

WEBER WEEKLY TANKER REPORT

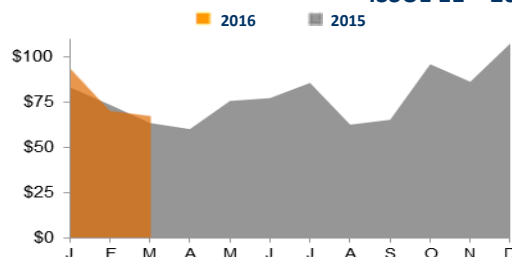


WEEK 11 – 18 MARCH 2016

ISSUE 11 – 2016

Spot Market	WS/LS	TCE ~\$/day	WS/LS	TCE ~\$/day
VLCC (13.0 Kts L/B)	11-Mar		18-Mar	
AG>USG 280k (TD1)	50.0	\$39,372	52.5	\$41,972
AG>USG/CBS>SPORE/AG	--	\$79,113	--	\$86,020
AG>SPORE 270k (TD2)	97.5	\$93,372	87.5	\$82,391
AG>CHINA 265k (TD3C)	97.5	\$85,764	87.5	\$75,251
WAFR>USG 260k (TD4)	92.5	\$83,890	90.0	\$81,322
WAFR>CHINA 260k (TD15)	87.5	\$75,559	85.0	\$73,038
CBS>SPORE 270k	\$5.50m	--	\$6.00m	--
SUEZMAX (13.0 Kts L/B)				
WAFR>USAC 130k	75.0	\$28,264	77.5	\$29,565
WAFR>UKC 130k (TD20)	75.0	\$24,444	80.0	\$26,990
BSEA>MED 140k (TD6)	77.5	\$30,968	82.5	\$35,154
CBS>USG 150k	77.5	\$34,758	70.0	\$29,059
AFRAMAX (13.0 Kts L/B)				
N.SEA>UKC 80k (TD7)	92.5	\$23,792	120.0	\$45,588
AG>SPORE 70k (TD8)	130.0	\$34,727	152.5	\$42,210
BALT>UKC 100k (TD17)	70.0	\$26,471	115.0	\$58,090
CBS>USG 70k (TD9)	135.0	\$32,985	95.0	\$17,632
MED>MED 80k (TD19)	120.0	\$35,683	115.0	\$33,374
PANAMAX (13.0 Kts L/B)				
CBS>USG 50k (TD21)	120.0	\$10,808	125.0	\$11,962
CONT>USG 55k (TD12)	90.0	\$11,793	97.5	\$13,771
ECU>USWC 50k	220.0	\$37,930	210.0	\$36,485
CPP (13.0 Kts L/B)				
UKC>USAC 37k (TC2)	97.5	\$8,618	90.0	\$7,102
USG>UKC 38k (TC14)	90.0	\$8,485	90.0	\$8,455
USG>UKC/UKC>USAC/USG	--	\$13,760	--	\$12,897
USG>POZOSCOLORADOS 38k	\$475k	\$18,733	\$425k	\$15,340
CBS>USAC 38k	130.0	\$15,664	125.0	\$14,678
AG>JPN 35k	133.5	\$13,092	136.0	\$13,522
AG>JPN 75k (TC1)	97.5	\$21,504	100.0	\$22,356
AG>JPN 55k (TC5)	114.0	\$17,987	122.0	\$19,843

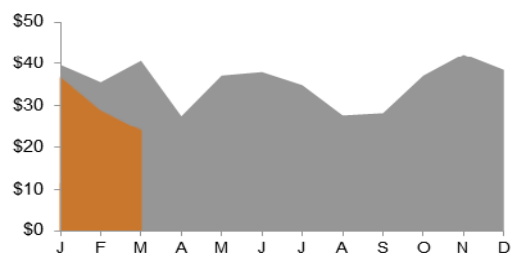
Time Charter Market \$/day (theoretical)	1 Year	3 Years
VLCC	\$47,500	\$40,000
Suezmax	\$34,000	\$30,000
Aframax	\$26,750	\$23,500
Panamax	\$22,000	\$21,000
MR	\$17,500	\$17,250



VLCC TCE
AG-USG /
CBS-SPORE/AG

MTD Average
~\$67,272 / Day

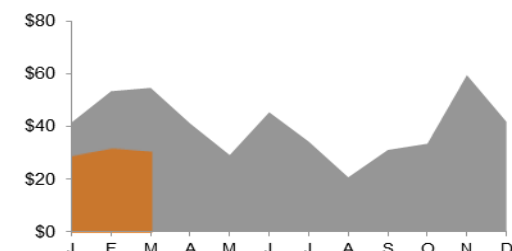
Month y/y
▲ +6 %



S' MAX TCE
130k WAF-UKC

MTD Average
~\$24,127 / Day

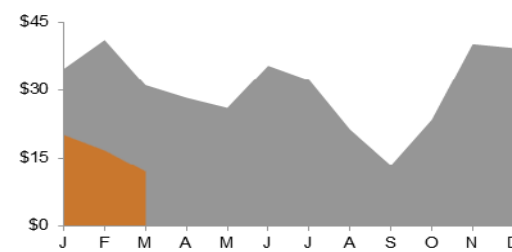
Month y/y
▼ -41 %



A' MAX TCE
70k CBS-USG

MTD Average
~\$30,900 / Day

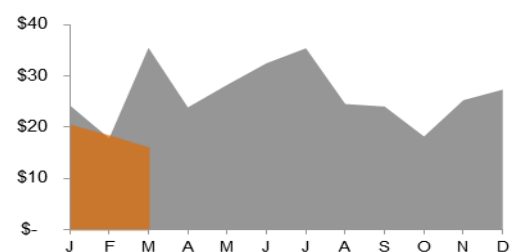
Month y/y
▼ -43 %



P' MAX TCE
50k CBS-USG

MTD Average
~\$11,981 / Day

Month y/y
▼ -62 %



MR TCE
USG-UKC /
UKC-USAC/USG

MTD Average
~\$17,314 / Day

Month y/y
▼ -55 %

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SPOT MARKET SUMMARY

VLCC

After last week's robust demand and rate surge, a more moderate pace of activity this week saw rates steady through much of the week before observing some downside at the close of the week. The presence of a number of disadvantaged units this week contributed to the end-week paring of rates, with the AG-FEAST route easing to ws87.5 from an earlier high of ws100 (last week rates in the ws50s had been recorded). In the Middle East market 21 fixtures were reported (-32% w/w) and in the West Africa market just three were reported (-63% w/w).

Uncertainty over forward supply/demand positioning and resistance by both charterers and owners has created a standoff situation. Whereas the March program concluded with no surplus units – the first such occurrence in some time – availability levels expanded slightly as the market progressed into April dates, on paper. In reality, availability levels through the first decade of April dates are clouded by ongoing weather delays in China and ullage delays in Singapore. There are presently 24 units on position lists with availability through 10 April, but 11 could be delayed to later dates. Simultaneously, there are 8-10 more first decade cargoes expected while draws from West Africa should expand to around 5-6 during the upcoming week after this week's lull. Thus, surplus availability at 10 April could be as high as 11 units or as low as a shortage of 3 units.

Given that the first decade of the April Middle East program could be shorter than the remaining decades as early Basrah stems have been largely pushed forward to allow delays at Basrah terminal to clear, availability could still remain balanced amid a strong start to the second decade and maintain relative rate strength.

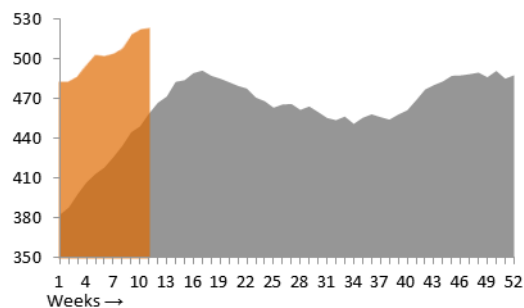
Middle East

Rates to the Far East rose by 32.5 points w/w to an assessed average of ws95. Corresponding TCEs rose by 70% to an average of ~\$87,750/day. Rates to the USG via the Cape gained 17.7 points w/w to an assessed average of ws49.5. Triangulated Westbound trade earnings gained 38% w/w to an average of ~\$79,519/day.

Atlantic Basin

Rates in the West Africa market retained their usual lagging correlation to those in the Middle East. Rates on the WAFR-FEAST route were assessed at an average of ws84, representing a weekly gain of 20 points. TCEs rose by 39% w/w ~\$72,188/day.

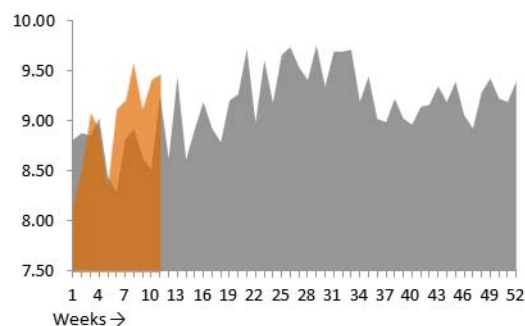
In the Caribbean market, rates were stronger despite muted demand on overall strong sentiment for the size class which saw some regional positions ballast from the region. CBS-SPORE rates added \$1.0m to \$6.0m lump sum and CBS-IND rates added \$1.0m to \$5.0m lump sum. A government shutdown in Venezuela next week as part of energy conservation measures will complicate regional demand by shutting PDVSAs corporate offices – which will halt the ship vetting process to fix ships even for previously-contracted cargoes. This could see the regional supply/demand disjoint again – though the lack of activity could see rates steady on an untested basis.



US Crude Stocks (EIA)

Last Week
523.2 MnBbls

Week y/y
▲ +14.1%



US Gasoline Demand (EIA)

Last week
9.458 MnB/d

Week y/y
▲ +2.1%

2016 2015

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Suezmax

Rates in the West Africa Suezmax market observed further rate strength this week as regional demand remained elevated and strong VLCC rates contributed to owners' bullishness. A total of 17 fixtures were reported, unchanged from last week's tally. Rates on the WAFR-UKC route added 5 points to conclude at ws80. Further upside should materialize in the near term as VLCC supply/demand fundamentals remain tight, VLCC coverage of April cargoes through the first half of the month's program has been below expectations (leaving more cargo for Suezmaxes), and a recent surge in Suezmax demand in the Middle East market (where a w/w demand gain of 78% was observed). The latter reduces potential ballasters into the West Africa market – as does the time chartering of some 9 Suezmaxes for prompt delivery in the Far East.

Aframax

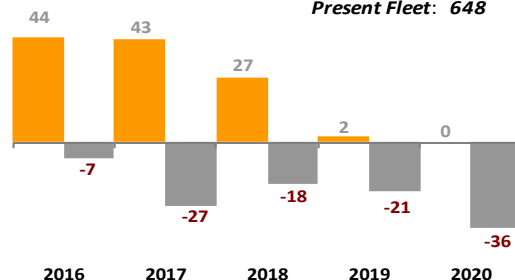
Despite surging Aframax rates in several regions, those in the Caribbean market observed strong losses this week. A demand lull at the start of the week kicked off the negative trend and though demand increased through the remainder of the week, the continued presence of spot units weighed heavily on rates. A total of 14 fixtures were reported, a w/w gain of 3 – and a level which matches both the four-week moving average and the 52-week average. A force majeure at Coveñas terminal did not stem the negative trend – nor did an end-week rush to cover ex-Venezuela requirements ahead of next-week government shutdown which will close PDVSA offices. Rates on the CBS-USG route shed 40 points to conclude at ws93.75. A likely lull during the upcoming week (due to PDVSA's closure) will likely prevent any impetus of rate upside. Further downside, however, could be limited by the present discount of Caribbean TCE's, which at ~\$18,098/day stand 46% below the class' average earnings and 70% below the BALT-UKC TCE as owners resist lower rates amid a possible specter of outward ballasters.

Panamax

Panamax rates on both sides of the Atlantic were modestly stronger this week on steady demand and a decline in fresh units appearing on position lists. The CBS-USG route added 5 points to conclude at ws120 while the UKC-USG route added 7.5 points to conclude at ws97.5. With limited momentum in either direction, rates are likely to remain around present levels during the upcoming week.

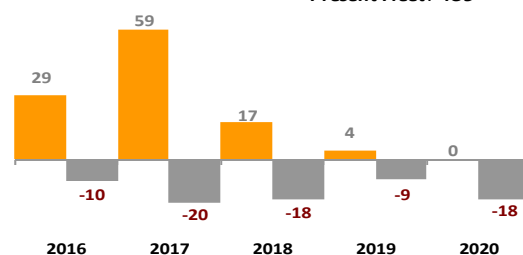
VLCC Projected Deliveries/Removals

Present Fleet: 648



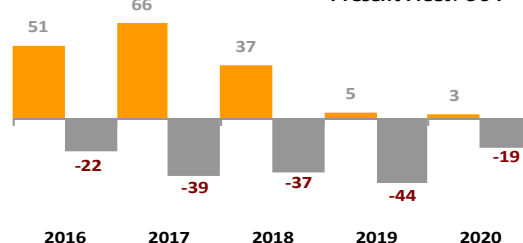
Suezmax Projected Deliveries/Removals

Present Fleet: 439



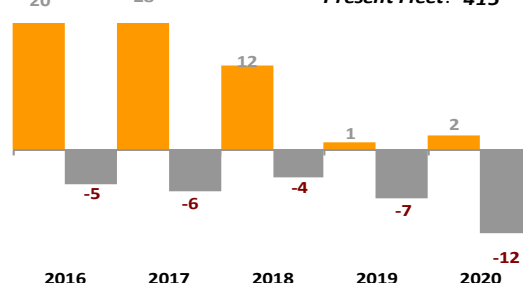
Aframax / LR2 Projected Deliveries/Removals

Present Fleet: 904



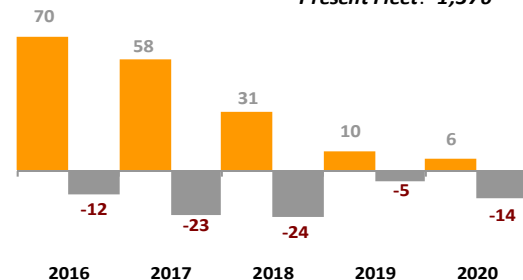
Panamax / LR1 Projected Deliveries/Removals

Present Fleet: 415



MR Projected Deliveries/Removals

Present Fleet: 1,376



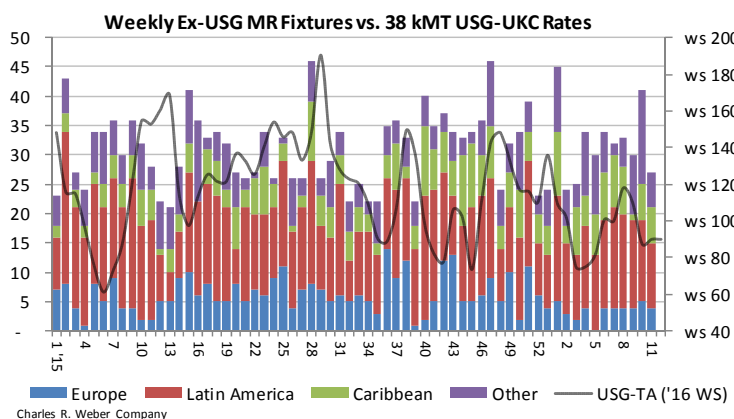
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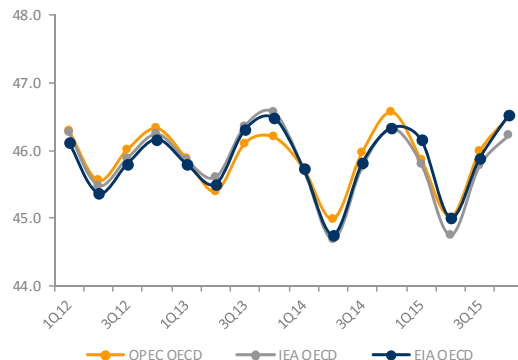
MR

USG MR demand was softer this week with the fixture tally dropping 34% w/w from last week's YTD high to 27. Of this week's tally, four fixtures were bound for points in Europe (-20% w/w), 17 were bound for points in Latin America and the Caribbean (-15% w/w) and the remainder were yet to be determined. Limited diesel arbitrage opportunities amid high European inventories continued to make Latin America the primary destination of regional CPP exports, albeit at lower levels than during recent weeks on seasonal factors (this week's tally represented a fresh YTD low).

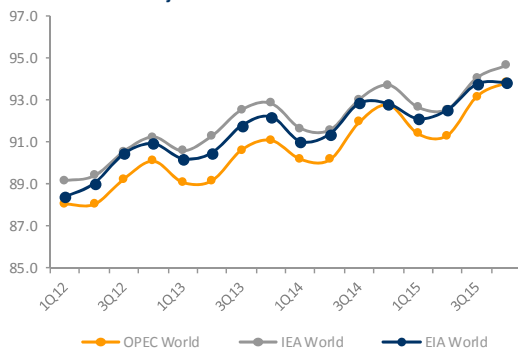
Soft demand in the European market came despite strong US gasoline demand figures as PADD 1 gasoline inventories remain high – and a progressing of NW Europe refineries towards higher offline capacity rates for maintenance during April is likely to maintain a slow regional market. As a result, ex-UKC rates were softer which led USG owners to strongly resist voyages to Europe. Thus, while USG rates were weaker on round-trip routes, those to Europe were unchanged at ws90. The USG-POZOS route lost \$25k to conclude at \$425k lump sum. The two week forward view of available tonnage shows an 11% w/w gain to 30 units. The loser supply/demand fundamentals at the close of the week, combined with further likely tonnage builds over the weekend, should see rates observe further modest downside during the upcoming week.



Projected OECD Oil Demand



Projected World Oil Demand



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REPORTED TANKER SALES

"Damavand" 299,500/03 – Dalian – DH
-Sold for \$37.0m to undisclosed buyers.

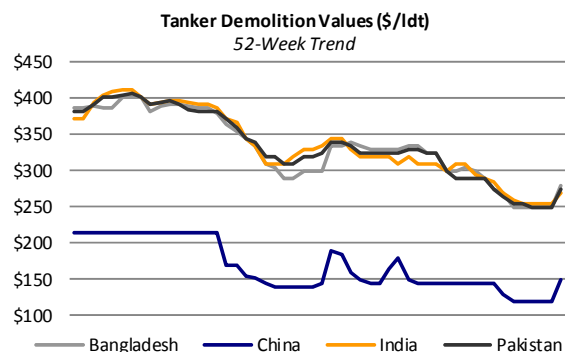
"Navig8 Pride" 74,000/16 – SPP Sacheon – DH

"Navig8 Providence" 74,000/16 – SPP Sacheon – DH
-Sold to Chinese buyers (CMB Financial Leasing Co) as part of a Sale/BBB deal.

"Golden Gulf" 46,700/95 – Hyundai Ulsan – DH – Epoxy
-Sold for \$7.5m to undisclosed Emirati buyers.

REPORTED TANKER DEMOLITION SALES

There are no reported tanker demolition sales for week 11.



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