WEBER WEEKLY TANKER REPORT

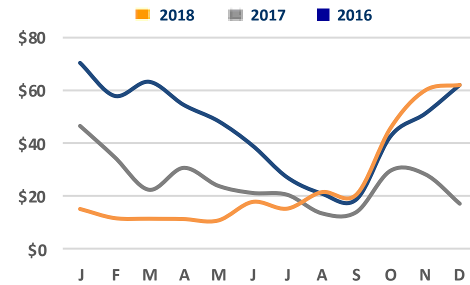
CHARLES R. WEBER COMPANY INC

WEEK 50 – 14 DECEMBER 2018 **ISSUE 50 – 2018**

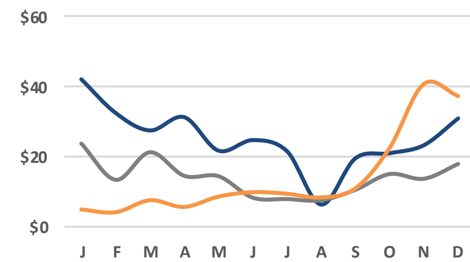
Spot Market	WS/LS	TCE	WS/LS	TCE
VLCC (13.0 Kts L/B)	7-Dec		14-Dec	
AG>USG 280k	38.0	--	37.0	--
AG>SPORE 270k	93.0	$61,358	84.5	$52,839
AG>JPN 265k	90.0	$63,494	82.5	$55,501
AG>CHINA 270k	93.0	$59,908	84.5	$51,310
WAFR>CHINA 260k	92.5	$60,470	84.0	$52,752
USG>SPORE 270k	$7.90m	$61,814	$7.60m	$58,778
AG>USG/USG>SPORE/AG	--	$75,656	--	$72,638
VLCC Average Earnings		*$62,976*		*$55,515*
SUEZMAX (13.0 Kts L/B)				
WAFR>USG 130k	110.0	$34,370	92.5	$25,938
WAFR>UKC 130k	115.0	$30,601	97.5	$22,582
BSEA>MED 140k	160.0	$55,863	155.0	$53,685
CBS>USG 150k	105.0	$41,044	105.0	$41,110
USG>UKC 130k	97.5	--	80.0	--
CBS>USG/USG>UKC/WAFR	--	$38,839	--	$31,903
AG>USG 140k	57.5	--	55.0	--
USG>SPORE 130k	$4.40m	--	$4.30m	--
AG>USG/USG>SPORE/AG	--	$40,142	--	$38,554
Suezmax Average Earnings		*$39,766*		*$33,696*
AFRAMAX (13.0 Kts L/B)				
N.SEA>UKC 80k	185.0	$64,470	200.0	$74,008
BALT>UKC 100k	145.0	$56,140	165.0	$68,096
CBS>USG 70k	135.0	$17,084	205.0	$40,507
USG>UKC 70k	117.5	--	160.0	--
CBS>USG/USG>UKC/NSEA	--	$32,075	--	$57,351
MED>MED 80k	195.0	$46,924	212.5	$53,808
AG>SPORE 70k	157.5	$26,756	147.5	$23,694
Aframax Average Earnings		*$40,939*		*$54,799*
PANAMAX (13.0 Kts L/B)				
CBS>USG 50k	150.0	$13,578	205.0	$25,717
CONT>USG 55k	140.0	$16,311	155.0	$20,027
ECU>USWC 50k	270.0	$35,896	270.0	$35,801
Panamax Average Earnings		*$16,465*		*$14,638*
LR2 (13.0 Kts L/B)				
AG>JPN 75k	186.5	$35,646	178.0	$33,022
AG>UKC 80k	$2.80m	$31,077	$2.55m	$26,307
MED>JPN 80k	$2.65m	$20,348	$2.71m	$21,505
AG>UKC/MED>JPN/AG	--	$34,933	--	$33,166
LR2 Average Earnings		*$35,408*		*$33,070*
LR1 (13.0 Kts L/B)				
AG>JPN 55k	180.5	$22,833	175.0	$21,479
AG>UKC 65k	$1.96m	$17,821	$1.95m	$17,646
UKC>WAFR 60k	170.5	$16,043	177.5	$17,460
AG>UKC/UKC>WAFR/AG	--	$26,828	--	$27,521
LR1 Average Earnings		*$24,830*		*$24,500*
MR (13.0 Kts L/B)				
UKC>USAC 37k	200.0	$19,078	207.5	$20,348
USG>UKC 38k	205.0	$20,900	200.0	$20,103
USG>UKC/UKC>USAC/USG	--	$31,404	--	$31,431
USG>CBS (Pozos Colorados) 38k	$825k	$37,770	$775k	$34,449
USG>CHILE (Coronel) 38k	$1.75m	$31,115	$1.65m	$28,298
CBS>USAC 38k	220.0	$25,553	220.0	$25,601
WCIND>JPN/ROK>SPORE/WCIND	--	$19,796	--	$23,752
MR Average Earnings		*$25,955*		*$26,331*
Handy (13.0 Kts L/B)				
MED>EMED 30k	212.5	$28,104	233.0	$33,408
SPORE>JPN 30K	152.5	$8,233	195.0	$13,321
Handy Average Earnings		*$15,387*		*$20,552*

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

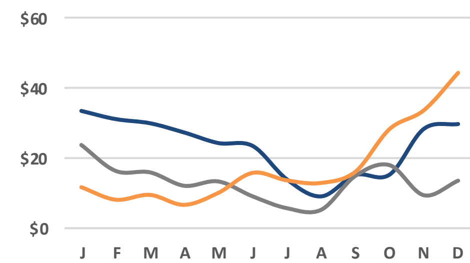
Time Charter Market *$/day (theoretical)*	1 Year	3 Years
VLCC	$37,000	$38,000
Suezmax	$23,000	$25,000
Aframax	$18,500	$21,500
Panamax	$14,000	$16,500
MR	$13,750	$14,500
Handy	$12,250	$13,000



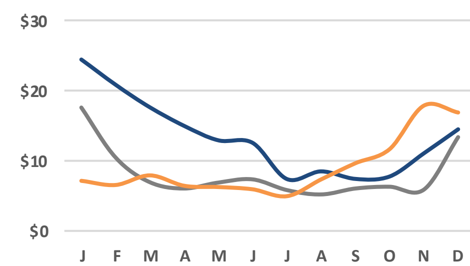
VLCC Average Earnings | **MTD Average** ~$62,045/Day | **Month y/y** ▲ +262%



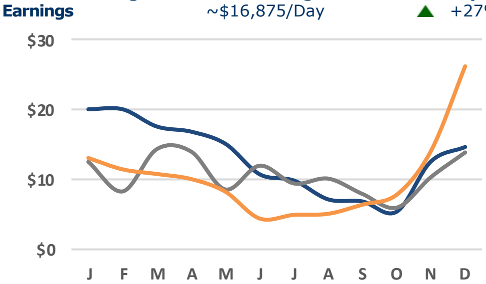
Suezmax Average Earnings | **MTD Average** ~$37,208/Day | **Month y/y** ▲ +109%



Aframax Average Earnings | **MTD Average** ~$44,126/Day | **Month y/y** ▲ +230%



Panamax Average Earnings | **MTD Average** ~$16,875/Day | **Month y/y** ▲ +27%



MR Average Earnings | **MTD Average** ~$26,190/Day | **Month y/y** ▲ +91%

SPOT MARKET SUMMARY

VLCC

Rates in the VLCC market trended softer this week as a number of fresh appearances on tonnage lists coupled with lackluster demand weighed negatively on sentiment. The Middle East market observed a modest increase in demand with the week's fixture tally rising by one, w/w; however, with eleven of these being concluded under COAs (vs. six last week) the number of cargoes being actively worked was off 18%, w/w. The West Africa fixture tally was off by four, w/w, to just two – which represents a three-month low. Demand in the Atlantic Americas doubled w/w, but remained slow with just four fixtures reported, inclusive of just one US crude export cargo.

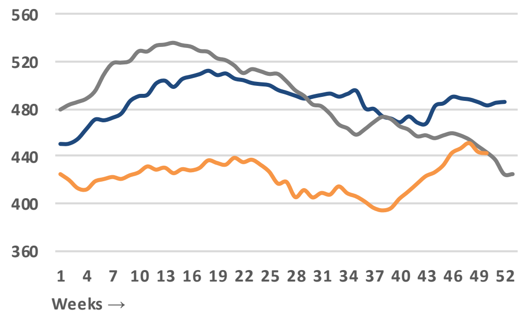
The number of surplus units in the Middle East market has rebounded in December's final decade, after dropping to a fresh cycle low during the month's second-decade. As a result, December is likely to conclude with 15 surplus units, which compares with just six at the conclusion of the second-decade and 14 at November's conclusion. Somewhat alarmingly, this tally is net of six units that opted to speculatively ballast towards the Atlantic basin, and thus would otherwise have been December Middle East units. This would have placed December's surplus at levels last seen in September, when average earnings were ~$20,471/day. During the MTD, earnings have averaged ~$62,761/day and presently stand at ~$57,233/day.

We believe that further rate downside is likely as the larger than expected surplus has not fully priced in yet. Thereafter, a pull of units towards the Atlantic basin for January cargoes should offset any supply reductions in the Middle East market, assuming that cargo appetite from Asian importers remains steady. This should offset the implications of the OPEC supply cuts in the immediate near-term. Although the longer voyage duration of Atlantic-basin to Asia cargo movements relative to Middle East to Asia cargo movements is supportive to trade dynamics, global crude demand may wane during 1Q19 as 1H19 refinery maintenance levels are likely to exceed historical seasonal norms as plants seek to minimize works during 2H19 in order to capitalize on the run-up to IMO 2020. A robust pace of newbuilding deliveries is also expected for 1Q19 with 18 units likely to deliver – including 10 during January alone. By the time the February program commences, most of the January deliveries are likely to have appeared on position lists as these units are merely awaiting the start of the new year to be delivered to avoid the depreciation of a change in year and thus will deliver in rapid succession early during the month.

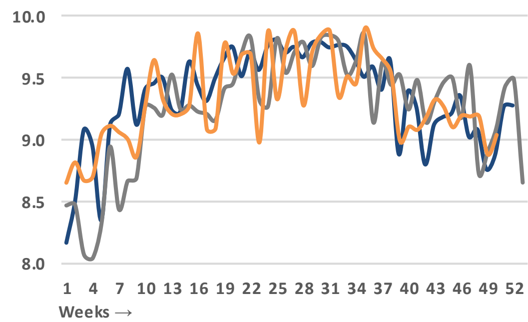
Middle East
Rates on the AG-CHINA route shed 8.5 points to conclude at ws84.5 with corresponding TCEs falling 14% to ~$51,310/day. Rates to the USG via the Cape lost one point to conclude at ws37. Triangulated Westbound trade earnings were off 4% to ~$72,638/day.

Atlantic Basin
Rate progression in the West Africa market tracked that in the Middle East. The WAFR-CHINA route lost 8.5 points to conclude at ws84, with corresponding TCEs off by 13% to ~$52,752/day.

Rates for voyages commencing in the Atlantic Americas were softer as speculative inbound ballast units appeared on regional position lists. The USG-SPORE route shed $300k to conclude at $7.60m lump sum.



US Crude Stocks (EIA)	Last Week	Week y/y
	442.0 MnBbls	▼ -0.2%



US Gasoline Demand (EIA)	Last Week	Week y/y
	9.036 MnB/d	▼ -0.6%

2018 2017 2016

WEBER WEEKLY
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Suezmax

Suezmax rates were markedly softer this week on rising availability and limited demand in key markets. In the West Africa region, the pace of fixture activity clawed back last week's gains; just six fixtures materialized as compared with 16 the previous week. Rates on the WAFR-UKC route shed 17.5 points to conclude at ws97.5

In the Black Sea region, rates remained elevated on sustained Turkish straits delay issues but did post some losses to reflect the weakening wider Suezmax market and limited regional demand. The BSEA-MED route shed five points to conclude at ws155. Stronger losses are likely to materialize on a retesting during the upcoming week given the route's isolated strength from the wider Suezmax market and the class' regional rate strength on $/mt terms relative to Aframaxes for the same trades.

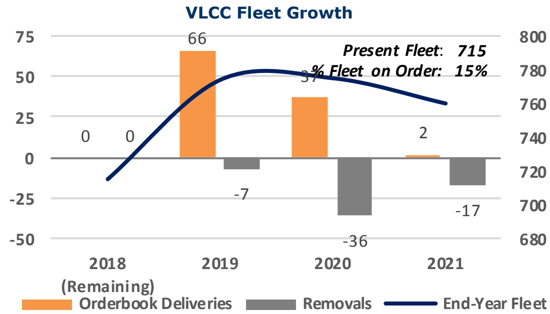
Suezmax rates in the Atlantic Americas were largely steady. Rebounding Aframax rates raised the specter of a migration of charterer interest to the larger class, which conspired with a relatively tight regional supply/demand positioning to prevent substantial losses to match Suezmax rate trends in other regions. Still, Aframaxes remained at a discount on $/mt terms. The CBS-USG route was unchanged at 150 x ws105 while the USG-SPORE route shed $100k to conclude at $4.3m lump sum.

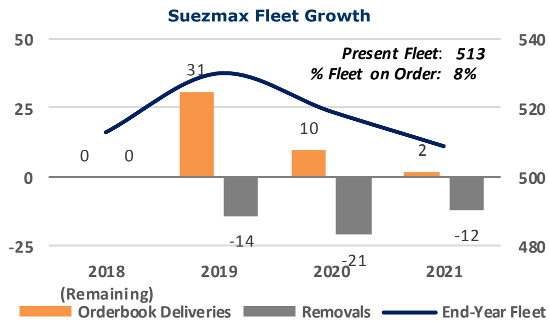
Aframax

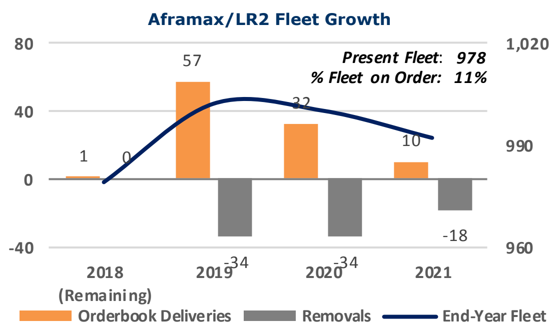
Aframax rates were firmly in positive territory this week. Strong demand and tight fundamentals in Europe allowed for an extending of rate gains there while rates in the Americas rebounded on a fresh surge in regional demand.

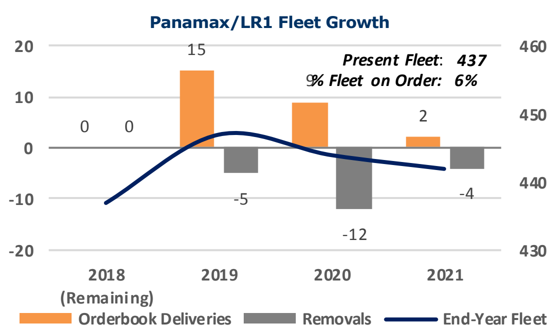
Tight supply in the North Sea and Baltic regions for late December cargoes saw rates on the regions' benchmark routes capture further gains. The NSEA-UKC route jumped 15 points to conclude at ws200 while the BALT-UKC route added 20 points to conclude at ws165. The Mediterranean market was also busy with tightening fundamentals; the MED-MED route added 17.5 points to conclude at ws212.5.

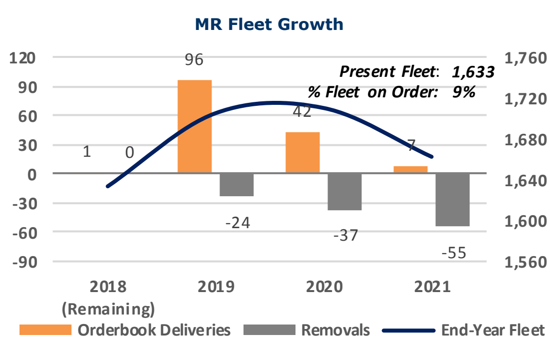
Demand in the Caribbean market surged this week, allowing rates to post a strong rebound from last week's losses. The CBS-USG route gained 70 points to conclude at ws205. Corresponding TCEs jumped 137% to ~$40,507/day; however, this remains at a discount to the average TCE in Europe of around $65,000/day, raising the potential for successive gains during the upcoming week.





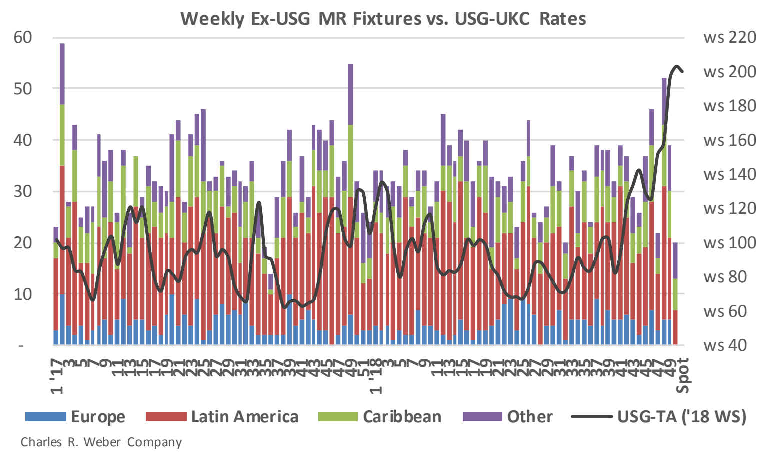




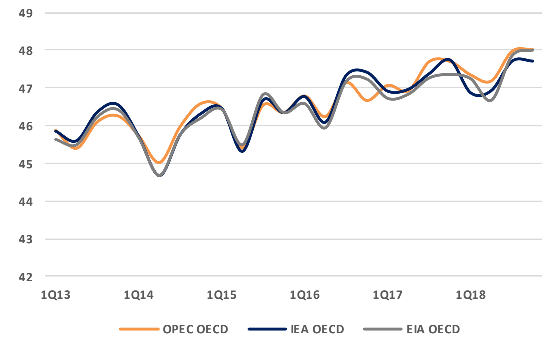


MR

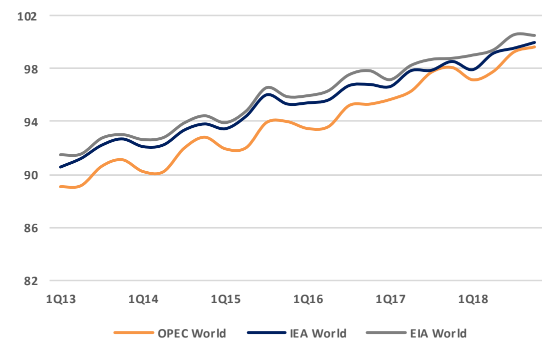
Demand in the USG MR market slowed drastically this week amid industry holiday parties, leading to a drop off in rates by the close of the week as available tonnage levels surged in tandem. Just 20 fixtures were reported this week, representing a near halving of last week's demand and the smallest weekly tally in four months. The two-week forward view of available tonnage rose 55% w/w to a five-week high. Rates on the USG-UKC route shed five points to conclude at ws200 while the USG-CBS route was off by $50k to $775k lump sum and the USG-CHILE route was $100k to $1.65m lump sum. As losses were likely limited by the inactivity, we expect that a further correction will materialize at the start of the upcoming week as the prevailing fundamentals are yet to be fully accounted for in rates while available tonnage will expand over the weekend. Simultaneously, after an early-week losses, a floor should develop by mid-week as demand should prove robust while charterers fix any uncovered cargoes from this week and move further forward than normal to cover requirements ahead of the Christmas holiday.



Projected OECD Oil Demand (Mnb/d)



Projected World Oil Demand (Mnb/d)



WEBER WEEKLY TANKER REPORT

REPORTED TANKER SALES

Navion Scandia – 126,749/98 – Sesatao Asilleros – DH – DP2 Shuttle
-Sold on private terms to Andromeda.

Singapore River – 115,126/09 – Sasebo – DH
-Sold for $23.3m to Roswell Tanker Corp.

Maran Sagitta – 105,071/09 – Hyundai Ulsan – DH
-Sold on private terms to undisclosed Greek buyers.

CPO India – 51,703/10 – Hyundai Mipo – DH – IMO III
CPO China – 51,672/10 – Hyundai Mipo – DH – IMO III
-Sold en bloc for $36.0m to Tufton Oceanic.

Ardmore Seavanguard – 49,997/14 – SPP Sacheon – DH
Ardmore Exporter – 49,526/14 – STX Jinhae – DH
-Sold on private terms to undisclosed Chinese buyers including 7-Year BBBs with purchase options.

Ardmore Engineer – 49,420/14 – STX Jinhae – DH – IMO II/III
-Sold on private terms to Fuyo Kaiun including 11-Year BB with purchase options.

High Trader – 49,990/15 – Hyundai Vinashin – DH – IMO II/III
-Sold for $27.0m to undisclosed Japanese buyers including 10-Year BBB with purchase obligation.

Ayesha – 47,134/08 – Hyundai Mipo – DH – IMO III
-Sold for $16.0m to undisclosed Norwegian buyers.

Maersk Mizushima – 45,996/09 – Shin Kurushima Onishi – DH
-Sold for $16.0m to undisclosed Chinese buyers.

Ardmore Seamaster – 45,840/04 – Shin Kurushima Onishi – DH – IMO III
-Sold for $8.2m to undisclosed buyers.

CPO Norway – 37,321/08 – Hyundai Mipo – DH – IMO III – Ice 1A
CPO England – 37,313/08 – Hyundai Mipo – DH – IMO III – Ice 1A
CPO France – 37,304/08 – Hyundai Mipo – DH – IMO III – Ice 1A
CPO Germany – 37,297/08 – Hyundai Mipo – DH – IMO III – Ice 1A
CPO Russia – 37,296/08 – Hyundai Mipo – DH – IMO III – Ice 1A
CPO Finland – 37,293/08 – Hyundai Mipo – DH – IMO III – Ice 1A
CPO Italy – 37,282/08 – Hyundai Mipo – DH – IMO III – Ice 1A
CPO Sweden – 37,280/08 – Hyundai Mipo – DH – IMO III – Ice 1A
-Sold en bloc on private terms to undisclosed European buyers.

Nordic Ruth – 35,820/00 – Daedong – DH – IMO II/III
-Sold for $5.5m to undisclosed buyers.

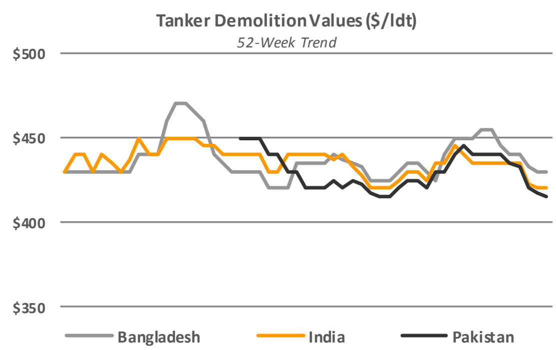
REPORTED TANKER DEMOLITION SALES

Final Destination: **India**

Belakamenka – 360,700/80 – 52,224 LDT – SH – **FSO**
-Sold for $405/ldt for green recycling. Unit converted from oil tanker 01/2004.

Final Destination: **Unknown**

Georgis Nikolos – 72,341/03 – 13,806 LDT – DH
-Sold on private terms.



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