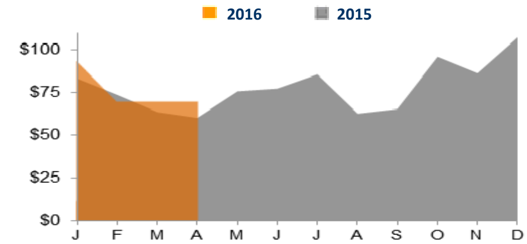
WEBER WEEKLY TANKER REPORT

WEEK 17 – 29 APRIL 2016

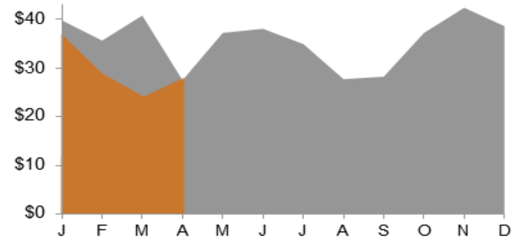
ISSUE 17 – 2016

Spot Market	WS/LS	TCE ~$/day	WS/LS	TCE ~$/day
VLCC (13.0 Kts L/B)	22-Apr		29-Apr	
AG>USG 280k (TD1)	39.0	--	33.5	$20,043
AG>USG/CBS>SPORE/AG	--	$66,137	--	$59,690
AG>SPORE 270k (TD2)	60.0	$50,476	50.0	$37,727
AG>CHINA 265k (TD3C)	60.0	$44,588	48.0	$30,134
WAFR>USG 260k (TD4)	67.5	$57,138	60.0	$47,890
WAFR>CHINA 260k (TD15)	62.5	$48,911	56.0	$40,813
CBS>SPORE 270k	$5.25m	--	$5.25m	--
SUEZMAX (13.0 Kts L/B)				
WAFR>USAC 130k	82.5	$31,533	80.0	$29,085
WAFR>UKC 130k (TD20)	82.5	$27,656	82.5	$26,468
BSEA>MED 140k (TD6)	86.5	$37,816	82.5	$34,908
CBS>USG 150k	80.0	$36,021	81.25	$35,675
AFRAMAX (13.0 Kts L/B)				
N.SEA>UKC 80k (TD7)	117.5	$43,294	110.0	$35,940
AG>SPORE 70k (TD8)	112.5	$28,377	105.0	$25,002
BALT>UKC 100k (TD17)	95.0	$43,635	80.0	$31,573
CBS>USG 70k (TD9)	117.5	$26,000	142.5	$34,453
MED>MED 80k (TD19)	85.0	$18,837	85.0	$18,091
PANAMAX (13.0 Kts L/B)				
CBS>USG 50k (TD21)	105.0	$6,826	120.0	$9,537
CONT>USG 55k (TD12)	97.5	$13,344	92.5	$11,028
ECU>USWC 50k	152.5	$23,853	152.5	$22,924
CPP (13.0 Kts L/B)				
UKC>USAC 37k (TC2)	115.0	$11,627	117.5	$11,240
USG>UKC 38k (TC14)	80.0	$6,236	77.5	$5,000
USG>UKC/UKC>USAC/USG	--	$13,772	--	$12,850
USG>POZOSCOLORADOS 38k	$400k	$13,336	$375k	$10,987
CBS>USAC 38k	115.0	$12,434	112.5	$11,268
AG>JPN 35k	110.0	$9,313	112.0	$8,900
AG>JPN 75k (TC1)	87.5	$17,892	87.5	$16,968
AG>JPN 55k (TC5)	100.0	$14,322	100.0	$13,438

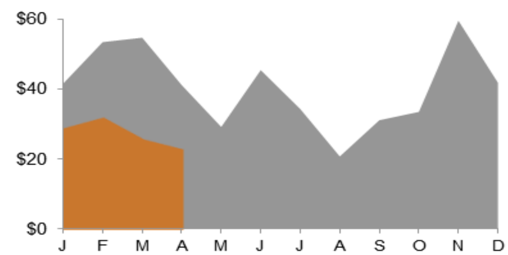
Time Charter Market *$/day (theoretical)*	1 Year	3 Years
VLCC	$42,500	$38,000
Suezmax	$28,500	$26,000
Aframax	$25,500	$23,000
Panamax	$20,500	$20,000
MR	$17,250	$16,500



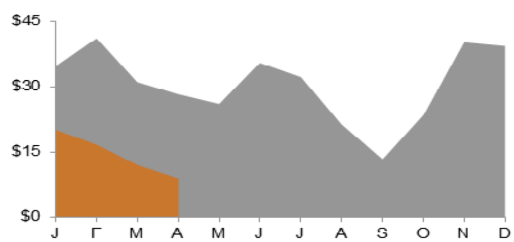
VLCC TCE AG-USG / CBS-SPORE/AG — MTD Average ~$69,909/Day — Month y/y ▲ +16%



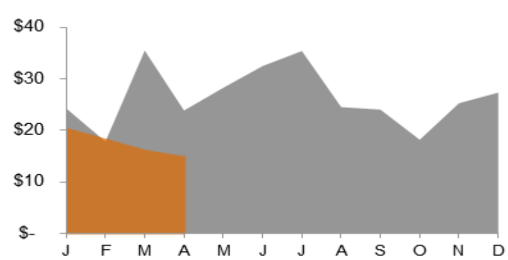
S'MAX TCE 130k WAF-UKC — MTD Average ~$27,895/Day — Month y/y ▲ +1%



A'MAX TCE 70k CBS-USG — MTD Average ~$23,006/Day — Month y/y ▼ -44%



P'MAX TCE 50k CBS-USG — MTD Average ~$9,030/Day — Month y/y ▼ -68%



MR TCE USG-UKC/ UKC-USAC/USG — MTD Average ~$15,012/Day — Month y/y ▼ -37%

SPOT MARKET SUMMARY

VLCC

The pace of VLCC chartering was at a one-month high this week as charterers were busier following last week's lull. A total of 27 fixtures were reported in the Middle East market (+93% w/w) and seven were reported in the West Africa market (+75%, w/w). Notably, all of this week's West Africa fixtures were covered on units ballasting from Asia, but despite the corresponding strong level of draws on Middle East availability, rates corrected sharply over the course of the week with the benchmark AG-FEAST assessment setting a fresh YTD low of ws46 towards the close of the week (which also represents significant erosion from the ws92.5 at which the route commenced April).

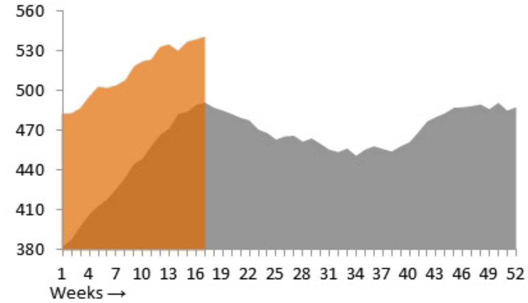
One factor behind this week's rate slump is that much of the Middle East market's inquiry was oriented to the start and the end of the week, leaving a much quieter mid-week period which negatively impacted sentiment. Another factor behind this week's rate losses was the fact that charterers were covering nearer forward dates which alleviated some of the uncertainty inherent to normal forward windows amid ongoing operational delays in Asia; as the pool of units in play were already largely undertaking ballasts all were able to be seriously considered for fresh requirements. For their part, supply/demand fundamentals continued to disjoint. We note that with 60 May cargoes covered to date, we anticipate only up to 5 additional cargoes remain uncovered. Against this we note that there are 19 vessels available and even if assuming that draws to service West Africa cargoes remain steady from this week's level, the implied surplus at mid-May is 8 units in a low case. Through the end of the second decade of May's loading program that surplus could rise to 15 (excluding any hidden positions). Given the extent of this week's rate losses and the fact that while availability levels have expanded they remain manageable at present rates, we expect that rates will stabilize during the upcoming week.

Middle East

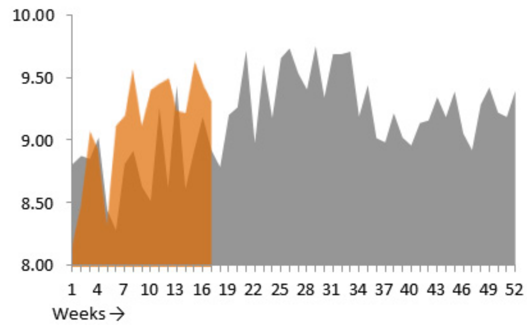
Rates on the AG-FEAST route dropped 12 points over the course of the week to a closing assessment of ws48. Corresponding TCE fell 32% to ~$30,134/day. Rates to the USG via the Cape were off by 5.5 points to a closing assessment of ws33.5. Triangulated Westbound trade earnings declined by 10% to ~$59,690/day at present.

Atlantic Basin

Rates in the West Africa market continued to follow the direction of those in the Middle East. The WAFR-FEAST route concluded the week at ws56, off 6.5 points from a week ago. Corresponding TCEs observed a weekly loss of 17% at a closing assessment of ~$40,813/day. The Caribbean market remained slow with the CBS-SPORE route holding at the $5.25m level.



US Crude Stocks (EIA)	Last Week	Week y/y
	540.6 MnBbls	▲ +10.1%



US Gasoline Demand (EIA)	Last week	Week y/y
	9.315 MnB/d	▲ +4.4%

2016 2015

Suezmax

Chartering activity levels in the West Africa market were largely unchanged this week with a total of 12 fixtures representing a weekly increase of one. Charterers have moved slowly past May's first decade loading period which has kept stronger activity levels at bay for now but; simultaneously, low VLCC coverage of the month's program thus far leaves more cargo available to Suezmaxes which should drive demand in the coming weeks. The recognition of this fact has seen owners more resistant to lower rates and the WAFR-UKC route was steady at ws82.5 while the WAFR-USAC route eased by a modest 2.5 points on recent strength in the Caribbean market to an assessed ws80. Recent Brent crude strength has widened the differential premium of Brent-linked West Africa crudes over Dubai benchmark is likely to maintain limited slower demand levels for the larger tanker which in the coming weeks should see realized Suezmax demand strength. Between potential imminent demand strength and the probability that such will remain when charterers progress into June, rates are likely to remain steady early during the upcoming week with possibly firming thereafter.

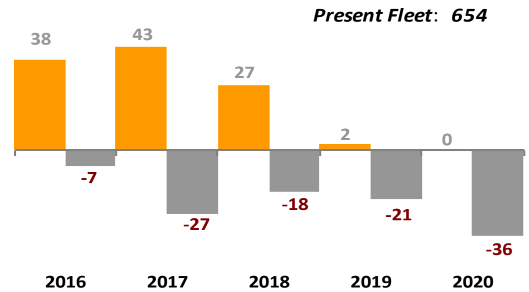
Aframax

The Caribbean Aframax market commenced the week with strong rate gains after surprisingly demand materialized late last week with positive sentiment extending to the start of this week. However, as the week progressed the upward trend subsided once market participants realized that some units reportedly on subjects were either erroneous or had failed, leaving a less tight fundamentals profile. Having reached ws145 on Monday, the CBS-USG route moderated to the low ws140s at which it remained through the remainder of the week. Sentiment concludes the week slightly soft due to a late-week demand lull; however, with supply/demand balanced relative to present rates we expect that ws140 will represent a floor early during the start of the upcoming week with no major impetus for positive or negative progression presently evident.

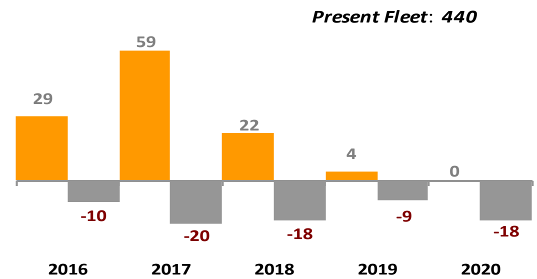
Panamax

The Caribbean Panamax market was markedly more active this week with a surge of regional fixtures appearing early during the week while some swaps and stronger Aframax rates added to the pressure. As a result, the CBS-USG routed observed a weekly gain of 15 points to a closing assessment of ws120. Failing a fresh demand surge early during the upcoming week, supply/demand fundamentals appear balanced though some units incoming from the Med and a less hectic pace could see rates moderate from the present high.

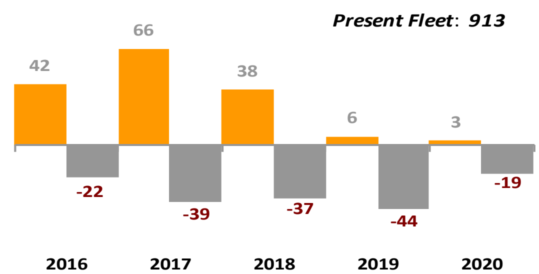
VLCC Projected Deliveries/Removals



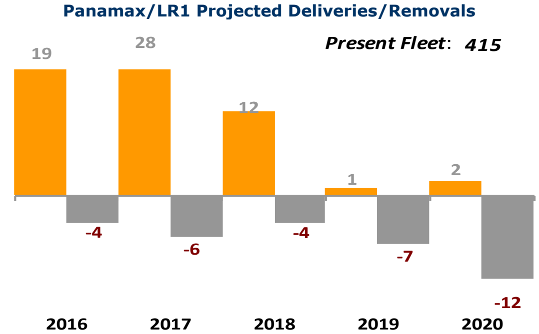
Suezmax Projected Deliveries/Removals



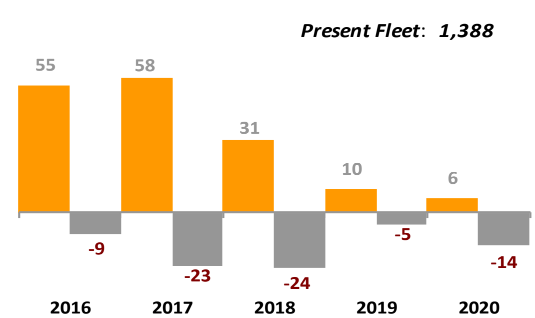
Aframax/LR2 Projected Deliveries/Removals



Panamax/LR1 Projected Deliveries/Removals

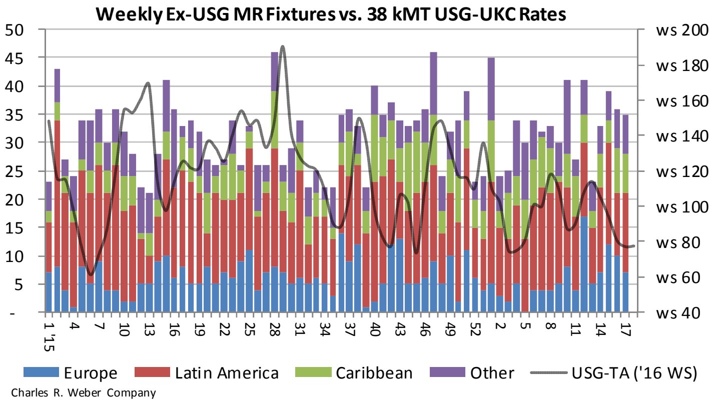


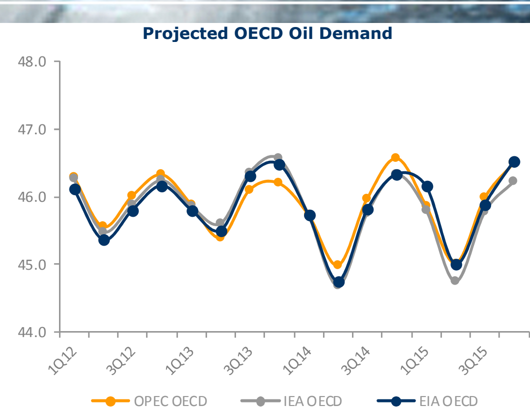
MR Projected Deliveries/Removals

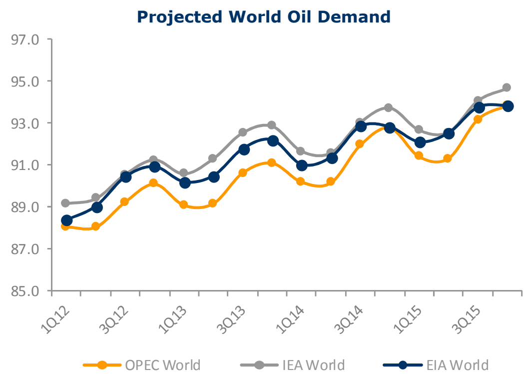


MR

Demand in the USG MR market remained elevated for a fourth consecutive week with a tally of 35 fixtures standing just one fewer than last week's tally and 9% above the 52-week average. Despite the strong demand, rates experienced further downside this week with the USG-UKC route easing 2.5 points to ws77.5 and the USG-POZOS route losing $25k to close at $375k lump sum. However, signs of a possible turnaround have emerged at the end of the week as we note that the four-week moving average of regional fixtures stands at a five-month high, two-week forward availability eased 18% w/w to 31 units (and includes markedly fewer prompt units than a week ago) and a stronger earnings environment in the UKC market has draws ballast units from the region (USAC, Brazil, etc.). These factors should positively impact sentiment during the start of the upcoming week and help to support at least a modest rebounding of rates from present levels.







REPORTED TANKER SALES

"Phoenix Alpha" 104,707/03 – Daewoo – DH
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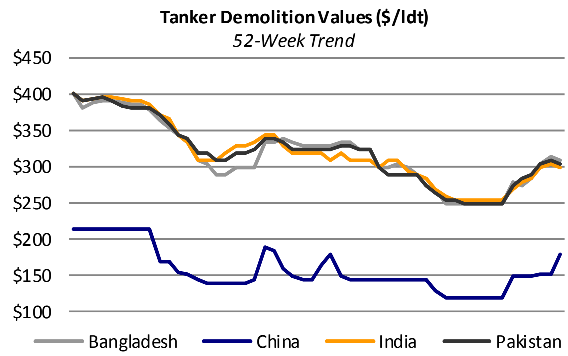
-Sold en bloc for $41.0m to undisclosed Indian buyers.

"Dong-A Rigel" 8,831/03 – Muakami Hide – DH – IMO II/III
-Sold for $12.0m to Bangladeshi buyers (SR Shipping).

REPORTED TANKER DEMOLITION SALES

India

"Stolt Aquamarine" 38,761/86 – 11,468 LDT – DH
-Sold on private terms.



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