

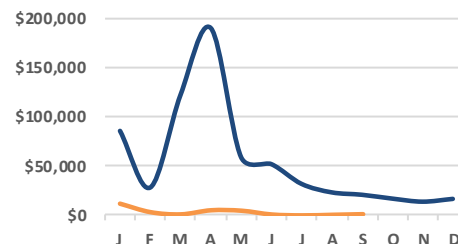
WEEKLY MARKET REPORT



Week 36 • September 10, 2021

Issue WM36-21

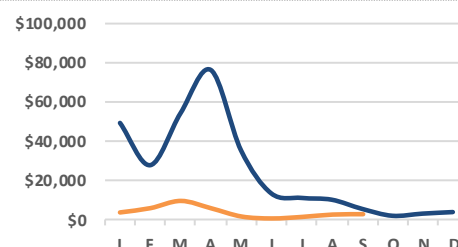
VLCC: Another active week in the VLCC sector led to further increases in rates, however, gains were limited due to the over-supply of tonnage. TD15 moved up to ws36 (the highest level since May) and TD3 rose to above ws34 (the highest since early June). Although, it should be noted that most TCE's remained below daily operating costs. The market saw increased US Gulf inquiries at the end of the week as the soaring Aframax sector is bringing VLCC freight into play. Transatlantic rates on the Aframax approached freight of \$1.3 million making 3 liftings cost almost \$4.0 million. VLCC freight for Transatlantic is \$2.5 million with an additional \$800,000 in lightering costs thus making the freight around \$3.3 million. This is for those early VLCC's that can still make September dates but will add to the pressure provided they get confirmed.



VLCC Average Earnings* MTD 2021 v. CY 2020

MTD '21 Avg/Day: \$552 MTD '21 v. CY '20: -97%

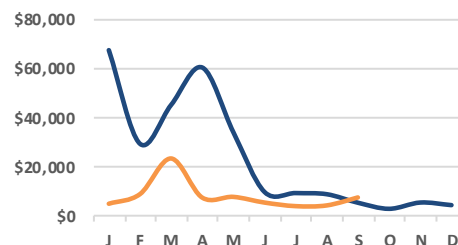
SUEZMAX: All eyes are focused on the US Gulf, or at least they should be. With crude production slowly coming back online after a devastating blow from hurricane Ida, rates faced resistance off the back of bullish sentiment amongst owners and tighter overall tonnage fundamentals. With limited vessel availability for September dates, charterers were pushed to pay above last done levels across the board for all cargo lifts originating in the USG and CBS region. A volatile Aframax market also assisted in allowing Suezmax rates to rise unimpededly as Transatlantic voyages pushed into the mid ws50's (basis 145,000mt cargo) and CBS>USG runs witnessed mid to high ws60's (basis 150,000mt cargo) for the first time since early March. The USG>SPORE route remains an interesting call as rates remain very date sensitive and are pegged around \$2.6-2.65m levels off natural dates and should command a touch higher for laycans prior to 3rd decade September. Across the pond, West Africa inquiries was steady; however, tonnage fundamentals remain disjointed and in favor of charterers. Rates for the TD20 route sputtered back down into the low ws50's off the back of a bloated tonnage list, including eastern ballasters. Corresponding TCE's for the WAFR>UKC route were down on the week-to-week comparison yielding a return of around \$3,800/day (IFO 380) and \$300/day (0.5%) basis ws52.5. BDTI- TD20 ended the week settling at ws51.95 which is down 3.05 from this time last week.



Suezmax Average Earnings* MTD 2021 v. CY 2020

MTD '21 Avg/Day: \$2,523 MTD '21 v. CY '20: -57%

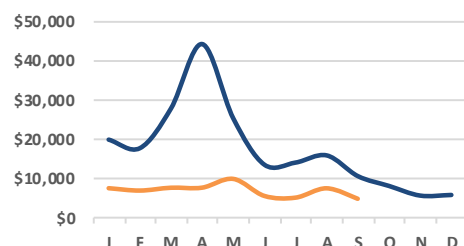
AFRAMAX: It was another exciting week in the market after a spike in inquiries hit the market early on. After the remaining prompt tonnage was picked off, owners were able to make their push for more, driving rates on Transatlantic routes up 20 points to ws107.5 and rates out of EC Mexico up to ws125. That being said, TCEs continue to earn below break-even levels; however, some real progress has been made over the course of the last few weeks giving owners an optimistic outlook heading forward. Expect owners to maintain their momentum through the weekend and into next week as the list looks to have less of a chance to repopulate over the next few days. It was a different story over in Europe as the markets continued to drag near the bottom for another week. Cross UKC routes remained quiet, holding the market at ws90 while Cross Mediterranean saw some activity, however, with most charterers fixing under the radar, owners did not have much of a choice other than to maintain last done levels which kept rates at ws87.5 for the week. Expect much of the same for next week with lists holding a significant volume of tonnage across most regions.



Aframax Average Earnings* MTD 2021 v. CY 2020

MTD '21 Avg/Day: \$7,715 MTD '21 v. CY '20: 46%

MR: Another week since hurricane Ida has passed, unfortunately the market is still suffering from its effects. The onslaught of ballasters avoiding the US Gulf arrived in Europe swelling an already lengthy position list. TC2 quickly softened to ws100 (basis 37,000mt cargo) and has stayed there for the balance of the week. Any demurrage opportunities, found primarily in West Africa, became increasingly popular eroding any premium over TC2 altogether. A dismally performing US Gulf market still exists and will likely keep downward pressure on the Continent sector for now. Gloominess prevails in the US Gulf as continued delays in refinery startups has resulted in only a smattering of cargoes. Rates have now reached year to date lows with ws55 (basis 38,000mt cargo) for Transatlantic and \$140,000 (lumpsum) for EC Mexico being recorded as last done levels. Limited runs to both coasts of South America have been few and far between with Brazil now close to ws90 (basis 38,000mt cargo) and Chile at \$1.0m (lumpsum). TCE's are now approaching breakeven and in some cases even negative returns. Unfortunately, owners will have to wait this out and hopefully a return to normalcy is not too far into the distant future.



MR Average Earnings* MTD 2021 v. CY 2020

MTD '21 Avg/Day: \$5,052 MTD '21 v. CY '20: -53%

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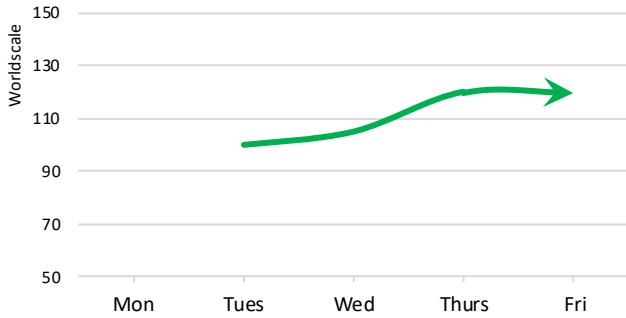
TANKER ROUTES (13kts LJB)	Week 35 WS L\$	Week 36 WS L\$	Week 35 TCE**	Week 36 TCE**	*Week 35 Bunkers VLSFO \$542/M TD	**Week 36 Bunkers VLSFO \$547/M TD
VLCC						
AG>USG • 280,000 (dwt)	18.20	18.50	--	--		
AG>SPORE • 270,000	33.20	34.40	\$472	\$1,476	Time Charter 1 Year v. 3 Years (\$ day): \$24,000 \$29,000	
AG>JPN • 265,000	31.70	33.10	\$3,538	\$4,965		
AG>CHINA • 270,000	33.00	34.30	-\$2,467	-\$1,368		
WAFR>CHINA • 260,000	33.40	34.60	-\$904	\$37	# Ships Trading:	840
USG>SPORE-AG	2.97m	3.08m	\$12,642	\$14,113	% Fleet on Order:	9%
AG>USG/USG>SPORE-AG	--	--	\$8,356	\$9,329	Ships to Breakers:	No Activity
VLCC Average Earnings⁺	--	--	\$10	\$1,094		
SUEZMAX						
WAFR>USG • 130,000	54.50	51.50	\$4,452	\$2,619	Time Charter 1 Year v. 3 Years (\$ day): \$18,000 \$21,000	
WAFR>UKC • 130,000	56.75	53.00	\$1,136	-\$1,020		
BSEA>MED • 140,000	62.50	62.50	\$6,191	\$5,965		
CBS>USG • 150,000	58.00	62.50	\$7,234	\$10,123	# Ships Trading:	571
USG>UKC • 150,000	48.00	51.50	\$1,035	\$2,977	% Fleet on Order:	7%
CBS>USG/USG>UKC-WAFR	--	--	\$4,764	\$7,342	Ships to Breakers:	No Activity
AG>USG • 140,000	25.00	25.00	-\$5,634	-\$5,856		
USG>SPORE	2.53m	2.60m	--	--		
AG>USG/USG>SPORE-AG	--	--	\$7,047	\$7,462		
Suezmax Average Earnings⁺	--	--	\$2,921	\$2,124		
AFRAMAX						
N.SEA>UKC • 80,000	91.70	90.00	\$4,494	\$3,161	Time Charter 1 Year v. 3 Years (\$ day): \$16,500 \$18,500	
BALT>UKC • 100,000	60.30	58.20	\$754	-\$636		
CBS>USG • 70,000	100.00	110.00	\$6,087	\$9,360		
USG>UKC • 70,000	94.00	98.00	\$4,505	\$5,546	# Ships Trading:	1,051
CBS>USG/USG>UKC-NSEA	--	--	\$18,357	\$21,025	% Fleet on Order:	9%
MED>MED • 80,000	87.30	87.50	\$6,392	\$6,318	Ships to Breakers:	1
AG>SPORE • 80,000	97.30	94.50	\$8,990	\$7,934		
Aframax Average Earnings⁺	--	--	\$7,354	\$8,075		
PANAMAX						
CBS>USAC(USG) • 50,000	100.00	110.00	\$3,583	\$5,852	Time Charter 1 Year v. 3 Years (\$ day): \$14,000 \$15,500	
UKC>USG • 55,000	92.30	91.70	\$1,591	\$1,263		
MED>USG • 55,000	92.00	94.00	\$3,726	\$4,088	# Ships Trading:	456
ECU>USWC • 50,000	160.00	162.50	\$15,755	\$16,152	% Fleet on Order:	3%
Panamax Average Earnings⁺	--	--	\$2,751	\$3,561	Ships to Breakers:	1
LR2						
AG>JPN • 75,000	113.80	110.80	\$13,377	\$12,264	Time Charter 1 Year v. 3 Years (\$ day): \$18,250 \$19,000	
AG>UKC	2.24m	2.29m	\$15,161	\$15,856		
MED>JPN	1.68m	1.70m	\$3,630	\$3,795	# Ships Trading:	1,051 [^]
AG>UKC-MED>JPN-AG	--	--	\$14,375	\$14,865	% Fleet on Order:	9% [^]
LR2 Average Earnings⁺	--	--	\$13,709	\$13,130	Ships to Breakers:	1
LR1						
AG>JPN • 55,000	127.60	117.70	\$11,931	\$9,518	Time Charter 1 Year v. 3 Years (\$ day): \$16,000 \$16,000	
AG>UKC	1.83m	1.74m	\$12,018	\$10,129		
UKC>WAFR • 60,000	86.10	85.00	\$4,624	\$4,181	# Ships Trading:	456 ^o
AG>UKC/UKC>WAFR-AG	--	--	\$13,332	\$11,843	% Fleet on Order:	3% ^o
LR1 Average Earnings⁺	--	--	\$12,632	\$10,681	Ships to Breakers:	1
MR						
UKC>USAC • 37,000	121.00	100.00	\$3,310	-\$226	Time Charter 1 Year v. 3 Years (\$ day): \$13,000 \$14,000	
USG>UKC • 38,000	65.50	59.00	-\$4,601	-\$5,835		
USG>UKC/UKC>USAC(USG)	--	--	\$3,814	\$649		
USG>CBS (Pozos Colorados)	334k	285k	\$1,882	-\$1,483	# Ships Trading:	1,802
USG>CHILE (Coronel)	1.11m	1.08m	\$9,386	\$8,279	% Fleet on Order:	7%
CBS>USAC(USG) • 38,000	101.00	97.00	\$2,986	\$2,102	Ships to Breakers:	No Activity
WCIND>JPN-ROK>SPORE-WCIND	--	--	\$15,615	\$13,205		
MR Average Earnings⁺	--	--	\$6,402	\$3,702		
HANDYSIZE						
MED>EMED • 30,000	113.10	110.70	\$7,308	\$6,486	Time Charter 1 Year v. 3 Years (\$ day): \$11,000 \$13,000	
SPORE>JPN • 30,000	166.80	158.50	\$8,855	\$7,592		
Handysize Average Earnings⁺	--	--	\$8,298	\$7,194	# Ships Trading:	572
					% Fleet on Order:	4%
					Ships to Breakers:	No Activity

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

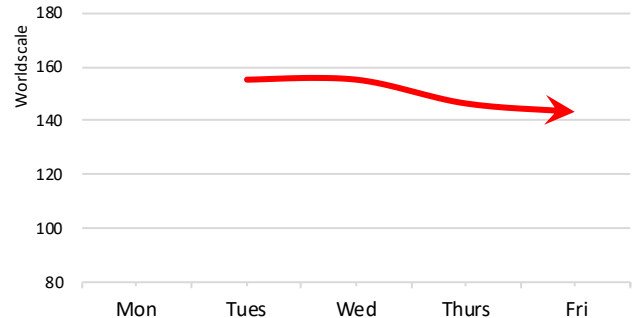
[^] Aframax and LR2 fleet numbers are combined for the purposes of these entries.

^o Panamax and LR1 fleet numbers are combined for the purposes of these entries.

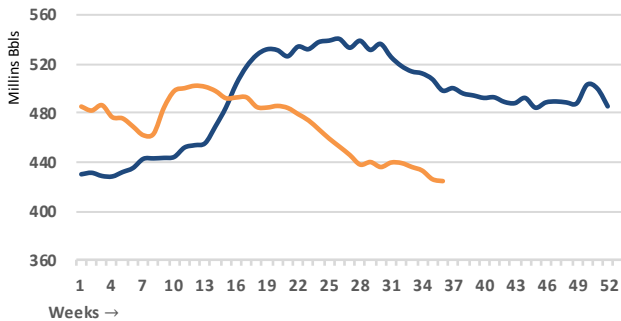
THE WEEK IN CHARTS



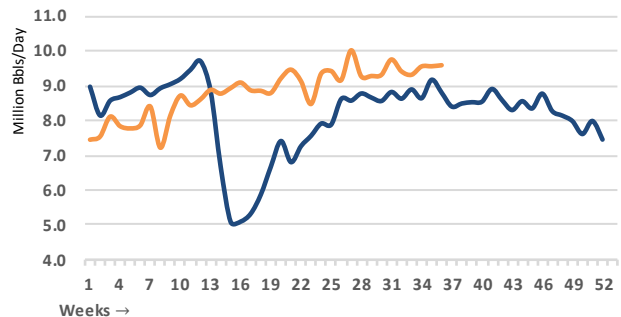
Global Climber of the Week: Panamax (USG>UKC | 50,000mt) | +20%



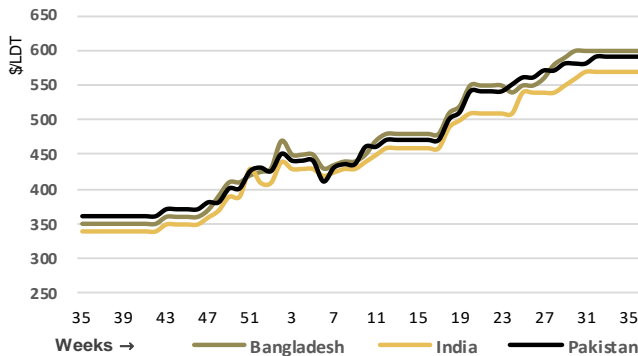
Global Decliner of the Week: MR (WC India>Japan | 35,000mt) | -7.4%



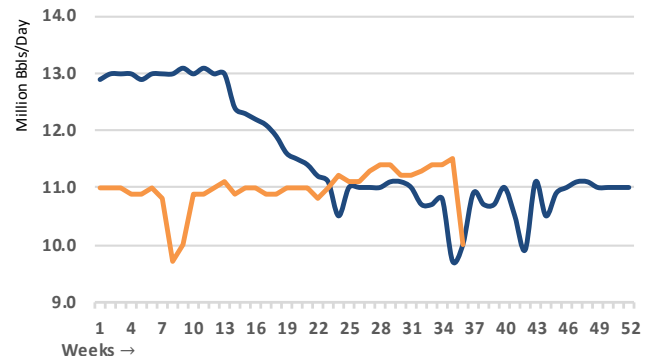
US Crude Oil Stocks (EIA) WTD '21 v. CY '20
 This Week: 423.9m bbls This Week '21 v. '20: -15%



US Gasoline Demand (EIA) WTD '21 v. CY '20
 This Week: 9.608m bbls/day This Week '21 v. '20: +9.4%



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



Charley's Chart of the Week: US Weekly Crude Production (EIA)
 WTD '21 v. CY '20
 This Week: 10.0m bbls This Week '21 v. '20: 0.0%

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