

# WEBER WEEKLY TANKER REPORT



WEEK 02 – 10 January 2020

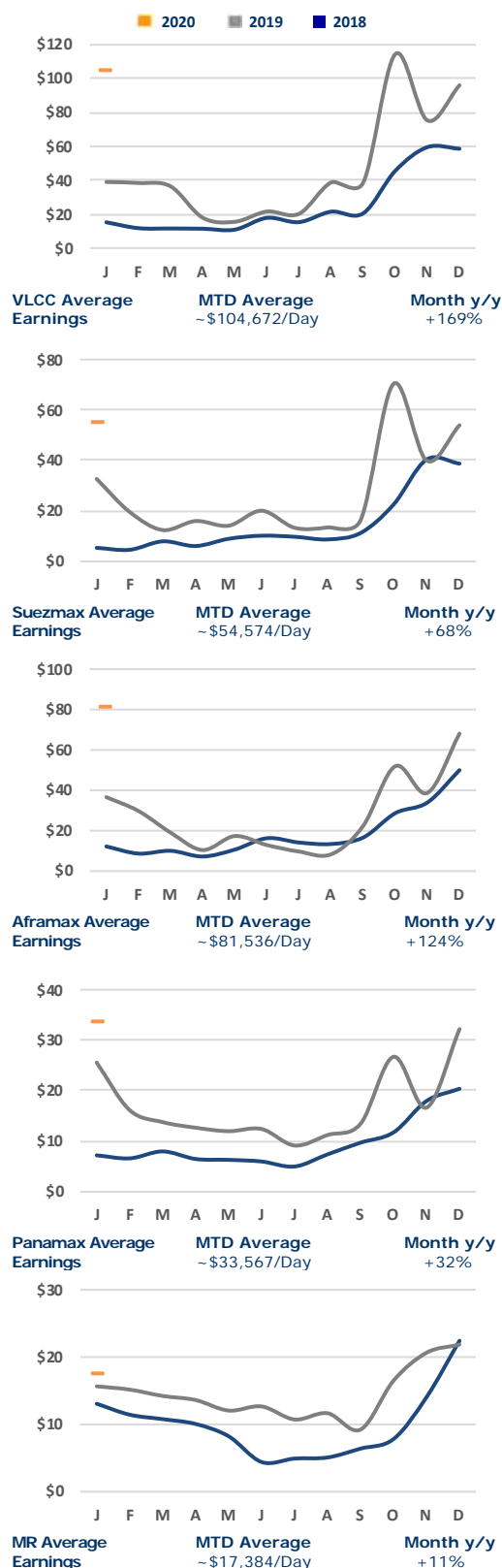
ISSUE 02 – 2020

Spot Market	WSLS	TCE	WSLS	TCE
<b>VLCC</b> (13.0 Kts L/B)	WK 03- Jan		WK 10-Jan	
AG>USG 280k	70.83	--	60.50	--
AG>SPORE 270k	135.42	\$104,246	116.57	\$114,320
AG>JPN 265k	133.33	\$106,495	114.07	\$115,550
AG>CHINA 270k	137.50	\$106,155	120.51	\$132,125
WAFR>CHINA 260k	128.75	\$95,825	110.92	\$119,216
USG>SPORE 275k	11.30m	\$79,988	13.73m	\$187,219
AG>USG/USG>SPORE/AG	--	\$127,439	--	\$112,009
<b>VLCC Average Earnings</b>		\$87,621		\$121,722
<b>SUEZMAX</b> (13.0 Kts L/B)				
WAFR>USG 130k	161.67	\$61,218	152.96	\$68,759
WAFR>UKC 130k	168.33	\$57,268	156.06	\$63,557
BSEA>MED 140k	166.67	\$75,264	151.00	\$74,889
CBS>USG 150k	176.67	\$92,899	171.08	\$100,133
USG>UKC 150k	164.58	\$78,099	158.00	\$84,466
CBS>USG/USG>UKC/WAFR	--	\$96,484	--	\$104,187
AG>USG 140k	92.92	\$11,615	76.36	\$53,129
USG>SPORE 130k	7.04m	--	8.01m	--
AG>USG/USG>SPORE/AG	--	\$18,082	--	\$42,665
<b>Suezmax Average Earnings</b>		\$46,070		\$63,077
<b>AFRAMAX</b> (13.0 Kts L/B)				
N.SEA>UKC 80k	176.00	\$70,979	148.67	\$48,907
BALT>UKC 100k	176.73	\$78,545	132.50	\$51,121
CBS>USG 70k	354.00	\$94,238	394.51	\$124,358
USG>UKC 70k	318.50	\$78,578	272.33	\$72,524
CBS>USG/USG>UKC/NSEA	--	\$139,913	--	\$146,837
MED>MED 80k	220.23	\$63,031	166.87	\$48,163
AG>SPORE 70k	270.00	\$59,313	195.19	\$46,772
<b>Aframax Average Earnings</b>		\$83,249		\$79,822
<b>PANAMAX</b> (13.0 Kts L/B)				
CBS>USG 50k	267.50	\$40,566	370.00	\$40,045
CONT>USG 55k	193.43	\$30,151	178.40	\$30,385
ECU>USWC 50k	254.90	\$34,292	232.50	\$37,649
<b>Panamax Average Earnings</b>		\$33,320		\$33,814
<b>LR2</b> (13.0 Kts L/B)				
AG>JPN 75k	183.48	\$32,164	143.90	\$28,008
AG>UKC 80k	2.99m	\$25,489	2.83m	\$21,969
MED>JPN 80k	3.06m	\$22,636	2.97m	\$20,747
AG>UKC/MED>JPN/AG	--	\$31,739	--	\$28,835
<b>LR2 Average Earnings</b>		\$32,022		\$28,283
<b>LR1</b> (13.0 Kts L/B)				
AG>JPN 55k	187.00	\$21,878	146.24	\$18,618
AG>UKC 65k	2.44m	\$20,361	2.36m	\$18,580
UKC>WAFR 60k	182.03	\$25,260	178.97	\$34,309
AG>UKC/UKC>WAFR/AG	--	\$29,437	--	\$31,390
<b>LR1 Average Earnings</b>		\$25,657		\$25,004
<b>MR</b> (13.0 Kts L/B)				
UKC>USAC 37k	204.83	\$20,576	182.50	\$17,919
USG>UKC 38k	130.43	\$6,223	143.33	\$11,060
USG>UKC/UKC>USAC/USG	--	\$29,063	--	\$32,163
USG>CBS (Pozos Colorados) 38k	666k	\$21,517	875k	\$36,681
USG>CHILE (Coronel) 38k	1.62m	\$20,878	1.93m	\$29,416
CBS>USAC 38k	181.34	\$17,934	211.67	\$27,994
WCIND>JPN/ROK>SPORE/WCIND	--	\$9,470	--	\$15,467
<b>MR Average Earnings</b>		\$14,107		\$20,661
<b>Handy</b> (13.0 Kts L/B)				
MED>EMED 30k	299.87	\$52,301	256.25	\$43,999
SPORE>JPN 30k	181.50	\$8,950	153.67	\$8,458
<b>Handy Average Earnings</b>		\$24,556		\$21,253

Average Earnings weighted proportionally to regional activity share of class size & worldwide market.

\*This Week's and future Weekly Reports will be based on using VLSFO Bunker pricing for its modeling.

Time Charter Market \$/day (theoretical)	1 Year	3 Years
<b>VLCC</b>	\$48,000	\$35,000
<b>Suezmax</b>	\$38,000	\$30,000
<b>Aframax</b>	\$28,000	\$22,000
<b>LR 1</b>	\$17,500	\$17,000
<b>MR</b>	\$18,000	\$17,000
<b>Handy</b>	\$15,000	\$14,000



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## SPOT MARKET SUMMARIES

### VLCC

The first full week of 2020 and the market continued with an upward bias with tight positions and a very bullish owning fraternity, which was only exacerbated by the added political tensions as Iran and the US seemed to be on the brink of war. The situation, however, quickly de-escalated, relieving the pressure and rates stabilized amid slowing AG activity before coming off at week's end. The Atlantic kept the market alive for a while with considerable activity particularly from West Africa, South and North America where rates also strengthened to match the AG market, that also softening as the week drew to a close. There were 35 fixtures reported this week, bringing the January cargo tally to 118. This brings to completion the first, two decades of the January program, leaving about half of the final decade (20-25 cargoes) to go. This compares to a position list with some 38 vessels available through the end of the month.

Despite being ten days into 2020, the market continues to trade largely on the 2019 scale and thus the following rates are based on last year's scale. Eastbound rates started the week in mid ws140's for TD3 and although the sentiment was up and we did see an increase in levels in the Atlantic Basin, pretty much coming into line with the AG, levels in the Middle East held relatively steady, the high of the week coming in at ws152.5 yielding a TCE of almost \$120,000 per day. However, following several failures in various sectors and the above mentioned slowing of AG activity, we saw some "profit taking" by the owners, still locking in levels close to \$100,000 per day. Specifically, the last two fixtures of the week were the equivalent of ws135 and ws130 on the 2019 scale, down from W145. Westbound business was largely out of play, but arguably held steady in the low-mid ws70's, maintaining the highest possible TCE returns, as AG to the USG followed by USG to Singapore (basis ws72.5 cc and \$13.25m) yields almost \$134,000 per day over the two voyages.

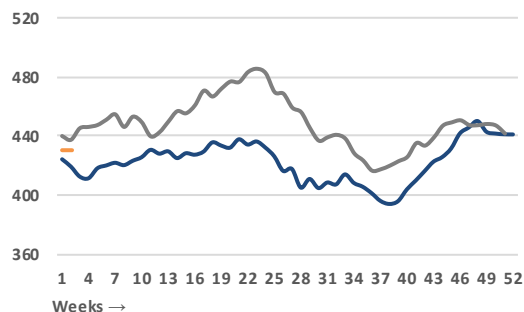
### Suezmax

A bit of an "up and down" week in the West Africa Suezmax market. After opening the week at ws170, on the 2019 scale, TD20 rates popped into the low ws190's by mid-week off the back of a prompt replacement and strong returns posted elsewhere within the Atlantic basin. The boost in owners' sentiment was short lived as a build in end month tonnage limited the upward momentum settling rates around the ws180, on the 2019 scale, barrier to end the week. The TD20 TCE pushed higher on the week-to-week comparison yielding a stronger return of around \$77,000/day (IFO 380) / 67,750/day (0.5%). The Black Sea market witnessed a decent uptick off the back of increase demand for eastbound cargoes and transit delays of over ten days both north and south in the Straits. TD6 ended the week at ws182.5, on the 2019 scale, for TD6 boosting returns up to around \$96,500/day (IFO 380) / \$84,400/day (0.5%). In the USG/CBS region, demand was limited this week with only a handful of fixtures making the rounds. The USG/TA market will be the most intriguing route to watch going into next week. Rates have held relatively flat however, surface cracks are beginning to show themselves as the tonnage list is still carrying both inbound ballasters and oil-co relets with length. The USG/SPORE route continues to hold around \$8.0m (1:1) lump sum but it certainly appears to be due for a test. BDTI - TD20 ended the week settling at 158.25, on the 2020 scale, which is up (+12.00) from this time last week.

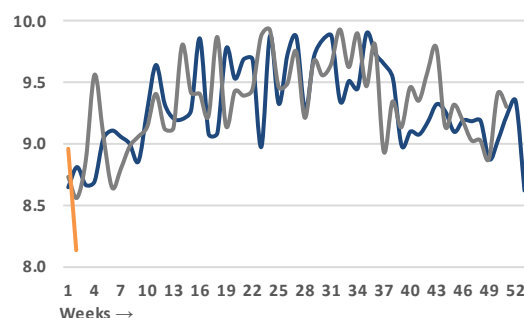
### Aframax

It was a busy week in the USG and Caribbean aframax market. ECMEX rates took another significant jump, starting off at ws400 and closing at ws450. The rally continues as the uncertainty of available tonnage in the area continues to drive up rates on TD9 trades. Despite the surge in TD9 momentum, USG/TA cargoes saw some relief, mainly due to the anticipated arrival of European ballasters. Next week should be a good indicator as to how much further TA rates will settle and if TD9 will start seeing some relief as more ballasters continue to make their way into the region.

Rates, with regards to ws2020, took another hit across the pond this week as tonnage lists began to grow and charterers were successful at testing owner's willingness to fix below last done levels. Cross UKC saw a drop from ws152.5 at the start of the week to



**US Crude Stocks (EIA)**  
Last Week: 431.1 MnBbls  
Week y/y: -1.4%



**US Gasoline Demand (EIA)**  
Last Week: 8.133 MnB/d  
Week y/y: -2.8%

2020 2019 2018

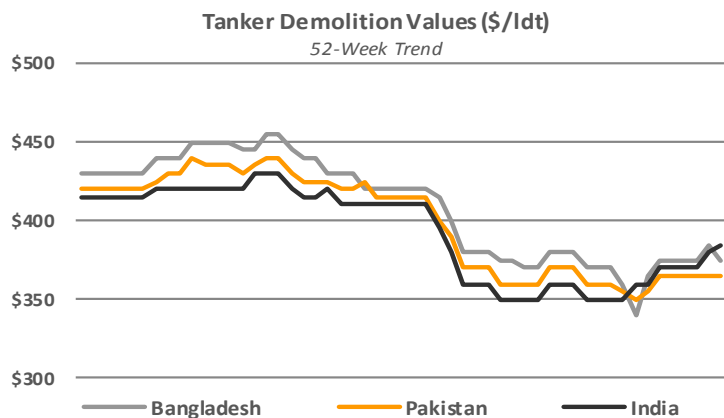
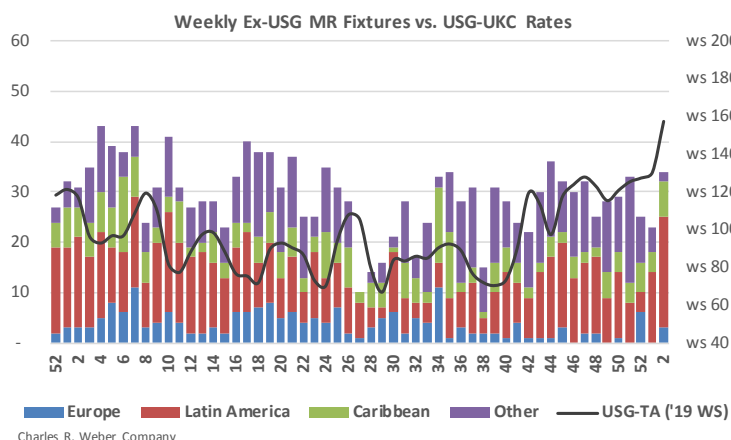
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ws145 at the close largely due to the over supplied list. BALT/CONT rates fell 5 points from ws135 to ws130 as enquiry failed to pick off ships fast enough. The Cross Med market was a bit more active however, the jump in activity also failed to tighten up the list and rates ended up falling from ws172.5 to near ws160. It seems rates are starting to settle across all markets and it is likely we will start to see some push back from owners next week.

## MR

Back to a full work week from the holiday break witnessed two distinct markets CONT vs USG. However, the Cont market still seems on holiday. The CONT has been dominated by the LR'S and rates fell on the MR sector as we adjusted over to 2020 Worldscale rates. The week ended around for 37,000dwt at ws 170. It was a totally different story in the USG this week. A tight list and continued delays in Mexico gave the owners an upper hand to start the week. Monday started with a bang and the party continued until COB Friday. Each day the rates continued to pop up regardless of the voyages. Rates are at levels we haven't seen in years. USG/Caribs moved up over \$100,000 and is hovering at \$900,000 plus. USG/Chile also moved up substantially as well and closed out the week just above \$2.0m. USG/UKC-MED ended 38,000dwt at ws145 on the 2020 scale. The USWC also saw banner returns as well following the USG market gains closely with rates moving up to \$1.65m for LA-SF/Chile voyages. Charters are now faced with reaching out to work forward laycans which only keeps the momentum clearly on the owner's side as we begin next week. Stay tuned.



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