

WEBER WEEKLY TANKER REPORT



WEEK 05 – 31 January 2020

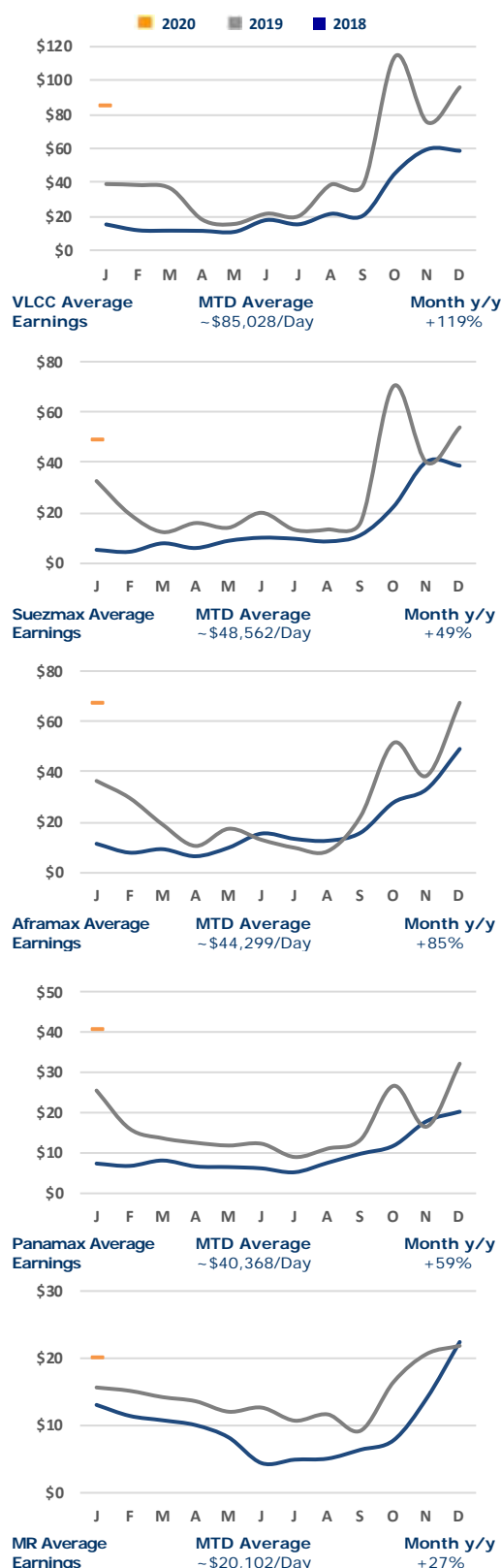
ISSUE 05 – 2020

Spot Market	WS/LS	TCE	WS/LS	TCE
VLCC (13.0 Kts L/B)	WK 24 - Jan		WK 31 - Jan	
AG>USG 280k	49.70	--	43.40	--
AG>SPORE 270k	85.50	\$71,076	65.20	\$47,382
AG>JPN 265k	83.00	\$69,102	63.00	\$47,512
AG>CHINA 270k	85.50	\$68,302	65.50	\$45,252
WAFR>CHINA 260k	85.00	\$68,331	69.00	\$50,832
USG>SPORE 275k	10.12m	\$70,384	8.90m	\$60,075
AG>USG/USG>SPORE/AG	--	\$106,083	--	\$93,551
VLCC Average Earnings		\$78,342		\$62,267
SUEZMAX (13.0 Kts L/B)				
WAFR>USG 130k	128.00	\$55,080	107.50	\$44,027
WAFR>UKC 130k	132.00	\$51,052	112.00	\$40,794
BSEA>MED 140k	147.50	\$84,675	121.50	\$63,473
CBS>USG 150k	132.50	\$71,214	124.00	\$66,872
USG>UKC 150k	107.50	\$48,154	102.00	\$47,276
CBS>USG/USG>UKC/WAFR	--	\$65,382	--	\$62,180
AG>USG 140k	86.00	\$52,607	70.50	\$44,274
USG>SPORE 130k	7.0m	--	6.83m	--
AG>USG/USG>SPORE/AG	--	\$88,278	--	\$81,974
Suezmax Average Earnings		\$46,513		\$39,554
AFRAMAX (13.0 Kts L/B)				
N.SEA>UKC 80k	146.00	\$48,072	151.00	\$54,221
BALT>UKC 100k	129.70	\$50,465	127.20	\$51,539
CBS>USG 70k	299.31	\$88,374	212.50	\$55,700
USG>UKC 70k	199.88	\$47,516	157.50	\$33,784
CBS>USG/USG>UKC/NSEA	--	\$102,664	--	\$72,442
MED>MED 80k	146.20	\$39,614	115.00	\$25,067
AG>SPORE 70k	152.00	\$32,780	130.00	\$26,056
Aframax Average Earnings		\$60,999		\$44,299
PANAMAX (13.0 Kts L/B)				
CBS>USG 50k	336.00	\$65,653	297.00	\$56,811
CONT>USG 55k	161.28	\$26,751	153.20	\$25,982
ECU>USWC 50k	240.00	\$47,213	240.00	\$50,683
Panamax Average Earnings		\$45,316		\$38,683
LR2 (13.0 Kts L/B)				
AG>JPN 75k	107.21	\$16,567	84.50	\$9,641
AG>UKC 80k	2.57m	\$18,938	1.71m	\$3,991
MED>JPN 80k	2.38m	\$12,723	2.29m	\$12,762
AG>UKC/MED>JPN/AG	--	\$22,157	--	\$14,042
LR2 Average Earnings		\$18,428		\$11,108
LR1 (13.0 Kts L/B)				
AG>JPN 55k	113.30	\$11,474	92.40	\$7,041
AG>UKC 65k	1.95m	\$12,210	1.69m	\$8,575
UKC>WAFR 60k	138.70	\$23,374	143.70	\$26,387
AG>UKC/UKC>WAFR/AG	--	\$21,941	--	\$20,513
LR1 Average Earnings		\$16,708		\$13,777
MR (13.0 Kts L/B)				
UKC>USAC 37k	160.50	\$15,936	154.50	\$14,864
USG>UKC 38k	185.00	\$21,174	164.50	\$18,220
USG>UKC/UKC>USAC/USG	--	\$31,494	--	\$35,225
USG>CBS (Pozos Colorados) 38k	1.0m	\$44,546	910K	\$39,758
USG>CHILE (Coronel) 38k	2.16m	\$37,238	1.94m	\$32,119
CBS>USAC/G 38k	239.00	\$35,278	229.00	\$34,189
WCIND>JPN/ROK>SPORE/WCIND	--	\$13,702	--	\$17,542
MR Average Earnings		\$22,717		\$22,032
Handy (13.0 Kts L/B)				
MED>EMED 30k	177.60	\$22,280	163.60	\$18,959
SPORE>JPN 30k	153.00	\$9,709	149.00	\$9,989
Handy Average Earnings		\$14,235		\$13,218

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
VLCC	\$48,000	\$34,000
Suezmax	\$35,000	\$30,000
Aframax	\$27,000	\$22,000
LR 1	\$17,500	\$17,000
MR	\$18,000	\$17,000
Handy	\$15,000	\$14,000



Whilst every care has been taken in the production of this study, no liability can be accepted for any loss incurred in any way whatsoever by any person who may seek to rely on the information contained herein. All information is supplied in good faith and Charles R. Weber Company, Inc. accepts no responsibility for any and all errors and omissions contained within this study.

WEBER WEEKLY TANKER REPORT



SPOT MARKET SUMMARYS

VLCC

With Chinese New Year slowing activity and the anticipated effects of the Corona Virus on demand putting bearish pressure on sentiment, returns for eastbound business in the VLCC sector fell from around \$60,000 to below \$40,000 per day and doesn't look like its stopping there. This fall was ahead of the news late in the week that the 26 COSCO VLCC's, out of the market since September 25th, have now been removed from the U.S. sanctions list and are free to trade. Although it may take a little time for them to actually appear on the market, depending on each's approval status, the eventual addition of 26 vessels to the already well stocked list will certainly add to the overall malaise.

There were only some 16 fresh fixtures reported this week, as charterers progressed through middle of their second decade programs, bringing the February cargo tally to 67. This leaves another 25 or so cargoes to go through the middle decade of February, which compares to a position that shows some 42 vessels available over that same period (not including the re-entry of the COSCO vessels mentioned above).

Eastbound rates were off almost thirty-five percent this week, as levels for modern tonnage fell from ws80 (posted at the end of last week) to the lower ws50's, the latest fixture coming in at ws53.5 on the standard 270,000 stem size. Westbound business was largely out of play, but followed a similar trend to eastern business as assessments to the USG fell from ws50 to ws40, although triangulation still offers the best TCE returns. Based on AG/USG at ws40 followed by USG/Singapore at the new last done level of \$7.0m yields about \$66,000 per day over the two voyages (assuming burning compliant fuel).

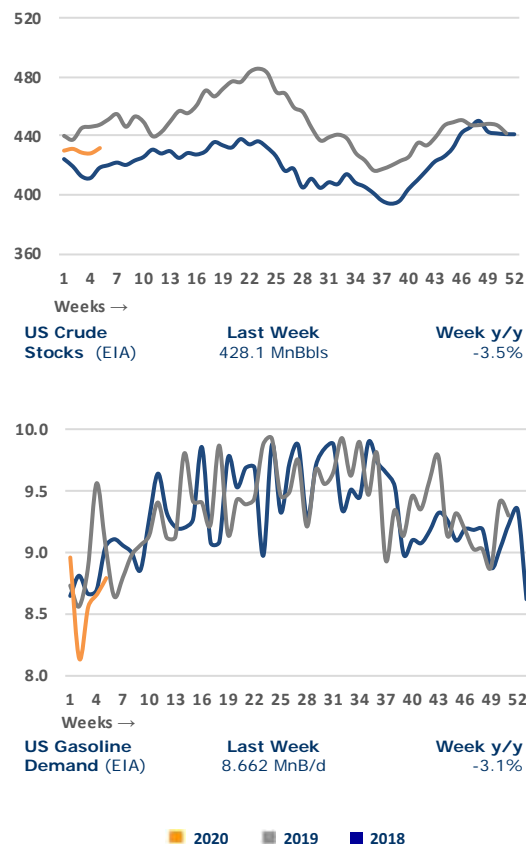
Suezmax

Demand in the West Africa Suezmax market was limited this week, as charterer's remain patient with their 2nd decade programs as sentiment amongst owners continues to dissipate. The TD20 route shed 32.5 pts on the week as ample tonnage and weaker the expected demand from secondary markets kept downward pressure on last done levels. As a result, TD20 TCE levels took a massive dip downward yielding a return of roughly \$42,100/day (IFO 380) / 36,300/day (0.5%) on the week. With Libya output offline the MED market also saw red figures this week as the TD6 route slipped 20+ pts down to ws117.5 generating a TCE of around \$65,700/day (IFO 380) / 54,200/day (0.5%). In the USG/CBS region, decreased demand coupled with a top-heavy tonnage list has left rates vulnerable to downward pressure. The USG-TA route was tested accordingly pushing rates south close to the ws100 barrier basis 145,000 MT cargo size to close the week. The USG-SPORE route also suffered a similar fate as to the TA trade as rates fell \$800,000 to \$6.2m (1:1) lump sum and is due for further testing heading into February. BDTI - TD20 ended the week settling at ws98.18 which is down (-32.05) from this time last week.

Aframax

The Aframax Market took another hit this week as charterers were successful at chipping away at rates with TD9 fixing near ws125 and USG/UKCM fixing at ws110 toward week's end. It seems that the rally is officially over and the market has finally found a means of correcting itself, largely due to the better weather across the region allowing shipping and refining schedules to return to normal. Additionally, the over-supply of tonnage has given charterers some much needed breathing room and allowed some additional pressure to push rates down even further. Next week should be a good indicator as to how much farther rates will drop before reaching the bottom.

The same trend continues across the pond with European markets closing at their lowest levels in recent months with TD17 and TD19 both trading below ws100 and cross UKC near ws115. The synopsis is generally the same for all markets with longer lists prevailing, giving charterers plenty to work with to test the markets downward. Now, with the outlook looking less than optimistic, expect charterers to continue testing owner's willingness to fix below last done levels next week.

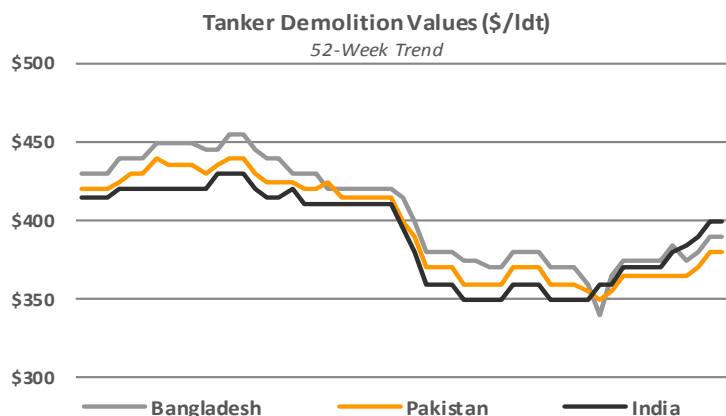
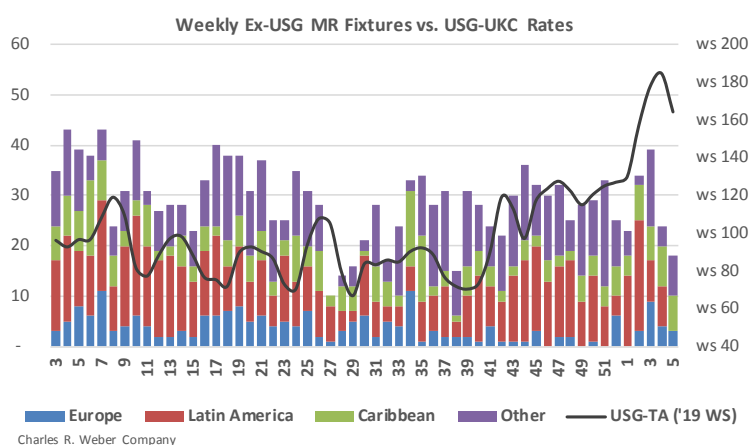


WEBER WEEKLY TANKER REPORT



MR

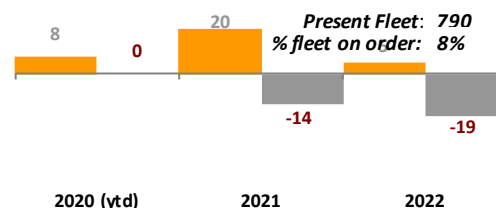
A very dismal week on both sides of the Atlantic closes out the month of January. Early optimism based on the hope less USAC ballasters would ultimately help firm UKC were quickly dashed with limited activity in Europe for both transatlantic and WAFR destinations. TC2 Rates continue to drop down to 37,000dwt ws140 shedding 20-25 pts throughout the course of the week. Most share the widespread belief that we have yet to see the bottom. USG proved to be equally dreary experiencing its quietest week of the year. No real arbitrage opportunities and recent LR activity absorbing some extra stems kept the enquiries subdued. Rates are a guessing game being assessed at ws150 for TC14 and low ws200's for Brazil, but surely everything will be retested. Unfortunately, the available front end of the tonnage list has quickly replenished itself leaving charterers with multiple choices to cover upcoming early February cargoes. The only question remains how quickly and sharply levels will further erode as we enter a new month.



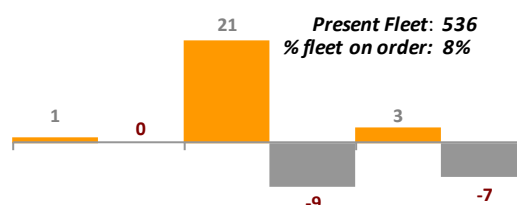
Charles R. Weber Company, Inc.

3 Greenwich Office Park, 1001 McKinney Street, Suite 475
Greenwich, CT 06831 Houston, TX 77002
Tel: +1 203 629-2300 Tel: +1 713 568-7233
www.crweber.com

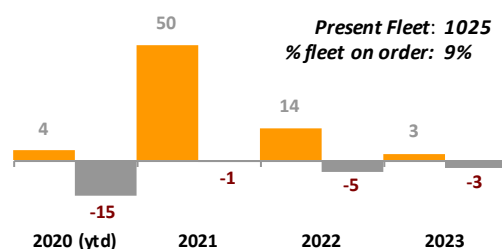
VLCC Fleet Growth



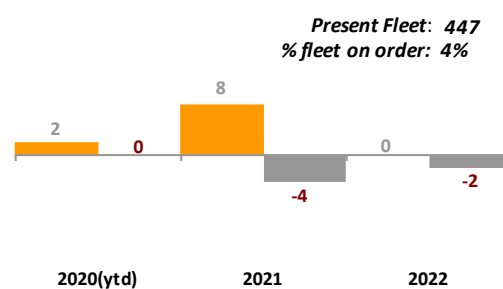
Suezmax Fleet Growth



Aframax/LR2 Fleet Growth



Panamax/LR1 Fleet Growth



MR Fleet Growth

