

# WEBER WEEKLY TANKER REPORT



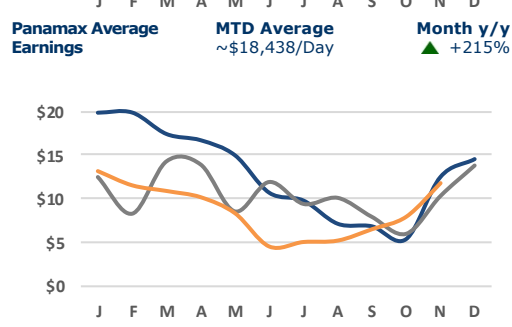
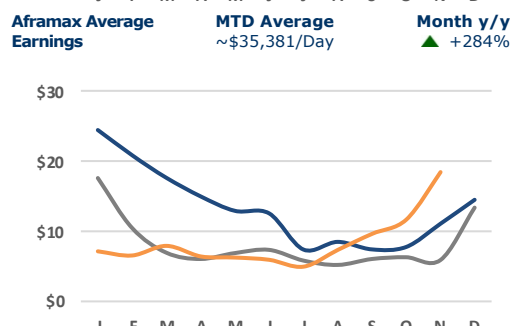
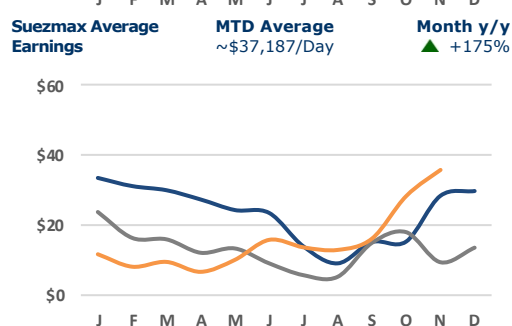
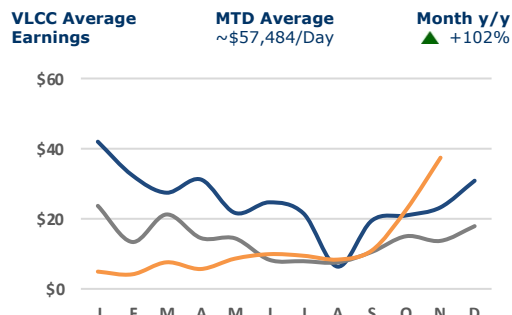
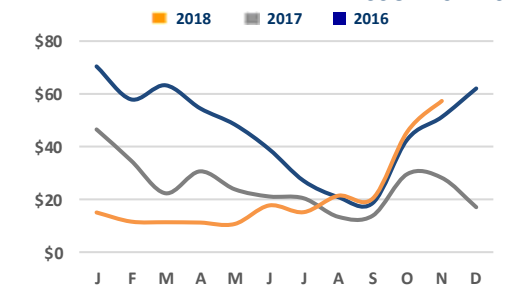
WEEK 46 – 16 NOVEMBER 2018

ISSUE 46 – 2018

Spot Market	WS/IS	TCE	WS/IS	TCE
<b>VLCC</b> (13.0 Kts L/B)		<b>9-Nov</b>		<b>16-Nov</b>
AG>USG 280k	40.0	--	39.0	--
AG>SPORE 270k	92.0	\$54,661	89.0	\$51,929
AG>JPN 265k	91.5	\$59,145	87.5	\$55,936
AG>CHINA 270k	93.0	\$54,186	88.0	\$50,185
WAFR>CHINA 260k	90.0	\$53,662	87.5	\$52,686
USG>SPORE 270k	\$7.50m	\$52,735	\$7.50m	\$53,963
AG>USG/USG>SPORE/AG	--	\$68,422	--	\$69,025
<b>VLCC Average Earnings</b>		<b>\$57,120</b>		<b>\$54,827</b>
<b>SUEZMAX</b> (13.0 Kts L/B)				
WAFR>USG 130k	115.0	\$33,352	115.0	\$34,402
WAFR>UKC 130k	120.0	\$29,484	120.0	\$30,528
BSEA>MED 140k	152.5	\$49,306	172.5	\$60,867
CBS>USG 150k	125.0	\$51,258	135.0	\$59,261
USG>UKC 130k	112.5	--	125.0	--
CBS>USG/USG>UKC/WAFR	--	\$46,517	--	\$29,251
AG>USG 140k	50.0	--	52.5	--
USG>SPORE 130k	\$4.60m	--	\$4.70m	--
AG>USG/USG>SPORE/AG	--	\$35,739	--	\$19,370
<b>Suezmax Average Earnings</b>		<b>\$38,716</b>		<b>\$40,191</b>
<b>AFRAMAX</b> (13.0 Kts L/B)				
N.SEA>UKC 80k	117.5	\$17,479	117.5	\$17,786
BALT>UKC 100k	92.5	\$20,718	90.0	\$19,066
CBS>USG 70k	235.0	\$47,631	235.0	\$50,391
USG>UKC 70k	175.0	--	160.0	--
CBS>USG/USG>UKC/NSEA	--	\$64,086	--	\$61,567
MED>MED 80k	125.0	\$17,540	145.0	\$25,999
AG>SPORE 70k	140.0	\$18,441	145.0	\$20,662
<b>Aframax Average Earnings</b>		<b>\$32,341</b>		<b>\$33,591</b>
<b>PANAMAX</b> (13.0 Kts L/B)				
CBS>USG 50k	200.0	\$22,241	180.0	\$16,473
CONT>USG 55k	155.0	\$17,359	130.0	\$12,248
ECU>USWC 50k	220.0	\$24,198	285.0	\$37,179
<b>Panamax Average Earnings</b>		<b>\$19,599</b>		<b>\$16,121</b>
<b>LR2</b> (13.0 Kts L/B)				
AG>JPN 75k	121.0	\$14,166	120.0	\$14,367
AG>UKC 80k	\$1.88m	\$10,236	\$1.90m	\$11,732
MED>JPN 80k	\$2.08m	\$7,890	\$2.06m	\$10,310
AG>UKC/MED>JPN/AG	--	\$16,070	--	\$18,316
<b>LR2 Average Earnings</b>		<b>\$14,800</b>		<b>\$15,682</b>
<b>LR1</b> (13.0 Kts L/B)				
AG>JPN 55k	128.0	\$9,304	130.0	\$10,415
AG>UKC 65k	\$1.42m	\$5,132	\$1.46m	\$7,353
UKC>WAFR 60k	129.0	\$6,147	132.5	\$6,300
AG>UKC/UKC>WAFR/AG	--	\$12,867	--	\$14,274
<b>LR1 Average Earnings</b>		<b>\$11,086</b>		<b>\$12,345</b>
<b>MR</b> (13.0 Kts L/B)				
UKC>USAC 37k	152.5	\$8,739	140.0	\$7,266
USG>UKC 38k	125.0	\$5,327	150.0	\$10,129
USG>UKC/UKC>USAC/USG	--	\$13,956	--	\$16,759
USG>CBS (Pozos Colorados) 38k	\$525k	\$15,663	\$675k	\$26,349
USG>CHILE (Coronel) 38k	\$1.35m	\$17,661	\$1.43m	\$20,402
CBS>USAC 38k	145.0	\$10,199	170.0	\$15,255
WCIND>JPN/ROK>SPORE/WCIND	--	\$11,188	--	\$11,722
<b>MR Average Earnings</b>		<b>\$12,059</b>		<b>\$14,318</b>
<b>Handy</b> (13.0 Kts L/B)				
MED>EMED 30k	154.5	\$12,052	163.5	\$17,255
SPORE>JPN 30k	150.0	\$5,876	148.0	\$5,891
<b>Handy Average Earnings</b>		<b>\$8,099</b>		<b>\$9,982</b>

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

Time Charter Market	1 Year	3 Years
<b>VLCC</b>	\$31,000	\$35,000
<b>Suezmax</b>	\$21,000	\$24,000
<b>Aframax</b>	\$17,000	\$20,000
<b>Panamax</b>	\$14,000	\$16,500
<b>MR</b>	\$13,000	\$14,500
<b>Handy</b>	\$11,500	\$13,000



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# WEBER WEEKLY TANKER REPORT



## SPOT MARKET SUMMARY

### VLCC

Rates in the VLCC market trended softer this week and although demand was off on a w/w basis, stronger demand losses had been expected due to industry events in Dubai and thus rates could well have been poised for steeper corrections. In the Middle East market, 21 fixtures were reported, or two fewer than last week's tally. In the West Africa market, demand was unchanged at last week's slow pace with just three fixtures reported. The Atlantic Americas yielded four fixtures, unchanged w/w.

Greater levels of uncertainty around the intermediate-term outlook have materialized on reduced implications from Iran sanctions following greater-than-expected US waivers, suggestions of Saudi supply cuts and interpretations of excessive global inventory replenishments. The fact that the VLCC market is poised to grow by net levels during 2019 last seen in the 1970s do not help to paint a rosier picture. Still, we believe that a Saudi supply cut could be constructive for the VLCC market by supporting greater purchases from West Africa, but our expectations around this are tempered heavily by the fact that any cuts would be from October levels, which seemed unsustainably high. Moreover, the focus of much analysis around this is on Saudi's October production levels, while the focus should be on October's supply levels. Geopolitical factors (not least of which was the run up to Iran sanctions Saudi Arabia was a very strong proponent of) could well have influenced greater supply gains during the month than production levels suggest. For its part, growing US crude inventories continue to rise, raising prospects for exports that strongly support VLCC trading dynamics.

Due to slower draws on the November Middle East position list, the November program is projected to conclude with a larger tally than previously projected. We project that there will be 14 surplus units at November's imminent conclusion, representing 6 more units than were observed at the conclusion of the month's second-decade and two more than October's conclusion. Corresponding rate losses, however, may prove elusive as charterers will be busier next week working early December cargoes and the supply surplus appears likely to narrow again during the first decade with our projection for the first decade standing at 9 units.

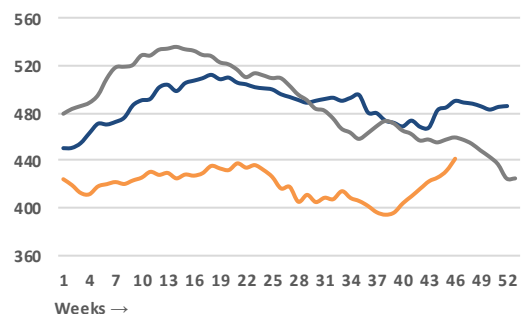
### Middle East

Rates on the AG-CHINA shed four points to conclude at ws88. Corresponding TCEs were off 7% to conclude at ~\$50,185/day. Rates to the USG via the Cape lost one point to conclude at ws39. Triangulated Westbound trade earnings rose by 1% to ~\$69,025/day.

### Atlantic Basin

Rates in the West Africa market followed those in the Middle East. The WAFR-CHINA route lost 2.5 points to conclude at ws87.5. Corresponding TCEs were off by 2% to conclude at ~\$52,746/day.

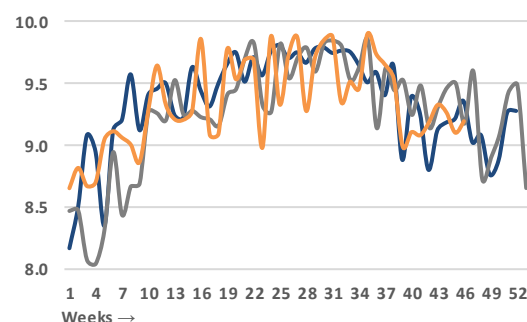
Rates for voyages commencing in the Atlantic Americas were unchanged on a tight regional supply/demand profile. The USG-SPORE route was steady at \$7.50m lump sum.



US Crude  
Stocks (EIA)

Last Week  
442.1 MnBbls

Week y/y  
▼ -3.7%



US Gasoline  
Demand (EIA)

Last Week  
9.192 MnB/d

Week y/y  
▲ +0.2%

■ 2018 ■ 2017 ■ 2016

# WEBER WEEKLY TANKER REPORT



## Suezmax

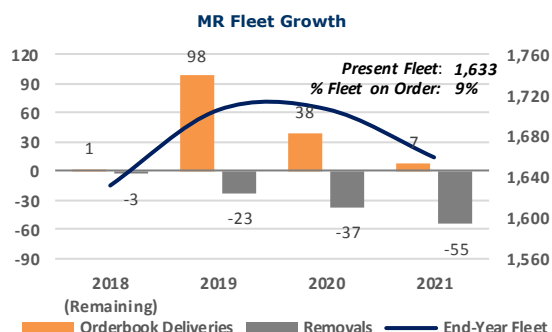
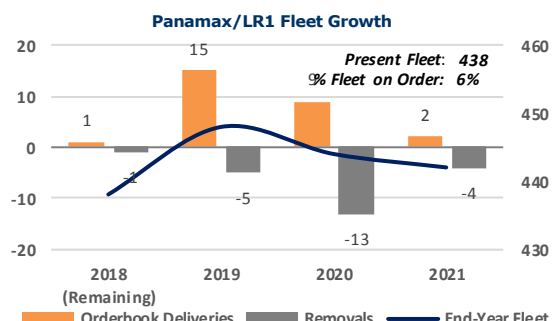
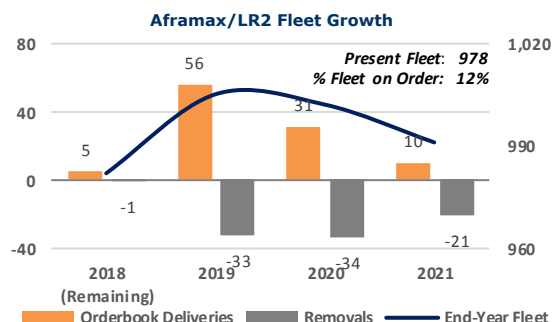
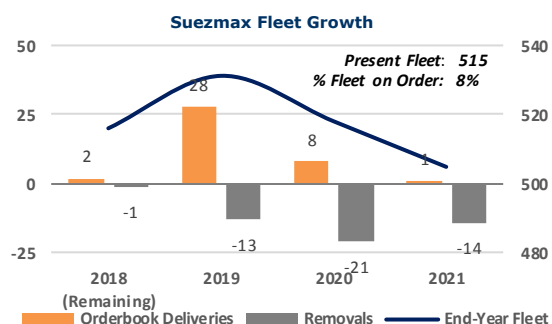
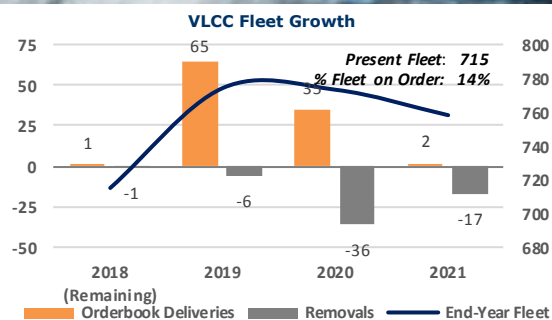
Ongoing delay issues at the Turkish straits, combined with tight combined Suezmax and Aframax fundamentals in the Caribbean market supported fresh – and in some cases very strong – rate gains this week. The BSEA-MED route added 20 points to conclude at a multiple-year high of ws172.5. Corresponding TCEs jumped 25% to ~\$60,867/day.

In the Caribbean market, rates on the CBS-USG route added 10 points to conclude at 150 x ws135 while the USG-UKC route added 12.5 points to conclude at 130 x ws125. The USG-SPORE route added \$100k to conclude at \$4.70m lump sum.

The West Africa market was largely unchanged with the WAFR-UKC route holding at ws120. The isolated lack of upside here came as regional demand was largely unchanged while lower bunker prices influenced modest TCE gains.

## Aframax

The Caribbean Aframax market remained tight with rates remaining at elevated levels. Regional demand surged 19% w/w with a number of US crude export cargoes added to the lot. Meanwhile, availability remained tight as weather and other delays maintained uncertain itineraries. The CBS-USG route was unchanged at ws235 while the USG-UKC route shed 15 points to ws160. Some repopulating of the position list has materialized by the close of the week, which might influence an easing from current rate highs, though the opposite could occur if charterer rush to cover cargoes ahead of the Thanksgiving holiday.



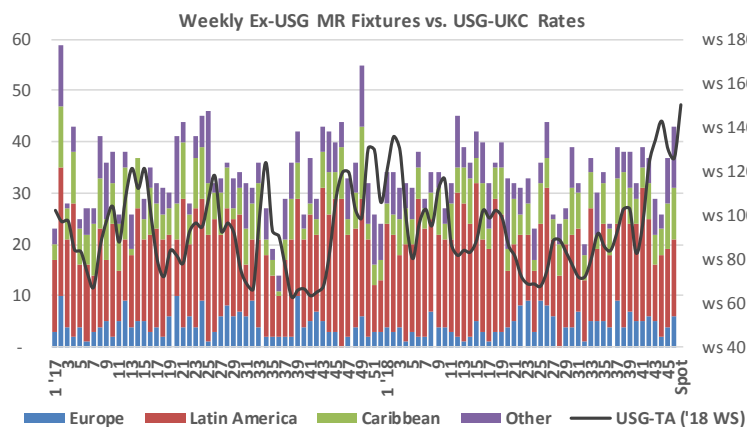
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## MR

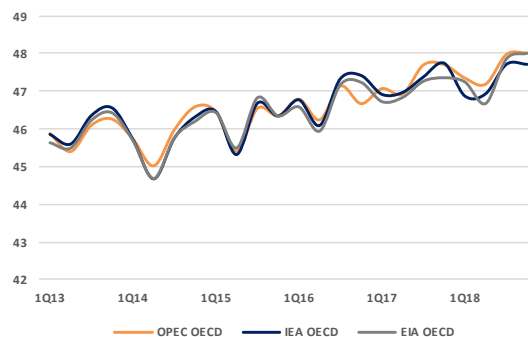
The USG MR market commenced with an extending of last week's negative rate trend. This belied a very active demand pace and, as this exhausted a large portion of the position list – particularly on the front-end – rates experienced strong positive pressure by mid-week. Ultimately, rates surged to fresh multiple-year highs on some routes by Friday. A total of 43 fixtures were reported, representing a 16% gain on last week's tally. Meanwhile, the two-week forward available tonnage tally dropped 50% w/w to just 21 units – the fewest in three years. Rates on the USG-UKC route surged, adding 25 points to ws150 while the USG-CBS route added \$150k to conclude at \$675k lump sum and the USG-CHILE route added \$75k to conclude at \$1.425m lump sum.

Rates are likely to remain firm through the upcoming week to reflect this week's substantial tightening – in line with a historical lag between fundamentals and rate development – while the tight position list will make the fundamentals all the more prescient. Normal fresh appearances on position lists are unlikely to affect the rate progression much, too, as a rush to cover cargoes ahead of the Thanksgiving holiday will concentrate demand to the first half of the week.

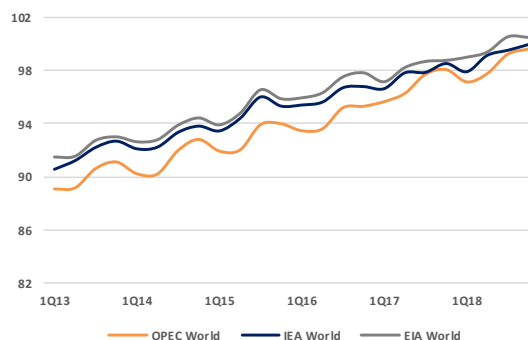


Charles R. Weber Company

**Projected OECD Oil Demand (Mnb/d)**



**Projected World Oil Demand (Mnb/d)**



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## REPORTED TANKER SALES

**Yasa Golden Horn**– 116,095 /07 – Samsung Geoje– DH  
-Sold for \$20.0m to undisclosed Vietnamese buyers. Unit due for DD 01/2019.

**Yasa Golden Bosphorus** – 115,867 /07 – Samsung Geoje– DH  
-Sold for \$20.2m to Soechi Lines.

**Petrovsk**– 106,449 /04 – Tsuneishi Fukuyama– DH  
-Sold for \$13.5m to undisclosed buyers. Unit due for DD 01/2019.

**King Daniel**– 73,720 /08 – New Times– DH  
**King Douglas**– 73,666 /08 – New Times – DH  
-Sold en bloc for \$13.5m to undisclosed Greek buyers.

**Mare di Genova** – 51,371 /03 – SLS Tongyeong – DH – IMO II - Ice 1B  
**Mare di Venezia** – 51,371 /03 – SLS Tongyeong – DH – IMO III - Ice 1B  
-Sold en bloc on private terms to Chandris Group.

**Alpine Minute** – 49,999 /09 – Hyundai Mipo – DH – IMO III- Ice 1B - SS/DD due 03/2019  
**Alpine Mystery** – 49,999 /09 – Hyundai Mipo – DH – IMO III - Ice 1B  
-Sold en bloc for \$33.8m to Norden.

**Narodny Bridge** – 47,791 /03 – Hyundai Mipo – DH – IMO III - Ice 1A  
-Sold for \$8.5m to Seven Islands Shipping Ltd. Unit due for DD 02/2019.

**FPMC 17** – 46,872 /09 – Jinling – DH – IMO III  
-Sold for \$10.5m to undisclosed buyers.

**Ore** – 46,228 /96 – Uljanik – DH – IMO III  
-Sold for \$5.5m to Zhongshi Ocean.

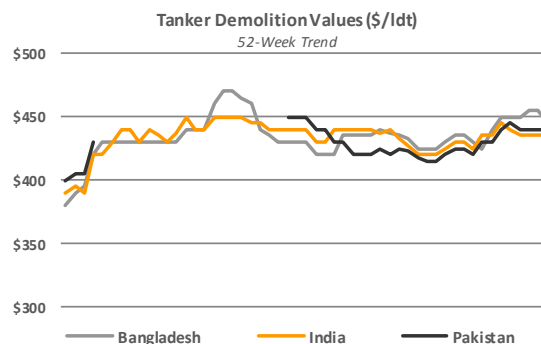
**Torm Clara** – 45,999 /00 – Daedong – DH – IMO II  
-Sold for \$5.4m to undisclosed buyers. Unit due for DD 01/2019.

**Prime Splendour**– 45,217 /96 – Minaminippon– DH – IMO II/III  
-Sold for 5.25m to undisclosed buyers.

## REPORTED TANKER DEMOLITION SALES

Final Destination: **Unknown**

**Samo C** – 46,538/89 – 9,550 LDT – DH  
-Sold for \$325/ldt basis as is, Cuba.



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