

WEBER WEEKLY TANKER REPORT



WEEK 8 – 22 FEBRUARY 2019

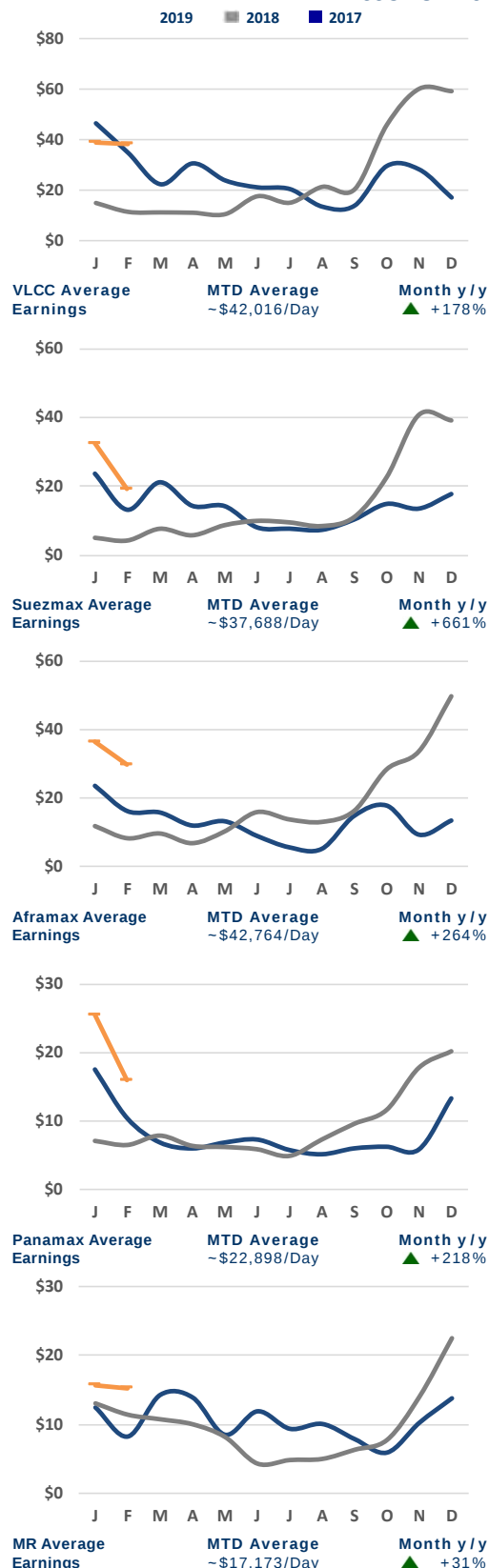
ISSUE 8 – 2019

Spot Market	WS/LS	TCE	WS/LS	TCE
VLCC (13.0 Kts L/B)				
		15-Feb		22-Feb
AG>USG 280k	24.0	--	27.5	--
AG>SPORE 270k	51.0	\$28,112	58.5	\$36,246
AG>JPN 265k	49.0	\$28,927	57.5	\$38,702
AG>CHINA 270k	52.0	\$27,874	60.0	\$36,717
WAFR>CHINA 260k	52.0	\$26,748	57.5	\$35,028
USG>SPORE 270k	\$5.65m	\$34,490	\$5.85m	\$36,540
AG>USG/USG>SPORE/AG	--	\$44,382	--	\$49,337
VLCC Average Earnings		\$29,993		\$38,333
SUEZMAX (13.0 Kts L/B)				
WAFR>USG 130k	65.0	\$16,199	62.5	\$14,613
WAFR>UKC 130k	67.5	\$12,378	67.5	\$12,235
BSEA>MED 140k	87.5	\$20,240	87.5	\$18,894
CBS>USG 150k	75.0	\$27,418	77.5	\$29,268
USG>UKC 130k	55.0	--	70.0	--
CBS>USG/USG>UKC/WAFR	--	\$36,418	--	\$37,015
AG>USG 140k	37.5	--	35.0	--
USG>SPORE 130k	\$3.75m	--	\$3.75m	--
AG>USG/USG>SPORE/AG	--	\$33,650	--	\$32,456
Suezmax Average Earnings		\$19,989		\$19,377
AFRAMAX (13.0 Kts L/B)				
N.SEA>UKC 80k	100.0	\$16,957	112.5	\$25,897
BALT>UKC 100k	95.0	\$29,872	105.0	\$36,256
CBS>USG 70k	150.0	\$30,037	150.0	\$29,938
USG>UKC 70k	130.0	--	130.0	--
CBS>USG/USG>UKC/NSEA	--	\$49,014	--	\$48,864
MED>MED 80k	95.0	\$12,508	92.5	\$11,340
AG>SPORE 70k	90.0	\$11,012	85.0	\$9,242
Aframax Average Earnings		\$27,476		\$29,623
PANAMAX (13.0 Kts L/B)				
CBS>USG 50k	150.0	\$16,547	140.0	\$13,951
CONT>USG 55k	125.0	\$16,499	125.0	\$16,513
ECU>USWC 50k	200.0	\$28,821	195.0	\$27,204
Panamax Average Earnings		\$17,276		\$16,023
LR2 (13.0 Kts L/B)				
AG>JPN 75k	129.0	\$24,826	113.0	\$19,509
AG>UKC 80k	\$2.30m	\$19,799	\$2.30m	\$19,700
MED>JPN 80k	\$1.98m	\$8,728	\$1.98m	\$8,654
AG>UKC/MED>JPN/AG	--	\$21,404	--	\$21,319
LR2 Average Earnings		\$23,687		\$20,111
LR1 (13.0 Kts L/B)				
AG>JPN 55k	113.0	\$12,162	109.5	\$11,209
AG>UKC 65k	\$1.69m	\$11,399	\$1.66m	\$10,740
UKC>WAFR 60k	113.0	\$7,715	109.0	\$6,790
AG>UKC/UKC>WAFR/AG	--	\$17,797	--	\$16,812
LR1 Average Earnings		\$14,979		\$14,010
MR (13.0 Kts L/B)				
UKC>USAC 37k	135.0	\$10,785	130.0	\$9,650
USG>UKC 38k	80.0	\$1,057	120.0	\$8,861
USG>UKC/UKC>USAC/USG	--	\$11,298	--	\$16,971
USG>CBS (Pozos Colorados) 38k	\$415k	\$9,092	\$550k	\$18,124
USG>CHILE (Coronel) 38k	\$1.18m	\$13,438	\$1.40m	\$19,888
CBS>USAC 38k	115.0	\$8,607	145.0	\$14,658
WCIND>JPN/ROK>SPORE/WCIND	--	\$16,978	--	\$17,162
MR Average Earnings		\$11,563		\$15,196
Handy (13.0 Kts L/B)				
MED>EMED 30k	151.0	\$15,297	172.0	\$21,101
SPORE>JPN 30k	152.5	\$10,393	150.0	\$9,950
Handy Average Earnings		\$12,158		\$13,965

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	\$33,500	\$35,500
Suezmax	\$24,000	\$25,000
Aframax	\$18,500	\$21,500
Panamax	\$15,000	\$16,500
MR	\$14,250	\$16,000
Handy	\$13,250	\$14,000

SPOT MARKET SUMMARY



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VLCC

Last week's influx of USG inquiry buoyed rates across the globe on the VLCC sector, as eastbound rates from the region approached year-to-date highs. This increased activity made the ballast option to the Atlantic more attractive, further reducing the over-supply of tonnage in the AG. In line with the rising USG activity, the most recent EIA numbers had crude exports from the USG reaching a record high of 3.607 mil bbls per day for the week ending February 15th. The March program for VLCC cargoes is already outpacing the highs seen in January and February and we are starting to see inquiry for April develop, keeping the pressure on for the moment.

Even though there has been an end week pause of fresh inquiry, resistance from Owners persists, on expectations of a busier period ahead; both in the AG and Atlantic sectors.

Rates on the AG-CHINA route were up almost fifteen percent from last week, increasing from the low to high ws50's, the latest fixture at ws57.5; yielding a tce return of about \$35,000 pdpr. The returns basis ballasting directly to the USG remains higher (\$38,700 pdpr), but the delta is much closer than the \$10,000 present a week ago. Rates on the AG-USG adjusted higher in line with the overall market strength, moving closer to the ws30 level.

The March program saw Charterers progress through most of the first decade and as eastern tonnage continues to look at greener pastures in the Atlantic, the over-supply of available tonnage reduced from 20 to 15 vessels. This still leaves sufficient supply, but if USG exports continue at the fervent pace from March it will bring the supply-demand equation into greater balance.

Suezmax

West Africa rates remain under downward pressure as current tonnage avails outweigh the expected inquiry remaining for the balance of 2nd decade March. Unless excess tonnage is absorbed in elsewhere in other regions, expect charts to continue to test TD20 into mid w60's going into next week. USG export rates remain dates sensitive as adverse weather continues to hamper turnarounds keeping rates elevated for early March liftings.

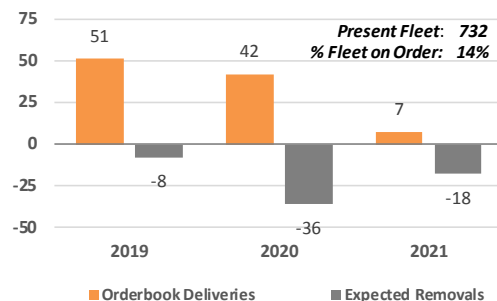
Aframax

With a relatively quieter week of enquiry, the US-Gulf/Caribbean Aframax charterers were finally afforded a small amount of breathing space, resulting in being under less duress than in previous weeks. Fog has still been intermittently a nuisance (to Charterers), but not enough to counterbalance the slower pace of cargoes.

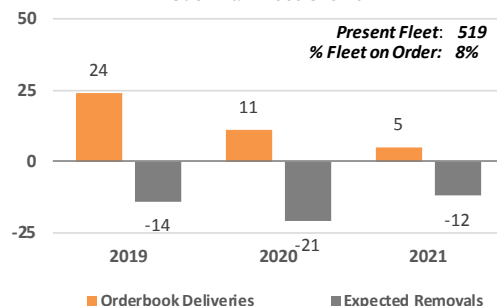
With exports still dominating the news cycle, and a blasé Mediterranean market, tonnage on the other side of the Atlantic has embraced the ballast in, allowing charterers to significantly reduce the trans-Atlantic rates, which have been at a minimal differential to the Up-coast rates.

As we close out the week, and for normal lay/cans, we could confidently call TD9 at around WS 150 levels, and trans-Atlantic at around WS 125-130 levels; with the latter showing more signs of surface cracks. Owners will inevitably hope for a busy Monday, filled with weather disruptions and other helpful factors, but ceteris paribus, it looks like charterers will have the better playing hand.

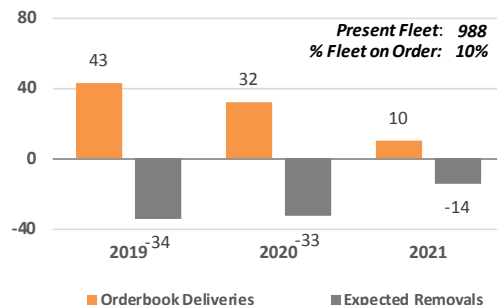
VLCC Fleet Growth



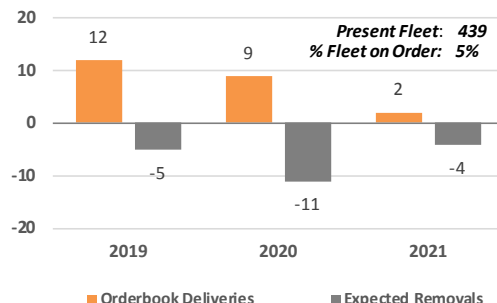
Suezmax Fleet Growth



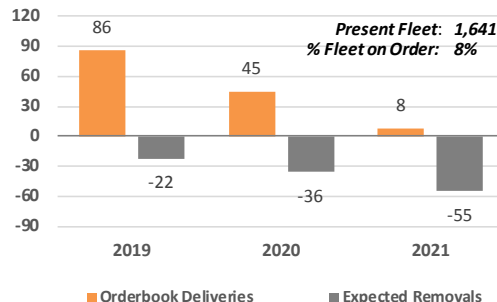
Aframax / LR2 Fleet Growth



Panamax / LR1 Fleet Growth



MR Fleet Growth



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REPORTED TANKER SALES

SN Claudia – 109,000/09 – Hudong – DH
-Sold on private terms to Andromeda.

Genmar Compatriot – 72,600/04 – Dalian – DH
-Sold for \$6.75m to undisclosed Greek buyers.

Jane – 51,506/08 – STX – DH
-Sold on private terms to undisclosed buyers.

Queen Express – 45,965/09 – Shin Kurushima – DH
-Sold on subjects for \$16.5m to Transocean M-Time.

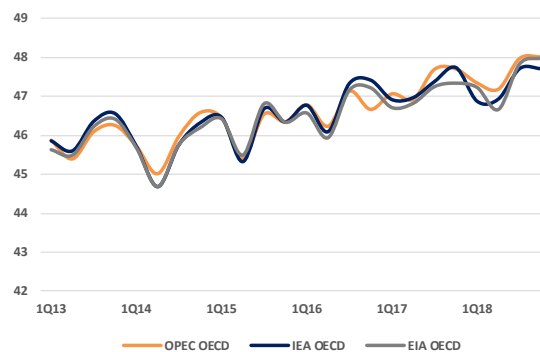
High Strength – 44,999/09 – Naikai Zosen – DH
-Sold for \$16.4m to undisclosed buyers.

Lavela – 40,100/10 – SLS Shipyard – DH
-Sold for \$14.8m to Socomar.

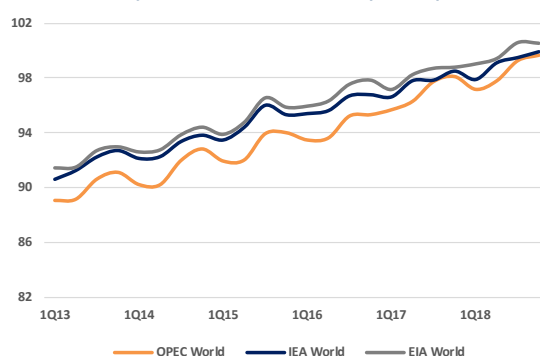
Agent Cosmos – 33,609/09 – Kitanihon – DH
-Sold for \$17.0m to undisclosed buyers.

Sunny Poseidon – 6,100/03 – Shin Kurushima – DH
-Sold for \$5.3m to undisclosed Indonesia buyers.

Projected OECD Oil Demand (Mnb/d)



Projected World Oil Demand (Mnb/d)



Tanker Demolition Values (\$/ldt)
52-Week Trend

