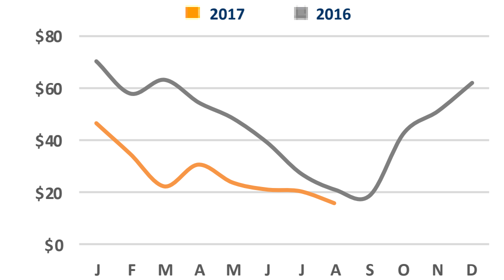
WEBER WEEKLY TANKER REPORT

WEEK 31 – 4 AUGUST 2017 **ISSUE 31 – 2017**

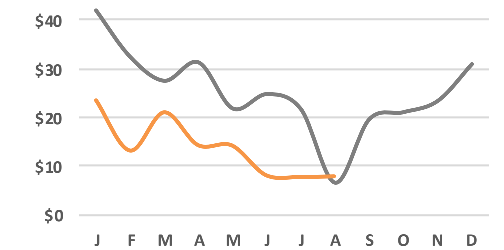
Spot Market	WS/LS	TCE	WS/LS	TCE
VLCC (13.0 Kts L/B)	28-Jul		4-Aug	
AG>USG 280k	25.0	$(906)	24.0	$(906)
AG>USG/CBS>SPORE/AG	--	$19,400	--	$16,044
AG>SPORE 270k	50.0	$16,527	48.0	$15,450
AG>JPN 265k	47.5	$16,907	46.0	$16,218
AG>CHINA 270k	50.0	$16,064	48.0	$14,966
WAFR>CHINA 260k	51.0	$18,460	50.0	$17,783
CBS>SPORE 270k	$3.00m	--	$2.70m	--
VLCC Average Earnings		*$17,269*		*$16,143*
SUEZMAX (13.0 Kts L/B)				
WAFR>USG 130k	62.5	$9,503	60.0	$8,474
WAFR>UKC 130k	67.5	$6,723	65.0	$5,751
BSEA>MED 140k	75.0	$5,325	75.0	$4,934
CBS>USG 150k	60.0	$8,368	60.0	$8,324
Suezmax Average Earnings		*$8,120*		*$7,249*
AFRAMAX (13.0 Kts L/B)				
N.SEA>UKC 80k	87.5	$624	85.0	$(1,658)
AG>SPORE 70k	90.0	$6,565	85.0	$5,732
BALT>UKC 100k	60.0	$2,306	60.0	$2,075
CBS>USG 70k	100.0	$6,100	90.0	$3,183
USG>UKC 70k	72.5	--	60.0	--
CBS>USG/USG>UKC/NSEA	--	$10,457	--	$5,543
MED>MED 80k	85.0	$4,209	85.0	$4,280
Aframax Average Earnings		*$5,071*		*$3,341*
PANAMAX (13.0 Kts L/B)				
CBS>USG 50k	112.5	$510	105.0	$(985)
CONT>USG 55k	105.0	$5,428	105.0	$5,399
ECU>USWC 50k	145.0	$10,384	145.0	$10,471
Panamax Average Earnings		*$5,147*		*$4,533*
LR2 (13.0 Kts L/B)				
AG>JPN 75k	116.5	$13,322	124.0	$15,382
AG>UKC 80k	$1.38m	$5,583	$1.80m	$13,943
MED>JPN 80k	$1.71m	$9,336	$1.63m	$8,194
AG>UKC/MED>JPN/AG	--	$13,341	--	$16,952
LR2 Average Earnings		*$13,328*		*$15,905*
LR1 (13.0 Kts L/B)				
AG>JPN 55k	116.5	$7,861	127.5	$10,008
AG>UKC 65k	$1.17m	$4,848	$1.29m	$7,095
UKC>WAFR 60k	109.0	$2,607	104.0	$1,867
AG>UKC/UKC>WAFR/AG	--	$9,680	--	$10,756
LR1 Average Earnings		*$8,770*		*$6,347*
MR (13.0 Kts L/B)				
UKC>USAC 37k	115.0	$3,706	117.5	$4,014
USG>UKC 38k	80.0	$(435)	77.5	$(823)
USG>UKC/UKC>USAC/USG	--	$5,309	--	$5,161
USG>CBS (Pozos Colorados) 38k	$325k	$5,385	$300k	$3,692
USG>CHILE (Coronel) 38k	$975k	$10,093	$925k	$8,660
CBS>USAC 38k	120.0	$6,474	110.0	$4,864
MR Average Earnings		*$6,651*		*$6,347*
Handy (13.0 Kts L/B)				
MED>EMED 30k	121.5	$5,399	119.5	$4,972
SPORE>JPN 30K	150.0	$6,316	146.0	$6,091
Handy Average Earnings		*$5,985*		*$5,688*

Average Earnings weighted proportionally to regional activity share of each size class' worldwide market (including routes not necessarily shown above).

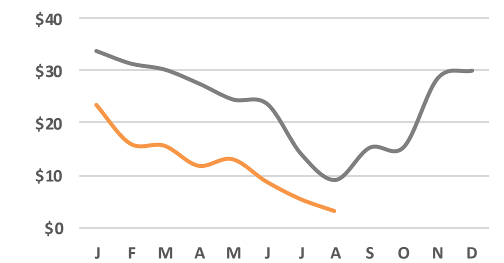
Time Charter Market $/day (theoretical)	1 Year	3 Years
VLCC	$26,000	$29,000
Suezmax	$17,000	$18,500
Aframax	$15,000	$17,000
Panamax	$13,000	$14,000
MR	$13,500	$14,500
Handy	$12,000	$13,000



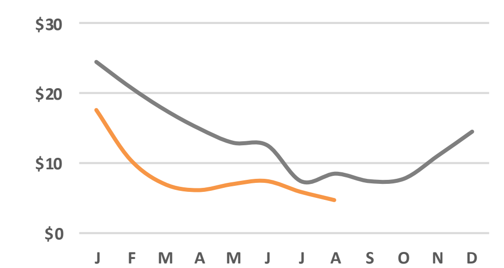
VLCC Average Earnings | **MTD Average** ~$15,949/Day | **Month y/y** ▼ -25%



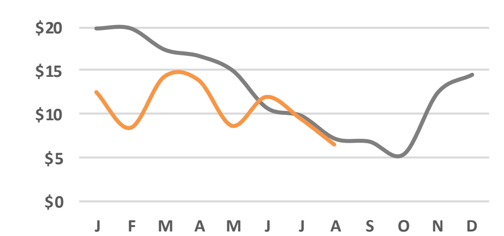
Suezmax Average Earnings | **MTD Average** ~$7,613/Day | **Month y/y** ▲ +19%



Aframax Average Earnings | **MTD Average** ~$3,317/Day | **Month y/y** ▼ -63%



Panamax Average Earnings | **MTD Average** ~$4,564/Day | **Month y/y** ▼ -47%



MR Average Earnings | **MTD Average** ~$6,382/Day | **Month y/y** ▼ -10%

SPOT MARKET SUMMARY

VLCC

After last week's strong pace, fixture activity across all VLCC markets moderated while availability levels inched up, leading to a weakening of sentiment and rates. There were 23 fixtures reported in the Middle East market, marking a 35% w/w decline. In the West Africa market, the tally of reported fixtures fell to a three-month low of just three fixtures, or eight fewer than last week. The souring sentiment deflated rates to levels just north of YTD lows observed briefly in late-March, before a surge in demand in the West Africa market boosted ton-miles and tightened the supply/demand balance as the market progressed into Q2. Given that West Africa cargoes sourced onto ballasters from Asia can occupy units for up to three months, the impact of units returning from those trades – and, similarly, due to a lull in West Africa demand during early August has been apparent. Simultaneously, although the tally of vessels engaged in storage has increased by one unit as compared with a month ago, the total number of units withdrawn from trading has declined by 10 units to 39. This is due to a large decline in units undertaking DD or repairs as well as lesser decline in the number of units engaged in STS activities.

Notionally, surplus supply levels should be higher, but total July exports from the Middle East were stronger than had been anticipated and availability has been moderated to no small extent by last week's surge in Middle East and West Africa demand. We note that the view of supply/demand shows 19 surplus units through the end of August, once remaining Middle East cargoes and likely West Africa draws are accounted for. This compares with 17 surplus units available at the end of the second decade of the Middle East August program. Historically, the current surplus figure has guided AG-FEAST TCEs to levels higher than the current assessment of ~$14,904/day. Sentiment around summer seasonality and the ongoing presence of disadvantaged units appears to keeping the market's direction in charterers' favor irrespectively, however. Accordingly, we expect that the pace of fixture activity will modestly influence rates during the coming weeks, failing a significant buildup of available tonnage will likely see rates decline further.

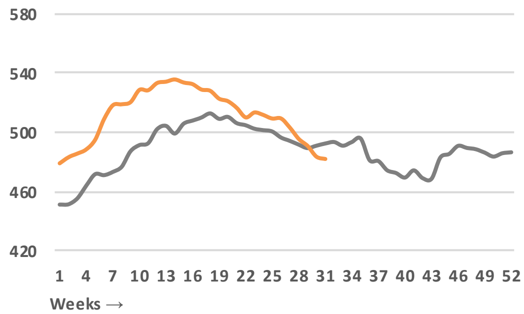
Middle East

Rates to the Far East shed 1.5 points to conclude at ws46, with corresponding TCEs dropping 4% to a closing assessment of ~$16,218/day. Rates to the USG via the Cape lost one point to conclude at ws24. Triangulated Westbound trade earnings declined 17% to conclude at ~$16,044/day.

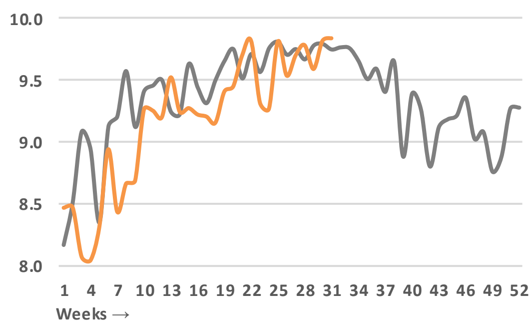
Atlantic Basin

Rates in the West Africa market trailed those in the Middle East with the WAFR-FEAST route shedding one point to conclude at ws50. Corresponding TCEs were off by 4% to ~$17,783/day.

Demand in the Caribbean extended its lull. The CBS-SPORE route held shed $300k to conclude at $2.7m lump sum, accordingly.



US Crude Stocks (EIA)	Last Week	Week y/y
	481.9 MnBbls	▼ -2.0%



US Gasoline Demand (EIA)	Last Week	Week y/y
	9.842 MnB/d	▲ +0.9%

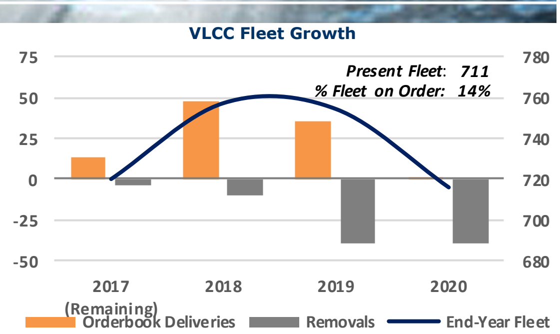
2017 2016

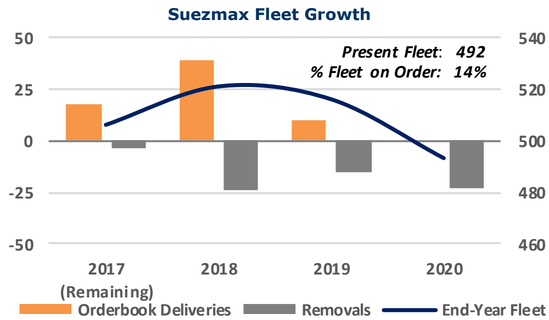
Suezmax

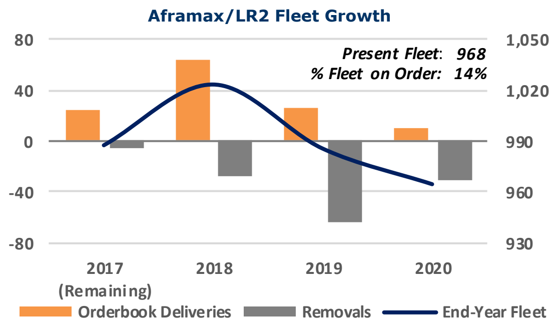
Rates in the West Africa Suezmax market were softer this week as the charterers progressed further into the August decade wherein there were fewer available cargoes amid strong VLCC coverage of the month's final decade and ongoing forces majeure. Notably, after a July surge in regional exports, which propelled the Suezmax spot balance to a 16-month high and the total Suezmax share to a 10-month high, August appears to be far more moderate. Accordingly, the very modest improvement in rates observed during July are now eroding. Rates on the WAFR-UKC route shed 2.5 points to conclude at ws65. As demand is likely to be slower next week as charterers work a limited number of final-decade cargoes, we expect that rates will remain on their gradual descent.

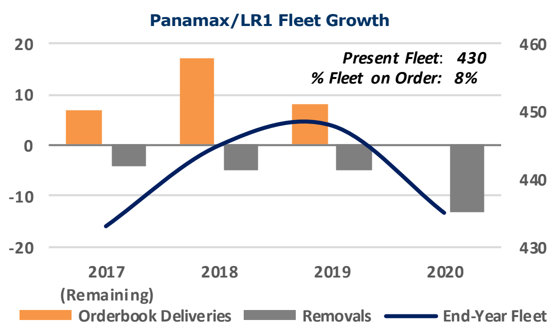
Aframax

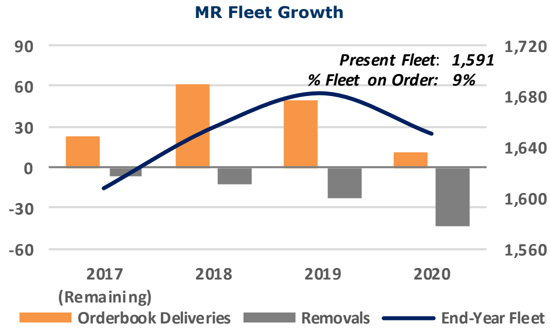
Demand in the Caribbean Aframax market declined for a third-consecutive week, yielding 15 fixtures, or -17% w/w. Together with rising regional availability and waning sentiment in alternative Atlantic basin regions, the rate trend in the Caribbean market remained firmly in charterers' favor. The CBS-USG route shed ten points to conclude at ws90 while the USG-UKC route shed 12.5 points to ws60. While rates appear to have stabilized for now, a shift this week to Mexico loadings from places elsewhere in the Caribbean suggest a relatively swift return of units to position lists. Notably, though Venezuela's oil sector has escaped US sanctions for now (with US sanctions instead targeting Venezuelan President Nicolas Maduro specifically in response to last weekend's election), no Aframax cargoes were fixed for Venezuela loading this week. Instead, there were seven from Mexico's east coast, likely as PADD 3 refineries looked to buy-up heavy Maya crude cargoes as a short-term hedge against potential future Venezuela oil sanctions. Voyages to Corpus Christi from Cayo Arcas are 74% shorter than those from Puerto La Cruz. We expect that rates will remain in negative territory during the coming week, noting that the present CBS-USG assessment stands 7.5 points above the YTD low.











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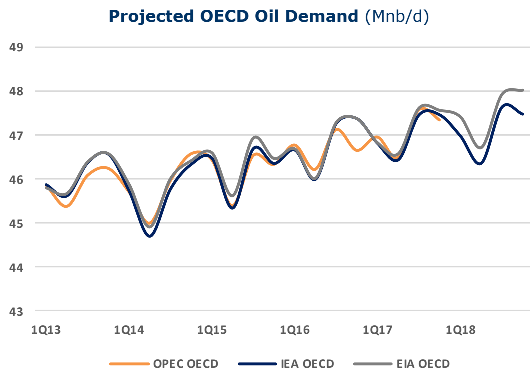
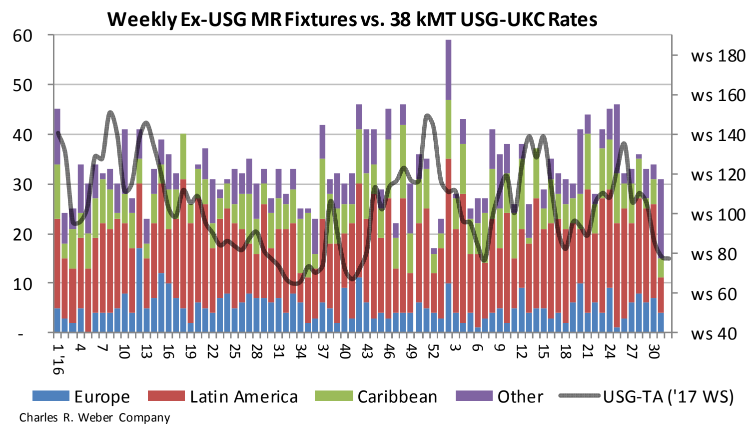
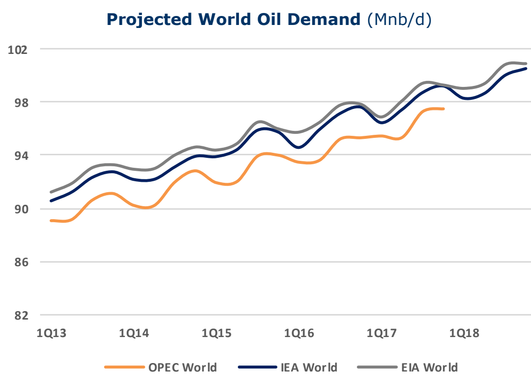
MR

Rates in the USG MR market remained soft this week with losses heaviest on long haul routes as resistance to long-haul trades at soft rates eased amid a sour near-term outlook. The pace of chartering activity slowed modestly; there were 31 fixtures reported this week, off by three from last week's tally. Voyages bound for Europe accounted for four of these (-3, w/w) while those to Latin America and the Caribbean accounted for 11 (-13, w/w); the destination of 16 fixtures were yet to be determined. The ongoing outage of Shell's Pernis refinery continues to show little impact in the USG market, as a large volume is inbound to the European market from the East. Rates on the USG-UKC route shed 2.5 points to conclude at ws77.5. Rates on the USG-Chile route shed $50k to conclude at $925k lump sum. The two-week forward view of available tonnage shows 47 units available, or one fewer than a week ago. This tally includes about half of the units freeing on the USAC, though the remainder could shift their ballast preference to the USG. Failing considerable change to the supply/demand positioning, we expect that a further populating of position lists on Monday will extend the summer rate downturn.







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REPORTED TANKER SALES

"Phoenix Light" – 105,599/09 – Hyundai Ulsan – DH
-Sold for $23.25m to Indian buyers (Great Eastern Shipping).

***Hyundai Mipo 2631* –** 50,090/17 – Hyundai Mipo – DH – IMO II/III
***Hyundai Mipo 2632* –** 50,090/17 – Hyundai Mipo – DH – IMO II/III
-Sold en bloc for $32.5m each to Danish buyers (Torm).

"Spica" – 46,168/99 – Hyundai Ulsan – DH
"Betelgeuse" – 45,513/99 – Halla Samho – DH – IMO III
-Sold for $5.25m each to undisclosed buyers. Units due for DD 10/2017 and 11/2017, respectively.

"High Discovery" – 45,999/14 – Hyundai Mipo – DH
-Sold for $28.0m to undisclosed buyers including BBB for 10 years with purchase options from end year three.

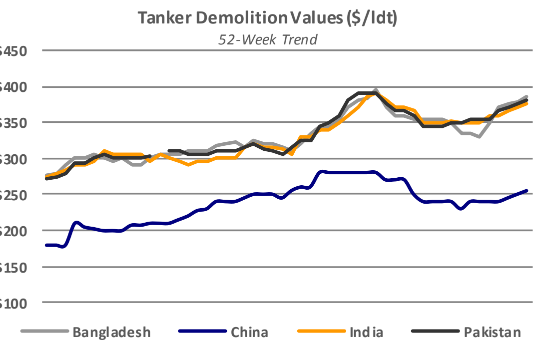
"Sichem Dubai" – 12,900/07 – Samho – DH – IMO II
-Sold for $9.2m to undisclosed Vietnamese buyers. Unit due for SS/DD 12/2017.

REPORTED TANKER DEMOLITION SALES

Bangladesh

"Impros" – 101,605/94 – 16,327 LDT – DH
-Sold for $367/ldt basis as is, Fujairah and gas-free for man entry.

"Sanmar Serenade" – 45,696/92 – 8,254 LDT – DH
-Sold for $382/ldt basis as is, Colombo and including 200 MT bunkers.



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