

WEBER WEEKLY TANKER REPORT



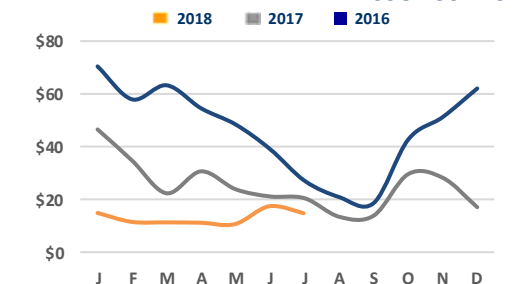
WEEK 30 – 27 JULY 2018

ISSUE 30– 2018

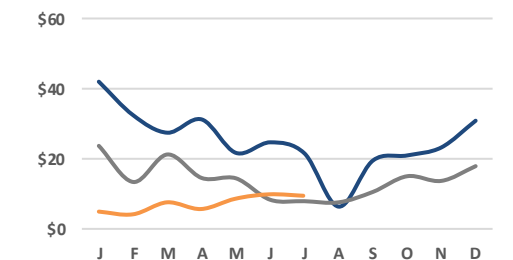
Spot Market	WS/IS	TCE	WS/IS	TCE
VLCC (13.0 Kts L/B)		20-July		27-July
AG>USG 280k	21.0	--	21.0	--
AG>SPORE 270k	49.0	\$14,629	54.0	\$18,817
AG>JPN 265k	46.0	\$14,950	51.0	\$19,404
AG>CHINA 270k	50.0	\$14,411	55.0	\$18,651
WAFR>CHINA 260k	47.0	\$14,421	52.5	\$18,707
USG>SPORE 270k	\$3.30m	\$7,681	\$3.60m	\$10,017
AG>USG/USG>SPORE/AG	--	\$15,857	--	\$17,566
VLCC Average Earnings		\$14,672		\$18,623
SUEZMAX (13.0 Kts L/B)				
WAFR>USG 130k	65.0	\$9,878	65.0	\$9,141
WAFR>UKC 130k	70.0	\$7,184	70.0	\$6,451
BSEA>MED 140k	85.0	\$10,778	85.0	\$10,233
CBS>USG 150k	70.0	\$14,197	70.0	\$13,404
USG>UKC 130k	52.5	--	52.5	--
CBS>USG/USG>UKC/WAFR	--	\$8,904	--	\$8,109
AG>USG 140k	32.5	--	27.5	--
USG>SPORE 130k	\$2.40m	--	\$2.40m	--
AG>USG/USG>SPORE/AG	--	\$11,209	--	\$8,687
Suezmax Average Earnings		\$9,692		\$8,964
AFRAMEX (13.0 Kts L/B)				
N.SEA>UKC 80k	120.0	\$19,821	122.5	\$20,083
BALT>UKC 100k	92.5	\$20,453	110.0	\$30,189
CBS>USG 70k	90.0	\$2,096	95.0	\$7,294
USG>UKC 70k	65.0	--	65.0	--
CBS>USG/USG>UKC/NSEA	--	\$7,095	--	\$7,294
MED>MED 80k	102.5	\$9,662	117.5	\$14,902
AG>SPORE 70k	102.5	\$9,200	102.5	\$8,876
Aframax Average Earnings		\$11,691		\$15,669
PANAMAX (13.0 Kts L/B)				
CBS>USG 50k	112.5	\$1,577	110.0	\$518
CONT>USG 55k	100.0	\$4,861	100.0	\$4,291
ECU>USWC 50k	160.0	\$13,567	145.0	\$10,332
Panamax Average Earnings		\$5,207		\$4,281
LR2 (13.0 Kts L/B)				
AG>JPN 75k	104.5	\$10,445	101.0	\$9,156
AG>UKC 80k	\$2.00m	\$13,644	\$1.95m	\$12,096
MED>JPN 80k	\$1.75m	\$5,568	\$1.45m	\$5,016
AG>UKC/MED>JPN/AG	--	\$16,097	--	\$14,031
LR2 Average Earnings		\$12,327		\$11,112
LR1 (13.0 Kts L/B)				
AG>JPN 55k	116.5	\$7,977	113.0	\$6,995
AG>UKC 65k	\$1.65m	\$10,939	\$1.61m	\$9,626
UKC>WAFR 60k	78.0	\$(3,692)	82.5	\$(3,345)
AG>UKC/UKC>WAFR/AG	--	\$10,733	--	\$10,180
LR1 Average Earnings		\$9,355		\$8,588
MR (13.0 Kts L/B)				
UKC>USAC 37k	105.0	\$1,238	110.0	\$1,585
USG>UKC 38k	82.5	\$(1,290)	75.0	\$(3,010)
USG>UKC/UKC>USAC/USG	--	\$4,261	--	\$3,237
USG>CBS (Pozos Colorados) 38k	\$325k	\$2,678	\$300k	\$592
USG>CHILE (Coronel) 38k	\$950k	\$6,601	\$950k	\$6,210
CBS>USAC 38k	110.0	\$4,449	110.0	\$4,038
WCIND>JPN/ROK>SPORE/WCIND	--	\$12,098	--	\$11,846
MR Average Earnings		\$5,588		\$4,522
Handy (13.0 Kts L/B)				
MED>EMED 30k	125.0	\$7,439	125.0	\$7,178
SPORE>JPN 30K	139.0	\$4,970	142.0	\$5,149
Handy Average Earnings		\$5,859		\$5,879

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

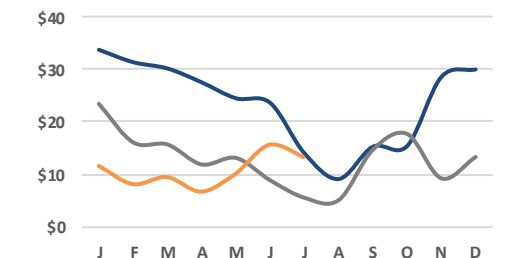
Time Charter Market \$/day (theoretical)	1 Year	3 Years
VLCC	\$26,000	\$30,000
Suezmax	\$17,000	\$21,000
Aframax	\$15,500	\$18,500
Panamax	\$12,500	\$14,500
MR	\$13,000	\$15,000
Handy	\$11,500	\$13,000



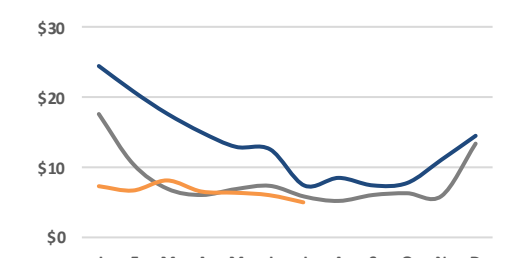
VLCC Average Earnings MTD Average ~\$15,034/Day Month y/y ▼ -27%



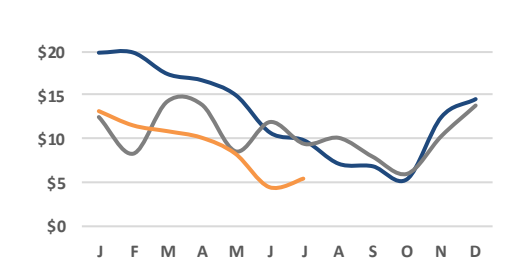
Suezmax Average Earnings MTD Average ~\$9,454/Day Month y/y ▲ +24%



Aframax Average Earnings MTD Average ~\$13,447/Day Month y/y ▲ +141%



Panamax Average Earnings MTD Average ~\$5,018/Day Month y/y ▼ -13%



MR Average Earnings MTD Average ~\$5,363/Day Month y/y ▼ -43%

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SPOT MARKET SUMMARY

VLCC

Sustained VLCC demand strength this week, combined with an increasingly tight availability profile for non-disadvantaged units, saw rates shrug off souring sentiment at the start of the week to return to strength. A total of 30 fixtures were observed in the Middle East market, or one more than last week. Fixtures in the West Africa market were off by two, but remained high nevertheless with eight fixtures. Meanwhile, demand in the Atlantic Americas was unchanged at last week's lofty level with nine fixtures reported.

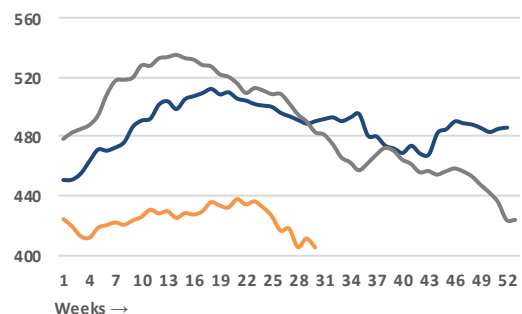
The sustaining of demand strength in the West Africa market has combined with a moderately improved pace of demand in the Middle East market during the August program to yield successive reductions of surplus capacity as dates worked in the Middle East market progress further into the month. The number of surplus units seen at the conclusion of the July program was 27, but this eroded to 18 at the conclusion of August's first decade and is projected to decline further to 15 at the conclusion of the month's second decade. This would be the fewest surplus units since early during the February program and historically has guided AG-FEAST TCEs in the low/mid-\$20,000s/day range. These routes presently yield ~\$16,705/day, underscoring the potential for further rate gains.

Middle East

Rates on the AG-China route added one point to conclude at ws52; however, due to rising bunker prices, the corresponding TCE improved by just \$1/day to \$16,023/day. Rates on the AG-USG c/c route were unchanged at ws21. Triangulated Westbound trade earnings rose by 11% to ~\$17,948/day on rising rates for onward trades ex-Americas.

Atlantic Basin

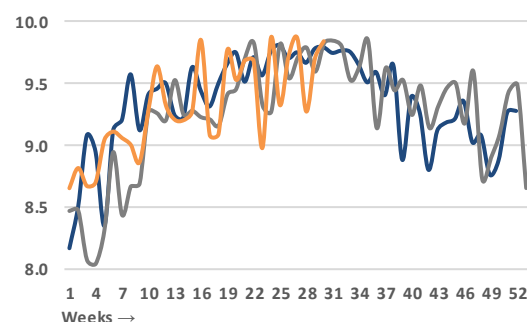
Rates in the West Africa market lagged those in the Middle East with the WAFR-CHINA route adding three points to ws51, accordingly. TCEs on the route rose 22% to ~\$17,653/day. Rates in the Atlantic Americas remained firm on strong regional demand. The USG-SPORE route added \$300k to conclude at \$3.60m lump sum.



US Crude Stocks (EIA)

Last Week
404.9 MnBbls

Week y/y
▼ -16.2%



US Gasoline Demand (EIA)

Last Week
9.846 MnB/d

Week y/y
▲ +0.3%

■ 2018 ■ 2017 ■ 2016

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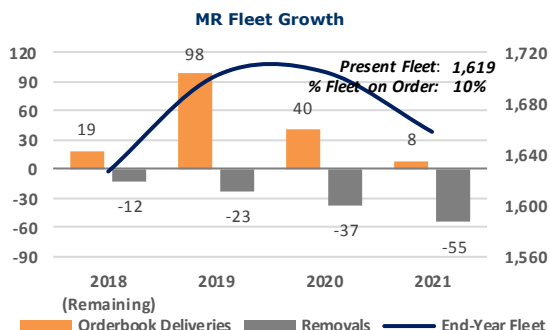
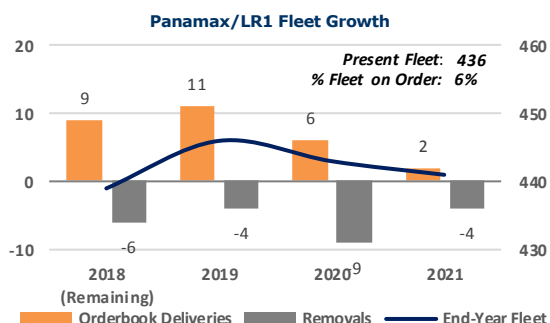
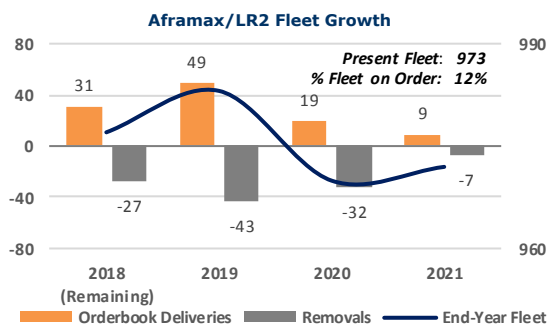
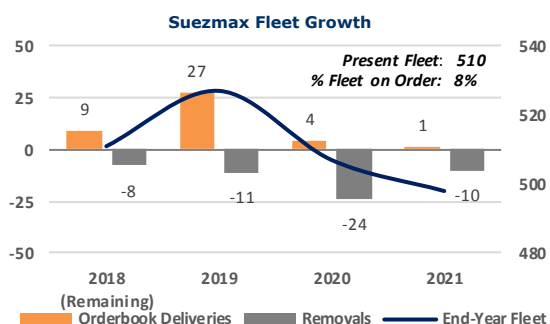
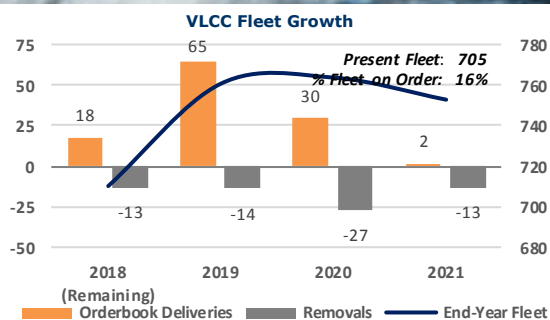
Suezmax

Rates in the West Africa Suezmax market were largely unchanged this week on little change to the supply/demand positioning. The WAFR-UKC route concluded unchanged at ws70.

The situation was similar in other key Suezmax markets. In the Black Sea, rates on the BSEA-MED route were steady at ws82.5 and benchmark rates in the Atlantic Americas were steady as well with the CBS-USG route unchanged at 150 x ws70 and the USG-UKC route holding at 130 x ws52.5. In isolation, rates in the Middle East market were softer on sluggish demand. The AG-USG route shed 5 points to conclude at ws27.5.

Aframax

Rates in the Caribbean Aframax market remained soft through the start of the week before turning moderately firmer at the close of the week on strong demand and a large differential between regional TCE returns and those achievable in European markets. The benchmark CBS-USG route, which originates in Venezuela, concluded at ws95, inclusive of Venezuela premiums, which represents a five-point gain for the week. As tonnage has been reorienting to markets offering stronger returns (CBS-USG trades currently yield ~\$7,294/day vs. ~\$30,189/day for BALT-UKC and ~\$14,902/day for MED-MED), we expect that rates will start to improve on a corresponding improvement of fundamentals from the supply side. For its part, demand this week was on par with the YTD average.

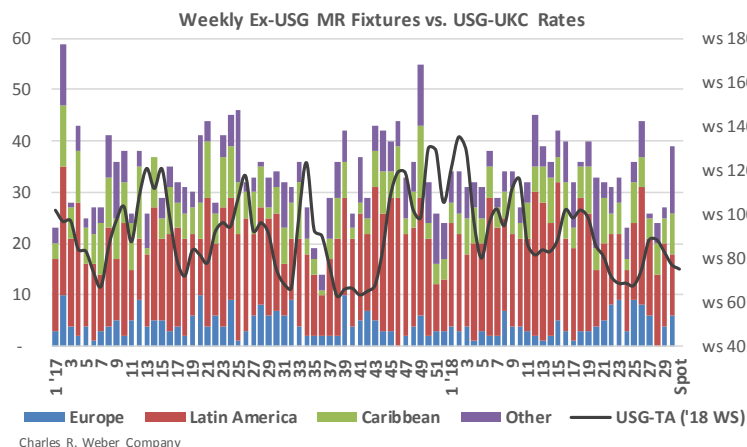


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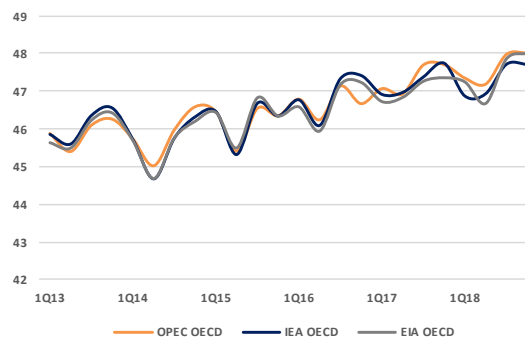
MR

Fundamentals in the USG MR market improved markedly this week from the extreme oversupply levels of recent weeks. On Monday, the two week forward view of tonnage showed 47 units available, representing a 28% w/w decline and a small increase from last Friday's 45 units, bucking the trend of massive Monday buildups observed in recent weeks. Demand extended last week's gains, rising 44% w/w to 39 fixtures, or the most in one month. As a result of the stronger demand, the two-week forward tonnage count has dropped 13% w/w to a one-month low of 39 units. More than a third of these are units freeing on the USAC – which presently are more likely to ballast to the USG market given a fresh easing of already low rates in European markets. Small improvements in either market could lead to the emergence of competition for tonnage between the two regions for USAC positions, accordingly. This, together with a historical lag between fundamentals changes and reflections thereof in rates, suggests that rates may be poised to commence a sustained recovery from present lows. Rates on the USG-UKC route shed 7.5 points to conclude at ws72.5 while the USG-CBS route was off \$25k to \$300k lump sum and the USG-CHILE route was unchanged at \$950k lump sum. Rates in the UKC route firmed early during the week but saw gains pared by Friday. The UKC-USAC route concludes with a five-point gain for the week at ws110, having reached an intraweek high of ws117.5.

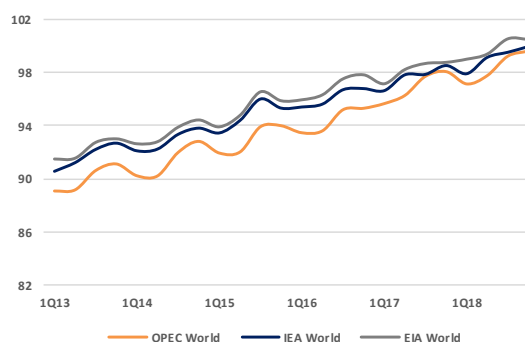


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Projected OECD Oil Demand (Mnb/d)



Projected World Oil Demand (Mnb/d)



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REPORTED TANKER SALES

Nichioh – 303,994/04 – Universal Ariake – DH
-Sold for \$23.5m to undisclosed Greek buyers.

Symphonic – 298,522/06 – Universal Ariake – DH
Gloric – 298,495/06 – Universal Ariake – DH
-Sold en bloc for \$33.0m each to Zodiac.

Unique Explorer – 50,090/10 – Onomichi – DH
-Sold for \$16.5m to undisclosed buyers.

Maersk Mishima – 45,971/10 – Shin Kurushima Onishi – DH
-Sold for \$16.7m to Transocean Maritime Agencies.

Theodora – 6,616/91 – Merwede Scheepswerft – DH – Ice 1C
-Sold on private terms to undisclosed buyers. Unit due for DD 11/2018.

Vinga Safir – 2,713/00 – Torlak – DH – Ice FS II
-Sold on private terms to Monjasa Holding A/S.

REPORTED TANKER DEMOLITION SALES

Final Destination: India

Dawn Dwarka – 33,540/98 – 10,222LDT – DH – Ice FS II
-Sold on private terms.

Final Destination: Turkey

Goeast – 9,657/77 – 4,556 LDT – DH
-Sold on private terms.

Niagara – 4,034/81 – 1,799 LDT – DH – Ice FS II
-Sold on private terms.

Final Destination: Unknown

Bunga Kelana 3 – 105,784/98 – 17,091 LDT – DH
-Sold for \$445/ldt basis as is, Singapore.

Eagle Austin – 105,429/98 – 16,749 LDT – DH
-Sold for \$445/ldt basis as is, Singapore.

Maiden Energy – 29,998/90 – 6,096 LDT – SH
-Sold for \$370/ldt basis as is, Belawan.

Maiden East – 17,740/86 – 5,112 LDT – DB
-Sold for \$370/ldt basis as is, Belawan.



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