WEBER WEEKLY TANKER REPORT

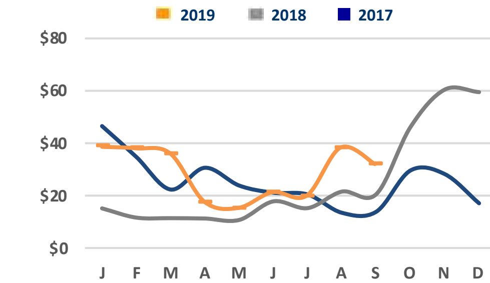
CHARLES R. WEBER COMPANY, INC.

WEEK 36 – 06 September 2019 **ISSUE 36 – 2019**

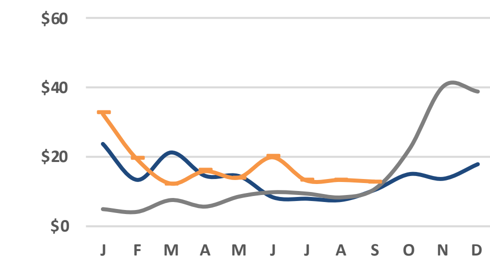
Spot Market	WS/LS	TCE	WS/LS	TCE
VLCC (13.0 Kts L/B)	**Week Ending 30-Aug**		**Week Ending 06-Sep**	
AG>USG 280k	29.20	--	26.80	--
AG>SPORE 270k	61.20	$39,795	51.70	$29,780
AG>JPN 265k	59.20	$39,795	49.80	$29,545
AG>CHINA 270k	62.20	$38,646	53.70	$29,540
WAFR>CHINA 260k	60.00	$41,191	52.50	$33,070
USG>SPORE 275k	5.32m	$35,271	5.21m	$33,912
AG>USG/USG>SPORE/AG	--	$53,101	--	$49,618
VLCC Average Earnings		*$40,431*		*$32,307*
SUEZMAX (13.0 Kts L/B)				
WAFR>USG 130k	62.00	$17,033	56.00	$13,513
WAFR>UKC 130k	66.50	$14,500	60.00	$10,869
BSEA>MED 140k	67.50	$15,350	67.50	$15,534
CBS>USG 150k	62.50	$18,498	64.00	$19,430
USG>UKC 150k	42.00	$5,471	47.00	$8,680
CBS>USG/USG>UKC/WAFR	--	$11,462	--	$14,409
AG>USG 140k	35.00	$6,984	33.00	$5,747
USG>SPORE 130k	3.42m	--	3.50m	--
AG>USG/USG>SPORE/AG	--	$28,002	--	$28,017
Suezmax Average Earnings		*$14,613*		*$12,766*
AFRAMAX (13.0 Kts L/B)				
N.SEA>UKC 80k	85.00	$7,436	89.50	$10,556
BALT>UKC 100k	57.20	$5,406	65.50	$10,527
CBS>USG 70k	84.50	$6,877	109.50	$15,670
USG>UKC 70k	79.50	$7,388	93.00	$11,785
CBS>USG/USG>UKC/NSEA	--	$18,268	--	$26,966
MED>MED 80k	81.50	$10,657	88.50	$13,750
AG>SPORE 70k	102.50	$15,938	102.00	$15,953
Aframax Average Earnings		*$10,453*		*$15,619*
PANAMAX (13.0 Kts L/B)				
CBS>USG 50k	115.00	$9,774	129.00	$13,084
CONT>USG 55k	90.50	$8,810	90.30	$8,641
ECU>USWC 50k	155.00	$20,525	160.00	$21,381
Panamax Average Earnings		*$10,465*		*$11,782*
LR2 (13.0 Kts L/B)				
AG>JPN 75k	109.17	$18,688	107.85	$18,449
AG>UKC 80k	2.12m	$18,716	2.22m	$20,439
MED>JPN 80k	1.73m	$11,303	1.84m	$13,106
AG>UKC/MED>JPN/AG	--	$19,757	--	$21,747
LR2 Average Earnings		*$19,044*		*$19,547*
LR1 (13.0 Kts L/B)				
AG>JPN 55k	124.33	$15,599	118.38	$14,375
AG>UKC 65k	1.86m	$17,586	1.78m	$15,805
UKC>WAFR 60k	85.00	$7,938	84.75	$7,774
AG>UKC/UKC>WAFR/AG	--	$18,876	--	$17,578
LR1 Average Earnings		*$17,237*		*$15,976*
MR (13.0 Kts L/B)				
UKC>USAC 37k	96.00	$4,313	96.50	$4,305
USG>UKC 38k	92.00	$4,966	88.50	$4,203
USG>UKC/UKC>USAC/USG	--	$13,601	--	$12,938
USG>CBS (Pozos Colorados) 38k	451k	$13,066	434k	$11,860
USG>CHILE (Coronel) 38k	1.235m	$16,905	1.21m	$16,123
CBS>USAC 38k	120.00	$11,196	117.00	$10,508
WCIND>JPN/ROK>SPORE/WCIND	--	$16,052	--	$16,905
MR Average Earnings		*$11,853*		*$11,580*
Handy (13.0 Kts L/B)				
MED>EMED 30k	98.83	$2,514	100.60	$2,950
SPORE>JPN 30K	127.00	$7,512	133.50	$8,163
Handy Average Earnings		*$5,482*		*$6,287*

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

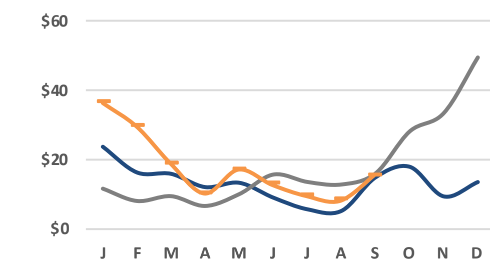
Time Charter Market *$/day (theoretical)*	**1 Year**	**3 Years**
VLCC	$36,000	$32,000
Suezmax	$23,000	$24,000
Aframax	$20,000	$21,500
LR 1	$16,000	$17,000
MR	$14,500	$16,000
Handy	$14,000	$13,500



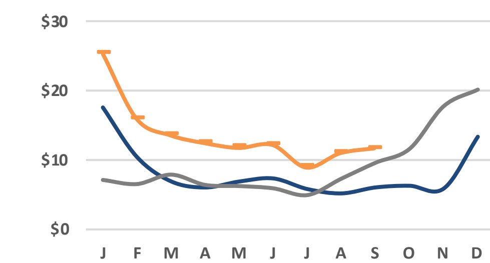
VLCC Average Earnings | **MTD Average** 32,307~$/Day | **Month y/y** ▲ +58%



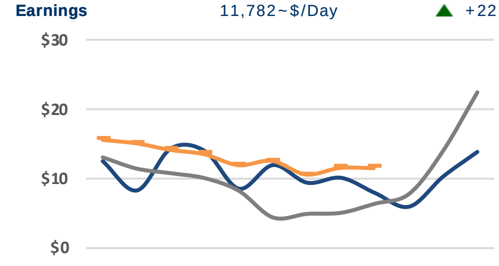
Suezmax Average Earnings | **MTD Average** 12,766~$/Day | **Month y/y** ▲ +17%



Aframax Average Earnings | **MTD Average** 15,619~$/Day | **Month y/y** ▼ -3%



Panamax Average Earnings | **MTD Average** 11,782~$/Day | **Month y/y** ▲ +22%



MR Average Earnings | **MTD Average** 11,580~$/Day | **Month y/y** ▲ +81%

SPOT MARKET SUMMARY

VLCC

The Arabian Gulf September 2-6

While we did see an uptick in activity this week, much of it was under the radar and an ample supply of tonnage exerted further downward pressure on rates. Additionally, the Atlantic Basin was quiet, with activity not picking up in the region until week's end. The first cargo to enter the market (preferred business to Korea) received thirteen offers and set the tone for the week. TCEss dipped from just above $32,000 per day to under $25,000 per day for modern tonnage. After reaching that level, resistance from Owners grew and activity in the Atlantic Basin picked up, which slowed the softening sentiment.

The September cargo program is on a busier pace than August (which was the busiest month of 2019) and if that continues along with steady activity in the Atlantic Basin, the tide will turn, despite the over-supply of tonnage.

Eastbound rates for modern tonnage (for AG to China) fell from the high ws50's down to the low ws50's, the latest fixture at ws50. The "distressed" tonnage is trading at the usual discount, hovering in the mid-low ws40's at week's end.
Westbound business was inactive, but arguably lower, in line with market sentiment. Rate assessments softened from high to low-mid ws20's. Triangulation still shows the highest possible returns, as AG to the USG followed by USG to Singapore (basis ws25 cc and $5.2 mil) yields a TCE of around $45,000 per day over the two voyages.

Position list and Cargo Avails

There were 32 fresh fixtures to report this week bringing the September cargo tally to 107, leaving another 30-35 cargoes to go through the month. This compares to a position list with some 52 units available over the same period.

Suezmax

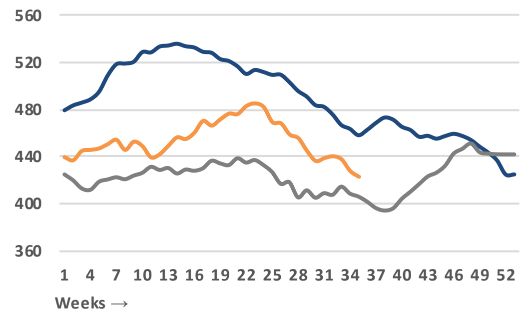
Even if it took the entire week to really happen, the momentum for Suezmaxes in the US Gulf from last week actually carried rates upward. It doesn't show up in our average TCE for the week on the table above, but we assessed the USG-UKC up ws15 points on Friday, and up 50% from Monday. While things still aren't particularly rosy in terms of returns, there's a bullish tone to the market on this side of the Atlantic, which is buttressed somewhat by the activity on the Afras.

West Africa is lagging behind somewhat, but seems poised to move higher, and the same could be said for the Black Sea. There is real demand for cargoes heading east and owners are reluctant to commit to the longer moves without a significant increase over last done. It remains to be seen if this will all hold into next week, but the fact that the sentiment is more widely distributed may bode well for owners.

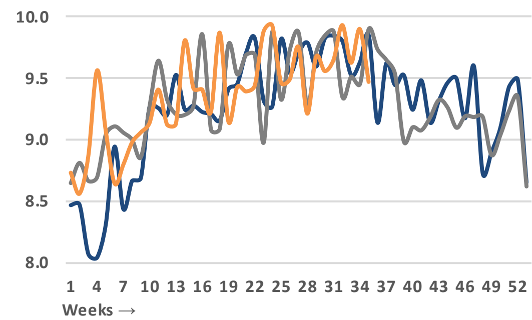
Aframax

The Aframax segment was the star of the week in terms of bullish momentum. Rates improved in all markets west of Suez. As we pointed out last week, the sentiment is quite firm in the US Gulf, and that seems to be holding at the end of this week. The September cargo program is driving the market from strength to strength without seeming like an unsustainable spike. To be sure, rates are still not amazing, but they've certainly returned to 5 figure returns.

It seems like the US Gulf market is leading this charge, but the European routes performed well too, posting higher numbers across the board. That voice in owners' ears, though, whispering "…memento mori…" is coming from the Afras in the AG, where rates are lagging and whence plenty of ships would be happy to sail. The only thing that's lacking is cargoes for them to grab. Will they ballast away and spoil the parties everywhere else?



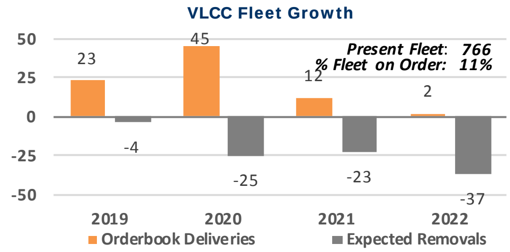
US Crude Stocks (EIA)	Last Week	Week y/y
	423.0 MnBbls	▲ +4.2%



US Gasoline Demand (EIA)	Last Week	Week y/y
	9.471 MnB/d	▼ -4.3%

2019 2018 2017

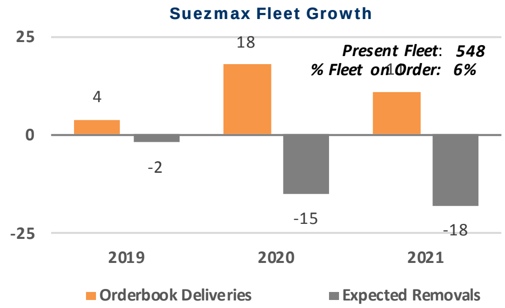
WEBER WEEKLY
TANKER REPORT

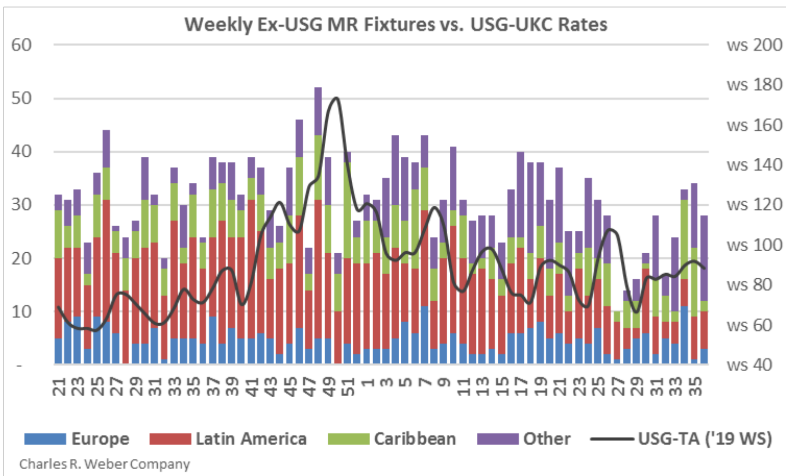


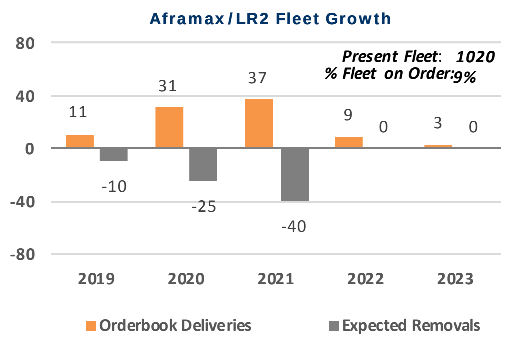
MR

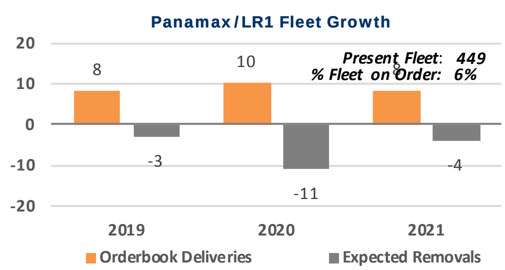
The bustling US Gulf market we saw toward the end of last week turned out to be a harbinger not of higher rates and more activity to come, but rather of muted activity and vanished cargoes. In such an environment, with the buildup of tonnage over the holiday weekend, the market was perhaps fated for a pull-back. Sure enough, that's what happened. Virtually all of the US Gulf-load routes gave up the gains they realized last week.

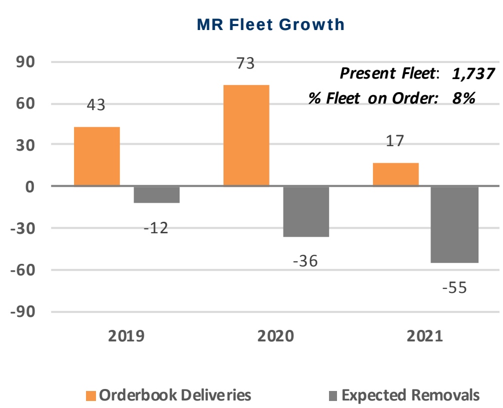
And on the other side of the Atlantic, the benchmark TC2 route was unable to break back into 3 digit Worldscale territory. This makes for a rather uninspiring story for MRs in the Atlantic basin but, as we wind up the first week of September, that's where things stand.











WEBER WEEKLY TANKER REPORT

REPORTED TANKER SALES

Hunter Atla– 300,000 /'19 – DSME
Hunter Saga – 300,000 /'19 – DSME
Hunter Laga – 300,000 /'19 – DSME
-Sold around $60.0 to Frontline, scrubber fitted

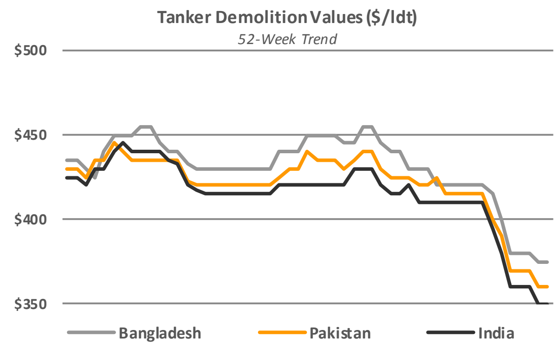
Marlin TBN – 149,999 /'19 – New Times
-Sold around $64.1m to Ondimar

Energy Protector – 51,319 /'04 – STX Jinhae
-Sold at around $11.0 to unknown interest

REPORTED TANKER DEMOLITION SALES

Ankleshwar– 147,563 /'94 – sold at $368/ldt as is Colombo

Dan Eagle– 46,186 /'99 – sold on private terms, shuttle tanker



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