

# WEBER WEEKLY TANKER REPORT

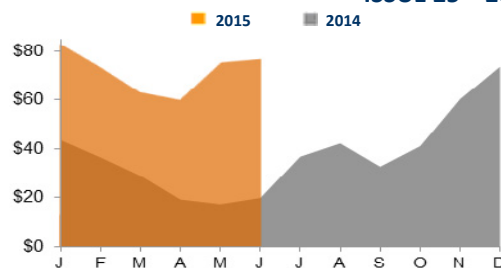


WEEK 25 – 19 JUNE 2015

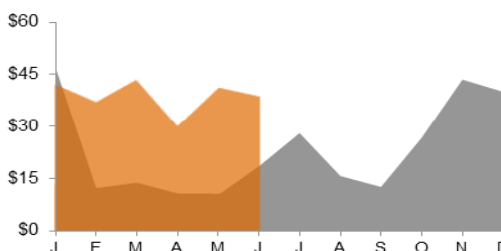
ISSUE 25 – 2015

Spot Market	WS/LS	TCE ~\$/day	WS/LS	TCE ~\$/day
<b>VLCC</b> (12 Kts L/11.5 Kts B)	12-Jun		19-Jun	
AG>USG 280k (TD1)	35.0	\$25,468	38.5	\$30,451
AG>USG/CBS>SPORE/AG	--	\$75,203	--	\$79,449
AG>SPORE 270k (TD2)	62.0	\$57,883	72.5	\$72,113
AG>JPN 265k (TD3)	62.0	\$62,297	72.5	\$77,090
WAFR>USG 260k (TD4)	75.0	\$72,737	85.0	\$85,562
WAFR>CHINA 260k (TD15)	62.5	\$58,599	72.5	\$72,043
CBS>SPORE 270k	\$7.35m	--	\$7.35m	--
<b>SUEZMAX</b> (12 Kts L/11.5 Kts B)	12-Jun		19-Jun	
WAFR>USAC 130k	82.5	\$35,912	97.5	\$45,782
WAFR>UKC 130k (TD20)	85.0	\$34,525	100.0	\$44,542
BSEA>MED 140k (TD6)	95.0	\$57,493	110.0	\$71,401
CBS>USG 150k	75.0	\$35,671	85.0	\$44,546
<b>AFRAMAX</b> (12.5 Kts L/B)	12-Jun		19-Jun	
N.SEA>UKC 80k (TD7)	145.0	\$72,013	165.0	\$89,610
AG>SPORE 70k (TD8)	140.0	\$47,551	160.0	\$56,421
BALT>UKC 100k (TD17)	125.0	\$72,442	125.0	\$72,773
CBS>USG 70k (TD9)	140.0	\$41,616	175.0	\$57,813
MED>MED 80k (TD19)	140.0	\$57,450	135.0	\$54,603
<b>PANAMAX</b> (12.5 Kts L/B)	12-Jun		19-Jun	
CBS>USG 50k (TD21)	142.5	\$28,953	157.5	\$34,267
CONT>USG 55k (TD12)	130.0	\$25,151	130.0	\$25,385
ECU>USWC 50k	172.5	\$31,795	172.5	\$32,128
<b>CPP</b> (13.5 Kts L/B)	12-Jun		19-Jun	
UKC>USAC 37k (TC2)	165.0	\$25,840	180.0	\$29,466
UKC>WAFR 37k	180.0	\$27,636	190.0	\$30,019
USG>UKC 38k (TC14)	125.0	\$18,948	120.0	\$17,912
USG>UKC/UKC>USAC/USG	--	\$32,763	--	\$33,870
USG>POZOSCOLORADOS 38k	\$750k	\$36,940	\$725k	\$35,340
CBS>USAC 38k	145.0	\$23,193	147.5	\$23,937
AG>JPN 35k	138.0	\$18,369	138.0	\$18,319
SPORE>JPN 30k (TC4)	138.0	\$16,024	138.0	\$15,979
AG>JPN 75k (TC1)	125.0	\$42,280	125.0	\$42,445
AG>JPN 55k (TC5)	140.0	\$32,009	140.0	\$32,184

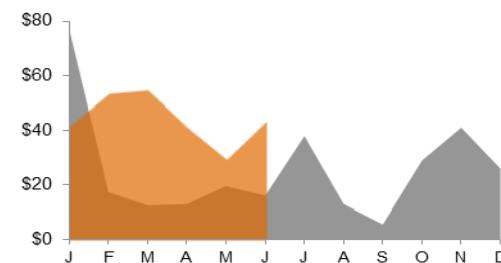
Time Charter Market \$/day (theoretical)	1 Year	3 Years
<b>VLCC</b>	\$47,500	\$40,000
<b>Suezmax</b>	\$31,000	\$29,000
<b>Aframax</b>	\$25,000	\$23,000
<b>Panamax</b>	\$20,500	\$19,500
<b>MR</b>	\$17,250	\$16,250



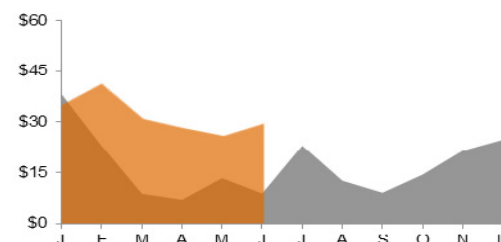
**VLCC TCE  
AG-USG /  
CBS-SPORE/AG** MTD Average  
~\$76,944/Day Month y/y  
▲ +288%



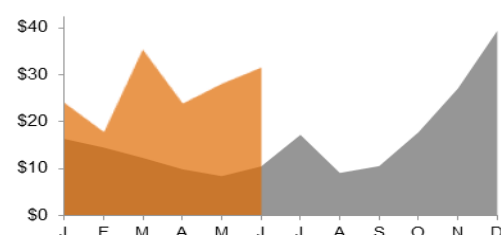
**S' MAX TCE  
130k WAF-USAC** MTD Average  
~\$38,632/Day Month y/y  
▲ +107%



**A' MAX TCE  
70k CBS-USG** MTD Average  
~\$43,632/Day Month y/y  
▲ +172%



**P' MAX TCE  
50k CBS-USG** MTD Average  
~\$29,861/Day Month y/y  
▲ +238%



**MR TCE  
USG-UKC /  
UKC-USAC/USG** MTD Average  
~\$31,722/Day Month y/y  
▲ +203%

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# WEBER WEEKLY TANKER REPORT



## THE TANKER MARKETS

### VLCC

VLCC rates in the key Middle East and West Africa markets improved this week as charterers in the Middle East moved concertedly into the July program while demand in the West Africa market (and thus draws on Middle East positions) strengthened. The Middle East fixture tally rose by 3% w/w to 33 fixtures while the West Africa fixture tally increased by 33% w/w to 8 fixtures. The Middle East demand marked a quicker than expected progression into July dates with stem confirmations coming earlier than usual; this helped to limit the usual rate downside which accompanies a pause between each month's conclusion and the eventual start of the subsequent month. Moreover, the June program concluded with a final cargo count of 137, on par with our week-ago estimate but 7 more than our projection when charterers moved into the July program. With West Africa demand continuing to draw on June positions this week, the eight fixtures which materialized helped to further reduce June Middle East surplus tonnage facing charterers at the start of the July program there. Accordingly, the June surplus concludes at six units.

Amid the low June surplus, we note relatively strong demand fundamentals through July: Despite a drop in Saudi exports during June, we note that VLCC demand remained elevated by strong Saudi production and seaborne movements of VLCC cargoes from the Gulf to the Red Sea to supply YASREF's new Yanbu refinery; sustained crude production there implies sustained VLCC demand. In Iraq, the June commencement of Basrah Heavy crude exports stoked strong VLCC demand; while a small decline is noted in the total Basrah VLCC cargo tally (as lack of appetite by refiners for large heavy cargoes will push more cargo to smaller classes), the net impact is a reduction of three VLCCs. Accordingly, we expect a total Middle East program of 134 cargoes. Through the first decade of the July program, a total of 45 cargoes are expected (of which 31 have materialized). Against this, there are 22 units remaining available through first decade dates. Factoring for West Africa draws (which are expected to remain elevated due to unfavorable key Middle East OSPs for Asian buyers which pushes some Asian demand to the West Africa market), we estimate a surplus of around 2 units. As this figure remains low and Middle East charterers will continue to compete with West Africa charterers, rates appear likely to remain firm.

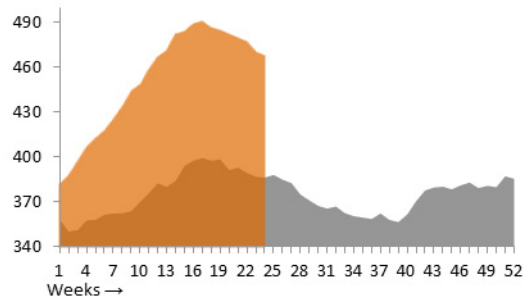
### Middle East

Rates to the Far East gained 3.6 points w/w to an average of ws65.1. Corresponding TCEs rose 8.3% to an average of ~\$64,592/day. Rates to the USG via the Cape were assessed at an average of ws36.4, representing a w/w gain of 1.6 points. Triangulated Westbound trade earnings rose 2.0% w/w to an average of ~\$76,503/day.

### Atlantic Basin

In the West Africa market, rates were firmer on the back of the strengthening Middle East market. This week's observed average of ws71.9 represents a 10.6 points w/w gain. Corresponding TCEs gained 25% to an average of ~\$71,114/day.

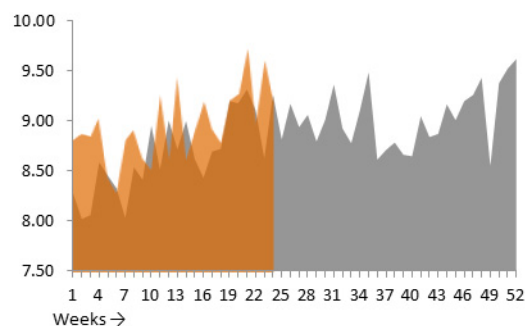
The Caribbean market remained active this week with rates holding within the \$7.30m-\$7.35m lump sum range on the CBS-SPORE benchmark route. Fundamentals remain tight and the strengthening VLCC market elsewhere combined with a lack of natural Caribbean-area positions implies prospects for fresh gains. Previously, higher rates would have attracted ballast units from as far as the Red Sea while this week's Middle East rate gains now offer the ability to owners to push rates up without risking such a development.



US Crude Stocks (EIA)

Last Week  
467.9 MnBbls

Week y/y  
▲ +21.1%



US Gasoline Demand (EIA)

Last week  
9.176 MnB/d

Week y/y  
▼ -0.9%

■ 2015 ■ 2014

# WEBER WEEKLY TANKER REPORT



## Suezmax

Chartering demand in the West Africa Suezmax market rose 53% w/w to a 20-week high of 26 fixtures. The demand surge accompanied coverage of cargoes for loading within the first decade of the July program and follows relatively light earlier interest in loadings within the date range from Asian buyers with a corresponding reduction of earlier VLCC fixtures. VLCC demand for first-decade loadings were off by 25% on a m/m basis and were unchanged from the third decade of the June program. As a result, Suezmax demand in the date range has posted its third consecutive decade loading period of demand gains; with 26 first decade cargoes now covered, the period has been the most active for Suezmaxes since the first decade of March. Simultaneously, Suezmax demand in the Black Sea market rose this week as charterers worked through late purchases of previously unsold Suezmax-sized Urals cargoes. As a result of the demand gains and corresponding draws on Suezmax availability, rates in both markets were stronger this week. The WAFR-USAC and WAFR-UKC routes each added 5 points to conclude at ws97.5 and ws100, respectively while the BSEA-MED route added 15 points to conclude at ws110. While the Black Sea market now looks likely to be approaching a near-term peak, the West Africa market should post further gains during the upcoming week as demand appears set to remain strong as charterers progress into the second-decade of the July program but should level off by mid-way through the upcoming week.

## Aframax

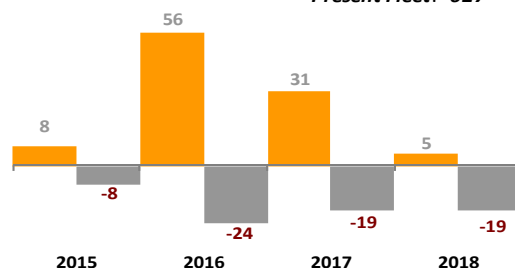
Supply/demand fundamentals in the Caribbean Aframax market were tighter this week as ongoing ullage- and infrastructure-related delays on the USG (which have increased voyage times by an average of around 4 days YTD) were augmented by the halting of transits through the Houston Ship Channel for two days this week and the closure of terminals along Texas' coast due to Tropical Storm Bill. As a result, availability was tighter and some replacement fixtures contributed further to the tight market. Rates on the CBS-USG route gained 35 points over the course of the week to a closing assessment of ws175. With Tropical Storm Bill having now passed with little impact and waterways/terminals having reopened, an easing of supply pressures should prompt a correcting of rates from present highs during the upcoming week.

## Panamax

The Caribbean Panamax market was stronger this week due to delays resulting from Tropical Storm Bill, a stronger Aframax market and a markedly stronger pace of chartering. The CBS-USG route added 15 points to conclude at ws157.5. With a number of units remaining on subject, the outcome of the contracts will likely dictate the direction rates will take during the upcoming week; assuming all units are confirmed on subjects, rates appear set for further strong rate gains.

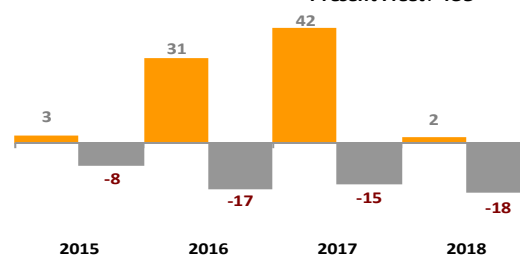
VLCC Projected Deliveries/Removals

Present Fleet: 627



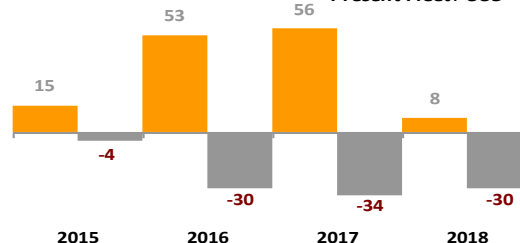
Suezmax Projected Deliveries/Removals

Present Fleet: 435



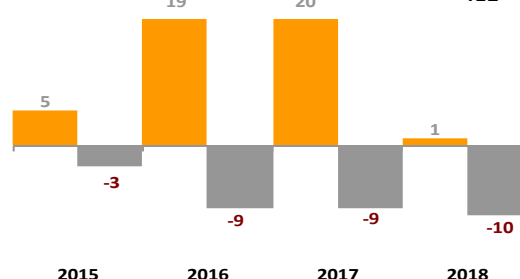
Aframax/LR2 Projected Deliveries/Removals

Present Fleet: 885



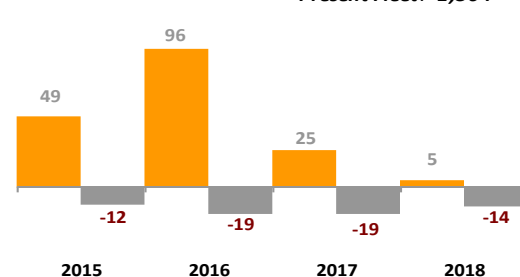
Panamax/LR1 Projected Deliveries/Removals

Present Fleet: 412



MR Projected Deliveries/Removals

Present Fleet: 1,304



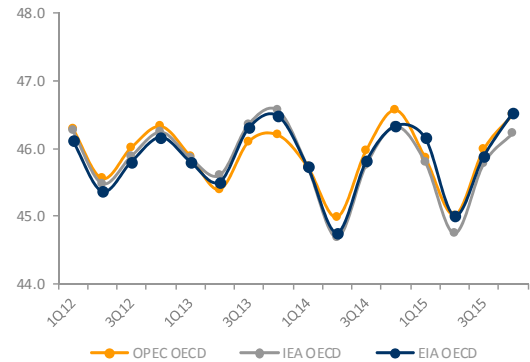
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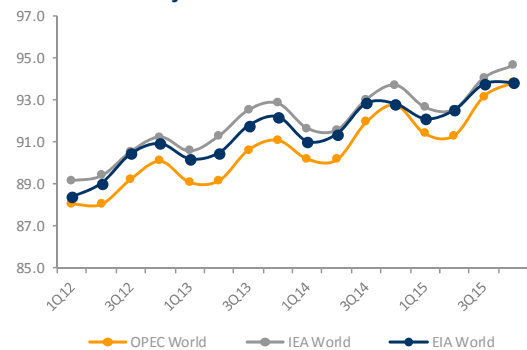
## MR

Chartering demand in the USG MR market rose by 31% from a revised tally of last week's fixtures to 34 fixtures. Of this week's tally, 10 fixtures were for voyages to points in Europe (+11% w/w to a ten-week high), those to points in Latin America and the Caribbean accounted for 20 fixtures (+25% w/w) and the remainder were bound for alternative areas or have yet to be determined. Despite the stronger activity level, rates on the USG-UKC route were softer this week, having shed 5 points to conclude at ws120. The downside is largely attributable to strong rate gains in the UKC market which improve onward trade prospects; triangulated USG-UKC/UKC-USAC/USG earnings gained 3.4% to conclude at ~\$33,870/day. However, the USG-POZOS route shed \$25k to a closing assessment of ~\$725k lump sum – likely due to the softer USG-UKC rate. The two-week forward view of USG availability stands at 21 units, representing a 19% w/w decline and USG exports appear set to remain strong on high PADD 3 refinery utilization and high regional distillate inventories. This implies that rates should experience limited further downside while seasonal factors (since the development of the USG area as a substantial export area) imply a directional strengthening through to mid-July.

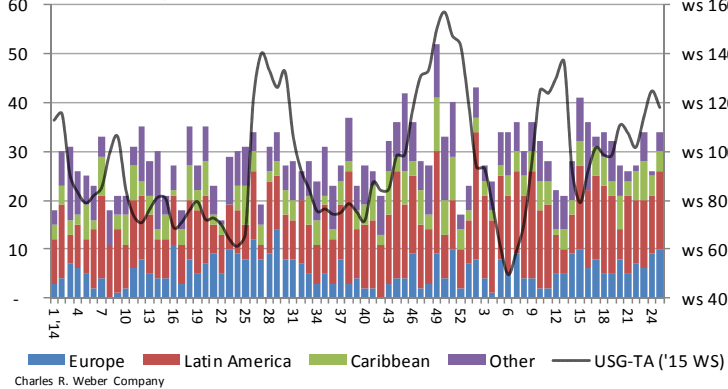
Projected OECD Oil Demand



Projected World Oil Demand

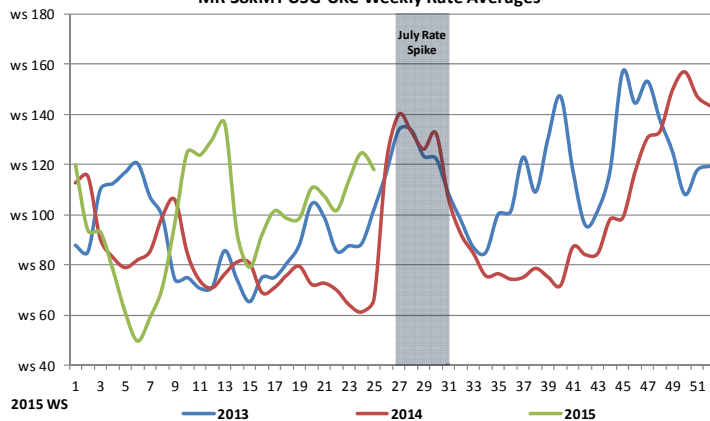


Weekly Ex-USG MR Fixtures vs. 38 KMT USG-UKC Rates



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MR 38kMT USG-UKC Weekly Rate Averages



Charles R. Weber Company

# WEBER WEEKLY TANKER REPORT



## REPORTED TANKER SALES

**Hyundai Gunsan 2725** 308,000/15 – Hyundai Gunsan – DH  
**Hyundai Gunsan 2726** 308,000/16 – Hyundai Gunsan – DH  
**Hyundai Gunsan 2727** 308,000/16 – Hyundai Gunsan – DH  
**Hyundai Gunsan 2728** 308,000/16 – Hyundai Gunsan – DH  
 -Sold en bloc for \$392.0m to Belgian buyers (Euronav); sale includes options for four additional NB units.

**“DS Vidonia”** 306,507/06 – Daewoo – DH  
 -Sold for \$57.5m to undisclosed Greek buyers.

**“Pioneer”** 306,397/99 – Samsung Geoje – DH  
**“Progress”** 306,397/00 – Samsung Geoje – DH  
**“British Purpose”** 306,307/00 – Samsung Geoje – DH  
**“Pride”** 306,397/00 – Samsung Geoje – DH  
 -Sold en bloc for \$135.0m to US buyers (Ridgebury Tankers), subject to private placement.

**Hyundai Samho S779** 300,000/16 – Hyundai Samho – DH  
**Hyundai Samho S780** 300,000/16 – Hyundai Samho – DH  
 -Sold en bloc for \$194.0m to Greek buyers (Tsakos Energy Navigation).

**“Nave Celeste”** 298,717/03 – Daewoo – DH  
**“C. Dream”** 298,570/00 – Hitachi Zosen – DH  
 -Sold en bloc for \$100.0m to Greek buyers (Navios Maritime Midstream Partners); internal deal – dropdown from GP Sponsor, includes existing TC.

**“New Coral”** 297,580/10 – Shanghai Jiangnan – DH  
**“New Medal”** 297,556/09 – Shanghai Jiangnan – DH  
**“New Founder”** 297,395/08 – Shanghai Jiangnan – DH  
 -Sold en bloc for \$82.0m, \$78.0m, and \$74.0m, respectively, to Japanese buyers (Shinyo International).

**“BLS Amity”** 84,999/02 – Sasebo – DH  
 -Sold for \$19.85m to Greek buyers (Avin International).

**“Kara Sea”** 47,343/98 – Uljanik – DH  
 -Sold for \$8.5m to undisclosed Indian buyers.

**“Hambisa”** 44,549/97 – Szececin, PL – DH  
 -Sold for \$6.7m to undisclosed Far East buyers.

**“Jurmo”** 25,049/04 – Jinling – DH  
**“Purha”** 25,000/03 – Jinling – DH  
 -Sold en bloc for \$14.0m and \$13.5m, respectively, to Swedish buyers (Donsotank).



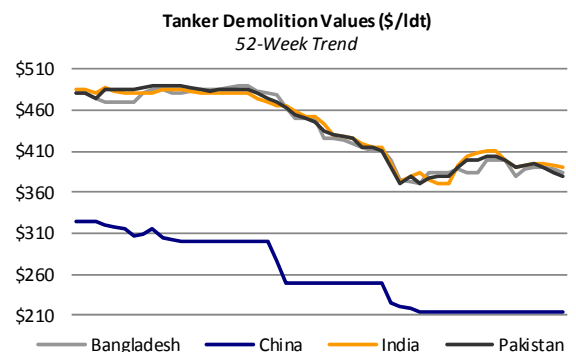
## REPORTED TANKER DEMOLITION SALES

### Pakistan

**“Great Increase”** 23,169/84 – 7,706 LDT – DB  
 -Sold on private terms.

### Bangladesh

**“Tirta Samudra XII”** 5,288/86 – 1,953 LDT – SH  
 -Sold for \$345/ldt.



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