

WEBER WEEKLY TANKER REPORT



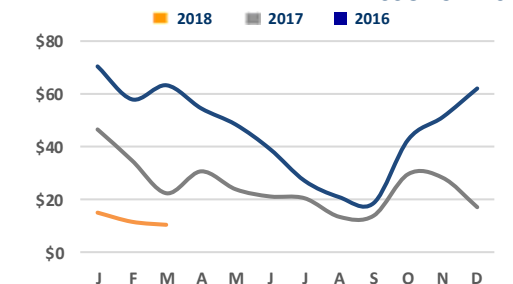
WEEK 9 – 2 MARCH 2018

ISSUE 9 – 2018

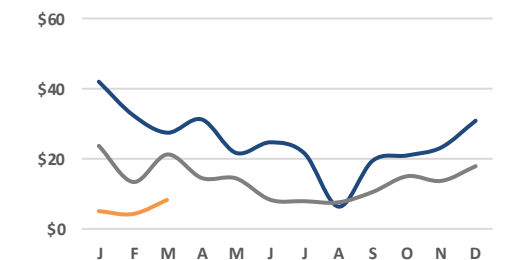
Spot Market	WS/LS	TCE	WS/LS	TCE
VLCC (13.0 Kts L/B)		23-Feb		2-Mar
AG>USG 280k	17.5	--	17.5	--
AG>SPORE 270k	37.0	\$8,280	36.0	\$7,294
AG>JPN 265k	36.0	\$10,072	35.5	\$10,364
AG>CHINA 270k	39.0	\$8,406	37.0	\$7,294
WAFR>CHINA 260k	41.0	\$12,482	41.0	\$13,323
CBS>SPORE 270k	\$3.25m	\$13,967	\$3.25m	\$14,829
AG>USG/CBS>SPORE/AG	--	\$15,041	--	\$15,968
<i>VLCC Average Earnings</i>		<i>\$10,574</i>		<i>\$10,746</i>
SUEZMAX (13.0 Kts L/B)				
WAFR>USG 130k	47.5	\$4,193	65.0	\$13,354
WAFR>UKC 130k	52.5	\$1,816	70.0	\$13,860
BSEA>MED 140k	65.0	\$284	70.0	\$3,733
CBS>USG 150k	55.0	\$6,570	60.0	\$10,625
USG>UKC 130k	47.0	--	67.5	--
CBS>USG/USG>UKC/WAFR	--	\$5,424	--	\$10,625
AG>USG 140k	25.0	--	27.5	--
USG>SPORE 130k	\$2.00m	--	\$2.25m	--
AG>USG/USG>SPORE/AG	--	\$8,021	--	\$11,730
<i>Suezmax Average Earnings</i>		<i>\$3,085</i>		<i>\$10,500</i>
AFRAMAX (13.0 Kts L/B)				
N.SEA>UKC 80k	90.0	\$(706)	100.0	\$6,203
BALT>UKC 100k	70.0	\$6,649	85.0	\$16,216
CBS>USG 70k	107.5	\$10,561	110.0	\$11,881
USG>UKC 70k	80.0	--	85.0	--
CBS>USG/USG>UKC/NSEA	--	\$17,078	--	\$19,559
MED>MED 80k	105.0	\$13,294	90.0	\$8,019
AG>SPORE 70k	85.0	\$7,300	82.5	\$7,075
<i>Aframax Average Earnings</i>		<i>\$9,837</i>		<i>\$12,929</i>
PANAMAX (13.0 Kts L/B)				
CBS>USG 50k	115.0	\$3,905	125.0	\$6,489
CONT>USG 55k	100.0	\$6,866	107.5	\$9,130
ECU>USWC 50k	142.5	\$12,506	147.5	\$14,078
<i>Panamax Average Earnings</i>		<i>\$7,115</i>		<i>\$9,359</i>
LR2 (13.0 Kts L/B)				
AG>JPN 75k	101.5	\$12,691	117.5	\$17,555
AG>UKC 80k	\$1.50m	\$6,128	\$1.70m	\$10,533
MED>JPN 80k	\$1.51m	\$4,506	\$1.61m	\$6,570
AG>UKC/MED>JPN/AG	--	\$10,822	--	\$14,435
<i>LR2 Average Earnings</i>		<i>\$12,068</i>		<i>\$16,516</i>
LR1 (13.0 Kts L/B)				
AG>JPN 55k	115.0	\$10,267	116.5	\$10,971
AG>UKC 65k	\$1.29m	\$5,864	\$1.32	\$6,896
UKC>WAFR 60k	101.0	\$2,686	107.5	\$4,302
AG>UKC/UKC>WAFR/AG	--	\$10,493	--	\$12,047
<i>LR1 Average Earnings</i>		<i>\$10,380</i>		<i>\$11,509</i>
MR (13.0 Kts L/B)				
UKC>USAC 37k	160.0	\$11,781	152.5	\$10,852
USG>UKC 38k	110.0	\$4,695	115.0	\$5,892
USG>UKC/UKC>USAC/USG	--	\$14,321	--	\$14,481
USG>CBS (Pozos Colorados) 38k	\$475k	\$14,141	\$575k	\$21,213
USG>CHILE (Coronel) 38k	\$1.20m	\$15,279	\$1.35m	\$19,962
CBS>USAC 38k	130.0	\$9,145	165.0	\$15,748
WCIND>JPN/ROK>SPORE/WCIND	--	\$12,001	--	\$13,787
<i>MR Average Earnings</i>		<i>\$13,013</i>		<i>\$15,042</i>
Handy (13.0 Kts L/B)				
MED>EMED 30k	148.0	\$14,023	147.0	\$14,016
SPORE>JPN 30K	136.0	\$6,014	137.5	\$6,483
<i>Handy Average Earnings</i>		<i>\$8,898</i>		<i>\$9,195</i>

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

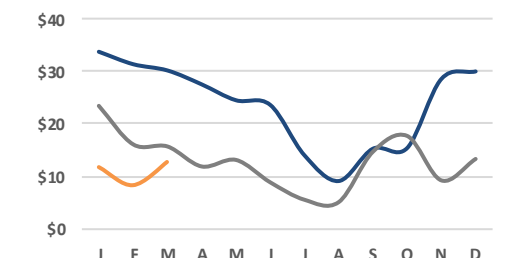
Time Charter Market \$/day (theoretical)	1 Year	3 Years
VLCC	\$24,000	\$30,000
Suezmax	\$16,000	\$21,000
Aframax	\$14,500	\$17,500
Panamax	\$13,000	\$14,500
MR	\$14,000	\$15,000
Handy	\$12,750	\$13,500



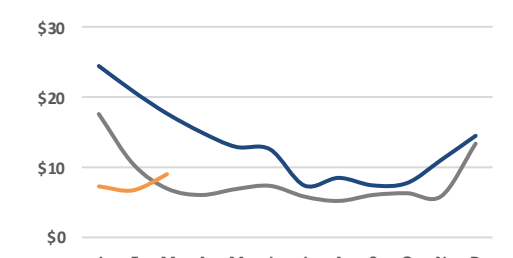
VLCC Average Earnings MTD Average ~\$10,441/Day Month y/y ▼ -54%



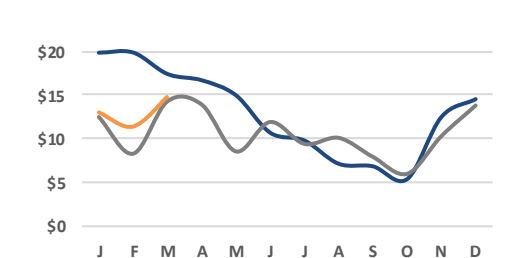
Suezmax Average Earnings MTD Average ~\$7,997/Day Month y/y ▼ -62%



Aframax Average Earnings MTD Average ~\$12,747/Day Month y/y ▼ -19%



Panamax Average Earnings MTD Average ~\$9,039/Day Month y/y ▲ +31%



MR Average Earnings MTD Average ~\$14,831/Day Month y/y ▲ +4%

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SPOT MARKET SUMMARY

VLCC

Demand in the VLCC market rebounded strongly across all regional markets this week and clawed back some of the extreme surplus availability builds observed in the Middle East during the February program. Despite this, lagging sentiment around supply/demand fundamentals and the fact that a large portion of the position list was comprised of disadvantaged units meant that rates continued to decline – to test fresh multiple-decade lows on \$/mt freight terms.

There were 36 fresh fixtures in the Middle East market this week representing a 24% w/w gain. Fixtures net of those covered under COAs showed a stronger w/w gain of 71%. Meanwhile, there were five fixtures concluded in the West Africa market, where last week there were zero. Meanwhile, demand in the Atlantic Americas rose by one fixture to five and the North Sea market was very active with five fixtures reported, up from one last week.

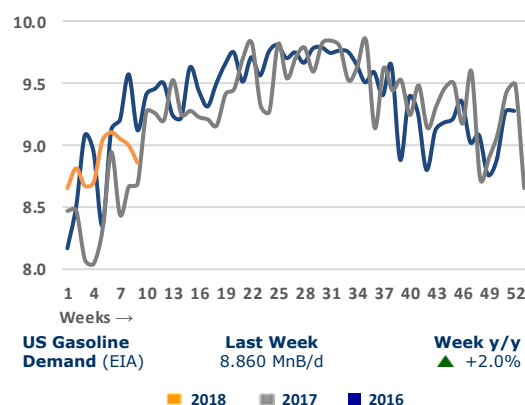
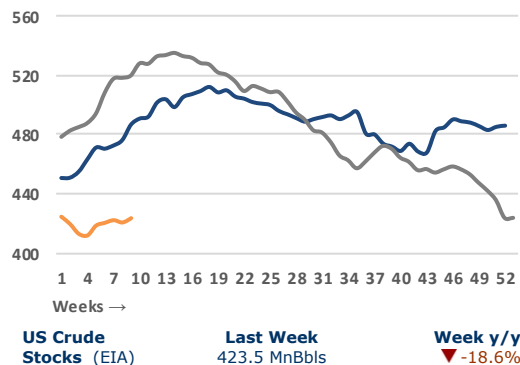
Surplus availability in the Middle East market narrowed from 31 units at mid-March to a projected 24 at the close of the month's second decade. This reality should stem ongoing rate erosion and, subject to the extent of fresh demand during the upcoming week could potentially support fresh – if modest – gains.

Middle East

Rates on the AG-CHINA route tested a fresh floor, dropping two points to conclude at ws37. Corresponding TCEs lost 13% to conclude at ~\$7,294/day. Rates to the USG via the Cape were unchanged at ws17.5. Triangulated Westbound trade earnings rose by 6% on lower bunker prices to ~\$15,968/day.

Atlantic Basin

Rates in the West Africa market were unchanged as the strengthening of demand in the North Sea and Americas reduced the specter of speculative ballasts from those regions. The WAFR-FAEST route was unchanged at ws41, accordingly, with the corresponding TCE concluding the week with a 6% gain on lower bunker prices to ~\$14,829/day. In the Americas, rates were unchanged at \$3.25m lump sum for CBS-SPORE voyages.



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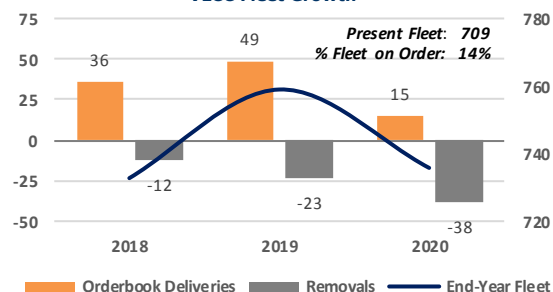
Suezmax

The West Africa Suezmax market experience strong gains on a strengthening of demand with rates rising from earlier levels that barely covered OPEX levels. The observed fixture tally doubled from last week's level to 18 fixtures (a six-week high) as a moderating of crude prices and a number of unsold cargoes on very limited advanced coverage by VLCCs advanced both demand and cargo availability for Suezmaxes. Rates on the WAFR-UKC route added 17.5 points to conclude at ws70. Rate gains extended to the Americas as well where the CBS-USG route added five points to 150 x ws60 and the USG-UKC route rose by 20 points to 130 x ws67.5.

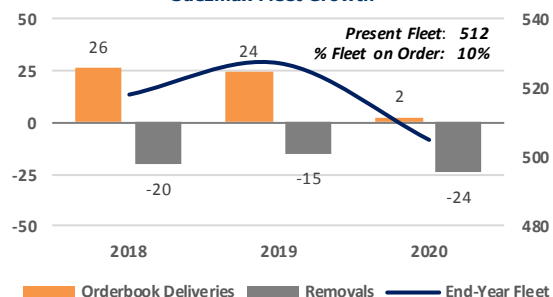
Aframax

The Caribbean Aframax market remained at relative strength this week on ongoing delay issues. Rates on the CBS-USG route quickly pared minor losses at last week's close at the start of the week, adding 2.5 points to ws110 – at which level it remained through the remainder of the week. As supply constraints have eased, we expect that rates will start to correct during the upcoming week notwithstanding any fresh delay issues.

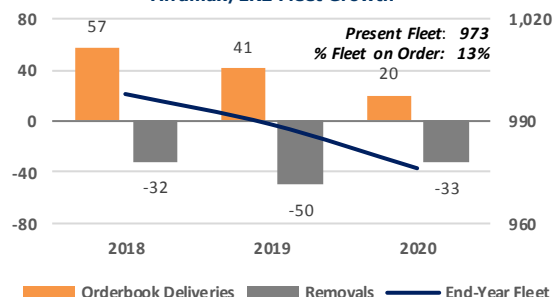
VLCC Fleet Growth



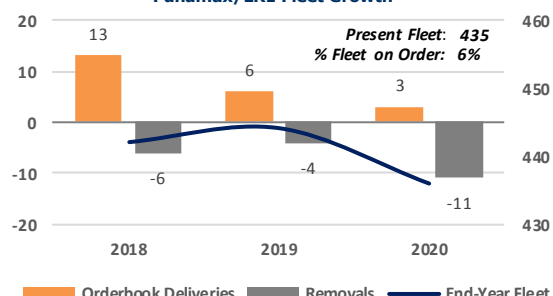
Suezmax Fleet Growth



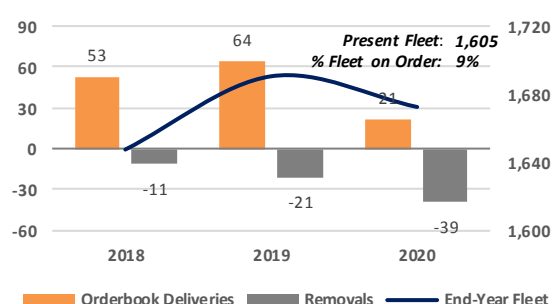
Aframax/LR2 Fleet Growth



Panamax/LR1 Fleet Growth



MR Fleet Growth

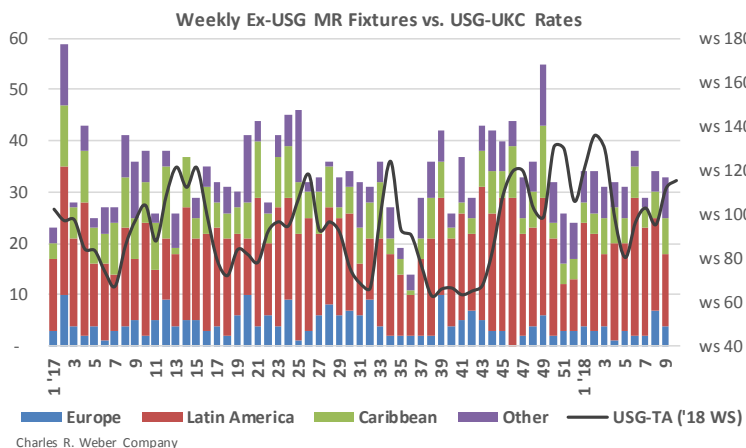


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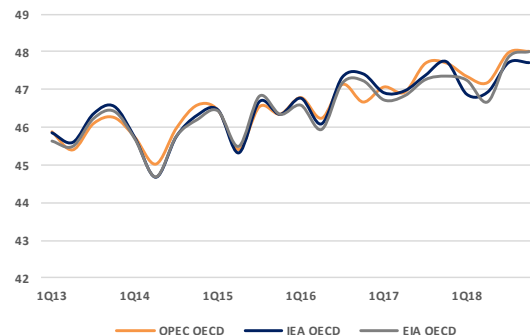


MR

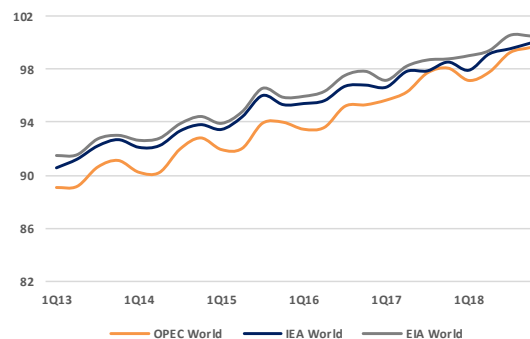
The USG MR market continued to rally this week, extending gains observed since the middle of last week. Fundamentals at the start of the week pointed to a likely correction that ultimately failed to materialize as a number of delay issues reduced availability on the front-end of the position list. The impact thereof was compounded by a rallying of rates in Europe, which heightened competition for units between the two markets. For its part, demand remained largely level with YTD norms, which have prevailed despite seasonal PADD3 maintenance. There were 33 fixtures this week, or one fewer than last week. On the supply side, two-week forward availability levels increased 11% w/w to 40 units (matching the YTD average). Rates on the USG-UKC route added 5 points to conclude at ws115. Those on the USG-CHILE route added \$150k to conclude at \$1.35m lump sum and the USG-CBS route added \$100k to conclude at \$575k lump sum. Once supply constraints at the front end of the list are worked through, we expect that rates will begin to moderate from recent highs; ahead of that, the extent of fresh demand at the start of the upcoming week will likely dictate the direction of rates during the next few trading days.



Projected OECD Oil Demand (Mnb/d)



Projected World Oil Demand (Mnb/d)



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REPORTED TANKER SALES

Mistral – 306,278/00 – Hyundai Ulsan – DH
-Sold on private terms to undisclosed buyers.

Kiribora – 50,044/13 – SPP Tongyeong – DH
-Sold for \$27.0m to Navigare Capital Partners of Denmark, including 5-Year BBB.

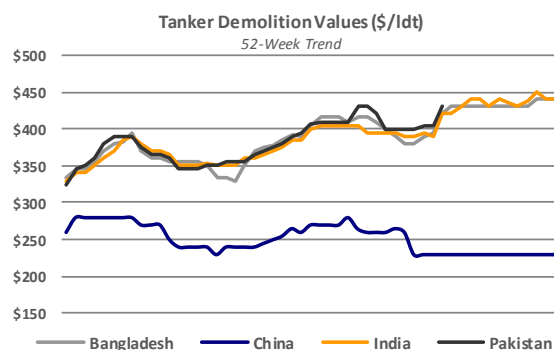
Nanny – 9,176/93 – Hyundai Ulsan – DH – Ice 1A
-Sold on private terms to undisclosed buyers.

REPORTED TANKER DEMOLITION SALES

Final Destination: India

Pacific Pioneer – 105,237/98 – 16,700 LDT – DH
-Sold for \$460/ltd.

Omega 1 – 46,538/90 – 9,550 LDT – DH
-Sold on private terms.



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