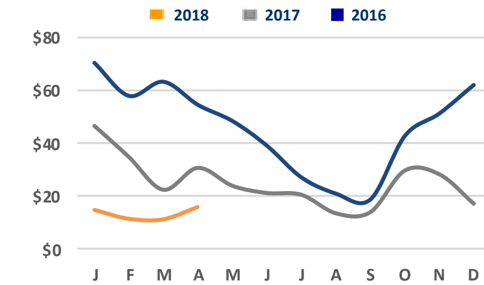
WEBER WEEKLY TANKER REPORT

WEEK 14 – 6 APRIL 2018 | **ISSUE 14 – 2018**

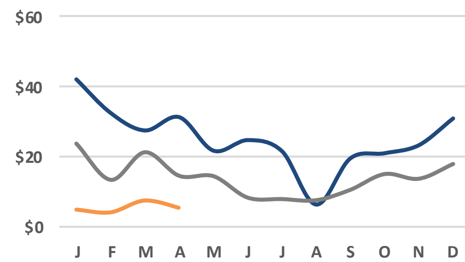
Spot Market	WS/LS	TCE	WS/LS	TCE
VLCC (13.0 Kts L/B)	**29-Mar**		**6-Apr**	
AG>USG 280k	21.0	--	20.0	--
AG>SPORE 270k	46.0	$16,790	45.0	$15,368
AG>JPN 265k	42.5	$16,575	41.3	$14,838
AG>CHINA 270k	47.0	$15,949	46.0	$14,531
WAFR>CHINA 260k	45.0	$16,265	45.0	$16,025
CBS>SPORE 270k	$3.30m	$14,671	$3.40m	$15,713
AG>USG/CBS>SPORE/AG	--	$18,275	--	$18,188
VLCC Average Earnings		*$16,563*		*$15,458*
SUEZMAX (13.0 Kts L/B)				
WAFR>USG 130k	50.0	$5,240	50.0	$5,171
WAFR>UKC 130k	55.0	$2,806	55.0	$2,737
BSEA>MED 140k	65.0	$7,684	75.0	$6,286
CBS>USG 150k	55.0	$6,244	55.0	$6,247
USG>UKC 130k	57.5	--	52.5	--
CBS>USG/USG>UKC/WAFR	--	$9,299	--	$7,302
AG>USG 140k	30.0	--	27.5	--
USG>SPORE 130k	$2.25m	--	$2.20m	--
AG>USG/USG>SPORE/AG	--	$11,945	--	$10,479
Suezmax Average Earnings		*$5,603*		*$5,426*
AFRAMAX (13.0 Kts L/B)				
N.SEA>UKC 80k	90.0	$(1,457)	90.0	$(1,217)
BALT>UKC 100k	70.0	$5,848	65.0	$3,076
CBS>USG 70k	97.5	$7,157	92.5	$5,406
USG>UKC 70k	80.0	--	80.0	--
CBS>USG/USG>UKC/NSEA	--	$15,101	--	$14.243
MED>MED 80k	80.0	$3,738	75.0	$1,683
AG>SPORE 70k	80.0	$5,913	85.0	$7,011
Aframax Average Earnings		*$6,813*		*$5,319*
PANAMAX (13.0 Kts L/B)				
CBS>USG 50k	115.0	$3,701	110.0	$2,601
CONT>USG 55k	100.0	$6,642	100.0	$6,639
ECU>USWC 50k	167.5	$17,412	172.5	$18,289
Panamax Average Earnings		*$7,222*		*$6,821*
LR2 (13.0 Kts L/B)				
AG>JPN 75k	102.5	$12,965	95.5	$10,752
AG>UKC 80k	$1.73m	$10,459	$1.83m	$12,332
MED>JPN 80k	$1.61m	$6,106	$1.69m	$7,238
AG>UKC/MED>JPN/AG	--	$14,190	--	$15,983
LR2 Average Earnings		*$13,373*		*$12,494*
LR1 (13.0 Kts L/B)				
AG>JPN 55k	119.5	$11,172	110.0	$9,014
AG>UKC 65k	$1.46m	$9,132	$1.33m	$6,444
UKC>WAFR 60k	83.5	$(519)	80.5	$(1,172)
AG>UKC/UKC>WAFR/AG	--	$10,805	--	$8,605
LR1 Average Earnings		*$10,989*		*$8,809*
MR (13.0 Kts L/B)				
UKC>USAC 37k	120.0	$4,654	102.5	$1,728
USG>UKC 38k	95.0	$1,992	80.0	$(542)
USG>UKC/UKC>USAC/USG	--	$8,232	--	$4,600
USG>CBS (Pozos Colorados) 38k	$400k	$8,954	$350k	$5,555
USG>CHILE (Coronel) 38k	$1.20m	$15,211	$1.00m	$9,362
CBS>USAC 38k	130.0	$9,000	120.0	$7,193
WCIND>JPN/ROK>SPORE/WCIND	--	$16,326	--	$14,266
MR Average Earnings		*$9,917*		*$6,619*
Handy (13.0 Kts L/B)				
MED>EMED 30k	154.5	$15,695	138.0	$11,425
SPORE>JPN 30K	151.0	$7,870	144.0	$6,830
Handy Average Earnings		*$10,687*		*$8,484*

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

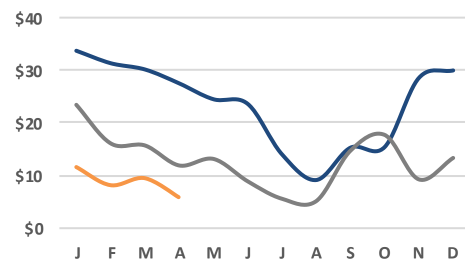
Time Charter Market *$/day (theoretical)*	1 Year	3 Years
VLCC	$21,000	$28,000
Suezmax	$16,000	$21,000
Aframax	$14,000	$17,500
Panamax	$13,000	$14,500
MR	$14,000	$15,000
Handy	$12,250	$13,500



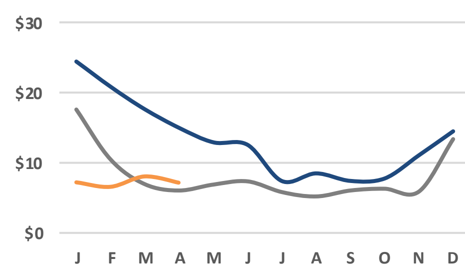
VLCC Average Earnings | **MTD Average** ~$16,197/Day | **Month y/y** ▼ -47%



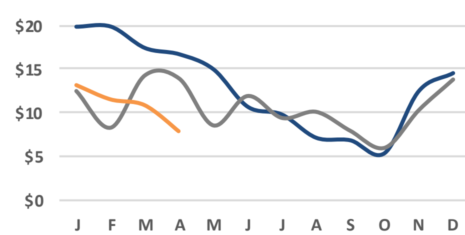
Suezmax Average Earnings | **MTD Average** ~$5,505/Day | **Month y/y** ▼ -62%



Aframax Average Earnings | **MTD Average** ~$5,878/Day | **Month y/y** ▼ -51%



Panamax Average Earnings | **MTD Average** ~$7,151/Day | **Month y/y** ▲ +19%



MR Average Earnings | **MTD Average** ~$7,797/Day | **Month y/y** ▼ -44%

SPOT MARKET SUMMARY

VLCC

VLCC rates were off marginally from recent highs this week on slower demand in the key Middle East, West Africa and Americas markets. Adding to negative pressure was a fresh reduction of operational turnaround time at Chinese ports which saw Middle East positions expand and halted the decline in surplus regional positions. Having declined progressively from the end of February through April's second decade, the tally of surplus Middle East positions appears set for a fresh increase in April's final decade. The increase is modest, however, and the end-April surplus is projected at 22, which remains four units below March's surplus and 11 fewer than the four-year highs seen in February. Historical data suggests that TCEs yielded by present rates are in line with the projected surplus, implying that any further rate losses during the upcoming week should be minor.

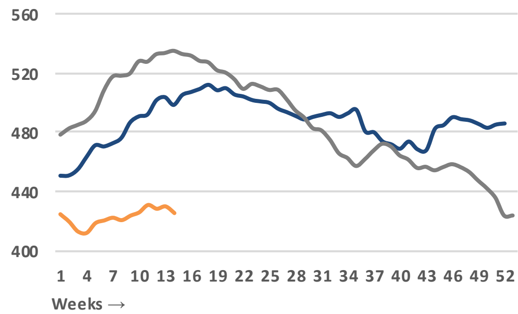
Middle East

Rates on the AG-CHINA shed one point to conclude at ws46 with corresponding TCEs easing 6% to ~$15,066/day. Rates to the USG via the Cape shed one point to conclude at ws20. Triangulated Westbound trade earnings were off 4% to ~$17,545/day.

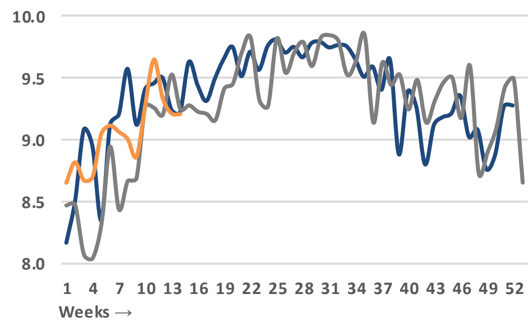
Atlantic Basin

Rates in the West Africa market continued to lag the Middle East; as a result, modest gains were observed during the start of the week before being pared to conclude unchanged. The WAFR-CHINA route concluded unchanged at ws45, accordingly. The route's corresponding TCE concluded at ~$16,325/day.

In the Atlantic Americas, a slowing of regional demand, coupled with uncertain Venezuelan cargo availability, limited the prospect of fresh rate gains driven by an earlier surge in demand and tighter regional supply/demand positioning. As a result, rate gains were smaller than expected; the CBS-USG route added $100k to conclude at $3.4m lump sum.



US Crude Stocks (EIA)	Last Week	Week y/y
	425.3 MnBbls	▼ -20.6%



US Gasoline Demand (EIA)	Last Week	Week y/y
	9.203 MnB/d	▼ -0.5%

2018 2017 2016

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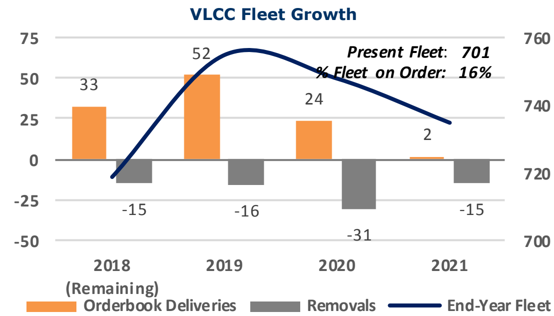
Suezmax

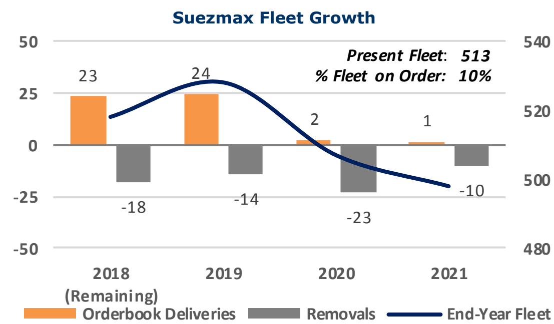
Suezmax West Africa demand was stronger this week as charterers progressed into April's final decade loading program and following last week's pre-Easter slowing. However, as VLCCs had accounted for a very strong share of April's cargoes, remaining cargo availability for Suezmaxes is low, implying that surplus tonnage will rise as charterers work on any remaining cargoes next week and thereafter as they progress into May dates. As a result, rates were unchanged and continued to scrape an effective floor. The WAFR-UKC route was unchanged at ws55. Further losses have likely been kept at bay by the fact that the route's current TCE of ~$2,737/day represent just about a third of vessel OPEX.

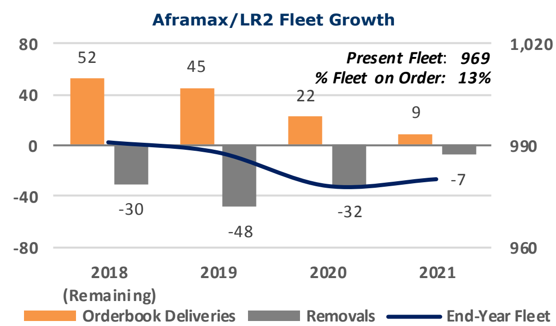
Demand in the Caribbean market was strong this week with a small number of intraregional USG-bound voyages augmented by a healthy number of trans-Atlantic and Asia-bound voyages from the Caribbean and USG areas. However, with vessel availability having risen over the course of the holiday weekend, rates failed to command any correlated gains. Instead, the USG-UKC route shed 5 points to conclude at 130 x ws52.5 and the USG-SPORE route shed $50k to conclude at $2.20m lump sum. CBS-USG voyages were unchanged at 150 x ws55.

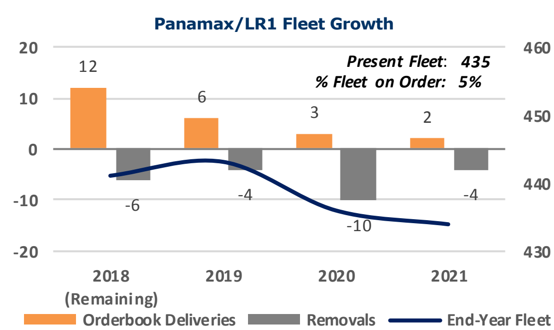
Aframax

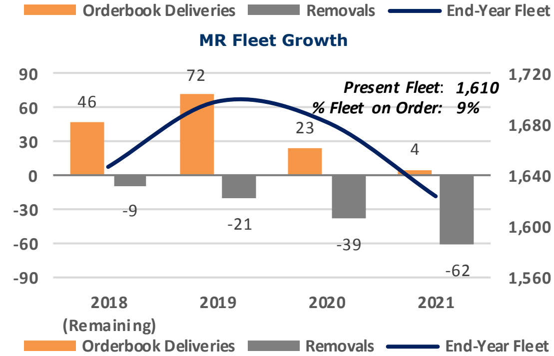
Rates in the Caribbean Aframax market eased this week after the weekend built availability levels higher while demand on Monday was muted, leading to fresh losses on Tuesday and further easing as the week progressed. The CBS-USG route ultimately concluded off by five points to ws92.5. Further disjointing of supply/demand fundamentals towards the end of the week – and a likely further widening thereof on Monday following fresh weekend availability builds – suggests that fresh losses may be observed during the upcoming week.





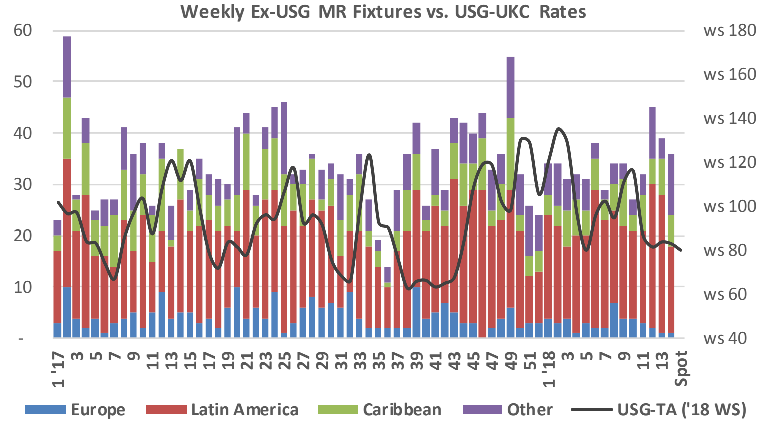






MR

Despite a third consecutive week of above-average demand, the USG MR market was under negative pressure this week, leading to a loss of owners' hard-earned gains of last week. This came as vessel supply surged at the start of the week due to a pause in demand between Thursday and Monday for the Easter holiday, ballast units from the USAC amid refinery turnarounds in Europe and as a number of units on Mexico's east coast completed operational turnarounds and returned to position lists. Whereas the YTD average of 2-week forward availability is 41 units and last week's Friday tally was 40 units, by mid-day Tuesday there were 50 units showing availability – and this situation was compounded by the fact that many of those units were available on a prompt basis. Rates on the USG-UKC route shed 15 points to conclude at ws80 while the USG-CBS route was off $25k to $350k lump sum and the USG-CHILE route lost $200k lump sum to $1.00m lump sum. As this week's demand has now tightened the front-end of position lists by consuming the prompt constituents, owners are turning increasingly bullish. The supply/demand view is supportive of potential gains, given that vessel supply stands below the YTD average and demand is in excess.



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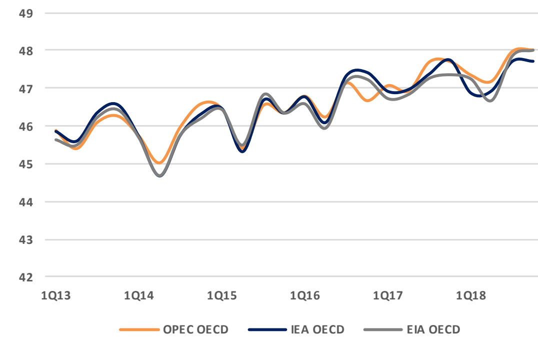
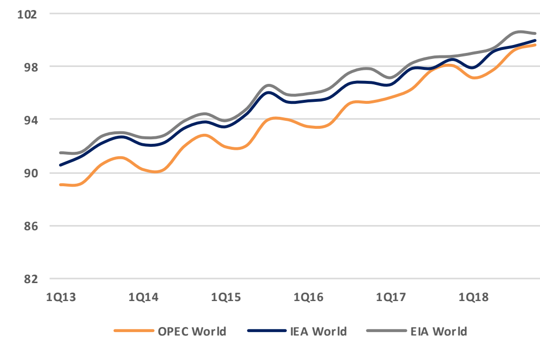
Projected OECD Oil Demand (Mnb/d)



Projected World Oil Demand (Mnb/d)



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REPORTED TANKER SALES

Vega Trader – 299,985/03 – Universal Ariake – DH
-Sold on private terms to New Shipping of Greece. Unit due for DD/SS 09/2018.

San Pietro – 7,595/12 – Taixing Gaghua – DH – IMO II – Ice 1A – Twin Engine/Screw
-Sold for $8.5m to undisclosed Canadian buyers.

REPORTED TANKER DEMOLITION SALES

Final Destination: **Unknown**

Pacific Trader – 105,337/98 – 16,600 LDT – DH
-Sold for $474/ldt basis delivery gas-free for hot work.

Brizo – 86,549/96 – 16,042 LDT – DH
-Sold for $472/ldt basis as is, Singapore.

Sea Force – 46,341/96 – 10,589 LDT – DH
-Sold on private terms.

Final Destination: **Bangladesh**

Delta Millennium – 301,930/00 – 41,552 LDT – DH
-Sold for $426.5/ldt basis as is, Colombo.

Shanghai – 148,018/96 – 22,342 LDT – DH
-Sold on private terms.

Petrodvorets – 105,692/99 – 17,710 LDT – DH
-Sold for $432/ldt basis as is, Singapore.

Chimborazo – 66,138/99 – 12,198 LDT – DH
-Sold for $441/ldt.

Vara – 9,140/95 – 2,771 LDT – DH – IMO II/III
-Sold for $393/ldt. Unit converted to DH 02/2015.

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