WEBER WEEKLY TANKER REPORT

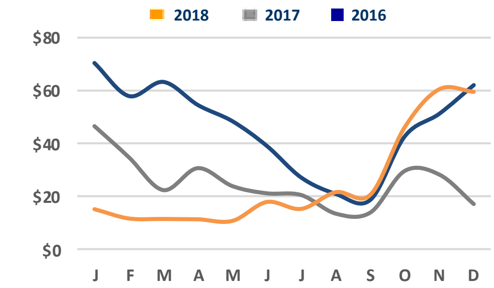
WEEK 1 – 4 JANUARY 2019

ISSUE 1 – 2019

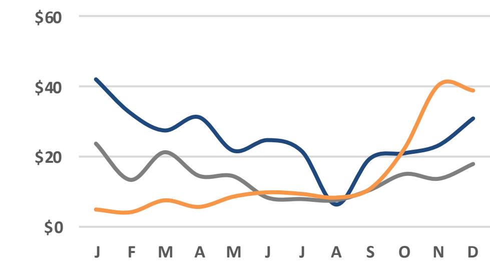
Spot Market	WS/LS	TCE	WS/LS	TCE
VLCC (13.0 Kts L/B)	**28-Dec ('18 WS)**		**4-Jan ('19 WS)**	
AG>USG 280k	31.0	--	25.2	--
AG>SPORE 270k	75.0	$46,490	61.4	$43,022
AG>JPN 265k	72.5	$48,176	58.2	$43,125
AG>CHINA 270k	75.0	$44,856	61.0	$41,371
WAFR>CHINA 260k	76.0	$48,751	56.9	$38,804
USG>SPORE 270k	$6.40m	$49,184	$5.50m	$37,287
AG>USG/USG>SPORE/AG	--	$60,441	--	$48,966
VLCC Average Earnings		*$48,656*		*$42,445*
SUEZMAX (13.0 Kts L/B)				
WAFR>USG 130k	112.5	$38,230	82.7	$29,536
WAFR>UKC 130k	117.5	$34,390	86.6	$26,056
BSEA>MED 140k	150.0	$52,254	129.1	$49,725
CBS>USG 150k	112.5	$48,765	93.6	$45,738
USG>UKC 130k	105.0	--	80.6	--
CBS>USG/USG>UKC/WAFR	--	$46,370	--	$40,402
AG>USG 140k	50.0	--	37.8	--
USG>SPORE 130k	$4.40m	--	$4.40m	--
AG>USG/USG>SPORE/AG	--	$40,221	--	$37,013
Suezmax Average Earnings		*$42,036*		*$36,749*
AFRAMAX (13.0 Kts L/B)				
N.SEA>UKC 80k	170.0	$56,437	115.0	$30,535
BALT>UKC 100k	155.0	$63,960	107.5	$40,903
CBS>USG 70k	237.5	$53,367	200.0	$52,367
USG>UKC 70k	192.5	--	160.0	--
CBS>USG/USG>UKC/NSEA	--	$74,695	--	$72,838
MED>MED 80k	175.0	$41,443	165.0	$45,764
AG>SPORE 70k	147.5	$25,281	125.0	$24,378
Aframax Average Earnings		*$55,619*		*$47,059*
PANAMAX (13.0 Kts L/B)				
CBS>USG 50k	190.0	$24,010	155.0	$19,824
CONT>USG 55k	170.0	$25,481	147.5	$25,229
ECU>USWC 50k	250.0	$33,570	212.5	$33,800
Panamax Average Earnings		*$24,962*		*$23,152*
LR2 (13.0 Kts L/B)				
AG>JPN 75k	158.5	$29,283	120.0	$23,930
AG>UKC 80k	$2.60m	$29,324	$2.35m	$23,310
MED>JPN 80k	$2.71m	$23,574	$2.43m	$18,137
AG>UKC/MED>JPN/AG	--	$35,672	--	$29,069
LR2 Average Earnings		*$31,411*		*$25,642*
LR1 (13.0 Kts L/B)				
AG>JPN 55k	189.5	$25,757	161.5	$25,358
AG>UKC 65k	$2.12m	$22,785	$2.14m	$22,250
UKC>WAFR 60k	159.5	$15,972	126.0	$12,700
AG>UKC/UKC>WAFR/AG	--	$29,627	--	$27,581
LR1 Average Earnings		*$27,692*		*$26,469*
MR (13.0 Kts L/B)				
UKC>USAC 37k	145.0	$11,102	115.2	$8,681
USG>UKC 38k	130.0	$9,751	127.9	$12,356
USG>UKC/UKC>USAC/USG	--	$17,411	--	$18,483
USG>CBS (Pozos Colorados) 38k	$440k	$13,139	$600k	$23,240
USG>CHILE (Coronel) 38k	$1.25m	$18,083	$1.45m	$23,128
CBS>USAC 38k	160.0	$16,158	149.0	$17,248
WCIND>JPN/ROK>SPORE/WCIND	--	$24,835	--	$23,458
MR Average Earnings		*$16,381*		*$17,422*
Handy (13.0 Kts L/B)				
MED>EMED 30k	234.5	$34,819	199.5	$30,039
SPORE>JPN 30K	225.0	$17,972	200.0	$18,363
Handy Average Earnings		*$24,037*		*$22,566*

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

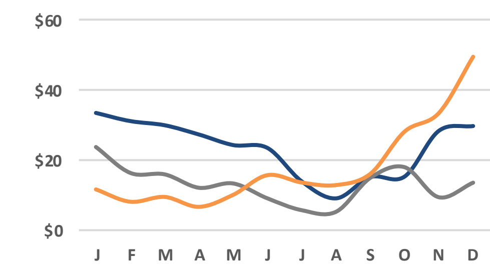
Time Charter Market *$/day (theoretical)*	1 Year	3 Years
VLCC	$37,000	$38,000
Suezmax	$23,000	$25,000
Aframax	$18,500	$21,500
Panamax	$14,000	$16,500
MR	$13,750	$14,500
Handy	$12,250	$13,000



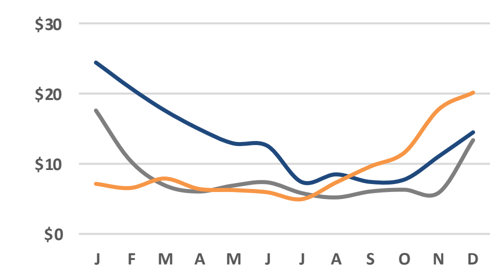
VLCC Average Earnings | **Dec. Average** ~$59,062/Day | **Month y/y** ▲ +244%



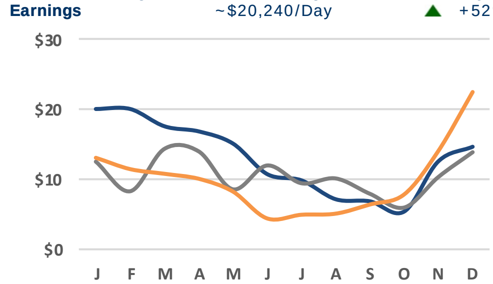
Suezmax Average Earnings | **Dec. Average** ~$39,053/Day | **Month y/y** ▲ +120%



Aframax Average Earnings | **Dec. Average** ~$49,539/Day | **Month y/y** ▲ +270%



Panamax Average Earnings | **Dec. Average** ~$20,240/Day | **Month y/y** ▲ +52%



MR Average Earnings | **Dec. Average** ~$22,444/Day | **Month y/y** ▲ +63%

WEBER WEEKLY TANKER REPORT

SPOT MARKET SUMMARY

VLCC

Rates trended moderately lower this week as owners took stock of a supply/demand positioning that remained largely unchanged despite slow demand. The Middle East market observed sluggish demand for a second consecutive week with 15 reported fixtures representing a 17% w/w decline and comparing with a 2018 weekly average of 29 fixtures. The West Africa market, too, moderated down w/w with four fixtures representing three fewer than last week's tally. The Atlantic Americas extended last week's active pace, however, with the regional fixture tally rising by two to eight this week.

More attractive freight levels for VLCCs on the USG-UKC route, relative to Aframaxes that traditionally service the trade, created a flurry of inquiry late this week – though as of writing no corresponding fixtures are reported to have materialized. Accounting for lightering costs and freight, the VLCC class currently offers the most attractive $/mt value. Any forward expectations around this trade, however, should be tempered by a likely moderating of Aframax rates from prevailing highs.

Key Middle East supply/demand fundamentals remain tight, which are likely to keep freight rates strong in the near-term. The two-week forward regional availability surplus is expected to conclude January's second decade with 10 units. This compares with 13 surplus units at the conclusion of the December program and 14 at the conclusion of the November program.

Beyond the immediate near-term, fresh headwinds are expected to materialize in the coming weeks as an onslaught of newbuildings deliver. We project that 18 newbuilding units will deliver during 1Q19 – including 10 during January alone. Adding to pressure, the recent crash of crude oil prices could create greater urgency around planned OPEC+ supply cuts. Although these could push some Middle East demand to the Atlantic basin and thus stoke greater ton-miles, any positive impact thereof would come after a lag period for the longer period units take to reappear on position lists to be priced in.

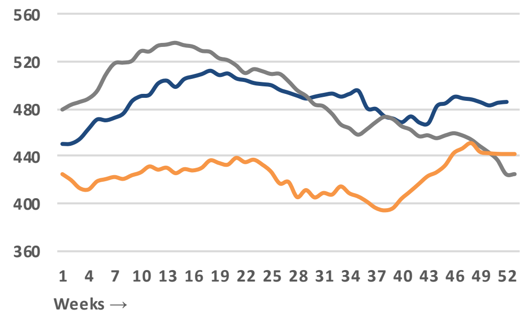
Middle East

Rates on the AG-CHINA route concluded unchanged at ws63.1, basis 2019 WS. Corresponding TCEs rose by 4% on lower bunker prices to conclude at ~$46,792/day. Rates to the USG via the Cape lost the equivalent of 0.9 point to conclude at ws25.2 basis 2019 WS. Triangulated Westbound trade earnings were off by 8% to ~$52,493/day.

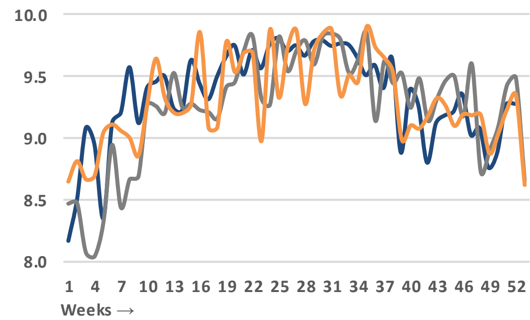
Atlantic Basin

Rate progression in the West Africa market tracked that in the Middle East. The WAFR-CHINA was steady at ws64 on 2019 WS, with corresponding TCEs gaining 4% to ~$50,060/day.

Rates for voyages commencing in the Atlantic Americas were softer on sour sentiment amid greater arrivals. The USG-SPORE route shed $600k to conclude at $5.50m lump sum.



US Crude Stocks (EIA)	Last Week	Week y/y
	441.1 MnBbls	▲ +4.0%



US Gasoline Demand (EIA)	Last Week	Week y/y
	8.623 MnB/d	▼ -0.3%

2018 2017 2016

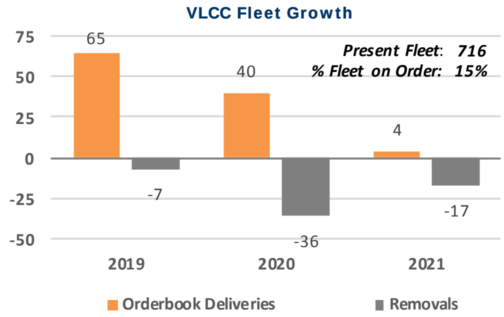
Suezmax

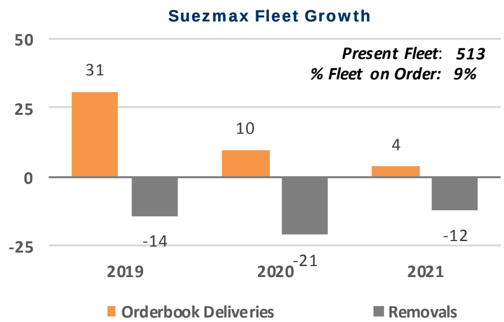
West Africa Suezmax rates commenced softer but stabilized through the remainder of the week on support from strong rates in the Black Sea market. Just five fixtures materialized, unchanged from last week. The WAFR-UKC route shed the equivalent of 12.8 points to conclude at ws86.6 (basis 2019 Worldscale). Rates in the Black Sea remained strong on very heavy delays at the Turkish Straits of nearly 20 days. The BSEA-MED route was unchanged at the 2019 Worldscale equivalent of ws129.1.

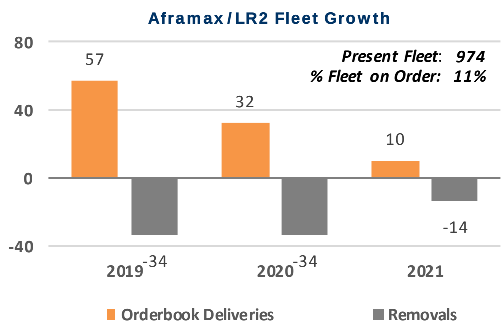
Rates in the Atlantic Americas were soft this week, though strong losses were limited by a sustaining of very strong regional Aframax rates. The CBS-USG route shed the equivalent of 2.2 points to conclude at 150 x ws93.6 while the USG-UKC route shed the equivalent of 8.5 points to conclude at ws80.6 (basis 2019 Worldscale). Meanwhile, USG-SPORE rates were steady at $4.40m lump sum.

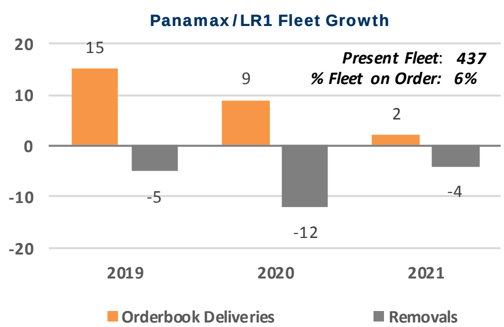
Aframax

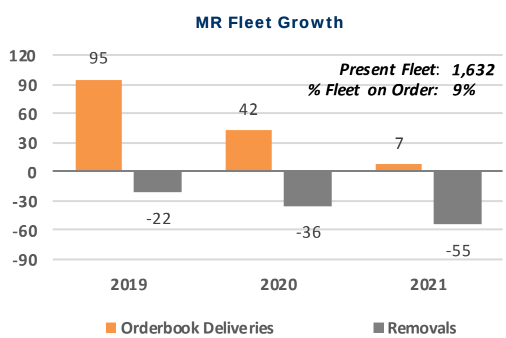
Caribbean Aframax rates remained very strong on a tight regional supply/demand positioning. The CBS-USG route added the equivalent 0.4 point to conclude at ws200 on 2019 Worldscale. The USG-UKC route, meanwhile, shed the equivalent of 3.3 points to conclude at ws160. The high regional freight environment for Aframaxes has been pushing some interest to larger size classes, including rare interest in VLCCs for trans-Atlantic voyages servicing US crude exports. This, combined with a recent correcting of Aframax rates in the North Sea area and a corresponding TCE disparity, is likely to see rates turn softer in the near-term. Rates on the NSEA-UKC route were off by the equivalent of 34 points to ws115 on 2019 Worldscale.





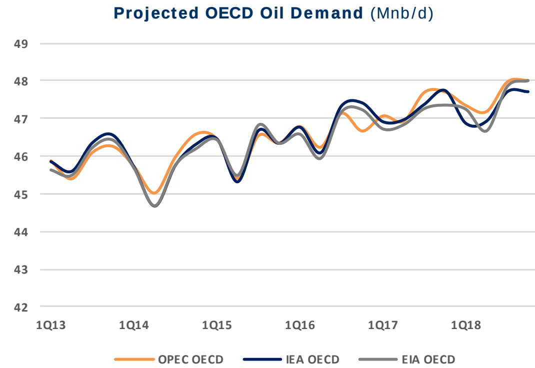


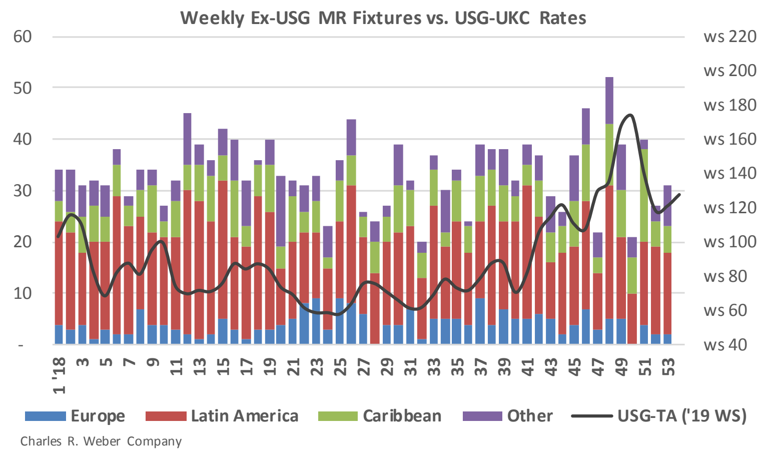


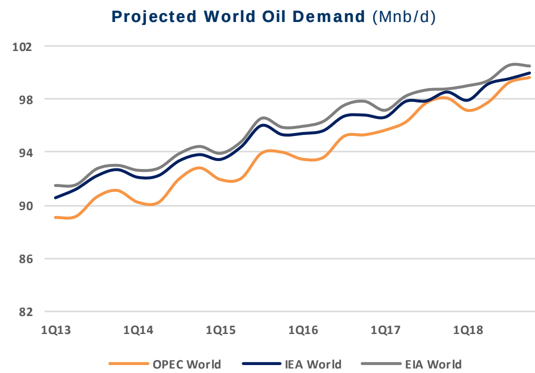


MR

After suffering strong losses from earlier multiple-year highs during the final week of 2018 on a pullback in demand during the holidays, rates were firmly in positive territory this week on rebounding demand and sustained tight supply. A total of 31 fixtures were reported this week, representing a 15% w/w gain. Meanwhile, the two-week forward view of available tonnage dropped 11% to conclude with 31 units. Rates on the USG-UKC concluded with a gain of the equivalent of 17.1 points to conclude at ws127.9 (basis 2019 Worldscale). Meanwhile, the USG-CBS route added \$160k to conclude at \$600k lump sum and the USG-CHILE route rose by \$200k to conclude at \$1.45m lump sum. Delay issues at some regional ports, strong recent demand regionally and globally maintained the tighter supply/demand positioning which supported 2018's late rally. We expect that rates could observe further rate upside during the start of the upcoming week on sustained demand.







REPORTED TANKER SALES

Nord Inspiration – 47,987/10 – Iwagi Zosen – DH
-Sold for $16.8m Foyo Kaiun, including 1-Year TCB at $11,000/day.

Falcon Grace – 46,475/99 – Daedong – DH – IMO II/III – SS/DD due 02/2019
Falcon Vcitory – 46,473/99 – Daedong – DH – IMO II/III – SS/DD due 03/2019
-Sold en bloc for $5.8m each to undisclosed Chinese buyers.

Topaz-T – 13,966/09 – Selah – DH – IMO II – Ice 1A
Turquoise-T – 13,947/08 – Gisan – DH – IMO II – Ice 1A
-Sold en bloc for $17.5m to McKeil Marine.

Caroline Wind – 2,698/94 – Metalcost – DH – IMO II – Ice 1C
-Sold on private terms to Betatank M Shipping.

REPORTED TANKER DEMOLITION SALES

Final Destination: **Bangladesh**

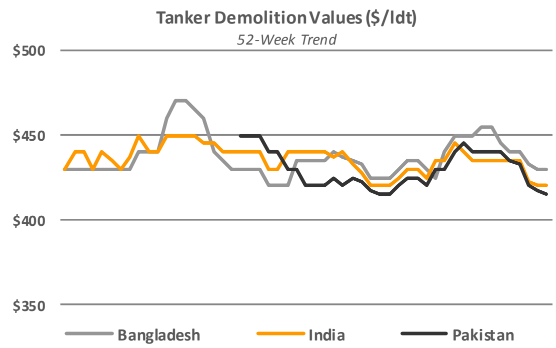
Bunga Kelana 4 – 105,815/99 – 17,060 LDT – DH – SS/DD due 01/2019
-Sold for $464/ldt.

Final Destination: **Unknown**

Eagle Anaheim – 107,160/99 – 16,717 LDT – DH
Eagle Atlanta – 107,160/99 – 16,717 LDT – DH
Eagle Augusta – 105,343/99 – 16,830 LDT – DH
-Each sold on private terms.

Maroni – 43,260/81 – 8,948 LDT – DH
-Sold on private terms.

Tessalina – 40,727/96 – 9,543 LDT – DH
-Sold on private terms.



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