

WEBER WEEKLY TANKER REPORT



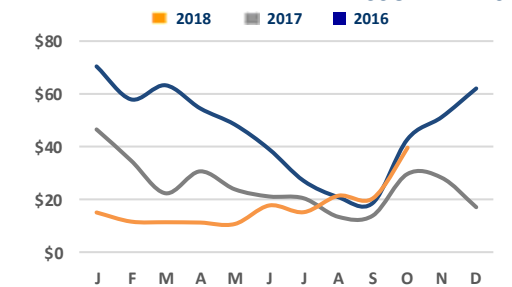
WEEK 41 – 12 OCTOBER 2018

ISSUE 41 – 2018

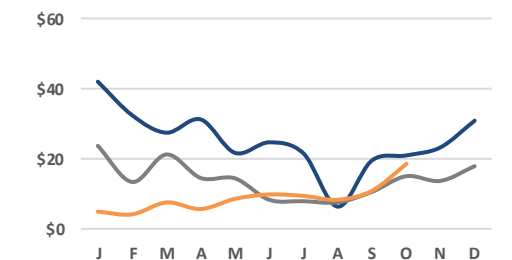
Spot Market	WS/IS	TCE	WS/IS	TCE
VLCC (13.0 Kts L/B)		5-Oct		12-Oct
AG>USG 280k	32.5	--	32.0	--
AG>SPORE 270k	84.0	\$43,361	82.5	\$44,113
AG>JPN 265k	83.0	\$47,529	80.0	\$46,049
AG>CHINA 270k	85.0	\$43,501	84.0	\$44,035
WAFR>CHINA 260k	82.5	\$44,541	79.0	\$41,201
USG>SPORE 270k	\$6.30m	\$37,075	\$6.30m	\$38,279
AG>USG/USG>SPORE/AG	--	\$48,721	--	\$49,582
VLCC Average Earnings		\$45,257		\$44,648
SUEZMAX (13.0 Kts L/B)				
WAFR>USG 130k	87.5	\$18,116	97.5	\$23,710
WAFR>UKC 130k	92.5	\$14,906	102.5	\$20,261
BSEA>MED 140k	102.5	\$18,757	102.5	\$19,431
CBS>USG 150k	90.0	\$25,046	100.0	\$32,673
USG>UKC 130k	77.5	--	90.0	--
CBS>USG/USG>UKC/WAFR	--	\$14,217	--	\$29,586
AG>USG 140k	30.0	--	30.0	--
USG>SPORE 130k	\$3.60m	--	\$3.95m	--
AG>USG/USG>SPORE/AG	--	\$8,503	--	\$21,877
Suezmax Average Earnings		\$17,231		\$22,633
AFRAMAX (13.0 Kts L/B)				
N.SEA>UKC 80k	105.0	\$6,496	117.5	\$15,796
BALT>UKC 100k	87.5	\$14,125	102.5	\$24,982
CBS>USG 70k	127.5	\$12,435	165.0	\$23,554
USG>UKC 70k	90.0	--	125.0	--
CBS>USG/USG>UKC/NSEA	--	\$18,818	--	\$35,475
MED>MED 80k	107.5	\$9,663	105.0	\$9,252
AG>SPORE 70k	110.0	\$8,648	135.0	\$16,117
Aframax Average Earnings		\$12,749		\$22,318
PANAMAX (13.0 Kts L/B)				
CBS>USG 50k	115.0	\$206	120.0	\$3,828
CONT>USG 55k	112.5	\$5,765	115.0	\$6,675
ECU>USWC 50k	150.0	\$10,012	160.0	\$12,163
Panamax Average Earnings		\$4,709		\$6,346
LR2 (13.0 Kts L/B)				
AG>JPN 75k	102.0	\$7,087	100.0	\$7,454
AG>UKC 80k	\$1.85m	\$8,574	\$1.90m	\$9,942
MED>JPN 80k	\$1.92m	\$6,097	\$2.00m	\$7,076
AG>UKC/MED>JPN/AG	--	\$14,259	--	\$15,513
LR2 Average Earnings		\$9,475		\$10,137
LR1 (13.0 Kts L/B)				
AG>JPN 55k	122.0	\$6,826	123.0	\$7,494
AG>UKC 65k	\$1.46m	\$5,427	\$1.41m	\$4,270
UKC>WAFR 60k	114.0	\$1,108	121.0	\$4,080
AG>UKC/UKC>WAFR/AG	--	\$10,356	--	\$11,211
LR1 Average Earnings		\$8,591		\$9,352
MR (13.0 Kts L/B)				
UKC>USAC 37k	155.0	\$7,844	130.0	\$3,999
USG>UKC 38k	77.5	\$(3,851)	110.0	\$2,073
USG>UKC/UKC>USAC/USG	--	\$6,480	--	\$8,949
USG>CBS (Pozos Colorados) 38k	\$375k	\$4,557	\$475k	\$11,679
USG>CHILE (Coronel) 38k	\$1.00m	\$6,581	\$1.28m	\$19,935
CBS>USAC 38k	110.0	\$2,901	127.5	\$6,416
WCIND>JPN/ROK>SPORE/WCIND	--	\$5,772	--	\$6,236
MR Average Earnings		\$5,925		\$7,882
Handy (13.0 Kts L/B)				
MED>EMED 30k	149.0	\$12,570	155.0	\$11,865
SPORE>JPN 30k	120.0	\$1,061	122.5	\$1,918
Handy Average Earnings		\$5,204		\$5,499

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

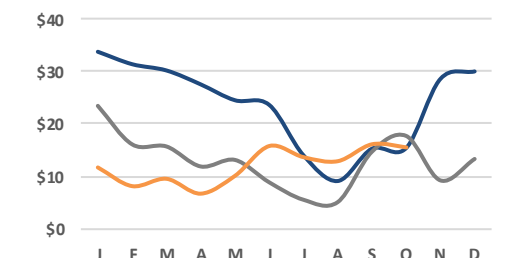
Time Charter Market \$/day (theoretical)	1 Year	3 Years
VLCC	\$29,000	\$33,500
Suezmax	\$18,000	\$22,000
Aframax	\$16,000	\$19,000
Panamax	\$12,500	\$14,500
MR	\$12,000	\$14,500
Handy	\$11,000	\$13,000



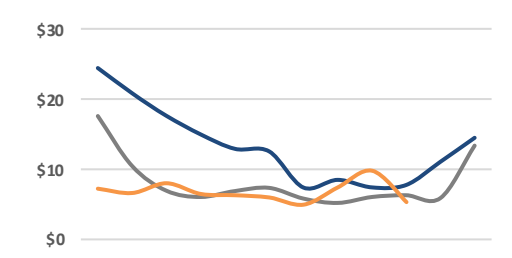
VLCC Average Earnings MTD Average ~\$39,696/Day Month y/y ▲ +33%



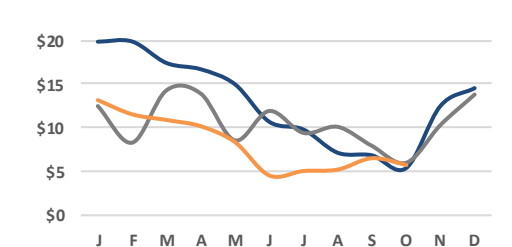
Suezmax Average Earnings MTD Average ~\$18,659/Day Month y/y ▲ +25%



Aframax Average Earnings MTD Average ~\$15,552/Day Month y/y ▼ -12%



Panamax Average Earnings MTD Average ~\$5,362/Day Month y/y ▼ -14%



MR Average Earnings MTD Average ~\$5,602/Day Month y/y ▼ -7%

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WEBER WEEKLY TANKER REPORT



SPOT MARKET SUMMARY

VLCC

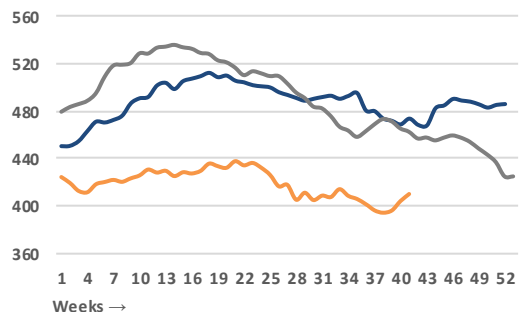
VLCC rates remained strong this week following last week's demand surge and narrowing of fundamentals. Still, a slower pace of demand this week allowed rates to moderate slightly from highs reached at this week's start. Also complicating rate progression, the October surplus concluded higher than expected. Faster ballast speeds brought a number of November units forward to October dates while unexpected charterer relets further contributed to the October surplus. As a result, October is likely to conclude with 12 surplus units, rather than the eight previously projected. Nevertheless, the surplus tally remains low (September's surplus was 22 units) and a considerable tightening in the first decade of the November program is likely to keep the October surplus from bringing more substantial rate losses. We project that the November program will have just seven surplus units – and a strengthening of draws to the West Africa market could see this number decline even further. This would represent an even narrower positioning than was previously expected for late October, and which substantiated the rise of AG-FEAST TCEs into the \$40,000s/day range. As charterers progress earnestly into the November program, the busier pace and tightening of fundamentals suggests that rates may observe a fresh round of gains.

Middle East

Rates on the AG-CHINA route gained one point to conclude at ws84. Corresponding TCEs rose by 1% to ~\$44,035/day. Rates on the AG-USG (c/c) route shed 0.5 points to conclude at ws32. Triangulated Westbound trade earnings rose by 3% to ~\$49,582/day.

Atlantic Basin

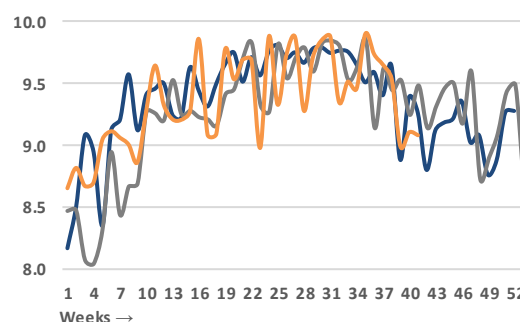
The WAFR-CHINA route shed 3.5 points to conclude at ws79. Corresponding TCEs on the route shed 7% to ~\$41,201/day. Rates in the Atlantic Americas remained strong on the overall sentiment around VLCCs and amid expectations that regional demand will strengthen imminently. The USG-SPORE route was unchanged at \$6.30m lump sum. Round-trip TCEs on the route rose by 12% to ~\$37,668/day.



US Crude
Stocks (EIA)

Last Week
410.0 MnBbls

Week y/y
▼ -11.3%



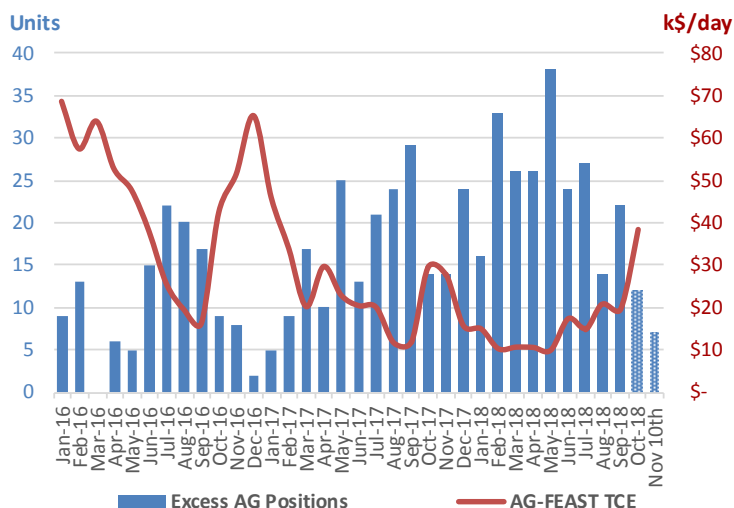
US Gasoline
Demand (EIA)

Last Week
9.078 MnB/d

Week y/y
▼ -4.2%

■ 2018 ■ 2017 ■ 2016

Middle East Monthly VLCC Surplus Positions vs. AG-FEAST TCE



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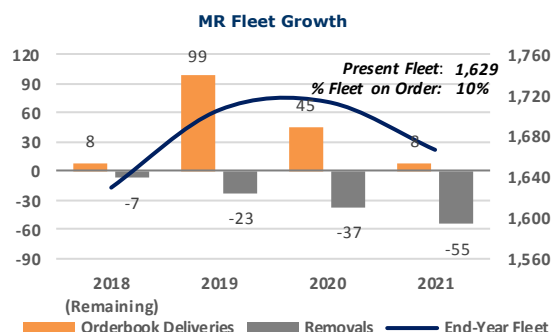
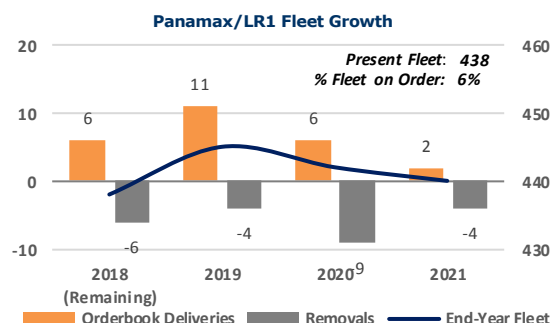
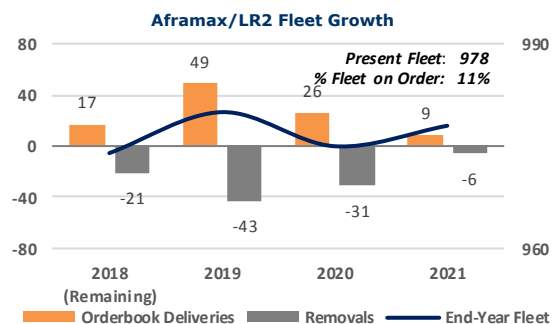
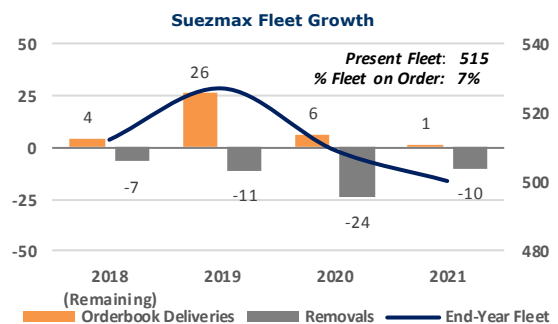
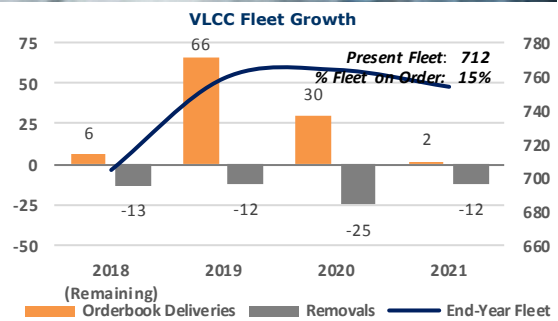
Suezmax

The West Africa Suezmax market was stronger this week as strong recent ton-mile gains tighten overall fleet availability while stronger rates in the VLCC and Aframax spaces continue to trickle to Suezmaxes. In the West Africa market, eleven fixtures were reported, representing a weekly gain of one fixture. Rates on the WAFR-UKC route jumped 10 points to conclude at ws102.5. The market remains firm and a wide differential between regional VLCC and Suezmax rates for long-haul eastbound voyages offers the smaller class more upside potential. As such, rates could extend gains during the upcoming week.

Rates in the Atlantic Americas were stronger on strengthening overall sentiment amid rising VLCC and Aframax rates and declining Suezmax availability. The CBS-USG route added 10 points to conclude at 50 x ws100 while the USG-UKC route gained 12.5 points to conclude at 130 x ws90. Rates on the long-haul USG-SPORE route added \$350k to conclude at \$3.95m lump sum.

Aframax

The Caribbean Aframax market rebounded this week as supply was quickly constrained by rising demand for voyages both within the Caribbean basin and to points in Europe. Rates on the CBS-USG route added 37.5 points to conclude at ws165 – nearly doubling corresponding round-trip TCEs to ~\$23,554/day. Rates on the USG-UKC route added 35 points to conclude at ws125. Fresh appearances on position lists over the weekend could alleviate upside pressures, but rates are otherwise likely to remain elevated.



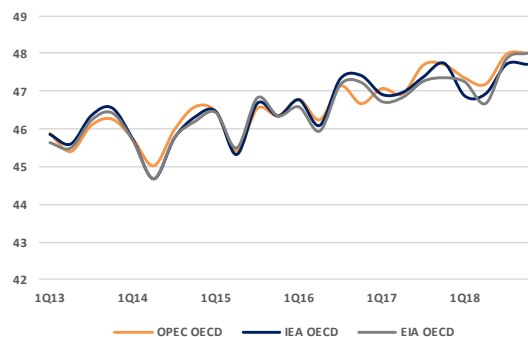
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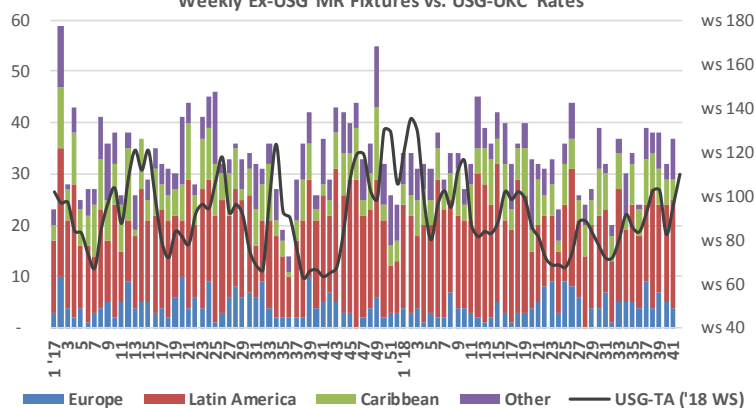
MR

Rates in the USG MR market were markedly stronger this week as demand strengthened modestly from last week and a stronger European market at the start of the week drew away units that had recently freed on the USAC. A total of 37 USG fixtures were reported, marking a 16% w/w gain. At the close of the week, the two-week forward view of available tonnage meanwhile shows a 12% w/w decline to 30 units – the smallest tally since mid-August. The mid-August supply crunch saw rates rally from the low ws70s to the mid-ws90, though a surge in available tonnage the following week arrested the rally. Now, as available tonnage includes USAC positions, recently elevated rates may be more sustainable (at least in the near term). Rising PADD3 refinery utilization (up 1.2 percentage points last week to a rate of 95.2%) and a progressing of European refiners into what looks to be a stronger maintenance period amid declining European refining margins furthers the argument by offering strong USG export prospects.

Projected OECD Oil Demand (Mnb/d)

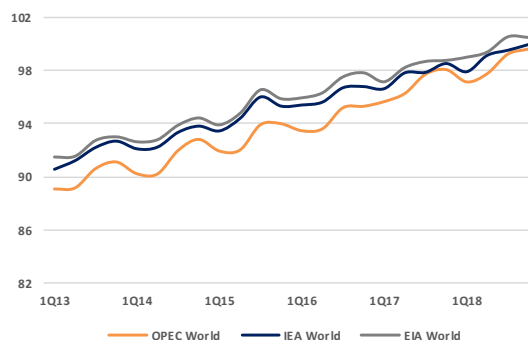


Weekly Ex-USG MR Fixtures vs. USG-UKC Rates



Charles R. Weber Company

Projected World Oil Demand (Mnb/d)



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REPORTED TANKER SALES

Densa Alligator – 105,408/13 – Hyundai Gunsan – DH

Densa Crocodile – 105,171/15 – Hyundai Gunsan – DH

-Sold en bloc for \$61.5m to undisclosed Greek buyers.

FPMC P Alpine – 70,426/04 – Universal – DH

Formosa Falcon – 70,426/05 – Universal – DH

-Sold en bloc on subjects for \$14.0m to Winson Shipping.

High Enterprise – 45,967/09 – Shin Kurushima Onishi – DH

-Sold for \$14.5m to undisclosed Greek buyers.

REPORTED TANKER DEMOLITION SALES

Final Destination: **Bangladesh**

Nirbaya – 29,997/88 – 6,043 LDT – SH

-Sold for \$436/ldt.

Final Destination: **Unknown**

Kamari – 149,706/97 – 24,531 LDT – DH

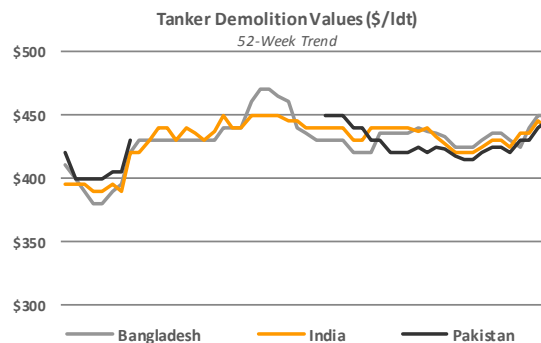
-Sold for \$455/ldt, basis as is, Fujairah and gas free for man entry.

Seaways Shirley – 112,056/01 – 19,004 LDT – DH

-Sold for \$443.75/ldt, basis as is, Singapore.

New Horizon – 105,575/97 – 17,300 LDT – DH

-Sold for \$455/ldt, basis as is, Khor Fakkan.



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