WEBER WEEKLY TANKER REPORT

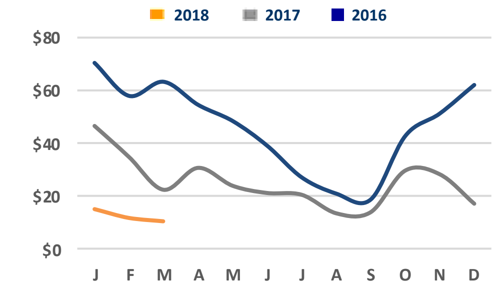
WEEK 12 – 23 MARCH 2018

ISSUE 12 – 2018

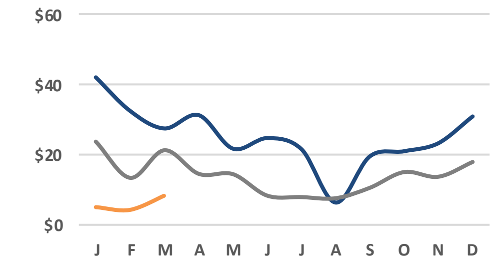
Spot Market	WS/LS	TCE	WS/LS	TCE
VLCC (13.0 Kts L/B)	16-Mar		23-Mar	
AG>USG 280k	16.0	--	20.0	--
AG>SPORE 270k	35.5	$7,162	42.5	$13,123
AG>JPN 265k	34.0	$8,376	41.0	$14,710
AG>CHINA 270k	36.5	$6,346	45.0	$13,707
WAFR>CHINA 260k	38.0	$10,109	44.8	$15,673
CBS>SPORE 270k	$3.10m	$12,467	$3.25m	$13,659
AG>USG/CBS>SPORE/AG	--	$12,917	--	$16,678
VLCC Average Earnings		*$8,743*		*$14,633*
SUEZMAX (13.0 Kts L/B)				
WAFR>USG 130k	52.5	$6,960	50.0	$5,128
WAFR>UKC 130k	57.5	$4,464	55.0	$2,694
BSEA>MED 140k	70.0	$4,115	67.5	$1,791
CBS>USG 150k	55.0	$6,903	55.0	$6,235
USG>UKC 130k	55.0	--	55.0	--
CBS>USG/USG>UKC/WAFR	--	$8,959	--	$8,290
AG>USG 140k	30.0	--	30.0	--
USG>SPORE 130k	$2.25m	--	$2.25m	--
AG>USG/USG>SPORE/AG	--	$12,333	--	$11,752
Suezmax Average Earnings		*$6,418*		*$4,787*
AFRAMAX (13.0 Kts L/B)				
N.SEA>UKC 80k	95.0	$2,824	92.5	$488
BALT>UKC 100k	85.0	$16,056	82.5	$13,773
CBS>USG 70k	95.0	$6,656	100.0	$7,854
USG>UKC 70k	70.0	--	80.0	--
CBS>USG/USG>UKC/NSEA	--	$12,102	--	$15,516
MED>MED 80k	92.5	$8,739	82.5	$4,492
AG>SPORE 70k	77.5	$5,400	77.5	$5,003
Aframax Average Earnings		*$10,284*		*$9,504*
PANAMAX (13.0 Kts L/B)				
CBS>USG 50k	105.0	$1,921	115.0	$3,691
CONT>USG 55k	102.5	$7,718	105.0	$7,849
ECU>USWC 50k	152.5	$15,013	155.0	$15,147
Panamax Average Earnings		*$6,891*		*$7,651*
LR2 (13.0 Kts L/B)				
AG>JPN 75k	110.0	$15,205	92.0	$9,856
AG>UKC 80k	$1.90m	$14,219	$1.75m	$10,815
MED>JPN 80k	$1.58m	$5,835	$1.62m	$6,085
AG>UKC/MED>JPN/AG	--	$15,936	--	$14,413
LR2 Average Earnings		*$15,448*		*$11,380*
LR1 (13.0 Kts L/B)				
AG>JPN 55k	111.5	$9,718	116.5	$10,383
AG>UKC 65k	$1.33m	$6,795	$1.45	$8,799
UKC>WAFR 60k	91.5	$1,168	86.5	$(129)
AG>UKC/UKC>WAFR/AG	--	$10,156	--	$10,856
LR1 Average Earnings		*$9,937*		*$10,620*
MR (13.0 Kts L/B)				
UKC>USAC 37k	125.0	$6,022	135.0	$7,284
USG>UKC 38k	77.5	$(584)	82.5	$(131)
USG>UKC/UKC>USAC/USG	--	$6,817	--	$8,018
USG>CBS (Pozos Colorados) 38k	$350k	$5,875	$350k	$5,538
USG>CHILE (Coronel) 38k	$1.03m	$10,383	$1.10m	$12,230
CBS>USAC 38k	125.0	$8,426	125.0	$8,077
WCIND>JPN/ROK>SPORE/WCIND	--	$15,570	--	$16,232
MR Average Earnings		*$8,593*		*$9,469*
Handy (13.0 Kts L/B)				
MED>EMED 30k	150.5	$14,783	150.0	$14,444
SPORE>JPN 30K	143.0	$6,989	149.5	$7,554
Handy Average Earnings		*$9,795*		*$10,035*

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

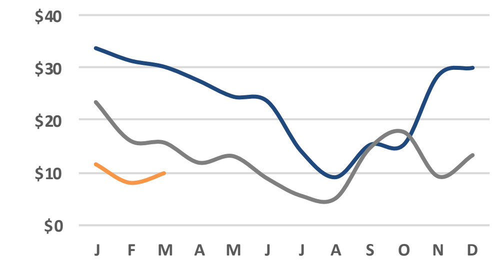
Time Charter Market *$/day (theoretical)*	1 Year	3 Years
VLCC	$22,000	$28,000
Suezmax	$16,000	$21,000
Aframax	$14,500	$17,500
Panamax	$13,000	$14,500
MR	$14,000	$15,000
Handy	$12,750	$13,500



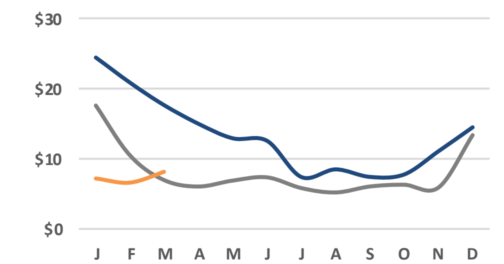
VLCC Average Earnings | **MTD Average** ~$10,253/Day | **Month y/y** ▼ -54%



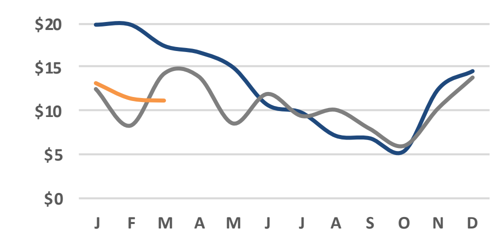
Suezmax Average Earnings | **MTD Average** ~$8,141/Day | **Month y/y** ▼ -62%



Aframax Average Earnings | **MTD Average** ~$10,018/Day | **Month y/y** ▼ -36%



Panamax Average Earnings | **MTD Average** ~$8,124/Day | **Month y/y** ▲ +18%



MR Average Earnings | **MTD Average** ~$11,194/Day | **Month y/y** ▼ -21%

SPOT MARKET SUMMARY

VLCC

VLCC rates experienced upward pressure this week as owners' confidence was boosted by strong demand in the Middle East and Atlantic Americas regions. The demand gains in these regions built on strong draws on Middle East tonnage to service West Africa demand over the past two weeks to moderate the extent of surplus Middle East tonnage. A strong run in recent demolition sales activity also saw a number of units positioned between Singapore and Fujairah drop off position lists. Additionally, as charterers progressed into early April Middle East cargoes at the start of the week, about half of the units available to cover these were disadvantaged. As a result, those requirements that could not work disadvantaged units lent support to rates for competitive units; the gains did not extend to disadvantaged units and instead created a wider spread between the two tiers of tonnage.

We note that the number of surplus units projected to be available at the conclusion of the first decade of the April program stands at 23. This marks a progressive decline from the 26 surplus units observed at the conclusion of the March program and the 33 units seen at the conclusion of the February program (which was a four-year high). Early indications suggest that surplus availability will continue to post modest declines as the April program progresses, which follows the recent rebound in demand in the Atlantic basin. Further demolition sales activity would also bode positively for owners by reducing the surplus further. As the market progresses into Q2, there are signs that a rebound in demand in the Atlantic basin and the corresponding ton-mile and voyage duration gains which lead to slower return appearances of performing units on position lists will lend fresh, and potentially stronger, support to VLCC rates and earnings. Adding to potential positive pressures around that time, any abandonment by OPEC producers of their present quotas could deflate front-month crude prices as a headline kneejerk reaction, but this negative crude price pressure would not likely extend to further forward months, creating a fresh contango structure. This could support a reopening of floating storage, particularly as floating storage prices would – at least initially – be quite attractive to the economics of such plays.

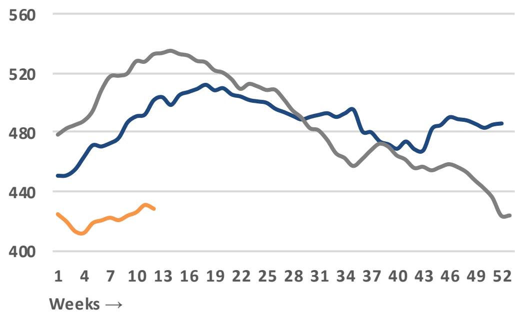
Middle East

Rates on the AG-CHINA route gained 8.5 points to conclude at ws45 with corresponding TCEs more-than-doubling to ~$13,707/day. Rates to the USG via the Cape gained four points to conclude at ws20. Triangulated Westbound trade earnings jumped 29% to ~$16,678/day.

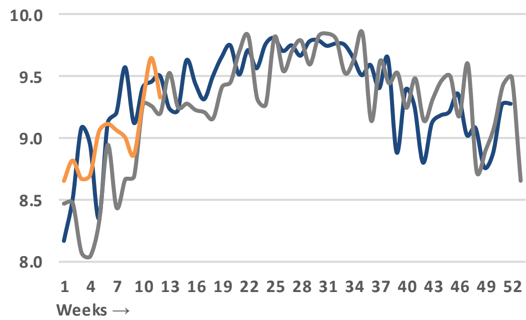
Atlantic Basin

Rates in the West Africa market followed those in the Middle East. The WAFR-CHINA route added 6.75 points to conclude at ws44.75. TCEs on the route rallied 55% to conclude at ~$15,673/day.

In the Atlantic Americas, demand surged from a recent lull. Collectively, there were 11 regional fixtures, marking a strong gain from last week's three. Among this week's tally, USG loadings were at a six-week high, account for three of the total. With the demand surge effectively narrowing the supply/demand positioning, rates strengthened. The CBS-SPORE benchmark route added $150k to conclude at $3.25m lump sum.



US Crude Stocks (EIA)	Last Week	Week y/y
	428.3 MnBbls	▼ -19.7%



US Gasoline Demand (EIA)	Last Week	Week y/y
	9.324 MnB/d	▲ +1.3%

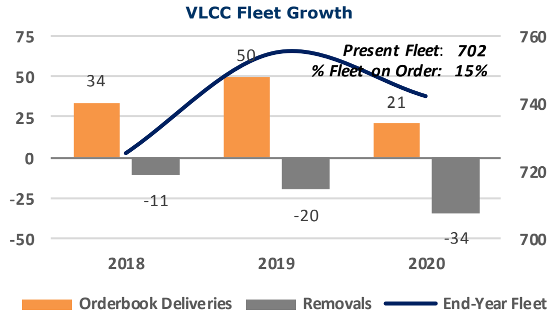
2018 2017 2016

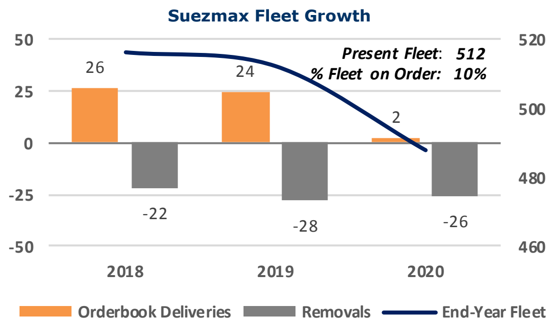
Suezmax

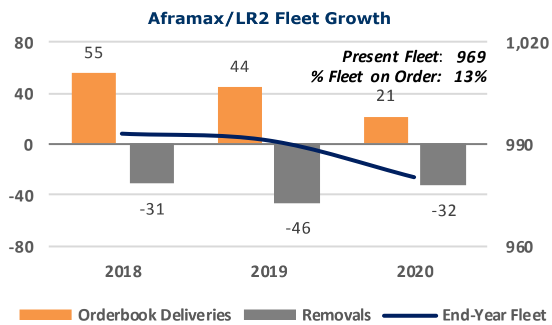
The West Africa Suezmax market continued its slide this week on a further slide in regional demand following stronger earlier coverage by VLCCs. The WAFR-UKC route observed a loss of 2.5 points to ws55. Sluggish performance was also seen in the Black Sea market, where rates on the BSEA-MED route lost 2.5 points to ws67.5. Rates in the Caribbean market were largely unchanged with the CBS-USG route holding at 150 x ws55 and the USG-UKC route steady at 130 x ws55.

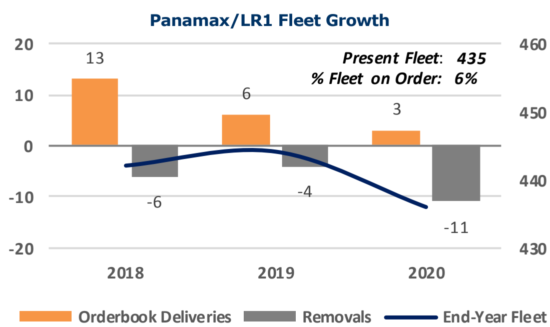
Aframax

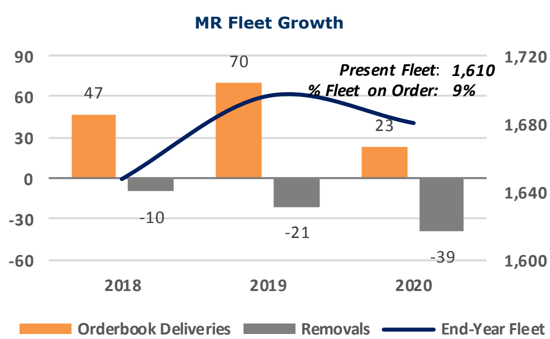
After commencing the week with rates at an effective floor, rates in the Caribbean Aframax market firmed at the close of the week on the back of a strengthening of demand at mid-week. As available positions declined, owners were able to achieve incrementally higher rates and the CBS-USG route ultimately concluded with a 5-point gain to ws100. Date sensitivity is also a factor behind the higher rates being observed, which implies that as charterers progress past the front end of the list further rate gains could be elusive.







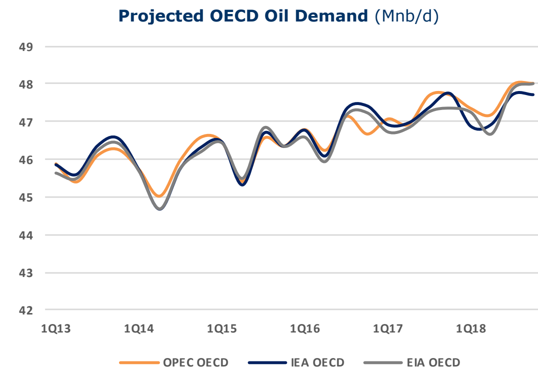


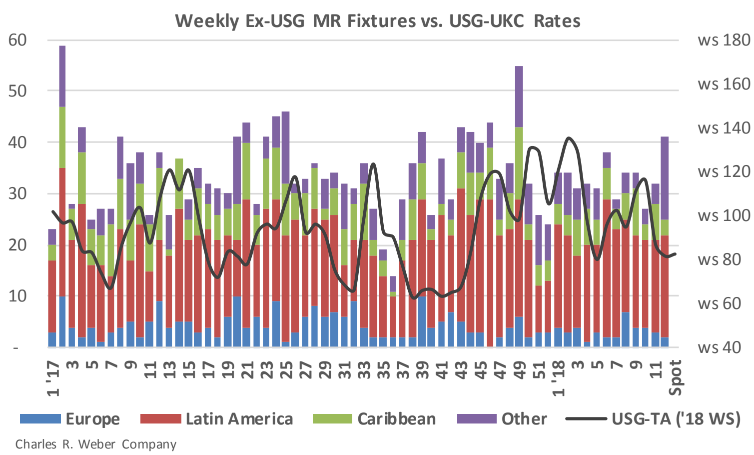


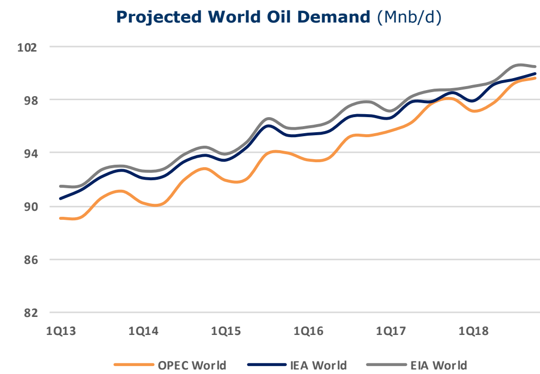
WEBER WEEKLY
TANKER REPORT

MR

Fixture activity in the USG MR market was extremely robust this week with 41 reported fixtures representing a 28% w/w rise and a fresh YTD high. The successive draws on regional availability, together with a lower proportion of units freeing on the USAC ballasting into the region, saw two-week forward availability drip to 38 units at the close of the week – which is 22% less than a week ago and the fewest in one month. The tightening fundamentals have yet to be fully reflected in rates, in line with the usual one-week lag between changes in fundamentals and correlated rate movements – though the stronger demand did halt the earlier slide in rates and supported very modest rate gains. The USG-UKC route ended with a five-point gain to ws82.5 while the USG-CBS route added $75k to conclude at $1.10m lump sum. The USG-CBS route was unchanged at $350k lump sum. Demand prospects remain strong with PADD3 refinery utilization rates rising by a further 2.8 percentage points to 92.6% (a six-week high) as refiners move past seasonal maintenance. We expect that the supply/demand positioning will guide further – and potentially substantial – gains during the upcoming week







REPORTED TANKER SALES

Diamond Faith – 114,737/16 – Namura Imari – DH
Diamond Bliss – 107,605/09 – Tsuneishi Tadotsu – DH
Diamond Destiny – 107,508/11 – Tsuneishi Tadotsu – DH
Diamond Eternity – 107,497/11 – Tsuneishi Tadotsu – DH
-Sold en bloc for $115m to Eastern Pacific.

HS Medea – 113,013/03 – Hyundai Samho – DH
-Sold for $10.7m to Coral Shipping. Unit due for SS/DD 06/2018.

Baltic Champion – 37,333/03 – Hyundai Mipo – DH – IMO III – Ice 1B
-Sold for $7.6m to undisclosed buyers. Unit due for SS/DD 07/2018.

ICDAS-11 – 19,984/11 – ICDAS Biga – DH – IMO II – Ice 1A
ICDAS-09 – 19,983/10 – ICDAS Biga – DH – IMO II – Ice 1A
-Sold en bloc for $14.5m each to Woodward Group. Units due for DD 04/2019 and 06/2018, respectively.

Maya – 12,451/03 – Fukuoka – DH – IMO II
-Sold for $8.0m to undisclosed buyers.

Silver Hawk – 12,451/03 – Murakami Hide – DH – IMO II/III
-Sold for $7.0 to undisclosed buyers.

REPORTED TANKER DEMOLITION SALES

Final Destination: **Unknown**

Seaways Raphael – 309,614/00 – 44,290 LDT – DH
-Sold for $19.0m (gross) basis as is, Fujairah.

Pacific Panama – 109,693/99 – 19,487 LDT – DH
-Sold for $488/ldt including an undisclosed quantity of bunkers.

Final Destination: **Bangladesh**

Millennium – 301,171/98 – 41,827 LDT – DH
-Sold for $447/ldt basis as is, Singapore, including 500 MT bunkers.

Amba Bhakti – 106,597/97 – 15,988 LDT – DH
-Sold for $384/ldt basis as is, Shanghai. Unit inactive since 2013, declassed.

Aster – 47,172/96 – 9,302 LDT – DH
-Sold on private terms.

Danai 7 – 1,987/88 – DB
-Sold on private terms.

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