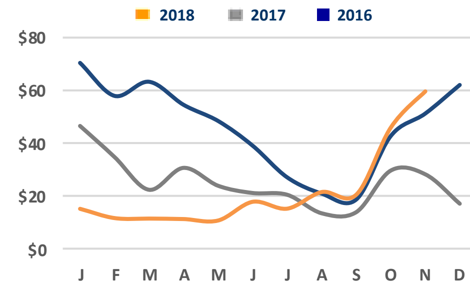
WEBER WEEKLY TANKER REPORT

WEEK 44 – 2 NOVEMBER 2018 **ISSUE 44 – 2018**

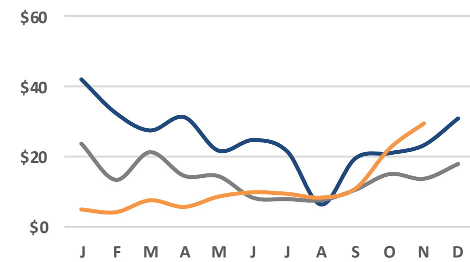
Spot Market	WS/LS	TCE	WS/LS	TCE
VLCC (13.0 Kts L/B)	**26-Oct**		**2-Nov**	
AG>USG 280k	34.0	--	39.5	--
AG>SPORE 270k	88.0	$49,795	96.0	$57,604
AG>JPN 265k	86.0	$52,542	93.0	$59,792
AG>CHINA 270k	90.0	$50,245	98.0	$58,129
WAFR>CHINA 260k	85.0	$47,802	95.0	$57,236
USG>SPORE 270k	$7.00m	$45,980	$7.20m	$48,254
AG>USG/USG>SPORE/AG	--	$57,652	--	$63,965
VLCC Average Earnings		*$50,935*		*$58,618*
SUEZMAX (13.0 Kts L/B)				
WAFR>USG 130k	102.5	$26,240	107.5	$28,836
WAFR>UKC 130k	107.5	$22,672	112.5	$25,149
BSEA>MED 140k	105.0	$21,137	115.0	$26,952
CBS>USG 150k	125.0	$50,144	125.0	$50,398
USG>UKC 130k	120.0	--	120.0	--
CBS>USG/USG>UKC/WAFR	--	$47,736	--	$48,655
AG>USG 140k	52.5	--	45.0	--
USG>SPORE 130k	$4.30m	--	$4.50m	--
AG>USG/USG>SPORE/AG	--	$33,087	--	$32,197
Suezmax Average Earnings		*$26,965*		*$29,996*
AFRAMAX (13.0 Kts L/B)				
N.SEA>UKC 80k	150.0	$37,206	132.5	$26,445
BALT>UKC 100k	120.0	$36,031	110.0	$30,550
CBS>USG 70k	265.0	$56,858	240.0	$48,616
USG>UKC 70k	235.0	--	185.0	--
CBS>USG/USG>UKC/NSEA	--	$86,970	--	$67,337
MED>MED 80k	180.0	$37,986	175.0	$36,068
AG>SPORE 70k	135.0	$16,405	142.5	$18,629
Aframax Average Earnings		*$47,413*		*$39,841*
PANAMAX (13.0 Kts L/B)				
CBS>USG 50k	215.0	$24,825	200.0	$21,687
CONT>USG 55k	165.0	$19,003	145.0	$14,295
ECU>USWC 50k	210.0	$21,837	217.5	$23,535
Panamax Average Earnings		*$21,229*		*$17,885*
LR2 (13.0 Kts L/B)				
AG>JPN 75k	109.0	$10,215	121.5	$13,790
AG>UKC 80k	$1.85m	$8,993	$1.90m	$10,050
MED>JPN 80k	$1.96m	$6,539	$2.03m	$7,459
AG>UKC/MED>JPN/AG	--	$14,654	--	$15,837
LR2 Average Earnings		*$11,693*		*$14,472*
LR1 (13.0 Kts L/B)				
AG>JPN 55k	129.0	$8,949	130.5	$9,374
AG>UKC 65k	$1.43m	$4,715	$1.43m	$4,768
UKC>WAFR 60k	119.0	$3,706	119.0	$3,733
AG>UKC/UKC>WAFR/AG	--	$11,292	--	$11,336
LR1 Average Earnings		*$10,120*		*$10,355*
MR (13.0 Kts L/B)				
UKC>USAC 37k	115.0	$1,608	115.0	$1,835
USG>UKC 38k	140.0	$7,217	140.0	$7,354
USG>UKC/UKC>USAC/USG	--	$11,748	--	$11,958
USG>CBS (Pozos Colorados) 38k	$615k	$21,192	$600k	$20,279
USG>CHILE (Coronel) 38k	$1.40m	$18,587	$1.45m	$20,099
CBS>USAC 38k	160.0	$12,321	160.0	$12,435
WCIND>JPN/ROK>SPORE/WCIND	--	$6,659	--	$9,216
MR Average Earnings		*$9,915*		*$10,546*
Handy (13.0 Kts L/B)				
MED>EMED 30k	145.0	$9,430	147.0	$9,812
SPORE>JPN 30K	124.0	$2,274	135.0	$3,721
Handy Average Earnings		*$4,851*		*$5,914*

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

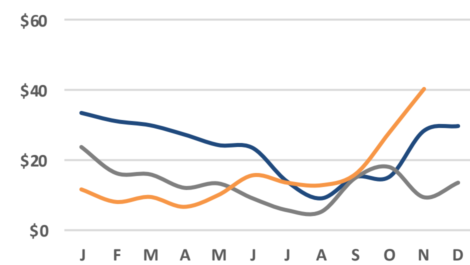
Time Charter Market *$/day (theoretical)*	**1 Year**	**3 Years**
VLCC	$31,000	$35,000
Suezmax	$21,000	$24,000
Aframax	$17,000	$20,000
Panamax	$14,000	$16,500
MR	$12,500	$14,500
Handy	$11,000	$13,000



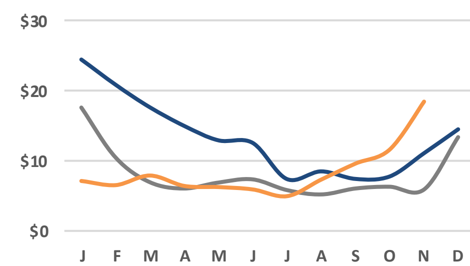
VLCC Average Earnings | **MTD Average** ~$59,456/Day | **Month y/y** ▲ +109%



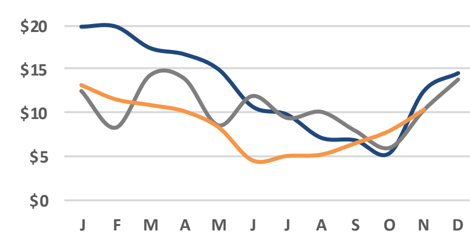
Suezmax Average Earnings | **MTD Average** ~$29,571/Day | **Month y/y** ▲ +119%



Aframax Average Earnings | **MTD Average** ~$40,566/Day | **Month y/y** ▲ +337%



Panamax Average Earnings | **MTD Average** ~$18,546/Day | **Month y/y** ▲ +217%



MR Average Earnings | **MTD Average** ~$10,255/Day | **Month y/y** ▼ -0.2%

WEBER WEEKLY
TANKER REPORT

SPOT MARKET SUMMARY

VLCC

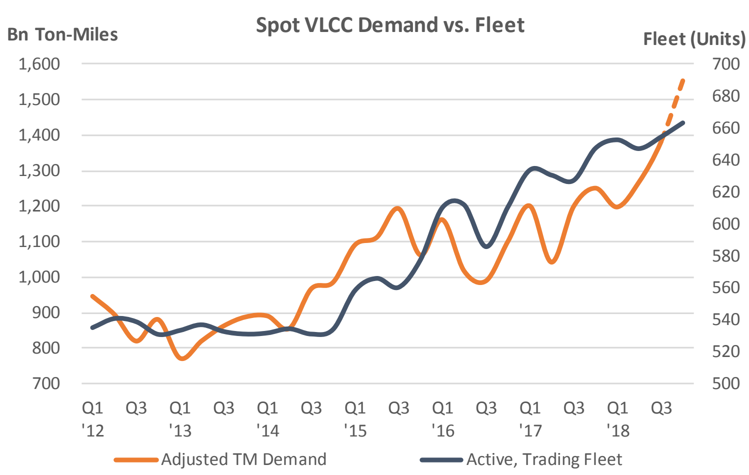
The VLCC market remained firm this week with rates extending gains on lagging sentiment amid sustained demand strength. Chartering demand in the Middle East slipped w/w from last week's strong fixture tally but with charterers continuing to work second-decade November cargoes it became increasingly apparent that the November cargo program would exceed the historical peak observed during the October program. Meanwhile, demand in the West Africa market remained unchanged from last week's strong pace with eight fixtures reported. Demand in the Atlantic Americas was improved on the reappearance of cargoes from the USG (including the first cargo bound for China since August), augmenting elevated ex-Brazil demand.

October spot demand generation places Q4 on course further strong gains. Adjusted ton-miles, a proprietary measure we developed to factor for the implications of a wider geographic distribution of trades relative to historic norms, showed a 15% y/y expansion during Q3 and the October pace, if sustained through the remainder of the quarter, would yield an acceleration thereof to 24% y/y (12% q/q). This would undoubtedly place the VLCC market on course for a strong conclusion to 2018 and start to 2019. As the market progresses into 2019, expectations are tempered by 2019's decades-high projected net fleet growth – with deliveries front-heavy during H1.

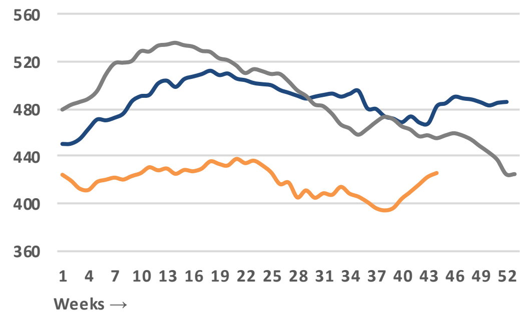
Middle East
Rates on the AG-CHINA gained eight points to conclude at ws98 with corresponding TCEs rising by 16% to ~$58,129/day. Rates to the USG via the Cape added 5.5 points to conclude at ws39.5. Triangulated Westbound earnings rose 11% to ~$63,965/day.

Atlantic Basin
Rates in the West Africa market followed those in the Middle East. The WAFR-CHINA route added 10 points to conclude at ws95. Corresponding TCEs gained 20% to conclude at ~$57,236/day.

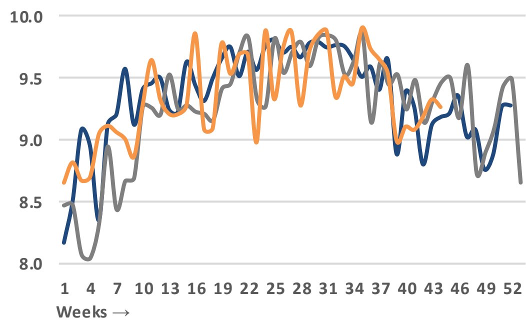
Rates for voyages commencing in the Atlantic Americas continued to rise on a tight regional supply/demand profile and rising sentiment throughout the VLCC market. The USG-SPORE route added $200k to conclude at $7.20m lump sum.



Charles R. Weber Company



US Crude Stocks (EIA)	Last Week	Week y/y
	426.0 MnBbls	▼ -6.4%



US Gasoline Demand (EIA)	Last Week	Week y/y
	9.262 MnB/d	▼ -2.1%

2018 2017 2016

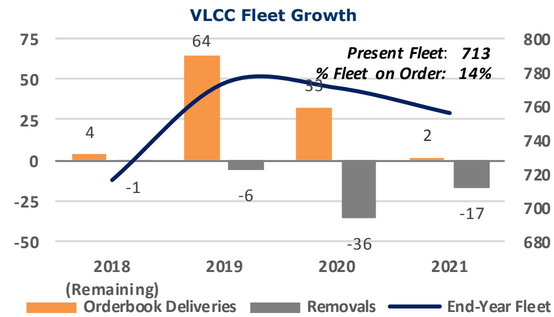
Suezmax

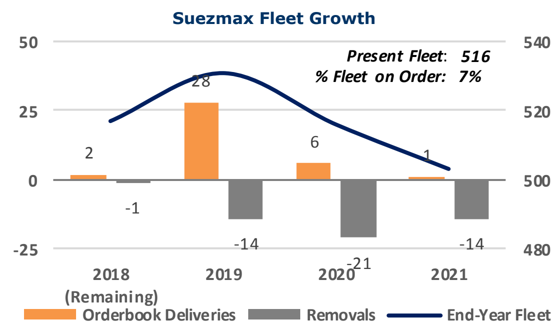
Suezmax rates remained firm this week as fudnamentals remained tight. Fresh delays in the Turkish straits added to the headwinds, prompting rates on the BSEA-MED route to gain 10 points to conclude at ws115. In the West Africa market, rates firmed in tandem despite a slowing of fixture activity as stronger recent demand for VLCCs yielded lower cargo availability for the smaller size class. The regional Suezmax fixture tally dropped 47% w/w to a one-month low of nine. Rates on the WAFR-UKC route added 5 points to conclude at ws112.5.

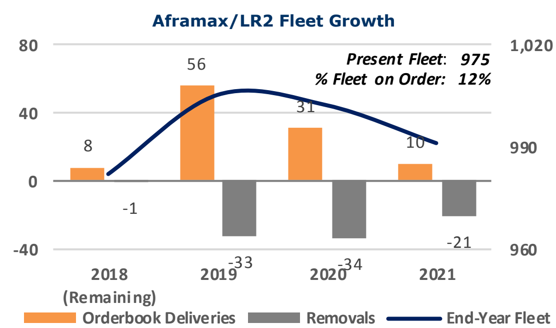
In the Atlantic Americas, Suezmax rates remained firm on high regional Aframax rates and freshly stronger regional VLCC rates. The USG-SPORE route added $200k to conclude at $4.50m lump sum. The CBS-USG route was steady at 150 x ws 125 and the USG-UKC route was unchanged at 130 x ws120. With Aframax rates retreating from recent highs, the relative $/mt premium for Suezmax units has expanded which may lead to some losses thereof during the upcoming week.

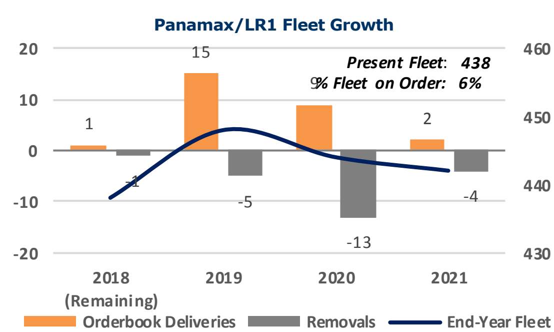
Aframax

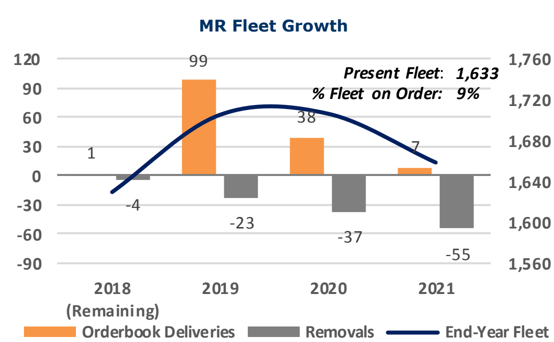
The Caribbean Aframax market saw rates began to correct this week as the supply/demand positioning loosened. The pace of losses appears to be accelerating at the close of the week – and with more units expected to appear on position lists during the start of the upcoming week, further losses are expected to materialize. A collapsing of rates to earlier lows, however, is unlikely as overall trade dynamics remain markedly more favorable. The CBS-USG route lost 25 points to conclude at ws240. Rates could fall to below ws200 during the upcoming week while our projection for the full month average during November and December is currently ws182.5 and ws177.5, respectively.











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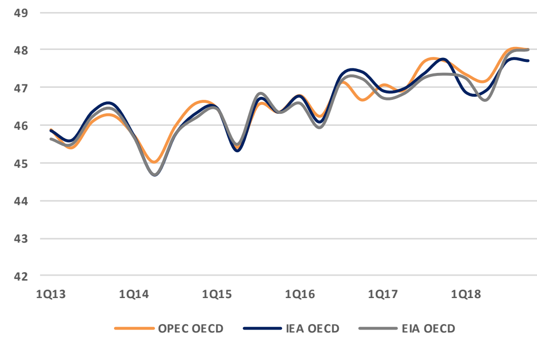
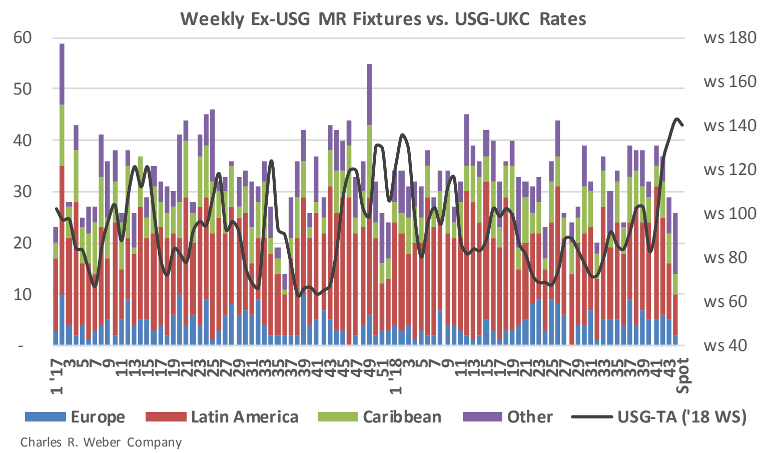
MR

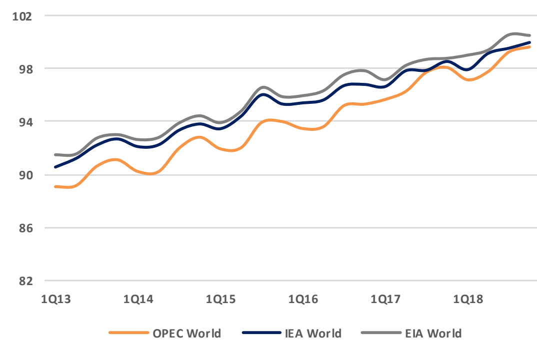
The USG MR market commenced the market firm on lagging sentiment; however, as the week progressed, a weakening of fundamentals started to weigh on rates and a modest easing from intraweek highs prevailed by the close of the week. On the demand side, the pace of chartering activity remained lackluster for a second consecutive week. The fixture tally eased 10% w/w to 26 fixtures, which compares with a YTD weekly average of 34. On the supply side, the decidedly better rate environment of the USG market compared with alternatives in the Atlantic basin saw more units entering the region and accompanying those freeing from intraregional voyages. As a result, the two-week forward view of available tonnage rose 24% w/w to 41 units on Friday – the most in seven weeks. Rates on the USG-UKC route concluded unchanged from a week ago at ws140 having reached into the mid-ws140s earlier during the week. The USG-CBS route was off \$15k to \$600k lump sum while the USG-CHILE route was steady at \$1.45m lump sum. Further rate losses are likely during the upcoming week to reflect the soured fundamentals.

Projected OECD Oil Demand (Mnb/d)





Projected World Oil Demand (Mnb/d)



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REPORTED TANKER SALES

DS Vida – 299,097 /03 – Nantong COSCO KH I– DH
-Sold for 22.8m to GR-NGM Energ. Unit due for DD 12/2018.

Shamrock – 156,516 /11 – Rongsheng – DH
-Sold for $29.5m to DK-Navigare Capital Partners A/S.

Nord Innovation – 47,981 /10 – Iwagi Zosen – DH
-Sold for $16.9m to undisclosed buyers. BWTS-fitted

Ardmore Defender – 37,764 /15 – Hyundai Mipo – DH
-Sold for 25.7m to NO-Ocean Yield ASA Including 10-Year BBB, 10% sellers' credit.

Ardmore Dauntless – 37,764 /15 – Hyundai Mipo – DH
-Sold for 25.3m to NO-Ocean Yield ASA Including 10-Year BBB, 10% sellers' credit.

Azur– 2,609 /99 – Deniz Endustrisi – DH – IMO II/III
-Sold for 1.75m to undisclosed buyers. Conv. to DH 04/2008.

REPORTED TANKER DEMOLITION SALES

Final Destination: **Bangladesh**

Ocean Concord – 95,636 /93 – 15,925 LDT – DH
-Sold for $452/ldt.

Oaktree– 46,842 /93 – 9,002 LDT – DH
-Sold for $460/ldt. As is, Colombo, including 200 MT bunkers.

Final Destination: **Pakistan**

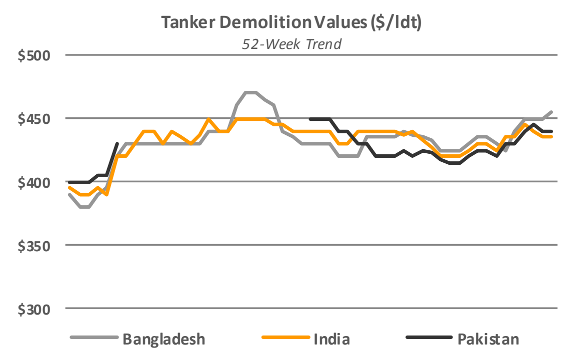
DS Velvet – 301,438 /99 – 41,557 LDT – DH
-Sold on private terms.

Pacific Lagoon– 105,657 /99 – 17,745 LDT – DH
-Sold on private terms.

Final Destination: **Unknown**

Mercury – 94,488 /91 – 15,239 LDT – DH
-Sold on private terms.

Order– 46,925 /94 – 8,920 LDT – DH
-Sold on private terms.



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