WEBER WEEKLY TANKER REPORT

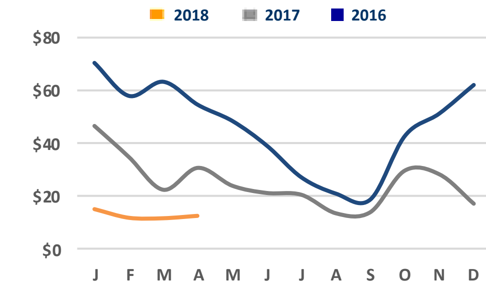
WEEK 16 – 20 APRIL 2018

ISSUE 16 – 2018

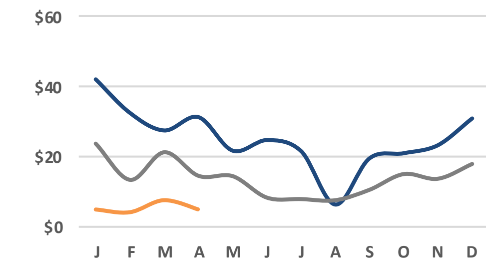
Spot Market	**WS/LS**	**TCE**	**WS/LS**	**TCE**
VLCC (13.0 Kts L/B)	**13-April**		**20-April**	
AG>USG 280k	17.5	--	17.5	--
AG>SPORE 270k	37.5	$7,254	38.5	$7,839
AG>JPN 265k	35.0	$7,547	37.0	$9,182
AG>CHINA 270k	39.0	$6,914	40.0	$7,499
WAFR>CHINA 260k	40.0	$10,347	40.0	$9,926
CBS>SPORE 270k	$3.30m	$13,379	$3.20m	$11,661
AG>USG/CBS>SPORE/AG	--	$14,101	--	$12,690
VLCC Average Earnings		*$8,766*		*$9,231*
SUEZMAX (13.0 Kts L/B)				
WAFR>USG 130k	50.0	$4,375	52.5	$5,259
WAFR>UKC 130k	52.5	$781	57.5	$2,772
BSEA>MED 140k	75.0	$5,626	75.0	$5,354
CBS>USG 150k	65.0	$12,334	60.0	$8,512
USG>UKC 130k	50.0	--	50.5	--
CBS>USG/USG>UKC/WAFR	--	$8,121	--	$6,631
AG>USG 140k	35.0	--	30.0	--
USG>SPORE 130k	$2.20m	--	$2.20m	--
AG>USG/USG>SPORE/AG	--	$12,401	--	$10,262
Suezmax Average Earnings		*$4,523*		*$5,202*
AFRAMAX (13.0 Kts L/B)				
N.SEA>UKC 80k	95.0	$1,231	95.0	$870
BALT>UKC 100k	87.5	$15,873	80.0	$10,945
CBS>USG 70k	97.5	$6,443	97.5	$6,179
USG>UKC 70k	80.0	--	80.0	--
CBS>USG/USG>UKC/NSEA	--	$14,407	--	$14,107
MED>MED 80k	75.0	$1,102	75.0	$862
AG>SPORE 70k	85.0	$6,398	85.0	$6,182
Aframax Average Earnings		*$9,282*		*$7,660*
PANAMAX (13.0 Kts L/B)				
CBS>USG 50k	110.0	$2,065	110.0	$1,832
CONT>USG 55k	100.0	$6,038	100.0	$5,778
ECU>USWC 50k	180.0	$19,058	180.0	$18,784
Panamax Average Earnings		*$6,318*		*$6,065*
LR2 (13.0 Kts L/B)				
AG>JPN 75k	89.5	$8,484	85.0	$7,030
AG>UKC 80k	$1.68m	$8,769	$1.58m	$6,547
MED>JPN 80k	$1.70m	$6,774	$1.57m	$4,453
AG>UKC/MED>JPN/AG	--	$13,931	--	$11,236
LR2 Average Earnings		*$10,298*		*$8,430*
LR1 (13.0 Kts L/B)				
AG>JPN 55k	110.0	$8,488	108.5	$8,001
AG>UKC 65k	$1.34m	$6,192	$1.33m	$5,892
UKC>WAFR 60k	86.5	$(607)	95.5	$816
AG>UKC/UKC>WAFR/AG	--	$8,923	--	$9,637
LR1 Average Earnings		*$8,706*		*$8,819*
MR (13.0 Kts L/B)				
UKC>USAC 37k	135.0	$6,744	152.5	$9,494
USG>UKC 38k	100.0	$2,338	110.0	$3,810
USG>UKC/UKC>USAC/USG	--	$9,875	--	$12,659
USG>CBS (Pozos Colorados) 38k	$400k	$8,499	$500k	$15,066
USG>CHILE (Coronel) 38k	$1.15m	$13,274	$1.25m	$15,989
CBS>USAC 38k	130.0	$8,544	135.0	$9,250
WCIND>JPN/ROK>SPORE/WCIND	--	$14,568	--	$13,145
MR Average Earnings		*$10,236*		*$12,723*
Handy (13.0 Kts L/B)				
MED>EMED 30k	135.5	$10,489	135.5	$10,365
SPORE>JPN 30K	145.0	$6,584	142.0	$6,082
Handy Average Earnings		*$7,990*		*$7,624*

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

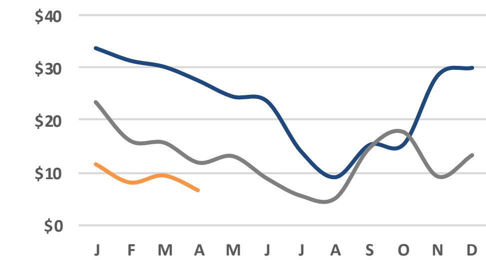
Time Charter Market *$/day (theoretical)*	**1 Year**	**3 Years**
VLCC	$21,000	$28,000
Suezmax	$16,000	$21,000
Aframax	$14,000	$17,500
Panamax	$13,000	$14,500
MR	$14,000	$15,000
Handy	$12,250	$13,500



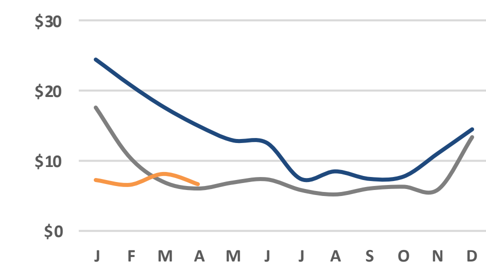
VLCC Average Earnings | **MTD Average** ~$12,386/Day | **Month y/y** ▼ -60%



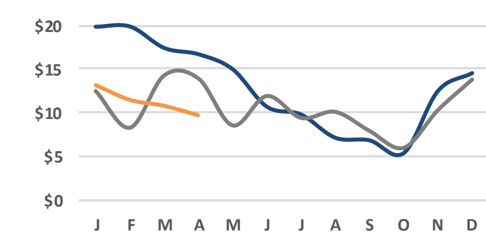
Suezmax Average Earnings | **MTD Average** ~$5,006/Day | **Month y/y** ▼ -65%



Aframax Average Earnings | **MTD Average** ~$6,698/Day | **Month y/y** ▼ -44%



Panamax Average Earnings | **MTD Average** ~$6,674/Day | **Month y/y** ▲ +11%



MR Average Earnings | **MTD Average** ~$9,745/Day | **Month y/y** ▼ -30%

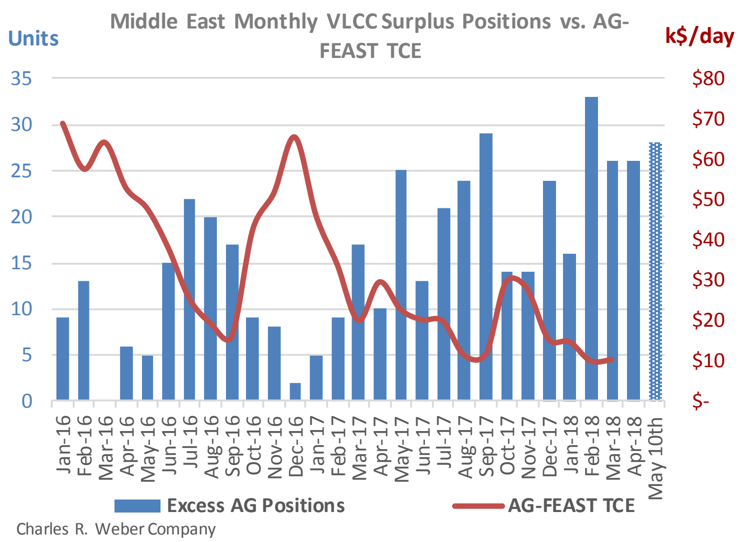
SPOT MARKET SUMMARY

VLCC

Demand in the VLCC market was markedly stronger this week on a rebound in demand for China-bound voyages following a recent lull and a significantly greater than expected number of April Middle East cargoes. A total of 39 fixtures were reported in the Middle East market this week, representing the highest weekly tally since December and a w/w gain of 77%. Meanwhile, in the West Africa market there were six reported fixtures, or one more than last week's tally. Fixtures for voyages to China from all areas tallied at a seven-month high of 26.

These factors helped to offset a strong number of fresh appearances of units on position lists to temper surplus availability gains. The April Middle East program observed 136 cargoes, or the most since January 2017. As a result, the surplus tonnage for April declined modestly to 26 from an earlier projection of 28, and matched the surplus observed at the conclusion of the March program.

The stronger demand helped owners to command modest rate gains. The impact of these gains on daily earnings, however, was partly offset by higher bunker prices. Further gains to support TCEs will likely be complicated by a projected small rise in surplus tonnage during the first decade of the May program to 28 units.



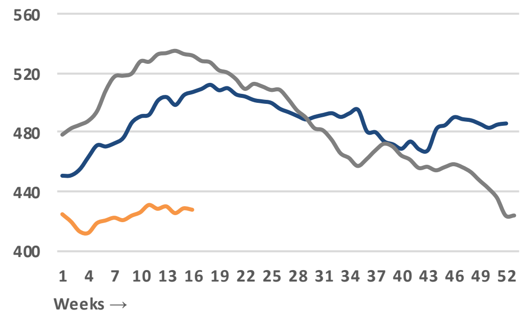
Middle East

Rates on the AG-CHINA route rose by one point to ws40. Corresponding TCEs rose by $467/day, or 7%, to conclude at ~$7,559/day. Rates to the USG via the Cape were stable at ws17.5. Triangulated Westbound trade earnings posted an 8% loss to ~$13,888/day on a decline in rates in the Caribbean market and higher bunker prices.

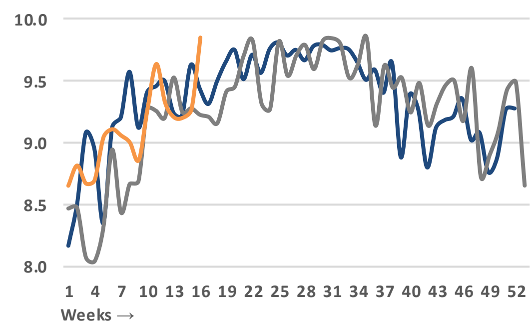
Atlantic Basin

Rates in the West Africa market resumed their lagging of Middle East rates and thus those on the WAFR-CHINA route were unchanged at ws40. TCEs on the route lost $301/day, or 3%, to conclude at ~$10,166/day.

Rates in the Atlantic Americas pared earlier losses on an uncertain demand environment to service Venezuelan crude exports and a widening regional supply/demand positioning. The CBS-SPORE route shed $100k, accordingly, to conclude at $3.30m lump sum.



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



US Gasoline Demand (EIA)	Last Week	Week y/y
	9.857 MnB/d	▲ +6.9%

2018 2017 2016

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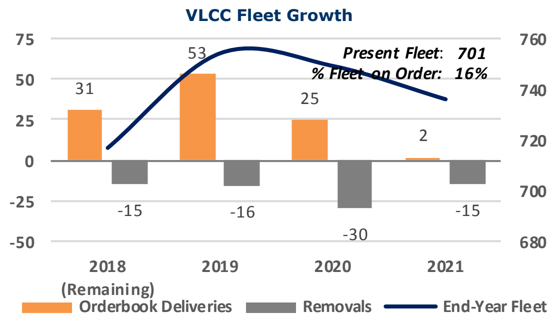
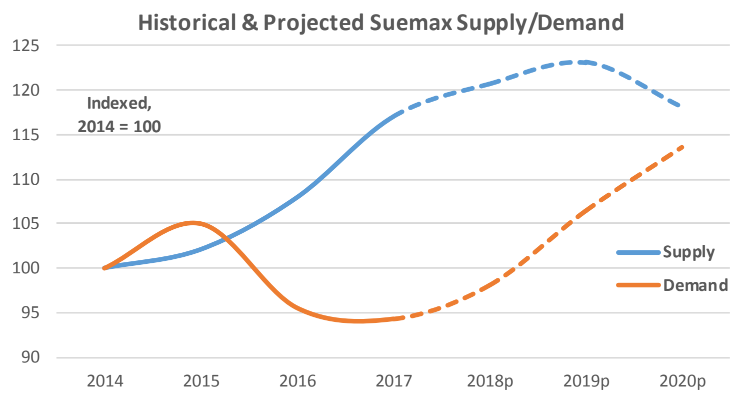
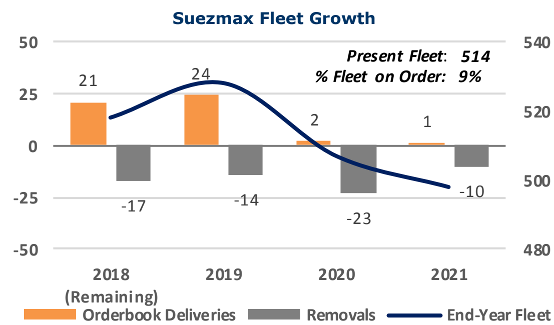
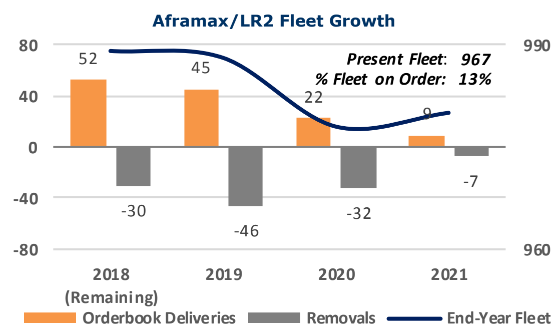
Suezmax

Rates in the West Africa Suezmax market inched up modestly this week on higher bunker prices and an easing of oversupply levels in the Atlantic basin following a strong recent surge in ex-USG cargoes. Fixture activity in the West Africa market was range bound; ten fixtures were reported this week – one more than last week and one less than the YTD weekly average. Rates on the WAFR-UKC route added 5 points to conclude at ws57.5. TCEs on the route gained 255% but remain paltry at ~$2,772/day. Further bunker price gains and/or demand strength in isolated markets could support similar small gains during the upcoming week but gains to move TCEs consistently above OPEX levels will depend on a round of capacity reductions in the segment – something Suezmax owners have proven resistant to in isolation of the wider crude tanker market. Indeed, just five Suezmaxes have been phased out since the start of the year, compared with 17 VLCCs and 17 Aframaxes. Incidentally, the segment leads the crude tanker class in terms of YTD fleet growth, clocking in at +2.4% (as compared with -1.0% and -0.1%, respectively, in the VLCC and Aframax fleets). During 2017 the Suezmax class also led fleet growth, having expanded by 39 units, or 8.4%. Since the start of 2016, the Suezmax class has expanded by 76 units (net) while just 41 units typically fix in the West Africa market in an entire month.



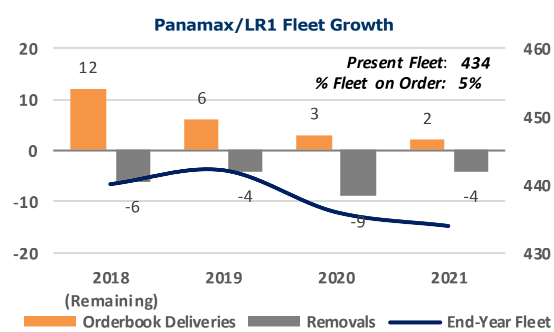


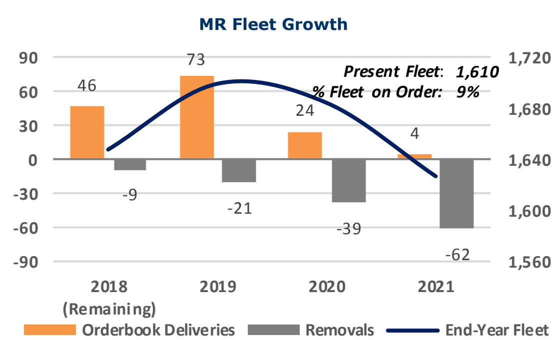




Aframax

The Caribbean Aframax market was stable this week after a number of fresh units appeared on position lists at the start of the week and offset the positive direction observed at last week's close. The CBS-USG route held at ws97.5 and the USG-UKC route was unchanged at ws80. A late week decline in fixture activity and an anticipated surge in availability during the upcoming week suggests owners could struggle to maintain rates at present levels during the upcoming week.

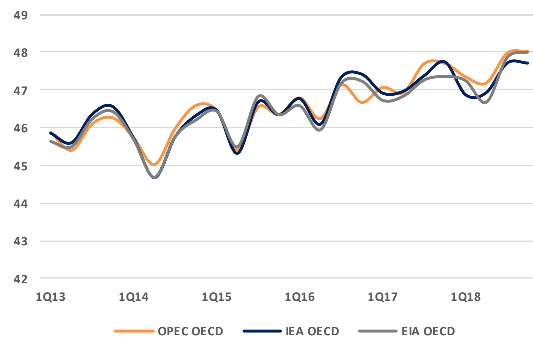


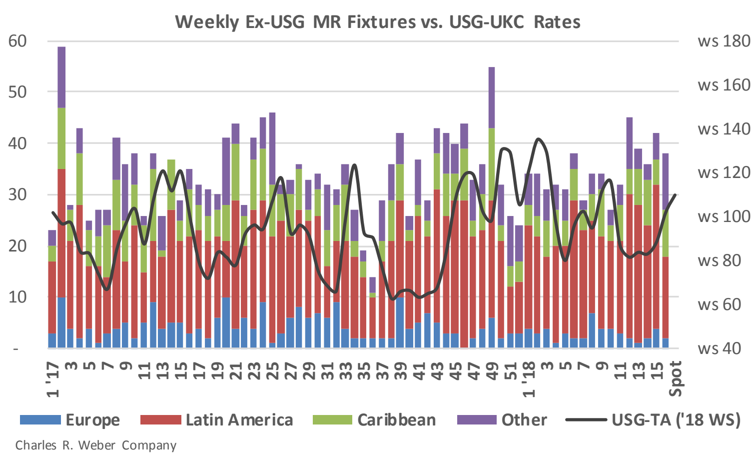


MR

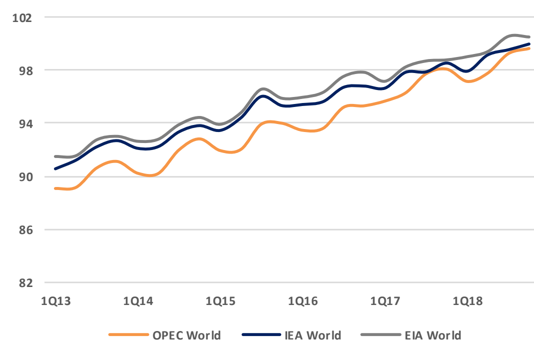
Elevated regional fixture activity for a fifth consecutive week helped to improve the Atlantic basin supply/demand positioning and guided a second week of rate gains. The USG market observed 38 fixtures, off 10% w/w but 9% more than the YTD weekly average. Rates on the USG-UKC route jumped 10 points to conclude at ws110 while the USG-CBS route rose by $100k to $500k lump sum and the USC-CHILE route rose by $100k to $1.25m lump sum. Similar strength in the UKC market saw UKC-USAC rates add 17.5 points to conclude at ws152.5. Rates on both sides remain firm, though the USG market could be poised to see the direction challenged during the upcoming week. We note that the two-week forward availability view shows a 13% w/w gain to 44 units; against a four-week average of fixture activity this suggests the highest availability level in five weeks. Meanwhile, routes to the USAC have been very active; this could present a specter of USAC-USG ballasts and thus could adversely affect sentiment.

Projected OECD Oil Demand (Mnb/d)





Projected World Oil Demand (Mnb/d)



REPORTED TANKER SALES

Zirku – 105,846/03 – Hyundai – DH
-Sold for $10.0m to ZPMC. Unit due for DD/SS.

BM Breeze – 105,387/08 – Sumitomo – DH
-Sold on subjects for $18.0m to PetroVietnam. Unit due for SS 06/2018.

Zhongji No. 2 – 45,697/08 – Bohai – DH – IMO III
-Sold for $11.5m to undisclosed buyers. Unit due for DD 06/2018.

Rosita – 38,140/04 – STX Jinhae – DH – IMO III – Ice 1B
-Sold for $10.0m to undisclosed buyers.

Sinar Emas – 18,010/00 – Jiangdu Yuehai – DH
-Sold for $6.9m to undisclosed Indian buyers.

Oceanic Coral – 13,224/08 – Jinse – DH – IMO II
-Sold for $7.2m to undisclosed buyers.

Kaito Maru – 4,998/07 – Miura Saiki – DH
-Sold for $5.4m to undisclosed far east buyers.

Southern Valour – 4,250/08 – Jiangmen Yinxing – DH – Bunkering
Southern Venture – 4,250/08 – Jiangmen Yinxing – DH – Bunkering
Fumana– 4,250/08 – Dormac Durban – DH – Bunkering
-Sold en bloc on private terms to a WOESA/Linsen Nambi JV.

REPORTED TANKER DEMOLITION SALES

Final Destination: **Bangladesh**

Distya Akula – 149,834/95 – 21,733 LDT – DH
-Sold for $445/ldt.

Velda – 95,621/92 – 15,936 LDT – DH
-Sold for $470/ldt.

Final Destination: **India**

Stolt Mountain – 39,005/94 – 10,583 LDT – DH – IMO II
-Sold on private terms.

Final Destination: **India**

Mahika – 36,457/94 – 7,301 LDT – DH
-Sold for $290/ldt basis as is, Lome.

George P. Los
Head of Tanker Research
research@crweber.com

Charles R. Weber Company, Inc.
Greenwich Office Park Three,
Greenwich, CT 06831
Tel: +1 203 629-2300

1001 McKinney Street, Suite 475
Houston, TX 77002
Tel: +1 713 568-7233

www.crweber.com