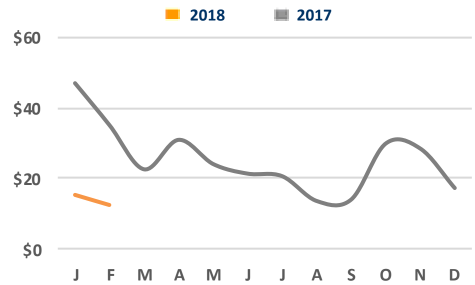
WEBER WEEKLY TANKER REPORT

WEEK 6 – 9 FEBRUARY 2018 **ISSUE 6 – 2018**

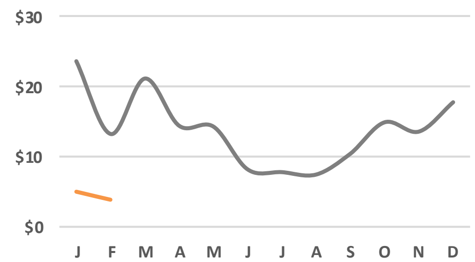
Spot Market	WS/LS	TCE	WS/LS	TCE
VLCC (13.0 Kts L/B)	2-Feb		9-Feb	
AG>USG 280k	18.0	--	19.0	--
AG>SPORE 270k	39.0	$9,091	40.0	$11,836
AG>JPN 265k	37.0	$9,974	37.0	$11,804
AG>CHINA 270k	40.0	$8,274	40.0	$10,063
WAFR>CHINA 260k	44.5	$14,718	42.5	$14,479
CBS>SPORE 270k	$3.50m	$16,138	$3.60m	$19,088
AG>USG/CBS>SPORE/AG	--	$16,562	--	$20,141
VLCC Average Earnings		*$11,290*		*$13,079*
SUEZMAX (13.0 Kts L/B)				
WAFR>USG 130k	50.0	$4,502	52.5	$7,020
WAFR>UKC 130k	52.5	$908	57.5	$4,524
BSEA>MED 140k	65.0	$(226)	67.5	$1,914
CBS>USG 150k	60.0	$8,998	60.0	$10,374
USG>UKC 130k	52.0	--	48.0	--
CBS>USG/USG>UKC/WAFR	--	$7,637	--	$7,422
AG>USG 140k	27.5	--	27.5	$--
USG>SPORE 130k	*$2.10m*	--	*$2.10m*	--
AG>USG/USG>SPORE/AG	--	$8,680	--	$9,969
Suezmax Average Earnings		*$2,901*		*$5,484*
AFRAMAX (13.0 Kts L/B)				
N.SEA>UKC 80k	90.0	$(1,908)	90.0	$(556)
BALT>UKC 100k	75.0	$8,397	70.0	$6,809
CBS>USG 70k	85.0	$2,387	85.0	$3,399
USG>UKC 70k	65.0	--	62.5	--
CBS>USG/USG>UKC/NSEA	--	$7,702	--	$8,067
MED>MED 80k	105.0	$12,712	90.0	$7,882
AG>SPORE 70k	90.0	$8,037	87.5	$8,426
Aframax Average Earnings		*$7,063*		*$6,177*
PANAMAX (13.0 Kts L/B)				
CBS>USG 50k	95.0	$(1,153)	95.0	$(269)
CONT>USG 55k	102.5	$6,739	105.0	$8,340
ECU>USWC 50k	142.5	$11,875	142.5	$11,981
Panamax Average Earnings		*$4,900*		*$6,040*
LR2 (13.0 Kts L/B)				
AG>JPN 75k	93.0	$9,700	94.5	$11,210
AG>UKC 80k	$1.48m	$4,953	$1.50m	$6,451
MED>JPN 80k	$1.69m	$6,616	$1.57m	$5,858
AG>UKC/MED>JPN/AG	--	$11,787	--	$11,831
LR2 Average Earnings		*$10,395*		*$11,417*
LR1 (13.0 Kts L/B)				
AG>JPN 55k	99.0	$6,492	105.0	$8,627
AG>UKC 65k	$1.09m	$1,454	$1.19m	$4,144
UKC>WAFR 60k	109.0	$3,595	104.5	$3,623
AG>UKC/UKC>WAFR/AG	--	$8,182	--	$9,796
LR1 Average Earnings		*$7,337*		*$9,211*
MR (13.0 Kts L/B)				
UKC>USAC 37k	140.0	$7,668	155.0	$11,105
USG>UKC 38k	75.0	$(1,800)	107.5	$4,483
USG>UKC/UKC>USAC/USG	--	$7,031	--	$13,683
USG>CBS (Pozos Colorados) 38k	$345k	$4,853	$475k	$14,338
USG>CHILE (Coronel) 38k	$975k	$8,273	$1.23m	$16,223
CBS>USAC 38k	115.0	$5,920	140.0	$11,134
MR Average Earnings		*$7,646*		*$12,714*
Handy (13.0 Kts L/B)				
MED>EMED 30k	168.0	$18,813	159.5	$17,126
SPORE>JPN 30K	132.0	$5,128	130.0	$5,533
Handy Average Earnings		*$11,301*		*$9,707*

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

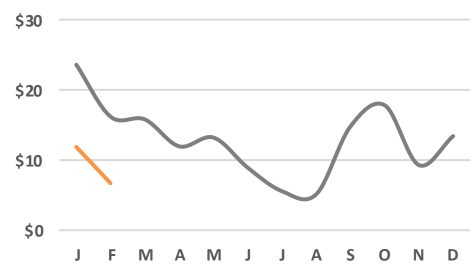
Time Charter Market *$/day (theoretical)*	**1 Year**	**3 Years**
VLCC	$25,000	$30,000
Suezmax	$17,000	$20,000
Aframax	$14,500	$17,500
Panamax	$12,250	$14,500
MR	$14,500	$14,750
Handy	$13,250	$13,750



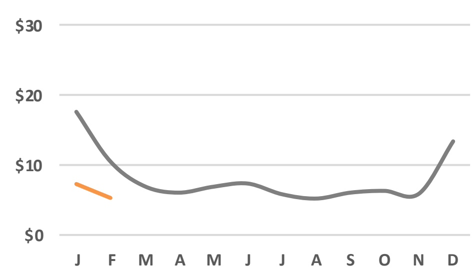
VLCC Average Earnings | **MTD Average** ~$12,216/Day | **Month y/y** ▼ -65%



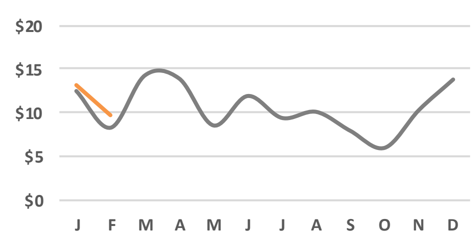
Suezmax Average Earnings | **MTD Average** ~$3,948/Day | **Month y/y** ▼ -70%



Aframax Average Earnings | **MTD Average** ~$6,575/Day | **Month y/y** ▼ -59%



Panamax Average Earnings | **MTD Average** ~$5,321/Day | **Month y/y** ▼ -49%



MR Average Earnings | **MTD Average** ~$9,667/Day | **Month y/y** ▲ +16%

WEBER WEEKLY TANKER REPORT

SPOT MARKET SUMMARY

VLCC

A strengthening of demand in the Middle East market this week halted the downward rate trend of the second half of January. A total of 35 fixtures were reported there, representing an 82% w/w gain and the highest tally in four weeks. Fixture activity in the West Africa market was less inspiring: there were just four fixtures there – off two from last week's tally – which reduced the four-week moving average of regional fixtures to a two-month low. Meanwhile, a small number of speculative ballasts from Asia to the Atlantic basin have returned amid the sour TCE environment prevailing in the Middle East market. Round-trip AG-FEAST TCEs presently yield an average of ~$11,081/day while round-trip TCEs on the CBS-SPORE route stand at ~$18,719/day. These ballasts contributed to a modest narrowing of oversupply during the final decade of the February Middle East program to 22 units after reaching a four-year high of 30 units at the conclusion of the month's second decade. The reduction of excess supply could help to improve rates during the coming week if sentiment is also influenced by demand strength, but any gains would likely be very modest at best, particularly as recent decline in bunker prices has broadly boosted voyage TCEs.

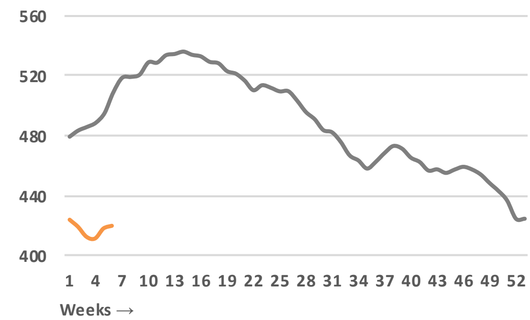
Middle East

Rates to the Far East route were unchanged at ws37 while corresponding TCEs were up 18% to ~$11,804/day on a 7% decline in bunker prices. Rates to the USG via the cape rose one point to ws19 to narrow the gap between triangulated TCEs and those on round-trip voyages from the Caribbean. Triangulated Westbound trade earnings rose 22% to a closing assessment of ~$20,141/day.

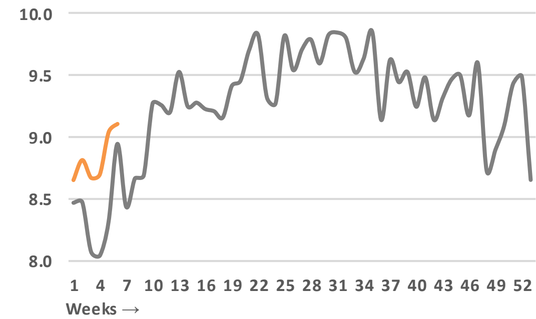
Atlantic Basin

Rates in the West Africa market lagged those in the Middle East and posted fresh losses, accordingly. The WAFR-FEAST route lost 2 points to conclude at ws42.5. Corresponding TCEs were off 2% to ~$14,479/day.

Rates in the Atlantic Americas were stronger on declining regional availability. The CBS-SPORE route gained $100k to conclude at $3.6m lump sum. Round-trip TCEs on the route rose 18% to conclude at ~$19,088/day.



US Crude Stocks (EIA)	Last Week	Week y/y
	420.3 MnBbls	▼ -17.4%



US Gasoline Demand (EIA)	Last Week	Week y/y
	9.110 MnB/d	▲ +1.9%

2018 2017

Suezmax

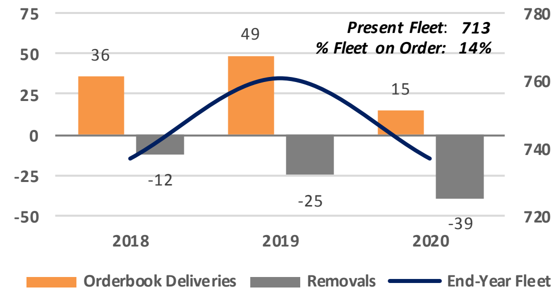
Suezmax rates in the West Africa market were up slightly this week as availability levels slipped. The WAFR-UKC route gained five points to conclude at ws57.5. Waning VLCC demand in the region has been incrementally increasing Suezmax cargo availability since late January loading dates – and as charterers move to work through February program this week, demand is expected to jump in line with a decline in VLCC coverage for late-February cargoes. This could keep rates on an upward trend during the upcoming week.

In the Caribbean market, rates were softer in a lag of regional Aframaxes, despite stronger demand to service US crude export cargoes and the stronger West Africa market. The CBS-USG route was unchanged at 150 x ws60 while the USG-UKC route dropped four points to 130 x ws48.

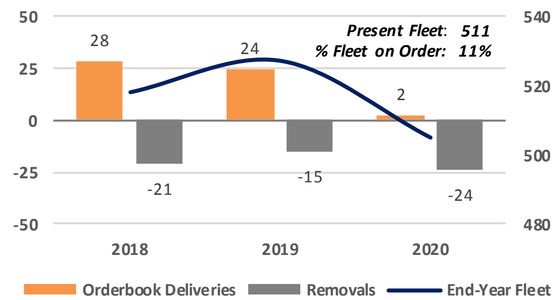
Aframax

The Caribbean Aframax market saw rates steady at an affective floor tested last last week. The CBS-USG route was trading in the low ws80 for most of the week, concluding unchanged w/w at an assessed ws85. Meanwhile, the USG-UKC route lost 2.5 points to conclude at 70 x ws62.5. Owners are keen to maintain present rates as the floor with some having earlier shown resistant to trades at lower levels. The disappearance of some units late during the week from position lists will likely be pointed to as a basis for modest fresh rate gains, though it remains to be seen if this will be sufficient to add to rates given that TCEs rose 42% this week on lower bunker prices.

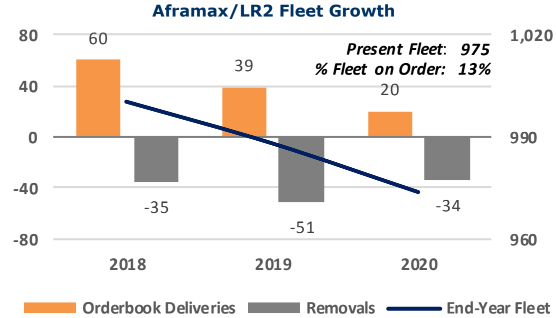
VLCC Fleet Growth



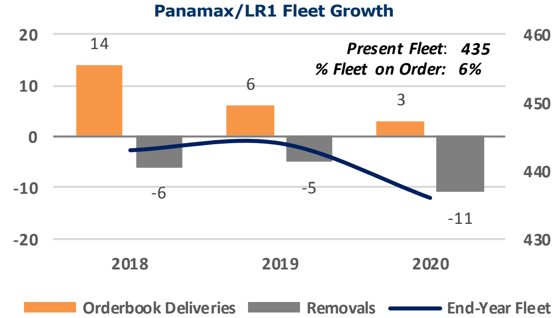
Suezmax Fleet Growth



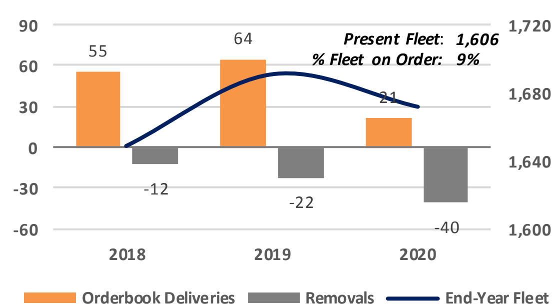
Aframax/LR2 Fleet Growth



Panamax/LR1 Fleet Growth

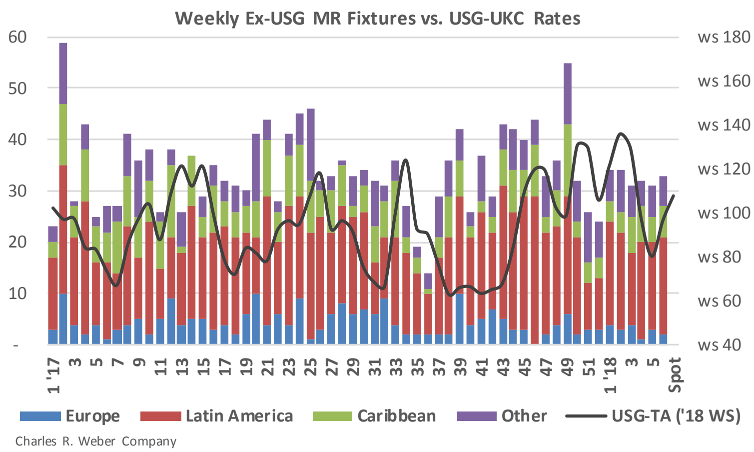


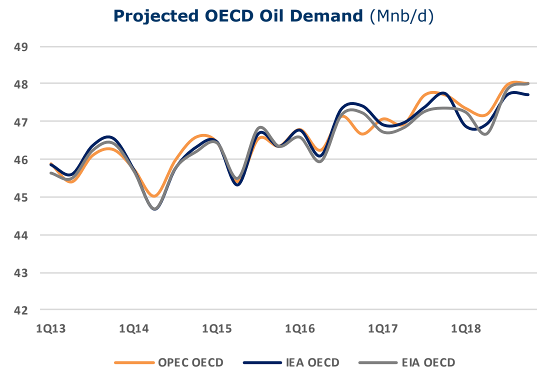
MR Fleet Growth

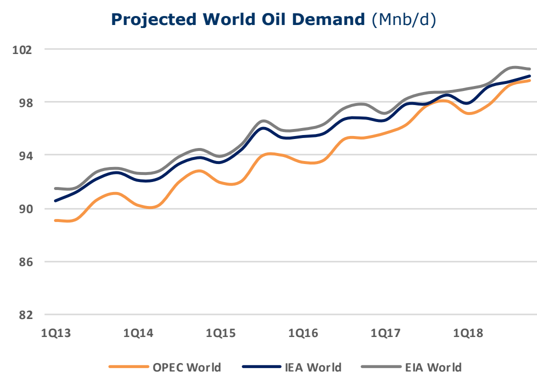


MR

Rates in the USG MR market surged this week on a tight front-end of the position lists amid declining USAC arrivals, a recent gain in regional ton-mile generation and steady chartering activity. There were 33 fresh fixtures reported this week, matching the YTD average (which has been steady, ranging from 31 to 34 per week) and up 2 from last week's tally. Availability declined this week as voyages to the USAC slowed and ballasts to the USG thereof had earlier declined markedly as ex-USG rates were collapsing at the end of January and start of February. Meanwhile, voyages originating from the USG have been longer-haul in nature since the start of the year as destinations like Chile and Brazil are accounting for a greater share of PADD 3 exports and nearer destinations like those on Mexico's east coast have declined. At the close of the week, there are 38 units available on a two-week forward basis, representing a 7% w/w decline. Tighter availability at the front-end of the list has factored heavily into changing the sentiment of participants who were *extremely* bearish on the near-term market outlook just over a week ago. The USG-UKC route surged 32.5 points to conclude at ws107.5 while the USG-CBS route jumped $130k to $475k lump sum. The USG-Chile route gained $250k to conclude at $1.225m lump sum. Further gains may materialize at the start of the upcoming week as owners remain very bullish at the close of the week and the emergence of fresh strength in the UKC market has heightened competition for units between the USG and UKC. The extent of any gains – and the longevity of the present rally – will depend heavily on how availability progresses. At least notionally, rates are poised for a correction by the close of the upcoming week once the market moves past availability constraints of the front-end of position lists.







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REPORTED TANKER SALES

"Kai-Ei" – 299,997/04 – Universal Ariake – DH
-Sold on private terms to undisclosed buyers.

"Taga" – 303,430/04 – Universal Ariake – DH
-Sold for $25.0m to Indonesian buyers (Pertamina).

"Alter Ego I" – 309,371/04 – Samsung Geoje – DH
-Sold for $23.0m to undisclosed buyers.

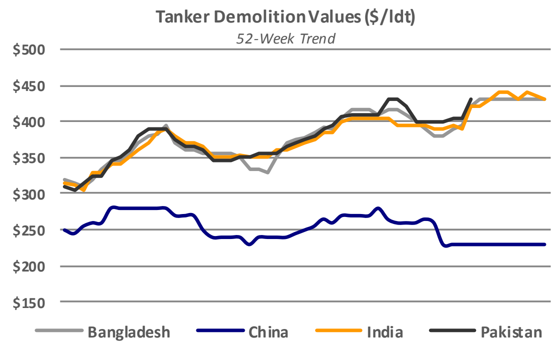
"Arctic Bridge" – 50,921/05 – STX Jinhae – DH
-Sold for $12.9m to undisclosed Norwegian buyers, including finance.

"Tapatio" – 46,764/03 – Brodotrogir – DH
-Sold for $10.0m to undisclosed buyers including 5-Year BBB RNR with Purchase Option.

"Yellow Ray" – 19,937/03 – Usuki – DH – IMO II
-Sold for $10.7m to Indonesian buyers (Waruna). Unit due for SS/DD 06/2018.

REPORTED TANKER DEMOLITION SALES

There are no reported tanker demolition sales for week 6.



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