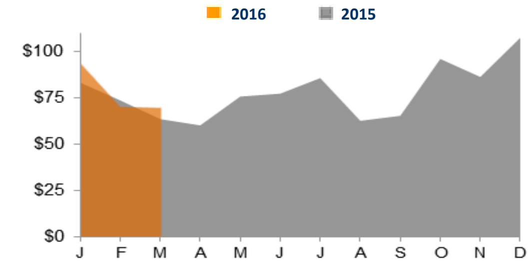
WEBER WEEKLY TANKER REPORT

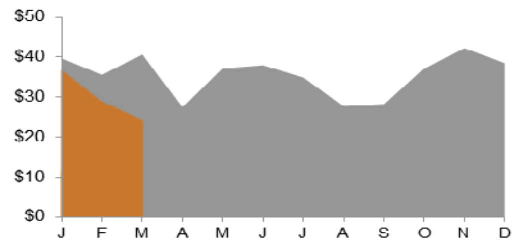
WEEK 13 – 1 APRIL 2016 **ISSUE 13 – 2016**

Spot Market	WS/LS	TCE ~$/day	WS/LS	TCE ~$/day
VLCC (13.0 Kts L/B)	24-Mar		1-Apr	
AG>USG 280k (TD1)	37.0	$26,087	60.0	$50,153
AG>USG/CBS>SPORE/AG	--	$68,645	--	$93,144
AG>SPORE 270k (TD2)	65.0	$57,348	90.0	$85,300
AG>CHINA 265k (TD3C)	65.0	$51,253	90.0	$78,045
WAFR>USG 260k (TD4)	72.5	$63,227	87.5	$79,195
WAFR>CHINA 260k (TD15)	67.5	$55,036	82.5	$70,881
CBS>SPORE 270k	$5.60m	--	$6.00m	--
SUEZMAX (13.0 Kts L/B)				
WAFR>USAC 130k	70.0	$25,674	72.5	$27,329
WAFR>UKC 130k (TD20)	72.5	$23,171	75.0	$24,817
BSEA>MED 140k (TD6)	75.0	$29,411	77.5	$31,741
CBS>USG 150k	70.0	$29,060	67.5	$27,609
AFRAMAX (13.0 Kts L/B)				
N.SEA>UKC 80k (TD7)	115.0	$41,534	125.0	$50,086
AG>SPORE 70k (TD8)	150.0	$41,424	130.0	$34,896
BALT>UKC 100k (TD17)	77.5	$31,519	97.5	$46,259
CBS>USG 70k (TD9)	92.5	$17,187	92.5	$17,439
MED>MED 80k (TD19)	117.5	$34,577	115.0	$33,601
PANAMAX (13.0 Kts L/B)				
CBS>USG 50k (TD21)	122.5	$11,367	122.5	$11,656
CONT>USG 55k (TD12)	105.0	$15,791	107.5	$16,789
ECU>USWC 50k	195.0	$32,945	195.0	$33,012
CPP (13.0 Kts L/B)				
UKC>USAC 37k (TC2)	92.5	$7,571	100.0	$9,338
USG>UKC 38k (TC14)	110.0	$12,210	105.0	$11,527
USG>UKC/UKC>USAC/USG	--	$16,167	--	$16,511
USG>POZOSCOLORADOS 38k	$525k	$22,098	$550k	$23,999
CBS>USAC 38k	135.0	$16,609	135.0	$16,834
AG>JPN 35k	133.0	$13,125	125.0	$12,022
AG>JPN 75k (TC1)	106.5	$24,337	105.0	$23,922
AG>JPN 55k (TC5)	125.0	$20,535	115.0	$18,370

Time Charter Market *$/day (theoretical)*	1 Year	3 Years
VLCC	$47,500	$38,000
Suezmax	$32,000	$28,500
Aframax	$26,000	$23,000
Panamax	$21,500	$20,500
MR	$17,500	$16,500

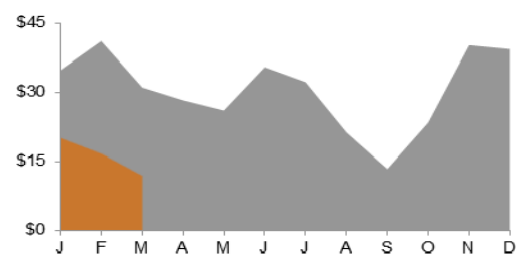


VLCC TCE AG-USG / CBS-SPORE/AG — March Average ~$70,032/Day — Month y/y ▲ +10%

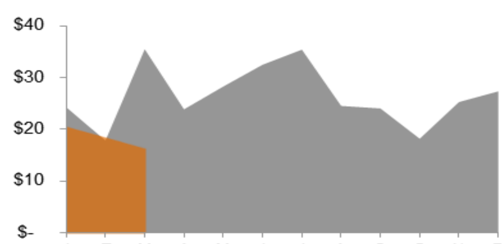


S'MAX TCE 130k WAF-UKC — March Average ~$24,267/Day — Month y/y ▼ -40%

A'MAX TCE 70k CBS-USG — March Average ~$25,876/Day — Month y/y ▼ -53%

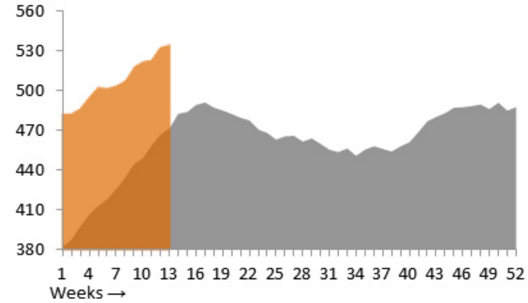


P'MAX TCE 50k CBS-USG — March Average ~$11,970/Day — Month y/y ▼ -62%

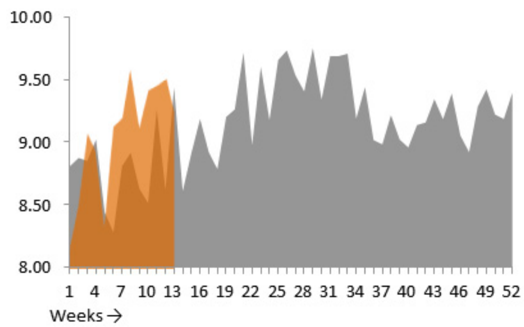


MR TCE USG-UKC/ UKC-USAC/USG — March Average ~$16,213/Day — Month y/y ▼ -55%

SPOT MARKET SUMMARY



US Crude Stocks (EIA)	Last Week	Week y/y
	534.8 MnBbls	▲ +13.4%



US Gasoline Demand (EIA)	Last week	Week y/y
	9.244 MnB/d	▼ -2.0%

2016 2015

VLCC

VLCC rates surged this week on a fresh demand rally and declining certainty over availability in the Middle East and West Africa markets as units set to return from current voyages to points in Asia experienced rising weather and ullage/trade delays. Chartering demand in the Middle East market jumped to a six-month high tally of 40 fixtures (+38% w/w) and demand in the West Africa jumped 200% w/w to a three-week high count of six fixtures. Notably, China-bound fixtures accounted for a large portion of the demand gains; 22 such fixtures were recorded for all VLCC loading regions this week, representing a 214% w/w gain and also the loftiest count in six-months.

Whereas the week commenced with a seeming oversupply which had charterers hoping to test lower rates, the quick influx of requirements thereafter revealed that there were far fewer certain positions than participants had previously assumed. Weather-related delays reemerged in key Chinese ports and were augmented by fresh delay issues in Korea, Singapore and Thailand -- in cases exceeding 14 days. This saw charterers reach progressively further forward on requirements with the result of the rush to cover leading the highest extent of forward coverage in over a year. Over the course of the week, benchmark AG-FEAST rates rallied to ws90 and average VLCC earnings jumped 44% to over $80,000/day.

To-date, 100 April Middle East cargoes have been covered, leaving a likely 30 remaining. Against this, there are 35 positions presently showing availability and believed unlikely impinged by delays. While West Africa draws on this pool of units is likely, the extent will likely be tempered by recent ballasts from the Caribbean to West Africa amid an effective halting of demand in the former and strong rate gains in the latter. Thus, there is potential that the end-April Middle East surplus could match March's multiple-year low tally of zero units (but probably not a shortage). We believe that this implies rates and earnings will remain elevated through the coming weeks on tight supply/demand fundamentals; however, further rate gains could be complicated by the limited remaining April Middle East demand a longer-than-usual lag between April and May cargoes while strong losses will be complicated by the fact that Asian delays are unlikely to subside sufficiently to overpopulate position lists.

Middle East

Rates to the Far East rose by 26.5 points w/w, the latest fixture at ws92.5 for a voyage to Malacca. Corresponding TCE's rose by 50% to ~$84,125/day. Rates to the USG via the Cape gained 22.5 points w/w to ws60. Triangulated Westbound trade earnings gained 35% w/w to an average of ~$92,300/day.

This week's activity brought the April cargo tally to 100 fixtures, leaving some 25-35 cargoes to go through the remainder of the month. We compare this to a position list that shows some 30 or so vessels available over that same period. While multiple "hidden" positions are certain to appear, delays in China remain a factor and could add or subtract from that list. The balanced supply-demand equation will likely keep pressure on rates in the short term.

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 pushed into the high ws70's. The strong TCE returns and limited inquiry in the Caribbean brought USG positions into play, limiting the upward momentum in West Africa.

The Caribbean market, continued quiet, following last week's closure of PDVSA in Venezuela, making expectations for this week busier. However, this was not the case, although rates did actually improve on the back of overall market sentiment. CBS-SPORE rates improved to as assessed value of $5.9 m lump sum.

WEBER WEEKLY TANKER REPORT

Suezmax

Demand in the West Africa Suezmax market rebounded this week with the fixture tally rising to 16 from 7 last week. The rebound came largely on the reemergence of Europe-bound charters, though India-bound voyages contributed as well, jumping to a YTD high of four fixtures after a split VLCC cargo augmented more-traditional volumes. Rates were only modestly stronger despite the demand gains; the WAFR-UKC route added 2.5 points to ws75.

In the coming weeks, a number of factors should combine to provide greater rate support to regional Suezmaxes. Firstly, strong VLCC rates should continue to support modest spillover demand for the smaller class. Second, VLCC coverage of the final decade of April loadings was at a near-five month low, implying more cargo for the smaller class. Thirdly, short-term storage contracts in Asia have removed 10 units from trading, which should reduce prospective ballasts from Asia and support the Middle East Suezmax market which subsequent carryover support to West Africa Suezmaxes.

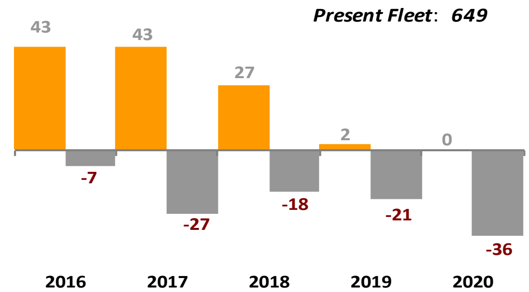
Aframax

The Caribbean Aframax market experienced a soft start amid a building of available tonnage over the holiday weekend. Stronger demand through much of the week, however, kept tightened the supply/demand positioning slightly which was modestly supportive. The CBS-USG route eased 2.5 points at the start of the week but rebounded at the close of the week to match last week's closing assessment of ws90. Further modest rate gains could materialize if demand levels remain elevated.

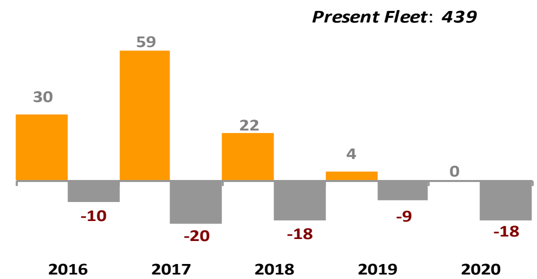
Panamax

The Caribbean Panamax market remained modestly active this week with normal demand augmented by a small number of short-term DPP storage contracts tied to PADD3 refinery maintenance works. Whereas rates on the CBS-USG route hovered in the low ws120s throughout the week, as the market concludes with a firm sentiment, rates could experience modest gains absent any substantial reduction of demand.

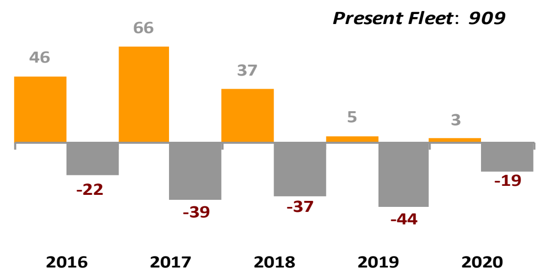
VLCC Projected Deliveries/Removals



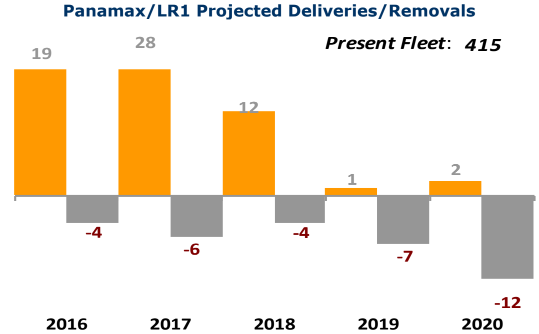
Suezmax Projected Deliveries/Removals



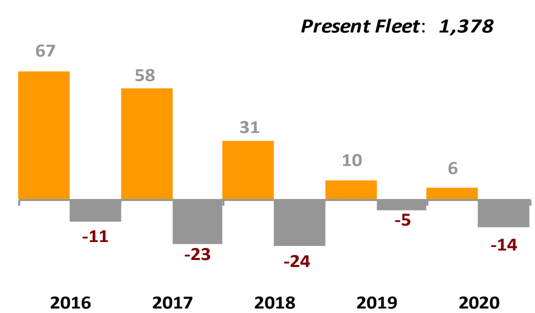
Aframax/LR2 Projected Deliveries/Removals



Panamax/LR1 Projected Deliveries/Removals



MR Projected Deliveries/Removals



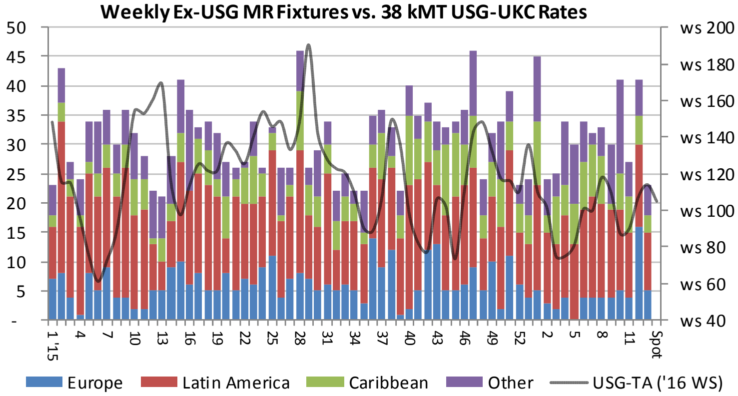
MR

The USG MR market was markedly quieter following last week's demand surge. This week's regional fixtures tallied 23, representing a 44% w/w loss. Last week's demand surge largely was attributed to a short-lived arbitrage window which ultimately was wide enough to help support the most USG-UKC fixtures in a single week since 2013 (though this is subject to change due to options for alternative destinations). This week's destination profile was far more usual: Europe accounted for five such fixtures (-69% w/w), Latin America and the Caribbean accounted for 13 fixtures (-32% w/w) and the remainder were bound for alternative destinations or had yet to be determined.

Rates found support during mid-week week as participants lagged in their reaction to last week' demand surge. Those gains proved short lived as fresh inquiry levels waned and incoming ballast units boosted availability. By the conclusion of the week, 35 units were available on a two-week forward basis, representing a 35% w/w gain and the highest availability level since January. Rates on the USG-UKC routed concluded off five points at ws110 having reached as high as ws122.5 at midweek. The USG-POZOS route concluded the week up $25k at $550k lump sum, having touched $600k earlier during the week.

During the upcoming week, we expect that USG rates will experience downside both as a function of the greater prevailing supply/demand imbalance and due to fresh demand and rate strength in the UKC area. Rates on the UKC-USAC route added 7.5 points this week as activity jumped to a 12-month high. Previously, a prolonged demand lull in the UKC area saw owners demand more for USG-UKC voyages to compensate for the poor onward trade prospects which carried over to gains for intraregional-routes (despite very high TCEs for round-trip trades relative to triangulated USG-UKC/UKC-USAC/USG earnings).

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



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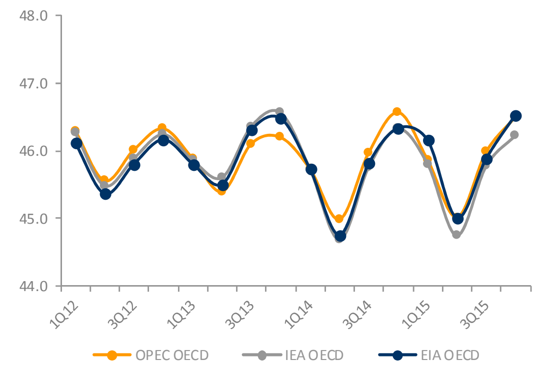
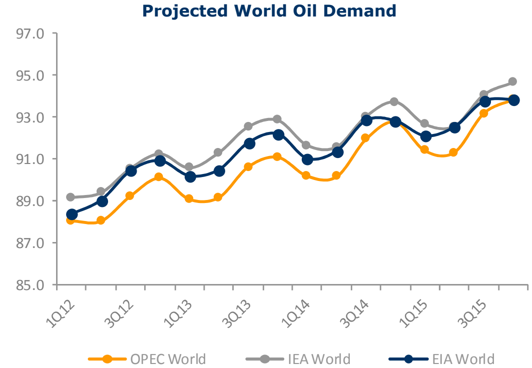
Projected OECD Oil Demand



Projected World Oil Demand



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REPORTED TANKER SALES

"Seaexpress" 45,976/07 – Shin Kurushima – DH
-Sold on private terms to undisclosed buyers.

"Maple Express" 45,798/02 – Minaminippon – DH
-Sold on subjects for $12.3m to undisclosed Far East buyers.

"Amalienborg" 40,059/04 – Shina – DH – IMO III
-Sold sold for $16.0m to undisclosed Chinese buyers; sale includes TCB for 5-Years at $14,000/day.

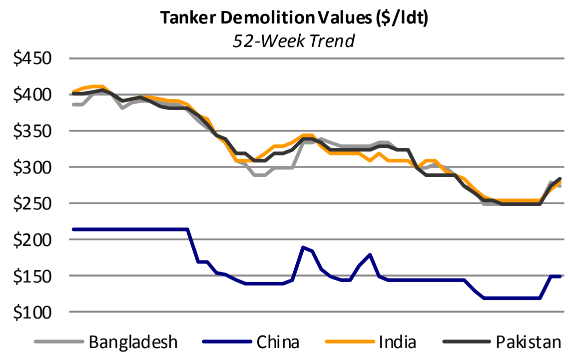
"Nogogini" 11,640/96 – Fukuoka – DH
-Sold for $4.0m to undisclosed Far East buyers.

REPORTED TANKER DEMOLITION SALES

Pakistan

"Georgios" 69,933/95 – 14,737 LDT – DH
-Sold on private terms.

"Kampos" 41,465/91 – 8,094 LDT – DH
-Sold for $240/ldt.



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