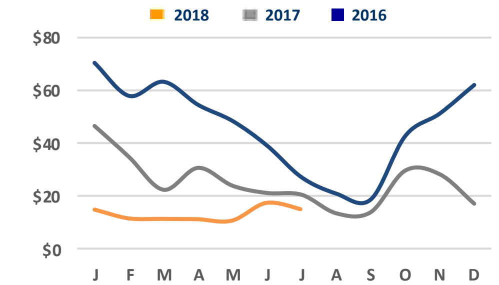
WEBER WEEKLY TANKER REPORT

WEEK 28 – 13 July 2018 | **ISSUE 28– 2018**

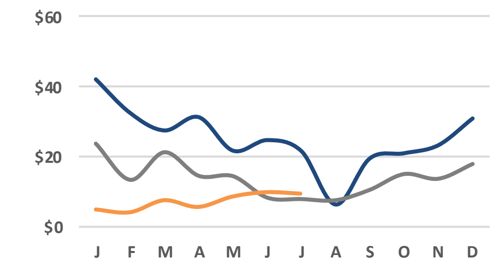
Spot Market	WS/LS	TCE	WS/LS	TCE
VLCC (13.0 Kts L/B)	**6-July**		**13-July**	
AG>USG 280k	22.0	--	20.0	--
AG>SPORE 270k	50.0	$15,153	47.5	$13,448
AG>JPN 265k	48.5	$17,024	45.0	$14,192
AG>CHINA 270k	51.0	$14,948	49.0	$13,693
WAFR>CHINA 260k	51.0	$16,872	49.0	$15,948
USG>SPORE 270k	$3.45m	$7,979	$3.30m	$7,318
AG>USG/USG>SPORE/AG	--	$16,565	--	$14,670
VLCC Average Earnings		*$16,103*		*$14,259*
SUEZMAX (13.0 Kts L/B)				
WAFR>USG 130k	67.5	$10,151	67.5	$9,779
WAFR>UKC 130k	72.5	$7,403	69.0	$6,473
BSEA>MED 140k	85.0	$9,505	87.5	$11,712
CBS>USG 150k	75.0	$16,715	75.0	$17,422
USG>UKC 130k	52.5	--	52.5	--
CBS>USG/USG>UKC/WAFR	--	$12,288	--	$9,996
AG>USG 140k	35.0	--	32.5	--
USG>SPORE 130k	$2.5m	--	$2.40m	--
AG>USG/USG>SPORE/AG	--	$12,005	--	$10,948
Suezmax Average Earnings		*$9,905*		*$9,806*
AFRAMAX (13.0 Kts L/B)				
N.SEA>UKC 80k	112.5	$13,715	122.5	$20,745
BALT>UKC 100k	85.0	$15,141	95.0	$21,807
CBS>USG 70k	115.0	$9,644	105.0	$6,883
USG>UKC 70k	82.5	--	77.5	--
CBS>USG/USG>UKC/NSEA	--	$16,038	--	$13,358
MED>MED 80k	85.0	$2,196	135.0	$21,923
AG>SPORE 70k	100.0	$8,254	100.0	$8,651
Aframax Average Earnings		*$11,310*		*$16,219*
PANAMAX (13.0 Kts L/B)				
CBS>USG 50k	112.5	$969	115.0	$1,974
CONT>USG 55k	105.0	$5,399	100.0	$4,690
ECU>USWC 50k	160.0	$13,018	160.0	$12,878
Panamax Average Earnings		*$5,130*		*$5,206*
LR2 (13.0 Kts L/B)				
AG>JPN 75k	101.5	$9,366	104.5	$10,591
AG>UKC 80k	$1.78m	$8,469	$2.00m	$13,442
MED>JPN 80k	$1. 68m	$3,728	$1,67m	$4,212
AG>UKC/MED>JPN/AG	--	$12,299	--	$15,115
LR2 Average Earnings		*$10,343*		*$12,098*
LR1 (13.0 Kts L/B)				
AG>JPN 55k	120.0	$8,465	119.5	$8,705
AG>UKC 65k	$1.68m	$10,812	$1.66m	$11,033
UKC>WAFR 60k	75.0	$(4,914)	75.5	$(4,330)
AG>UKC/UKC>WAFR/AG	--	$10,104	--	$10,466
LR1 Average Earnings		*$9,285*		*$9,585*
MR (13.0 Kts L/B)				
UKC>USAC 37k	105.0	$693	100.0	$257
USG>UKC 38k	90.0	$(577)	85.0	$(1,007)
USG>UKC/UKC>USAC/USG	--	$4,753	--	$4,003
USG>CBS (Pozos Colorados) 38k	$375k	$5,557	$375k	$5,927
USG>CHILE (Coronel) 38k	$1.10m	$8,980	$1.00m	$7,914
CBS>USAC 38k	117.5	$5,291	117.5	$5,667
WCIND>JPN/ROK>SPORE/WCIND	--	$8,415	--	$11,372
MR Average Earnings		*$5,563*		*$5,637*
Handy (13.0 Kts L/B)				
MED>EMED 30k	130.0	$8,328	130.0	$8,607
SPORE>JPN 30K	128.0	$3,459	130.0	$3,941
Handy Average Earnings		*$5,212*		*$5,621*

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

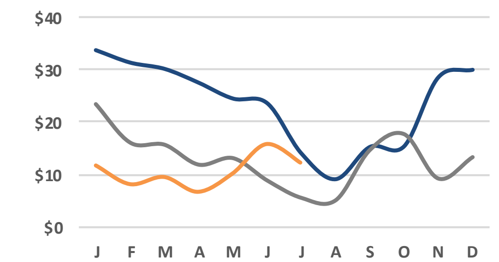
Time Charter Market *$/day (theoretical)*	**1 Year**	**3 Years**
VLCC	$26,000	$30,000
Suezmax	$17,000	$21,000
Aframax	$15,500	$18,500
Panamax	$12,500	$14,500
MR	$13,000	$15,000
Handy	$11,500	$13,000



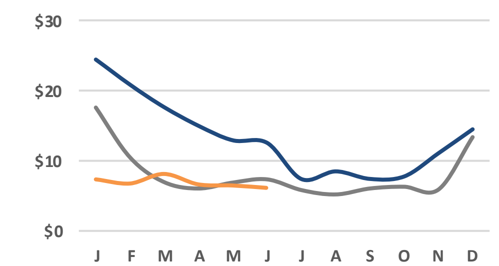
VLCC Average Earnings | **MTD Average** ~$15,295/Day | **Month y/y** ▼ -26%



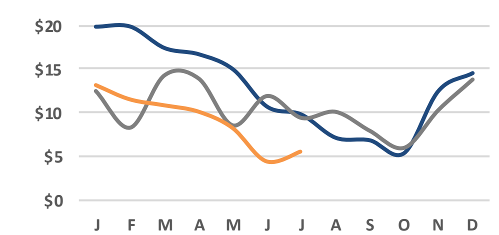
Suezmax Average Earnings | **MTD Average** ~$9,440/Day | **Month y/y** ▲ +24%



Aframax Average Earnings | **MTD Average** ~$12,314/Day | **Month y/y** ▲ +120%



Panamax Average Earnings | **MTD Average** ~$5,186/Day | **Month y/y** ▼ -10%



MR Average Earnings | **MTD Average** ~$5,497/Day | **Month y/y** ▼ -42%

WEBER WEEKLY TANKER REPORT

SPOT MARKET SUMMARY

VLCC

Demand was muted across all key global VLCC markets this week, leading to a moderate softening of rates amid a corresponding rise in surplus availability. The Middle East market yielded 25 fixtures, off 39% w/w while demand in the West Africa market was off by five fixtures to just three this week and the Atlantic Americas observed three fixtures, or one fewer than last week's tally. Stronger sentiment at the start of the week on the back of last week's strong pace of demand in the Middle East and West Africa markets likely limited rate losses this week. Meanwhile, some benchmark routes are largely untested since mid-week for requirements on normalized terms, which suggests that further losses could materialize when retested. Simultaneously, a degree of uncertainty remains around the extent of remaining July cargoes; thus far, the tally stands at 131, which compares with June's tally of 136 and a 1H18 average of 130. Higher supply from regional OPEC producers would suggest a stronger July program, though the stronger apparent June supply possibly implies that the group's upwardly revised targets are an affirmation of an increase that has already transpired. A reasonable expectation of five further July cargoes would yield an end-July Middle East surplus of 27 units, once draws to West Africa are accounted for. This compares with 20 surplus units observed at the conclusion of the first and second decades of the July program and 24 units observed at the conclusion of the June program.

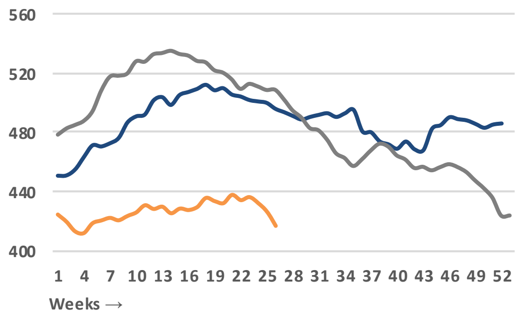
Middle East

Rates on the AG-CHINA route concluded off two points to ws51, with corresponding TCEs off 8% to ~$13,693/day. Rates on the AG-USG c/c route were off 2 points to ws20. Triangulated Westbound trade earnings fell 11% to ~$14,670/day.

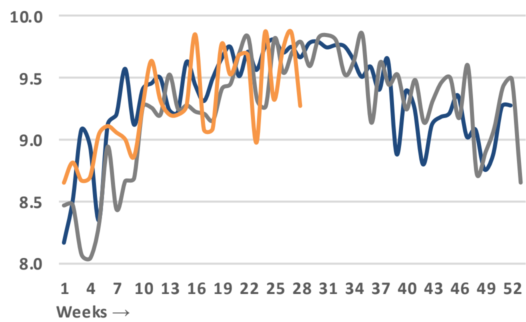
Atlantic Basin

Rates in the West Africa market followed those in the Middle East. The WAFR-CHINA route shed two points to conclude at ws49. Corresponding TCEs were off 5% to ~$15,527/day.

Rates in the Atlantic Americas declined to a two-month low on sluggish regional demand and rising supply/demand imbalance. The USG-SPORE route shed $150k to conclude at $3.30m lump sum. As inquiry remains muted, further rate losses could materialize during the upcoming week.



US Crude Stocks (EIA)	**Last Week** 405.2 MnBbls	**Week y/y** ▼ -18.2%



US Gasoline Demand (EIA)	**Last Week** 9.275 MnB/d	**Week y/y** ▼ -5.2%

2018 2017 2016

Suezmax

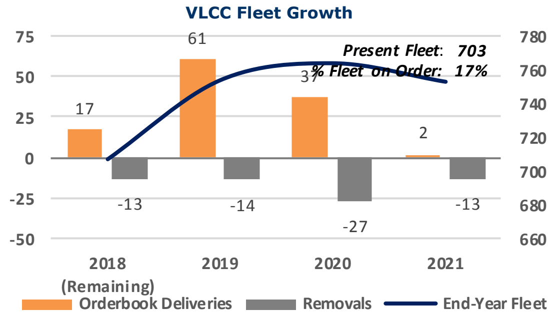
Softer demand in the West Africa Suezmax market saw rates slip modestly. A total of 12 fixtures were reported, or five fewer than last week. Meanwhile, availability remained ample. The WAFR-UKC route shed 3.5 points to conclude at ws69. Meanwhile, the Black Sea market was more active this week leading to a small gain in rates there. The BSEA-MED route added 2.5 points to conclude at ws87.5.

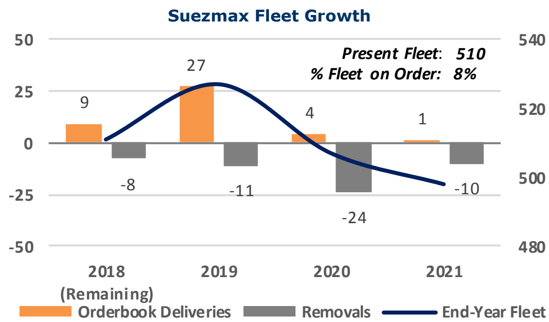
In the Americas, rates on the CBS-USG route were steady at 150 x ws75 as were those on the USG-UKC route at ws52.5. Rates on the USG-SPORE route shed $50k to conclude at $2.40m lump sum.

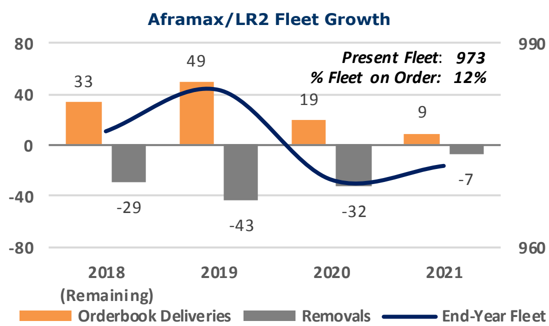
Aframax

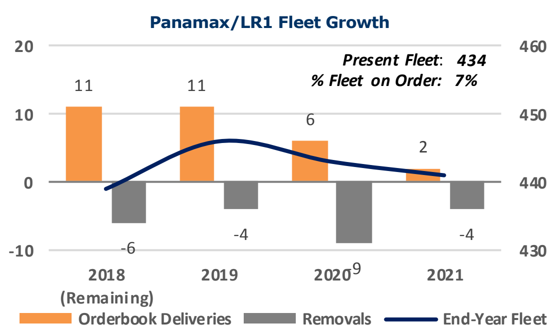
Rates in the Caribbean Aframax market continued to correct this week, with the trend accelerated by a number of failed fixtures early during the week and a lull in inquiry throughout. Just nine reported fixtures materialized, off by a third from last-week's tally and 44% fewer than the YTD weekly average. The CBS-USG route shed 10 points to conclude at ws105 while the USG-UKC route lost five points to conclude at ws77.5.

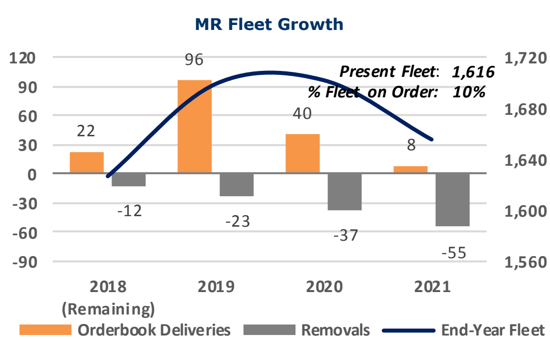
Meanwhile, a fresh strengthening in demand in European markets saw rates on key routes there surge. The NSEA-UKC route added 10 points to conclude at ws122.5. In the Mediterranean market, steady elevated demand for Ceyhan loadings were augmented this week by a number of Black Sea cargoes, which drew on Mediterranean tonnage, due to the smaller class' $/mt discount. The MED-MED route added 50 points to conclude at ws135 (with TCEs rallying from ~$2,196/day a week ago to ~$21,923/day presently).





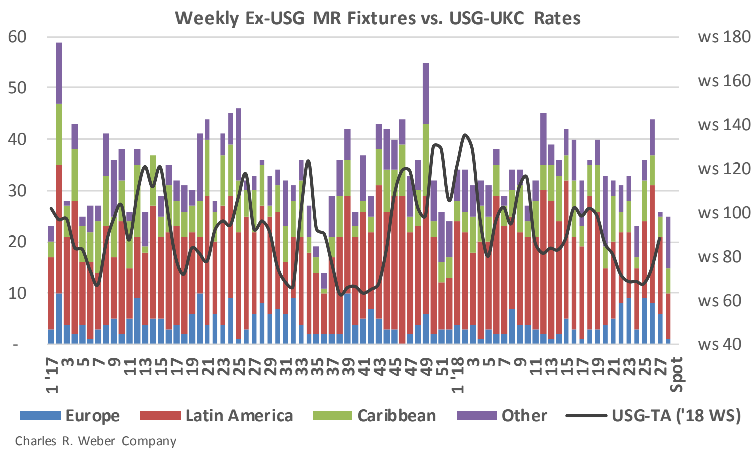


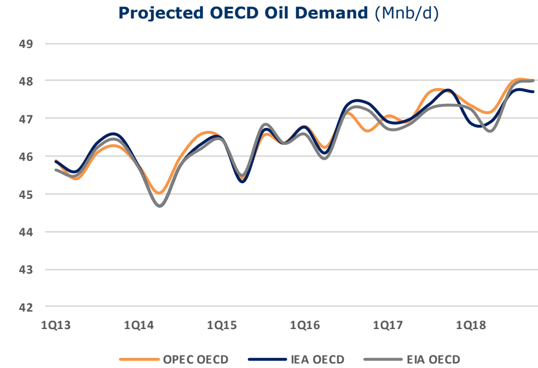


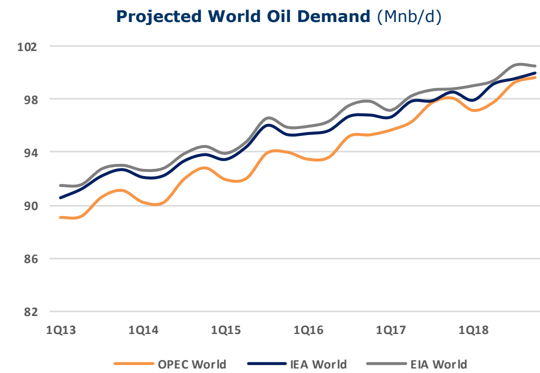


MR

The USG MR market commenced the week with a surge in available tonnage, which was followed by a second-consecutive week of sluggish demand, resulting in a clawing back of owners' earlier hard-earned gains. Following recent – and considerable – demand strength for voyages to Europe, inquiry for these voyages fizzled this week with just one reported (the June weekly average, by contrast, was seven). This likely factored into the softer demand and augmented challenges for trades into such usual receivers of USG product exports as Brazil, Mexico. Just 25 fixtures were reported this week, off by one from last week's tally and over a quarter less than the YTD weekly average. Rates on the USG-UKC route shed five points to conclude at ws85. The USG-CBS route was steady at $375k lump sum while the USG-CHILE route was off $100k to $1.0m lump sum. Rates for voyages that reposition tonnage away from the Atlantic basin will likely continue to see a softening, given the generally sour summer market in the region. Aiding this trend is the fact that rates in Asian markets have surged recently, with triangulated trades there yielding ~$11,372/day, which compares with ~$4,003/day for triangulated Atlantic trades and average global earnings of ~$5,637/day. Two-week forward USG availability stands at 45 units, or one more than last week. A long list of units freeing on the USAC are included in this tally, given an apparent disinterest in return ballasts to Europe.







REPORTED TANKER SALES

Iver Experience – 45,650/00 – Samho – DH – IMO II
-Sold for $7.0m to undisclosed buyers.

Andreas – 35,966/99 – Daedong – DH – IMO III
-Sold for $5.8m to undisclosed buyers.

Ping An – 16,872/10 – Zhejiang Friendship – DH – IMO II
-Sold for $9.2m to undisclosed Indonesian buyers.

REPORTED TANKER DEMOLITION SALES

Final Destination: **Unknown**

Pafos – 41,354/93 – 10,022 LDT – DH
-Sold on private terms.

Final Destination: **Bangladesh**

Aim – 3,911/87 – 1,872 LDT – DH
-Sold for $400/ldt.

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