

# WEBER WEEKLY TANKER REPORT



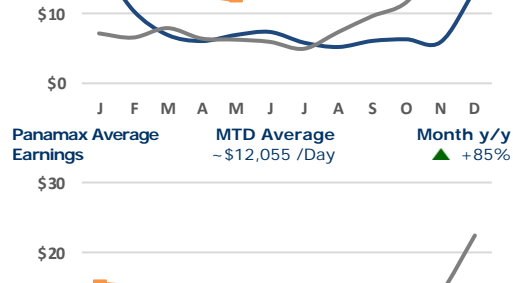
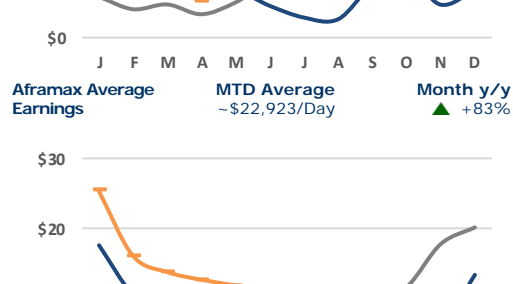
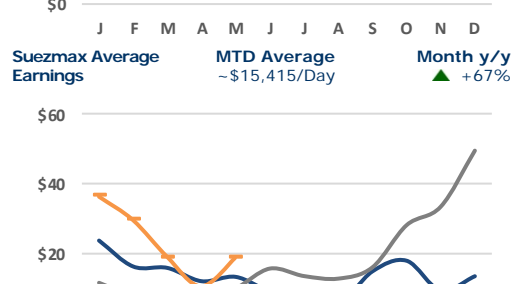
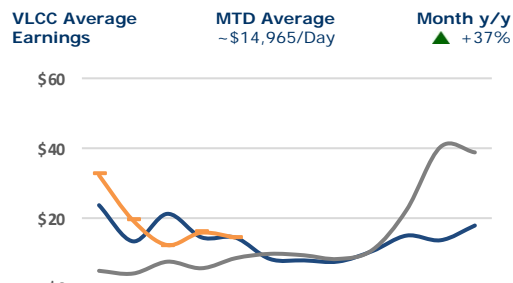
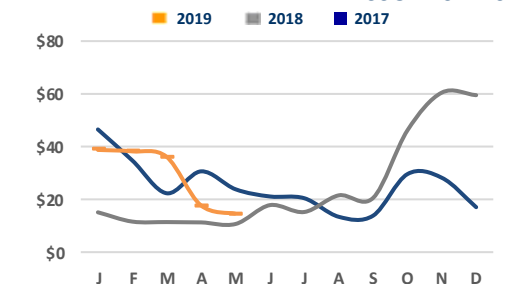
WEEK 20 – 17 May 2019

ISSUE 20 – 2019

Spot Market	WS/S	TCE	WS/S	TCE
<b>VLCC (13.0 Kts L/B)</b>		<b>10-May</b>		<b>17-May</b>
AG>USG 280k	18.0	--	18.0	--
AG>SPORE 270k	36.8	\$13,452	39.3	\$14,784
AG>JPN 265k	35.8	\$14,354	37.8	\$14,543
AG>CHINA 270k	37.0	\$11,845	39.7	\$12,424
WAFR>CHINA 260k	38.4	\$14,986	39.6	\$15,029
USG>SPORE 270k	\$3.54m	\$12,390	\$3.65m	\$13,734
AG>USG/USG>SPORE/AG	--	\$20,651	--	\$21,685
<i>VLCC Average Earnings</i>		<i>\$14,156</i>		<i>\$14,965</i>
<b>SUEZMAX (13.0 Kts L/B)</b>				
WAFR>USG 130k	59.0	\$13,268	56.5	\$11,850
WAFR>UKC 130k	64.0	\$10,991	61.5	\$9,638
BSEA>MED 140k	77.5	\$12,841	75.0	\$17,579
CBS>USG 150k	54.0	\$10,809	55.5	\$11,981
USG>UKC 130k	41.1	--	45.2	--
CBS>USG/USG>UKC/WAFR	--	\$21,471	--	\$21,894
AG>USG 140k	28.5	--	31.6	--
USG>SPORE 130k	\$2.50m	--	\$2.44m	--
AG>USG/USG>SPORE/AG	--	\$24,601	--	\$26,061
<i>Suezmax Average Earnings</i>		<i>\$14,924</i>		<i>\$15,415</i>
<b>AFRAMAX (13.0 Kts L/B)</b>				
N. SEA>UKC 80k	111.5	\$25,589	115.0	\$27,906
BALT>UKC 100k	93.2	\$28,914	89.5	\$26,167
CBS>USG 70k	80.0	\$4,028	111.0	\$15,908
USG>UKC 70k	74.5	--	91.0	--
CBS>USG/USG>UKC/NSEA	--	\$15,761	--	\$27,145
MED>MED 80k	102.6	\$16,620	110.5	\$20,194
AG>SPORE 70k	112.0	\$18,803	112.5	\$19,199
<i>Aframax Average Earnings</i>		<i>\$18,779</i>		<i>\$22,923</i>
<b>PANAMAX (13.0 Kts L/B)</b>				
CBS>USG 50k	125.0	\$10,999	130.0	\$12,212
CONT>USG 55k	100.0	\$10,191	100.0	\$10,164
ECU>USWC 50k	157.5	\$19,651	157.0	\$19,823
<i>Panamax Average Earnings</i>		<i>\$11,545</i>		<i>\$12,055</i>
<b>LR2 (13.0 Kts L/B)</b>				
AG>JPN 75k	107.3	\$18,485	107.5	\$18,728
AG>UKC 80k	\$2.23m	\$19,167	\$2.27m	\$20,100
MED>JPN 80k	\$1.85m	\$7,519	\$1.86m	\$7,790
AG>UKC/MED>JPN/AG	--	\$20,180	--	\$20,832
<i>LR2 Average Earnings</i>		<i>\$19,049</i>		<i>\$19,428</i>
<b>LR1 (13.0 Kts L/B)</b>				
AG>JPN 55k	114.9	\$13,437	118.1	\$14,361
AG>UKC 65k	\$1.74m	\$13,276	\$1.77m	\$13,826
UKC>WAFR 60k	88.6	\$3,468	84.4	\$957
AG>UKC/UKC>WAFR/AG	--	\$16,234	--	\$15,082
<i>LR1 Average Earnings</i>		<i>\$14,836</i>		<i>\$14,722</i>
<b>MR (13.0 Kts L/B)</b>				
UKC>USAC 37k	116.5	\$7,454	108.5	\$5,779
USG>UKC 38k	89.0	\$3,529	92.5	\$3,934
USG>UKC/UKC>USAC/USG	--	\$10,990	--	\$10,594
USG>CBS (Pozos Colorados) 38k	\$442k	\$11,383	\$445k	\$11,585
USG>CHILE (Coronel) 38k	\$1.25m	\$15,964	\$1.26m	\$16,311
CBS>USAC 38k	124.5	\$11,067	126.5	\$11,470
WCIND>JPN/ROK>SPORE/WCIND	--	\$14,870	--	\$15,851
<i>MR Average Earnings</i>		<i>\$11,742</i>		<i>\$11,431</i>
<b>Handy (13.0 Kts L/B)</b>				
MED>EMED 30k	135.4	\$11,577	143.2	\$13,795
SPORE>JPN 30k	137.5	\$8,546	135.0	\$8,230
<i>Handy Average Earnings</i>		<i>\$9,637</i>		<i>\$10,233</i>

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
<b>VLCC</b>	\$32,000	\$35,000
<b>Suezmax</b>	\$23,500	\$25,000
<b>Aframax</b>	\$20,500	\$22,000
<b>Panamax</b>	\$15,500	\$17,000
<b>MR</b>	\$14,500	\$16,000
<b>Handy</b>	\$13,500	\$13,500



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## SPOT MARKET SUMMARY

### VLCC

It was an active week in the Arabian Gulf (AG) VLCC sector as charterers started moving on to the June program while cleaning up the few left over cargoes from May, which had one of the lowest monthly tallies in the last five years. The uptick in spot activity in the AG, coupled with a busier Atlantic sector, put upward pressure on sentiment, and despite the over-supply of available eastern tonnage, allowed rates to post moderate gains. Conversely, in the USG the availability of natural positions was much thinner so rates saw greater gains and, if the trend continues, brings back the ballast option from the east with improved TCE returns as the prize. If the market is to continue in the current vein, it needs to be working in all areas, and the Atlantic draw helps to reduce the oversupply of tonnage in the AG.

Specifically, eastbound rates increased moderately from the mid-high ws30's to a peak in the low ws40's, although preferred business to Japan most recently achieved ws39 on a modern unit. Older units are still available at a discount, the latest being at ws36 for a voyage to Taiwan. The TCE returns for modern tonnage stands at around the \$14/15,000 pd level, while the older units are barely, if even, covering operating costs. Westbound business came back into play this week with the June program, such voyages still considered as attractive, despite low levels, as Owners use them as a positioning voyage to the more lucrative West. Rates to the USG via the cape dipped slightly to the ws18 level although the total triangulation with a voyage back to Singapore improved to about \$24,000 pd over the two voyages, based on the return trip at a little above \$4.0 million lump sum.

The 41 fresh fixtures to report this week brought the May cargo tally to seeming completion with a below average 120 fixtures, while charterers got about halfway through the first decade of June. The 20 June cargoes imply another 20-25 to go through the first decade. This compares to a position list that still shows some almost 65 cargoes to go over that same period, including 25 May vessels.

As we look ahead to next week, we expect more of the same, as sentiment keeps pressure on rates, despite an over-supply of available tonnage. If we do see continued exports from the USG (June is already close to the highest level from March) it will attract more ballasters, ultimately reducing the available supply of tonnage in the AG.

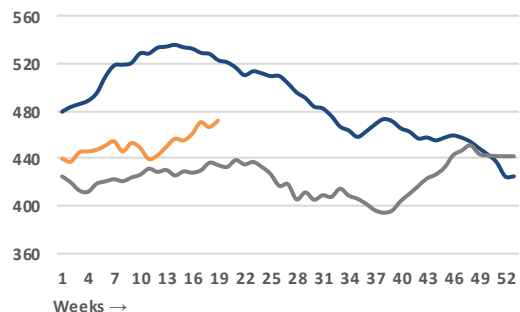
### Suezmax

West Africa Suezmax inquiry once again was limited this week, resulting in downward pressure on rates. A saturated tonnage list did not bode well for Owners either as the WAFR-UKC route shed 5 points to finish the week at ws60. Corresponding TD20 TCEs were flat week-to-week holding around \$11,500 pdpr. The BLACK SEA-MED market continues to limp along as lower demand has caused freight to slip 5-7.5 points since the beginning of the month (TD6 135k mt x ws72.5 - \$12,400 pdpr).

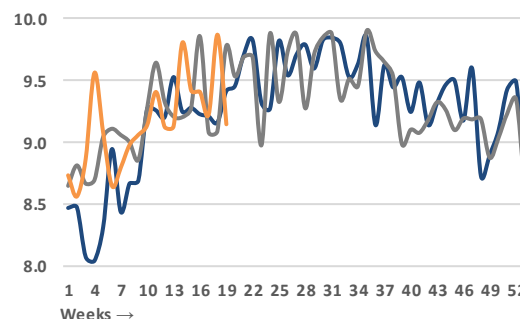
The USG-TA route received a boost from the stronger Aframax sector that pushed rates up 5 points from last week's low to ws45 basis 150k MT cargo. The USG-SPORE route, however, didn't receive the same uptick as rates slipped slightly down to \$2.4m (1:1) lump sum off the back of a \$2.2m (1:1) fixture USG-WCIND done earlier in the week. With the stronger Aframax market, expect the Suezmax sector to continue to show some signs of improvement going into next week. BDTI - TD20 ended the week settling at 59.32 which is down (-4.66) from this time last week.

### Aframax

The Aframax market experienced significant volatility this week, opening with owners in a position of strength, gaining upwards of 20 WS points to reach a high for the week of ws117.5 for a Covenas / Bahamas. As the week progressed, enquiry suddenly weakened and tonnage began to build. The owners found themselves in a slight predicament, and charterers flipped the switch and went on the offensive. With only a handful of cargoes worked at the tail end of the week, charterers managed to take back most of the week's gains and closed out the week at low of ws102.5 on a unit in



**US Crude Stocks (EIA)** Last Week 472 MnBbls Week y/y ▲ +8.8%



**US Gasoline Demand (EIA)** Last Week 9.148 MnB/d Week y/y ▼ -6.4%

■ 2019 ■ 2018 ■ 2017

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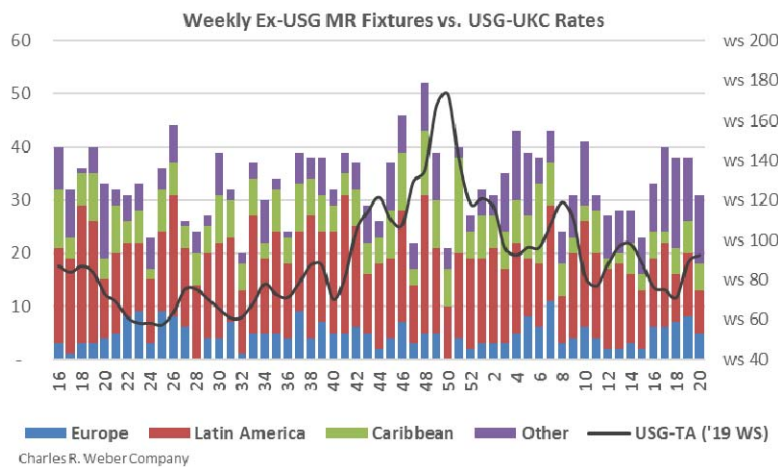


need of a sire. Despite most charterers trying to base the market off the low of the week, many owners are still reluctant to play at those levels, with hopes that next week will see an uptick in enquiry and levels will hold in triple digits going forward.

## MR

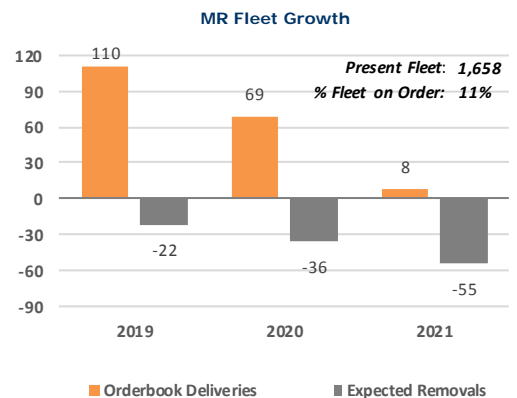
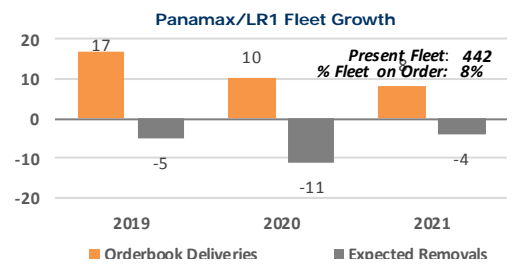
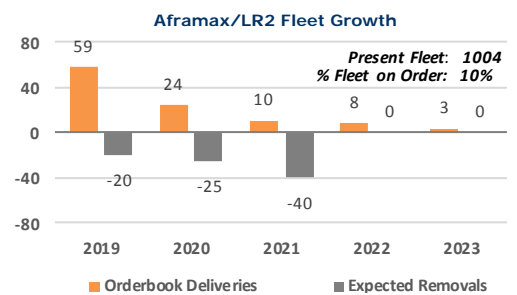
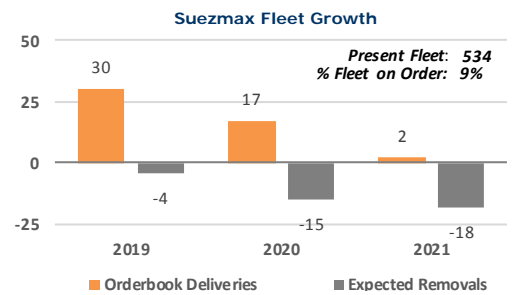
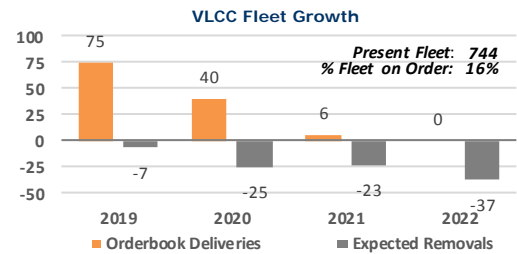
The MR markets in the Americas largely trod water this week. To be sure, as ever, there were bits of drama here and there as owners and charterers vied to impose their respective wills on the market. But in truth, changes were marginal. Despite the occasional appearance of tightening lists, the oversupply of ships continues to quell bullish rate moves really before they ever get started. As the week comes to a close, there's nothing to indicate much change for next week.

The rates for MRs heading into the Americas from the Cont weren't lucky enough to move sideways. Continuing the slide that began in late April, TC2 dropped 10 more points to hit 105 WS in the second half of the week. The rates bottomed out there and they appear to have found a floor for the time being, that floor being the lows of the year to date.

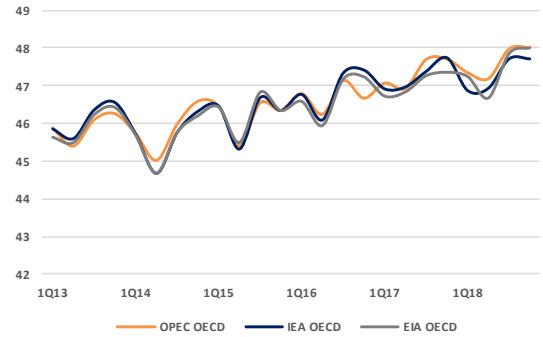


## REPORTED TANKER SALES

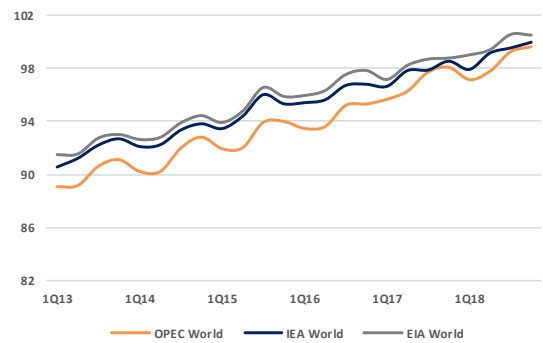
Maersk	Tianjin	49,722	2016	Sungdong		ICBC
Maersk	Tangier	49,835	2016	Sungdong		ICBC
Maersk	Tampa	49,834	2015	Sungdong		ICBC
Maersk	Tacoma	49,828	2015	Sungdong		ICBC
Torm	Cecilie	44,999	2002	Daedong Shipbuilding	~\$6.7	Unknown
Super Sky	Team	70,426	2005	Universal	~\$8.5	Unknown Greeks
Tapatio	Coastal	44,999	2003	Brodotrogir Guangzhou	\$12.50	Unknown
Neptune		5,509	2014	Hanstone	\$4.50	Firecrest
Valdaosta		25,527	2002	ShinA SB	\$7.20	Unknown Nigerian
Seaheritage		109,229	2008	Hudong Zhonghua	~\$14	Union Maritime



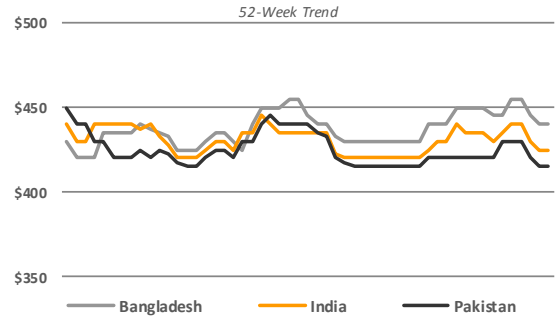
**Projected OECD Oil Demand (Mnb/d)**



**Projected World Oil Demand (Mnb/d)**



**Tanker Demolition Values (\$/ldt)**



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