

WEBER WEEKLY TANKER REPORT



WEEK 01 – 03 January 2020

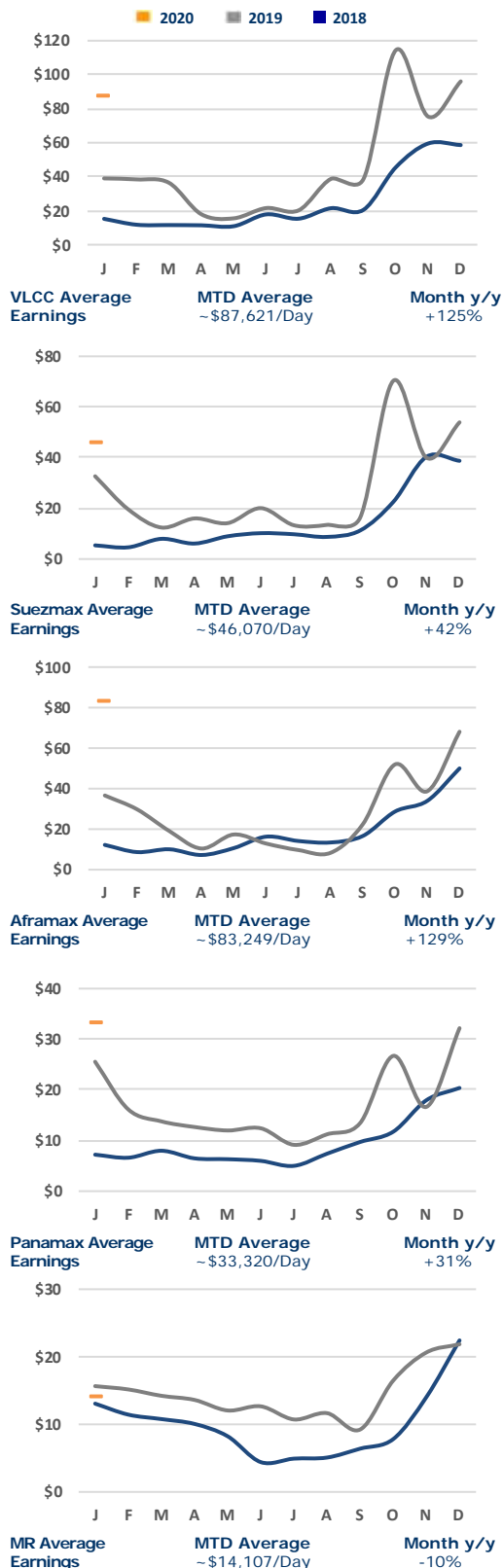
ISSUE 01 – 2020

Spot Market	WS/LS	TCE	WS/LS	TCE
VLCC (13.0 Kts L/B)	WK 20-Dec (WS '19)		WK 03-Jan (WS '19)*	
AG>USG 280k	65.50	--	70.83	--
AG>SPORE 270k	114.00	\$102,751	135.42	\$104,246
AG>JPN 265k	113.10	\$106,117	133.33	\$106,495
AG>CHINA 270k	117.50	\$104,469	137.50	\$106,155
WAFR>CHINA 260k	111.00	\$97,164	128.75	\$95,825
USG>SPORE 275k	11.02m	\$98,108	11.30m	\$99,988
AG>USG/USG>SPORE/AG	--	\$142,132	--	\$127,439
<i>VLCC Average Earnings</i>		<i>\$106,230</i>		<i>\$87,621</i>
SUEZMAX (13.0 Kts L/B)				
WAFR>USG 130k	143.50	\$63,573	161.67	\$61,218
WAFR>UKC 130k	148.50	\$59,220	168.33	\$57,268
BSEA>MED 140k	148.50	\$75,590	166.67	\$75,264
CBS>USG 150k	153.00	\$85,106	176.67	\$92,899
USG>UKC 150k	122.50	\$60,029	164.58	\$78,099
CBS>USG/USG>UKC/WAFR	--	\$78,093	--	\$96,484
AG>USG 140k	73.00	\$38,605	92.92	\$11,615
USG>SPORE 130k	6.40m	--	7.04m	--
AG>USG/USG>SPORE/AG	--	\$77,106	--	\$18,082
<i>Suezmax Average Earnings</i>		<i>\$58,654</i>		<i>\$46,070</i>
AFRAMAX (13.0 Kts L/B)				
N.SEA>UKC 80k	235.00	\$116,013	176.00	\$70,979
BALT>UKC 100k	201.88	\$96,584	176.73	\$78,545
CBS>USG 70k	259.00	\$69,541	354.00	\$94,238
USG>UKC 70k	225.50	\$56,562	318.50	\$78,578
CBS>USG/USG>UKC/NSEA	--	\$98,675	--	\$139,913
MED>MED 80k	198.50	\$65,119	220.23	\$63,031
AG>SPORE 70k	227.00	\$58,875	270.00	\$59,313
<i>Aframax Average Earnings</i>		<i>\$77,669</i>		<i>\$83,249</i>
PANAMAX (13.0 Kts L/B)				
CBS>USG 50k	258.00	\$44,803	267.50	\$40,566
CONT>USG 55k	187.30	\$35,994	193.43	\$30,151
ECU>USWC 50k	251.00	\$38,894	254.90	\$34,292
<i>Panamax Average Earnings</i>		<i>\$38,439</i>		<i>\$33,320</i>
LR2 (13.0 Kts L/B)				
AG>JPN 75k	159.60	\$38,035	183.48	\$32,164
AG>UKC 80k	2.98m	\$36,037	2.99m	\$25,489
MED>JPN 80k	2.96m	\$33,826	3.06m	\$22,636
AG>UKC/MED>JPN/AG	--	\$42,028	--	\$31,739
<i>LR2 Average Earnings</i>		<i>\$39,365</i>		<i>\$32,022</i>
LR1 (13.0 Kts L/B)				
AG>JPN 55k	160.00	\$26,720	187.00	\$21,878
AG>UKC 65k	2.16m	\$23,900	2.44m	\$20,361
UKC>WAFR 60k	184.15	\$35,353	182.03	\$25,260
AG>UKC/UKC>WAFR/AG	--	\$35,224	--	\$29,437
<i>LR1 Average Earnings</i>		<i>\$30,972</i>		<i>\$25,657</i>
MR (13.0 Kts L/B)				
UKC>USAC 37k	175.00	\$19,449	204.83	\$20,576
USG>UKC 38k	125.63	\$11,633	130.43	\$6,223
USG>UKC/UKC>USAC/USG	--	\$29,356	--	\$29,063
USG>CBS (Pozos Colorados) 38k	638k	\$25,735	666k	\$21,517
USG>CHILE (Coronel) 38k	1.63m	\$28,528	1.62m	\$20,878
CBS>USAC 38k	166.25	\$20,750	181.34	\$17,934
WCIND>JPN/ROK>SPORE/WCIND	--	\$28,595	--	\$9,470
<i>MR Average Earnings</i>		<i>\$25,178</i>		<i>\$14,107</i>
Handy (13.0 Kts L/B)				
MED>EMED 30k	302.80	\$59,069	299.87	\$52,301
SPORE>JPN 30k	185.00	\$17,327	181.50	\$8,950
<i>Handy Average Earnings</i>		<i>\$32,354</i>		<i>\$24,556</i>

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	\$35,000
Suezmax	\$38,000	\$30,000
Aframax	\$28,000	\$22,000
LR 1	\$17,500	\$17,000
MR	\$18,000	\$17,000
Handy	\$15,000	\$14,000



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SPOT MARKET SUMMARIES

VLCC

The final few days of 2019, the start of 2020 and a New Year's holiday right in the middle of the week made for a quite a disjointed period on the VLCC sector. The upward pressure did continue to build and we saw a slight increase in rates, as Owners maintained their bullish sentiment with expectations of a busier period ahead. Charterers looked to operate under the radar, in hopes to ease some of the upward sentiment, but with a balanced supply-demand equation rates continued steady.

There were 22 fixtures reported this week, bringing the January cargo tally to 85. This brings us most of the way through the first, two decades of January, leaving some 55 or so cargoes to go, through the remainder of January. This compares with a position list that shows some 76 vessels over that same period.

Eastbound rates held generally steady over the week, as rates for modern tonnage moved from the high ws130's up into the mid-low ws140's; a high of ws144.5 for a voyage to China, while the latest fixture at ws142.5 for preferred business to Korea, yields a TCE of about \$110,000 per day basis the latest VLF50 price. The older, distressed tonnage saw their discount widen to double digits, as these units looked to lock in still stout returns. Rate on these "vintage" units moved from the low ws120's, up to the mid ws130's, before settling back at the ws130 level, which yields a TCE of about \$93,000 per day. Westbound business was largely out of play, but arguably increased into the low ws70's, maintaining the highest possible TCE returns as AG to the USG followed by USG to Singapore (basis ws72.5 cc and \$12.0 mil) yields a TCE of over \$130,800 per day over the two voyages.

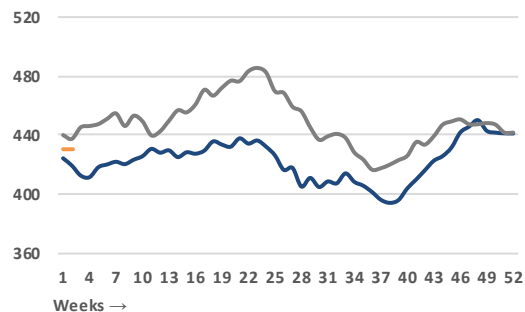
Suezmax

A bit of a disjointed couple of weeks due to a pair of mid-week holidays to cap off a very interesting decade for the 1m barrel lifters. The Suezmax market appears to have reemerged from back to back short weeks right where it left off seemingly avoiding the typical post-holiday hangover. West Africa Suezmax market demand was relatively flat from last week; however, rates maintained their ground and hovered in place for the most part. TD20 traded around ws170 (2019) / ws146 (2020) which yields a TCE of roughly \$71,800/day (IFO 380) / \$62,500/day (0.5%) flat from last week. The Black Sea / Mediterranean market followed suit to West Africa as rates held in check for both local and Far East voyages. The TD6 route ended the week at ws172.5 (2019) / ws157 (2020) with TCE around \$91,900/day (IFO 380) / \$79,600/day (0.5%). In the USG/CBS region, increased demand in both North and South America coupled with a patchy tonnage list have left rates in a promising position going into the new year. The USG-TA route received a boost from the active Aframax transatlantic market which kept Suezmax rates up around the ws175 (2019) / ws157 (2020) basis \$145,000 MT cargo size. With plenty of upward pressure on both the VLCC and the Aframax going into next week, expect Suezmax USG export rates to remain strong in the short term.

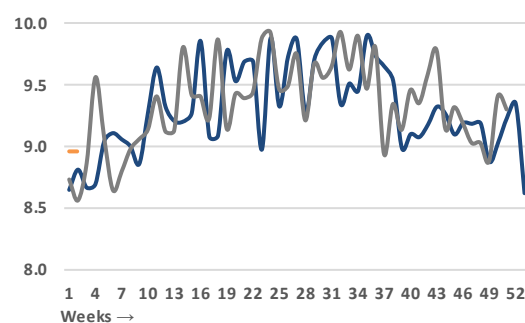
Aframax

The USG market saw another significant jump this week, moving from ws350 to ws400 which can be attributed to the lack of available tonnage throughout the region with strong USG export demand and the usual seasonal weather delays having the greatest impact. Additionally, an Aframax cargo out of ECMEX was replaced with a Suezmax at ws445 and a few USG/TA cargoes traded at ws320 and ws325. A consistent flow of cargo enquiry into the market has kept the tonnage list tight for the last few weeks and driven rates up to their highest levels in recent years. Despite the strong market, there seems to be some hope for charterers lingering in the distance, as a few European ballasters make their way to the USG, which should provide some slight relief mid-month.

Across the pond rates seem to be settling off the rally over the past few weeks. Cross UKC took a bit of an unexpected hit with the tonnage list building up over the weekend and charterers successfully testing the rates downward from ws185 to ws160.



US Crude Stocks (EIA) Last Week 441.4 MnBbls Week y/y -2.2%



US Gasoline Demand (EIA) Last Week 9.303 MnB/d Week y/y +2.6%

2020 2019 2018

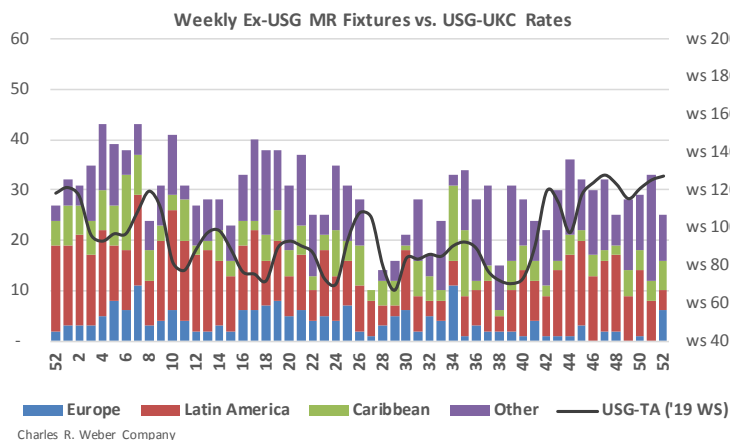
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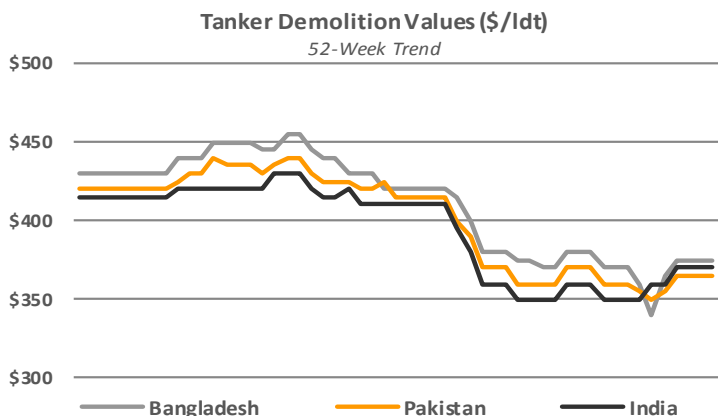
Baltic/Cont rates took a sharp hit as well as charterers tested owners willingness to fix at lower levels driving rates down from ws170 to ws 135 this week largely due to the over-supply of spot tonnage throughout the region. The Cross Med market followed a similar trend falling to ws 190 from ws 230 earlier in the week. It seems the theme was consistent throughout the European markets with an over-supply of tonnage being the main factor in dropping the ceiling on rates. As next week is the first full week of 2020, it could be a good indication as to how far the market will settle.

MR

Fragmented work schedules during both Christmas and New Year's holidays have kept rates in Europe fairly steady. A decent balance of supply and demand has TC2 levels still hovering close to 37,000 at ws200 basis 2019 or ws187.5 basis 2020. As additional tonnage appears to enter the region next week, expectations are for a slight downturn as market regains a sense of normalcy. Quite the opposite effect can be stated in USG, where a shortage of prompt availability due to Mexico delays and complaint 2020 bunkering scheduling has kept charterers scrambling for coverage for their early January stems. Benchmark long haul rates for USG/FEast are now in excess of 1.8 m levels and USG/Chile is quickly approaching similar territory. Shorthauls are also proving profitable for owners as USG/ECMex has now hit 500,000 and USG/Pozos on subjects at 785,000. Anticipations are for a further holding or even firming in the short term.



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