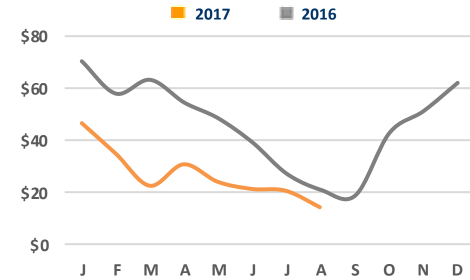
WEBER WEEKLY TANKER REPORT

WEEK 33 – 18 AUGUST 2017 **ISSUE 33 – 2017**

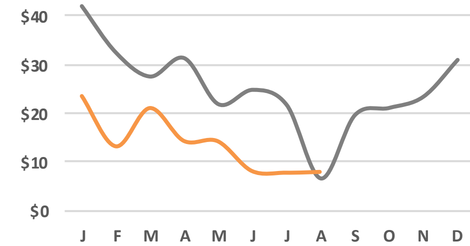
Spot Market	WS/LS	TCE	WS/LS	TCE
VLCC (13.0 Kts L/B)	**11-Aug**		**18-Aug**	
AG>USG 280k	23.0	$(2,594)	23.0	$(1,898)
AG>USG/CBS>SPORE/AG	--	$20,256	--	$19,598
AG>SPORE 270k	42.5	$10,494	44.0	$12,270
AG>JPN 265k	40.0	$10,623	41.0	$12,050
AG>CHINA 270k	41.5	$8,976	43.0	$10,809
WAFR>CHINA 260k	50.0	$17,541	48.5	$17,010
CBS>SPORE 270k	$3.25m	--	$3.10m	--
VLCC Average Earnings		*$12,741*		*$13,694*
SUEZMAX (13.0 Kts L/B)				
WAFR>USG 130k	60.0	$8,335	65.0	$10,932
WAFR>UKC 130k	65.0	$5,612	67.5	$7,110
BSEA>MED 140k	77.5	$6,447	77.5	$6,646
CBS>USG 150k	55.0	$5,126	57.5	$7,205
Suezmax Average Earnings		*$7,118*		*$9,037*
AFRAMAX (13.0 Kts L/B)				
N.SEA>UKC 80k	85.0	$(1,658)	85.0	$(1,156)
AG>SPORE 70k	85.0	$5,323	85.0	$5,695
BALT>UKC 100k	60.0	$2,075	60.0	$2,603
CBS>USG 70k	85.0	$1,584	90.0	$3,473
USG>UKC 70k	65.0	--	65.0	--
CBS>USG/USG>UKC/NSEA	--	$6,029	--	$7,252
MED>MED 80k	80.0	$2,421	77.5	$1,950
Aframax Average Earnings		*$2,783*		*$3,494*
PANAMAX (13.0 Kts L/B)				
CBS>USG 50k	105.0	$(1,062)	102.5	$(1,192)
CONT>USG 55k	105.0	$5,311	112.5	$7,303
ECU>USWC 50k	145.0	$10,582	142.5	$10,315
Panamax Average Earnings		*$4,472*		*$5,345*
LR2 (13.0 Kts L/B)				
AG>JPN 75k	124.0	$14,965	118.0	$13,969
AG>UKC 80k	$1.80m	$13,817	$1.73m	$12,762
MED>JPN 80k	$1.63m	$7,973	$1.51m	$6,664
AG>UKC/MED>JPN/AG	--	$16,768	--	$15,227
LR2 Average Earnings		*$15,565*		*$14,388*
LR1 (13.0 Kts L/B)				
AG>JPN 55k	134.5	$10,820	125.0	$9,555
AG>UKC 65k	$1.39m	$8,983	$1.38m	$9,215
UKC>WAFR 60k	99.5	$1,025	88.0	$(423)
AG>UKC/UKC>WAFR/AG	--	$11,580	--	$10,754
LR1 Average Earnings		*$11,200*		*$10,155*
MR (13.0 Kts L/B)				
UKC>USAC 37k	112.5	$3,214	107.5	$2,797
USG>UKC 38k	80.0	$(526)	140.0	$8,596
USG>UKC/UKC>USAC/USG	--	$4,993	--	$11,966
USG>CBS (Pozos Colorados) 38k	$350k	$6,999	$625k	$25,848
USG>CHILE (Coronel) 38k	$1.05m	$12,200	$1.33m	$20,456
CBS>USAC 38k	120.0	$6,394	175.0	$15,467
MR Average Earnings		*$6,854*		*$13,366*
Handy (13.0 Kts L/B)				
MED>EMED 30k	117.5	$4,437	115.0	$4,056
SPORE>JPN 30K	150.0	$6,271	160.0	$7,553
Handy Average Earnings		*$5,611*		*$6,294*

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

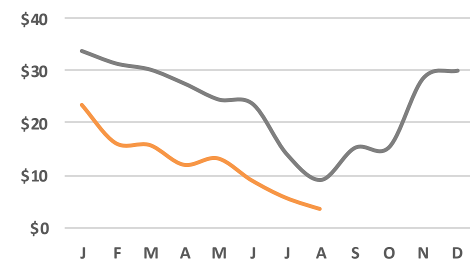
Time Charter Market *$/day (theoretical)*	**1 Year**	**3 Years**
VLCC	$24,500	$28,000
Suezmax	$17,000	$18,500
Aframax	$14,500	$17,000
Panamax	$12,000	$13,500
MR	$12,750	$14,500
Handy	$12,000	$13,000



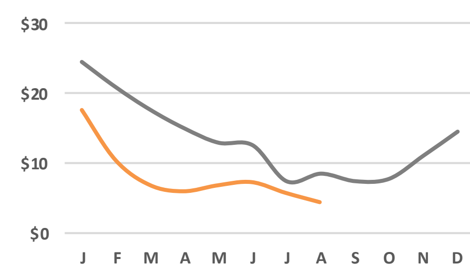
VLCC Average Earnings	MTD Average ~$14,100/Day	Month y/y ▼ -34%



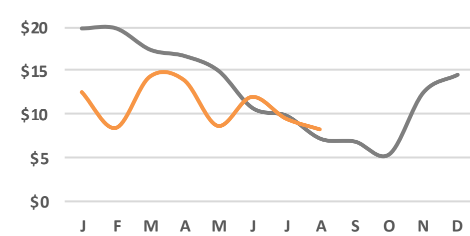
Suezmax Average Earnings	MTD Average ~$7,821/Day	Month y/y ▲ +20%



Aframax Average Earnings	MTD Average ~$3,429/Day	Month y/y ▼ -62%



Panamax Average Earnings	MTD Average ~$4,472/Day	Month y/y ▼ -48%



MR Average Earnings	MTD Average ~$8,145/Day	Month y/y ▲ +8%

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WEBER WEEKLY TANKER REPORT

SPOT MARKET SUMMARY

VLCC

Rates in the Middle East market posted a minor improvement this week, in-line with a stronger pace of demand and recent demand strength in the West Africa market. A total of 23 fixtures were reported in the Middle East market, representing a 28% w/w gain. The West Africa market saw six reported fixtures, off by three w/w (though the four-week moving average has risen to a one-month high).

The immediate fundamentals facing the market remain poor: in the Middle East market, there are 31 units available to cover 3 remaining regional cargoes and four West Africa cargoes. The implied surplus of 24 units remains level with the view a week ago at a three-month high; the surplus is twice the 12-month average. As participants move into a September program, demand is expected to be busier on both seasonality (with a reduction of crude supply from Middle East producers to meet domestic summer demand surges subsiding) and geopolitical factors (as resolve by OPEC members to adhere to quotes appears to be waning as the strategy has failed to yield desired results). Any improvement in the demand profile, however, will likely have little impact on rates, at very least while participants work early September cargoes, given the extent of surplus tonnage carrying over from August to September. Thereafter, the extent of early September demand and draws from the West Africa market will have a large baring on rate developments thereafter, as both of these can change the supply/demand positioning considerably.

Middle East
AG-FEAST rates pared last week's losses, adding one point to conclude ws41. Corresponding TCEs rose by 18% to conclude at ~$12,088/day. Rates on the AG-USG route via the Cape were unchanged at ws23. Triangulated Westbound trade earnings were off by 2% to ~$19,780/day.

Atlantic Basin
Rates in the West Africa market lagged those in the Middle East with the WAFR-FEAST route shedding 2 points to conclude at ws48. Corresponding TCEs were off by 4% to ~$16,792/day.

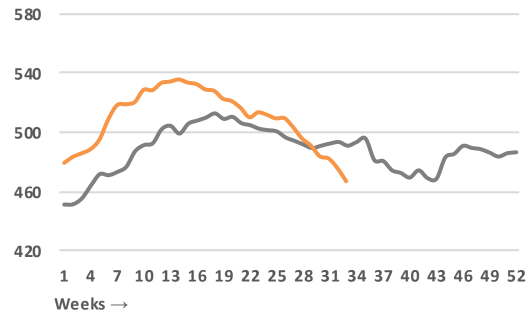
After last week's gains in the Caribbean market, muted demand and further testing showed a slightly more ample supply fundamental, which lead to a paring of regional rates. The CBS-SPORE route eased by $150k to conclude at $3.10m lump sum.

Suezmax

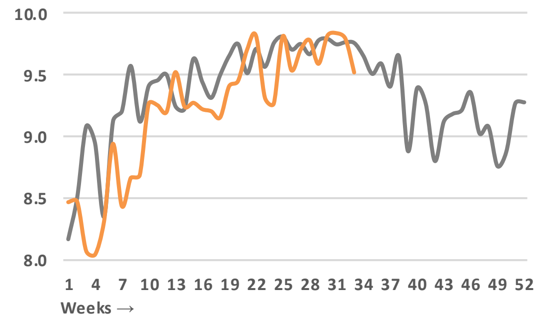
Demand in the West Africa Suezmax market was muted this week with just five fixtures reporting, representing a five-month low. Despite this, rates received a modest boost following stronger than anticipated demand for coverage of August's final decade, which left the position list slightly less overpopulated than previously expected. The WAFR-UKC route added 2.5 points to conclude at ws67.5, accordingly. A moderating of VLCC coverage past August's final decade shows greater demand prospects for Suezmaxes, which could help to keep rates stable, or possibly offer a small measure of fresh gains.

Aframax

A revised tally of last week's Caribbean Aframax fixture activity pushed the four-week moving average to a four-month high, enabling modest rate gains this week as demand levels remained relatively elevated. The CBS-USG route added five points to conclude at ws90. Little substantial change is likely during the upcoming week.



US Crude Stocks (EIA)	Last Week	Week y/y
	466.5 MnBbls	▼ -4.9%



US Gasoline Demand (EIA)	Last Week	Week y/y
	9.522 MnB/d	▼ -2.5%

2017 2016

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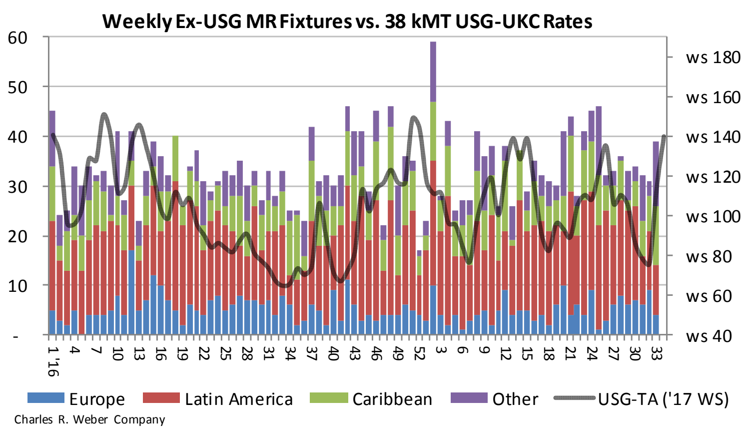
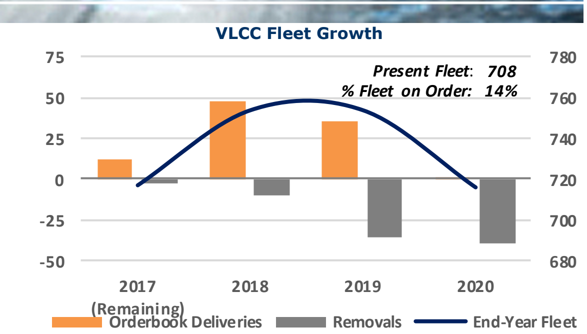
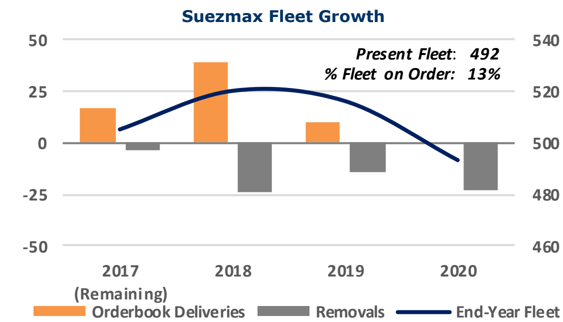
MR

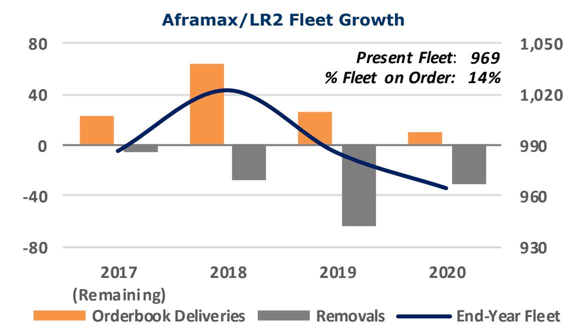
The USG MR market observed a surge in rates this week after a fresh geographic diversification of trades in the Atlantic basin in recent weeks reduced available supply and demand increased this week. The weekly tally of regional fixtures jumped to an eight-week high of 39, representing a w/w gain of 25%. Of this week's tally, voyages to Europe accounted for just four (-5, w/w) as traders scaled back interest in this direction following six consecutive weeks of above-average demand; 22 fixtures were bound for points in Latin America and the Caribbean (+3, w/w) and the remainder are for alternative destinations or have yet to be determined. Rates on the USG-UKC route surged 60 points to conclude at ws140 – the highest since late June. The USG-CBS route added $275k to conclude at $625k lump sum (a four-month high) and the USG-CHILE route added $275k to conclude at $1.325m lump sum (a two-month high).

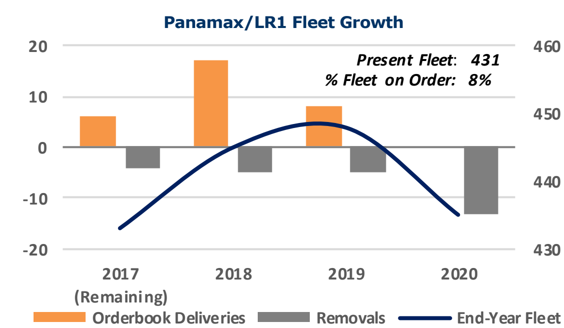
This week's gains were aided by a limiting of inbound tonnage to the USG earlier as ballast directions of units freeing at various parts of the western Atlantic basin were more diverse. However, with the USG market now offering a strong premium to all viable alternatives, we expect that a fresh buildup of positions will ensue during the upcoming week as the ballast orientation is now concertedly to the USG. Presently, the two-week forward view of available tonnage shows 33 available units (11% fewer than a week ago). Charterers resistance is increasingly apparent at the close of the week and with more units expected to progressively appear during the upcoming week, we expect that modest downside at the start of the upcoming week will lead to a stronger correction by mid-week, failing a strong extending of demand growth.

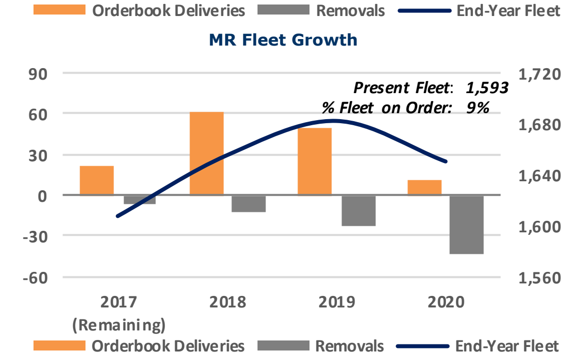












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REPORTED TANKER SALES

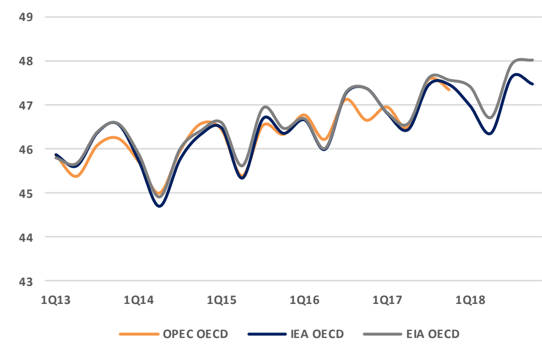
***Jinhai J0282* –** 299,500/18 – Jinhai Heavy – DH
***Jinhai J0283* –** 299,500/18 – Jinhai Heavy – DH
-Sold for $72.7m each to Greek buyers (Gulf Marine Management). Units scheduled for delivery 07/2018 and 08/2018, respectively.

"Torm Fox" – 37,025/05 – Hyundai Ulsan – DH – IMO III – Ice 1A
-Sold on private terms to undisclosed buyers.

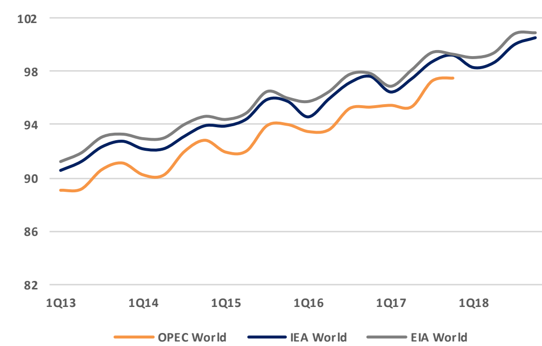
"Metis" – 8,839/08 – Yangzhou Kejin – DH – IMO II
"Athenia" – 8,828/96 – Yangzhou Kejin – DH – IMO II
"Jubilee" – 3,384/96 – ASL Shipyard SG – DH
"Megalodon" – 800/15 – Yangzhou Kejin – DH
-Sold en bloc on private terms to US buyers (World Fuel Services).

"Oana" – 6,474/08 – Zhenjiang Sopo – DH – IMO II
-Sold at auction for $2.8m to undisclosed buyers. Unit laid up past five months.

Projected OECD Oil Demand (Mnb/d)



Projected World Oil Demand (Mnb/d)



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REPORTED TANKER DEMOLITION SALES

Bangladesh

"Eagle Boston" – 99,328/96 – 16,276 LDT – DH
-Sold for $400/ldt.

Turkey

"Ocean Courier" – 4,856/70 – 1,569 LDT – SH
-Sold on private terms.

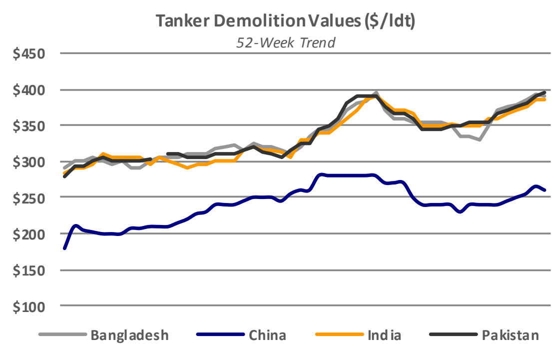
Unknown

"Nadin" – 298,731/96 – 41,735 LDT – DH
-Sold for $382/ldt basis as is, Singapore.

"Nona" – 298,731/96 – 41,735 LDT – DH
-Sold for $390/ldt basis as is, Khor Fakkan.

"Daryakaran" – 298,306/95 – 42,127 LDT – DH
-Sold on private terms basis as is, Bandar Abbas.

"Ramtin" – 163,055/92 – 20,300 LDT – DH
-Sold for $390/ldt basis as is, Bandar Abbas and including 200 MT HSFO and 50 MT MGO.



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