

WEBER WEEKLY TANKER REPORT



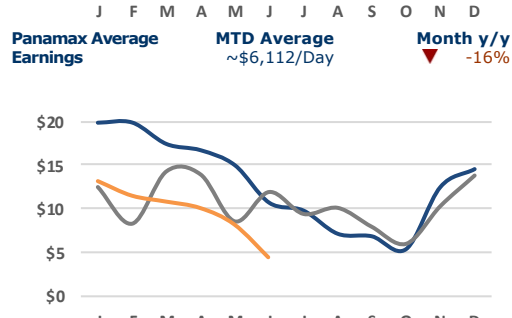
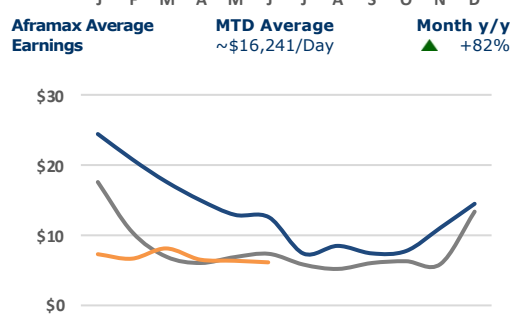
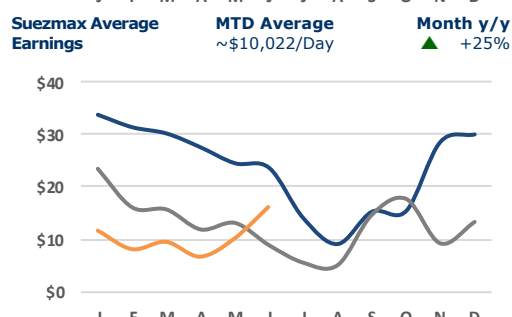
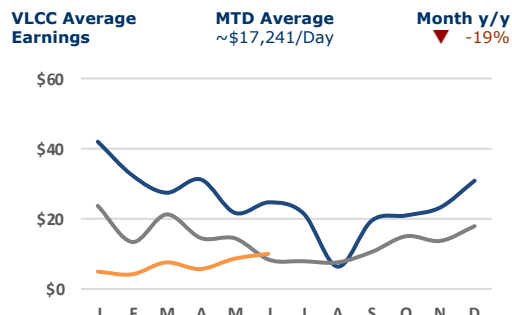
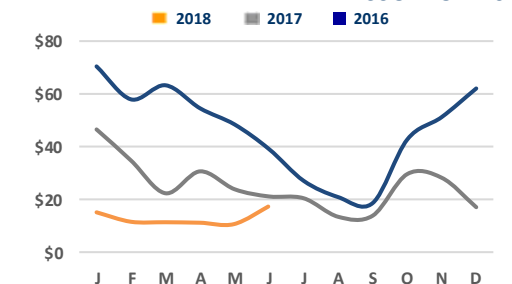
WEEK 25 – 22 June 2018

ISSUE 25 – 2018

Spot Market	WS/LS	TCE	WS/LS	TCE
VLCC (13.0 Kts L/B)				
	15-June		22-June	
AG>USG 280k	17.5	--	24.0	--
AG>SPORE 270k	47.5	\$13,958	55.0	\$21,141
AG>JPN 265k	45.0	\$14,752	53.0	\$22,807
AG>CHINA 270k	48.0	\$12,663	55.5	\$20,499
WAFR>CHINA 260k	48.0	\$14,972	55.0	\$22,328
USG>SPORE 270k	\$3.95m	\$14,889	\$4.0m	\$15,716
AG>USG/USG>SPORE/AG	--	\$19,120	--	\$25,058
VLCC Average Earnings		\$14,751		\$22,126
SUEZMAX (13.0 Kts L/B)				
WAFR>USG 130k	62.5	\$8,522	67.5	\$11,322
WAFR>UKC 130k	67.5	\$5,807	72.5	\$8,534
BSEA>MED 140k	85.0	\$9,433	85.0	\$10,777
CBS>USG 150k	70.0	\$13,884	70.0	\$14,333
USG>UKC 130k	55.0	--	57.5	--
CBS>USG/USG>UKC/WAFR	--	\$9,934	--	\$12,042
AG>USG 140k	32.5	--	35.0	--
USG>SPORE 130k	\$2.50m	--	\$2.45m	--
AG>USG/USG>SPORE/AG	--	\$12,050	--	\$12,781
Suezmax Average Earnings		\$8,609		\$10,862
AFRAMEX (13.0 Kts L/B)				
N.SEA>UKC 80k	110.0	\$9,595	105.0	\$9,533
BALT>UKC 100k	100.0	\$22,036	92.5	\$20,389
CBS>USG 70k	142.5	\$19,803	145.0	\$20,570
USG>UKC 70k	95.0	--	100.0	--
CBS>USG/USG>UKC/NSEA	--	\$24,332	--	\$27,525
MED>MED 80k	105.0	\$11,000	85.0	\$3,155
AG>SPORE 70k	95.0	\$7,512	95.0	\$7,625
Aframax Average Earnings		\$17,878		\$16,631
PANAMAX (13.0 Kts L/B)				
CBS>USG 50k	115.0	\$1,931	115.0	\$2,216
CONT>USG 55k	105.0	\$5,870	105.0	\$6,185
ECU>USWC 50k	160.0	\$14,089	160.0	\$14,438
Panamax Average Earnings		\$5,792		\$6,186
LR2 (13.0 Kts L/B)				
AG>JPN 75k	99.5	\$9,543	100.0	\$9,723
AG>UKC 80k	\$1.90m	\$9,268	\$1.85m	\$10,877
MED>JPN 80k	\$1.81m	\$6,613	\$1.73m	\$5,464
AG>UKC/MED>JPN/AG	--	\$15,694	--	\$14,517
LR2 Average Earnings		\$11,591		\$11,320
LR1 (13.0 Kts L/B)				
AG>JPN 55k	112.5	\$7,569	120.0	\$9,114
AG>UKC 65k	\$1.57m	\$9,268	\$1.64m	\$11,023
UKC>WAFR 60k	80.5	\$(3,132)	79.0	\$(3,338)
AG>UKC/UKC>WAFR/AG	--	\$9,916	--	\$10,955
LR1 Average Earnings		\$8,742		\$10,035
MR (13.0 Kts L/B)				
UKC>USAC 37k	107.5	\$963	100.0	\$427
USG>UKC 38k	67.5	\$(4,278)	67.5	\$(3,732)
USG>UKC/UKC>USAC/USG	--	\$1,832	--	\$1,802
USG>CBS (Pozos Colorados) 38k	\$300k	\$708	\$290k	\$403
USG>CHILE (Coronel) 38k	\$975k	\$7,098	\$975k	\$7,438
CBS>USAC 38k	110.0	\$3,910	111.0	\$4,711
WCIND>JPN/ROK>SPORE/WCIND	--	\$8,890	--	\$6,999
MR Average Earnings		\$4,215		\$3,700
Handy (13.0 Kts L/B)				
MED>EMED 30k	135.5	\$9,659	135.5	\$10,216
SPORE>JPN 30k	122.5	\$2,799	120	\$2,917
Handy Average Earnings		\$5,269		\$5,545

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 rallied strongly this week on a strong concentration of demand at the start of the week that coincided with the return of some participants to the market following the Eid holiday. This burst of demand coincided with strong draws on Middle East positions to service West Africa demand, making the market appear even more robust. Moreover, though the overall availability profile remained widely in excess of demand, the number of competitive units became markedly tighter, leading to a wider rate spread between competitive and disadvantaged units. Overall, the Middle East fixture tally was not greatly changed from last week: 28 fixtures were reported, representing a weekly gain of one. In the West Africa market, the tally remained lofty with seven fixtures representing a weekly gain of one but also representing a two-month high. Elsewhere, demand in the Atlantic Americas collapsed this week with just two fixtures reported – and no fixtures to service US crude exports materializing. This follows an earlier trend of charterers reaching farther forward on dates than normal, which would be expected to yield fewer cargoes on a normalization thereof, though uncertainty surrounds forward demand for US crude from Chinese buyers following plans announced by Beijing last week to apply a 25% tariff on US crude oil, following similar action from Washington. Though no firm sanctions have been applied, the absence of VLCC fixtures for USG loading this week is being seen by some participants as ominous.

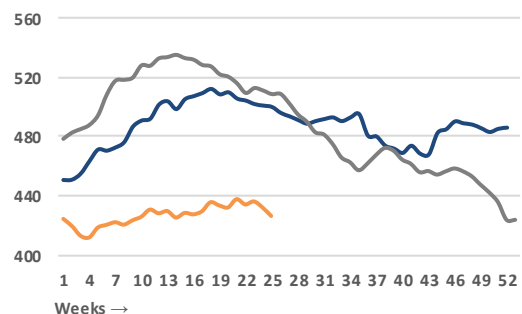
Though the supply/demand position has improved over the past month, the fundamentals positioning suggests that this week's rate gains are out of step. We note that there are 20 surplus units projected for the conclusion of July's first decade. Though down from the 24 surplus units observed at the conclusion of the June program (and well off from the 38 surplus units seen at the conclusion of the May program), a lower surplus of 16 units was observed briefly during June's second decade. Historically, a 20-unit surplus has guided AG-FEAST TCEs to about \$15,000/day; these routes are presently averaging ~\$24,604/day. Indeed, the market concludes the week at a standoff and while positive pressure remains, a pause by charterers late this week may hasten a correction.

Middle East

Rates on the AG-CHINA route rose 7.5 points to conclude at ws55.5. Corresponding TCEs surged 62% to conclude at ~\$20,499/day. Rates on the AG-USG c/c route added 6.5 points to conclude at ws24. Triangulated Westbound trade earnings rose by 31% to ~\$25,042/day.

Atlantic Basin

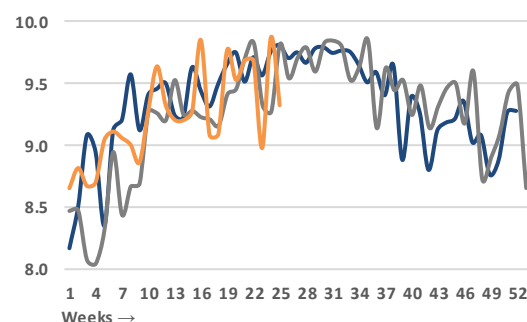
Rates in the West Africa market followed those in the Middle East. The WAFR-CHINA route added seven points to conclude at ws55. Corresponding TCEs jumped 49% to ~\$22,328/day. Rates in the Atlantic Americas remained firm on the wider improvement of VLCC sentiment. The USG-SPORE route added \$50k to conclude at \$4.0m lump sum.



US Crude Stocks (EIA)

Last Week
435.5 MnBbls

Week y/y
▼ -14.8%



US Gasoline Demand (EIA)

Last Week
9.689 MnB/d

Week y/y
▼ -1.4%

■ 2018 ■ 2017 ■ 2016

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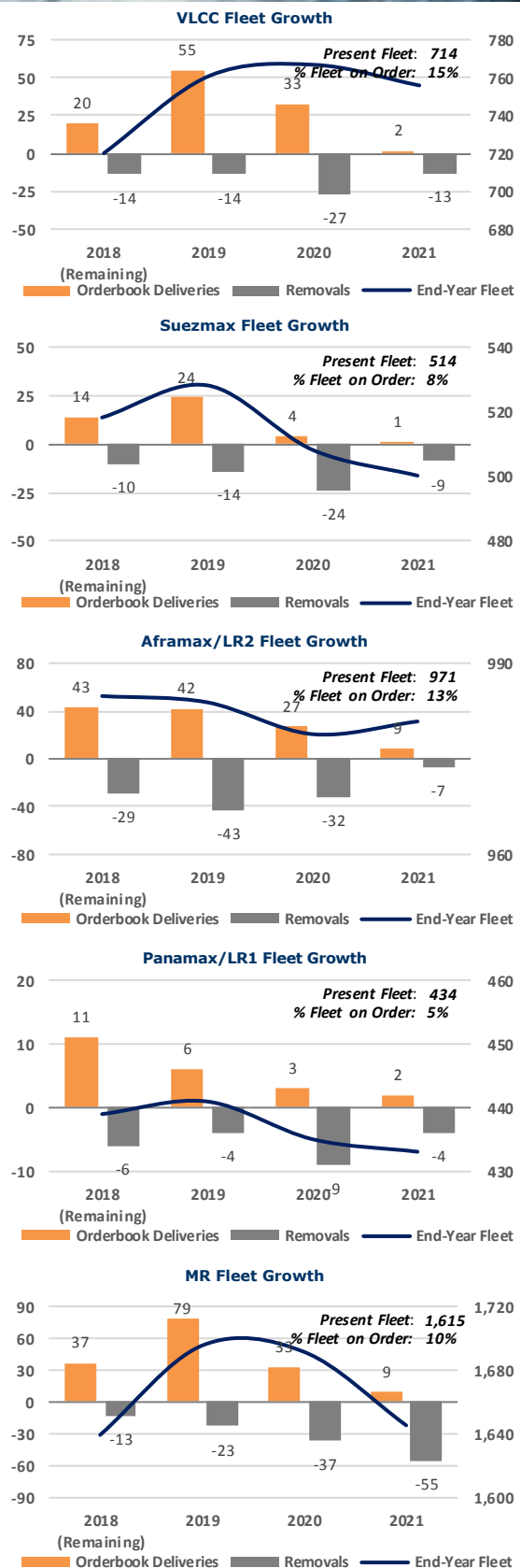


Suezmax

The West Africa Suezmax market remained at strength through the first half of the week on a sustained elevated pace of demand. During the balance of the week, however, fresh inquiry eased, leading to a paring of the earlier gains. The WAFR-UKC route ultimately concluded with a 5-point gain to ws72.5. Failing a rebound in demand at the start of the upcoming week, rates appear poised for further easing.

Aframax

The Caribbean Aframax market remained strong this week on sustained demand and low availability replenishment, in line with the increase in recent weeks of demand for voyages away from the region. The CBS-USG route added 2.5 points to conclude at ws145 while the USG-UKC route added 5 points to ws100. Slow demand on Friday and a probable rise in availability at the start of the upcoming week could see rates start to erode, failing a notable fresh increase in demand.



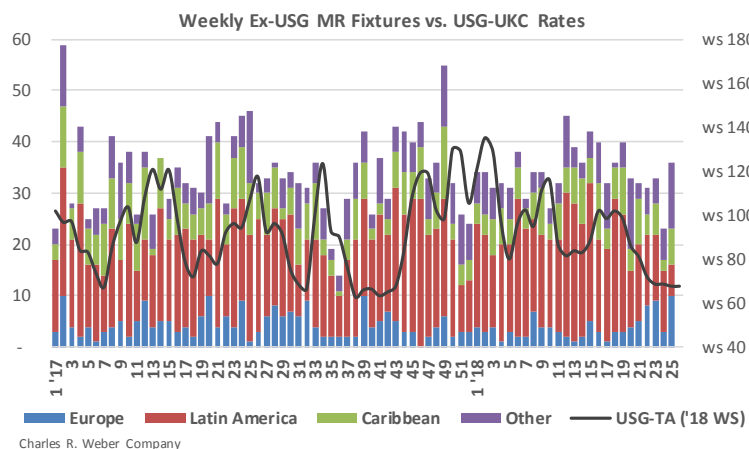
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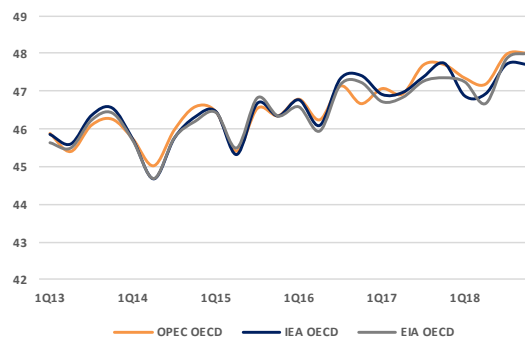


MR

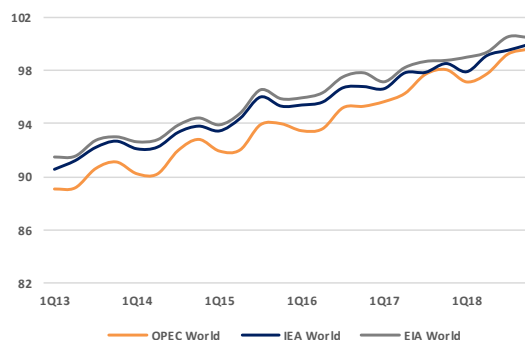
Atlantic basin MR earnings tested fresh record lows this week with rates in the USG remaining unchanged at moribund levels while the UKC market was guided down on softer TA demand and higher availability. Simultaneously, the USG market could be poised for a reversal in the coming week with rates appearing poised – albeit tenuously – for at least a modest improvement. There were 36 fixtures this week, representing a rise of 57% from last week's YTD low. Among these are 10 voyages to Europe, or the most in any week since September. Though the pricing factors were not notionally supportive of such voyages, cargo holders appeared to be more interesting in such movements than to alternative destinations. A rise in PADD3 distillate inventories towards the five-year range and resurgent regional refinery utilization rates and distillate production likely helped to facilitate these voyages in no small part. Indeed, PADD3 refinery utilization last week at 97.1% represents a strong furthering of the rebound from May's lows, marking five consecutive weeks of gains and a YTD high. The rise in USG MR demand has moderated regional availability; there are 45 units showing availability on a two-week forward basis, marking a 12% w/w decline and the fewest units in six weeks. Though some fresh units will likely appear on positions at the start of the upcoming week, a return to the extreme oversupply levels of a week ago appear unlikely against declining USAC arrivals and further expected demand gains. By mid-week, these factors could support the commencement of a rebound in rates.



Projected OECD Oil Demand (Mnb/d)



Projected World Oil Demand (Mnb/d)



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REPORTED TANKER SALES

Krasnodar – 115,605/03 – Hyundai Ulsan– DH

-Sold for \$9.3m to Horizon Tankers. Unit due for SS 08/2018 - Coils inoperable.

Sentosa River – 115,146/08 – Sasebo– DH

-Sold for \$19.5m to Bergshav Management. Unit due for SS/DD 10/2018.

Sigma Integrity – 105,291/09 – Hyundai Ulsan– DH

-Sold for \$20.5m to undisclosed buyers.

Biendong Melody – 45,937/04 – Shin Kurushima Onishi – DH

-Sold for \$9.0m to undisclosed buyers.

Iver Exporter – 45,683/00 – Samho – DH

-Sold for \$7.5m to Ind-Aust Maritime.

Conti Guinea – 37,554/08 – Hyundai Mipo– DH

-Sold for \$12.5m to Atlantica. Bank sale.

Chembulk Shanghai – 20,583/00 – Fukuoka– DH – IMO II

-Sold for \$7.8m to undisclosed buyers.

London Trader – 13,097/07 – Sekwang – DH – IMO II

-Sold for \$8.05m to undisclosed Singapore-based buyers..

REPORTED TANKER DEMOLITION SALES

There are no reported tanker demolition sales for week 25.



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