WEBER WEEKLY TANKER REPORT

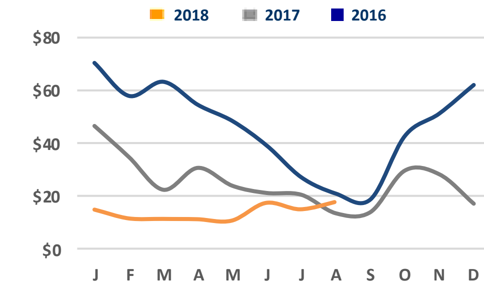
WEEK 33 – 17 AUGUST 2018

ISSUE 33 – 2018

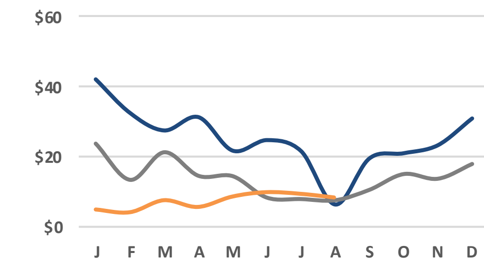
Spot Market	**WS/LS**	**TCE**	**WS/LS**	**TCE**
VLCC (13.0 Kts L/B)	**10-August**		**17-August**	
AG>USG 280k	25.0	--	25.0	--
AG>SPORE 270k	51.0	$16,934	52.5	$18,776
AG>JPN 265k	50.0	$19,376	50.0	$19,805
AG>CHINA 270k	53.0	$17,691	54.0	$19,066
WAFR>CHINA 260k	52.0	$19,255	54.0	$21,925
USG>SPORE 270k	$4.10m	$16,434	$3.85m	$14,575
AG>USG/USG>SPORE/AG	--	$26,322	--	$25,008
VLCC Average Earnings		*$19,366*		*$20,408*
SUEZMAX (13.0 Kts L/B)				
WAFR>USG 130k	57.5	$5,942	58.75	$7,305
WAFR>UKC 130k	62.5	$3,427	63.75	$4,757
BSEA>MED 140k	82.5	$9,217	80.0	$8,369
CBS>USG 150k	70.0	$13,687	72.5	$16,296
USG>UKC 130k	55.5	--	55.5	--
CBS>USG/USG>UKC/WAFR	--	$9,592	--	$11,138
AG>USG 140k	27.5	--	27.5	--
USG>SPORE 130k	$2.55m	--	$2.55m	--
AG>USG/USG>SPORE/AG	--	$10,184	--	$11,297
Suezmax Average Earnings		*$7,014*		*$7,832*
AFRAMAX (13.0 Kts L/B)				
N.SEA>UKC 80k	100.0	$5,161	120.0	$19,190
BALT>UKC 100k	65.0	$2,513	80.0	$12,784
CBS>USG 70k	105.0	$6,977	102.5	$6,697
USG>UKC 70k	80.0	--	75.0	--
CBS>USG/USG>UKC/NSEA	--	$13,920	--	$12,662
MED>MED 80k	90.0	$4,936	120.0	$16,888
AG>SPORE 70k	102.5	$9,453	105.0	$10,398
Aframax Average Earnings		*$6,687*		*$12,638*
PANAMAX (13.0 Kts L/B)				
CBS>USG 50k	122.5	$3,455	122.5	$4,017
CONT>USG 55k	107.5	$6,343	110.0	$7,580
ECU>USWC 50k	150.0	$11,548	150.0	$12,142
Panamax Average Earnings		*$6,521*		*$7,411*
LR2 (13.0 Kts L/B)				
AG>JPN 75k	100.0	$9,467	96.5	$8,763
AG>UKC 80k	$1.88m	$11,084	$1.88m	$11,634
MED>JPN 80k	$1.67m	$4,450	$1.63m	$4,335
AG>UKC/MED>JPN/AG	--	$13,969	--	14,071
LR2 Average Earnings		*$10,966*		*$10,531*
LR1 (13.0 Kts L/B)				
AG>JPN 55k	95.5	$3,970	96.5	$8,763
AG>UKC 65k	$1.43m	$6,668	$1.50m	$8,351
UKC>WAFR 60k	86.0	$(2,232)	85.5	$(1,891)
AG>UKC/UKC>WAFR/AG	--	$8,693	--	$9,925
LR1 Average Earnings		*$6,331*		*$7,558*
MR (13.0 Kts L/B)				
UKC>USAC 37k	110.0	$1,608	122.5	$4,349
USG>UKC 38k	80.0	$(1,983)	87.5	$(220)
USG>UKC/UKC>USAC/USG	--	$3,949	--	$6,720
USG>CBS (Pozos Colorados) 38k	$325k	$2,490	$425k	$9,662
USG>CHILE (Coronel) 38k	$975k	$7,226	$1.00m	$8,337
CBS>USAC 38k	115.0	$5,123	120.0	$6,462
WCIND>JPN/ROK>SPORE/WCIND	--	$9,109	--	$8,205
MR Average Earnings		*$4,611*		*$6,717*
Handy (13.0 Kts L/B)				
MED>EMED 30k	120.0	$6,202	1200.	$6,428
SPORE>JPN 30K	130.0	$4,005	127.0	$3,784
Handy Average Earnings		*$4,796*		*$4,736*

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

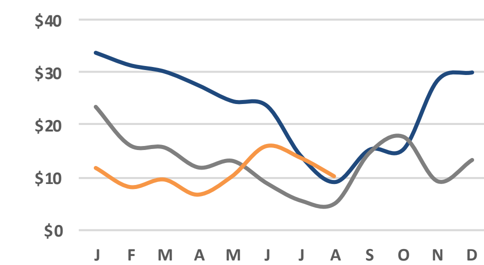
Time Charter Market *$/day (theoretical)*	**1 Year**	**3 Years**
VLCC	$26,000	$30,000
Suezmax	$17,000	$21,000
Aframax	$15,500	$18,500
Panamax	$12,500	$14,500
MR	$13,000	$15,000
Handy	$11,500	$13,000



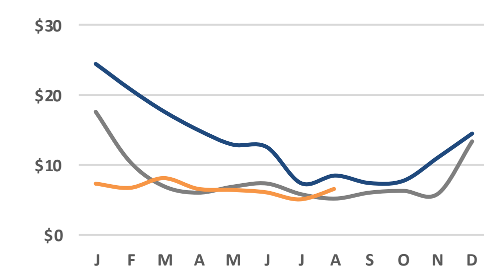
VLCC Average Earnings | **MTD Average** ~$18,049/Day | **Month y/y** ▲ +34%



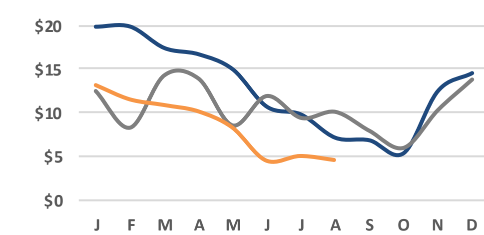
Suezmax Average Earnings | **MTD Average** ~$8,372/Day | **Month y/y** ▲ +15%



Aframax Average Earnings | **MTD Average** ~$10,191/Day | **Month y/y** ▲ +99%



Panamax Average Earnings | **MTD Average** ~$6,466/Day | **Month y/y** ▲ +26%



MR Average Earnings | **MTD Average** ~$4,463/Day | **Month y/y** ▼ -56%

SPOT MARKET SUMMARY

VLCC

Rates in the VLCC market spent much of the week extending last week's losses on negative sentiment and a slow start to the week. However, after several days of strong fixture activity – which ultimately saw this week's tally of Middle East fixtures jump to a six-week high – the sentiment finally turned at the end of the week and rates rebounded to pare earlier losses. A total of 41 Middle East fixtures were reported, representing a w/w gain of 32%. In the West Africa market, six fixtures were reported, or two fewer than last week's tally.

Further rate gains appear likely, given that those observed late this week were driven almost entirely by the pace of demand, rather than the fundamentals setup. Indeed, the August Middle East program is poised to conclude with the fewest surplus units since November '17, when AG-FEAST TCEs averaged ~$27,698/day. Moreover, the surplus is likely to decline further during the early part of the September program, with 9 surplus units presently projected at the close of the month's first decade. Given that charterers have only recently pushed into September dates, we expect further rate gains to appear incrementally through at least the very near-term, accordingly.

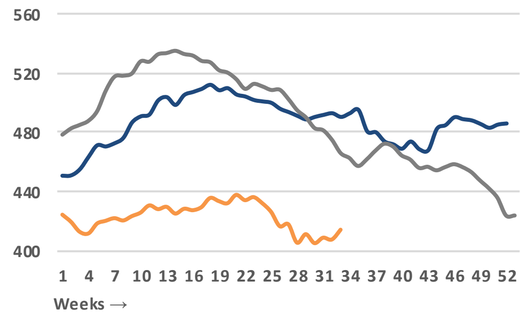
Middle East

Rates on the AG-CHINA route conclude the week with a one-point gain to ws54 with corresponding TCEs surging 8% to ~$19,066/day. Rates to the USG via the Cape were unchanged at ws25. Triangulated Westbound trade earnings were off 5% to ~$25,088/day, due to softer rates for onward trades from the Americas.

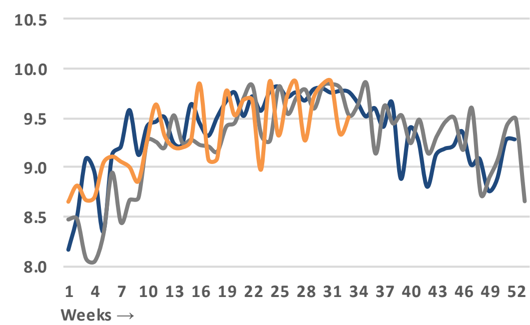
Atlantic Basin

Rates in the West Africa market followed those in the Middle East with the WAFR-CHINA route adding two points to conclude at ws54. Corresponding TCEs rose by 14% to ~$21,925/day.

Demand in the Atlantic Americas remained slow for a successive week, which has seen fresh negative pressure on regional rates materialize. The USG-SPORE route shed $250k to conclude at $3.85m lump sum.



US Crude Stocks (EIA)	Last Week	Week y/y
	414.2 MnBbls	▼ -11.2%



US Gasoline Demand (EIA)	Last Week	Week y/y
	9.512 MnB/d	▼ -0.1%

2018 2017 2016

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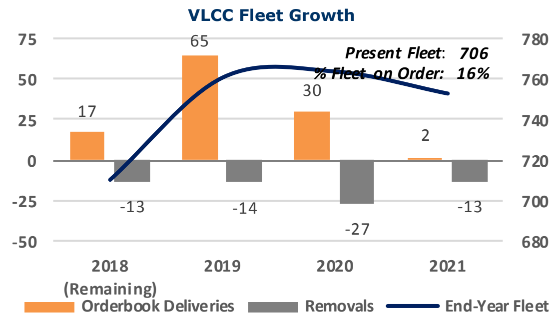
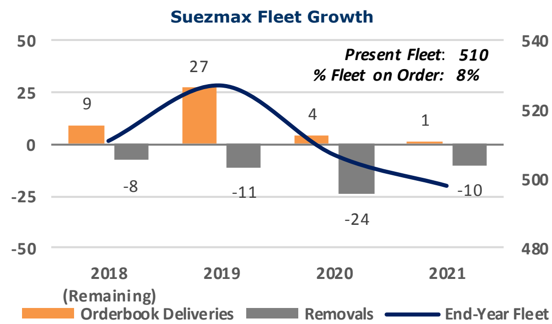
Suezmax

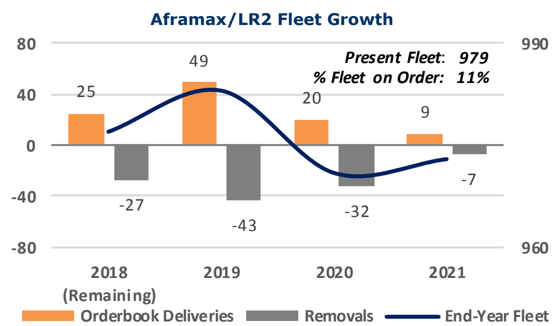
West Africa Suezmax demand surged to a 6-week high, taking some of the pressure off of rates and allowing a very modest improvement. A total of 15 fixtures were reported, or six more than last week's tally. Rates on the WAFR-UKC route added 1.25 points to conclude at ws63.75.

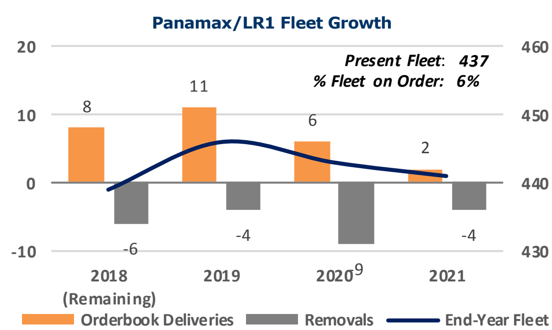
Aframax

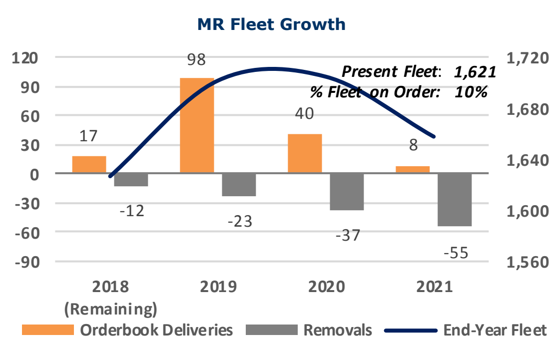
Rates in the Caribbean Aframax market were largely range bound this week with the CBS-USG benchmark route concluding at ws102.5, or 2.5 points below last week's closing level. Tonnage appeared sufficient throughout the week, leading to some surprise as owners managed to pare stronger earlier losses by mid-week, though a strong demand profile had helped in no small part.











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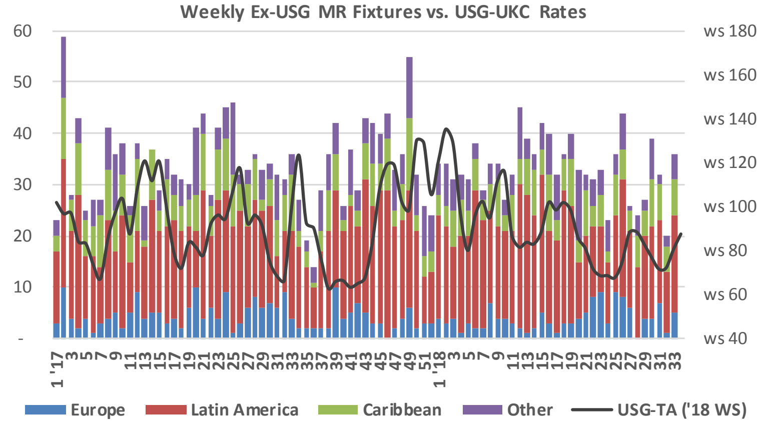
MR

Strong regional demand and earlier draws on positions to alternative markets allowed fundamentals in the USG MR market to narrow substantially this week. A total of 36 fixtures were reported, which represents an 80% w/w gain. The demand gains were driven by improving fundamentals for regional CPP exports amid very strong regional refinery utilization rates and rebounding distillate inventories. Meanwhile, earlier demand strength in the UKC market saw rates there improve sufficiently to not only firmly attract units freeing on the USAC as ballasters, but also drew a small number of units in ballast condition from the USG and Caribbean areas, leaving USG positions far thinner than has been the case for the past several weeks. Rates on the USG-UKC route jumped 7.5 points to ws87.5 while those on the USG-CBS route were surged $100k to $425k lump sum and the USG-CHILE route added $25k to $1.0m lump sum. Two-week forward availability at the close of the week stands at 29 units, or the fewest since early January. Of note, the front-end of positions lists are considerably tighter. Thus, we expect that rates will remain firm through at least Monday. Failing a collapse of demand, further gains are likely thereafter given the strong disconnect between fundamentals and TCE, which remain firmly below $10,000/day across the board. Simultaneously, the extent of upside that materializes may eventually be capped by strong recent demand for voyages to the USAC, which is likely to buildup USG positions again sufficiently to at least halt further gains as the performing units become free.

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



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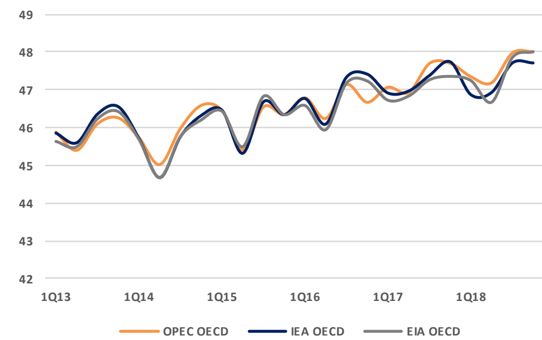
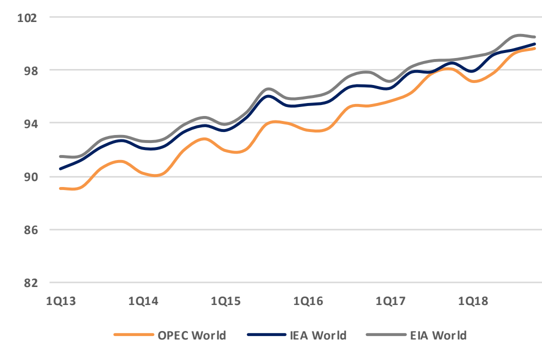
Projected OECD Oil Demand (Mnb/d)



Projected World Oil Demand (Mnb/d)



REPORTED TANKER SALES

Shanghai – 319,725/15 – Jinhae Heavy – DH
-Sold for $51.5m to Delta Tankers.

Arcturus – 47,198/98 – Hyundai Ulsan – DH – IMO III
-Sold for $6.1m to undisclosed buyers.

Rimar – 45,999/98 – Halla Samho – DH
-Sold for $5.0m to undisclosed Middle East buyers.

REPORTED TANKER DEMOLITION SALES

There are no tanker demolition sales to report for week 33.

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