

WEBER WEEKLY TANKER REPORT

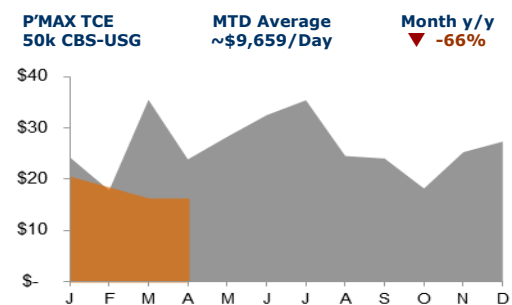
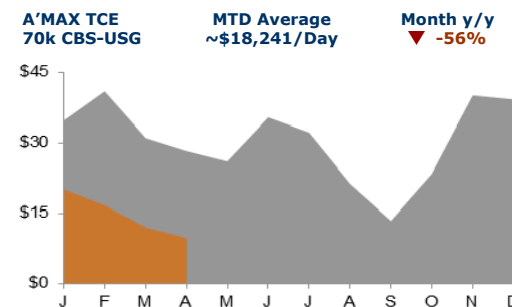
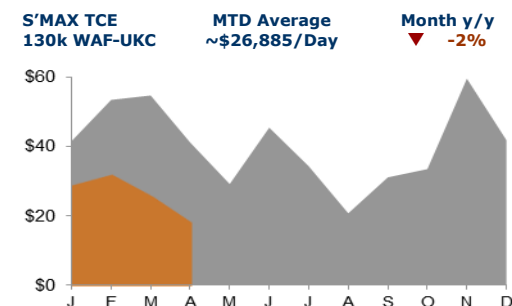
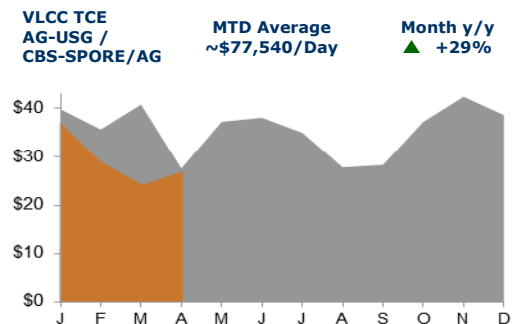
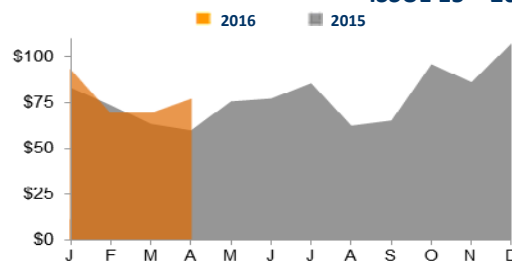


WEEK 15 – 8 APRIL 2016

ISSUE 15 – 2016

Spot Market	WS/LS	TCE ~\$/day	WS/LS	TCE ~\$/day
VLCC (13.0 Kts L/B)	8-Apr		15-Apr	
AG>USG 280k (TD1)	40.0	--	40.0	--
AG>USG/CBS>SPORE/AG	--	\$70,851	--	\$68,124
AG>SPORE 270k (TD2)	62.5	\$54,387	70.0	\$62,337
AG>CHINA 265k (TD3C)	62.5	\$48,403	70.0	\$55,999
WAFR>USG 260k (TD4)	67.5	\$58,528	75.0	\$65,055
WAFR>CHINA 260k (TD15)	62.5	\$50,239	70.0	\$56,832
CBS>SPORE 270k	\$5.50m	--	\$5.35m	--
SUEZMAX (13.0 Kts L/B)				
WAFR>USAC 130k	75.0	\$27,412	90.0	\$35,552
WAFR>UKC 130k (TD20)	77.5	\$24,922	93.75	\$33,487
BSEA>MED 140k (TD6)	77.5	\$31,360	85.0	\$36,744
CBS>USG 150k	62.5	\$30,615	75.0	\$32,288
AFRAMAX (13.0 Kts L/B)				
N.SEA>UKC 80k (TD7)	112.5	\$40,483	110.0	\$37,183
AG>SPORE 70k (TD8)	122.5	\$32,300	115.0	\$29,603
BALT>UKC 100k (TD17)	85.0	\$37,836	82.5	\$34,673
CBS>USG 70k (TD9)	95.0	\$18,424	100.0	\$19,555
MED>MED 80k (TD19)	82.5	\$18,380	87.5	\$20,105
PANAMAX (13.0 Kts L/B)				
CBS>USG 50k (TD21)	120.0	\$11,180	112.5	\$8,631
CONT>USG 55k (TD12)	115.0	\$18,941	110.0	\$16,732
ECU>USWC 50k	185.0	\$30,511	167.5	\$25,947
CPP (13.0 Kts L/B)				
UKC>USAC 37k (TC2)	105.0	\$10,475	117.5	\$12,092
USG>UKC 38k (TC14)	105.0	\$11,630	90.0	\$8,134
USG>UKC/UKC>USAC/USG	--	\$17,203	--	\$15,533
USG>POZOSCOLORADOS 38k	\$525k	\$22,385	\$450k	\$16,741
CBS>USAC 38k	125.0	\$14,991	120.0	\$13,422
AG>JPN 35k	110.0	\$9,802	104.0	\$8,776
AG>JPN 75k (TC1)	99.0	\$21,988	90.0	\$19,051
AG>JPN 55k (TC5)	105.0	\$16,042	90.0	\$12,518

Time Charter Market \$/day (theoretical)	1 Year	3 Years
VLCC	\$42,500	\$38,000
Suezmax	\$32,000	\$28,500
Aframax	\$26,000	\$23,000
Panamax	\$21,500	\$20,500
MR	\$17,500	\$16,500



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SPOT MARKET SUMMARY

VLCC

The Middle East VLCC market was more active this week on a surprisingly long number of remaining April requirements and a modest progression by charterers into May dates. The uptick of demand came against uncertainty over vessel itineraries due to Asian operational delays which made effective Middle East supply less extreme than it appeared a week ago and helped to support a rate rebound which pared the strong losses which accompanied last week's demand lull. The Middle East market's fixture tally more than doubled on the week to a total of 23 while the West Africa market rebounded from last week's multiple-year low of one fixture to five this week. Countering the impact of West Africa's demand return, slow demand in the Caribbean market saw at least two fixtures ballast to service West Africa cargoes. Having dropped to as low as ws60 early during the week, the AG-FEAST benchmark route saw rates rebound to an assessed ws70 by the close of the week.

The April program now stands at 130 cargoes with further two likely remaining uncovered. Against this, there are 10 units with certain availability through end-April dates, from which we expect two will be drawn to the West Africa market. This implies an end-April surplus of six units. Although more than the zero units observed at the close of the March program, the number is largely balanced and is in below the 9 units observed, on average, over the past 12 months and during 2015. On this basis, we expect that rates will likely have further upside to go as AG-FEAST TCEs remain 10% below the average of the past 12 months and 7% below the 2015 average. Moreover, as VLCC rate movements are frequently guided by the immediate impact of demand levels on psychology rather than by fundamentals, the fact that demand should prove stronger during the upcoming week as charterers move more aggressively into the May program also supports our upside thesis.

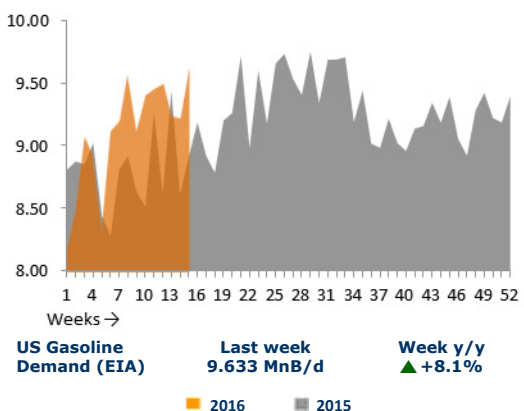
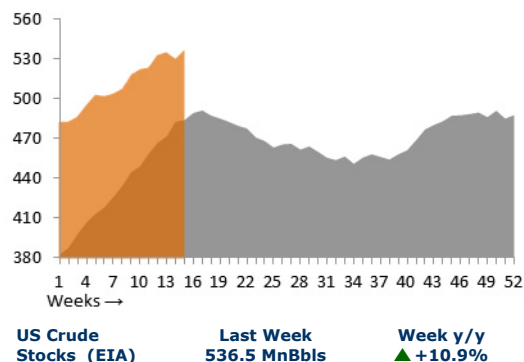
Further forward, uncertainty remains the theme. There are 41 units available through 10 May (including the expected surplus from April). With 8 early May cargoes now covered, we expect a further 34 will materialize and draws from West Africa should account for a further six units, implying a surplus of just one unit. On paper, this supply/demand positioning should be highly supportive of rates – particularly as some of the positions included in the tally are uncertain (due to weather and operational issues). Simultaneously, a present disconnect between AIS positions and advertised positions suggests a longer number of "hidden" units. Due to internal tonnage, COA movements and other circumstances, there is little certainty as to the extent of hidden positions, which is why we are hesitant to suggest rates will remain directionally stronger past the upcoming week. Structurally, fundamentals appear strong through Q2 with operational delays likely to remain a factor on overwhelmed Asian energy infrastructure, trade issues and recent delays at Basrah which will start to have an impact on availability at historically strong end of the quarter.

Middle East

Rates to the Far East gained 7.5 points over the course of the week to a closing assessment of ws70. Corresponding TCEs rose 10% to ~\$59,480/day. Rates to the USG via the Cape concluded at ws40, off 2.5 points. Triangulated Westbound trade earnings concluded the week at ~\$71,804/day – off 2%.

Atlantic Basin

The West Africa market continued to trail the Middle East and after being slower to rebound due to ballasts from the USG/Caribbean area, the region retested higher towards the close of the week. The WAFR-FEAST route concluded at ws70, a 5-point gain from a week ago. Corresponding TCEs concluded at ~\$56,714/day, a 7% weekly gain. The Caribbean market remained slow with limited cargoes being worked which saw rates on the CBS-SPORE route drop \$150k to an assessed \$5.35m lump sum. The commencement of May stems during the upcoming week should help to stem rate erosion and, subject to the extent of correlated demand, possibly support a modest rebound.



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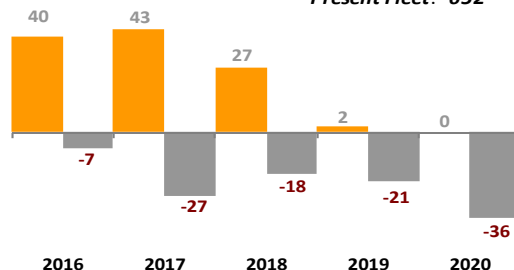


Suezmax

The West Africa Suezmax market was active this week as charterers covered remaining cargoes for loading during April's final decade and progressed into May's first decade – both of which had been very lightly covered by VLCCs (May's first decade stands at a YTD low for VLCC coverage) and thus had more cargoes available for Suezmaxes. Tying to this, European demand was stronger as refiners in NW Europe prepared for a reduction of offline capacity for turnarounds from May. A total of 18 fixtures were reported this week, representing a 64% w/w gain (voyages to Europe doubled on the week to account for 10 of this week's tally). Rates on the WAFR-UKC route added 16.25 points to conclude at a two-month high of ws93.75. Demand is likely to remain elevated through the start of the upcoming week which should maintain positive pressure on rates.

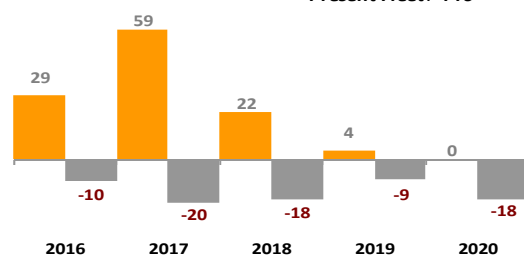
VLCC Projected Deliveries/Removals

Present Fleet: 652



Suezmax Projected Deliveries/Removals

Present Fleet: 440

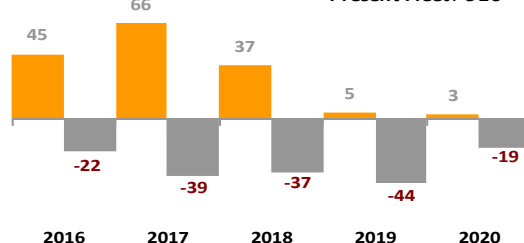


Aframax

The Caribbean Aframax market commenced stronger on tighter fundamentals at last week's close and a burst of inquiry at the start of this week. Rates on the CBS-USG route jumped 7.5 points from Friday's closing assessment with ws102.5 observed on Monday but languished thereafter at the ws100 level through the remainder of the week as supply/demand fundamentals were largely balanced. This was despite a relatively strong regional demand profile which yielded 18 fixtures for the week (the most in two months and a 38% w/w gain). A number of USG-TA cargoes materialized, some of which fixed and failed multiple times before concluding; these also raised prospects of fresh rate strength but ultimately had no positive impact. During the upcoming week, stronger inquiry rates on Monday would prove supportive of rates but failing that, rates should hover around the closing assessment of ws100.

Aframax/LR2 Projected Deliveries/Removals

Present Fleet: 910

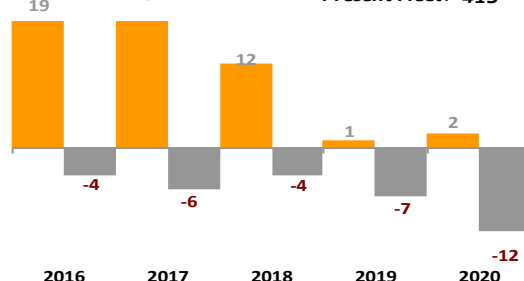


Panamax

The Caribbean Panamax market was softer this week on muted demand levels. Rates on the CBS-USG route shed 7.5 points to conclude at ws112.5. Given the extent of TCE erosion – rates on the CBS-USG (basis Mamonal-Houston) benchmark route yield just ~\$8,631/day compared with the worldwide activity-weighted average of ~\$15,517/day – further downside in the Caribbean should be limited.

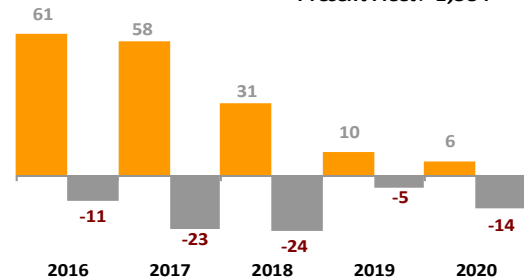
Panamax/LR1 Projected Deliveries/Removals

Present Fleet: 415



MR Projected Deliveries/Removals

Present Fleet: 1,384



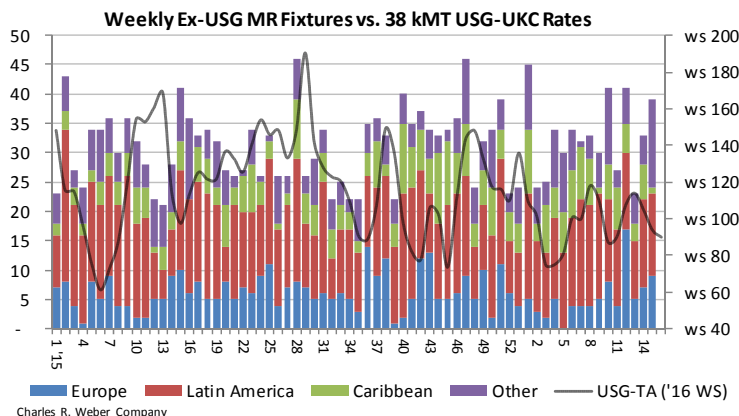
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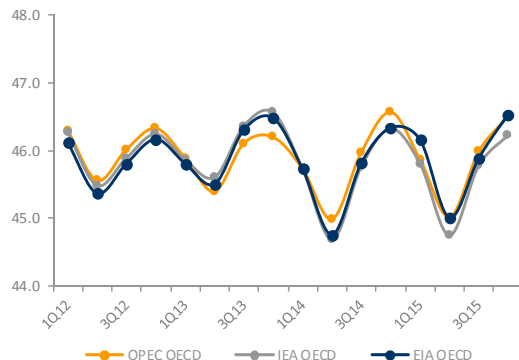
MR

Despite a longer fixture tally in the USG MR market this week, rates from the region conclude the week soft having been undermined by a slow conclusion to the week and an extending of high availability rates. A total of 39 fixtures were reported this week, representing an 18% weekly gain. Of the tally, 9 fixtures were for voyages provisionally to Europe (all but two contained options for alternative destinations), up from 7 last week; 15 fixtures were for points in Latin America (-29% w/w) and the remainder were yet to be determined or were bound for alternative destinations. Rates on the USG-UKC route lost 15 points to conclude at ws90 (the extent of the decline is partly attributed to recent rate strength in the UKC market). Rates for intraregional voyages eased on the supply/demand imbalance as TCEs were at a strong premium to triangulated returns; the USG-POZOS route shed \$75k to conclude at \$450k lump sum. USG-POZOS TCEs presently stand at an 8% premium to triangulated returns, down from a premium of 30% a week ago.

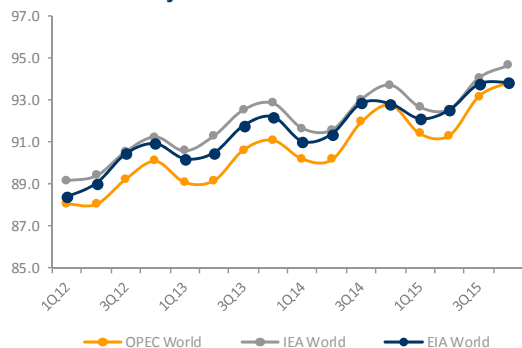
Prompt availability concludes the week somewhat tight, which has helped to stem rate erosion and could continue to do so through the start of the upcoming week. Thereafter, we expect that high availability on a two-week forward basis could yield modest fresh negative pressure. We count 43 units available over the next fourteen days, representing the most in twelve months and a 19% w/w gain.



Projected OECD Oil Demand



Projected World Oil Demand



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REPORTED TANKER SALES

"CE-Merapi" 105,274/96 – Namura – DH

"CE-Breeze" 109,010/99 – Namura – DH

-Sold en bloc for \$18.0m to undisclosed Turkish buyers.

"St. Marien" 51,218/07 – Hudong-Zhonghua – DH

"St. Johannis" 51,218/07 – Hudong-Zhonghua – DH

-Sold en bloc for \$21.5m to undisclosed US buyers.

"Freja Maersk" 109,010/09 – Hudong-Zhonghua – DH

-Sold on subjects for \$11.5m to undisclosed buyers.

REPORTED TANKER DEMOLITION SALES

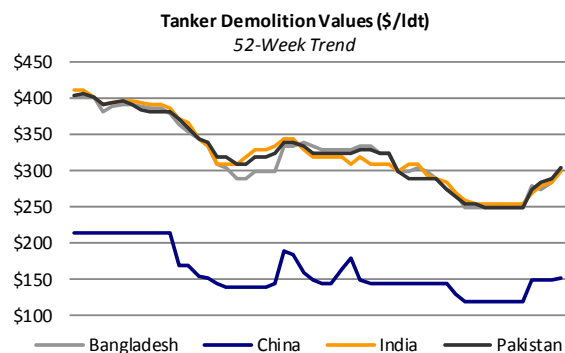
Bangladesh

"Kriton" 44,999/91 – 8,961 LDT – DS

-Sold for \$312.5/ldt.

"Meridian" 1,158/80 – 671 LDT – SH

-Sold for \$205/ldt.



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