![WEBER WEEKLY TANKER REPORT]

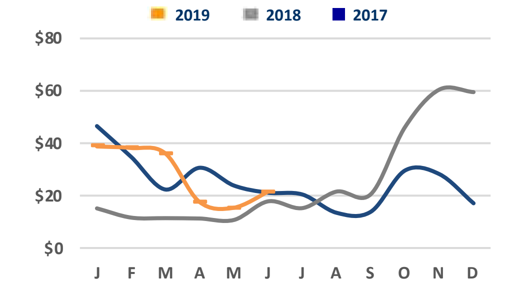
WEBER WEEKLY TANKER REPORT

WEEK 27 – 5 July 2019 | **ISSUE 27 – 2019**

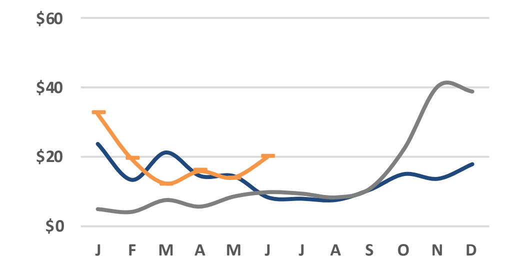
Spot Market	WS/LS	TCE	WS/LS	TCE	
VLCC (13.0 Kts L/B)	Week Ending 21-June		Week Ending 28-June		
AG>USG 280k	21.2	--	23.2	--	
AG>SPORE 270k	45.9	$24,351	49.0	$26,164	
AG>JPN 265k	44.4	$24,370	47.0	$25,699	
AG>CHINA 270k	47.8	$23,918	51.4	$26,299	
WAFR>CHINA 260k	46.9	$25,915	50.7	$28,452	
USG>SPORE 270k	$4.64m	$26,576	$4.97m	$28,453	
AG>USG/USG>SPORE/AG	--	$37,768	--	$40,938	
VLCC Average Earnings		*$25,974*		*$27,920*	
SUEZMAX (13.0 Kts L/B)					
WAFR>USG 130k	72.0	$21,902	58.5	$13,159	
WAFR>UKC 130k	75.5	$18,569	64.0	$11,255	
BSEA>MED 140k	86.5	$27,784	78.0	$20,675	
CBS>USG 150k	77.5	$29,089	66.5	$19,836	
USG>UKC 150k	66.0	--	51.5	--	
CBS>USG/USG>UKC/WAFR	--	$27,778	--	$15,959	
AG>USG 140k	54.5	--	44.0	--	
USG>SPORE 130k	$3.3m	--	$3.04m	--	
Suezmax Average Earnings		*$21,155*		*$13,978*	
AFRAMAX (13.0 Kts L/B)					
N.SEA>UKC 80k					88
BALT>UKC 100k	64.5	$10,354	63.7	$8,848	
CBS>USG 70k	87.5	$7,440	85.5	$5,794	
USG>UKC 70k	77.5	--	76.5	--	
CBS>USG/USG>UKC/NSEA	--	$19,668	--	$16,052	
MED>MED 80k	86.5	$12,115	936	$14,465	
AG>SPORE 70k	122.0	$22,814	119.5	$21,084	
Aframax Average Earnings		*$12,686*		*$11,753*	
PANAMAX (13.0 Kts L/B)					
CBS>USG 50k					13
CONT>USG 55k	96.0	$9,948	90.0	$7,464	
ECU>USWC 50k	155.0	$20,003	155.0	$19,214	
Panamax Average Earnings		*$12,299*		*$10,239*	
LR2 (13.0 Kts L/B)					
AG>JPN 75k					10
AG>UKC 80k	$2.09m	$17,449	$2.07m	$16,052	
MED>JPN 80k	$1.70m	$10,009	$1.69m	$8,917	
AG>UKC/MED>JPN/AG	--	$18,453	--	$17,210	
LR2 Average Earnings		*$17,431*		*$15,776*	
LR1 (13.0 Kts L/B)					
AG>JPN 55k	114.0	$13,775	110.9	$12,299	
AG>UKC 65k	$1.81m	$15,890	$1.76m	$14,223	
UKC>WAFR 60k	89.6	$8,575	95.4	$9,329	
AG>UKC/UKC>WAFR/AG	--	$18,035	--	$17,313	
LR1 Average Earnings		*$15,905*		*$14,806*	
MR (13.0 Kts L/B)					
UKC>USAC 37k	108.0	$6,480	146.0	$13,163	
USG>UKC 38k	93.5	$4,918	107.5	$6,928	
USG>UKC/UKC>USAC/USG	--	$15,159	--	$21,792	
USG>CBS (Pozos Colorados) 38k	$467k	$13,780	$531k	$17,424	
USG>CHILE (Coronel) 38k	$1.24m	$16,421	$1.32m	$18,208	
CBS>USAC 38k	126.5	$12,190	136.0	$13,496	
WCIND>JPN/ROK>SPORE/WCIND	--	$17,885	--	$15,216	
MR Average Earnings		*$13,009*		*$16,399*	
Handy (13.0 Kts L/B)					
MED>EMED 30k	135.3	$12,118	135.1	$11,622	
SPORE>JPN 30K	130.7	$8,083	128.8	$7,528	
Handy Average Earnings		*$9,536*		*$8,829*	

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

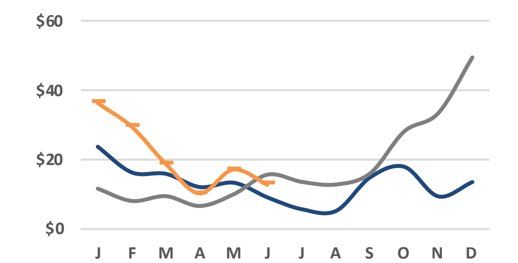
Time Charter Market $/day (theoretical)	1 Year	3 Years
VLCC	$35,000	$33,000
Suezmax	$23,500	$25,000
Aframax	$21,000	$22,000
LR 1	$16,500	$17,000
MR	$14,500	$16,000
Handy	$14,000	$13,500



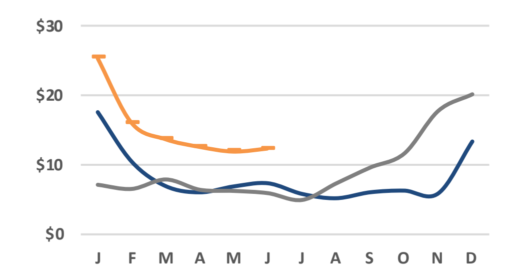
VLCC Average Earnings	MTD Average	Month y/y
	~$27,920/Day	▲ +21%



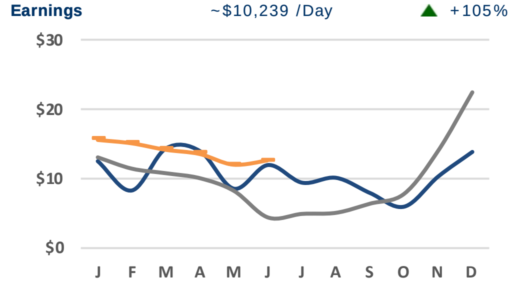
Suezmax Average Earnings	MTD Average	Month y/y
	~$13,978/Day	▲ +102%



Aframax Average Earnings	MTD Average	Month y/y
	~$11,753/Day	▼ -19.0%



Panamax Average Earnings	MTD Average	Month y/y
	~$10,239 /Day	▲ +105%



MR Average Earnings	MTD Average	Month y/y
	~$16,399/Day	▲ +187%

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SPOT MARKET SUMMARY

VLCC

The lethargy with which last week ended carried through this week as well. The pace of fixing in the AG remained slow, even as the geopolitical tension eased somewhat with the fading impact of the recent attacks. For the most part, the charterers have taken on the burden of AWRP as the cost of keeping the owners sweet, so the justification for significantly higher rates is mitigated. Indeed, there continue to be plenty of available ships but at least owners can feel a little better with the present TCE for TD3C up around 100pct from beginning June. That said, after drifting slightly lower over the course of the week, the benchmark AG-China VLCC route has found support around WS 50 for modern tonnage and the low/mid WS 40s for older units. Continued support at these levels, though, will depend on an uptick in the pace of fixing for the month which, thus far, has been slow. There was a hint of that on Thursday, but the week still ended with a mere 45 cargoes reported for the month. Assuming this doesn't foretell a significantly softer fixture count for July, we should see more bustle in the market next week.

The Atlantic basin has seen decent activity this week. However, the wafr/feast rates did suffer a slight pullback into the high 40's mainly due to the easing in the AG. The U.S. exports continued apace and drove a decent rate rise at the beginning of the week for ships heading east out of the US Gulf. That implied a solid triangulation reward for owners willing to take a little less to secure an AG/West voyage. If we do, in fact, see a bit more strength in the AG next week, perhaps we'll see all markets heading in a stronger direction for a stretch. The fundamental oversupply of tonnage remains an issue, but seeing a summer push might give owners a little comfort.

Suezmax

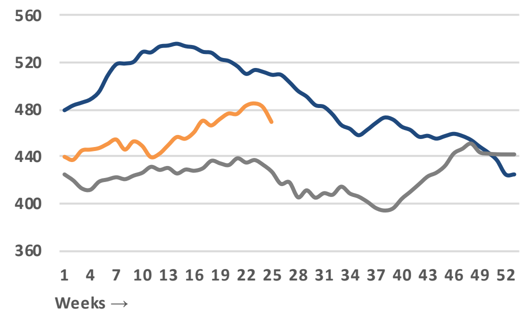
As we started the week, it appeared that the prior weakness in the Suezmax sector would continue. And indeed it did. Rates in virtually every Suezmax market that we track drifted lower for most of the week. However, against all odds, a sudden surge of activity late Thursday and into Friday drove a reasonably sharp jump of WS10 points in West African rates. There's a sense that some of this might translate into other markets but it's going to require sustained activity in WAF and elsewhere. In truth, it's just as likely that activity will slow and/or ships looking for better earnings will rush to get in on the action and put a cap on things.

The Black Sea would be a crucial part of getting things moving higher across the board but the market really didn't move at all this week. Of course, it always takes time to see how owners in other markets will react but, so far, the optimism is limited.

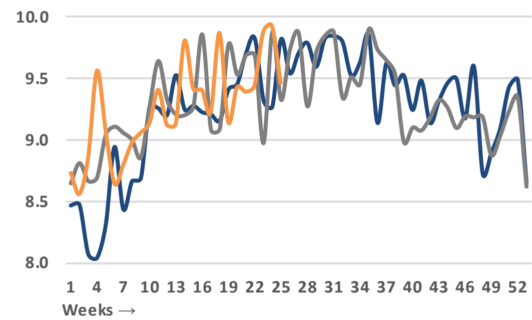
Aframax

As we predicted at the end of last week, it was going to be a struggle for owners to keep Aframax rates steady in the U.S. Gulf given the relative paucity of cargoes and abundance of available tonnage. Sure enough, despite holding firm for a few days after the weekend, we ended this week with rates shedding a few points. Both the CBS-USG and USG-UKC runs dropped around WS5 points.

A spike in the Med market turned some heads this week but, ultimately, it was only one market among many. Since the rates of most of the "many" are not significantly higher than op-ex, Aframax owners everywhere are hoping to find a better situation. However, at week's end it appears the med surge is winding down and owners are heading into the weekend break without much optimism.



US Crude Stocks (EIA)	Last Week 469.6 MnBbls	Week y/y ▲ +10.1%



US Gasoline Demand (EIA)	Last Week 9.466 MnB/d	Week y/y ▲ +1.5%

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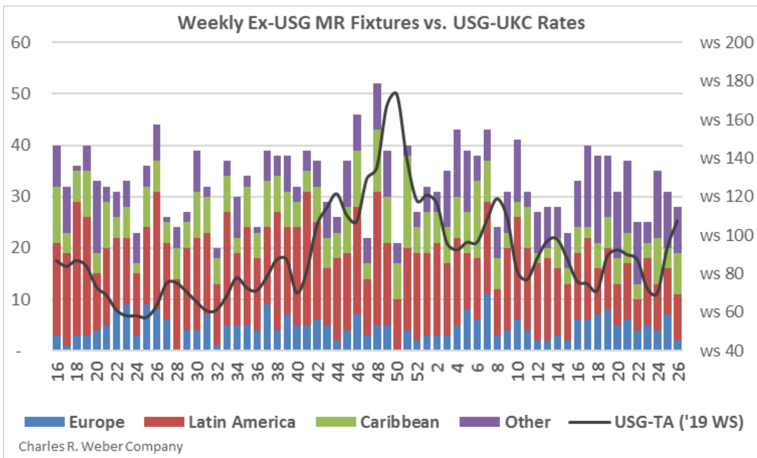
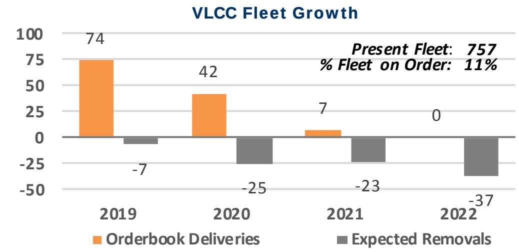
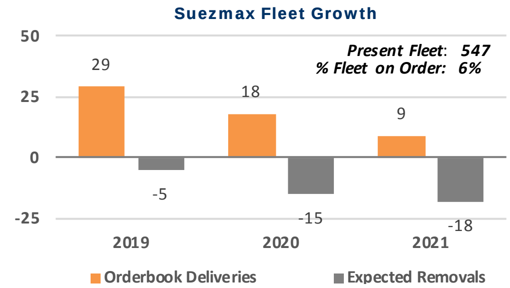
MR

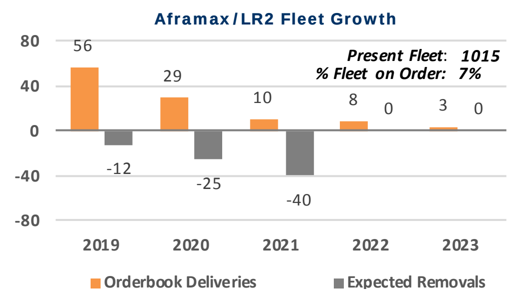
Well, as we feared, the sky wasn't the limit for TC2. Nope, the limit was WS 157.5. Now that's a respectable jump, to be sure, but the market drifted down for most of the week after that initial pop caused by last week's refinery fire, hitting the mid WS 130s by Thursday. All is not lost, though, as Friday brought some measure of support and TC2 ticked back up to WS140. Even if that PES fire was quickly put out, the damage reported was severe, and the USAC is apparently going to have to adjust to the loss of that refinery. Granted, any rate spikes will draw tonnage from other markets; there's certainly plenty of it. But, all else equal, an increased call for product into the USAC will be a bullish development for clean freight.

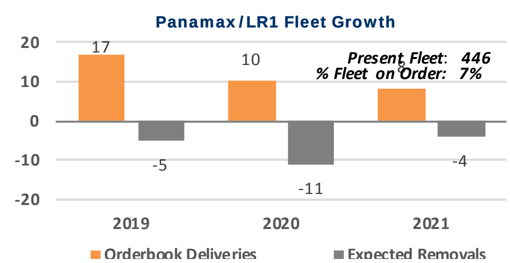
MR rates in the US Gulf were mostly stronger as well this week. TC14 gained just shy of WS10 points this week and appeared ready to hold those gains through the first half of next week. This rate dynamic played out similarly for most discharge destinations. Presumably the rush to fix before next week's U.S. holiday will be a factor, but it remains to be seen if the momentum will hold much beyond that.

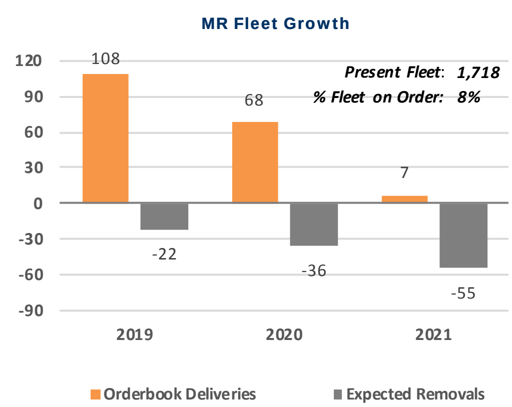












REPORTED TANKER SALES

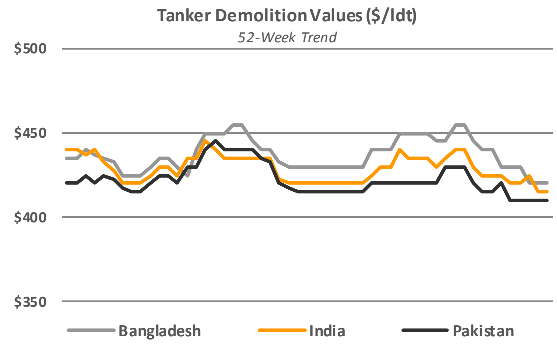
Phoenix Vanguard – 306,506 / '07– Daewoo
-Rumored sold for $38.75m to Hermes Marine Mgmt. Scrubber fitted.

Pytheas – 114,809 / '04 – Samsung
-Sold by Tsakos for $14.85 million to a Norwegian KS

REPORTED TANKER DEMOLITION SALES

Final Destination: **Unknown**

Watban – 300,361 /96 – 48,100 LDT – DH
-Sold for $440/ldt, as is Jeddah.



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