

WEBER WEEKLY TANKER REPORT



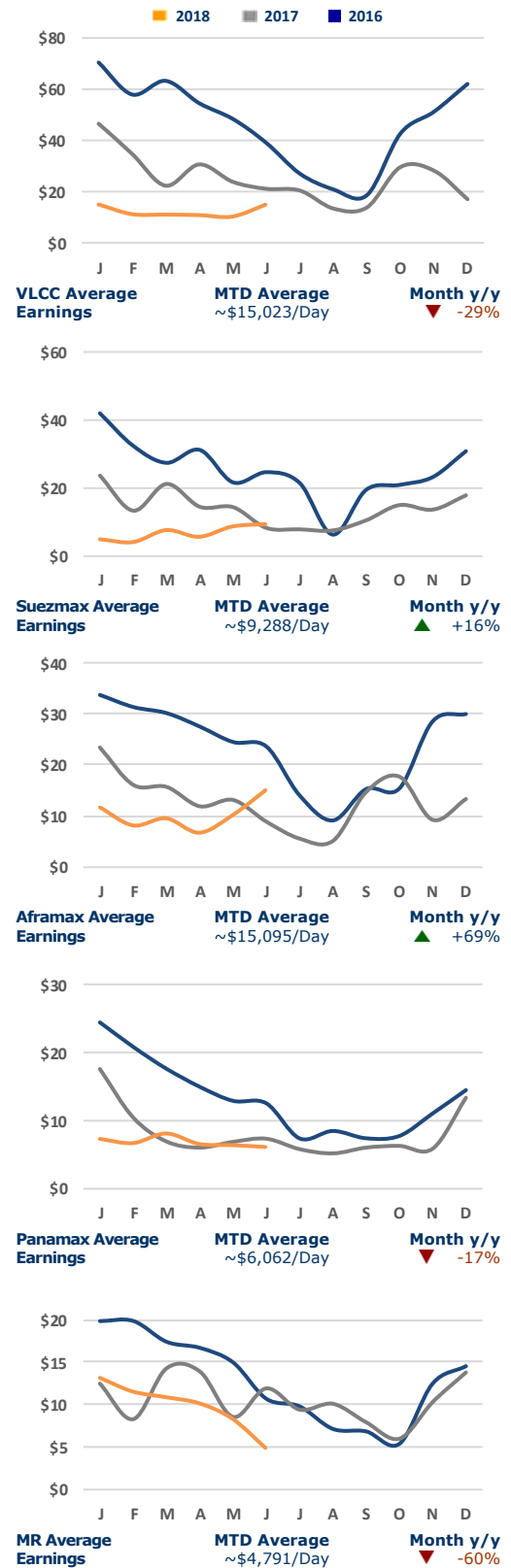
WEEK 24 – 15 JUNE 2018

ISSUE 24 – 2018

Spot Market	WS/LS	TCE	WS/LS	TCE
VLCC (13.0 Kts L/B)		8-June		15-June
AG>USG 280k	18.5	--	17.5	--
AG>SPORE 270k	48.0	\$14,014	47.5	\$13,958
AG>JPN 265k	46.0	\$15,327	45.0	\$14,752
AG>CHINA 270k	49.0	\$13,190	48.0	\$12,663
WAFR>CHINA 260k	48.0	\$14,612	48.0	\$14,972
USG>SPORE 270k	\$3.90m	\$14,013	\$3.95m	\$14,889
AG>USG/USG>SPORE/AG	--	\$19,109	--	\$19,120
<i>VLCC Average Earnings</i>		\$14,957		\$14,751
SUEZMAX (13.0 Kts L/B)				
WAFR>USG 130k	60.0	\$7,129	62.5	\$8,522
WAFR>UKC 130k	65.0	\$4,473	67.5	\$5,807
BSEA>MED 140k	87.5	\$10,754	85.0	\$9,433
CBS>USG 150k	70.0	\$13,776	70.0	\$13,884
USG>UKC 130k	55.0	--	55.0	--
CBS>USG/USG>UKC/WAFR	--	\$9,426	--	\$9,934
AG>USG 140k	27.5	--	32.5	--
USG>SPORE 130k	\$2.50m	--	\$2.50m	--
AG>USG/USG>SPORE/AG	--	\$9,147	--	\$12,050
<i>Suezmax Average Earnings</i>		\$8,154		\$8,609
AFRAMAX (13.0 Kts L/B)				
N.SEA>UKC 80k	100.0	\$3,257	110.0	\$9,595
BALT>UKC 100k	80.0	\$10,048	100.0	\$22,036
CBS>USG 70k	145.0	\$20,469	142.5	\$19,803
USG>UKC 70k	95.0	--	95.0	--
CBS>USG/USG>UKC/NSEA	--	\$25,524	--	\$24,332
MED>MED 80k	85.0	\$3,123	105.0	\$11,000
AG>SPORE 70k	95.0	\$7,260	95.0	\$7,512
<i>Aframax Average Earnings</i>		\$12,710		\$17,878
PANAMAX (13.0 Kts L/B)				
CBS>USG 50k	120.0	\$2,958	115.0	\$1,931
CONT>USG 55k	105.0	\$5,787	105.0	\$5,870
ECU>USWC 50k	170.0	\$15,878	160.0	\$14,089
<i>Panamax Average Earnings</i>		\$6,272		\$5,792
LR2 (13.0 Kts L/B)				
AG>JPN 75k	107.6	\$11,509	99.5	\$9,543
AG>UKC 80k	\$1.93m	\$11,898	\$1.90m	\$9,268
MED>JPN 80k	\$1.80m	\$6,229	\$1.81m	\$6,613
AG>UKC/MED>JPN/AG	--	\$15,654	--	\$15,694
<i>LR2 Average Earnings</i>		\$12,889		\$11,591
LR1 (13.0 Kts L/B)				
AG>JPN 55k	114.5	\$7,755	112.5	\$7,569
AG>UKC 65k	\$1.58m	\$9,288	\$1.57m	\$9,268
UKC>WAFR 60k	80.0	\$(3,392)	80.5	\$(3,132)
AG>UKC/UKC>WAFR/AG	--	\$9,821	--	\$9,916
<i>LR1 Average Earnings</i>		\$8,788		\$8,742
MR (13.0 Kts L/B)				
UKC>USAC 37k	115.0	\$2,225	107.5	\$963
USG>UKC 38k	67.5	\$(4,349)	67.5	\$(4,278)
USG>UKC/UKC>USAC/USG	--	\$2,519	--	\$1,832
USG>CBS (Pozos Colorados) 38k	\$300k	\$629	\$300k	\$708
USG>CHILE (Coronel) 38k	\$975k	\$6,991	\$975k	\$7,098
CBS>USAC 38k	110.0	\$3,838	110.0	\$3,910
WCIND>JPN/ROK>SPORE/WCIND	--	\$9,449	--	\$8,890
<i>MR Average Earnings</i>		\$4,738		\$4,215
Handy (13.0 Kts L/B)				
MED>EMED 30k	137.5	\$10,062	135.5	\$9,659
SPORE>JPN 30K	127.0	\$3,204	122.5	\$2,799
<i>Handy Average Earnings</i>		\$5,673		\$5,269

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	\$15,000	\$21,000
Aframax	\$14,000	\$17,500
Panamax	\$13,000	\$14,500
MR	\$13,000	\$15,000
Handy	\$12,000	\$13,500



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SPOT MARKET SUMMARY

VLCC

VLCC rates continued easing this week despite a fresh increase in demand as the Middle East surplus increased at the conclusion of the June program. In isolation, however, rates in the Atlantic Americas posted further gains on a sustaining of strong regional demand and a growing disconnect with natural positions. The Middle East market observed 27 fixtures, representing a 29% w/w gain. Moreover, the number of this week's fixtures covered under COAs declined, yielding a markedly more active pace. Meanwhile, draws on Middle East tonnage to the Atlantic basin remained elevated, with the West Africa marked yielding six fixtures, unchanged from last week's tally. These factors likely prevented rates from observing greater losses from a rise in available tonnage. After the May program concluded with a multiple-year high surplus of 38 units, the June program initially saw the number ease on stronger Atlantic basin draws to the West Africa and Americas markets. By the end of June's second decade had declined to 16 units but a fresh buildup has materialized at the end of the June program and we project that the month will have concluded with 25 surplus units. Though still considerably fewer than May's tally, the number is largely on par with the average during March and April, when AG-FEAST TCEs averaged ~\$10,400/day. These presently stand at an average of ~\$14,212/day. The specter draws on tonnage to the Americas could mitigate some downside in the near-term, though absent a fresh reduction of the surplus during July's first decade, we expect that rates may be poised for more substantial weakening.

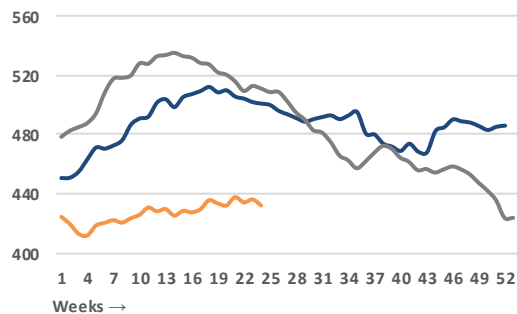
Middle East

Rates on the AG-CHINA route eased, losing one point to conclude at ws48. Corresponding TCEs were off 4% w/w to ~\$12,663/day. Rates on the AG-USG c/c route fell one point to ws17.5. Triangulated Westbound trade earnings rose 0.1% to ~\$19,120/day.

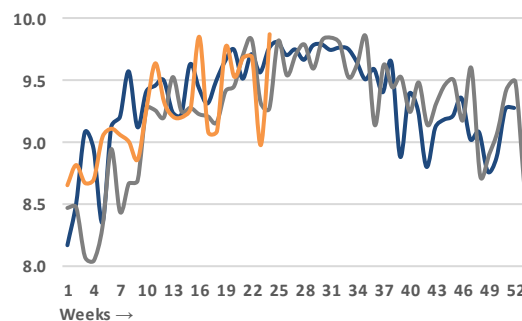
Atlantic Basin

Rates in the West Africa lagged those in the Middle East. The WAFR-CHINA route was unchanged, accordingly, at ws48. Corresponding TCEs rose 2% to ~\$14,972/day.

Rates in the Atlantic Americas rose on a strong regional demand profile and declining natural positions though by the close of the week softer Middle East rates saw Americas rates pare some of their earlier gains as speculative became more financially viable. The USG-SPORE route added \$50k to conclude at \$3.95m lump sum, having earlier reached \$4.00m lump sum.



US Crude Stocks (EIA) Last Week 432.4 MnBbls Week y/y ▼ -15.5%



US Gasoline Demand (EIA) Last Week 9.879 MnB/d Week y/y ▲ +6.6%

■ 2018 ■ 2017 ■ 2016

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Suezmax

Rates in the West Africa Suezmax market observed a modest rebound this week on the back of a fourth-consecutive week of strengthening regional demand. A total of 12 fixtures were reported – one more than last week and one more than the YTD weekly average. Rates on the WAFR-UKC route added 2.5 points to conclude at ws67.5.

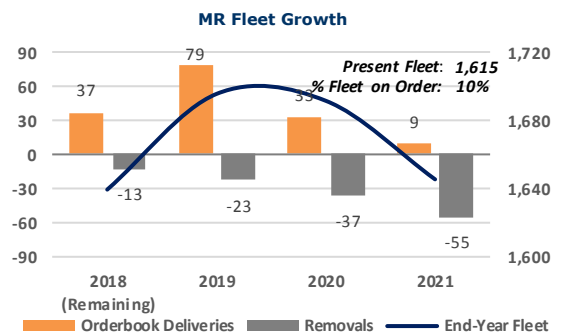
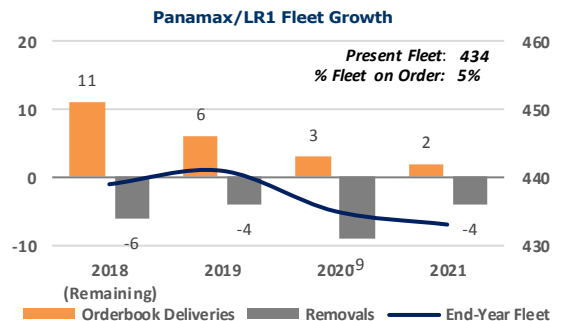
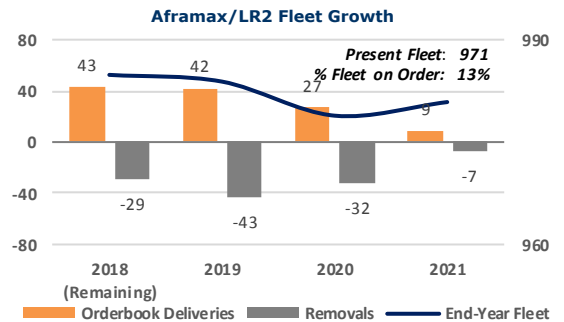
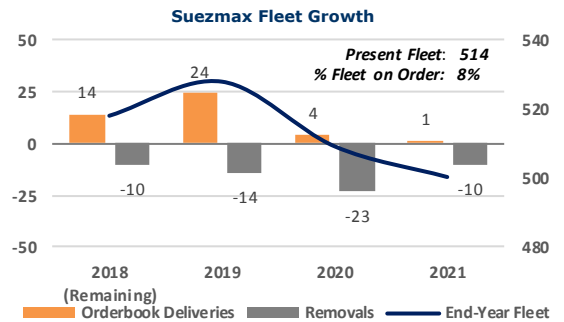
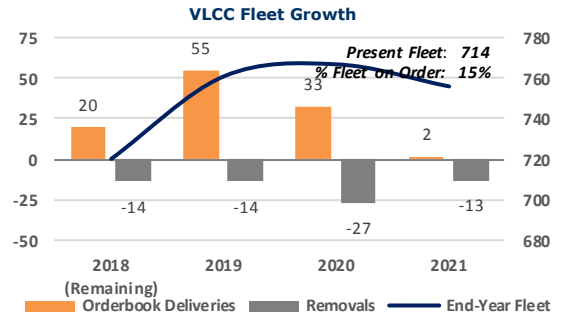
Rates in the Americas were unchanged amid sustained elevated demand. The CBS-USG route was unchanged at 150 x ws70 while the USG-UKC route held at 130 x ws55 and the USG-SPORE route was steady at \$2.50m lump sum.

Demand in the Middle East was at a three-week high, which saw rates strengthen. The AG-USG route added 5 points to conclude at ws32.5.

Aframax

The Caribbean Aframax market saw rates ease from recent highs though they remain at relative strength. The CBS-USG route shed 2.5 points to conclude at ws142.5 (basis Venezuela loading) while the USG-UKC route was unchanged at ws95. Given that this week was relatively inactive and that more units will appear on positions at the start of the upcoming week, the pace of losses may be set to accelerate. Still, the extent of extra-regional demand observed recently implies that rates will remain lofty relative to the norm observed during the first five months of this year amid slower availability replenishment.

Aframax rates in the North Sea and Baltic markets observed a strengthening this week in-line with recent ton-mile demand gains. The NSEA-UKC route added 10 points to conclude at ws110 while the BALT-UKC route jumped 20 points to ws100. Similarly, Mediterranean rates saw strong gains with the MED-MED route adding 20 points to ws105.



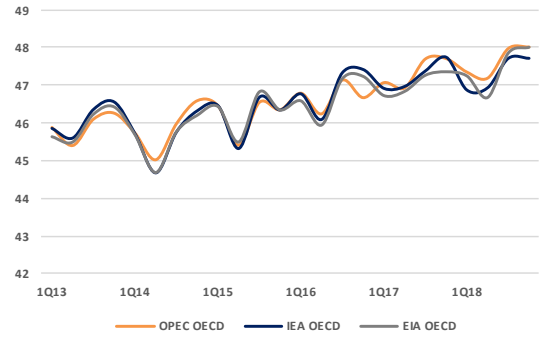
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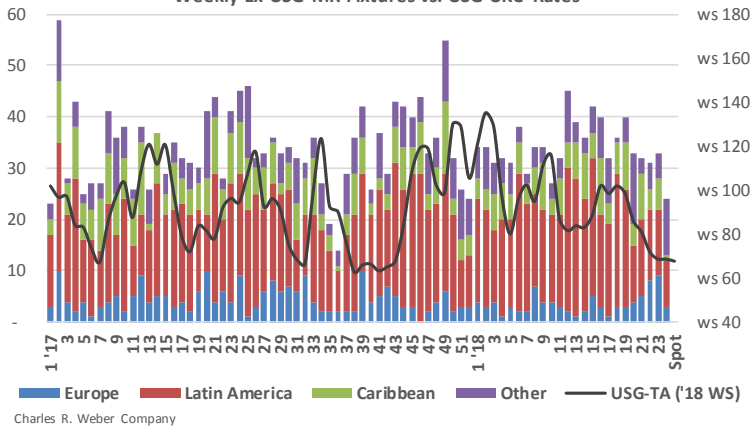
MR

The USG MR market continued to sour this week with the triangulated Atlantic TCE benchmark falling to a fresh record low. At just ~\$1,832/day, this is 8.5% below levels observed at the bottom of the post-Hurricane Harvey demand lull. This week's demand was off 27% w/w to just 24 fixtures (the fewest since the holiday's-abridged final week of 2017) which compares with a YTD weekly average of 34. Meanwhile, the two-week forward available tonnage count was up 6% w/w to 51 units (which compares with a YTD average of 43 units). Given that many of the units on position lists are prompt with more expected join the list on Monday, the chances of a rebound in rates during the upcoming week is dim. Moreover, gasoline inventories in the PADD3 region fell last week amid stronger domestic demand and although distillate inventories rose 1.9% w/w last week they remain off 21% y/y in a challenge to stronger exports. Additionally, stronger gasoline demand in the US continues to draw strong PADD1 imports with corresponding USAC arrivals contributing to the oversupply of the USG given the fact that ex-UKC TCEs are also very low.

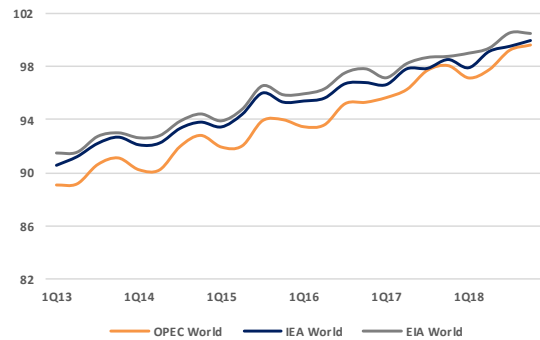
Projected OECD Oil Demand (Mnb/d)



Weekly Ex-USG MR Fixtures vs. USG-UKC Rates



Projected World Oil Demand (Mnb/d)



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REPORTED TANKER SALES

Ocean Emerald – 47,037 /00 – Onomichi– DH
-Sold on private terms to undisclosed Chinese buyers.

Aikaterini – 35,769 /01 – Daedong– DH – IMO III
-Sold for \$6.2m to Waruna.

Aegean M – 4,935 /78 – Husumer– DB
-Sold for \$1.15m to undisclosed buyers. Unit lengthened, converted from bulker 05/1998.

Fredericia – 3,600 /08 – Hangzhou Dongfeng– DH
-Sold on private terms to Monjasa Holding A/S.

REPORTED TANKER DEMOLITION SALES

Final Destination: Bangladesh

FSO Concord M – 301,345/96 – 41,653 LDT – DH
- Sold for \$448/ldt., basis as is, Singapore w/ 1000 MT bunkers.

FSO Amity Star – 291,381/93 – 39,130 LDT – DH
- Sold for \$415/ldt., basis as is, Singapore. Unit converted from tanker 12/2013.

Final Destination: India

Guru Gobind Singh – 147,495/95 – 22,323 LDT – DH
- Sold for \$423/ldt basis as is, Colombo. Unit due for DD 07/2018.

Final Destination: Unknown

New Andros – 301,620/99 – 41,601 LDT – DH
-Sold for \$448/ldt, basis as is, Khor Fakkan.

Nordic Saturn – 157,332/98– 22,689 LDT – DH
-Sold on private terms. Unit due for DD 08/2018.

Nordic Discovery – 153,328/98– 21,836 LDT – DH
-Sold on private terms. Unit due for DD 07/2018.

Nordic Voyager – 149,591/96– 26,646 LDT – DH
-Sold on private terms.

Cap Jean – 146,643 /98 – 24,910 LDT – DH
-Sold for \$425.5/ldt.



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