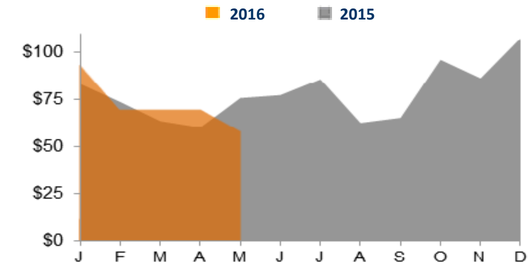
WEBER WEEKLY TANKER REPORT

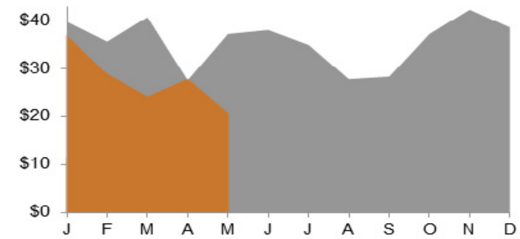
WEEK 20 – 22 MAY 2016 **ISSUE 20 – 2016**

Spot Market	WS/LS	TCE ~$/day	WS/LS	TCE ~$/day
VLCC (13.0 Kts L/B)	13-May		20-May	
AG>USG 280k (TD1)	40.0	$26,547	37.0	$22,495
AG>USG/CBS>SPORE/AG	--	$64,764	--	$57,364
AG>SPORE 270k (TD2)	75.0	$65,442	57.0	$44,946
AG>CHINA 265k (TD3C)	75.0	$58,825	55.0	$37,018
WAFR>USG 260k (TD4)	72.5	$60,686	62.5	$49,373
WAFR>CHINA 260k (TD15)	67.5	$52,443	59.5	$43,280
CBS>SPORE 270k	$5.20	--	$4.80m	--
SUEZMAX (13.0 Kts L/B)				
WAFR>USAC 130k	65.0	$21,181	57.5	$16,528
WAFR>UKC 130k (TD20)	70.0	$20,018	57.5	$12,871
BSEA>MED 140k (TD6)	85.0	$36,889	72.5	$26,912
CBS>USG 150k	70.0	$27,243	70.0	$26,444
AFRAMAX (13.0 Kts L/B)				
N.SEA>UKC 80k (TD7)	105.0	$32,271	105.0	$31,472
AG>SPORE 70k (TD8)	90.0	$19,980	90.0	$19,743
BALT>UKC 100k (TD17)	75.0	$28,387	97.5	$43,435
CBS>USG 70k (TD9)	95.0	$16,701	95.0	$16,157
MED>MED 80k (TD19)	110.0	$29,670	110.0	$29,184
PANAMAX (13.0 Kts L/B)				
CBS>USG 50k (TD21)	110.0	$7,182	110.0	$6,650
CONT>USG 55k (TD12)	95.0	$11,726	110.0	$15,162
ECU>USWC 50k	150.0	$22,689	150.0	$21,580
CPP (13.0 Kts L/B)				
UKC>USAC 37k (TC2)	115.0	$10,855	125.0	$12,259
USG>UKC 38k (TC14)	85.0	$6,425	80.0	$5,010
USG>UKC/UKC>USAC/USG	--	$13,801	--	$13,623
USG>POZOSCOLORADOS 38k	$425k	$14,357	$375k	$10,567
CBS>USAC 38k	115.0	$11,755	115.0	$11,328
AG>JPN 35k	110.0	$8,541	110.0	$8,361
AG>JPN 75k (TC1)	80.0	$14,618	98.5	$19,921
AG>JPN 55k (TC5)	100.0	$13,340	103.5	$13,880

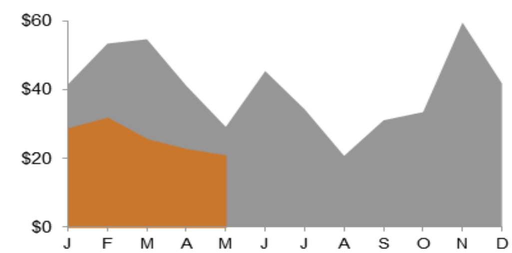
Time Charter Market *$/day (theoretical)*	1 Year	3 Years
VLCC	$39,000	$36,000
Suezmax	$28,500	$26,000
Aframax	$24,000	$22,000
Panamax	$19,500	$18,500
MR	$16,000	$16,000



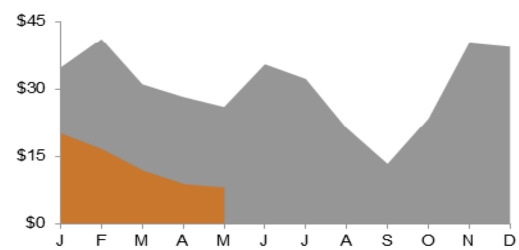
VLCC TCE AG-USG / CBS-SPORE/AG — **MTD Average ~$61,320/Day** — **Month y/y ▼ -19%**



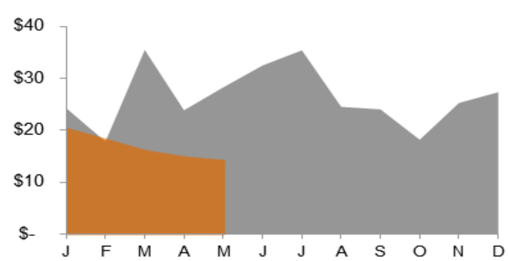
S'MAX TCE 130k WAF-UKC — **MTD Average ~$19,187/Day** — **Month y/y ▼ -48%**



A'MAX TCE 70k CBS-USG — **MTD Average ~$21,024/Day** — **Month y/y ▼ -28%**



P'MAX TCE 50k CBS-USG — **MTD Average ~$8,281/Day** — **Month y/y ▼ -68%**



MR TCE USG-UKC/ UKC-USAC/USG — **MTD Average ~$14,356/Day** — **Month y/y ▼ -49%**

SPOT MARKET SUMMARY

VLCC

It proved to be a quieter period this week, and where last week we saw strengthening on expectations of cargoes to come, this week's actual inactivity took its toll, bringing eastbound rates down almost twenty percent. Dates were announced by the suppliers, but when that didn't cause an influx of activity, owners began to get nervous despite the realistic belief that it is only a matter of time, a "short term lull" before activity picks up. The past three months (March, April and May) have all seen in excess of 130 cargoes and there is no reason to expect June to be any lower, if anything it could be higher. What we have seen over that period is the first decade's tally has seen the lowest number and the final decade the highest, with the most recent period in May yielding 50 fixtures, the highest of all, and which might explain the slow start for June. Either way, we do expect the activity to pickup once we hit the second decade. However, with that being three weeks forward, charterers could be patient and hold back and allow further softening while they have the chance.

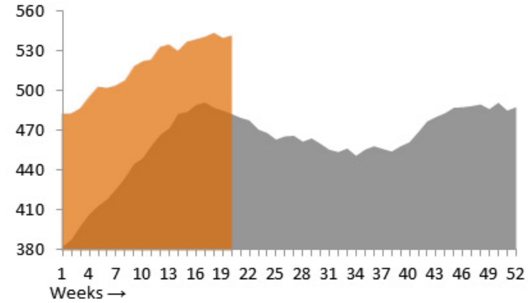
There were a total of 28 fixtures reported this week, 20 emanating from the Arabian Gulf and 8 from the Atlantic Basin. The former was led by eastbound business with India discharge leading the way accounting for forty-four percent of that. Eastbound rates ended last week in a two tiered state, with the modern tonnage in the low-mid ws70's and the older less-approved tonnage in the 60's. The limited activity witnessed this week resulted in rates on modern ships falling to ws60, with reports of lower being concluded. Westbound business was less active, although the usual preference for this voyage was not as strong with the slower demand of export cargoes from the Caribbean. Rates to the USG were pegged at in the upper ws30's depending on destination and routing, but may be tested.

Middle East

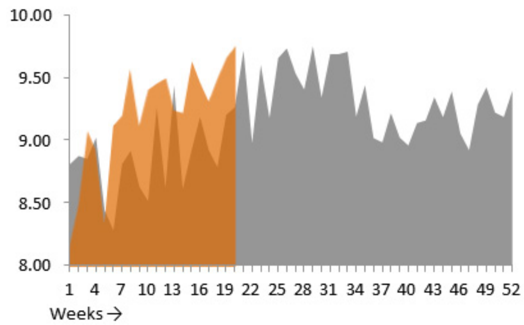
With approximately 21 fixtures concluded, we anticipate another 15 cargoes to go through the first decade which compares to a position list that has 29 vessels (excluding VLCC Chartering) over that period. The supply-demand equation is in the Charterers favor, but not overwhelmingly so and moves more into balance as we approach the middle of the month. The current quietness, not helped by a seeming lack of Unipec activity, usually the most active charterer, as they utilize COA tonnage, will push rates a little lower for now before rebounding as we move forward into next week.

Atlantic Basin

The Atlantic Basin was quieter with 8 fresh fixtures to report, half of those emanating from the Caribbean-South America. West Africa followed the trend of the AG with rates falling from the mid ws60's, down below ws60, the latest fixture at ws59.5 for a voyage to China. Business from the Caribbean continued at its slower pace with half of the activity emanating from Brazil. Eastbound rates from the Caribbean fell to the lowest of the year, with Singapore assessed at $4.8 million and little change expected.



US Crude Stocks (EIA)	Last Week	Week y/y
	541.3 MnBbls	▲ +12.3%



US Gasoline Demand (EIA)	Last week	Week y/y
	9.755 MnB/d	▲ +5.3%

2016 2015

Suezmax

A quieter period in the West Africa Suezmax market prevailed this week with reported fixtures off by three to 10. Further negatively impacting sentiment, participants were cognizant of stronger recent VLCC coverage of West Africa stems, implying a continuation of lower regional demand. Meanwhile, Suezmaxes in the Middle East market faced strong losses with normal Basrah premiums for suitable units (crane restrictions) absent and rates there off markedly, adding to negative pressure on the West Africa market as more units look to ballast from the East. Rates on the WAFR-UKC route shed 12.5 points to conclude at ws57.5. With the corresponding TCE at a strong discount to alternative markets, rates should stabilize on fresh demand during the upcoming week.

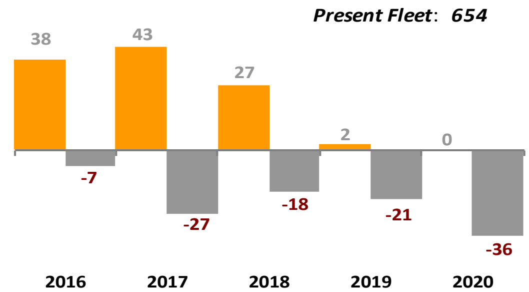
Aframax

Rates in the Caribbean Aframax market were largely flat this week with the CBS-USG route holding at the ws95 level. After a modest start from an activity standpoint, possible negative sentiment was eroded after demand picked up from mid-week and late in the week owners pointed to the possibility of ballasting to the more profitable North Sea market (where strong Baltic market upside also enhances forward prospects). A late fixture at ws100 failed on subjects and a late-week lull implies repeating will be difficult. Thus we expect the market to commence the upcoming week with little change.

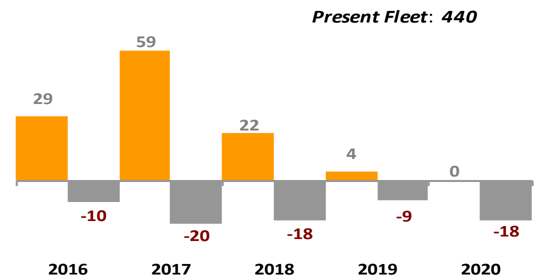
Panamax

The Caribbean Panamax market was busier this week but with limited resulting change to the supply/demand position, rates were largely unchanged. The CBS-USG route held in the low ws100s.

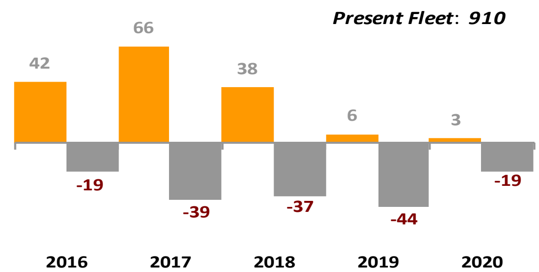
VLCC Projected Deliveries/Removals



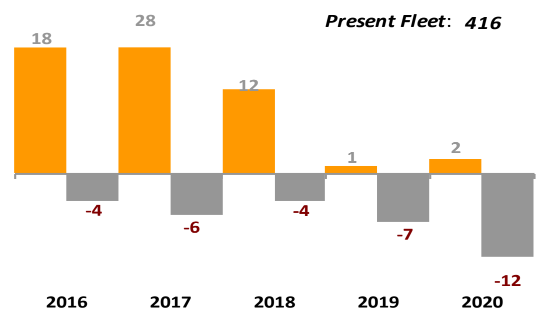
Suezmax Projected Deliveries/Removals



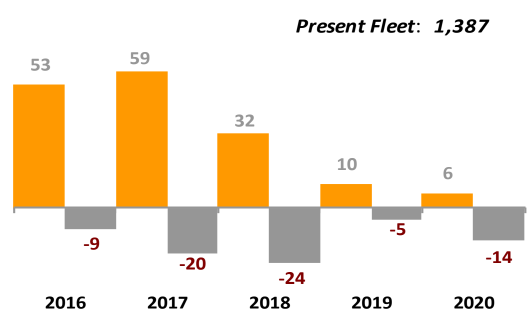
Aframax/LR2 Projected Deliveries/Removals



Panamax/LR1 Projected Deliveries/Removals



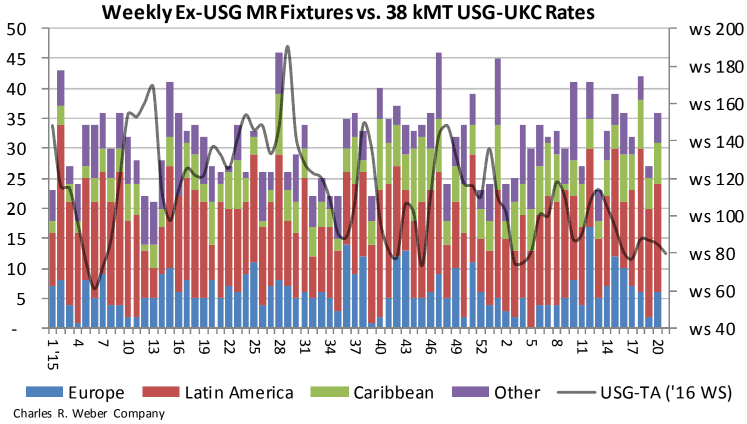
MR Projected Deliveries/Removals



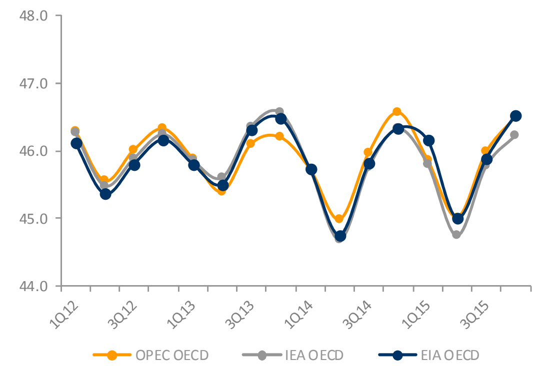
MR

Activity levels in the USG MR market picked up this week following last week's lull. A total of 36 fixtures were reported, representing a w/w gain of 33%. Of the week's tally, 6 were bound for points in Europe (+200% w/w) and 25 were bound for points in Latin America and the Caribbean (9% w/w) while the remainder are yet to be determined or destined for alternative areas. Regional rates remained in negative territory on the prior week's demand lull but the direction should change during the upcoming week with recent UKC market upside likely to draw USAC units away and a possible pre-Memorial Day rush leading to stronger competition for units while normal correlations between activity changes and subsequent-week rate movements already implies upside. The USG-UKC route shed 5 points to conclude at ws80 and the USG-POZOS route was off by $50k to $375k.

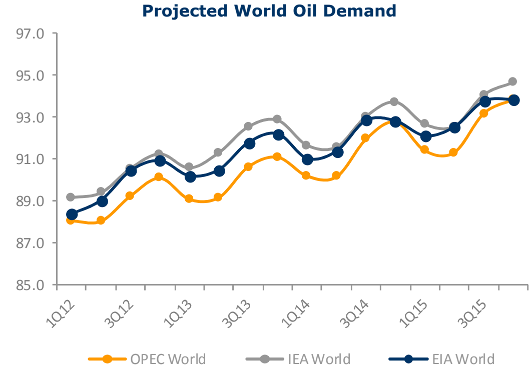
Weekly Ex-USG MR Fixtures vs. 38 kMT USG-UKC Rates



Projected OECD Oil Demand



Projected World Oil Demand



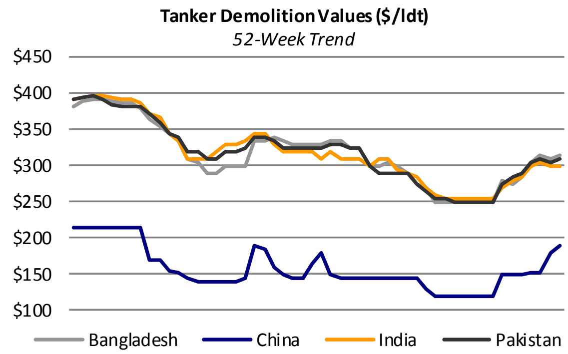
REPORTED TANKER SALES

"New Coral" 318,000/10 – Shanghai Jiangnan – DH
"New Medal" 318,000/09 – Shanghai Jiangnan – DH
-Sold for $62.0m and $55.0m, respectively, to Norwegian buyers (Frontline).

"Stavanger Eagle" 45,900/04 – Shin Kurushima – DH
-Sold for $15.5m to undisclosed buyers.

REPORTED TANKER DEMOLITION SALES

There are no reported tanker demolition sales for week 20.



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