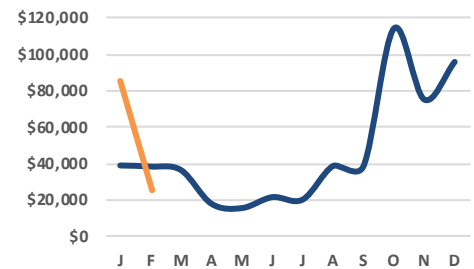


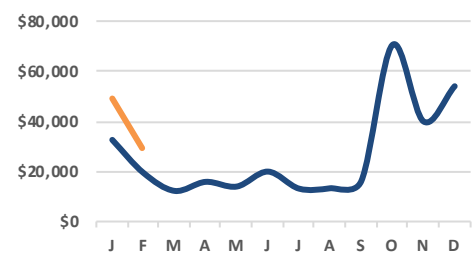
**VLCC:** It was another lackluster week on the VLCC front. Eastbound rates hovered in the low \$20,000's per day level. We saw resistance from owners increase, especially modern units that looked to keep levels above daily operating costs. Such resistance led to charterers targeting "discounted" units which in turn kept rates largely flat. The effects of the Coronavirus continue to play out with slowing Chinese demand having the biggest impacts in weakening market sentiment. In the AG there were 24 fresh fixtures reported this week as charterers progressed through the first decade of the March cargo program and bringing next month's cargo tally to 23. This should leave another 20 to 25 cargoes in the AG remaining through the first decade of March compared to a position list with some 43 vessels available. There was little change in eastbound rates from the AG as levels continued to hover in the low \$40's. The latest fixture for TD3 concluded at ws42.5 which yields a TCE below \$22,600 per day (basis burning VLSFO). Westbound business was largely out of play and followed a similar trend to eastern business with assessments to the USG holding around ws30. Triangulation still maintains the highest possible TCE returns as AG>USG followed by USG>Singapore (basis ws30 c/c and \$5.5m, respectively) yields about \$51,300 per day for the two voyages.



VLCC Average Earnings\* MTD 2020 v. CY 2019

MTD '20 Avg/Day: \$25,651 MTD 20' v. CY '19': -33%

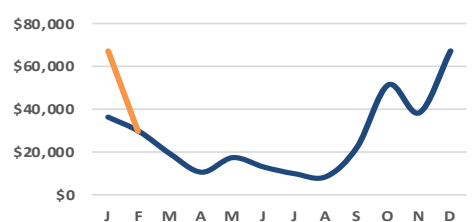
**SUEZMAX:** The West Africa market was relatively flat this week off the back of lackluster demand and stubborn resistance amongst owners. Tonnage continues to disappear beneath the sheets however limited inquiries in alternative load regions and a teetering VLCC Atlantic Basin market have kept rates in check for most of the week. The TD20 market left off right where it was last Friday holding at ws77.5, yielding a TCE of around \$31,000/day (IFO 380) and \$25,100/day (0.5%). The BSEA>MED market saw limited action as well as issues continuing in Libya and minimal weather delays for transiting the Turkish Straits have helped push down rates slightly. TD6 finished the week trading around mid ws80's which knocked roughly around \$5,000/day off the TCE on a week to week basis to around \$33,200/day (IFO 380) and \$29,800/day (0.5%). In the USG/CBS region, a very active Aframax market had charterers scrambling to chase Suezmax tonnage for transatlantic voyages as viable alternatives. The USG>UKCM route is only up slightly on the week but given the tonnage supply is very date sensitive at the top and should keep rates elevated at current levels going into next week. The USG>SPORE market came off another \$300,000 down to \$4.5m (1:1) lump sum but it certainly appears to be vulnerable for further testing going forward. BDTI - TD20 ended the week settling at ws78.07 which is down 1.52 points from this time last week.



Suezmax Average Earnings\* MTD 2020 v. CY 2019

MTD '20 Avg/Day: \$29,262 MTD 20' v. CY '19': +51%

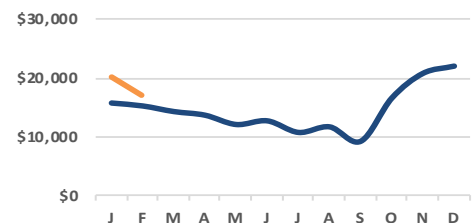
**AFRAMAX:** Despite fog keeping both discharge tonnage and availability uncertain during the first half of the week, charterers were still out with plenty of cargoes and successfully tested rates downward to start things off. E.C.Mexico fixed as low as ws195 and USG>TA saw numbers as low as ws140, largely due to prompt tonnage coming back into the market over the weekend. Now, with clear skies in the forecast, owners may have more of a struggle if inquiries start to soften next week as the tonnage list does not look like it will be affected by fog. Charterers should have opportunity again next week to test owner's willingness to fix at lower levels. In Europe the markets continue to try and bounce back. Rates remained mostly sideways for the week as steady inquiries across all regions failed to tighten up the lists. The N.SEA market was affected largely by weather during the first half of the week, keeping tonnage uncertain although it did see a few ships fixed under the radar mid-week. Many owners were optimistic about the Balt>Cont market at the start of the week; however, rates started to slide toward weeks end from ws110 to ws105 as the cargoes were just not there. Cross Med remained rather quiet, with little activity this week bringing rates down from ws90 to ws85. It looks like much of the same may be in store next week as the lists look to remain balanced through the weekend.



Aframax Average Earnings\* MTD 2020 v. CY 2019

MTD '20 Avg/Day: \$29,495 MTD 20' v. CY '19': -0.4%

**MR:** Despite a thinner list of available tonnage in Europe, limited inquiries for transatlantic as well as West Africa kept rates at bay without much variation from the present 37,000dwt at ws160 to ws165 levels. Lower levels are now being reported for a last palm oil ship which owners hope does not accelerate the decline come next week. USG levels remained rather stagnant through much of the week as an overhang of tonnage was more than enough to supply charterers' needs. However, with increasing Panama Canal delays and rising costs, Friday saw \$1.375m on subjects for USG>Chile which is a healthy \$150,000 improvement over last done. Owners are hopeful this shall provide some necessary carry-over and spread to the other routes in the Atlantic basin. TC14 stands at ws85 to ws87.5 for 38,000dwt and USG>Brazil at ws135 for 38,000dwt, but these rates will certainly need a fresh round of testing next week.



MR Average Earnings\* MTD 2020 v. CY 2019

MTD '20 Avg/Day: \$17,161 MTD 20' v. CY '19': +33%

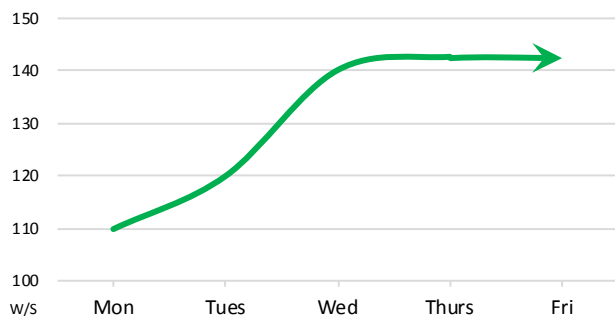
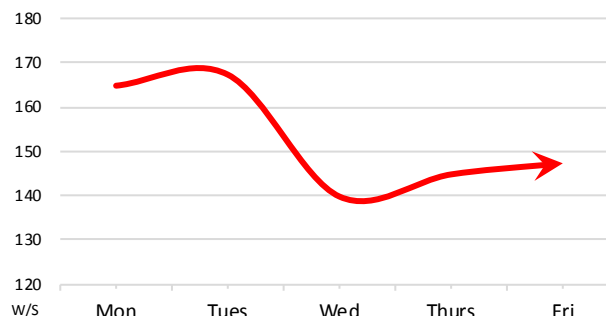
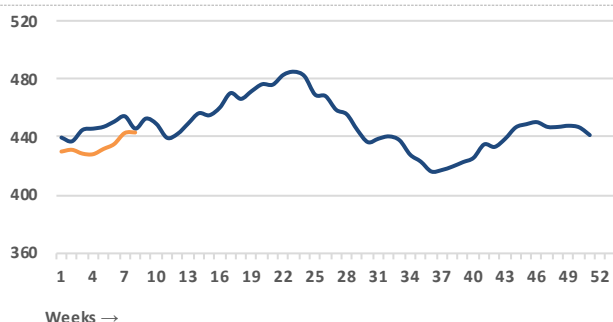
TANKER ROUTES (13kts L B)		Week 7	Week 8	Week 7	Week 8	*Week 7 Bunkers	**Week 8 Bunkers
VLCC		WS L\$	WS L\$	TCE*	TCE**	VLSFO \$523/MT	VLSFO \$519/MT
AG>USG • 280,000 (dwt)		30.00	30.00	--	--	Time Charter 1 Year v. 3 Years (\$ day): \$40,000   \$34,000	
AG>SPORE • 270,000		42.40	42.70	\$21,015	\$21,631		
AG>JPN • 265,000		40.40	40.40	\$19,873	\$20,107	# Ships Trading: 793	
AG>CHINA • 270,000		42.40	43.20	\$19,463	\$19,673		
WAFR>CHINA • 260,000		46.20	46.20	\$25,384	\$25,605	% Fleet on Order: 9%	
USG>SPORE-AG		5.50m	5.46m	\$56,173	\$55,766		
AG>USG/USG>SPORE-AG		--	--	\$50,305	\$50,169	Ships to Breakers: Low Activity	
VLCC Average Earnings <sup>+</sup>		--	--	\$24,049	\$24,435		
SUEZMAX							
WAFR>USG • 130,000		82.00	72.50	\$29,569	\$23,535	Time Charter 1 Year v. 3 Years (\$ day): \$30,000   \$28,000	
WAFR>UKC • 130,000		87.00	79.50	\$27,277	\$22,725		
BSEA>MED • 140,000		94.50	88.90	\$41,439	\$37,166	# Ships Trading: 536	
CBS>USG • 150,000		113.00	100.00	\$59,732	\$49,352		
USG>UKC • 150,000		92.00	76.50	\$41,627	\$30,113	% Fleet on Order: 9%	
CBS>USG/USG>UKC-WAFR		--	--	\$54,992	\$42,153		
AG>USG • 140,000		40.00	38.50	\$19,474	\$17,934	Ships to Breakers: No Activity	
USG>SPORE		4.93m	4.62m	--	--		
AG>USG/USG>SPORE-AG		--	--	\$49,988	\$46,104		
Suezmax Average Earnings <sup>+</sup>		--	--	\$31,188	\$26,695		
AFRAMAX							
N.SEA>UKC • 80,000		119.50	133.50	\$32,257	\$42,323	Time Charter 1 Year v. 3 Years (\$ day): \$25,000   \$22,000	
BALT>UKC • 100,000		102.10	109.60	\$36,051	\$40,877		
CBS>USG • 70,000		178.00	192.50	\$43,530	\$49,375	# Ships Trading: 1,025	
USG>UKC • 70,000		171.00	153.00	\$40,409	\$33,780		
CBS>USG/USG>UKC-NSEA		--	--	\$73,283	\$65,109	% Fleet on Order: 10%	
MED>MED • 80,000		75.50	87.00	\$6,520	\$12,578		
AG>SPORE • 80,000		95.00	118.00	\$14,782	\$23,585	Ships to Breakers: Low Activity	
Aframax Average Earnings <sup>+</sup>		--	--	\$30,884	\$35,729		
PANAMAX							
CBS>USAC(USG) • 50,000		180.00	179.00	\$32,686	\$32,452	Time Charter 1 Year v. 3 Years (\$ day): \$16,000   \$15,500	
UKC>USG • 55,000		131.10	128.20	\$20,504	\$19,675		
MED>USG • 55,000		141.00	137.00	\$24,092	\$20,324	# Ships Trading: 447	
ECU>USWC • 50,000		250.00	250.00	\$46,659	\$46,756		
Panamax Average Earnings <sup>+</sup>		--	--	\$26,653	\$24,366	% Fleet on Order: 4%	
LR2							
AG>JPN • 75,000		81.90	106.70	\$10,602	\$20,034	Time Charter 1 Year v. 3 Years (\$ day): \$25,500   \$24,000	
AG>UKC		1.76m	2.18m	\$6,957	\$14,887		
MED>JPN		2.47m	2.46m	\$17,838	\$17,829	# Ships Trading: 1,025^	
AG>UKC-MED>JPN-AG		--	--	\$18,324	\$22,488		
LR2 Average Earnings <sup>+</sup>		--	--	\$13,173	\$20,851	% Fleet on Order: 10%^	
LR1							
AG>JPN • 55,000		92.80	112.80	\$8,752	\$14,363	Time Charter 1 Year v. 3 Years (\$ day): \$16,500   \$17,000	
AG>UKC		1.54m	1.73m	\$7,097	\$10,758		
UKC>WAFR • 60,000		126.00	127.70	\$22,287	\$22,920	# Ships Trading: 447 <sup>#</sup>	
AG>UKC/UKC>WAFR-AG		--	--	\$17,504	\$20,323		
LR1 Average Earnings <sup>+</sup>		--	--	\$13,128	\$17,343	% Fleet on Order: 4% <sup>#</sup>	
MR							
UKC>USAC • 37,000		156.50	165.00	\$16,200	\$17,962	Time Charter 1 Year v. 3 Years (\$ day): \$16,500   \$16,000	
USG>UKC • 38,000		90.50	87.00	\$3,713	\$3,025		
USG>UKC/UKC>USAC(USG)		--	--	\$21,775	\$22,239	# Ships Trading: 1,714	
USG>CBS (Pozos Colorados)		484k	479k	\$12,542	\$12,263		
USG>CHILE (Coronel)		1.24m	1.25m	\$13,485	\$13,985	% Fleet on Order: 8%	
CBS>USAC(USG) • 38,000		130.00	126.00	\$12,657	\$12,482		
WCIND>JPN-ROK>SPORE-WCIND		--	--	\$12,179	\$16,748	Ships to Breakers: No Activity	
MR Average Earnings <sup>+</sup>		--	--	\$15,480	\$17,106		
HANDYSIZE							
MED>EMED • 30,000		189.20	190.60	\$27,276	\$27,747	Time Charter 1 Year v. 3 Years (\$ day): \$15,000   \$14,000	
SPORE>JPN • 30,000		138.00	141.20	\$9,332	\$9,938		
Handysize Average Earnings <sup>+</sup>		--	--	\$15,791	\$16,349	# Ships Trading: 1,586	
						% 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.

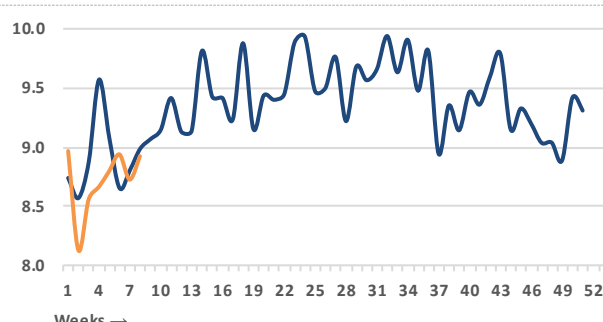
## THE WEEK IN CHARTS

Global Climber of the Week: MR (AG>JPN 35,000) | **+29.5%**Global Decliner of the Week: AFRAMAX (USG>UKC 70,000) | **-10.6%**

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

This Week: 442.9Mn.Bbls

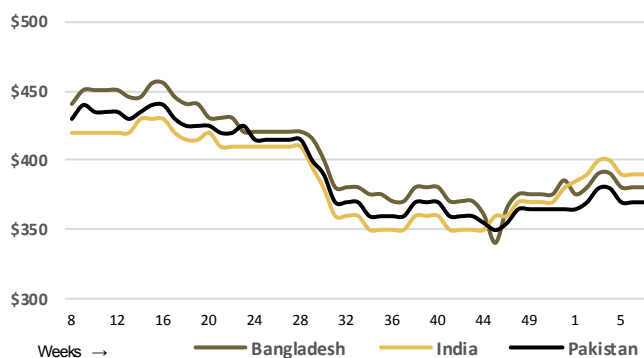
This Week '20 v. '19: -00.7%



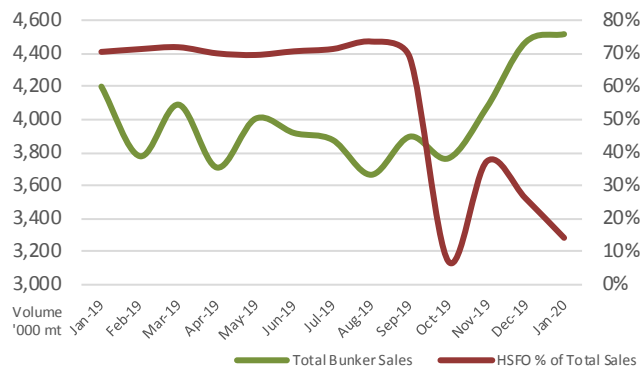
US Gasoline Demand (EIA) WTD '20 v. CY '19

This Week: 8.918Mn.Bbls/Day

This Week '20 v. '19: -00.7%



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

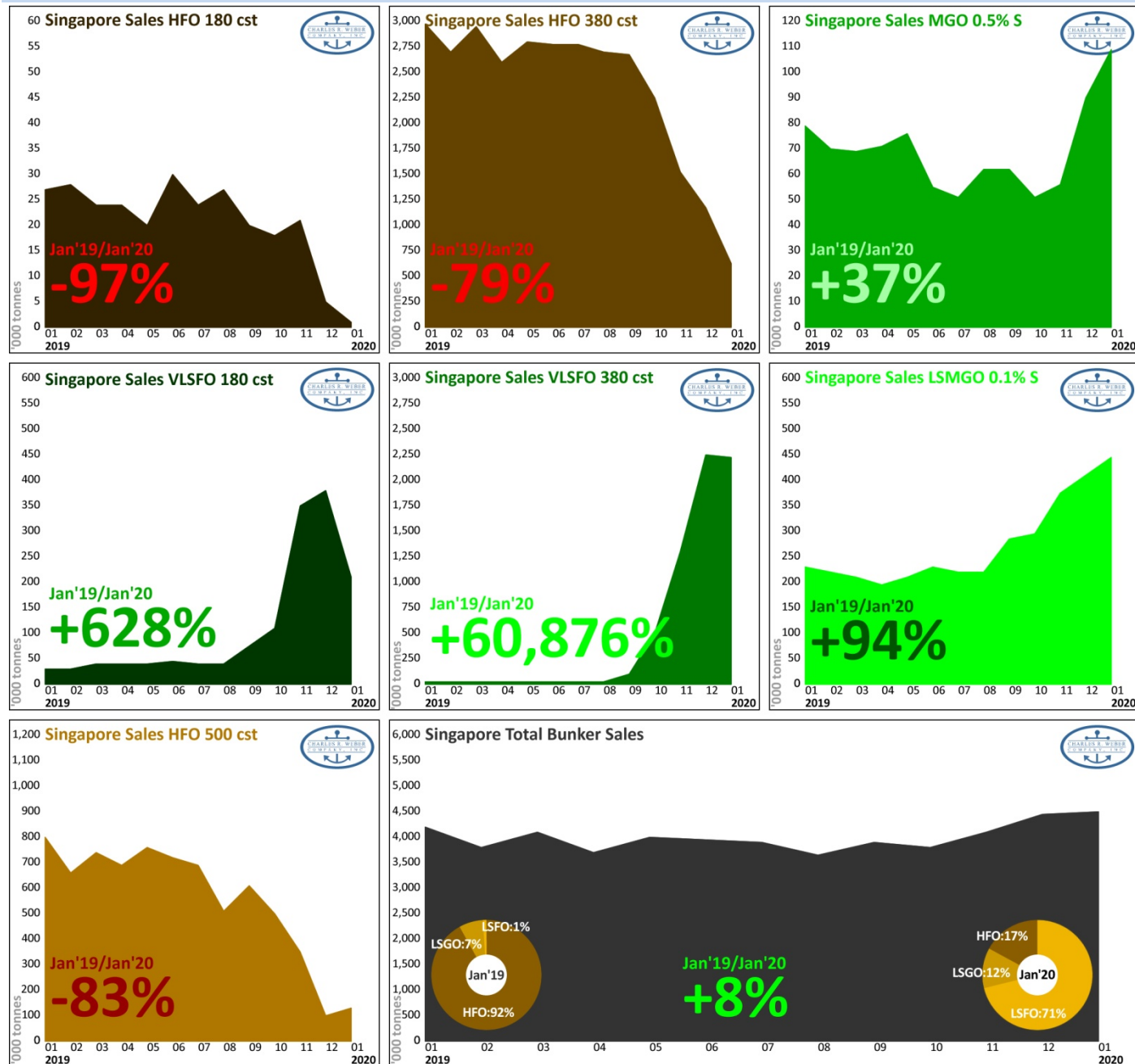
Charley's Chart of the Week: Singapore 380 HSFO 2019 to present  
HSFO Sales Volume v. Total Bunker Sales**SEE ALSO:** This weeks "Back Page Special Report" for a more in-depth look at our continuing series on the IMO 2020 Bunker conondrum.

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## BACK PAGE SPECIAL REPORT: WHAT A DIFFERENCE A YEAR MAKES



## Singapore Bunker Sales January 2019 – January 2020\* (\*provisional)

On Friday last week Reuters reported that oil major Total is considering ending sales of heavy fuel oil for power generation as it seeks to reduce its carbon footprint and improve its global image. While they make no mention of bunker sales of HFO it's not a huge leap to suppose that the same logic might be applied to marine sales of HFO. While there has been an unexpected (by some) lack of strength in the MGO market, due to many more owners switching to VLSFO rather than MGO, the HFO market has shown surprising resilience. This despite multiple reports that the global HFO market has shrunk by about 2.7 million barrels per day with the rollout of IMO 2020. This is partially due to refiners actively minimizing HFO yields and therefore their exposure to a shrinking market.

Ever innovative, refiners are also blending the unwanted HFO as a feedstock with crude. A number of U.S. refiners have been buying HFO cargoes from Europe to use as a feedstock blend. For their part, China announced that they will provide tax waivers to domestic refiners to produce low sulfur fuel oil, this has kick started China's VLSFO production which will be huge. It is reported that China's medium term plan is for China to take on Singapore as the world's top bunkering spot.

A cursory glance at the Singapore charts above paint a dramatic picture of the changing fuel tastes of global shipping. At the end of the day, if your customers don't want what you're selling and the global ground swell of environmentally enlightened activists don't like it. Maybe you need to bend to the market.