followed by USG to Singapore (basis ws18 and \$3.6 mil) yields a tce of \$21,000 pdpr over the two voyages.

There were 25 fresh fixtures to report this week bringing the May tally past the halfway point with 70 fixtures this far. This leaves another 15 or so cargoes to go which compares to a position list with some 38 vessels available over that same period.

As we look ahead to next week, little change is expected in the current environment, as over-supply remains the narrative. Following a long holiday weekend in London we could see an uptick of inquiry which when combined with more Americas activity will stop falling trend and could bring levels back up just above opex.

### Suezmax

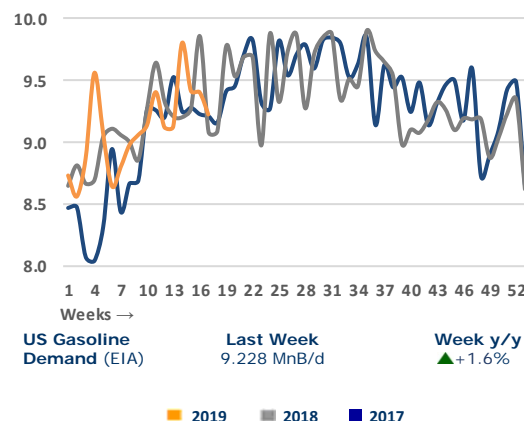
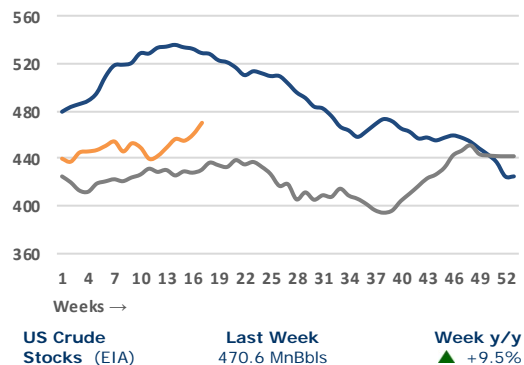
Inquiry in West Africa was up slightly 17% to 14 fixtures vs. 12 the previous week. Despite the additional cargo flow, TD20 rates teetered around the ws60 barrier for much on the week. TD20 TCE remain just below OPEX levels yielding a return of around \$9,200 pdpr. Black Sea / Mediterranean market didn't receive the same boost in inquiry as in West Africa this week leaving rates to flat-line around 135 x ws77.5 for TD6 / \$12,600 pdpr. In the USG/CBS region, charterers successfully tested last done levels with ease at the start of the week. Both USG/TA and CBS/USG rates dipped ws2.5 pts respectively, while the USG-SPORE route shed around \$200k down to \$2.5m lump sum 1:1. The boost in additional cargo flow has helped absorb some of the excess tonnage in the USG/CBS region resulting in a more optimistic outlook by owners going into next week. BDTI - TD20 ended the week settling at 60.45 which is down (-0.80) from this time last week.

### Aframax

The Aframax market experienced no movement this week, as rates remained stagnant at ws77.5 levels. An overpopulated tonnage list and lack of enquiry have forestalled any hopes for owners to try and move the market up. With tonnage still abundant, more of the same is expected, at least for the foreseeable future.

### MR

The transatlantic ULSD arb was open for MRs in the U.S. Gulf but the owners couldn't gain any traction and rates moved more or less sideways. So, despite a fair amount of

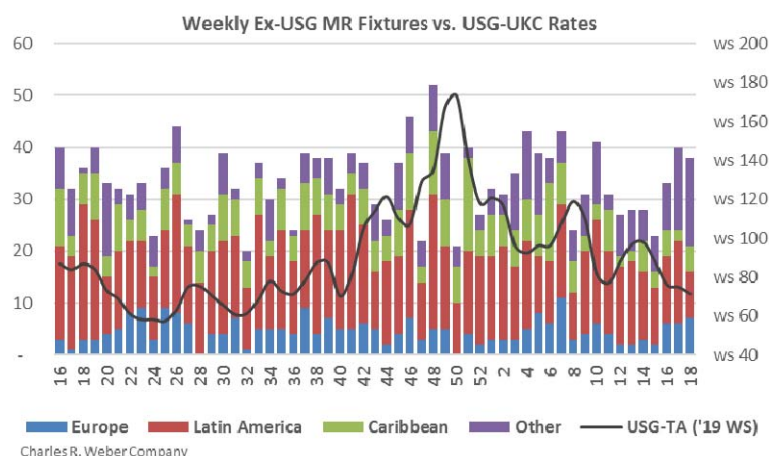


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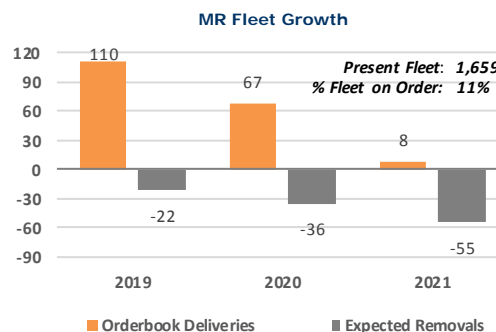
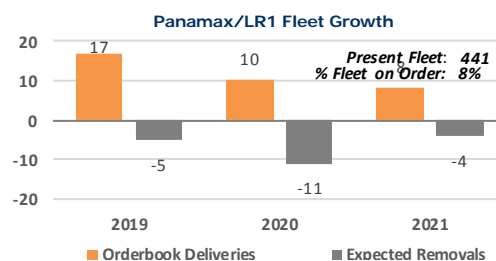
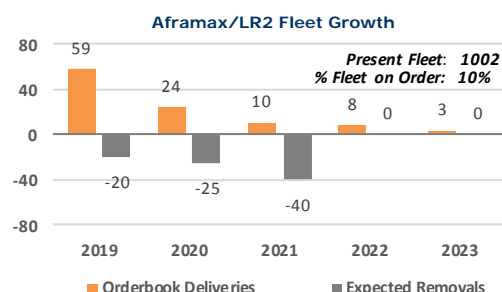
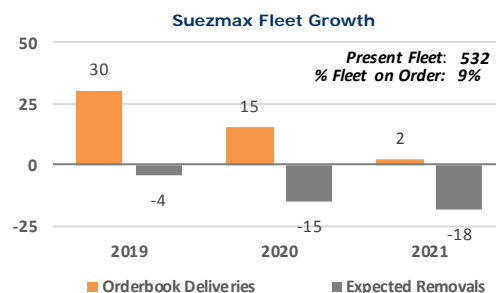
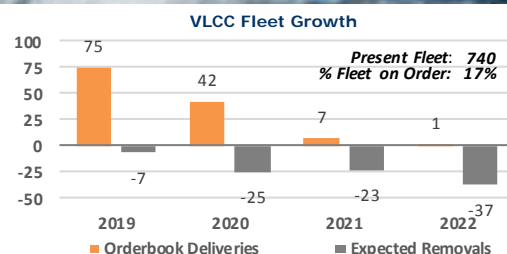
fixing, there's still sufficient tonnage, if not quite the same surplus as at the beginning of this week. In truth, the depth to which rates have sunk is probably the biggest factor in rates not dropping even further.

Interestingly, the gasoline arbitrage in the other direction was open as well, and it did absolutely nothing to prevent rates from plummeting 30 WS points in three days. Indeed, as the week came to a close, it appeared reasonably possible that a TC2 cargo might break WS 120. And the impending long weekend in the UK is unlikely to do anything particularly positive for the market.



## REPORTED TANKER SALES

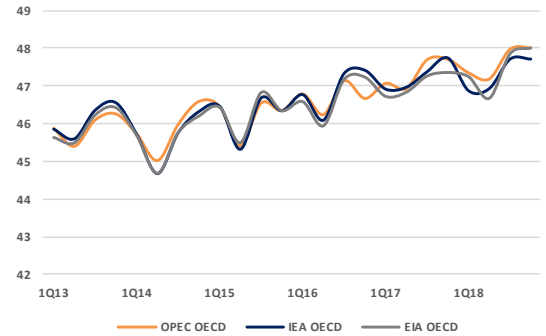
Bow Asia	9,900	2004	Fukuoka	\$6.50	Wilmar
Bow Singapore	9,900	2004	Fukuoka	\$6.50	Wilmar
Nordic Spirit	151,300	2001	Samsung	\$9.00	Undisclosed
Alexita Spirit	127,000	1998	Tsuneishi Zosen	\$9.00	Undisclosed
Vida	299,100	2003	Nantong COSCO	\$26.0	NGM Energy
Port Moody	46,136	2002	STX Jinhae	\$7.50	Undisclosed
Unique Explorer	50,090	2010	Onomichi	\$17.5	Undisclosed
Nordic Glaze	158,400	2020	Hyundai Samho	\$66.0	Fredriksen



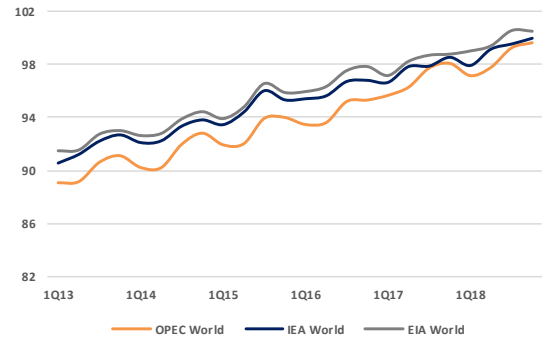
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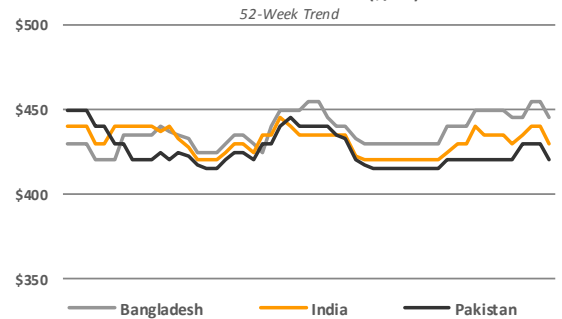
Projected OECD Oil Demand (Mnb/d)



Projected World Oil Demand (Mnb/d)



Tanker Demolition Values (\$/ldt)



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