

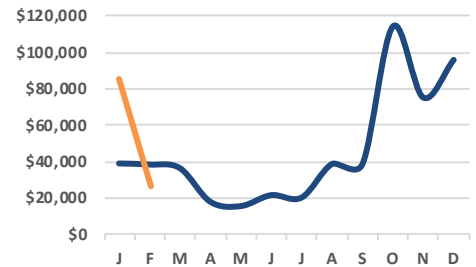
WEEKLY MARKET REPORT



Week 9 • February 28, 2020

Issue WM09-20

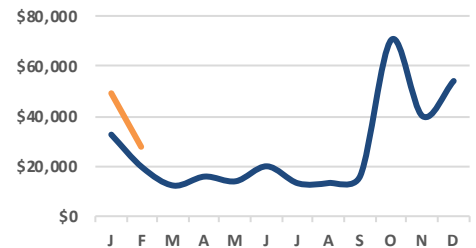
VLCC: It proved to be a more active week on the VLCC sector as resistance from owners picked up and eastbound levels rose almost ten points over the week. Rates moved from the low to high ws40's for modern units. As charterers progressed through the middle decade and more units ballsted towards the Atlantic (9 ships heading this way), the list of available units started to thin. Those charterers in the market were seeing fewer choices and owners sentiment strengthened. Additionally falling bunkers added to owners returns. The latest TCE's showing above \$33,000 per day for TD3. At week's end upward sentiment was still evident, but activity was showing signs of slowing.



VLCC Average Earnings* MTD 2020 v. CY 2019

MTD '20 Avg/Day: \$26,852 MTD 20' v. CY '19': -30%

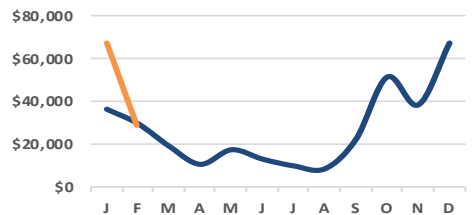
SUEZMAX: Demand in West Africa was up around 24% on the week with 14 fixtures concluded vs. 11 from the previous week. Despite the additional cargo flow, TD20 rates only managed to teeter around last done levels as charterers utilized tonnage avails to keep rates level. The WAFR>UKCM route yielded a TCE of around \$30,300/day (IFO 380) / 26,700/day (0.5%) basis last done levels of ws77.5. The BSEA>MED market saw limited action once again as Libyan output continues to limp along and less than expected demand in the BSEA coupled with limited seasonal weather delays push rates down in the low to mid ws80's. The TD6 route TCE was flat on the week-to-week comparison resulting in returns of roughly around \$31,500/day (IFO 380) / \$28,700/day (0.5%). In the USG/CBS region, demand was relatively weak this week with only a handful of fixtures making the rounds. USG>UKCM market remains sluggish, as sufficient tonnage keen for TA voyages have kept last done levels grounded for the most part. The USG>SPORE route continues to hold around \$4.5m (1:1) lump sum but remains untested this week. Expect the USG and CBS markets to show possible signs of improvement going into next week as the active Aframax and VLCC markets should push the Suezmax sector. BDTI - TD20 ended the week settling at ws77.05 which is down 1.02 points from this time last week.



Suezmax Average Earnings* MTD 2020 v. CY 2019

MTD '20 Avg/Day: \$28,069 MTD 20' v. CY '19': +45%

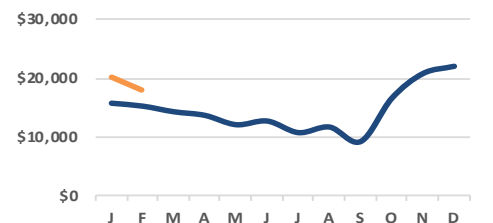
AFRAMAX: The week kicked off quietly with little to no enquiry in the market. By mid-week, charterers were successful at capitalizing on the longer tonnage list, easing rates down to ws150 for E.C. MEX and ws105 for Trans-Atlantic trades. Rates overall are holding at the moment as charterers had no issues fixing at last done levels. Now, with additional tonnage expected to open up over the weekend, charterers should have an opportunity next week to test rates further however, not without some push back from owners. Over in Europe, rates are starting to bottom out with most markets trading below ws100. Cross UKC rates started dropping early this week due to an over-supply of tonnage in the area and the market continued to correct itself before settling at ws95 to close. Balt>Cont and Cross Med markets both bottomed out near ws80 with enquiry appearing quiet for most of the week. Owners are hopeful rates will bounce back however, for the next week or so, expect rates to remain near the bottom.



Aframax Average Earnings* MTD 2020 v. CY 2019

MTD '20 Avg/Day: \$29,322 MTD 20' v. CY '19': -1.02%

MR: The MR sector experienced a solid week of gains on both sides of the Atlantic. An open TC2 arbitrage with additional support coming from West Africa enquiry kept markets buzzing along. A lack of LR tonnage also helped owners propel transatlantic levels to ws180-185 for 37,000dwt with a further potential rise set for next week. A combination of weather delays in Mexican ports and higher Panama Canal costs and delays helped bolster an already thinning tonnage list in the USG. WCSA bound cargoes saw the sharpest rise with an approximate \$500,000 increase as rates to Chile currently now stand at lump sum \$1.8m. A carryover effect has also improved all other benchmark routes with USG>CBS now standing in low \$600,000's, USG>Brazil at ws170 for 38,000 and TC14 on verge of ws120. Expectations are for more of the same next week as anticipated delays should remain going forward.



MR Average Earnings* MTD 2020 v. CY 2019

MTD '20 Avg/Day: \$17,905 MTD 20' v. CY '19': +33%

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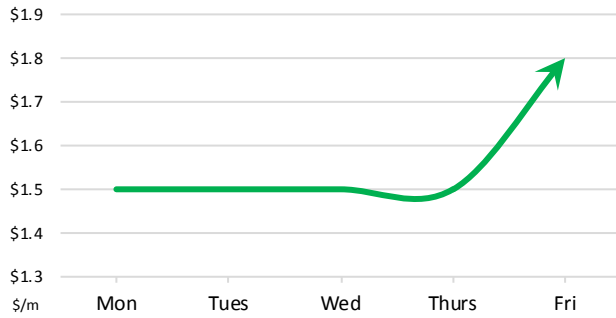
TANKER ROUTES (13kts L B)	Week 8 WS L\$	Week 9 WS L\$	Week 8 TCE*	Week 9 TCE**	*Week 8 Bunkers VLSFO \$519/MT	**Week 9 Bunkers VLSFO \$476/MT
VLCC						
AG>USG • 280,000 (dwt)	30.00	30.00	--	--		
AG>SPORE • 270,000	42.70	46.00	\$21,631	\$28,366	Time Charter 1 Year v. 3 Years (\$ day): \$39,000 \$34,000	
AG>JPN • 265,000	40.40	44.00	\$20,107	\$27,445		
AG>CHINA • 270,000	43.20	47.00	\$19,673	\$27,012		
WAFR>CHINA • 260,000	46.20	47.90	\$25,605	\$30,106	# Ships Trading:	793
USG>SPORE-AG	5.46m	5.50m	\$55,766	\$59,034	% Fleet on Order:	9%
AG>USG/USG>SPORE-AG	--	--	\$50,169	\$53,261	Ships to Breakers:	No Activity
VLCC Average Earnings⁺	--	--	\$24,435	\$30,454		
SUEZMAX						
WAFR>USG • 130,000	72.50	72.50	\$23,535	\$25,247	Time Charter 1 Year v. 3 Years (\$ day): \$29,000 \$28,000	
WAFR>UKC • 130,000	79.50	77.50	\$22,725	\$23,185		
BSEA>MED • 140,000	88.90	85.00	\$37,166	\$28,991	# Ships Trading:	537
CBS>USG • 150,000	100.00	100.00	\$49,352	\$50,944	% Fleet on Order:	9%
USG>UKC • 150,000	76.50	73.50	\$30,113	\$29,491	Ships to Breakers:	No Activity
CBS>USG/USG>UKC-WAFR	--	--	\$42,153	\$41,960		
AG>USG • 140,000	38.50	33.50	\$17,934	\$8,662		
USG>SPORE	4.62m	4.50m	--	--		
AG>USG/USG>SPORE-AG	--	--	\$46,104	\$36,999		
Suezmax Average Earnings⁺	--	--	\$26,695	\$24,488		
AFRAMAX						
N.SEA>UKC • 80,000	133.50	112.00	\$42,323	\$27,794	Time Charter 1 Year v. 3 Years (\$ day): \$25,000 \$22,000	
BALT>UKC • 100,000	109.60	92.90	\$40,877	\$31,081		
CBS>USG • 70,000	192.50	164.50	\$49,375	\$39,572	# Ships Trading:	1,025
USG>UKC • 70,000	153.00	127.00	\$33,780	\$25,504	% Fleet on Order:	10%
CBS>USG/USG>UKC-NSEA	--	--	\$65,109	\$54,466	Ships to Breakers:	Low Activity
MED>MED • 80,000	87.00	81.50	\$12,578	\$11,157		
AG>SPORE • 80,000	118.00	114.50	\$23,585	\$23,760		
Aframax Average Earnings⁺	--	--	\$35,729	\$28,804		
PANAMAX						
CBS>USAC(USG) • 50,000	179.00	185.00	\$32,452	\$35,215	Time Charter 1 Year v. 3 Years (\$ day): \$16,000 \$15,500	
UKC>USG • 55,000	128.20	120.58	\$19,675	\$18,492	# Ships Trading:	447
MED>USG • 55,000	137.00	130.00	\$20,324	\$19,213	% Fleet on Order:	4%
ECU>USWC • 50,000	250.00	250.00	\$46,756	\$47,917	Ships to Breakers:	No Activity
Panamax Average Earnings⁺	--	--	\$24,366	\$26,351		
LR2						
AG>JPN • 75,000	106.70	100.45	\$20,034	\$19,205	Time Charter 1 Year v. 3 Years (\$ day): \$25,500 \$24,000	
AG>UKC	2.18m	2.33m	\$14,887	\$19,271	# Ships Trading:	1,025 [^]
MED>JPN	2.46m	2.52m	\$17,829	\$20,430	% Fleet on Order:	10% [^]
AG>UKC-MED>JPN-AG	--	--	\$22,488	\$26,117	Ships to Breakers:	Low Activity [^]
LR2 Average Earnings⁺	--	--	\$20,851	\$21,507		
LR1						
AG>JPN • 55,000	112.80	102.80	\$14,363	\$12,867	Time Charter 1 Year v. 3 Years (\$ day): \$16,500 \$17,000	
AG>UKC	1.73m	1.67m	\$10,758	\$10,889	# Ships Trading:	447 [#]
UKC>WAFR • 60,000	127.70	125.10	\$22,920	\$23,309	% Fleet on Order:	4% [#]
AG>UKC/UKC>WAFR-AG	--	--	\$20,323	\$20,428	Ships to Breakers:	No Activity [#]
LR1 Average Earnings⁺	--	--	\$17,343	\$16,647		
MR						
UKC>USAC • 37,000	165.00	165.50	\$17,962	\$18,948	Time Charter 1 Year v. 3 Years (\$ day): \$17,000 \$16,000	
USG>UKC • 38,000	87.00	98.00	\$3,025	\$6,293	# Ships Trading:	1,716
USG>UKC/UKC>USAC(USG)	--	--	\$22,239	\$25,357	% Fleet on Order:	8%
USG>CBS (Pozos Colorados)	479k	535k	\$12,263	\$16,842	Ships to Breakers:	No Activity
USG>CHILE (Coronel)	1.25m	1.57m	\$13,985	\$23,847		
CBS>USAC(USG) • 38,000	126.00	127.00	\$12,482	\$13,571		
WCIND>JPN-ROK>SPORE-WCIND	--	--	\$16,748	\$19,109		
MR Average Earnings⁺	--	--	\$17,106	\$20,134		
HANDYSIZE						
MED>EMED • 30,000	190.60	180.80	\$27,747	\$25,610	Time Charter 1 Year v. 3 Years (\$ day): \$14,500 \$13,000	
SPORE>JPN • 30,000	141.20	143.50	\$9,938	\$11,207	# Ships Trading:	1,586
Handysize Average Earnings⁺	--	--	\$16,349	\$16,392	% Fleet on Order:	6%
					Ships to Breakers:	Low Activity

+ "Average Earnings" are weighted proportionally to each size class' worldwide market activity (may include routes not necessarily shown in this report).

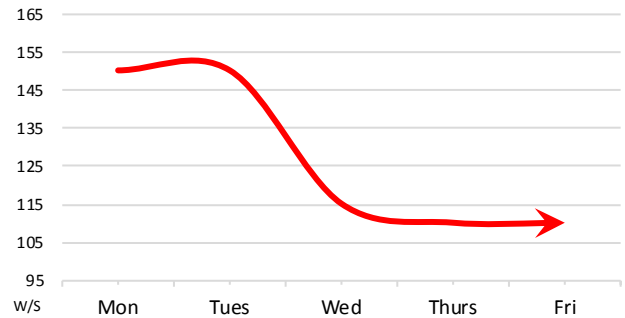
[^] Aframax and LR2 fleet numbers are combined for the purposes of these entries.

[#] Panamax and LR1 fleet numbers are combined for the purposes of these entries.

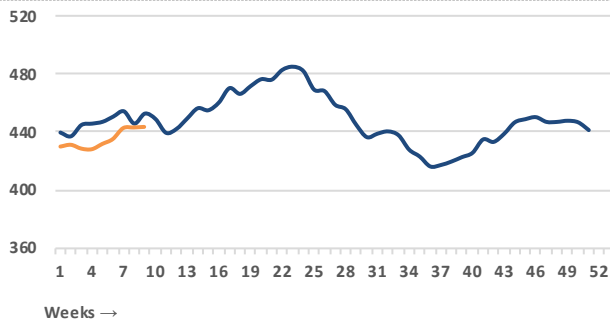
THE WEEK IN CHARTS



Global Climber of the Week: MR (USG>Chile 35,000) | +20%

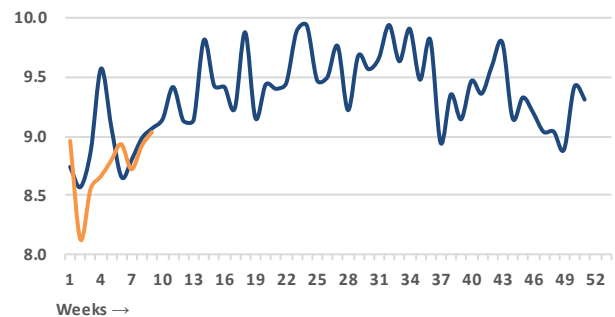


Global Decliner of the Week: AFRAMAX (USG>UKC 70,000) | -26%



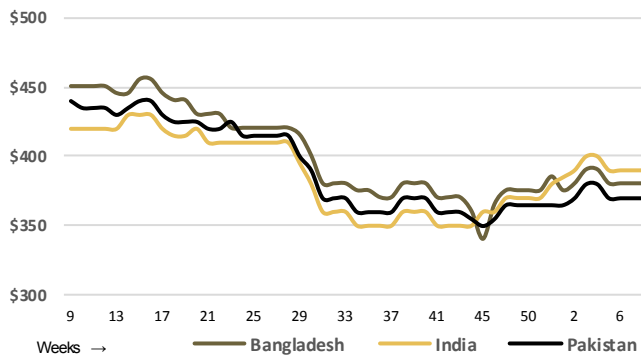
US Crude Oil Stocks (EIA) WTD '20 v. CY '19

This Week: 443.3Mn.Bbls This Week '20 v. '19: -02.1%

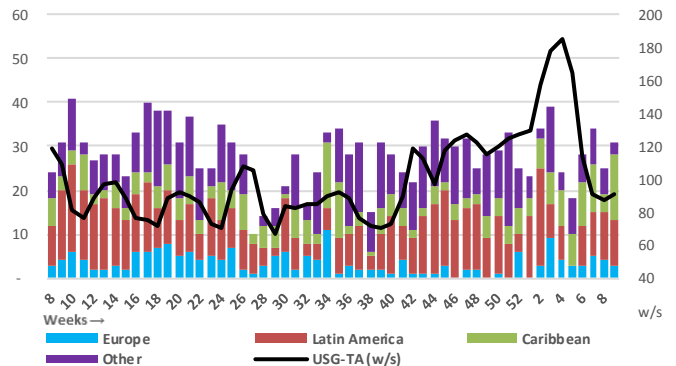


US Gasoline Demand (EIA) WTD '20 v. CY '19

This Week: 9.035Mn.Bbls/Day This Week '20 v. '19: -00.3%



Tanker Demolition Market, 52-Week Ticker (\$ | Ldt)



Charley's Chart of the Week: Weekly Ex-USG MR Fixtures v. USG>UKC Rate

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