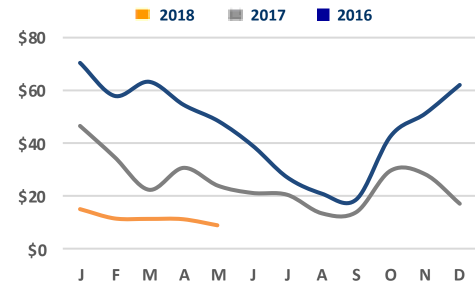
WEBER WEEKLY TANKER REPORT

WEEK 18 – 4 MAY 2018 | **ISSUE 18 – 2018**

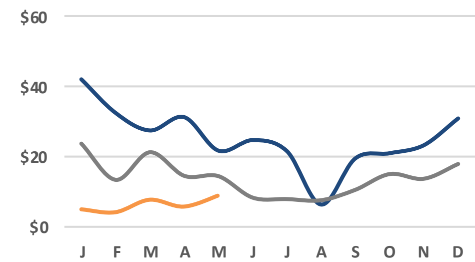
Spot Market	WS/LS	TCE	WS/LS	TCE
VLCC (13.0 Kts L/B)	27-April		4-May	
AG>USG 280k	18.0	--	18.0	--
AG>SPORE 270k	38.5	$7,181	41.0	$9,547
AG>JPN 265k	36.0	$7,511	38.0	$9,514
AG>CHINA 270k	40.0	$6,844	42.5	$9,203
WAFR>CHINA 260k	39.75	$9,392	42.5	$11,714
CBS>SPORE 270k	$3.10m	$10,065	$3.30m	$12,395
AG>USG/CBS>SPORE/AG	--	$11,810	--	$13,454
VLCC Average Earnings		*$8,232*		*$10,361*
SUEZMAX (13.0 Kts L/B)				
WAFR>USG 130k	65.0	$11,119	55.0	$6,159
WAFR>UKC 130k	70.0	$8,339	60.0	$3,615
BSEA>MED 140k	82.5	$9,540	85.0	$11,168
CBS>USG 150k	60.0	$8,234	62.5	$9,967
USG>UKC 130k	57.5	--	57.5	--
CBS>USG/USG>UKC/WAFR	--	$9,153	--	$9,820
AG>USG 140k	30.0	--	27.5	--
USG>SPORE 130k	$2.30m	--	$2.30m	--
AG>USG/USG>SPORE/AG	--	$10,893	--	$9,863
Suezmax Average Earnings		*$9,969*		*$7,547*
AFRAMAX (13.0 Kts L/B)				
N.SEA>UKC 80k	90.0	$(2,660)	90.0	$(2,420)
BALT>UKC 100k	67.5	$3,053	70.0	$4,823
CBS>USG 70k	100.0	$6,817	100.0	$6,730
USG>UKC 70k	85.0	--	77.5	--
CBS>USG/USG>UKC/NSEA	--	$15,860	--	$13,525
MED>MED 80k	92.5	$7,403	82.5	$3,431
AG>SPORE 70k	87.5	$6,478	87.5	$6,478
Aframax Average Earnings		*$6,661*		*$6,082*
PANAMAX (13.0 Kts L/B)				
CBS>USG 50k	110.0	$1,654	110.0	$1,654
CONT>USG 55k	100.0	$5,578	105.0	$6,796
ECU>USWC 50k	180.0	$18,723	180.0	$18,674
Panamax Average Earnings		*$5,887*		*$6,448*
LR2 (13.0 Kts L/B)				
AG>JPN 75k	85.0	$6,627	87.5	$7,313
AG>UKC 80k	$1.58m	$6,353	$1.58m	$6,267
MED>JPN 80k	$1.64m	$5,412	$.58m	$4,292
AG>UKC/MED>JPN/AG	--	$11,830	--	$11,053
LR2 Average Earnings		*$8,360*		*$8,559*
LR1 (13.0 Kts L/B)				
AG>JPN 55k	110.0	$7,963	110.0	$7,963
AG>UKC 65k	$1.44m	$7,660	$1.47m	$8,263
UKC>WAFR 60k	97.5	$1,022	92.5	$4
AG>UKC/UKC>WAFR/AG	--	$11,014	--	$10,844
LR1 Average Earnings		*$9,489*		*$9,403*
MR (13.0 Kts L/B)				
UKC>USAC 37k	155.0	$9,736	140.0	$7,236
USG>UKC 38k	90.0	$279	110.0	$3,642
USG>UKC/UKC>USAC/USG	--	$10,012	--	$11,355
USG>CBS (Pozos Colorados) 38k	$390k	$7,498	$515k	$15,916
USG>CHILE (Coronel) 38k	$1.075m	$10,780	$1.30m	$17,249
CBS>USAC 38k	125.0	$7,310	140.0	$9,988
WCIND>JPN/ROK>SPORE/WCIND	--	$11,748	--	$11,375
MR Average Earnings		*$10,349*		*$11,836*
Handy (13.0 Kts L/B)				
MED>EMED 30k	145.0	$12,695	140.0	$11,351
SPORE>JPN 30K	135.0	$4,977	132.5	$4,668
Handy Average Earnings		*$7,755*		*$7,074*

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

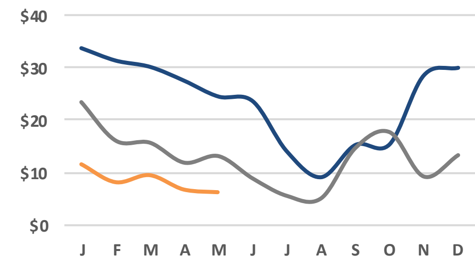
Time Charter Market *$/day (theoretical)*	**1 Year**	**3 Years**
VLCC	$21,000	$28,000
Suezmax	$16,000	$21,000
Aframax	$14,000	$17,500
Panamax	$13,000	$14,500
MR	$14,000	$15,000
Handy	$12,250	$13,500



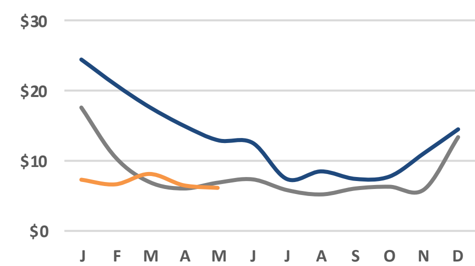
VLCC Average Earnings | **MTD Average** ~$8,969/Day | **Month y/y** ▼ -63%



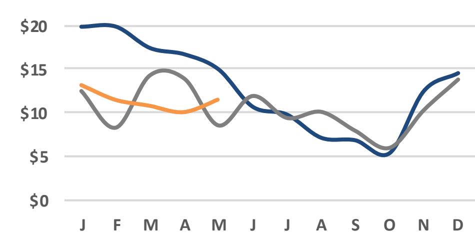
Suezmax Average Earnings | **MTD Average** ~$8,654/Day | **Month y/y** ▼ -39%



Aframax Average Earnings | **MTD Average** ~$6,233/Day | **Month y/y** ▼ -53%



Panamax Average Earnings | **MTD Average** ~$6,144/Day | **Month y/y** ▼ -10%

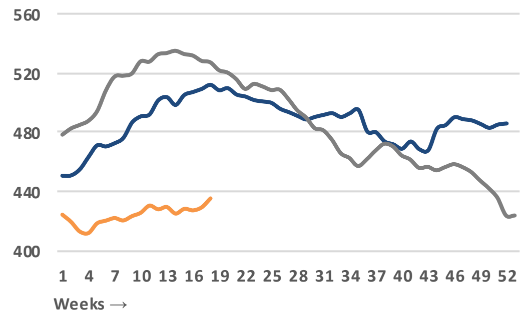


MR Average Earnings | **MTD Average** ~$11,449/Day | **Month y/y** ▲ +34%

SPOT MARKET SUMMARY

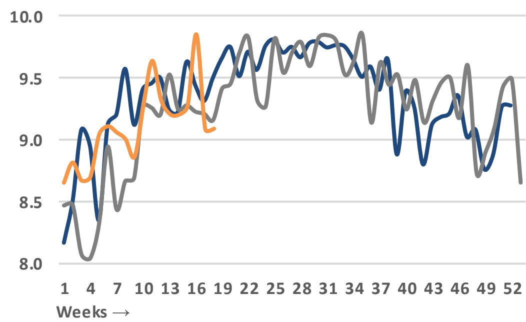
VLCC

Higher bunker prices and a modest improvement in demand trends saw rates post small gains this week. Fixture activity in the Middle East market was slower; 22 fixtures materialized versus 28 last week, though net of cargoes covered under COAs demand was improved by one. Demand in the Atlantic basin was markedly stronger on both sides. The West Africa market observed nine fixtures, unchanged from last week's tally but up from the YTD weekly average of 6. The North Sea market observed three fixtures, off by one w/w. Demand in the Atlantic Americas surged to nine this week from four last week, largely due to a record number of fixtures for US crude exports (which accounted for five of this week's tally).



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

The past three weeks of demand strength in the West Africa market and this week's activity in the Americas have largely consumed the earlier speculative ballast units from Asia; this could help to support further class-wide rate gains in the near-term. Already, the extent of surplus Middle East tonnage has declined m/m with 21 redundant units projected for the conclusion of the May program, representing a 19% reduction from the April surplus. Greater-than-expected draws on May tonnage to service West Africa demand and any fresh speculative ballasts could reduce the surplus tally to levels below 21, which is already the fewest since January. When charterers subsequently move into the June program, rates could be poised for further positive pressure on an anticipated decline in availability replenishment due to earlier ton-mile demand gains.



US Gasoline Demand (EIA)	Last Week	Week y/y
	9.090 MnB/d	▼ -0.4%

2018 2017 2016

Middle East

Rates on the AG-CHINA route added 2.5 points to conclude at ws42.5. Corresponding TCEs rose by 34% to ~$9,203/day. Rates on the AG-USG C/C route concluded unchanged at ws18. Triangulated Westbound trade earnings improved by 14% to ~$13,454/day on stronger rate assessments on onward trade routes from the Americas.

Atlantic Basin

Rates in the West Africa market followed those in the Middle East. The WAFR-CHINA route added 2.75 points to conclude at ws42.5. TCEs on the route rose by 25% to ~$11,714/day.

Rates in the Atlantic Americas rose on the fresh ex-USG demand strength that narrowed the regional supply/demand positioning. The CBS-SPORE route added $200k to conclude at $3.30m lump sum. Round trip TCEs on the CBS-SPORE route gained 23% to ~$12,395/day.

Suezmax

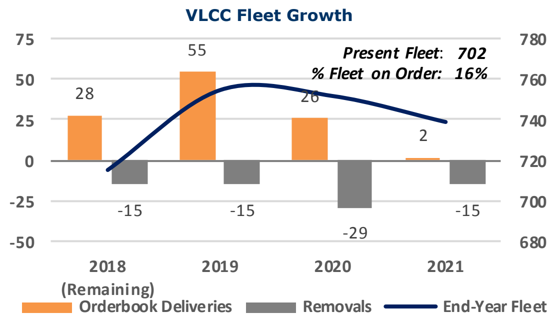
VLCCs experiencing their most active month in the West Africa market since January have trimmed May cargo availability for Suezmaxes, leading to a fresh decline in demand this week for the smaller class. Given the extent of cargo covered on the spot market thus far, expectations for the remainder of the May program's Suezmax volumes are low; this further rocked sentiment and saw Suezmax rates pare back most of last week's gains. The WAFR-UKC route shed 10 points to conclude at ws60 with corresponding TCEs falling by 57% to ~$3,615/day. At this level, however, TCEs remain well above observed YTD lows under $1,000/day, suggesting further downside could materialize during the coming week.

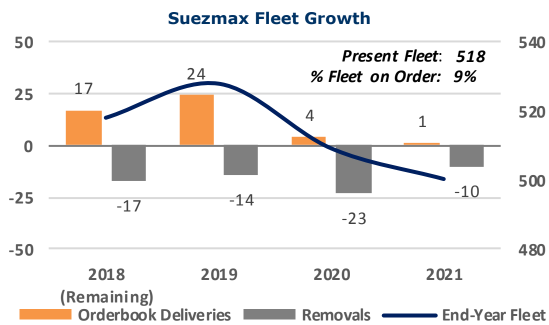
Rates in the Black Sea market were modestly higher on extensive transit delays at the Turkish straits. The BSEA-MED route added 2.5 points to conclude at ws85.

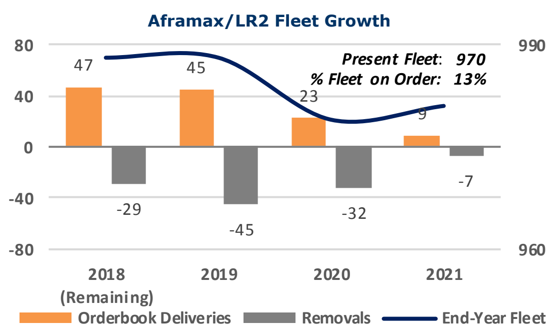
Elsewhere, despite a 63% m/m surge in demand for Suezmaxes loading cargoes on the USG during April and sustained regional demand this week, in the Americas were largely unchanged. The USG-SPORE route was unchanged at $2.30m lump sum. The CBS-USG route, however, experienced a modest 2.5-point gain to 150 x ws62.5.

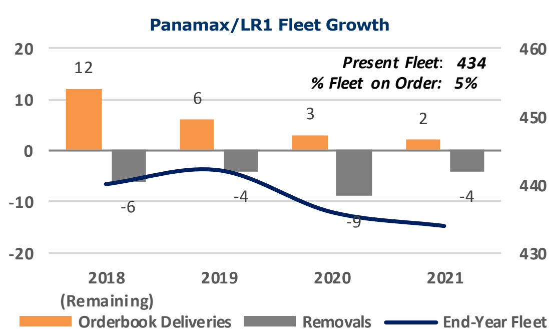
Aframax

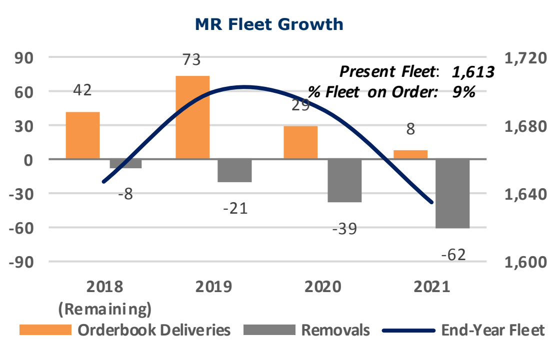
The Caribbean Aframax softened modestly early during the week but a strong run in demand saw rates rebound by the close of the week. The CBS-USG route concluded unchanged as compared with last week's close at ws100, accordingly, having eased into the high ws90s earlier. Further gains could materialize at the start of the upcoming week subject to the extent of fresh availability builds and demand levels at the start of the upcoming week.











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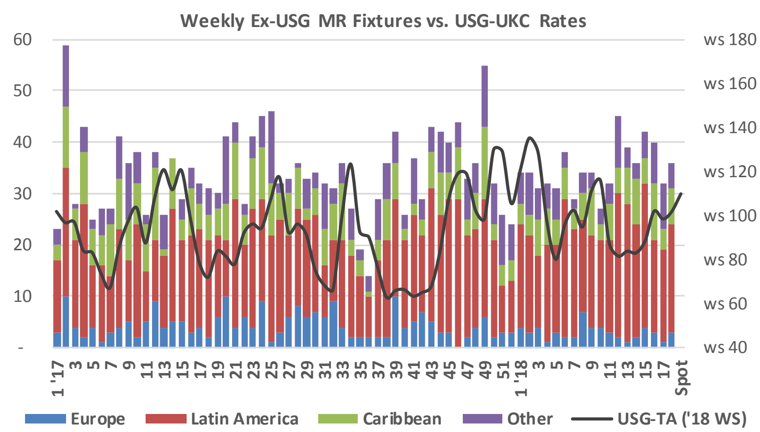
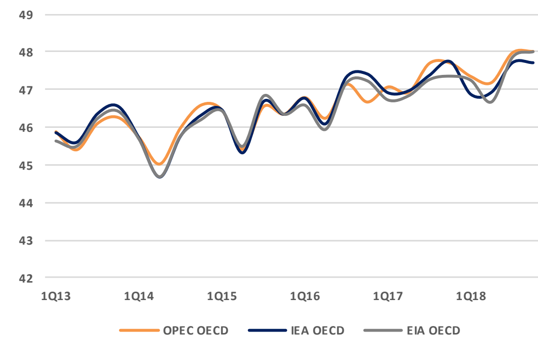
MR

Rates in the USG MR market strengthened this week on a narrowing of fundamentals which occurred during the second half of last week, which owners were able to capitalize upon this week as the pace of demand held up. There were 36 fixtures reported, representing a gain of four on last week's tally. Meanwhile, availability remained largely stable with the two-week forward view concluding unchanged from a week ago with 37 units. A tight front-end thereof exacerbated supply-side tailwinds to the benefit of rates. The USG-UKC route concluded with a 20-point gain to ws110. The USG-CBS route added $125k to conclude at $515k lump sum. Rates on the USG-CHILE route jumped $225k to conclude at $1.30m lump sum. On fundamentals, the market appears balanced relative to prevailing rates. Given the market's strong sensitivity each trading day's pace of demand, a strong or weak pace of demand at the start of the upcoming week will likely determine whether the current rally extends or fizzles. Further forward, some threat to rates could materialize from rising voyages to the USAC, which could prompt greater USAC-USG ballasts. Otherwise, directional strength between now and early July is expected on sufficient regional CPP export length and seasonal factors.

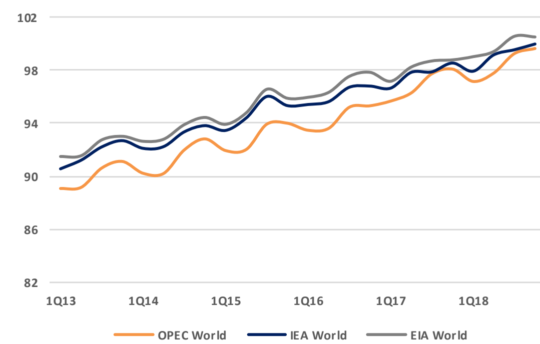


Charles R. Weber Company

Projected OECD Oil Demand (Mnb/d)



Projected World Oil Demand (Mnb/d)



REPORTED TANKER SALES

Aegea – 115,878/09 – Samsung Geoje – DH
Amorea – 115,760/09 – Samsung Geoje – DH
-Sold en bloc for $23.7m each to undisclosed Greek buyers.

HS Medea – 113,013/03 – Hyundai Samho – DH
-Sold for $9.3m to undisclosed buyers. Unit due for SS/DD 06/2018.

United Journey – 112,723/10 – SPP Tongyeong – DH
United Seas – 110,295/07 – Mitsui Chiba Ichihara – DH
-Sold for $26.1m and $20.0m, respectively, to Avin International as part of a court sale.

Gener8 Defiance – 105,538/02 – Sumitomo – DH
-Sold for $10.2m to Waruna.

REPORTED TANKER DEMOLITION SALES

Final Destination: **Bangladesh**

Kymolos – 298,324/98 – 42,773 LDT – DH
-Sold for $429/ldt.

Final Destination: **Pakistan**

New Tinos – 305,839/99 – 42,773 LDT – DH
-Sold for $442/ldt.

Final Destination: **India**

Alexia 2 – 94,603/90 – 13,734 LDT – DH
-Sold for $458/ldt basis delivery gas-free for hot works.

Final Destination: **Unknown**

Seakay Spirit – 125,133/79 – 24,414 LDT – DH – **Jones Act**
-Sold for $382/ldt basis as is, Freeport, Bahamas, plus extra payments for ~2,900 MT bunkers and lubes ROB.

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