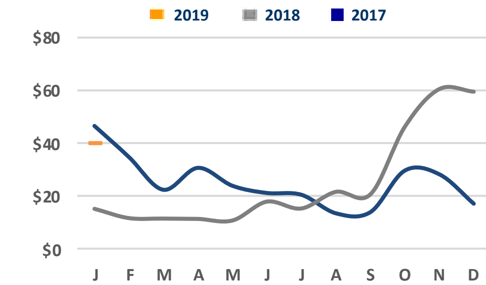
WEBER WEEKLY TANKER REPORT

WEEK 4 – 25 JANUARY 2019 | **ISSUE 4 – 2019**

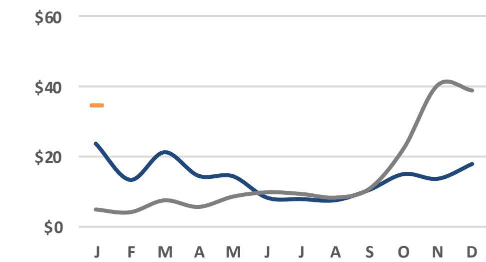
Spot Market	WS/LS	TCE	WS/LS	TCE
VLCC (13.0 Kts L/B)	18-Jan		25-Jan	
AG>USG 280k	25.0	--	26.0	$4,461
AG>SPORE 270k	56.0	$35,792	53.0	$32,807
AG>JPN 265k	54.0	$36,954	51.0	$33,569
AG>CHINA 270k	57.5	$36,204	54.5	$32,981
WAFR>CHINA 260k	57.5	$38,093	54.0	$34,380
USG>SPORE 270k	$6.40m	$45,719	$6.00m	$53,122
AG>USG/USG>SPORE/AG	--	$55,477	--	$53,122
VLCC Average Earnings		*$39,026*		*$35,819*
SUEZMAX (13.0 Kts L/B)				
WAFR>USG 130k	75.0	$24,013	70.0	$21,207
WAFR>UKC 130k	80.0	$21,296	75.0	$18,631
BSEA>MED 140k	115.0	$39,350	100.0	$29,607
CBS>USG 150k	92.5	$43,622	80.0	$33,656
USG>UKC 130k	90.0	--	70.0	--
CBS>USG/USG>UKC/WAFR	--	$42,107	--	$30,121
AG>USG 140k	42.5	--	42.5	--
USG>SPORE 130k	$4.43m	--	$4.10m	--
AG>USG/USG>SPORE/AG	--	$37,515	--	$35,233
Suezmax Average Earnings		*$31,251*		*$25,634*
AFRAMAX (13.0 Kts L/B)				
N.SEA>UKC 80k	110.0	$25,678	110.0	$26,229
BALT>UKC 100k	90.0	$27,976	100.0	$35,303
CBS>USG 70k	155.0	$33,695	165.0	$37,915
USG>UKC 70k	115.0	--	130.0	--
CBS>USG/USG>UKC/NSEA	--	$46,187	--	$54,424
MED>MED 80k	120.0	$25,182	100.0	$16,565
AG>SPORE 70k	117.5	$21,217	105.0	$17,290
Aframax Average Earnings		*$30,949*		*$33,502*
PANAMAX (13.0 Kts L/B)				
CBS>USG 50k	180.0	$25,264	222.5	$36,245
CONT>USG 55k	140.0	$22,232	155.0	$27,119
ECU>USWC 50k	212.5	$35,528	195.0	$29,182
Panamax Average Earnings		*$23,823*		*$30,448*
LR2 (13.0 Kts L/B)				
AG>JPN 75k	130.0	$26,430	130.0	$26,595
AG>UKC 80k	$2.65m	$28,327	$2.65m	$28,601
MED>JPN 80k	$2.54m	$18,913	$2.49m	$18,387
AG>UKC/MED>JPN/AG	--	$32,438	--	$32,290
LR2 Average Earnings		*$28,431*		*$28,492*
LR1 (13.0 Kts L/B)				
AG>JPN 55k	149.0	$21,777	135.0	$18,841
AG>UKC 65k	$2.13m	$21,368	$1.84m	$16,130
UKC>WAFR 60k	112.0	$8,990	126.0	$12,428
AG>UKC/UKC>WAFR/AG	--	$24,955	--	$23,288
LR1 Average Earnings		*$23,366*		*$21,065*
MR (13.0 Kts L/B)				
UKC>USAC 37k	125.0	$9,895	140.0	$13,226
USG>UKC 38k	90.0	$4,194	100.0	$6,404
USG>UKC/UKC>USAC/USG	--	$12,847	--	$16,363
USG>CBS (Pozos Colorados) 38k	$420k	$10,409	$475k	$14,454
USG>CHILE (Coronel) 38k	$1.20m	$15,290	$1.25m	$16,936
CBS>USAC 38k	130.0	$12,744	120.0	$11,009
WCIND>JPN/ROK>SPORE/WCIND	--	$23,073	--	$19,231
MR Average Earnings		*$13,537*		*$15,107*
Handy (13.0 Kts L/B)				
MED>EMED 30k	172.0	$21,991	160.5	$19,093
SPORE>JPN 30K	189.0	$16,362	180.0	$15,083
Handy Average Earnings		*$18,388*		*$16,526*

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

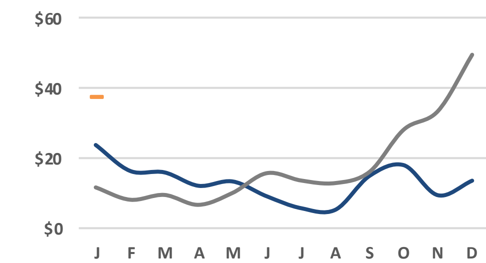
Time Charter Market *$/day (theoretical)*	**1 Year**	**3 Years**
VLCC	$35,500	$38,000
Suezmax	$25,500	$26,000
Aframax	$18,500	$21,500
Panamax	$15,000	$16,500
MR	$13,250	$15,000
Handy	$13,000	$14,000



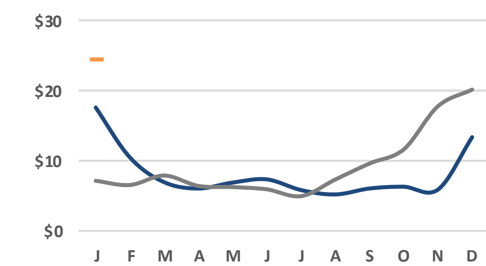
VLCC Average Earnings	MTD Average ~$40,293/Day	Month y/y ▲ +167%



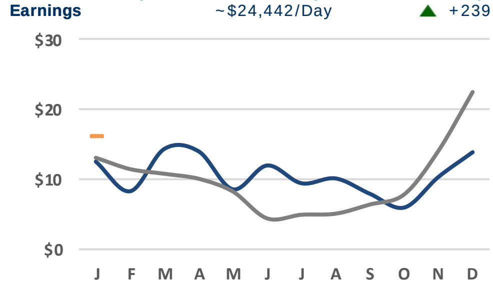
Suezmax Average Earnings	MTD Average ~$34,229/Day	Month y/y ▲ +591%



Aframax Average Earnings	MTD Average ~$37,303/Day	Month y/y ▲ +218%



Panamax Average Earnings	MTD Average ~$24,442/Day	Month y/y ▲ +239%



MR Average Earnings	MTD Average ~$15,981/Day	Month y/y ▲ +22%

SPOT MARKET SUMMARY

VLCC

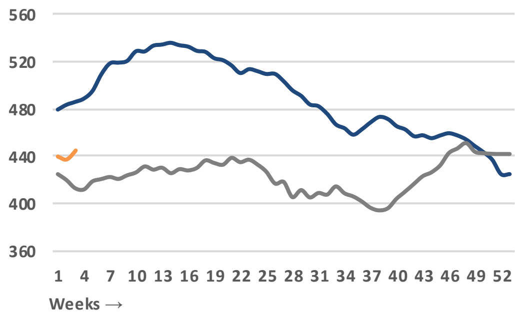
A surprise rise in VLCC availability during the first decade of the February Middle East program saw an early rallying of rates halted by mid-week while the fundamentals setup suggest further losses are likely during the upcoming week. Demand in the Middle East market rose 33% w/w to 36 fixtures, though demand in the West Africa market was off by two fixtures to five and the Atlantic Americas were markedly slower following three consecutive weeks of very strong demand to service US crude exports. Draws to the Atlantic basin halted on the back of a fresh weakening of rates in the Atlantic Americas and newbuilding units that were previously expected to deliver later added to a building up of surplus Middle East positions. With the first decade of the February Middle East program now likely complete, there are 20 units unfixed that will carryover to later dates. A week ago, the surplus was projected at just seven units and thus the rise represents a material difference. Surplus capacity was last as high as 20 units during the second decade of the September program, VLCC earnings were in the mid-$20,000s/day range; they currently stand at ~$35,819/day underscoring the likelihood of near-term downside.

Middle East

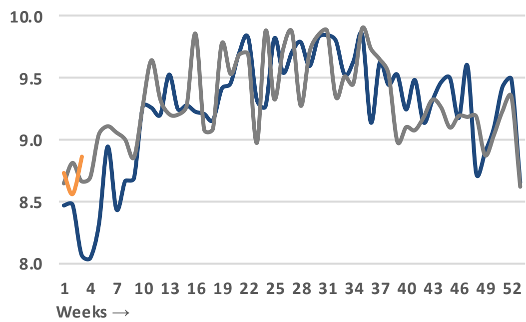
Rates on the AG-CHINA route lost three points to conclude at ws54.5 with corresponding TCEs off 9% to ~$36,204/day. Rates to the USG via the Cape rose one point to ws26. Triangulated Westbound trade earnings were off 4% to ~$55,477/day.

Atlantic Basin

Rates in the West Africa market followed the Middle East; the WAFR-FEAST route shed 3.5 points to conclude at ws54 with corresponding TCEs off 10% to ~$34,380/day. Rates in the Atlantic Americas were softer as well despite substantial recent demand due to a surplus of units ballasting into the region. The USG-SPORE route was off $400k to $6.0m lump sum.



US Crude Stocks (EIA)	Last Week	Week y/y
	445.0 MnBbls	▲ +7.8%



US Gasoline Demand (EIA)	Last Week	Week y/y
	8.868 MnB/d	▲ +2.3%

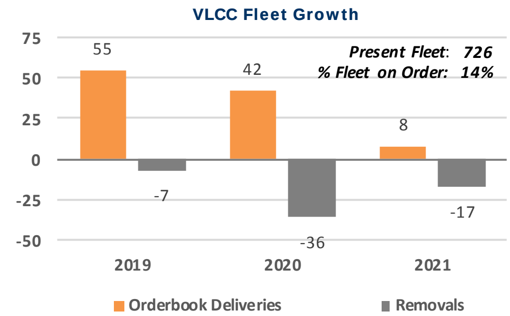
2019 2018 2017

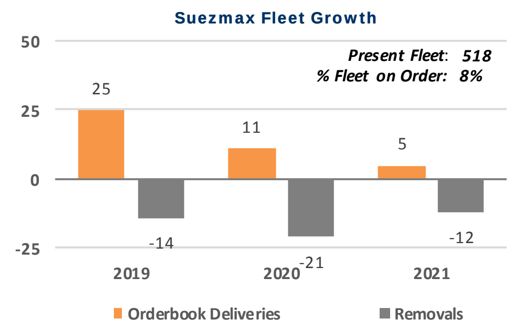
Suezmax

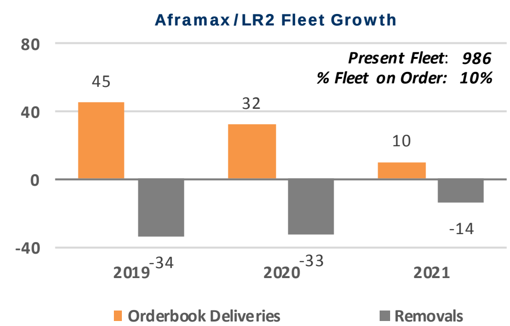
Suezmax rates were off across the board this week as delays through the Turkish straits continued to decline from earlier highs and sluggish demand rocked sentiment. In the West Africa market, demand was off 30% w/w to 11 fixtures. Rates on the WAFR-UKC route were off five points to ws75. In isolation, demand in the Caribbean area was stronger amid strong demand for US crude exports (6 fixtures were reported this week vs one last week) and high Aframax rates. Still, softer rates in the West Africa market rocked sentiment with the CBS-USG route off 12.5 points to 150 x ws80 and the USG-UKC route off 20 points to ws70. Rates on the USG-SPORE route were down $325k to $4.10m lump sum.

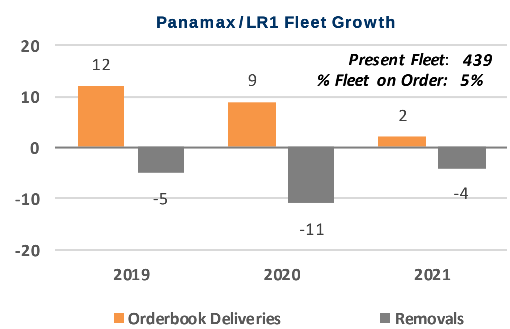
Aframax

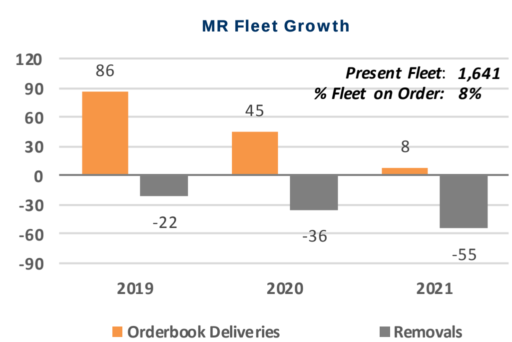
The Caribbean Aframax market was stronger this week following recent demand strength and a corresponding reduction of available supply while forward demand is expected to be robust with US crude exports fixed onto VLCCs set to spur demand for Aframax lightering contracts. The CBS-USG added 10 points to conclude at ws165 while the USG-UKC route added 15 points to conclude at ws130.











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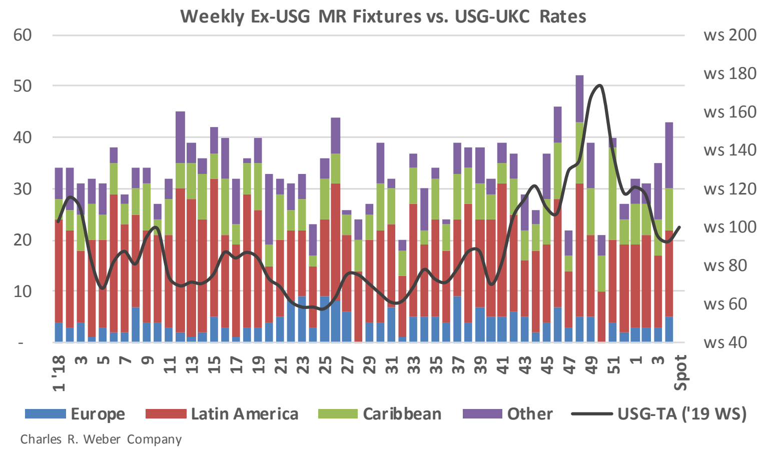
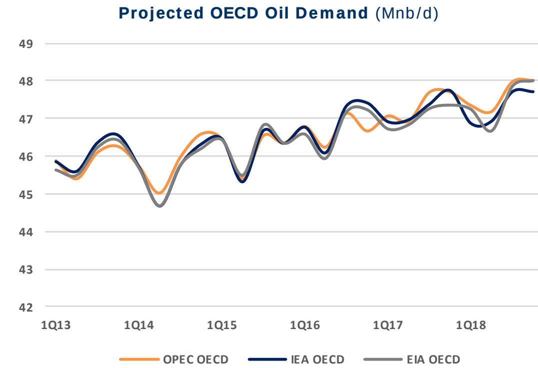
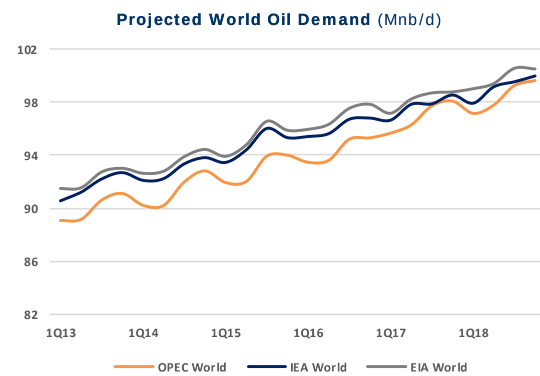
MR

Rates in the USG MR market rebounded this week after demand surged to an eight-week high while the two-week forward count of available tonnage dropped to a seven-week low. There were 43 fixtures reported this week, marking a 23% w/w gain. Two-week forward available tonnage tallied at 25 units on Friday, off 36% w/w. Rates took their cue from the tightening fundamentals, the USG-UKC route added 10 points to conclude at ws100 while the USG-CBS route added $55k to conclude at $475k and the USG-CHILE route added $50k to conclude at $1.25m. The Rates appear likely to remain firm through the start of the upcoming week.







REPORTED TANKER SALES

Energy Trophy – 157,470/18 – Hyundai Mipo – DH
-Sold for $62.5m to Vitol.

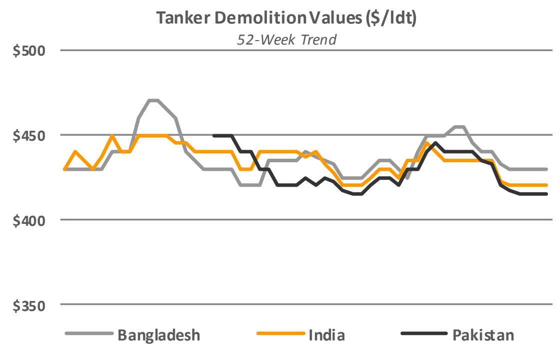
Phoenix Dream – 105,784/05 – Hyundai Heavy – DH
-Sold for $13.9m to Union Maritime.

FSL Hamburg – 47,496/05 – Hyundai Mipo – DH – Ice 1A Super
-Sold for $11.7m to Roswell Tanker Corp.

REPORTED TANKER DEMOLITION SALES

Final Destination: **Bangladesh**

Maroni – 43,260 – 8,948 LDT – DH
-Sold for $425/ldt.



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