

WEBER WEEKLY TANKER REPORT



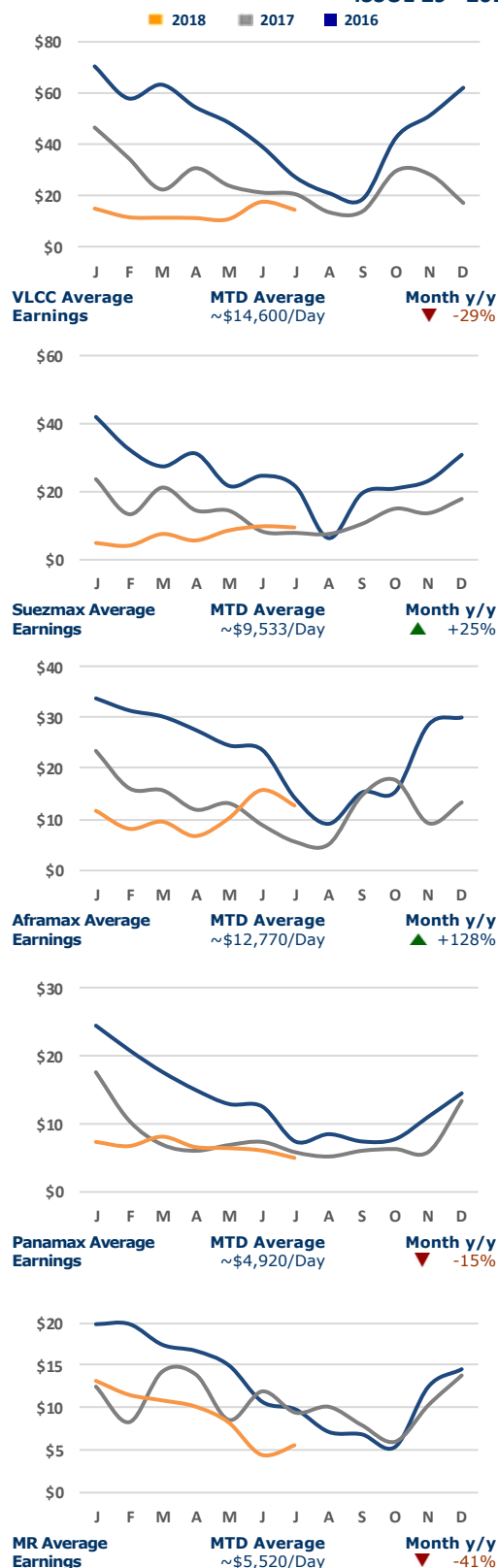
WEEK 29 – 20 July 2018

ISSUE 29– 2018

Spot Market	WS/LS	TCE	WS/LS	TCE
VLCC (13.0 Kts L/B)		13-July		20-July
AG>USG 280k	20.0	--	21.0	--
AG>SPORE 270k	47.5	\$13,448	49.0	\$14,629
AG>JPN 265k	45.0	\$14,192	46.0	\$14,950
AG>CHINA 270k	49.0	\$13,693	50.0	\$14,411
WAFR>CHINA 260k	49.0	\$15,948	47.0	\$14,421
USG>SPORE 270k	\$3.30m	\$7,318	\$3.30m	\$7,681
AG>USG/USG>SPORE/AG	--	\$14,670	--	\$15,857
VLCC Average Earnings		\$14,259		\$14,672
SUEZMAX (13.0 Kts L/B)				
WAFR>USG 130k	65.0	\$9,779	65.0	\$9,878
WAFR>UKC 130k	69.0	\$6,473	70.0	\$7,184
BSEA>MED 140k	87.5	\$11,712	85.0	\$10,778
CBS>USG 150k	75.0	\$17,422	70.0	\$14,197
USG>UKC 130k	52.5	--	52.5	--
CBS>USG/USG>UKC/WAFR	--	\$9,996	--	\$8,904
AG>USG 140k	32.5	--	32.5	--
USG>SPORE 130k	\$2.40m	--	\$2.40m	--
AG>USG/USG>SPORE/AG	--	\$10,948	--	\$11,209
Suezmax Average Earnings		\$9,806		\$9,692
AFRAMEX (13.0 Kts L/B)				
N.SEA>UKC 80k	122.5	\$20,745	120.0	\$19,821
BALT>UKC 100k	95.0	\$21,807	92.5	\$20,453
CBS>USG 70k	105.0	\$6,883	90.0	\$2,096
USG>UKC 70k	77.5	--	65.0	--
CBS>USG/USG>UKC/NSEA	--	\$13,358	--	\$7,095
MED>MED 80k	135.0	\$21,923	102.5	\$9,662
AG>SPORE 70k	100.0	\$8,651	102.5	\$9,200
Aframex Average Earnings		\$16,219		\$11,691
PANAMAX (13.0 Kts L/B)				
CBS>USG 50k	115.0	\$1,974	112.5	\$1,577
CONT>USG 55k	100.0	\$4,690	100.0	\$4,861
ECU>USWC 50k	160.0	\$12,878	160.0	\$13,567
Panamax Average Earnings		\$5,206		\$5,207
LR2 (13.0 Kts L/B)				
AG>JPN 75k	104.5	\$10,591	104.5	\$10,445
AG>UKC 80k	\$2.00m	\$13,442	\$2.00m	\$13,644
MED>JPN 80k	\$1.67m	\$4,212	\$1.75m	\$5,568
AG>UKC/MED>JPN/AG	--	\$15,115	--	\$16,097
LR2 Average Earnings		\$12,098		\$12,327
LR1 (13.0 Kts L/B)				
AG>JPN 55k	119.5	\$8,705	116.5	\$7,977
AG>UKC 65k	\$1.66m	\$11,033	\$1.65m	\$10,939
UKC>WAFR 60k	75.5	\$(4,330)	78.0	\$(3,692)
AG>UKC/UKC>WAFR/AG	--	\$10,466	--	\$10,733
LR1 Average Earnings		\$9,585		\$9,355
MR (13.0 Kts L/B)				
UKC>USAC 37k	100.0	\$257	105.0	\$1,238
USG>UKC 38k	85.0	\$(1,007)	82.5	\$(1,290)
USG>UKC/UKC>USAC/USG	--	\$4,003	--	\$4,261
USG>CBS (Pozos Colorados) 38k	\$375k	\$5,927	\$325k	\$2,678
USG>CHILE (Coronel) 38k	\$1.00m	\$7,914	\$950k	\$6,601
CBS>USAC 38k	117.5	\$5,667	110.0	\$4,449
WCIND>JPN/ROK>SPORE/WCIND	--	\$11,372	--	\$12,098
MR Average Earnings		\$5,637		\$5,588
Handy (13.0 Kts L/B)				
MED>EMED 30k	130.0	\$8,607	125.0	\$7,439
SPORE>JPN 30k	130.0	\$3,941	139.0	\$4,970
Handy Average Earnings		\$5,621		\$5,859

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
Aframex	\$15,500	\$18,500
Panamax	\$12,500	\$14,500
MR	\$13,000	\$15,000
Handy	\$11,500	\$13,000



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SPOT MARKET SUMMARY

VLCC

Global VLCC demand was markedly stronger this week, leading to a rebound in rates following a sluggish start. The Middle East market observed 27 fixtures, or two more than last week's tally. Meanwhile, demand in the West Africa market surged to eleven fixtures, representing a YTD high and 10 more than the number reported last week. Most of these units were sourced from the Middle East, as usual, though earlier during the week a small number were sourced on units freeing in the Americas, which delayed an improvement of sentiment. A subsequent resumption of earnest demand for USG loadings boosted sentiment by removing the specter of ballasts to West Africa and thus, with the Middle East market and West Africa markets both observing strong demand during the second-half of the week, rates turned firm.

Rates could remain firm in the near-term given a reduction of surplus tonnage and with strong global refining activity expected to continue drawing on crude inventories and thus necessitating replenishment. We note that after the July Middle East program concluded with 27 units, the first decade of the August program appears likely to see the surplus drop to 20 units. Sustained demand in the Atlantic basin could support draws above expectations and thus further reduce the Middle East surplus, which would help to extend rate gains by supporting a sustaining of stronger sentiment.

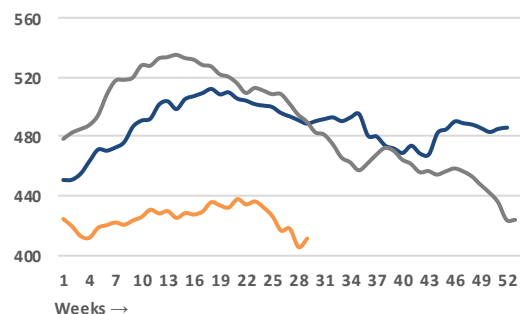
Middle East

Rates on the AG-China route added one point to conclude at ws50 with corresponding TCEs rising by 5% to ~\$14,411/day. Rates on the AG-USG c/c route were up by one point to ws21, paring a mid-week decline to ws18. Triangulated Westbound trade earnings rose by 8% to ~\$15,857/day.

Atlantic Basin

Rates in the West Africa market lagged those in the Middle East, despite the strong demand observed there. The WAFR-China route shed two points to conclude at ws47. Corresponding TCE were off 10% to ~\$15,857/day.

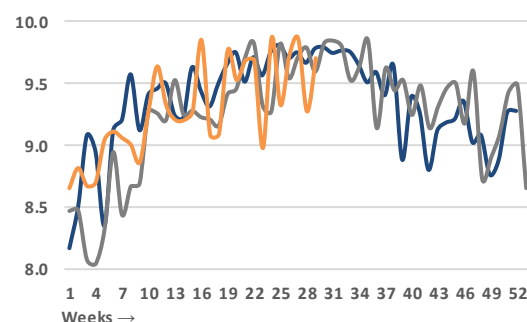
Rates in the Atlantic Americas continued to slide early during the week before paring losses to conclude unchanged on fresh rebound in demand. The USG-SPORE route concluded at \$3.30m lump sum, having earlier declined to \$3.0m lump sum.



US Crude Stocks (EIA)

Last Week
411.1 MnBbls

Week y/y
▼ -16.2%



US Gasoline Demand (EIA)

Last Week
9.708 MnB/d

Week y/y
▲ +1.2%

■ 2018 ■ 2017 ■ 2016

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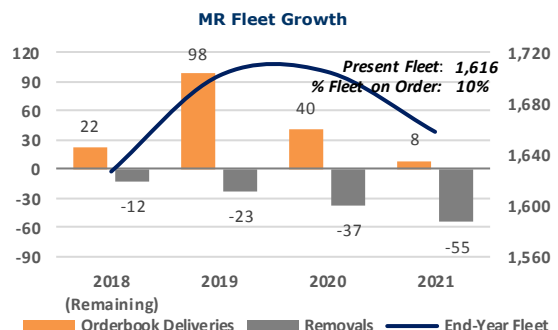
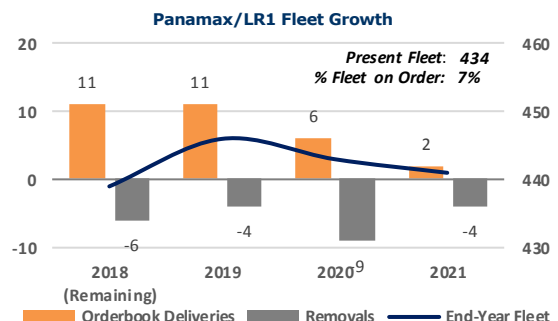
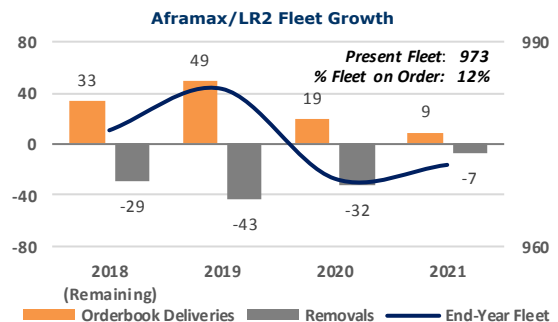
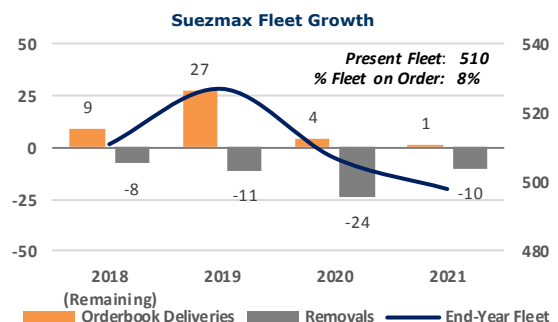
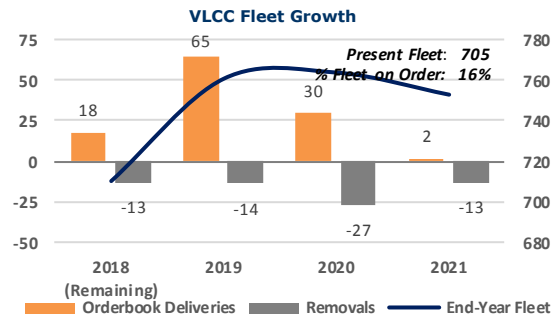
Suezmax

West Africa Suezmax rates were range bound this week with the WAFR-UKC route adding one point to conclude at ws70 and the WAFR-USG route unchanged at ws65. Regional demand was softer and the forward view is far from optimistic given a surge in VLCC coverage of West Africa stems.

Softening Aframax rates saw Suezmax rates ease for intraregional voyages. The CBS-USG route lost 5 points to conclude at 150 x ws70. Rates for extra-regional voyages were unchanged with the USG-UKC route holding at 130 x ws52.5 and the USG-SPORE route steady at \$2.40m lump sum.

Aframax

Rates in the Caribbean Aframax market continued to correct this week, as tonnage remained abundant despite relatively strong demand. Inbound tonnage from the earlier strong TCE disparity between the Caribbean market and those in Europe likely factor into the reversal, where the former is now at a strong discount to the latter. This could see some units opt to forgo the Caribbean region, which could help to limit downside and potentially support a modest rebound during the coming weeks. The CBS-USG route lost 15 points to conclude at ws90 while the USG-UKC route shed 12.5 points to conclude at ws65.



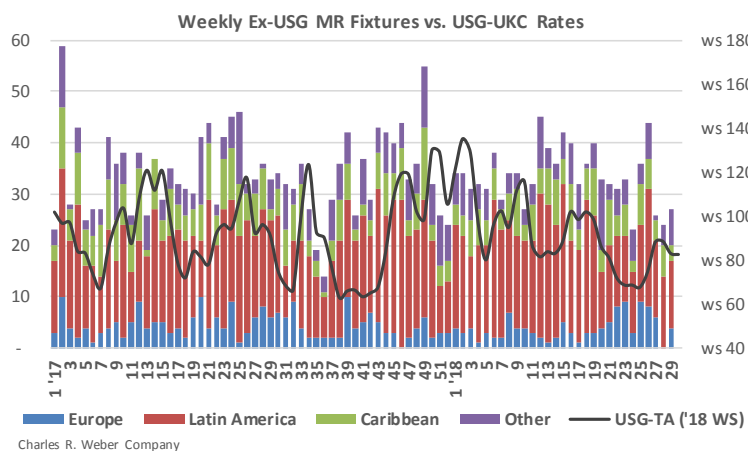
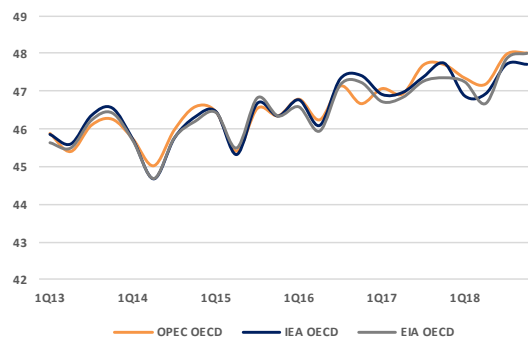
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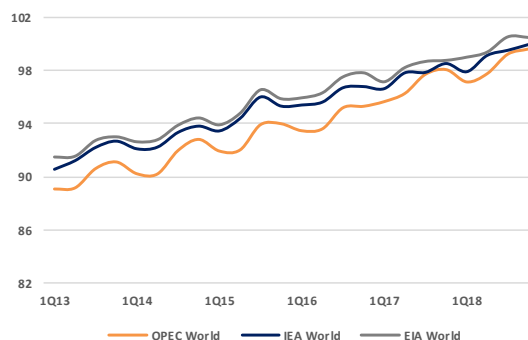
MR

A surge in available tonnage in the USG MR market at the start of the week presented one of the worst fundamentals setup observed since the region became a major demand center. This quickly soured sentiment and guided further rate losses. By mid-week, demand levels rebounded and coincided with a slight improvement of fundamentals in Europe, thus stemming losses as managers of a long list of units freeing on the USAC had slightly better options for onward trades. Overall, 27 fixtures materialized, representing a 13% w/w gain – although still 21% fewer than the YTD weekly average. Rates on the USG-UKC route shed 2.5 points to conclude at ws82.5 while the USG-CBS route was off \$50k to \$325k lump sum and the USG-CHILE route fell by \$50k to \$950k lump sum. The two-week forward view of available tonnage concluded the week unchanged at 45 units, though over the past weekend no less than 20 fresh units populated position lists to yield 65 available units on Monday. A repeat thereof will likely prompt a fresh round of rate erosion. Failing that, rates should hold steady around present levels.

Projected OECD Oil Demand (Mnb/d)



Projected World Oil Demand (Mnb/d)



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REPORTED TANKER SALES

Samsung 2229 – 318,000/19 – Samsung Geoje – DH
Samsung 2230 – 318,000/19 – Samsung Geoje – DH
-Sold en bloc for \$88.0m each to AISSOT.

Bright Harmony – 309,774/19 – Imabari – DH
-Sold for \$41.5m to Aeolos Management.

Front Page – 299,164/02 – Hitachi – DH
Front Stratus – 299,157/02 – Hitachi – DH
Front Serenade – 299,152/02 – Hitachi – DH
-Sold en bloc for \$25.9m each to ADS Maritime. Sellers to provide credit and acquire 17% of the buying entity.

STI Alexis – 109,999/14 – Daehan – DH
STI San Antonio – 49,990/14 – SPP Sacheon – DH
STI Benicia – 49,990/14 – SPP Sacheon – DH
STI St. Charles – 49,990/14 – SPP Sacheon – DH
STI Yorkville – 49,990/14 – SPP Sacheon – DH
STI Mayfair – 49,990/14 – SPP Sacheon – DH
STI Duchessa – 49,990/14 – SPP Sacheon – DH
-Sold on private terms to undisclosed buyers including 7-Year BBBs with purchase options from year three and purchase obligation at end of period.

High Trust – 49,990/16 – Hyundai Vinashin – DH
-Sold for \$29.5m to undisclosed Japanese buyers including BBB.

REPORTED TANKER DEMOLITION SALES

Final Destination: **Unknown**

FSO Jade Prosper – 314,250/99 – 38,732 LDT – DH
-Sold on private terms.

FSO Palms – 298,306/99 – 42,802 LDT – DH
-Sold on private terms.



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