

WEBER WEEKLY TANKER REPORT



WEEK 03 – 17 January 2020

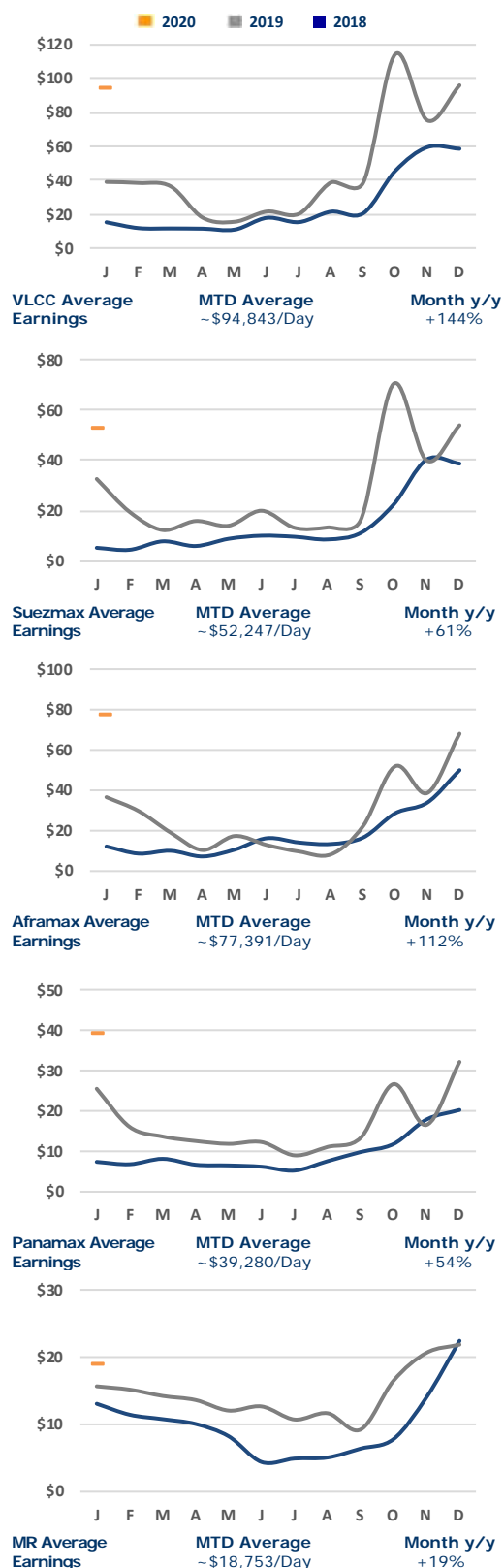
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| Spot Market | WS/S | TCE | WS/S | TCE |
|---------------------------------|-------------|-----------|-------------|-----------|
| VLCC (13.0 Kts L/B) | WK 10 - Jan | | WK 17 - Jan | |
| AG>USG 280k | 60.50 | -- | 52.50 | -- |
| AG>SPORE 270k | 116.57 | \$114,320 | 85.00 | \$68,657 |
| AG>JPN 265k | 114.07 | \$115,550 | 84.17 | \$70,476 |
| AG>CHINA 270k | 120.51 | \$132,125 | 88.33 | \$70,327 |
| WAFR>CHINA 260k | 110.92 | \$119,216 | 85.00 | \$66,619 |
| USG>SPORE 275k | 13.73m | \$187,219 | 10.83m | \$76,193 |
| AG>USG/USG>SPORE/AG | -- | \$112,009 | -- | \$125,846 |
| <i>VLCC Average Earnings</i> | | \$121,722 | | \$75,187 |
| SUEZMAX (13.0 Kts L/B) | | | | |
| WAFR>USG 130k | 152.96 | \$68,759 | 131.25 | \$56,162 |
| WAFR>UKC 130k | 156.06 | \$63,557 | 136.25 | \$52,672 |
| BSEA>MED 140k | 151.00 | \$74,889 | 153.75 | \$89,778 |
| CBS>USG 150k | 171.08 | \$100,133 | 126.25 | \$65,452 |
| USG>UKC 150k | 158.00 | \$84,466 | 112.50 | \$51,892 |
| CBS>USG/USG>UKC/WAFR | -- | \$104,187 | -- | \$65,927 |
| AG>USG 140k | 76.36 | \$53,129 | 70.00 | \$32,577 |
| USG>SPORE 130k | 8.01m | -- | 7.0m | -- |
| AG>USG/USG>SPORE/AG | -- | \$42,665 | -- | \$76,278 |
| <i>Suezmax Average Earnings</i> | | \$63,077 | | \$47,595 |
| AFRAMAX (13.0 Kts L/B) | | | | |
| N.SEA>UKC 80k | 148.67 | \$48,907 | 135.00 | \$40,117 |
| BALT>UKC 100k | 132.50 | \$51,121 | 126.00 | \$48,054 |
| CBS>USG 70k | 394.51 | \$124,358 | 360.00 | \$111,790 |
| USG>UKC 70k | 272.33 | \$72,524 | 223.33 | \$55,521 |
| CBS>USG/USG>UKC/NSEA | -- | \$146,837 | -- | \$122,170 |
| MED>MED 80k | 166.87 | \$48,163 | 148.33 | \$39,774 |
| AG>SPORE 70k | 195.19 | \$46,772 | 175.00 | \$40,366 |
| <i>Aframax Average Earnings</i> | | \$79,822 | | \$69,102 |
| PANAMAX (13.0 Kts L/B) | | | | |
| CBS>USG 50k | 370.00 | \$74,184 | 340.00 | \$66,209 |
| CONT>USG 55k | 178.40 | \$30,385 | 210.83 | \$41,311 |
| ECU>USWC 50k | 232.50 | \$37,649 | 240.00 | \$47,213 |
| <i>Panamax Average Earnings</i> | | \$33,814 | | \$50,707 |
| LR2 (13.0 Kts L/B) | | | | |
| AG>JPN 75k | 143.90 | \$28,008 | 122.75 | \$21,298 |
| AG>UKC 80k | 2.83m | \$21,969 | 2.71m | \$20,743 |
| MED>JPN 80k | 2.97m | \$20,747 | 2.72m | \$17,502 |
| AG>UKC/MED>JPN/AG | -- | \$28,835 | -- | \$26,092 |
| <i>LR2 Average Earnings</i> | | \$28,283 | | \$22,895 |
| LR1 (13.0 Kts L/B) | | | | |
| AG>JPN 55k | 146.24 | \$18,618 | 139.83 | \$17,861 |
| AG>UKC 65k | 2.36m | \$18,580 | 2.21m | \$16,477 |
| UKC>WAFR 60k | 178.97 | \$34,309 | 158.50 | \$28,892 |
| AG>UKC/UKC>WAFR/AG | -- | \$31,390 | -- | \$27,395 |
| <i>LR1 Average Earnings</i> | | \$25,004 | | \$22,628 |
| MR (13.0 Kts L/B) | | | | |
| UKC>USAC 37k | 182.50 | \$17,919 | 160.00 | \$14,127 |
| USG>UKC 38k | 143.33 | \$11,060 | 178.33 | \$19,270 |
| USG>UKC/UKC>USAC/USG | -- | \$32,163 | -- | \$36,905 |
| USG>CBS (Pozos Colorados) 38k | 875k | \$36,681 | 967k | \$41,869 |
| USG>CHILE (Coronel) 38k | 1.93m | \$29,416 | 2.13m | \$35,763 |
| CBS>USG (or USAC) 38k | 211.67 | \$27,994 | 233.33 | \$33,557 |
| WCIND>JPN/ROK>SPORE/WCIND | -- | \$15,467 | -- | \$12,989 |
| <i>MR Average Earnings</i> | | \$20,661 | | \$21,492 |
| Handy (13.0 Kts L/B) | | | | |
| MED>EMED 30k | 256.25 | \$43,999 | 217.00 | \$33,190 |
| SPORE>JPN 30k | 153.67 | \$8,458 | 155.67 | \$9,502 |
| <i>Handy Average Earnings</i> | | \$21,253 | | \$18,030 |

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 VLCC Bunker pricing for its modeling.

| Time Charter Market | 1 Year | 3 Years |
|-----------------------------|----------|----------|
| <i>\$/day (theoretical)</i> | | |
| 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 SUMMARYS

VLCC

With a sluggish start in the VLCC market, following the profit taking at the end of last week, TD3 came off some twenty-three percent, before an uptick in worldwide activity reversed the falling trend. As the January cargo program neared completion (down six percent from December), charterers were slow to progress into their February stems and those cargoes that entered the market saw ample choices further exerting downward pressure on rates. While activity in the AG initially slowed, we did see an uptick of inquiry from the Atlantic Basin and when coupled with an end week uptick in AG activity, upward momentum took hold again.

There were 23 fixtures reported this week, bringing the January cargo tally near completion at 133, while February got underway with 14 reported fixtures thus far. This leaves another 30 or so cargoes remaining through the first decade of February compared to a position list with some 50 vessels available over that same period.

Through the earlier part of the week, rates continued their slide south, falling from ws110, back into double digits, a low of ws85 concluded for TD3 on modern tonnage. As the worldwide VL activity continued to increase, the softening trend reversed and the week ended on an uptick with a ws87.5 concluded for preferred business to Korea. This arguably puts TD3 at ws92.5 which yields a TCE of about \$75,900 per day. Westbound business was largely out of play, but followed a similar trend to eastern business as assessments to the USG from the ws60 level towards the low ws50's, triangulation still maintaining the highest possible TCE returns AG to the USG followed by USG to Singapore (basis ws52.5 c/c and 10.25 mil) yields about \$112,000 per day over the two voyages.

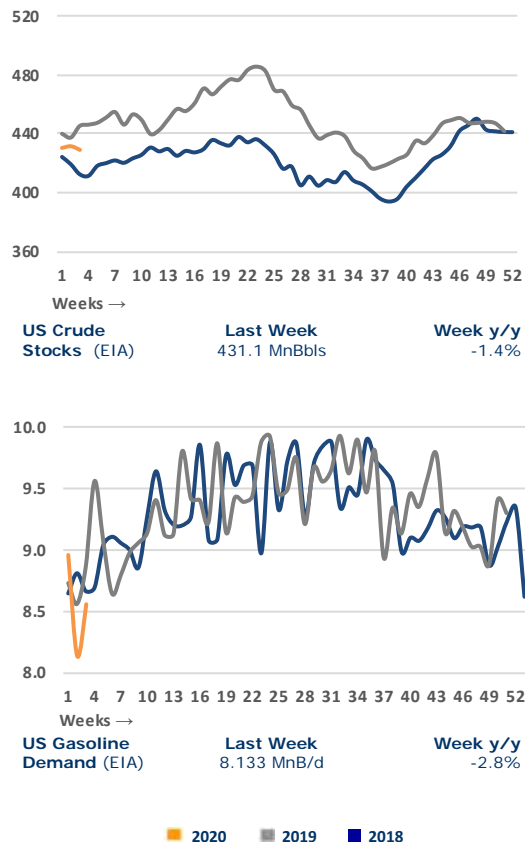
Suezmax

Suezmax rates were soft across the board this week off the back of slower demand and an ample tonnage list. In West Africa, inquiry was down to six fixtures from thirteen the previous week. TD20 route slid 25 points down to ws130 to end the week yielding a TCE of roughly \$63,000/day (IFO 380) / 55,500/day (0.5%). The Black Sea market was relatively quiet, as steady transit delays and lower demand have left freight rates slightly down for the week at around ws152.5 for TD6 \$88,200/day (IFO 380) / \$77,300/day (0.5%). In the USG/CBS region, demand increased in both North and South America however, charterers were able to test last done levels with ease of the back of a bloated tonnage list and diminishing Atlantic Basin sentiment amongst owners. Rates for USG-UKCM were down significantly on the week slumping to ws107.5 basis 145,000 mt cargo size. The USG-SPORE route also suffered a similar fate as rates cratered down to \$7.0m (1:1) lump sum down from the \$7.75m (1:1) fixture USG-WCIND done late last week. BDT1 - TD20 ended the week settling at ws129.55 which is down 28.70 from this time last week.

Aframax

A quiet first half of the week, with only limited enquiries, helped to initiate a drastic change in the TD9 market where rates dropped nearly 90 points from ws390 to near ws300 by weeks end. This was largely due to the ballasters coming across looking to secure cargoes from the Caribs into the USG. USG/TA trades also saw some relief from the European ballasters, with rates trading near ws212.5 at the end of the week. Despite the cool down, owners continued to show resilience on ECMEX/USG trades keeping rates in the upper ws300s with last done reported around ws385. They received some help however, from multiple channel closures due to fog along the gulf coast this week. Now, with the fog forecast to lift over the weekend, charterers can expect additional tonnage to open up and provide some relief to the ECMEX market.

The European markets remained soft for most of the week up until the close. BALT/CONT rates saw a 5 point plunge from ws130 to ws125 due largely to the longer list of ships in the area. Cross Med fell 7.5 points down to ws147.5 however, a tighter list is projected for early next week and owners seem to be getting a better grip on bouncing rates back up if enquiry can remain steady. Cross UKC was relatively quiet for



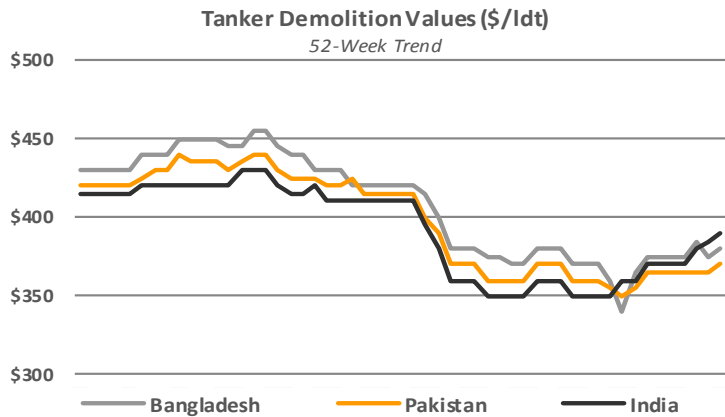
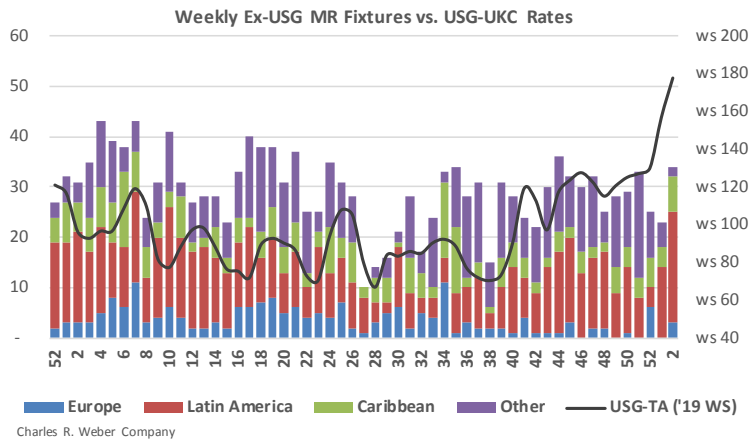
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most of the week until the last 24 hours where approximately 20 ships were put on subs which should bring rate up from the current ws135. Next week should be a good indicator for European markets as to how far they will manage to bounce back from their current levels.

MR

Weaker demand and an excess of LRs proved to be the main drivers behind a lackluster Cont market. TC2 rates dropped almost daily down to 37,000dwt at ws157.5 with Wafr fetching a 30 point premium. That being said, there is some optimism levels have bottomed as USAC/Brazil ballasters will almost certainly now head towards a red hot gulf. Speaking of which, USG markets continued their torrid pace as a slimmed down front of list, and constant enquiry keep things on the move. Delays in Mexico and a vibrant USG/Far East naphtha arb has kept charterers reaching and replacing their necessary cargo needs. Short hauls USG/CBS have now exceeded \$1.0m and USG/ECMex nearing \$700,000. Longer haul voyages are proving equally profitable with USG/Chile still well over \$2.0m and USG/TA 38,000dwt at ws185 and USG/Brazil at ws255. Expectations are for more of the same next week as last decade January stems still need to be covered.



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