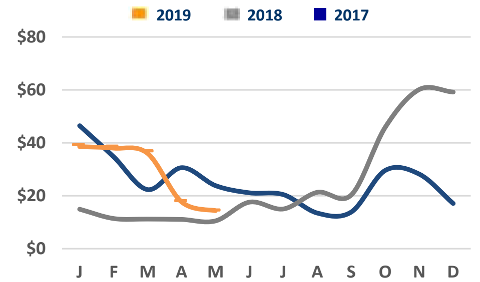
WEBER WEEKLY TANKER REPORT

WEEK 19 – 10 May 2019 **ISSUE 19 – 2019**

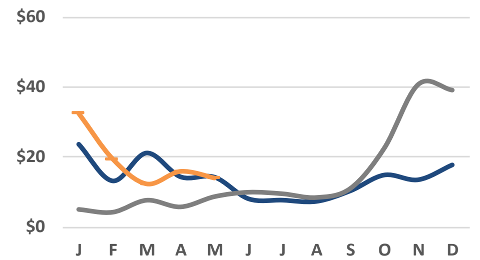
Spot Market	WS/LS	TCE	WS/LS	TCE
VLCC (13.0 Kts L/B)	3-May		10-May	
AG>USG 280k	18.8	--	18.0	--
AG>SPORE 270k	37.9	$13,823	36.8	$13,452
AG>JPN 265k	36.8	$14,651	35.8	$14,354
AG>CHINA 270k	38.1	$12,333	37.0	$11,845
WAFR>CHINA 260k	40.8	$16,803	38.4	$14,986
USG>SPORE 270k	$3.7m	$13,308	$3.54m	$12,390
AG>USG/USG>SPORE/AG	--	$21,982	--	$20,651
VLCC Average Earnings		*$14,813*		*$14,156*
SUEZMAX (13.0 Kts L/B)				
WAFR>USG 130k	54.5	$10,158	59.0	$13,268
WAFR>UKC 130k	59.0	$7,726	64.0	$10,991
BSEA>MED 140k	77.5	$12,467	77.5	$12,841
CBS>USG 150k	56.5	$12,417	54.0	$10,809
USG>UKC 130k	43.5	--	41.1	--
CBS>USG/USG>UKC/WAFR	--	$21,820	--	$21,471
AG>USG 140k	28.5	--	28.5	--
USG>SPORE 130k	$2.56m	--	$2.50m	--
AG>USG/USG>SPORE/AG	--	$24,001	--	$24,601
Suezmax Average Earnings		*$12,820*		*$14,924*
AFRAMAX (13.0 Kts L/B)				
N.SEA>UKC 80k	97.0	$14,848	111.5	$25,589
BALT>UKC 100k	87.0	$24,715	93.2	$28,914
CBS>USG 70k	77.5	$3,121	80.0	$4,028
USG>UKC 70k	70.0	--	74.5	--
CBS>USG/USG>UKC/NSEA	--	$13,287	--	$15,761
MED>MED 80k	79.0	$5,745	102.6	$16,620
AG>SPORE 70k	110.5	$17,795	112.0	$18,803
Aframax Average Earnings		*$14,065*		*$18,779*
PANAMAX (13.0 Kts L/B)				
CBS>USG 50k	125.0	$10,730	125.0	$10,999
CONT>USG 55k	101.5	$10,749	100.0	$10,191
ECU>USWC 50k	160.5	$20,244	157.5	$19,651
Panamax Average Earnings		*$11,519*		*$11,545*
LR2 (13.0 Kts L/B)				
AG>JPN 75k	106.8	$17,796	107.3	$18,485
AG>UKC 80k	$2.13m	$16,765	$2.23m	$19,167
MED>JPN 80k	$1.82m	$6,586	$1.85m	$7,519
AG>UKC/MED>JPN/AG	--	$18,402	--	$20,180
LR2 Average Earnings		*$17,998*		*$19,049*
LR1 (13.0 Kts L/B)				
AG>JPN 55k	104.0	$10,417	114.9	$13,437
AG>UKC 65k	$1.66m	$11,205	$1.74m	$13,276
UKC>WAFR 60k	104.5	$6,447	88.6	$3,468
AG>UKC/UKC>WAFR/AG	--	$16,723	--	$16,234
LR1 Average Earnings		*$13,570*		*$14,836*
MR (13.0 Kts L/B)				
UKC>USAC 37k	146.5	$13,263	116.5	$7,454
USG>UKC 38k	71.5	$(458)	89.0	$3,529
USG>UKC/UKC>USAC/USG	--	$11,342	--	$10,990
USG>CBS (Pozos Colorados) 38k	$361k	$5,667	$442k	$11,383
USG>CHILE (Coronel) 38k	$1.12m	$11,901	$1.25m	$15,964
CBS>USAC 38k	111.0	$8,060	124.5	$11,067
WCIND>JPN/ROK>SPORE/WCIND	--	$12,336	--	$14,870
MR Average Earnings		*$11,827*		*$11,742*
Handy (13.0 Kts L/B)				
MED>EMED 30k	130.6	$9,999	135.4	$11,577
SPORE>JPN 30K	140.4	$8,650	137.5	$8,546
Handy Average Earnings		*$9,136*		*$9,637*

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

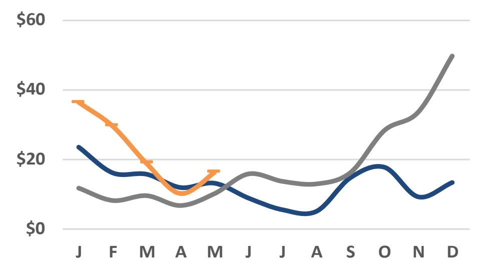
Time Charter Market *$/day (theoretical)*	1 Year	3 Years
VLCC	$32,000	$35,000
Suezmax	$23,500	$25,000
Aframax	$20,500	$22,000
Panamax	$15,500	$17,000
MR	$14,500	$16,000
Handy	$13,500	$13,500



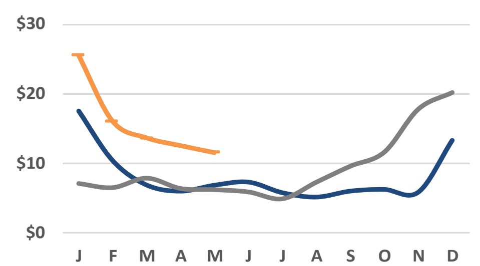
VLCC Average Earnings | **MTD Average** ~$14,156/Day | **Month y/y** ▲ +35%



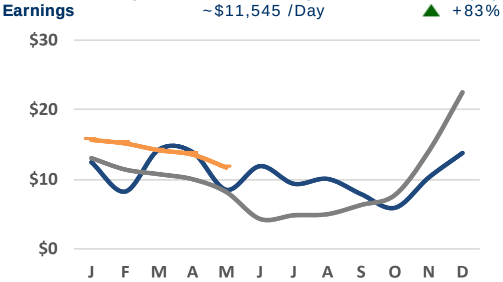
Suezmax Average Earnings | **MTD Average** ~$14,924/Day | **Month y/y** ▲ +61%



Aframax Average Earnings | **MTD Average** ~$18,779/Day | **Month y/y** ▲ +61%



Panamax Average Earnings | **MTD Average** ~$11,545 /Day | **Month y/y** ▲ +83%



MR Average Earnings | **MTD Average** ~$11,742/Day | **Month y/y** ▲ +43%

WEBER WEEKLY TANKER REPORT

SPOT MARKET SUMMARY

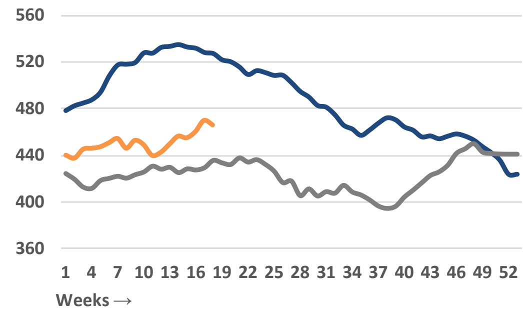
VLCC

Although we did see signs of inquiry picking up in the Arabian Gulf (AG) VLCC sector, the over-supply of tonnage continued to weigh on sentiment, keeping rates depressed and returns just above daily operating costs. Eastbound rates fell to year-to-date lows for modern tonnage for short east, as tces dropped to the $11,700 per day level. Those cargoes that entered the market saw large audiences and even when the list of outstanding cargoes grew, there proved sufficient tonnage to cover the added inquiry. While the fundamentals do continue in the Charterers favor, many Owners have drawn a line in the sand, showing resistance to levels that take returns below opex. While fundamentals point to further softening, many Owners will sit spot versus locking in levels below operating costs.

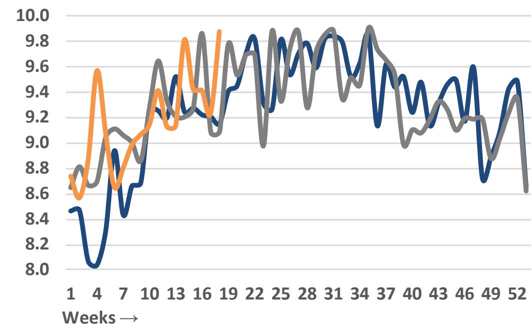
Eastbound rates continued to hover just above daily operating costs, levels for modern tonnage starting the week at the ws37 level (for Thailand discharge), with the latest recorded fixture at ws35.5 for Taiwan discharge. The older, distressed tonnage continued to trade at a discount, although the delta reduced, as levels fall below break-even. The latest fixture on a vessel older than fifteen years was at ws33 for short east. Westbound business was once again limited, but remains preferred as it still offers the highest possible returns even with the softer Americas export levels. AG to the USG followed by USG to Singapore (basis ws18 and $3.6 mil) yields a tce of $21,000 pdpr over the two voyages.

There were 20 fresh fixtures to report this week bringing the first two decades of the May cargo program to completion. To date we have seen 95 fixtures reported for the month, leaving some 35-40 cargoes to go; this compares to a position list that still shows some 62 vessels available over that same period.

As we look ahead to next week, little change is expected in the current environment, as over-supply remains the narrative. Further activity may lead to a slight sentiment driven uptick in rates, but will be limited by supply.



US Crude Stocks (EIA)	Last Week	Week y/y
	466.6 MnBbls	▲ +7.0%



US Gasoline Demand (EIA)	Last Week	Week y/y
	9.871 MnB/d	▲ +8.6%

2019 2018 2017

Suezmax

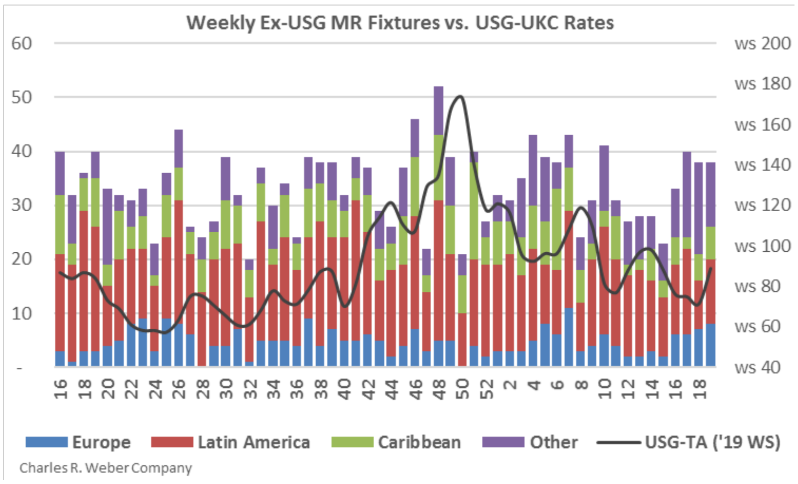
West Africa Suezmax market was quite literally an "Up and Down" week. After starting the week at ws60, TD20 rates popped into the mid ws60's by mid-week off the back of resistance from owners and a pair of West Africa / Far East fixtures that achieved ws80/82.5 levels. The boost in owners' sentiment was short lived as turgid tonnage avails applied downward pressure on the TD20 route pushing them back down to ws62.5 ($10,900 pdpr) by the end of the week. The Black Sea market remains relatively quiet as limited transit delays and lower demand have left freight rates flat for most of the week hovering around 135k mt x ws77.5 for TD6 ($13,000 pdpr). In the USG/CBS region, demand was relatively limited this week with only a handful of fixtures making the rounds. USG/TA market continues to slump and remains over tonnaged. TA rates were down significantly breaking the 145k mt x ws40 barrier for the first time this year. The USG-SPORE route continues to hold around $2.5m (1:1) lump sum but was untested this week. Expect the USG/CBS markets to show signs of improvement going into next week as the firming Aframax market should help boost the discounted Suezmax sector. BDTI - TD20 ended the week settling at 63.98 which is up (+3.53) from this time last week.

Aframax

Aframax rates in the US Gulf this week fared rather better for owners following a relatively demoralizing April, during which rates, due to the overpopulated tonnage list, remained stagnant around the ws75-77.5 mark. On Monday, to much surprise, a sudden influx of enquiry began to chip away at the tonnage list. Little by little, as the week progressed, a steady flow of cargoes successfully employed over 30 units throughout the region. By Friday, the situation had devolved into an unexpected scramble for prompt tonnage. As charterers faced a depleted list, owners found themselves in a position of authority, and successfully pushed market levels back into triple digit territory, ending the week with a high of ws102.5 ex ECM. With owners' sentiment clearly firm heading into the weekend, it stands to reason that owners will be keen on keeping the momentum rolling, and will be hoping activity continues apace.

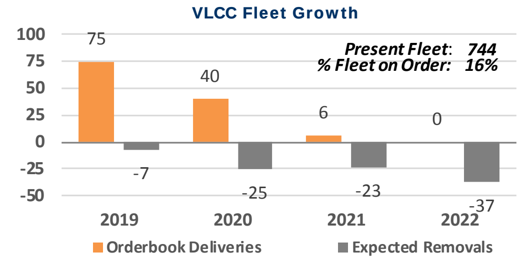
MR

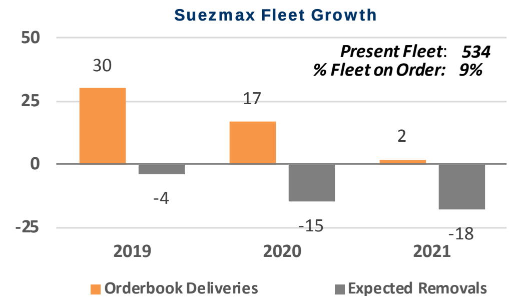
The surge in USG MR rates that began at the end of last week continued into this week. TC 14 rose over 20 WS points between Monday and Wednesday, but the end of the week brought what appeared to be a slight softening. Once the MR rates rose, chrts looked for alternatives to keep the MR rates in check and they fixed several LR's for Brazil and UKC-MED options taking the steam out of the market. The cargoes dried up a bit and the tonnage list started to lengthen. Even if we see dislocations in the market and commensurate rate spikes, the oversupply of ships in the market continues to stifle any short lived rallies.
The continued weakening of MR rates off the Continent are a testament to this dynamic. Indeed, TC2 shed another 10 WS points this week, dropping as low as WS 112.5 but settling at WS 115 after peaking around WS 170 in the last week of April. The dislocations caused by spring refinery turn-arounds are winding down and, despite appearances here in Connecticut, summer is fast approaching, perhaps bringing with it the annual seasonal downturn. That said, even if the summer markets aren't quite with us, there's nothing immediately apparent on the horizon foretelling higher rates either on the Cont or in the US Gulf.

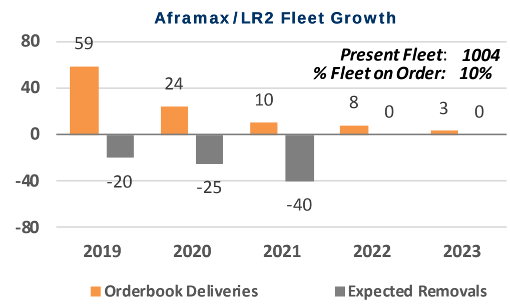


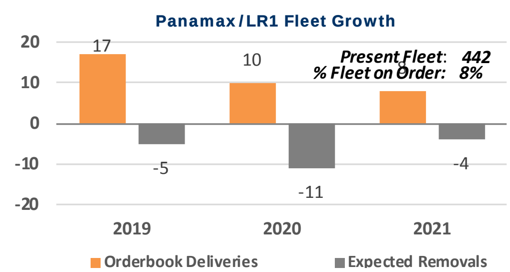
REPORTED TANKER SALES

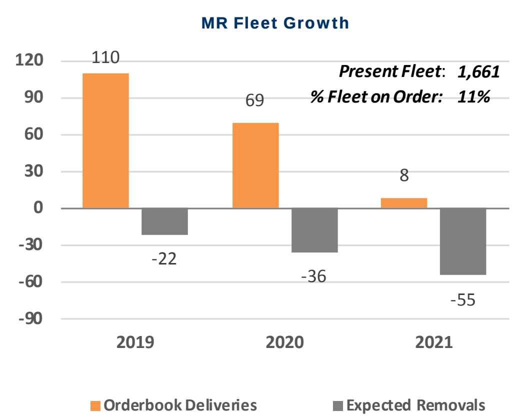
Landbridge Prosperity	308,025	2016	Dalian Shipbuilding		Varde Partners
Bow Querida	10,106	1996	Poli Pellestrina	PNR	Beykim Petroculuk
Glorious	73,980	1999	Onomichi	>7	Unknown
Seaways Ariadmar	46,205	2004	STX	high 8	Unknown Nigerian
Seaways Antigmar	46,168	2004	STX	high 8	Unknown Nigerian
Njord Clear	16,225	2001	Poli Pellestrina	$6.00	unknown Chinese
Chembulk Gibraltar	20,601	2001	Fukuoka	$6.80	Unknown Vietnamese

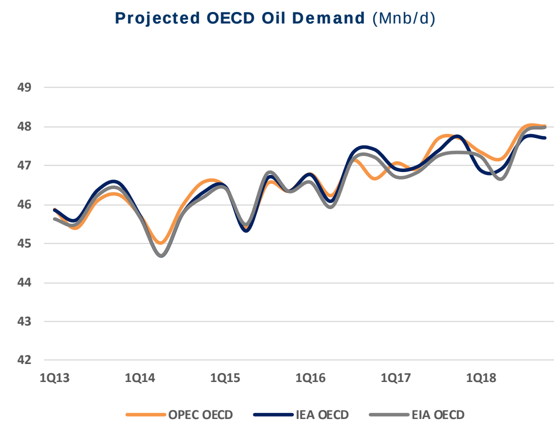


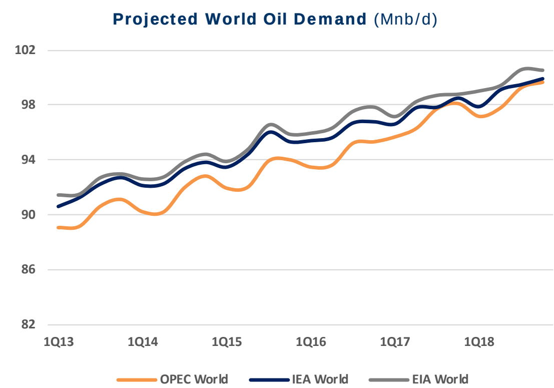


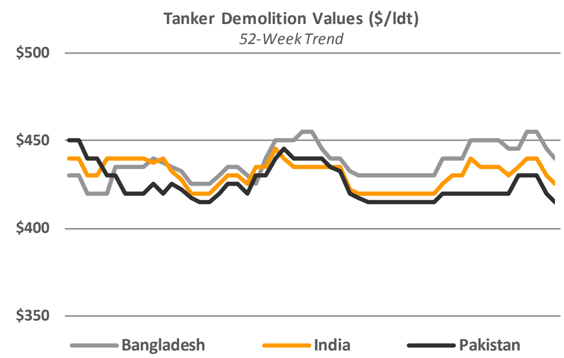







Projected OECD Oil Demand (Mnb/d)
49
48
47
46
45
44
43
42
1Q13
1Q14
1Q15
1Q16
1Q17
1Q18
OPEC OECD
IEA OECD
EIA OECD


Projected World Oil Demand (Mnb/d)
102
98
94
90
86
82
1Q13
1Q14
1Q15
1Q16
1Q17
1Q18
OPEC World
IEA World
EIA World


Tanker Demolition Values ($/ldt)
52-Week Trend
$500
$450
$400
$350
Bangladesh
India
Pakistan

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