

WEBER WEEKLY TANKER REPORT



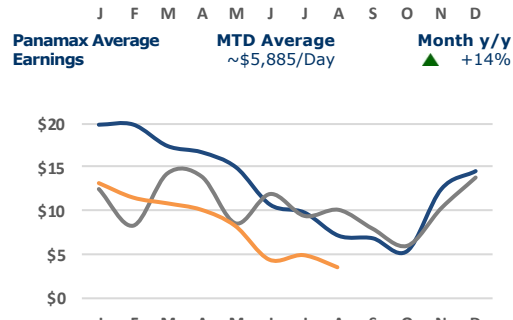
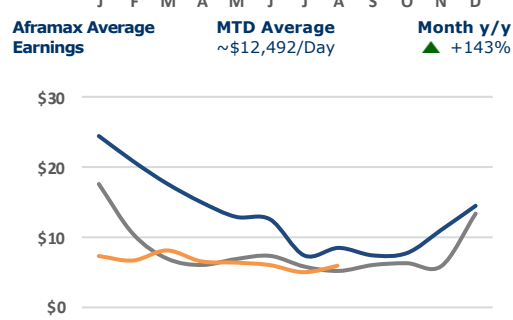
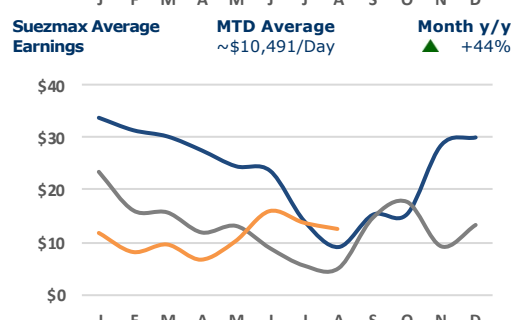
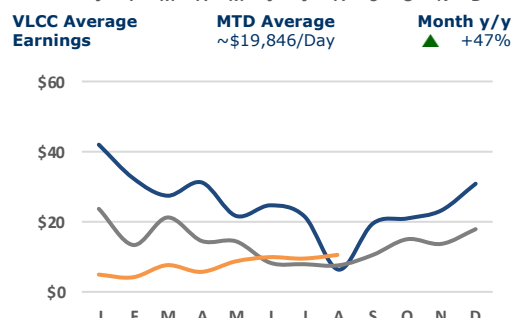
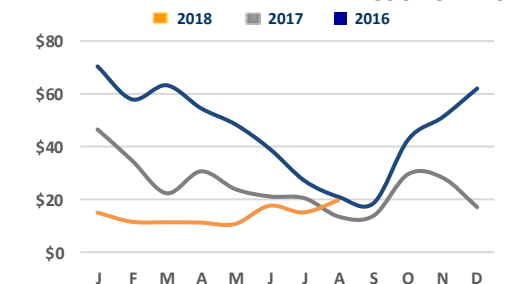
WEEK 31 – 3 AUGUST 2018

ISSUE 31– 2018

Spot Market	WS/LS	TCE	WS/LS	TCE
VLCC (13.0 Kts L/B)				
		27-July		3-August
AG>USG 280k	21.0	--	25.0	--
AG>SPORE 270k	54.0	\$18,817	54.0	\$20,253
AG>JPN 265k	51.0	\$19,404	52.0	\$21,866
AG>CHINA 270k	55.0	\$18,651	55.0	\$20,080
WAFR>CHINA 260k	52.5	\$18,707	56.0	\$22,790
USG>SPORE 270k	\$3.60m	\$10,017	\$4.00m	\$15,211
AG>USG/USG>SPORE/AG	--	\$17,566	--	\$25,299
VLCC Average Earnings		\$18,623		\$21,716
SUEZMAX (13.0 Kts L/B)				
WAFR>USG 130k	65.0	\$9,141	65.0	\$9,692
WAFR>UKC 130k	70.0	\$6,451	69.0	\$6,534
BSEA>MED 140k	85.0	\$10,233	90.0	\$13,412
CBS>USG 150k	70.0	\$13,404	70.0	\$13,944
USG>UKC 130k	52.5	--	55.0	--
CBS>USG/USG>UKC/WAFR	--	\$8,109	--	\$9,651
AG>USG 140k	27.5	--	27.5	--
USG>SPORE 130k	\$2.40m	--	\$2.40m	--
AG>USG/USG>SPORE/AG	--	\$8,687	--	\$10,134
Suezmax Average Earnings		\$8,964		\$10,299
AFRAMEX (13.0 Kts L/B)				
N.SEA>UKC 80k	122.5	\$20,083	100.0	\$5,943
BALT>UKC 100k	110.0	\$30,189	77.5	\$10,918
CBS>USG 70k	95.0	\$7,294	125.0	\$13,621
USG>UKC 70k	65.0	--	90.0	--
CBS>USG/USG>UKC/NSEA	--	\$7,294	--	\$20,664
MED>MED 80k	117.5	\$14,902	115.0	\$14,389
AG>SPORE 70k	102.5	\$8,876	102.5	\$9,741
Aframex Average Earnings		\$15,669		\$13,233
PANAMAX (13.0 Kts L/B)				
CBS>USG 50k	110.0	\$518	117.5	\$2,516
CONT>USG 55k	100.0	\$4,291	107.5	\$6,515
ECU>USWC 50k	145.0	\$10,332	152.5	\$11,960
Panamax Average Earnings		\$4,281		\$6,246
LR2 (13.0 Kts L/B)				
AG>JPN 75k	101.0	\$9,156	101.0	\$10,034
AG>UKC 80k	\$1.95m	\$12,096	\$1.90m	\$11,564
MED>JPN 80k	\$1.45m	\$5,016	\$1.73m	\$5,169
AG>UKC/MED>JPN/AG	--	\$14,031	--	\$14,746
LR2 Average Earnings		\$11,112		\$11,603
LR1 (13.0 Kts L/B)				
AG>JPN 55k	113.0	\$6,995	106.0	\$6,329
AG>UKC 65k	\$1.61m	\$9,626	\$1.49m	\$7,842
UKC>WAFR 60k	82.5	\$(3,345)	82.5	\$(2,949)
AG>UKC/UKC>WAFR/AG	--	\$10,180	--	\$9,086
LR1 Average Earnings		\$8,588		\$7,707
MR (13.0 Kts L/B)				
UKC>USAC 37k	110.0	\$1,585	100.0	\$187
USG>UKC 38k	75.0	\$(3,010)	72.5	\$(3,115)
USG>UKC/UKC>USAC/USG	--	\$3,237	--	\$2,250
USG>CBS (Pozos Colorados) 38k	\$300k	\$592	\$290k	\$204
USG>CHILE (Coronel) 38k	\$950k	\$6,210	\$950k	\$6,513
CBS>USAC 38k	110.0	\$4,038	110.0	\$3,864
WCIND>JPN/ROK>SPORE/WCIND	--	\$11,846	--	\$10,977
MR Average Earnings		\$4,522		\$3,674
Handy (13.0 Kts L/B)				
MED>EMED 30k	125.0	\$7,178	122.0	\$6,641
SPORE>JPN 30K	142.0	\$5,149	139.0	\$5,290
Handy Average Earnings		\$5,879		\$5,776

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	\$26,000	\$30,000
Suezmax	\$17,000	\$21,000
Aframex	\$15,500	\$18,500
Panamax	\$12,500	\$14,500
MR	\$13,000	\$15,000
Handy	\$11,500	\$13,000



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SPOT MARKET SUMMARY

VLCC

Rates in the VLCC market extended gains this week on sustained demand strength, which continues to moderate the extent of oversupply, allowing owners to command incrementally stronger rates. Lower coverage of cargo demand under COAs in the Middle East market implied a net gain in demand for spot units on a w/w basis even as total cargoes eased. A total of 29 fixtures were reported, inclusive of 5 COA fixtures whereas last week 21 fixtures were concluded, including 7 COA fixtures. Demand in the West Africa market eased to five fixtures this week, though this came on the back of two consecutive weeks of very strong fixture activity. The Atlantic Americas saw demand ease after the recent regional demand surge; a total of five fixtures were reported, off four w/w.

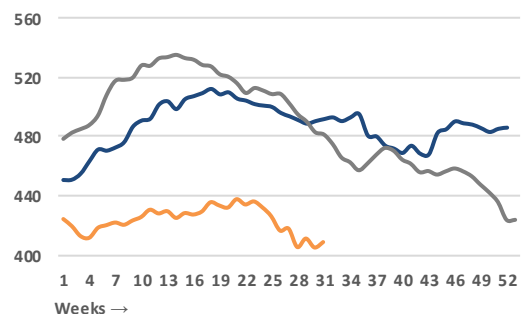
Surplus capacity has continued to ease as charterers progress in the August Middle East program and the month could potentially conclude with the lowest number of surplus units in 16 months. The July program concluded with 27 uncovered units while the first decade of the August program saw the number decline to 18 units. The second decade is now projected to conclude with 14 units and the final decade is poised for a further narrowing that could see the month conclude with 12 units. So far, rate gains have been moderate and hard-earned but if the August program does indeed conclude with 12 units, we expect that the subsequent progression into the start of the September program will usher more concerted gains, in line with the delayed and exponential nature of the spot tanker market.

Middle East

Rates on the AG-China route concluded unchanged at ws55, having dipped to ws52.5 earlier in the week. Corresponding TCEs concluded up 7% on softer bunker prices at ~\$20,080/day. Rates on the AG-USG c/c route concluded up by four points to ws25. Triangulated Westbound trade earnings soared 44% to ~\$25,299/day on stronger rates on both constituent routes.

Atlantic Basin

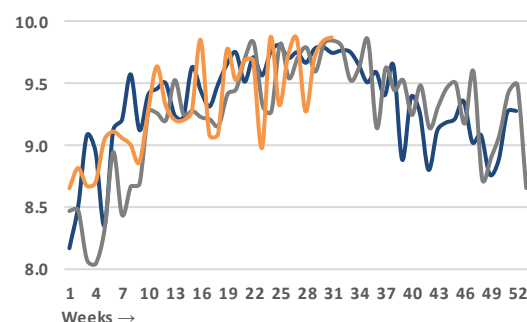
Rates in the West Africa market observed outsized gains as the usual lag behind the Middle East market meant that the region was in catchup mode this week. The WAFR-CHINA route rose by 3.5 points to conclude at ws56. Corresponding TCEs rose 22% to ~\$22,790/day. Rates in the Atlantic Americas remained firm on recent demand strength. The USG-SPORE route added \$400k to conclude at \$4.0m lump sum.



US Crude Stocks (EIA)

Last Week
408.7 MnBbls

Week y/y
▼ -15.2%



US Gasoline Demand (EIA)

Last Week
9.878 MnB/d

Week y/y
▲ +0.4%

2018 2017 2016

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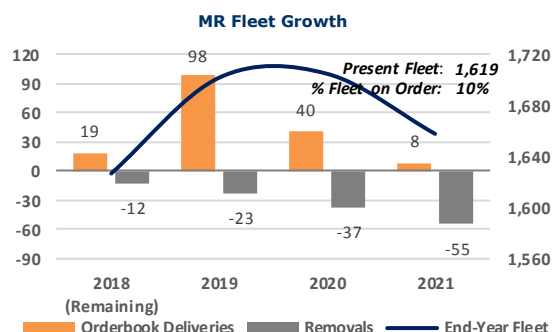
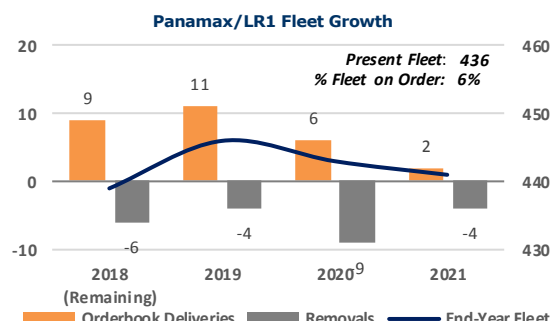
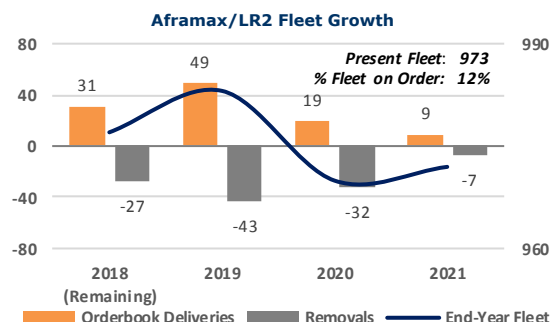
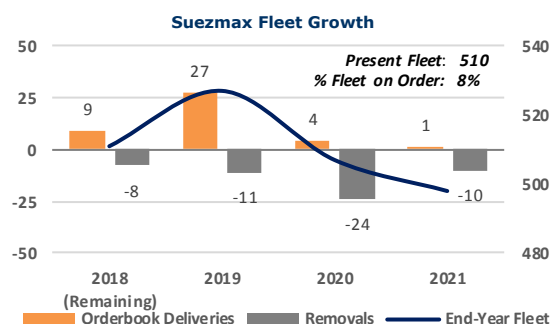
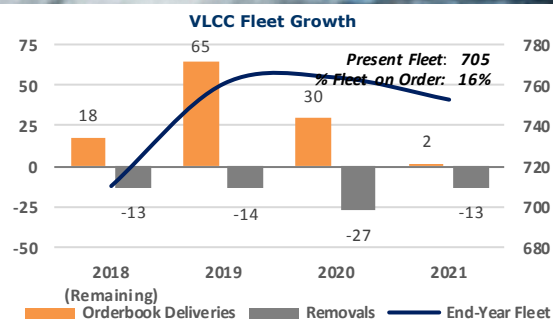
Suezmax

Fixture activity in the West Africa Suezmax market cooled this week after two months of relative strength as charterers progressed into an August program with markedly less cargo availability. This comes after VLCCs, which fix further in advance of loading dates, busied to a two-month high during the August program. Suezmax fixtures in the region this week tallied down 38% this week to just 8 – representing a nine-week low. Rates on the WAFR-UKC route concluded off one point to ws69.

Rates in the Caribbean market were mixed with the CBS-USG route unchanged at 150 x ws70 and the USG-SPORE route unchanged at \$2.40m lump sum, while the USG-UKC route added 2.5 points to conclude at ws55.

Aframax

The Caribbean Aframax was stronger this week on robust demand throughout the wider Caribbean/USG region. As this quickly drew down vessel availability, rates firmed markedly through the final half of the week. The CBS-USG route concluded with a 30-point gain to ws125. The vast majority of this week's fixtures were for intraregional voyages – and many of these were short-haul ECMex-USG voyages, which implies that any current supply constraints could ease in the coming week, and arrest the present rally.

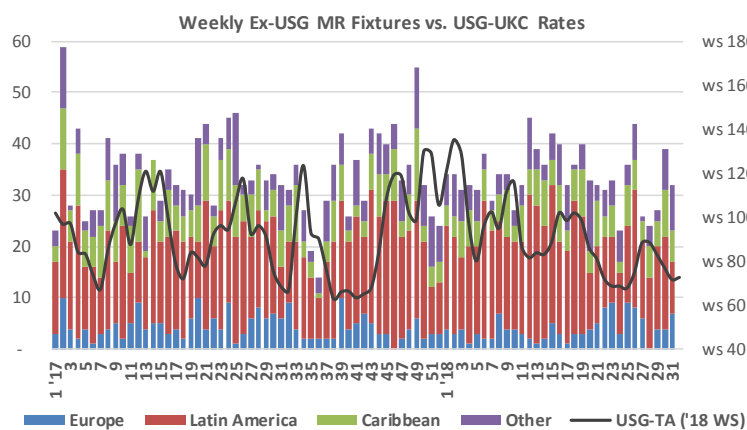


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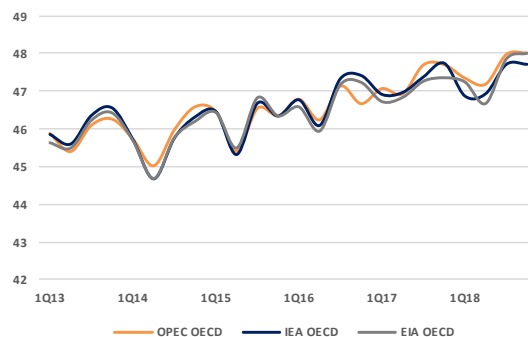
MR

The USG MR market suffered further rate losses this week as lagging sentiment, driven by disjointed fundamentals, saw the negative rate trend extend through its third-consecutive week. A total of 32 fixtures were reported, representing an 18% w/w decline. On the supply side, the two-week forward view of available tonnage declined by one unit as compared with a week ago to 38. Notably, this is in the range observed throughout the week, including Monday when positions typically build up on fresh operational turnarounds and the presentation of previously hidden positions. As recently as mid-July, the Monday availability count had surged to a high of 65 units. Rates on the USG-UKC concluded with a 2.5-point loss for the week with a closing assessment of ws72.5, after having declined to ws70 intraweek. The USG-CBS route was off \$10k to \$290k lump sum and the USG-CHILE route was unchanged at \$950k lump sum.

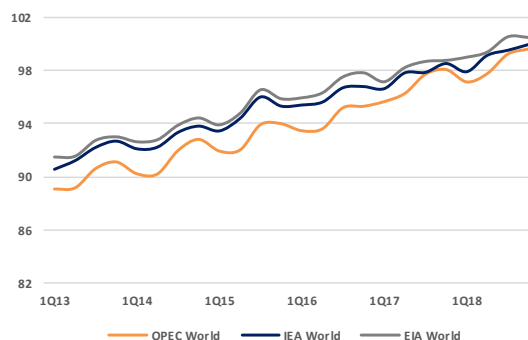


Charles R. Weber Company

Projected OECD Oil Demand (Mnb/d)



Projected World Oil Demand (Mnb/d)



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REPORTED TANKER SALES

Sea Latitude – 309,285/01 – Hyundai Ulsan – DH
-Sold for \$22.5m to Hin Leong Trading. Old sale.

River Eternity – 105,445/06 – Sumitomo – DH
-Sold for \$13.0m to Hellenic Tankers.

Sigma Integrity – 105,291/09 – Hyundai Ulsan – DH
-Sold for \$21.5m to Latsco Shipping.

Rimar – 45,999/98 – Halla Samho – DH
-Sold for \$5.0m to undisclosed Middle East buyers.

Laima – 37,330/03 – Hyundai Mipo – DH – Ice 1B
-Sold for \$8.5m to undisclosed buyers.

REPORTED TANKER DEMOLITION SALES

There are no tanker demolition sales to report for week 31.



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