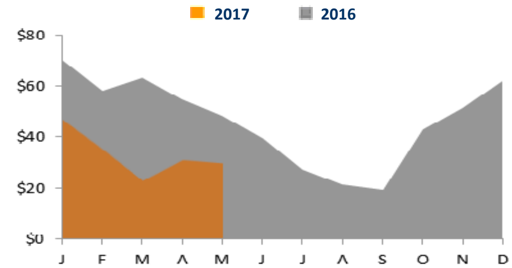
WEBER WEEKLY TANKER REPORT

WEEK 19 – 12 MAY 2017 **ISSUE 19 – 2017**

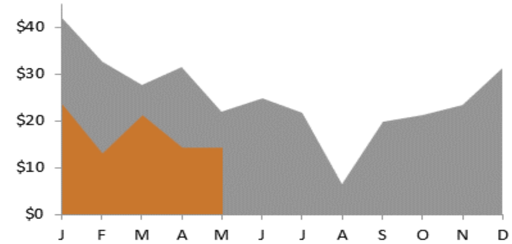
Spot Market	WS/LS	TCE	WS/LS	TCE
VLCC (13.0 Kts L/B)	5-May		12-May	
AG>USG 280k	35.0	$8,671	29.0	$3,270
AG>USG/CBS>SPORE/AG	--	$39,619	--	$33,435
AG>SPORE 270k	64.0	$28,889	59.0	$24,180
AG>JPN 265k	62.0	$30,072	56.0	$24,358
AG>CHINA 270k	62.0	$27,275	56.0	$21,576
WAFR>CHINA 260k	63.5	$30,224	58.0	$25,110
CBS>SPORE 270k	$4.25m	--	$4.10m	--
VLCC Average Earnings		*$30,458*		*$25,010*
SUEZMAX (13.0 Kts L/B)				
WAFR>USG 130k	72.5	$14,828	70.0	$13,186
WAFR>UKC 130k	75.0	$11,225	72.5	$9,647
BSEA>MED 140k	87.5	$12,533	87.5	$12,758
CBS>USG 150k	65.0	$12,946	65.0	$12,315
Suezmax Average Earnings		*$13,759*		*$12,607*
AFRAMAX (13.0 Kts L/B)				
N.SEA>UKC 80k	95.0	$10,561	100.0	$14,039
AG>SPORE 70k	115.0	$12,903	110.0	$11,238
BALT>UKC 100k	67.5	$7,630	67.5	$6,929
CBS>USG 70k	130.0	$15,693	100.0	$6,363
MED>MED 80k	110.0	$14,506	102.5	$11,494
Aframax Average Earnings		*$12,463*		*$8,501*
PANAMAX (13.0 Kts L/B)				
CBS>USG 50k	125.0	$3,904	115.0	$1,520
CONT>USG 55k	115.0	$8,612	112.5	$7,602
ECU>USWC 50k	145.0	$10,762	147.5	$10,650
Panamax Average Earnings		*$8,079*		*$6,590*
LR2 (13.0 Kts L/B)				
AG>JPN 75k	105.0	$10,949	104.0	$10,205
AG>UKC 80k	$1.33m	$5,370	$1.55m	$9,293
MED>JPN 80k	$1.61m	$8,293	$1.65m	$8,459
AG>UKC/MED>JPN/AG	--	$12,350	--	$14,636
LR2 Average Earnings		*$11,416*		*$11,680*
LR1 (13.0 Kts L/B)				
AG>JPN 55k	115.0	$8,274	114.0	$7,675
AG>UKC 65k	$1.14m	$5,067	$1.11m	$4,223
UKC>WAFR 60k	112.5	$4,124	108.0	$2,995
AG>UKC/UKC>WAFR/AG	--	$10,449	--	$9,320
LR1 Average Earnings		*$9,362*		*$8,497*
MR (13.0 Kts L/B)				
UKC>USAC 37k	120.0	$5,510	120.0	$5,096
USG>UKC 38k	75.0	$(194)	100.0	$3,098
USG>UKC/UKC>USAC/USG	--	$6,173	--	$8,733
USG>CBS (Pozos Colorados) 38k	$325k	$6,121	$400k	$10,858
USG>CHILE (Coronel) 38k	$1.00m	$11,556	$1.05m	$12,681
CBS>USAC 38k	127.5	$8,426	140.0	$10,085
MR Average Earnings		*$7,103*		*$8,525*
Handy (13.0 Kts L/B)				
MED>EMED 30k	160.0	$14,811	142.5	$10,546
SPORE>JPN 30K	135.0	$5,137	132.5	$4,584
Handy Average Earnings		*$8,620*		*$6,730*

Average Earnings weighted proportionally to regional activity share of each size class' worldwide market.

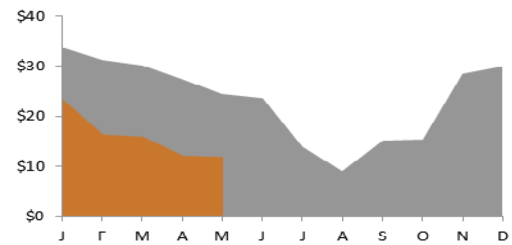
Time Charter Market $/day (theoretical)	1 Year	3 Years
VLCC	$29,000	$29,000
Suezmax	$18,500	$19,000
Aframax	$15,500	$17,000
Panamax	$13,000	$14,000
MR	$13,500	$14,500
Handy	$12,000	$13,000



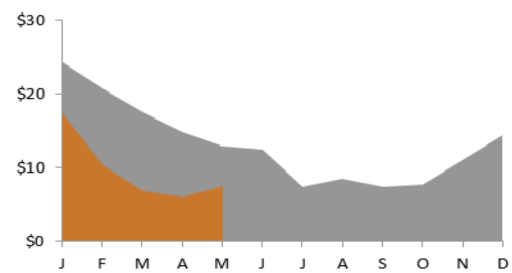
VLCC Average Earnings	MTD Average ~$28,437/Day	Month y/y ▼ -42%



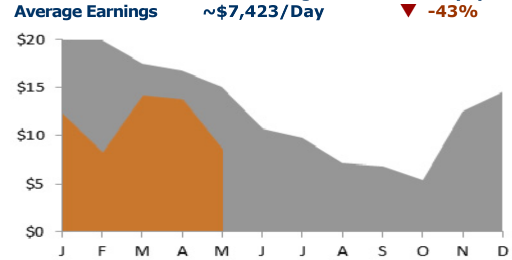
Suezmax Average Earnings	MTD Average ~$14,224/Day	Month y/y ▼ -35%



Aframax Average Earnings	MTD Average ~$11,368/Day	Month y/y ▼ -53%



Panamax Average Earnings	MTD Average ~$7,423/Day	Month y/y ▼ -43%



MR Average Earnings	MTD Average ~$8,667/Day	Month y/y ▼ -42%

SPOT MARKET SUMMARY

VLCC

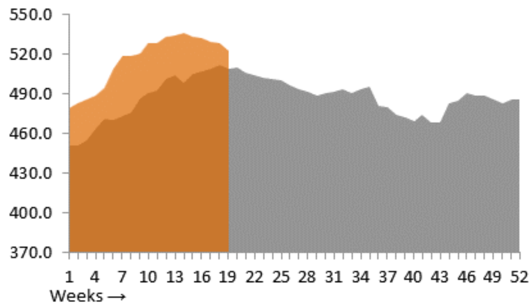
VLCC rates remained under negative pressure this week as demand in both the Middle East and West Africa markets posted w/w declines while the extent of the May Middle East program appeared likely to conclude below earlier expectations as Suezmax demand surged, leading to weaker VLCC fundamentals. There were 17 fixtures reported in the Middle East market, representing a 32% w/w loss, while the West Africa market observed five fixtures, off 29% w/w.

With 116 May Middle East cargoes now covered, there are a likely further 8 cargoes remaining uncovered. Against this, there are 29 units available (including 12 disadvantaged units) from which draws to service West Africa demand should account for six units, implying a surplus of 15 units. This compares with 12 surplus units at the conclusion of May's second decade and a previously-projected end-month surplus of 5-8 units, and as such is likely to prompt further modest rate erosion through the start of the upcoming week. Thereafter, a rush to start the June program should allow rates to level off and, depending on the extent of early-June demand could potentially offer fresh upside prospects by driving sentiment.

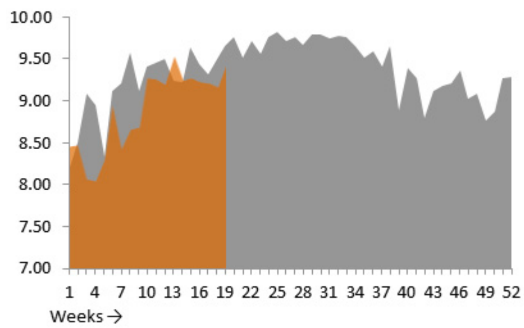
Middle East
Rates to the Far East concluded the week with a loss of 6 points to ws56 and corresponding TCEs declined 19% to conclude at ~$24,358/day. Rates to the USG via the Cape shed 6 points to conclude at ws29. Triangulated Westbound trade earnings lost 16% with a closing assessment of ~$33,435/day.

Atlantic Basin
Rates in the West Africa market followed those in the Middle East. The WAFR-FEAST route shed 5.5 points to conclude at ws58 with corresponding TCEs off by 17% to ~$25,110/day.

The Caribbean market was inactive this week with no fixtures reported. This, together with souring sentiment across alternative VLCC markets saw regional rates remain under negative pressure. The CBS-SPORE route shed $150k to conclude at $4.10m lump sum.



US Crude Stocks (EIA)	Last Week	Week y/y
	522.5 MnBbls	▲ +2.8%



US Gasoline Demand (EIA)	Last week	Week y/y
	9.408 MnB/d	▼ -2.6%

2017 2016

Suezmax

The West Africa Suezmax market remained under negative pressure this week, albeit with a moderated pace of rate erosion in-line with a rebound in regional chartering demand as charterers shored up remaining May stems and progressed into June dates. The week's fixture tally doubled w/w to 14 fixtures. Rates on the WAFR-UKC route shed 2.5 points to conclude at ws72.5. Light VLCC coverage of the first decade of the June export program relative to the same period during May could help to contribute to sustained Suezmax demand strength as charterers progress further into the June program. A prospective return of the ~200,000 b/d Forcados stream would further bolster demand, though this has yet to be confirmed and no corresponding loading program has been released. Meanwhile, tonnage availability remains high, which will likely complicate rate progression even if demand remains elevated.

WEBER WEEKLY
TANKER REPORT
CHARLES R. WEBER COMPANY, INC.

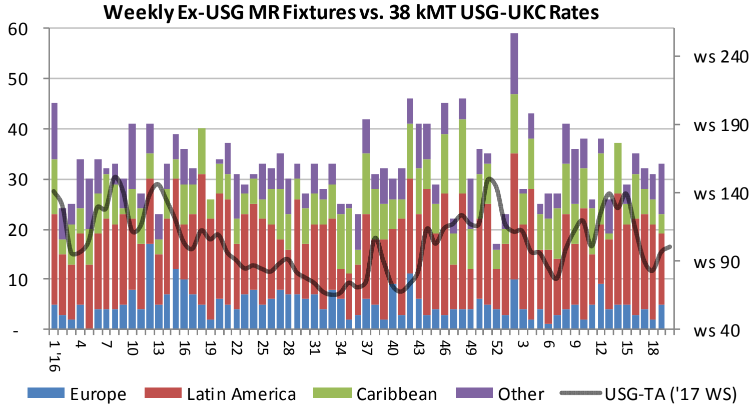
Aframax

The Caribbean Aframax market commenced the week with strong sentiment following last week's strong rate environment. However, with available positions having expanded handsomely over the weekend and demand proving light throughout the week, rates corrected sharply. Just eleven fixtures were reported, representing a 35% w/w decline and a three-month low. Rates on the CBS-USG route shed 30 points to conclude at ws100. With further units expected to populate an already-oversupply list of tonnage, we expect that sentiment will remain negative through the start of the upcoming week. The extent of any prospective losses, however, will likely be tied to the pace of inquiry and note that regional TCEs are now below OPEX levels, which should place a floor on further losses.

MR

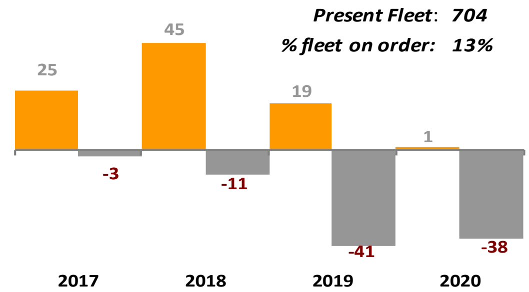
Rates in the USG MR market were at strength for much of the week following last week's decline in available tonnage and amid an active first half of the week. Some of the week's gains were pared on Friday, however, after a number of fresh units unexpectedly appeared on position lists and inquiry levels declined during the final half of the week. A total of 33 fixtures were reported overall, two more than last week. Of these, five were bound for points in Europe (+3, w/w), 18 were bound for points in Latin America and the Caribbean (-6, w/w) and the remainder were yet to be determined or bound for alternative destinations. Two-week forward availability stands at 41 units, representing an 8% w/w gain. Rates on the USG-UKC route jumped 25 points to conclude at ws100 (having risen into the high ws100s at mid-week) while the USG-CBS route gained $75k to conclude at $400k lump sum. Failing a strong demand environment at the start of the upcoming week, rates appear likely to weaken further.

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

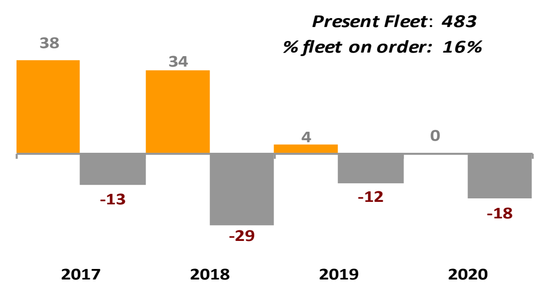


Charles R. Weber Company

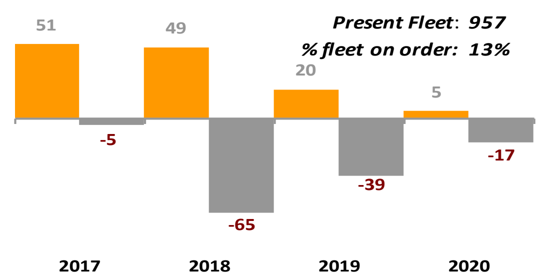
VLCC Projected Orderbook Deliveries/Phase-Outs



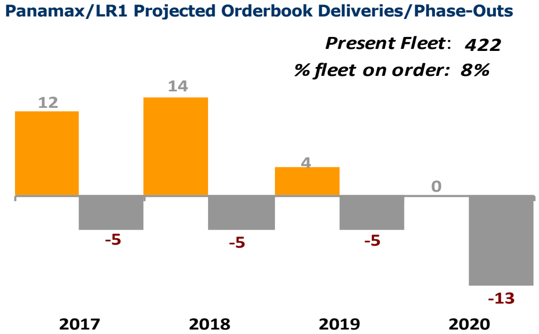
Suezmax Projected Orderbook Deliveries/Phase-Outs



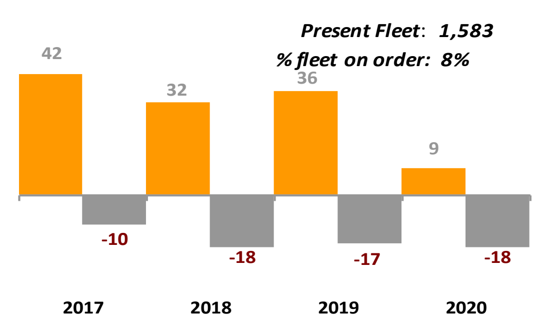
Aframax/LR2 Projected Orderbook Deliveries/Phase-Outs



Panamax/LR1 Projected Orderbook Deliveries/Phase-Outs



MR Projected Orderbook Deliveries/Phase-Outs



REPORTED TANKER SALES

"Amantea" – 309,287/02 – Samsung Geoje – DH
-Sold for ~$24.25m to Greek buyers (Minerva Marine) basis SS freshly passed.

"Gener8 Theseus" – 299,392/16 – Hyundai Gunsan – DH
"Gener8 Noble" – 298,991/16 – Hyundai Samho – DH
-Sold en bloc for $81.0m each to Malaysian buyers (MISC Bhd).

"Dalian Venture" – 296,722/11 – Dalian – DH
-Sold for $54.0m to Singaporean buyers (Zodiac).

"Gener8 Orion" – 160,289/02 – Samsung Geoje – DH
-Sold for $13.3m to undisclosed Indian buyers.

"Aegean Miracle" – 158,885/17 – Hyundai Gunsan – DH
"Aegean Fighter" – 158,871/17 – Hyundai Gunsan – DH
-Sold en bloc for $56.0m each to Greek buyers (Onassis Group); units deliver from yard 06/2017.

"Samsara" – 158,000/17 – Shanghai Waigaoqiao – DH
-Sold for $64.0m to Greek buyers (DryShips) including TCB with undisclosed base rate and profit sharing element (internal deal).

"Kirstin" – 50,078/09 – SPP – DH – IMO III
-Sold for $18.5m to Greek buyers (Union Maritime).

"STI Emerald" – 49,990/13 – Hyundai Mipo – DH – IMO III
"STI Sapphire" – 49,990/13 – Hyundai Mipo – DH – IMO III
-Sold en bloc for $56.4m to Chilean buyers (CVC).

"Atlantic Blue" – 47,128/07 – Hyundai Mipo – DH – IMO III
"Atlantic Diana" – 47,128/07 – Hyundai Mipo – DH – IMO III
-Sold en bloc on private terms to undisclosed buyers.

"Mare Baltic" – 38,402/08 – Guangzhou – DH – IMO III
-Sold for $11.25m to Greek buyers (Ancora Investment Trust), subject to sellers' board approval.

"Sky" – 38,779/08 – Hyundai Mipo – DH – IMO III – Ice 1A
"Style" – 38,779/08 – Hyundai Mipo – DH – IMO III – Ice 1A
"Steel" – 38,779/08 – Hyundai Mipo – DH – IMO III – Ice 1A
"Stone I" – 38,779/08 – Hyundai Mipo – DH – IMO III – Ice 1A
"Silent" – 38,779/08 – Hyundai Mipo – DH – IMO III – Ice 1A
-Sold en bloc on private terms to US buyers (Scorpio Tankers).

"Baltic Ambition" – 37,343/06 – Hyundai Mipo – DH – IMO II – Ice 1B
"Baltic Marshall" – 37,304/06 – Hyundai Mipo – DH – IMO II – Ice 1B
"Baltic Merchant" – 37,304/06 – Hyundai Mipo – DH – IMO II – Ice 1B
-Sold for $12.0m each to Swiss buyers (Advantage Tankers).

"MTM Princess" – 20,963/99 – Shin Kurushima – DH – IMO II/III
-Sold for $10.8m to undisclosed buyers.

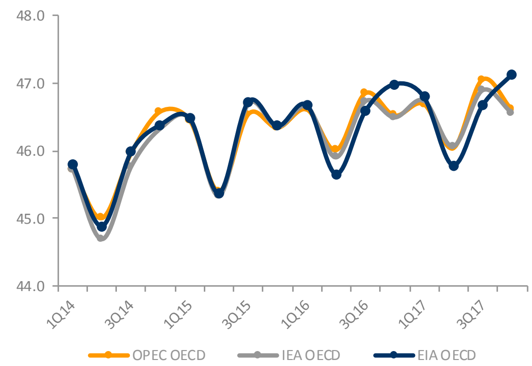
"Sky Dream" – 19,807/10 – Fukuoka – DH – IMO II/III
-Sold on private terms to Norwegian buyers (Blystad A).

"Nordic Theresa" – 7,842/08 – CHT Denizcilik – DH – IMO II – Ice 1C
-Sold for $7.05m to Turkish buyers (Marinpet Petrol Denizcilik).

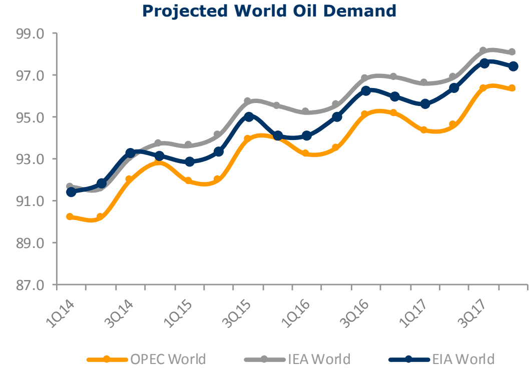
"Cansu D" – 5,850/05 – Istanbul Shipyard – DH – IMO II – Ice 1C
-Sold for $6.5m to Greek buyers (Macoil Marine).

"San Bertoldo" – 4,900/16 – AVIC Dingheng – DH – Asphalt/Bitumen – FS Ice II
-Sold for $17.5m to Dutch buyers (Tarbit Tankers BV).

Projected OECD Oil Demand



Projected World Oil Demand



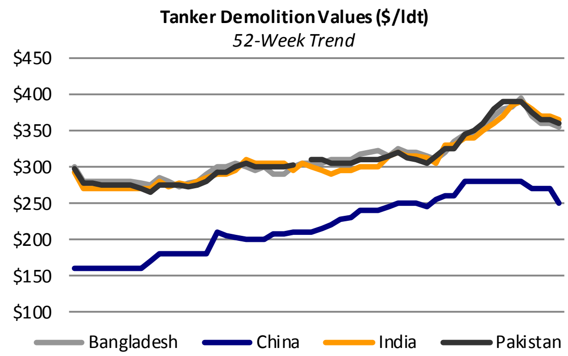
REPORTED TANKER DEMOLITION SALES

Bangladesh

"Vries Viena" – 32,396/95 – 10,650 LDT – DH
-Sold for $371/ldt/

Unknown

"Oriental Green" – 105,400/98 – 16,237 LDT – DH
-Sold for $385/ldt.



George P. Los
Senior Market Analyst
Charles R. Weber Research

research@crweber.com

Charles R. Weber Company, Inc.
Greenwich Office Park Three,
Greenwich, CT 06831
Tel: +1 203 629-2300
Fax: +1 203 629-9103

www.crweber.com

1001 McKinney Street,
Suite 475
Houston, TX 77002
Tel: +1 713 568-7233
Fax: +1 713 337-6486