

WEBER WEEKLY TANKER REPORT

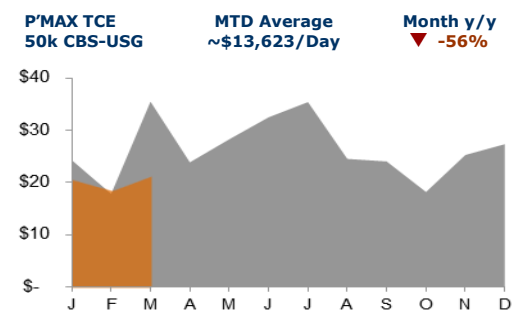
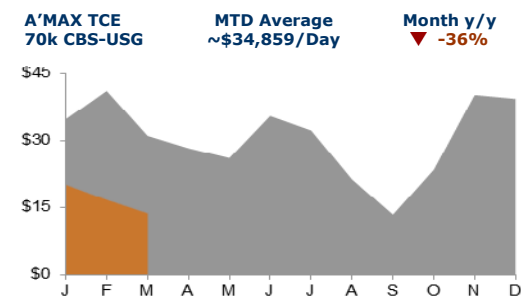
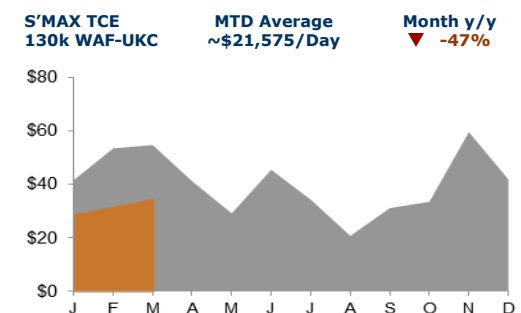
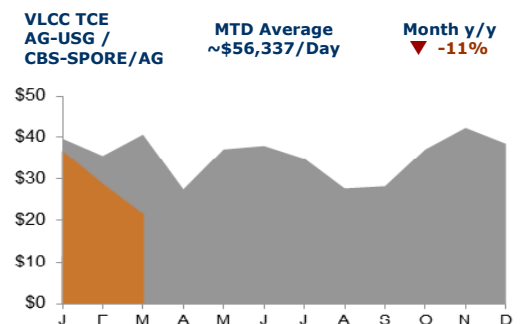
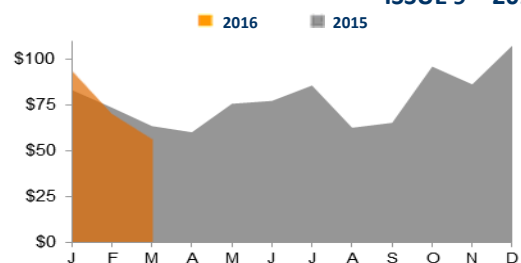


WEEK 9 – 4 MARCH 2016

ISSUE 9 – 2016

Spot Market	WS/LS	TCE ~\$/day	WS/LS	TCE ~\$/day
VLCC (13.0 Kts L/B)	26-Feb		4-Mar	
AG>USG 280k (TD1)	32.0	\$22,518	28.0	\$18,149
AG>USG/CBS>SPORE/AG	--	\$68,205	--	\$55,084
AG>SPORE 270k (TD2)	51.0	\$43,205	52.5	\$44,525
AG>CHINA 265k (TD3C)	51.0	\$37,787	52.5	\$39,030
WAFR>USG 260k (TD4)	70.0	\$62,173	65.0	\$56,739
WAFR>CHINA 260k (TD15)	65.0	\$53,904	60.0	\$48,502
CBS>SPORE 270k	\$5.85m	--	\$4.85m	--
SUEZMAX (13.0 Kts L/B)				
WAFR>USAC 130k	70.0	\$26,887	65.0	\$24,081
WAFR>UKC 130k (TD20)	70.0	\$23,131	67.5	\$21,654
BSEA>MED 140k (TD6)	77.5	\$31,133	72.5	\$27,636
CBS>USG 150k	77.5	\$26,049	77.5	\$35,839
AFRAMAX (13.0 Kts L/B)				
N.SEA>UKC 80k (TD7)	92.5	\$24,975	92.5	\$24,768
AG>SPORE 70k (TD8)	117.5	\$31,607	117.5	\$31,404
BALT>UKC 100k (TD17)	72.5	\$29,508	72.5	\$29,286
CBS>USG 70k (TD9)	145.0	\$37,623	137.5	\$34,686
MED>MED 80k (TD19)	95.0	\$24,818	80.0	\$17,663
PANAMAX (13.0 Kts L/B)				
CBS>USG 50k (TD21)	125.0	\$11,714	130.0	\$13,908
CONT>USG 55k (TD12)	107.5	\$18,572	102.5	\$15,973
ECU>USWC 50k	250.0	\$44,810	235.0	\$41,825
CPP (13.0 Kts L/B)				
UKC>USAC 37k (TC2)	115.0	\$12,825	112.5	\$12,204
USG>UKC 38k (TC14)	125.0	\$15,825	100.0	\$17,516
USG>UKC/UKC>USAC/USG	--	\$21,683	--	\$17,516
USG>POZOSCOLORADOS 38k	\$750k	\$37,980	\$550k	\$24,367
CBS>USAC 38k	150.0	\$20,216	160.0	\$22,031
AG>JPN 35k	122.5	\$12,216	130.0	\$13,191
AG>JPN 75k (TC1)	88.0	\$19,650	87.5	\$19,295
AG>JPN 55k (TC5)	97.5	\$15,205	105.0	\$16,762

Time Charter Market \$/day (theoretical)	1 Year	3 Years
VLCC	\$46,500	\$40,000
Suezmax	\$35,000	\$30,000
Aframax	\$27,000	\$23,500
Panamax	\$23,000	\$21,000
MR	\$17,750	\$17,500



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SPOT MARKET SUMMARY

VLCC

VLCC demand bucked the lull of the past three weeks with chartering demand in The Middle East jumping to a YTD high and stabilizing rates. A total of 38 Middle East fixtures materialized as Asian charterers returned to the market, while demand for voyages to the US and Europe were at a collective ten-month high. The West Africa market was less inspiring; though the charter tally there inched up by one w/w to three, the four-week moving average of regional fixtures remained mired at a six-month low and thus failed to provide the added draw on Middle East availability which may otherwise have supported rate gains in both markets.

A total of 81 cargoes in the Middle East's March program have been covered to-date, including 72 through the first two decades, leaving an estimate four further cargoes for loading up to 20 March. Up to the same date, there are 12 units showing certain availability – and we expect that two of these will be drawn to the West Africa market. Thus, an implied 6 surplus units at 20 March is expected, which represents more than half the number of surplus units previously noted through 15 March – and considerably more in line with a level which supports improved rates. Thus, a stronger rate environment could prevail during the upcoming week as charterers cover the remaining second-decade stems. Thereafter, position lists show few units coming free during the final decade of the March program, though much uncertainty prevails over the extent of "hidden" tonnage (which is difficult to accurately estimate from AIS data given the uncertain intentions of charterer relet units, COA contracts, etc.). Expected hidden positions are low and available tonnage should tighten further (possibly as a symptom of earlier weather and ullage delays in Asia), strengthening rate gains should accompany a progression into late-March dates; however, if commercial managers are concealing a large number of positions to support rates after last week's tonnage buildup and rate losses, the sudden appearance of a large volume of units as rates start posting gains could ultimately limit the extent of further upside.

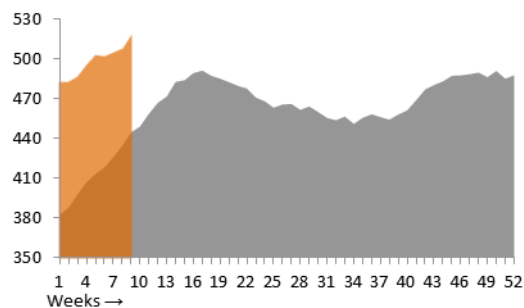
Middle East

Rates to the Far East were assessed at an average of ws50.2, off 8.9 points from last week's average. Corresponding TCEs dropped 20% to an average of ~\$40,511/day. Rates to the USG via the Cape were assessed at an average of ws29, off 5.2 points w/w. Triangulated Westbound trade earnings were down 14% w/w to an average of ~\$60,431/day.

Atlantic Basin

The West Africa market saw rates drop in tandem with the Middle East market and the WAFR-FEAST route was assessed at an average of ws56.5, representing a weekly loss of 12 points. Corresponding TCEs fell 22% to an average of ~\$44,890/day.

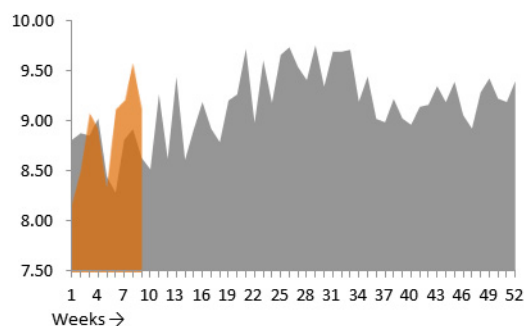
In the Caribbean market, strong rate losses prevailed as supply/demand fundamentals disjointed further on a lull in regional fixtures and amid a softer overall VLCC earnings environment. Compounding the situation, at least three units ballasted from Asia to service internal cargoes, further reducing forward demand. The CBS-SPORE route was assessed at an average of \$5.33m, off \$55k w/w, while the present assessment of \$4.85m represents a 6-month low.



US Crude Stocks (EIA)

Last Week
518.0 MnBbls

Week y/y
▲ +16.6%



US Gasoline Demand (EIA)

Last week
9.121 MnB/d

Week y/y
▲ +5.2%

2016 2015

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Suezmax

The West Africa Suezmax market was busier this week on the back of an earlier slump in regional VLCC demand which left more cargoes available for the smaller class. A total of 14 fixtures were reported, representing a w/w gain of 56%. The stronger demand, for which inquiries heaviest at the start of the week, stemmed negative pressure on rates. The WAFR-UKC route eased 2.5 points at the start of the week from last week's closing assessment and remained unchanged thereafter at the ws67.5 level.

Despite ongoing issues with the Forcados pipeline and export terminal, which has likely shut in 250,000 b/d, Suezmaxes have recently benefitted from stronger demand due to a decline VLCC utilization for March cargoes. Total March VLCC cargoes were at a 14-month low during March and dates being worked have now moved on to April. This saw Suezmax demand during the first decade of the March program rise 35% m/m – and the second decade has already risen to a m/m increase of 27% -- with further cargoes to be worked. As these are covered and charterers move more aggressively into the final decade of the month's program, a steady and elevated demand profile for Suezmaxes should prove supportive of rates and offer fresh upside as the supply/demand positioning improves in tandem. Further forward, however, a Saudi OSP hike for eastbound April cargoes could push Asian demand back into the West Africa market and ultimately halt any upward Suezmax impetus on a progression into April dates with more cargoes likely to be covered on VLCCs.

Aframax

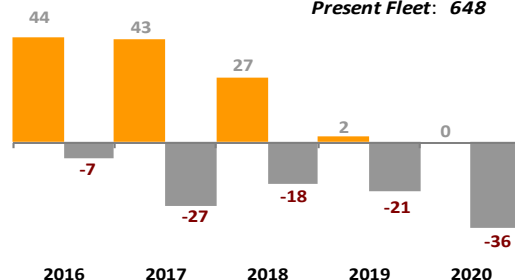
Demand in the Caribbean Aframax market was unchanged at a moderate level this week with 15 fresh fixtures reported. Meanwhile, the four-week moving average of regional fixtures dropped to a six-week low of 16. Regional rates corrected quickly at the start of the week with the CBS-USG route failing to observe upside from a ws145 fixture at the close of last week as it ultimately failed and a replacement fixture earlier this week at the same level proving unrepeatable. Meanwhile, the impact of some units speculatively ballasting into the region from softer markets elsewhere (particularly the Mediterranean, where earnings are \$11,912/day, or 40%, below the class' worldwide weighted earnings average) was offset by ongoing delay issues in the USG area. As a result, rates leveled off at the ws137.5 level. Further availability builds over the weekend should start to exert observable negative pressure on rates during the start of the upcoming week – and any reducing of delays will likely see an extending of any losses thereafter.

Panamax

The Caribbean Aframax market was quieter this week but observed further modest rate upside following the earlier exodus of tonnage to alternative markets and last week's stronger demand levels. The CBS-USG route added a further 5 points to conclude at an assessed ws130. Limited impetus for rate movements in either direction should see rates hover in the ws125 to ws130 range through the start of the upcoming week.

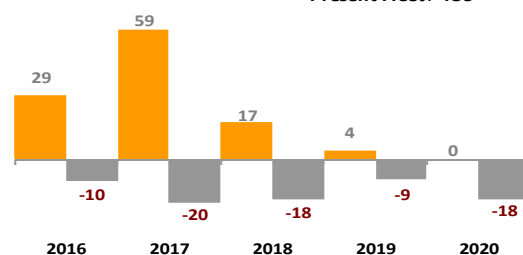
VLCC Projected Deliveries/Removals

Present Fleet: 648



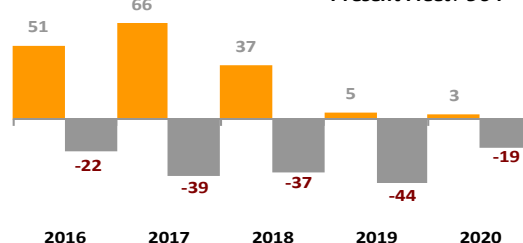
Suezmax Projected Deliveries/Removals

Present Fleet: 439



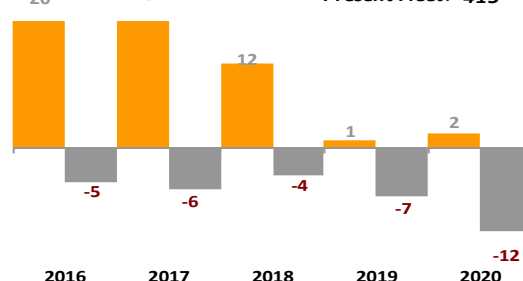
Aframax/LR2 Projected Deliveries/Removals

Present Fleet: 904



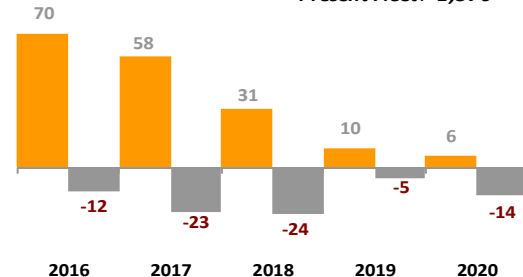
Panamax/LR1 Projected Deliveries/Removals

Present Fleet: 415



MR Projected Deliveries/Removals

Present Fleet: 1,376



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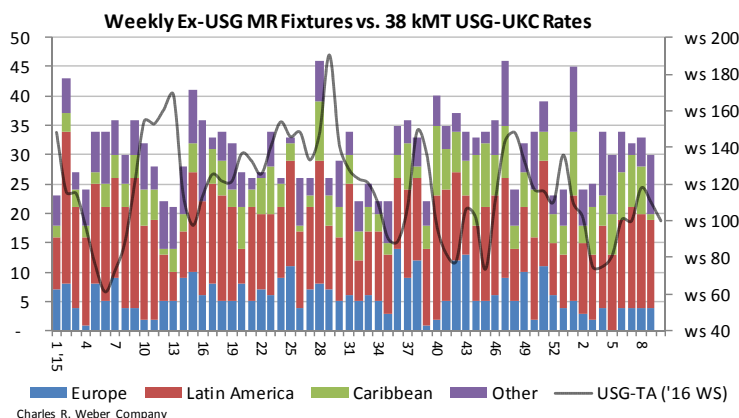


MR

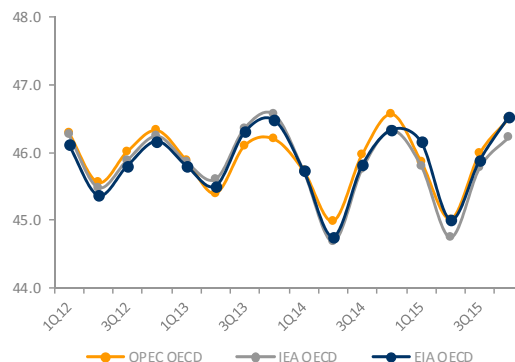
Rates in the USG MR market were modestly softer through the week on rising availability levels. Strong rate losses were largely held off by strong demand earlier during the week but a quiet close to the week made the disjointed supply/demand ratio more evident leading to strong losses on Friday.

A total of 30 fixtures were reported this week, representing a w/w decline of 9%. Of this week's tally, four units were fixed with an intended destination in Europe – albeit most with options for alternative destinations (unchanged w/w), 16 fixtures were bound for points in Latin America and the Caribbean (-33% w/w), and the remainder were for alternative destinations or have yet to be determined. On the supply side, the two week forward view of availability shows 34 units, or a w/w build of 31%. The availability hike owes, in large part, to the reappearance of units from round-trip intraregional voyages – as well as a steady flow of ballasters from the USAC amid a stronger TCE environment in the USG relative to the UKC market.

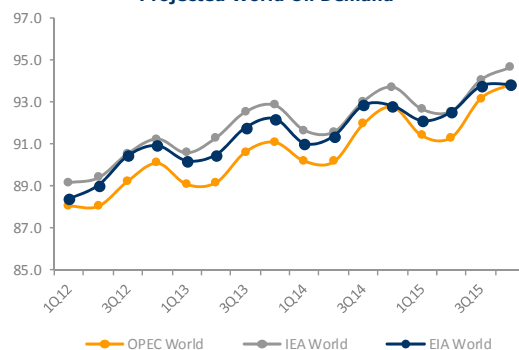
Rates on the USG-UKC route shed 25 points to conclude at ws100 while the USG-POZOS route lost \$200k to conclude at \$550k lump sum. Further rate losses are expected to materialize at the start of the upcoming week as more units are likely to populate position lists and with sentiment remaining sour at the close of this week.



Projected OECD Oil Demand



Projected World Oil Demand



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REPORTED TANKER SALES

"Pacific London" 113,333/99 – Samsung Geoje – DH
-Sold for \$15.0m to undisclosed Indonesian buyers.

"Great White" 104,024/99 – Samsung Geoje – DH
-Sold for \$15.0m to undisclosed Indonesian buyers.

"Kassos" 95,420/95 – Hyundai Ulsan – DH
-Sold for \$8.3m to undisclosed buyers.

"Searambler" 39,551/01 – Hyundai Mipo – DH
-Sold for \$11.25m to undisclosed Emirati buyers.

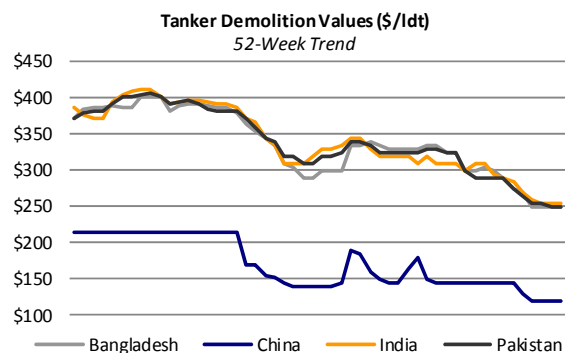
"Arthur" 19,084/87 – Kassado – DH
-Sold for \$3.2m to undisclosed Chinese buyers.

"Angimar" 5,841/01 – Sahin Celik Tuzla – DH – IMO II
-Sold for \$5.5m to undisclosed buyers.

REPORTED TANKER DEMOLITION SALES

Bangladesh

"Martha Petrol" 41,570/89 – 8,074 LDT – DH
-Sold on private terms..



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