

WEBER WEEKLY TANKER REPORT



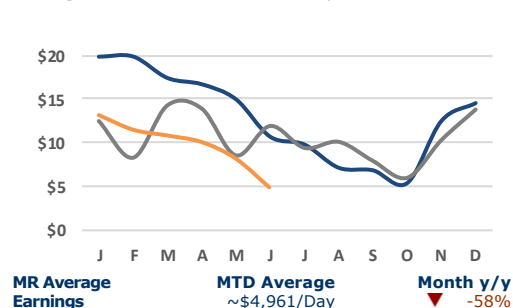
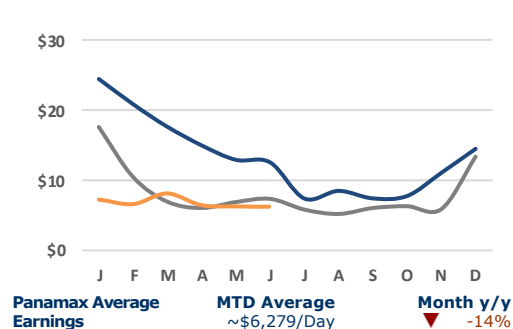
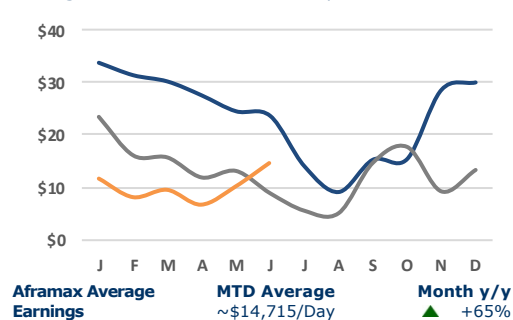
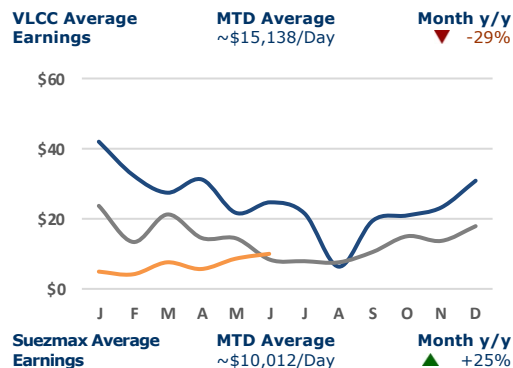
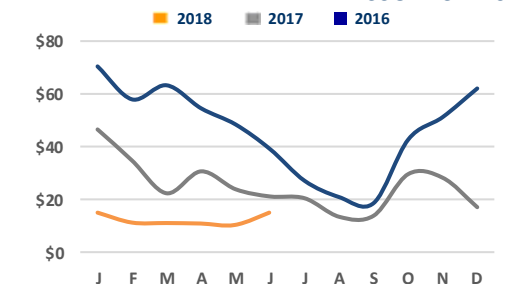
WEEK 23 – 8 June 2018

ISSUE 23 – 2018

Spot Market	WS/LS	TCE	WS/LS	TCE
VLCC (13.0 Kts L/B)		1-June		8-June
AG>USG 280k	18.0	--	18.5	--
AG>SPORE 270k	48.0	\$13,773	48.0	\$14,073
AG>JPN 265k	46.0	\$15,083	46.0	\$15,388
AG>CHINA 270k	50.0	\$13,894	49.0	\$13,249
WAFR>CHINA 260k	50.0	\$16,414	48.0	\$14,792
USG>SPORE 270k	\$3.80m	\$13,565	\$3.90m	\$14,176
AG>USG/USG>SPORE/AG	--	\$17,656	--	\$19,281
VLCC Average Earnings		\$15,128		\$15,055
SUEZMAX (13.0 Kts L/B)				
WAFR>USG 130k	70.0	\$11,877	60.0	\$7,129
WAFR>UKC 130k	75.0	\$8,987	65.0	\$4,473
BSEA>MED 140k	95.0	\$14,976	87.5	\$10,754
CBS>USG 150k	70.0	\$13,565	70.0	\$13,776
USG>UKC 130k	57.5	--	55.0	--
CBS>USG/USG>UKC/WAFR	--	\$10,215	--	\$9,426
AG>USG 140k	27.5	--	27.5	--
USG>SPORE 130k	\$2.40m	--	\$2.50m	--
AG>USG/USG>SPORE/AG	--	\$7,961	--	\$9,147
Suezmax Average Earnings		\$11,935		\$8,154
AFRAMAX (13.0 Kts L/B)				
N.SEA>UKC 80k	105.0	\$6,095	100.0	\$3,257
BALT>UKC 100k	82.5	\$11,146	80.0	\$10,048
CBS>USG 70k	145.0	\$20,384	145.0	\$20,469
USG>UKC 70k	115.0	--	95.0	--
CBS>USG/USG>UKC/NSEA	--	\$31,573	--	\$25,524
MED>MED 80k	110.0	\$12,678	85.0	\$3,123
AG>SPORE 70k	97.5	\$7,809	95.0	\$7,260
Aframax Average Earnings		\$16,009		\$12,710
PANAMAX (13.0 Kts L/B)				
CBS>USG 50k	120.0	\$2,825	120.0	\$2,958
CONT>USG 55k	105.0	\$5,639	105.0	\$5,787
ECU>USWC 50k	170.0	\$15,497	170.0	\$15,878
Panamax Average Earnings		\$6,100		\$6,272
LR2 (13.0 Kts L/B)				
AG>JPN 75k	117.5	\$14,078	107.6	\$11,509
AG>UKC 80k	\$1.90m	\$11,322	\$1.93m	\$11,898
MED>JPN 80k	\$1.79m	\$6,082	\$1.80m	\$6,229
AG>UKC/MED>JPN/AG	--	\$15,259	--	\$15,654
LR2 Average Earnings		\$14,471		\$12,889
LR1 (13.0 Kts L/B)				
AG>JPN 55k	117.5	\$8,234	114.5	\$7,755
AG>UKC 65k	\$1.64m	\$10,344	\$1.58m	\$9,288
UKC>WAFR 60k	83.0	\$(2,892)	80.0	\$(3,392)
AG>UKC/UKC>WAFR/AG	--	\$10,858	--	\$9,821
LR1 Average Earnings		\$9,546		\$8,788
MR (13.0 Kts L/B)				
UKC>USAC 37k	115.0	\$2,048	115.0	\$2,233
USG>UKC 38k	70.0	\$(4,045)	67.5	\$(4,313)
USG>UKC/UKC>USAC/USG	--	\$2,692	--	\$2,529
USG>CBS (Pozos Colorados) 38k	\$310k	\$1,215	\$300k	\$669
USG>CHILE (Coronel) 38k	\$975k	\$6,925	\$975k	\$7,044
CBS>USAC 38k	110.0	\$3,738	110.0	\$3,874
WCIND>JPN/ROK>SPORE/WCIND	--	\$10,972	--	\$9,676
MR Average Earnings		\$5,115		\$4,809
Handy (13.0 Kts L/B)				
MED>EMED 30k	140.0	\$10,681	137.5	\$10,115
SPORE>JPN 30K	129.0	\$3,364	127.0	\$3,226
Handy Average Earnings		\$5,998		\$5,706

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
VLCC	\$21,000	\$28,000
Suezmax	\$15,000	\$21,000
Aframax	\$14,000	\$17,500
Panamax	\$13,000	\$14,500
MR	\$13,000	\$15,000
Handy	\$12,000	\$13,500



Whilst every care has been taken in the production of this study, no liability can be accepted for any loss incurred in any way whatsoever by any person who may seek to rely on the information contained herein. All information is supplied in good faith and Charles R. Weber Company, Inc. accepts no responsibility for any and all errors and omissions contained within this study.

WEBER WEEKLY TANKER REPORT



SPOT MARKET SUMMARY

VLCC

Rates in the VLCC market moderated to the downside this week on a slowing of demand in the Middle East market amid a pause in chartering between second- and third-decade June cargoes and an easing of bunker prices from recent highs. A total of 17 fixtures were reported for Middle East loading, off 45% w/w. Demand in the West Africa market was on par with last week's tally and the YTD average with six fixtures, which maintained draws on Middle East positions. Demand in the Atlantic Americas soared despite an easing of fixture demand for US crude exports; a total of seven fixtures were reported for loading in the range extending from Brazil to the US Gulf coast versus three last week.

Supply demand fundamentals are largely unchanged as participants progress into the Middle East June program's final decade after improving progressively during earlier June dates. We note 17 projected surplus units at the conclusion of June, up by one unit from the 16 observed at the conclusion of the month's second decade and off considerably from the 22 units seen at the conclusion of the month's first decade. As compared with the six-year high of 38 units seen at May's close, the present level is markedly more manageable and owes to the strength in demand in the Atlantic Americas which drew a number of units away from the Middle East on a speculative basis. With TCEs already having posted gains to reflect the improvement (MTD average earnings are at a YTD high), further gains will likely necessitate a strong pace of demand to alter sentiment.

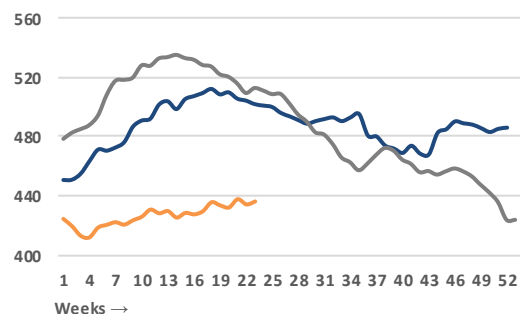
Middle East

Rates on the AG-CHINA route eased, losing one point to conclude at ws49. Corresponding TCEs were off 4% w/w to ~\$13,667/day. Rates on the AG-USG c/c route were unchanged at ws18. Triangulated Westbound trade earnings rose 4% to ~\$18,392/day.

Atlantic Basin

Rates in the West Africa market followed those in the Middle East. The WAFR-CHINA route lost one point to conclude at ws49. Corresponding TCEs were off 2% to ~\$16,085/day.

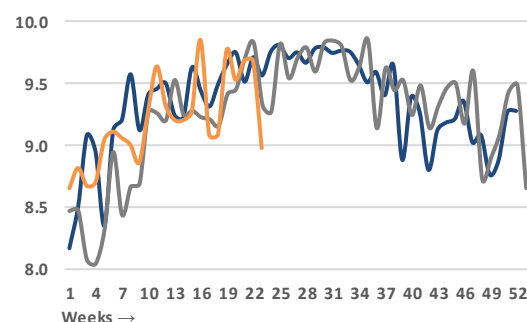
Rates in the Atlantic Americas were unchanged despite this week's surge in demand as natural positions rose modestly. The USG-SPORE route was steady at \$3.80m lump sum. An extending of demand during the upcoming week, which is more likely following this week's EIA report showing a fresh and unexpected build in US crude inventories, raises the likelihood that owners will successfully command fresh rate gains.



US Crude Stocks (EIA)

Last Week
436.6 MnBbls

Week y/y
▼ -14.9%



US Gasoline Demand (EIA)

Last Week
8.976 MnB/d

Week y/y
▼ -3.7%

■ 2018 ■ 2017 ■ 2016

WEBER WEEKLY TANKER REPORT



Suezmax

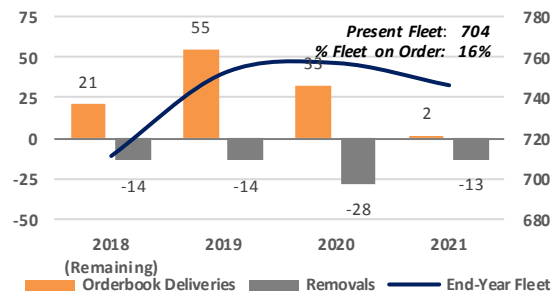
Rates in the West Africa market were softer this week on rising regional availability, despite a modest demand increase. A total of 11 fixtures were reported, three more than last week and in-line with the YTD weekly average. Slower recent demand in the Middle East market has seen more units ballasting towards West Africa, augmenting rising natural positions. The WAFR-UKC route shed 10 points to conclude at ws65.

Demand in the Atlantic Americas was slower, yielding a mixed back for regional rates. The CBS-USG route was unchanged at 150 x ws70 while the USG-UKC route was off 2.5 points to 130 x ws55 and the USG-SPORE route added \$100k to \$2.50m.

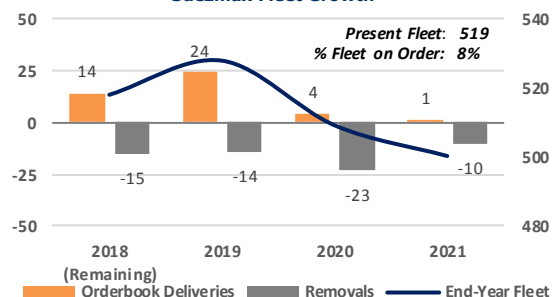
Aframax

The Caribbean Aframax market remained firm on strong demand and forward demand prospects in line with a long list of VLCCs fixed to load US crude exports on the USG which will keep interest in spot units for lightering activities. Despite reports indicating a backlog of vessels to load Venezuela crude cargoes and the specter of forces majeure on the same, we have not observed a major impact on operational turnaround for Aframax loadings and AIS tracking shows very limited deviation from normal waiting time. The CBS-USG route held at ws145 throughout the week with a corresponding TCE of ~\$20,469/day at week's end. Fresh units are likely to appear on position lists at the start of the upcoming week; this could prompt rates to ease, but a collapse to earlier lows is not expected in the near-term given the overall forward supply/demand view.

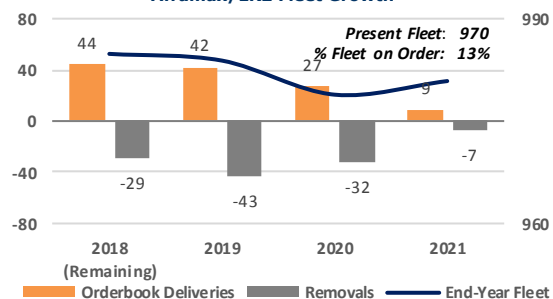
VLCC Fleet Growth



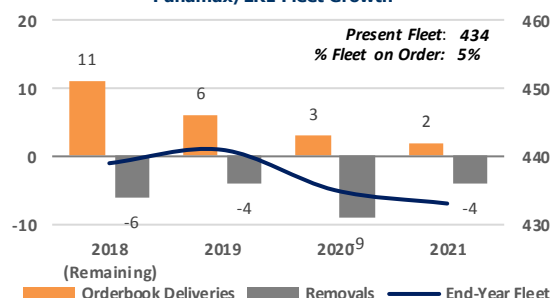
Suezmax Fleet Growth



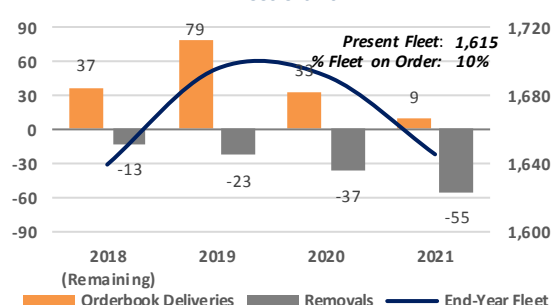
Aframax/LR2 Fleet Growth



Panamax/LR1 Fleet Growth



MR Fleet Growth



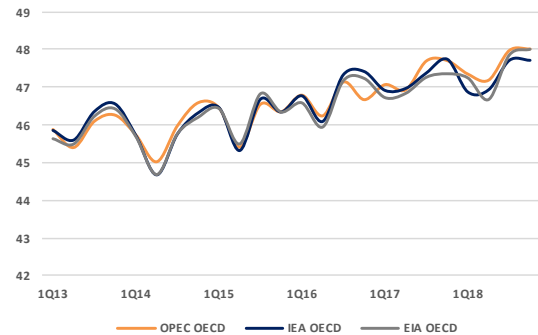
WEBER WEEKLY TANKER REPORT



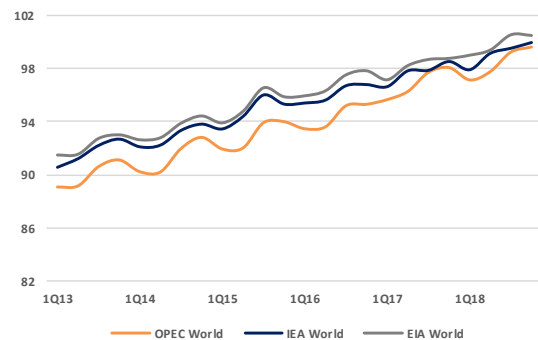
MR

The USG MR market saw further rate losses this week as negative sentiment extended, in line with the exponential nature of the market. Fundamentals improved modestly, though with a number of prompt units to be worked through, any paring of losses would be further forward irrespectively. A total of 35 fixtures were reported this week, representing a w/w gain of four and the most in a month. In line, the number of units available on a two-week forward basis declined 8% w/w to a four-week low of 48 units. Rates on the USG-UKC route shed 2.5 points to conclude at ws67.5. The weighted average of worldwide earnings fell to just ~\$4,809/day, testing a low last observed in the aftermath of Hurricane Harvey devastating impact on PADD3 (USG) area refineries. Going forward, further demand gains should help to improve the supply/demand balance, if modestly. We note that PADD3 refinery utilization rose for a third-consecutive week last week to 94.6%, the highest since mid-January. Meanwhile, amid a hit to domestic gasoline demand attributable to higher prices, US inventories of the product are back at the high-end of the five-year range, which is a positive for potential exports; PADD3 gasoline inventories rose 4% w/w. Meanwhile, US distillate inventories moved back toward the five-year range having dropped below that range last month. Strong diesel and jet fuel export demand was observed in this week's fixtures, with nine bound for Europe – building on last week's high tally of eight and representing the most in a single week since October. Tempering any near-term rate optimism, we note that voyages to deliver gasoline to the USAC have risen, raising the specter of USAC-USG ballasts. At the start of the upcoming week, the presence of a number of prompt units, which will likely rise over the weekend, and the lagging nature of sentiment on the spot tanker market imply that a sustaining of the extreme rate lows – or possibly even an extending thereof – are likely.

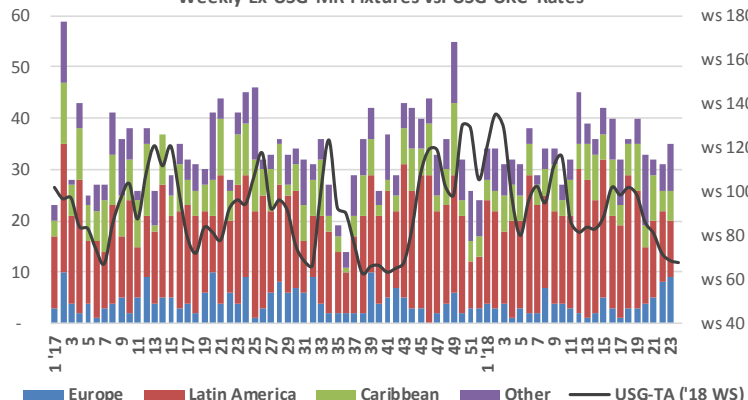
Projected OECD Oil Demand (Mnb/d)



Projected World Oil Demand (Mnb/d)



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



Charles R. Weber Company

WEBER WEEKLY TANKER REPORT



REPORTED TANKER SALES

STI Battery – 49,990/14 – Hyundai Mipo– DH
STI Bronx – 49,990/15 – SPP Sacheon– DH
STI Manhattan – 49,990/15 – SPP Goseong– DH
STI Milwaukee – 49,990/14 – Hyundai Mipo– DH
STI Seneca – 49,990/15 – Hyundai Mipo– DH
STI Tribeca – 49,990/15 – SPP Sacheon– DH
-Sold to CMB Financial Leasing Co, including BBB for 8 years w/ purchase obligation at end.

Iver Exact – 46,858/07 – Hyundai Mipo– DH – IMO II
-Sold for \$14.0m to Spring Maritime.

Endeavour – 46,101 /04– STX Jinhae – DH
-Sold for \$9.90m to IMS SA. Unit due for DD 11/2018.

Oceanic Cyan – 13,241 /08 – Jinse– DH – IMO II
-Sold for \$7.70m to undisclosed buyers.

REPORTED TANKER DEMOLITION SALES

Final Destination: Bangladesh

Dawn Mathura – 45,999 /95 – 9,846 LDT – DH
- Sold on private terms.

Final Destination: India

Olivia I – 17,080/93 – 5,998 LDT – DH
- Sold on private terms.

Alfa Karadeniz – 6,400/85 – 2,620 LDT – DH – IMO II
- Sold on private terms.

Hellas M – 3,643/80– 1,875 LDT – DH – IMO II
- Sold on private terms.

Final Destination: Unknown

DS Vector – 298,990 /01 – 42,107 LDT – DH
-Sold on private terms.

Nordic Jupiter – 157,406/98– 22,615 LDT – DH
- Sold for \$447/ldt., basis as is, Singapore including 1,780 MT bunkers.

Nordic Fighter– 153,328 /98– 21,853 LDT – DH
- Sold for \$447/ldt., basis as is, Singapore including 635 MT bunkers.

Martha Tender – 29,998/87 – 6,050 LDT – SH
-Sold for \$295/ldt, basis as is, Belawan.



George P. Los
Head of Tanker Research
research@crweber.com

Charles R. Weber Company, Inc.
Greenwich Office Park Three, 1001 McKinney Street, Suite 475
Greenwich, CT 06831 Houston, TX 77002
Tel: +1 203 629-2300 Tel: +1 713 568-7233
www.crweber.com