

WEBER WEEKLY TANKER REPORT

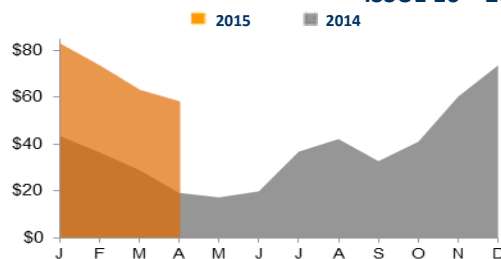


WEEK 16 – 17 APRIL 2015

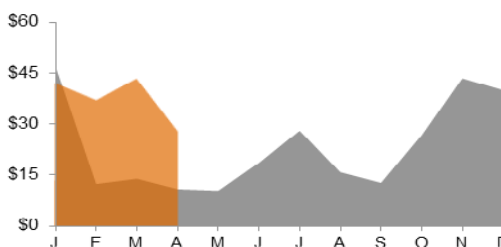
ISSUE 16 – 2015

Spot Market	WS/LS	TCE ~\$/day	WS/LS	TCE ~\$/day
VLCC (12 Kts L/11.5 Kts B)	10-April		17-April	
AG>USG 280k (TD1)	31.5	\$23,039	32.5	\$22,853
AG>USG/CBS>SPORE/AG	--	\$61,901	--	\$59,278
AG>SPORE 270k (TD2)	62.5	\$60,745	62.5	\$59,054
AG>JPN 265k (TD3)	62.5	\$65,447	62.5	\$63,750
WAFR>USG 260k (TD4)	67.5	\$65,580	70.0	\$67,191
WAFR>CHINA 260k (TD15)	60.0	\$57,500	62.5	\$59,329
CBS>SPORE 270k	\$5.95m	--	\$5.70m	--
SUEZMAX (12 Kts L/11.5 Kts B)				
WAFR>USAC 130k	65.0	\$26,287	72.5	\$29,992
WAFR>UKC 130k (TD20)	67.5	\$24,748	75.0	\$28,508
BSEA>MED 140k (TD6)	77.5	\$42,782	75.0	\$39,947
CBS>USG 150k	85.0	\$45,905	85.0	\$39,695
AFRAMAX (12.5 Kts L/B)				
N.SEA>UKC 80k (TD7)	110.0	\$43,028	135.0	\$63,638
AG>SPORE 70k (TD8)	105.0	\$34,113	105.0	\$32,611
BALT>UKC 100k (TD17)	100.0	\$54,101	120.0	\$68,792
CBS>USG 70k (TD9)	145.0	\$45,170	147.5	\$45,447
MED>MED 80k (TD19)	97.5	\$33,138	105.0	\$36,837
PANAMAX (12.5 Kts L/B)				
CBS>USG 50k (TD21)	142.5	\$30,179	135.0	\$26,755
CONT>USG 55k (TD12)	110.0	\$20,129	117.5	\$21,539
ECU>USWC 50k	170.0	\$32,667	167.5	\$32,083
CPP (13.5 Kts L/B)				
UKC>USAC 37k (TC2)	140.0	\$21,118	145.0	\$21,524
UKC>WAFR 37k	155.0	\$22,970	157.5	\$22,881
USG>UKC 38k (TC14)	90.0	\$11,545	90.0	\$10,833
USG>UKC/UKC>USAC/USG	--	\$23,908	--	\$23,836
USG>POZOSCOLORADOS 38k	\$600k	\$27,386	\$575k	\$25,046
CBS>USAC 38k	135.0	\$20,383	130.0	\$19,833
AG>JPN 35k	125.0	\$16,551	132.5	\$17,297
SPORE>JPN 30k (TC4)	140.0	\$17,125	140.0	\$16,451
AG>JPN 75k (TC1)	98.0	\$31,542	94.0	\$28,769
AG>JPN 55k (TC5)	126.0	\$28,796	115.0	\$24,157

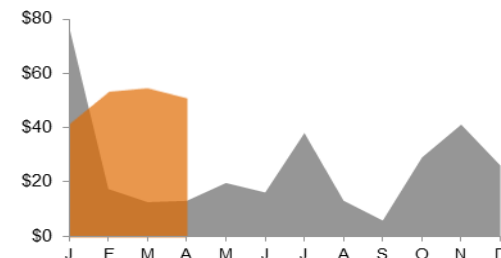
Time Charter Market \$/day (theoretical)	1 Year	3 Years
VLCC	\$40,000	\$40,000
Suezmax	\$30,000	\$29,250
Aframax	\$25,000	\$23,000
Panamax	\$20,500	\$19,750
MR	\$16,000	\$16,000



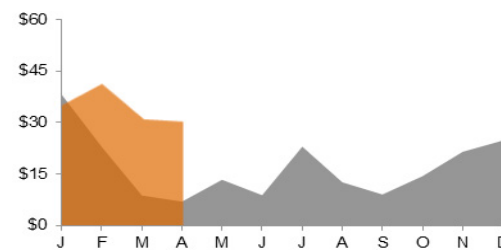
VLCC TCE
AG-USG /
CBS-SPORE/AG
MTD Average
~\$58,191/Day
Month y/y
▲ +203%



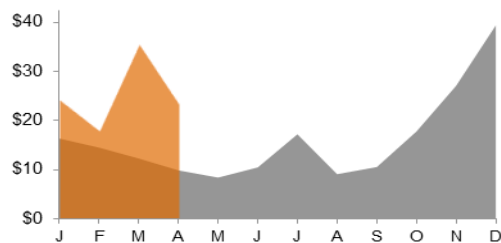
S' MAX TCE
130k WAF-USAC
MTD Average
~\$22,888/Day
Month y/y
▲ +155%



A' MAX TCE
70k CBS-USG
MTD Average
~\$50,722/Day
Month y/y
▲ +292%



P' MAX TCE
50k CBS-USG
MTD Average
~\$30,472/Day
Month y/y
▲ +338%



MR TCE
USG-UKC/
UKC-USAC/USG
MTD Average
~\$23,239/Day
Month y/y
▲ +135%

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WEBER WEEKLY TANKER REPORT



THE TANKER MARKETS

VLCC

VLCC rates in the key Middle East and West Africa markets posted fresh gains this week on a low availability count and earlier demand strength. On the demand side, however, the April Middle East cargo program came to an abrupt conclusion with fewer cargoes than anticipated. The month's program there yielded 110 cargoes – which is 8% below our earlier expectation. The shorter program comes despite a relatively modest 3% m/m decline in cargoes from Iraq's Basra terminal and amid pronouncements of near-record oil output in Saudi Arabia (this week, the kingdom submitted data to OPEC showing a 658,800 b/d m/m production rise during March, which would imply higher April exports following a usual lag between production changes and exports). Further deliveries of VLCCs to time charterers under contracts agreed earlier in the year may have contributed to the slower spot cargo tally as some of these and earlier TC deliveries serviced internal cargo programs (as opposed to the relatively more common external relets observed during Q1). Additional tempering of expectations resulting from the Saudi production boost is the possibility of diversions to YASREF's new 400,000 Yanbu refinery for inventory building ahead of its utilization hike during the coming months. A total of 17 fixtures were reported in the Middle East market, marking a 47% w/w decline. In the West Africa market, demand declined for the third consecutive week to 6 fixtures, off 14% w/w, but still marginally above the 52-week average.

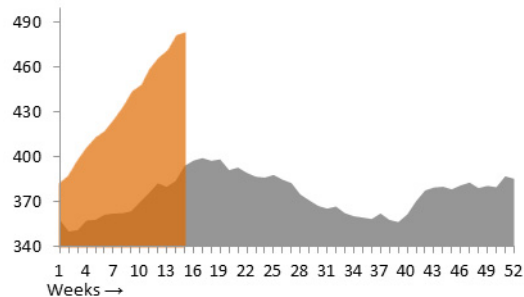
As the market progresses more aggressively into May Middle East dates during the upcoming week, the rebounding of activity should help to prevent much rate downside from materializing on the back of this week's lull. While this could help to support rates around present levels during the upcoming week, we note that surplus units carrying from April to May dates tallies at 10, which narrowly exceeds the previous YTD high of 9 at the conclusion of the January program and represents a doubling from the number of units uncovered at the conclusion of the March program. Moreover, sources indicate four fewer VLCC stems during the May Basra program, as compared with the April program, despite an overall increase of exports from the terminal while Saudi's cargo supply remains uncertain given the observed disconnect between production and cargo tally in April. While potential demand gains in the West Africa market resulting from European refinery maintenance (pushing more cargoes on VLCC tonnage to other regions) during May could help limit rate downside, a modest degree thereof is expected to materialize after the upcoming week's Middle East demand surge on the back of the recent tonnage build.

Middle East

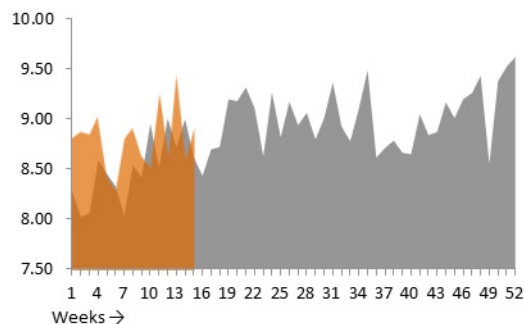
Rates to the Far East gained 10 points w/w to an average of ws62.8. Corresponding TCEs gained 25% to an average of ~\$62,435/day. The present assessment of ws62.5 yields ~\$61,735/day. Rates to the USG via the Cape observed an average of ws33.5, representing a weekly gain of 5.8 points. Triangulated Westbound earnings gained 6% w/w to an average of ~\$61,094/day.

Atlantic Basin

The WAFR-FEAST route added 5.8 points w/w to an average of ws61. Corresponding TCEs rose by 13% to an average of ~\$57,636/day. In the Caribbean market, rates retested lower with the CBS-SPORE route shedding \$250k to the \$5.7m level; rates steadied at this level following a rebounding of activity. As regional exports are expected to remain steady and regional VLCC arrivals moderate, rates should hold around this level through at least the upcoming week.



US Crude Stocks (EIA) **Last Week 483.7 Mbbls** **Week y/y ▲ +22.7%**



US Gasoline Demand (EIA) **Last week 8.914 Mb/d** **Week y/y ▲ +3.5%**

■ 2015 ■ 2014

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Suezmax

Though demand in the West Africa Suezmax market remained relatively lackluster this week in the absence of significant volumes, rates posted a modest recovery from recent lows on the back of charterer interest in prompt dates to service late purchases of April cargoes. With few units available for these relatively prompt cargoes, rates on the WAFR- UKC route gained 7.5 points to a closing assessment of ws75 with the WAFR-USAC route rising by the same amount to ws72.5.

With prompt units having been removed from the list of availability, rates should remain elevated early during the upcoming week as charterers move towards normalized forward dates. Thereafter, stronger demand should materialize and support an extending of gains. We note that VLCCs have moved beyond first-decade West Africa dates having covered 23% less cargo volume than during the first decade of the April program, leaving more early May cargoes expected to be oriented on Suezmaxes.

Aframax

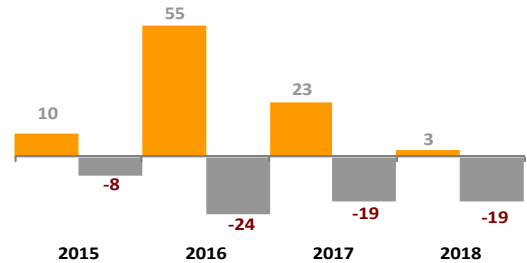
Despite weakening fundamentals and softer trend during recent weeks, this week saw rates post a modest rebound from lows observed at the start. On the CBS-USG route, fixtures touched the mid-ws130s on Monday before a Tuesday fixture was reported at ws150. Market participants indicate that the higher rate resulted from a charterer working off of inaccurate information rather than any substantiating changes to regional supply/demand fundamentals. Simultaneously, owners were more bullish on reports of the higher rate which saw the market trade in the ws137.5-147.5 range through the remainder of the week. The route concludes at an assessed ws147.5 but fundamentals imply that rates should prove softer during the upcoming week. We note that overall demand was weaker this week with the tally of fixtures dropping 13% w/w to 16 and the four-week moving average dropping 7% w/w to 13.

Panamax

The Caribbean Panamax market saw rates remain soft this week on slower demand and a relatively more flexible list of available units. The CBS-USG route lost 5 points to a closing assessment of ws135. Rates could post further modest losses during the upcoming week as more units reappear on position lists.

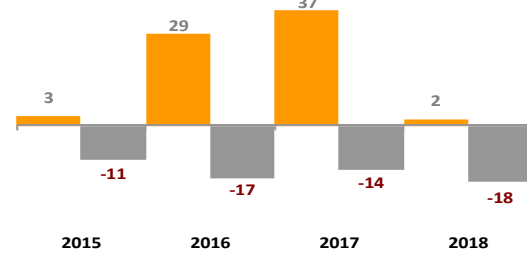
VLCC Projected Deliveries/Removals

Present Fleet: 625



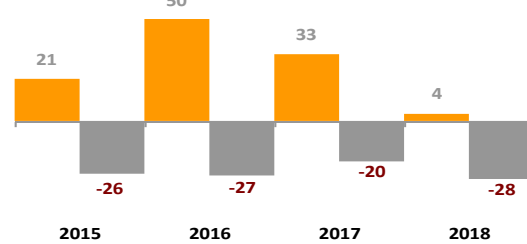
Suezmax Projected Deliveries/Removals

Present Fleet: 435



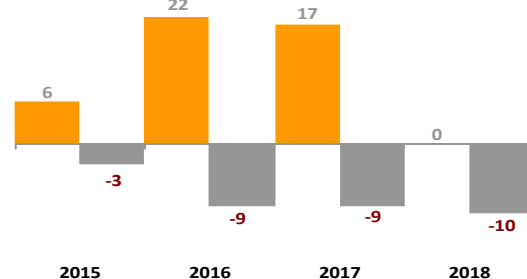
Aframax/LR2 Projected Deliveries/Removals

Present Fleet: 888



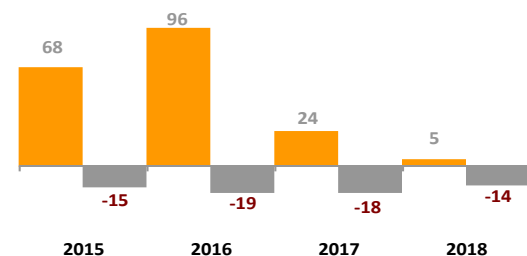
Panamax/LR1 Projected Deliveries/Removals

Present Fleet: 412



MR Projected Deliveries/Removals

Present Fleet: 1,285



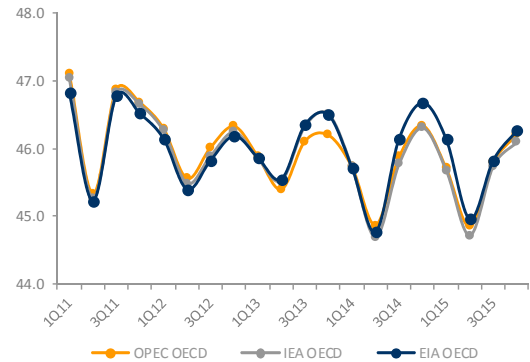
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MR

In the USG MR market, following an extending of rate gains at the start of the week, the surprise souring of fundamentals (which had appeared very supportive a week ago) led to a halting of the upward trend and eventually led to fresh rate downside. This week's tally of fixtures was off by 12% on the week to 36 while a surge of available positions saw the two-week forward availability count rise by 67%. Slow activity at the start of the week followed the halting of earlier USG gasoline and distillate price losses. Though some tempering thereof followed the stopping of throughputs on Colonial Pipeline's key distillate line due to a leak, which raised prospects for exports as an alternative outlet for PADD 3 supplies, after the pipeline resumed operations early on Tuesday the fundamentals to support exports returned to moderation. With 35 units showing availability at the close of the week (which remains 13% below the YTD end-week average) and demand unlikely to decline further given rising PADD 3 refinery utilization rates, any further rate downside during the upcoming week should be limited. The USG-UKC route ended the week unchanged at ws90 (having touched ws100 earlier during the week). The USG-POZOS route, however, shed \$25k to conclude at an assessed \$575k lump sum.

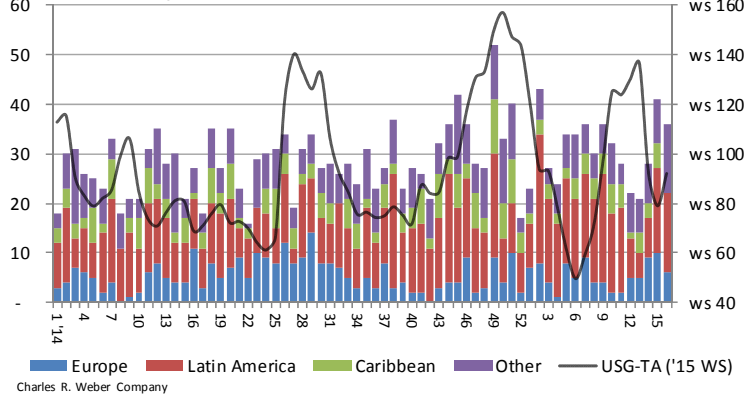
Projected OECD Oil Demand



Projected World Oil Demand



Weekly Ex-USG MR Fixtures vs. 38 kMT USG-UKC Rates



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REPORTED TANKER SALES

Sungdong 3122 74,500/17 – Sungdong – DH
Sungdong 3123 74,500/17 – Sungdong – DH
Sungdong 3124 74,500/17 – Sungdong – DH
 -Sold en bloc for \$43.5m each to Japanese buyers (Nisshin Shipping).

STX Jinhae 1721 49,000/16 – STX Jinhae – DH
STX Jinhae 1722 49,000/16 – STX Jinhae – DH
STX Jinhae 1723 49,000/16 – STX Jinhae – DH
STX Jinhae 1724 49,000/16 – STX Jinhae – DH
 -Sold en bloc for \$277.0m to Norwegian buyers (Ocean Yield ASA) including 15-Year BBB with purchase option after year 5.

"Pula" 46,927/06 – 3 Maj – DH – Phenolic Epoxy
 -Sold for \$18.5m to Norwegian buyers (NorthCape Capital AS).

"Odin" 19,117/03 – Viana Do Castelo – DH – IMO II – Ice 1C
 -Sold for \$9.8m to undisclosed buyers.

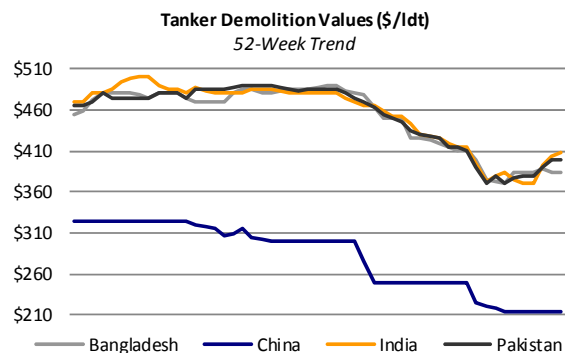
"Marida Melissa" 13,121/09 – Sekwang – DH – Epoxy
 -Sold for \$8.5m to undisclosed UK buyers.

"Clipper Legacy" 10,098/05 – Yardimici – DH – IMO II – Ice 1B
 -Sold for \$6.8m to undisclosed buyers.

"Crystalwater" 2,684/97 – Breko – DH – Ice 1C
 -Sold on private terms to Norwegian buyers (Hordafor AS).

REPORTED TANKER DEMOLITION SALES

There are no reported tanker demolition sales for week 16.



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