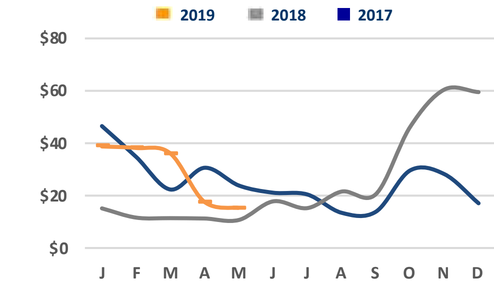
WEBER WEEKLY TANKER REPORT

WEEK 22 – 31 May 2019 | **ISSUE 22 – 2019**

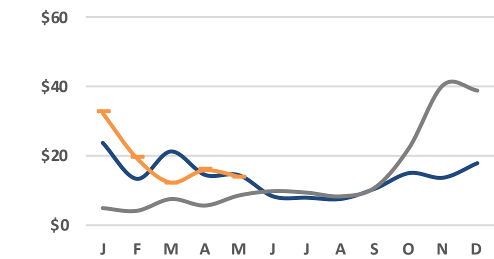
Spot Market	WS/LS	TCE	WS/LS	TCE
VLCC (13.0 Kts L/B)	**24-May**		**31-May**	
AG>USG 280k	18.0	--	18.0	--
AG>SPORE 270k	40.8	$16,526	37.9	$14,220
AG>JPN 265k	39.2	$16,184	36.6	$14,105
AG>CHINA 270k	41.4	$14,473	39.5	$13,256
WAFR>CHINA 260k	42.1	$18,334	40.0	$16,936
USG>SPORE 270k	$4.08m	$17,886	$4.05m	$18,458
AG>USG/USG>SPORE/AG	--	$26,617	--	$27,303
VLCC Average Earnings		*$17,413*		*$16,076*
SUEZMAX (13.0 Kts L/B)				
WAFR>USG 130k	54.3	$9,909	50.6	$8,513
WAFR>UKC 130k	59.3	$7,855	54.4	$5,879
BSEA>MED 140k	74.5	$16,812	75.0	$17,708
CBS>USG 150k	54.5	$19,204	52.5	$18,085
USG>UKC 130k	43.0	--	40.9	--
CBS>USG/USG>UKC/WAFR	--	$18,360	--	$16,710
AG>USG 140k	33.5	--	32.5	--
USG>SPORE 130k	$2.48m	--	$2.5m	--
AG>USG/USG>SPORE/AG	--	$17,966	--	$18,355
Suezmax Average Earnings		*$13,759*		*$12,692*
AFRAMAX (13.0 Kts L/B)				
N.SEA>UKC 80k	100.0	$16,817	100.0	$17,312
BALT>UKC 100k	73.0	$13,801	73.8	$14,808
CBS>USG 70k	98.0	$12,517	84.4	$5,185
USG>UKC 70k	84.5	--	76.3	--
CBS>USG/USG>UKC/NSEA	--	$19,415	--	$15,517
MED>MED 80k	111.0	$21,807	103.8	$18,994
AG>SPORE 70k	110.5	$17,779	108.8	$17,746
Aframax Average Earnings		*$16,174*		*$14,409*
PANAMAX (13.0 Kts L/B)				
CBS>USG 50k	133.0	$12,517	135.0	$13,404
CONT>USG 55k	100.0	$9,605	100.0	$10,050
ECU>USWC 50k	155.0	$18,903	155.0	$19,232
Panamax Average Earnings		*$11,746*		*$12,362*
LR2 (13.0 Kts L/B)				
AG>JPN 75k	107.8	$17,554	106.9	$17,799
AG>UKC 80k	$2.29m	$19,647	$2.26m	$19,717
MED>JPN 80k	$1.83m	$10,646	$1.81m	$10,733
AG>UKC/MED>JPN/AG	--	$20,225	--	$20,235
LR2 Average Earnings		*$18,443*		*$18,610*
LR1 (13.0 Kts L/B)				
AG>JPN 55k	117.3	$13,399	117.1	$13,796
AG>UKC 65k	$1.76m	$13,795	$1.79m	$14,625
UKC>WAFR 60k	83.7	$5,622	83.4	$5,974
AG>UKC/UKC>WAFR/AG	--	$15,474	--	$16,147
LR1 Average Earnings		*$14,437*		*$14,971*
MR (13.0 Kts L/B)				
UKC>USAC 37k	107.5	$5,127	135.0	$10,818
USG>UKC 38k	90.0	$3,051	87.5	$2,939
USG>UKC/UKC>USAC/USG	--	$13,282	--	$16,629
USG>CBS (Pozos Colorados) 38k	$414k	$9,213	$393k	$8,116
USG>CHILE (Coronel) 38k	$1.23m	$15,225	$1.21m	$15,071
CBS>USAC 38k	125.0	$10,805	120.0	$10,130
WCIND>JPN/ROK>SPORE/WCIND	--	$16,681	--	$18,075
MR Average Earnings		*$11,443*		*$13,666*
Handy (13.0 Kts L/B)				
MED>EMED 30k	163.2	$19,043	160.6	$18,582
SPORE>JPN 30K	130.0	$7,155	130.0	$7,467
Handy Average Earnings		*$11,435*		*$11,468*

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

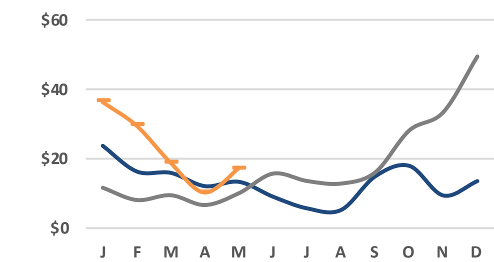
Time Charter Market *$/day (theoretical)*	**1 Year**	**3 Years**
VLCC	$36,000	$33,000
Suezmax	$23,500	$25,000
Aframax	$20,500	$22,000
Panamax	$16,500	$17,000
MR	$14,500	$16,000
Handy	$13,500	$13,500



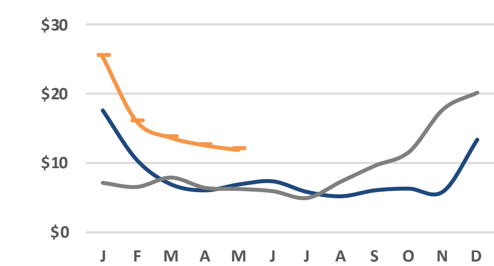
VLCC Average Earnings | **MTD Average** ~$16,076/Day | **Month y/y** ▲ +44%



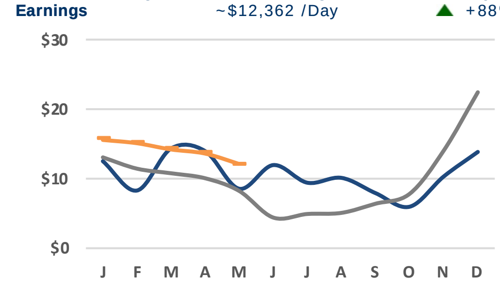
Suezmax Average Earnings | **MTD Average** ~$12,692/Day | **Month y/y** ▲ +62%



Aframax Average Earnings | **MTD Average** ~$14,409/Day | **Month y/y** ▲ +70%



Panamax Average Earnings | **MTD Average** ~$12,362 /Day | **Month y/y** ▲ +88%



MR Average Earnings | **MTD Average** ~$13,666/Day | **Month y/y** ▲ +46%

SPOT MARKET SUMMARY

VLCC

The Arabian Gulf (AG) Market 27-31 May 2019

More of the same, lackluster pace this week in the Arabian Gulf (AG) VLCC sector, as the over-supply of available tonnage kept rates flat, despite the busy start to the June cargo program. The first ten days of June proved to be one the busiest decades of the year, but with a long list of over-hang tonnage from May, coupled with a slower Atlantic Basin sector, there were plenty of options for those Charterers that entered the market. This week saw fresh cargoes routinely receive double digits offers, leaving Charterers in no rush to move and keeping rates flat. Owners are showing resistance, as they attempt to keep returns in positive territory, but have not managed to gain any upwards traction.

Eastbound rates held generally steady throughout the week, the most active route to China hovering between ws38.5 and ws40 for modern tonnage, yielding TCE's of around $13,000 / day. The older tonnage traded at the usual discount, the latest fixture at ws31 on an oil company relet for Taiwan discharge yields a return of about $8,000 / day. That said, most other units of similar age were holding for higher and levels are arguably closer to being in line with daily operating costs.

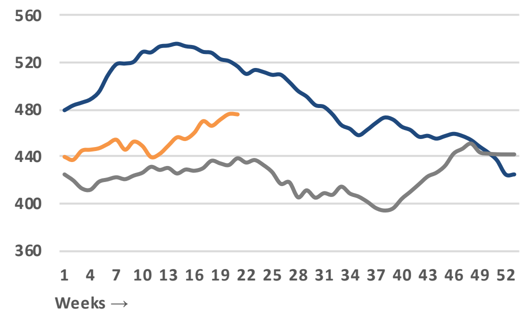
Westbound business dipped slightly, as it remains preferred for positioning purposes. Rates to the USG via the Cape held at ws18 as triangulation shows a TCE of about $27,100 / day over the two voyages (basis ws18 and $4.05 mil)

Position List and Cargo Avails:

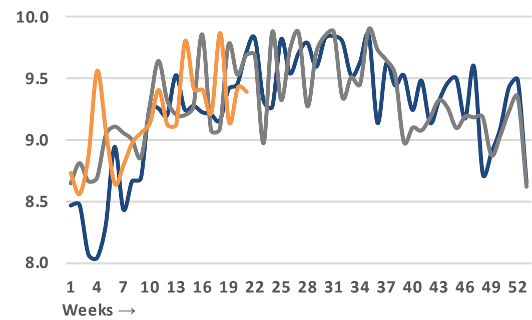
There were 25 fresh fixtures to report this week bringing the tally for the June cargo program to 82. A busier than usual first decade, leaves some ten to fifteen cargoes remaining through the second decade. This compares to a position list with some 46 available positions over that same period.

Next Week Forecast:

Little change as we progress into next week as the fundamentals keep the supply in the Charterers favor.



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



US Gasoline Demand (EIA)	Last Week	Week y/y
	9.394 MnB/d	▼-3.0%

2019 2018 2017

Suezmax

Suezmax rates in West Africa continued to sag during this shortened week. Charterers continue to pick at their leisure from the plentiful tonnage. The bloated tonnage list that we saw at the end of last week kept rates down, and didn't shed a significant number of ships in the process. By the end of the week TD20 had lost another 7 or 8 points to finish at 52.5WS - TCE of ~$5,800/day. Ships in the Med and Black Sea are earning somewhat better absolute numbers, but it's not great there either, with TCEs in the mid-teens.

The USG & Caribbean market followed through slightly on the promise of last week. But it's hard to claim any sort of victory when the weekly improvement for USG-UKC amounts to maybe 5 WS points and is offset by a few points decline in the CBS-USG run.

Aframax

Market levels remained relatively stagnant, despite the short week, where we saw a moderately active market consume upward of 15 vessels throughout the region thus far. The over-abundance of tonnage proved debilitating to the owner's campaign, with no real leverage, levels remained immobile hovering in and around the ws85 level. With many owners now more willing to re-position tonnage, with USG exports clearly a driving force, we may see general differentials begin to narrow even further, with owners likely to use the most recent ws79 achieved TA as the new benchmark going forward. Now looking forward, with the weekend likely to turn over a handful of fresh units, coupled with new tariffs expected on Mexican imports likely to be implemented by the US government, we may experience a decrease in local activity, further aiding in a buildup of spot tonnage, likely stalling any hope of a market rebound.

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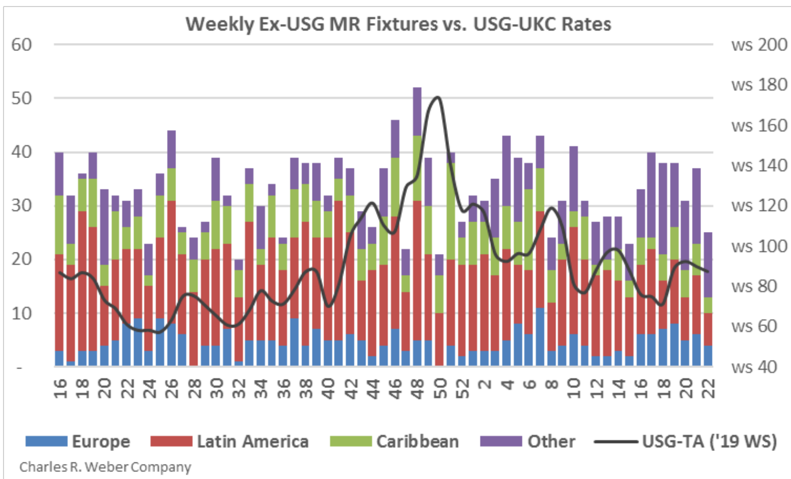
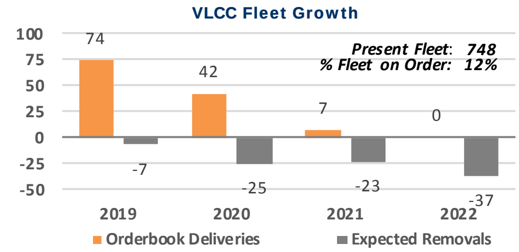
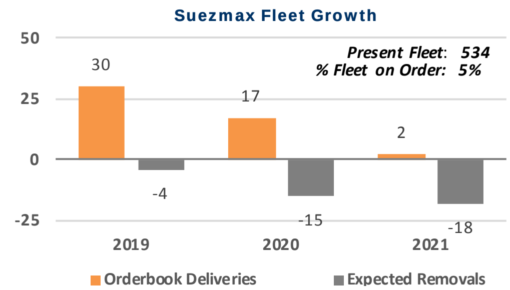
MR

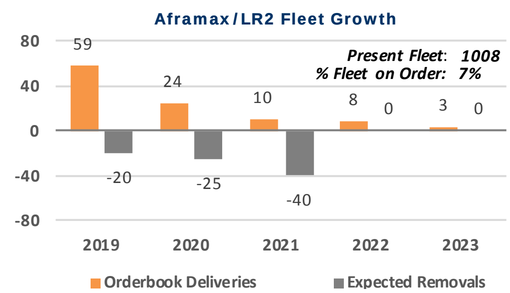
The week started off on a sharply higher note for MR owners positioned off the Continent, with TC2 jumping around 25 WS points to fix at 135. Perhaps predictably, though, it couldn't move higher from there, and drifted sideways for most of the week. By Friday, all the ships with absolutely no interest in going to the US Gulf had turned up on UKC position lists and rates had begun the process of tumbling back down. Unless we see a surge of cargoes next week, we expect that process to continue.

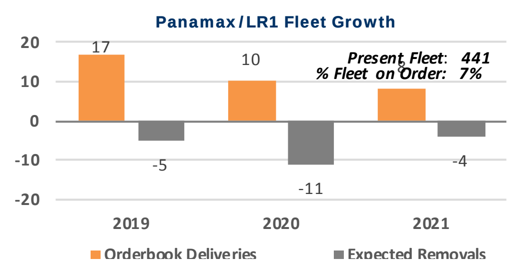
Needless to say, then, that the US Gulf didn't offer attractive rates for the owners. Indeed, this short week was highlighted by a paucity of cargoes and the usual oversupply of ships. As one would expect, that combination resulted in another leg down for rates. Roughly a dozen spot MR ships are sitting in the USG and Monday's list is likely to be longer. Unless ships start ballasting east to take advantage of marginally perkier rates for clean tonnage in the Far East and around the AG, we expect Atlantic basin rates to remain weak in the near future.

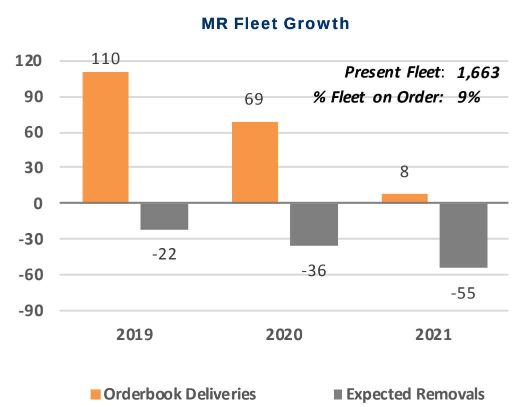






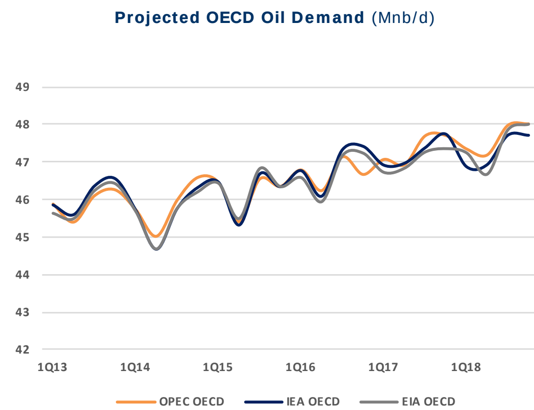


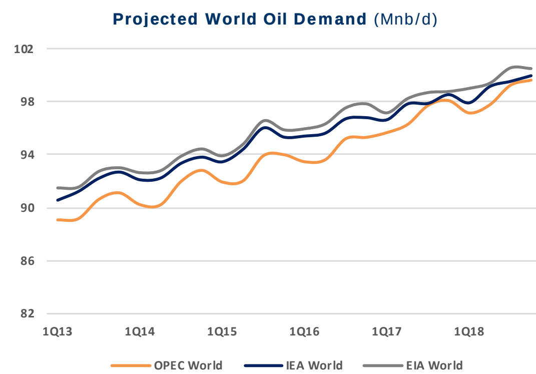


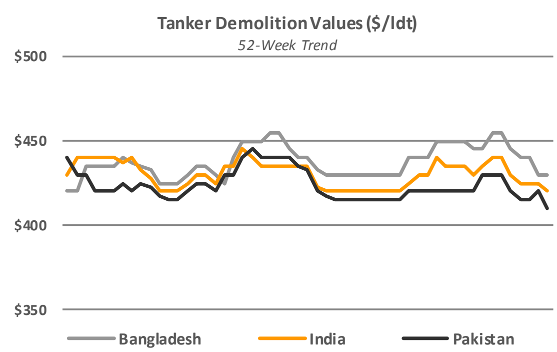


REPORTED TANKER SALES

Nordic Ruth	35,800	2000	Daedong	$5.80	Unknown
Strymon	47,120	2005	STX Shipbuilding	$10.80	Unknown
Maersk Jamnagar	104,588	2011	Sumitomo HI	$30.30	Unknown
Maersk Jeddah	104,280	2011	Sumitomo HI	$30.30	Unknown
Oklahoma	105,465	2006	Sumitomo HI	~$18.5	PT Trans
Papillon	47,302	2007	Sumitomo HI	PNR	Unknown Turkey
High Sun	50,000	2014	Hyundai Vinashin	$28.70	Ditas Shipping
High Power	46,866	2004	Naikai Zosen	low $8s	Unknown
Parsifal II	37,606	2008	Hyundai Mipo	$12.50	Unknown
UACC Strait	45,934	2004	Shin Kurushima	$8.80	Unknown
Jag Laadki	150,284	2000	NKK	$13.20	Unknown Greeks
Fidelity II	48,020	2011	Iwagi Zosen	$18.25	Maersk Tankers







WEBER WEEKLY

TANKER REPORT

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