

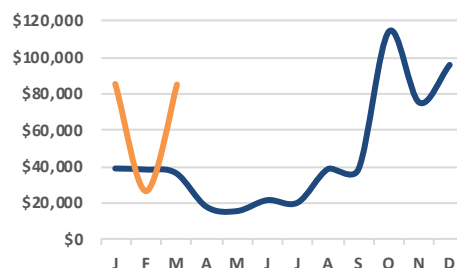
# WEEKLY MARKET REPORT



Week 11 • March 13, 2020

Issue WM11-20

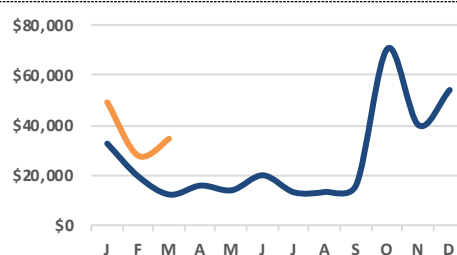
**VLCC:** What a difference a week makes. Last Friday eastbound rates were at ws45 and flat. Today eastbound rates are north of ws210 and firming. TCE returns spiked from \$30,000 to levels north of \$250,000. The main driver of rates, the increased oil production from Saudi Arabia, saw a drastic turn of events this week. Last Thursday OPEC was talking about cutting 1.5 million barrels per day, but when Russia came out against any cuts, Saudi Arabia came out announcing a cut in oil prices for April as well as increases in production. Following the announced increases chartering activity picked up dramatically. Business bound for the USG saw one-way rates pushing north of \$400,000. This week we saw some 70 fixtures from the AG, the highest weekly level in recent history. As the surge of activity continued the rate ascent continued as well. TD3 rose from ws50 up to north of ws200. The latest fixture at ws210 was on a vessel older than 15 years old. Westbound business was active and saw levels rise from ws30 to ws202.5 and we saw AG to the West rise above USG to the East levels. Triangulation still shows the highest possible return as AG>USG followed by USG>Singapore shows a TCE of about \$345,000.



**VLCC Average Earnings\* MTD 2020 v. CY 2019**

MTD '20 Avg/Day: \$84,718      MTD 20' v. CY '19': +133%

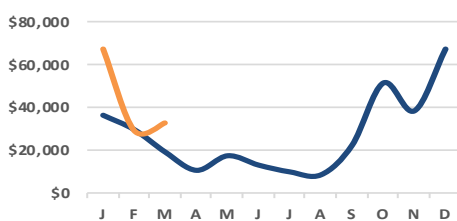
**SUEZMAX:** Flashbacks from Q4 last year as yet another chaotic week in the Suezmax sector elevating vessel returns into the triple digits off the back of a very volatile VLCC market. Intraday swings were roughly ws25-50 points higher from the previous day as charterers continue to re-enter the market to seek forward program coverage across all trade routes. The market largely benefited from the robust and active VLCC market as the trickledown effect has helped push Suezmax TCE's up into the region of around \$120,000/day. Demand in West Africa was up big this week as charterers scrambled to cover forward VLCC stems by splitting them enabling a massive uptick in rates. Fixture activity was up almost 87.5% compared to last week as the TD20 route rallied to an increase of ws142+ points since last week's report. The USG export market also followed suit by pushing East rates close to around \$8.5m lump sum for USG>Singapore. TA rates and local voyages also reaped the benefits as it appears no owner in these current market conditions are willing to do "last done levels" anymore. So far there does not seem to be any visible cracks to suggest any slowdown to the current market momentum as we go into next week. BDTI - TD20 ended the week settling at ws219.09 which is up 142.95 points from this time last week.



**Suezmax Average Earnings\* MTD 2020 v. CY 2019**

MTD '20 Avg/Day: \$34,860      MTD 20' v. CY '19': +186%

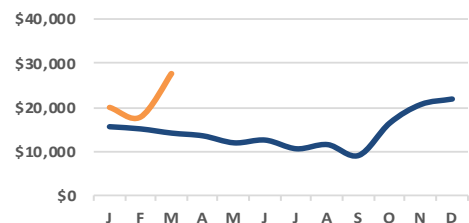
**AFRAMAX:** The USG market saw a jump in rates with EC Mexico cargoes projected to trade around ws185-190 at the close, up nearly 35-40 points from last week's close and USG>TA cargoes at ws175, up approximately 40 points from last week. Rates continue to remain largely unaffected by the COVID-19 outbreak in the US. However, with the situation as fragile as it is, it goes without saying that this could eventually have an impact on local markets. It was fog that was the major factor in pushing up rates early on as multiple channel closures delayed tonnage and put added pressure on the market. With patchy fog in the forecast until at least mid-week next week expect owners to continue to capitalize off of the tighter lists at least until the weather clears. Over in Europe the markets saw some much needed relief. Cross UKC closed at ws110 as charterers found it difficult to repeat last done levels against the tighter list. The Balt>Cont market is trying to ride the tail end of the wave, closing near ws90 with owner's resistance slowly trying to push rates to more workable levels. The Cross Med market started off the week quietly trading near ws102.5. The second half of the week finished strong with nearly 15 cargoes for the first decade of the April CPC program bringing rates up to ws137.5 at the close.



**Aframax Average Earnings\* MTD 2020 v. CY 2019**

MTD '20 Avg/Day: \$32,806      MTD 20' v. CY '19': +73%

**MR:** As COVID-19 and Saudi oil price wars dominate all the news headlines, players in the MR market wonder when and if they will see any trickle down effects from the booming dirty sectors. After an initial drop earlier in the week, Continent levels saw a rebound on the back of increasing LR rates and added demand from West Africa. As a result of this, rates presently stand at ws170 for 37,000dwt transatlantic (up some 10ws points) and ws200 for West Africa. Should the transatlantic arbs look more favorable next week, we should see further improvement. USG markets are proving to be a bit of a guessing game for now. The tonnage list is not overly abundant and cargo flow has appeared quieter. We will need to see more ballasters opt for Europe and further Panama Canal delays for owners to reap any real gains in the short term. Short haul voyages have dipped down to \$725,000 for USG>CBS and \$535,000 for USG>EC Mexico, while longer hauls for Brazil and USG>TA remain sideways at 38,000dwt ws190 and ws137.5, respectively.



**MR Average Earnings\* MTD 2020 v. CY 2019**

MTD '20 Avg/Day: \$27,841      MTD 20' v. CY '19': +96%

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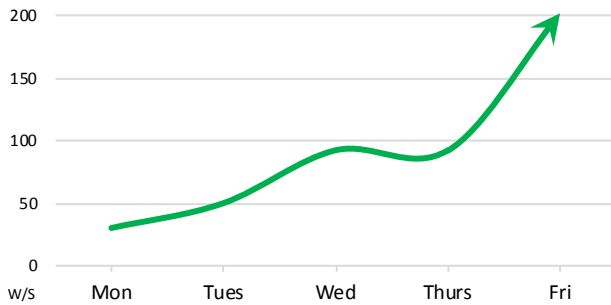
TANKER ROUTES (13kts L B)	Week 10	Week 11	Week 10	Week 11	*Week 10 Bunkers	**Week 11 Bunkers
VLCC	WS L\$	WS L\$	TCE*	TCE**	VLSFO \$439/MT	VLSFO \$439/MT
AG>USG • 280,000 (dwt)	30.00	<b>93.50</b>	--	--		
AG>SPORE • 270,000	49.20	<b>127.00</b>	\$34,626	<b>\$140,208</b>	<b>Time Charter 1 Year v. 3 Years (\$ day):</b> \$38,000   \$34,000	
AG>JPN • 265,000	47.20	<b>121.50</b>	\$33,895	<b>\$138,183</b>		
AG>CHINA • 270,000	49.20	<b>128.00</b>	\$31,906	<b>\$138,570</b>		
WAFR>CHINA • 260,000	48.60	<b>118.00</b>	\$33,026	<b>\$124,437</b>	<b># Ships Trading:</b>	794
USG>SPORE-AG	5.50m	<b>10.11m</b>	\$61,286	<b>\$141,443</b>	<b>% Fleet on Order:</b>	9%
AG>USG/USG>SPORE-AG	--	--	\$55,575	<b>\$86,198</b>	<b>Ships to Breakers:</b>	No Activity
<b>VLCC Average Earnings<sup>+</sup></b>	--	--	\$35,330	<b>\$134,105</b>		
<b>SUEZMAX</b>						
WAFR>USG • 130,000	72.50	<b>100.00</b>	\$26,652	<b>\$47,954</b>		
WAFR>UKC • 130,000	77.50	<b>105.00</b>	\$24,586	<b>\$45,186</b>	<b>Time Charter 1 Year v. 3 Years (\$ day):</b> \$27,000   \$28,000	
BSEA>MED • 140,000	82.50	<b>99.00</b>	\$26,359	<b>\$45,001</b>		
CBS>USG • 150,000	99.00	<b>106.00</b>	\$51,372	<b>\$60,389</b>	<b># Ships Trading:</b>	538
USG>UKC • 150,000	67.00	<b>77.00</b>	\$25,907	<b>\$36,789</b>	<b>% Fleet on Order:</b>	9%
CBS>USG/USG>UKC-WAFR	--	--	\$39,027	<b>\$50,406</b>	<b>Ships to Breakers:</b>	No Activity
AG>USG • 140,000	32.00	<b>77.00</b>	\$8,868	<b>\$51,567</b>		
USG>SPORE	4.40m	<b>5.46m</b>	--	--		
AG>USG/USG>SPORE-AG	--	--	\$36,844	<b>\$47,394</b>		
<b>Suezmax Average Earnings<sup>+</sup></b>	--	--	\$24,768	<b>\$44,951</b>		
<b>AFRAMAX</b>						
N.SEA>UKC • 80,000	94.50	<b>100.50</b>	\$15,780	<b>\$22,535</b>		
BALT>UKC • 100,000	78.90	<b>81.70</b>	\$22,641	<b>\$27,044</b>	<b>Time Charter 1 Year v. 3 Years (\$ day):</b> \$23,000   \$21,500	
CBS>USG • 70,000	144.00	<b>167.00</b>	\$32,492	<b>\$44,416</b>		
USG>UKC • 70,000	132.00	<b>148.00</b>	\$28,478	<b>\$37,360</b>	<b># Ships Trading:</b>	1,025
CBS>USG/USG>UKC-NSEA	--	--	\$53,899	<b>\$58,872</b>	<b>% Fleet on Order:</b>	10%
MED>MED • 80,000	93.50	<b>118.50</b>	\$18,556	<b>\$34,232</b>	<b>Ships to Breakers:</b>	No Activity
AG>SPORE • 80,000	97.00	<b>105.50</b>	\$18,453	<b>\$24,607</b>		
<b>Aframax Average Earnings<sup>+</sup></b>	--	--	\$27,104	<b>\$38,508</b>		
<b>PANAMAX</b>						
CBS>USAC(USG) • 50,000	187.00	<b>186.00</b>	\$36,620	<b>\$38,580</b>	<b>Time Charter 1 Year v. 3 Years (\$ day):</b> \$16,000   \$15,500	
UKC>USG • 55,000	101.00	<b>101.30</b>	\$13,416	<b>\$15,904</b>	<b># Ships Trading:</b>	447
MED>USG • 55,000	115.00	<b>110.00</b>	\$18,770	<b>\$19,411</b>	<b>% Fleet on Order:</b>	4%
ECU>USWC • 50,000	250.00	<b>254.00</b>	\$48,888	<b>\$52,001</b>	<b>Ships to Breakers:</b>	No Activity
<b>Panamax Average Earnings<sup>+</sup></b>	--	--	\$24,350	<b>\$25,408</b>		
<b>LR2</b>						
AG>JPN • 75,000	114.30	<b>146.50</b>	\$25,695	<b>\$40,750</b>	<b>Time Charter 1 Year v. 3 Years (\$ day):</b> \$24,500   \$23,000	
AG>UKC	2.53m	<b>3.24m</b>	\$24,297	<b>\$40,721</b>	<b># Ships Trading:</b>	1,025 <sup>^</sup>
MED>JPN	2.65m	<b>2.89m</b>	\$24,064	<b>\$31,143</b>	<b>% Fleet on Order:</b>	10% <sup>^</sup>
AG>UKC-MED>JPN-AG	--	--	\$30,726	<b>\$43,139</b>	<b>Ships to Breakers:</b>	No Activity
<b>LR2 Average Earnings<sup>+</sup></b>	--	--	\$27,371	<b>\$41,545</b>		
<b>LR1</b>						
AG>JPN • 55,000	114.40	<b>152.10</b>	\$17,131	<b>\$29,962</b>	<b>Time Charter 1 Year v. 3 Years (\$ day):</b> \$16,500   \$17,000	
AG>UKC	1.85m	<b>2.46m</b>	\$15,303	<b>\$29,527</b>	<b># Ships Trading:</b>	447 <sup>#</sup>
UKC>WAFR • 60,000	130.30	<b>184.60</b>	\$25,969	<b>\$45,574</b>	<b>% Fleet on Order:</b>	4% <sup>#</sup>
AG>UKC/UKC>WAFR-AG	--	--	\$24,541	<b>\$42,710</b>	<b>Ships to Breakers:</b>	No Activity <sup>#</sup>
<b>LR1 Average Earnings<sup>+</sup></b>	--	--	\$20,836	<b>\$36,336</b>		
<b>MR</b>						
UKC>USAC • 37,000	182.50	<b>169.50</b>	\$23,097	<b>\$22,343</b>		
USG>UKC • 38,000	130.50	<b>136.50</b>	\$13,900	<b>\$17,144</b>	<b>Time Charter 1 Year v. 3 Years (\$ day):</b> \$16,000   \$16,000	
USG>UKC/UKC>USAC(USG)	--	--	\$34,725	<b>\$36,048</b>		
USG>CBS (Pozos Colorados)	690k	<b>759k</b>	\$27,818	<b>\$34,179</b>	<b># Ships Trading:</b>	1,718
USG>CHILE (Coronel)	1.92m	<b>1.95m</b>	\$34,689	<b>\$37,442</b>	<b>% Fleet on Order:</b>	8%
CBS>USAC(USG) • 38,000	148.00	<b>153.00</b>	\$18,924	<b>\$21,836</b>	<b>Ships to Breakers:</b>	No Activity
WCIND>JPN-ROK>SPORE-WCIND	--	--	\$20,613	<b>\$25,037</b>		
<b>MR Average Earnings<sup>+</sup></b>	--	--	\$26,779	<b>\$28,903</b>		
<b>HANDYSIZE</b>						
MED>EMED • 30,000	175.30	<b>177.30</b>	\$24,621	<b>\$26,589</b>	<b>Time Charter 1 Year v. 3 Years (\$ day):</b> \$14,000   \$14,000	
SPORE>JPN • 30,000	148.60	<b>151.90</b>	\$12,809	<b>\$15,113</b>	<b># Ships Trading:</b>	1,586
<b>Handysize Average Earnings<sup>+</sup></b>	--	--	\$17,061	<b>\$19,425</b>	<b>% Fleet on Order:</b>	6%
					<b>Ships to Breakers:</b>	Low Activity

+ "Average Earnings" are weighted proportionally to each size class' worldwide market activity (may include routes not necessarily shown in this report).

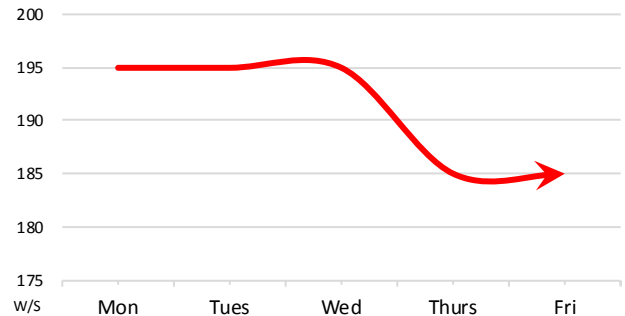
<sup>^</sup> Aframax and LR2 fleet numbers are combined for the purposes of these entries.

<sup>#</sup> Panamax and LR1 fleet numbers are combined for the purposes of these entries.

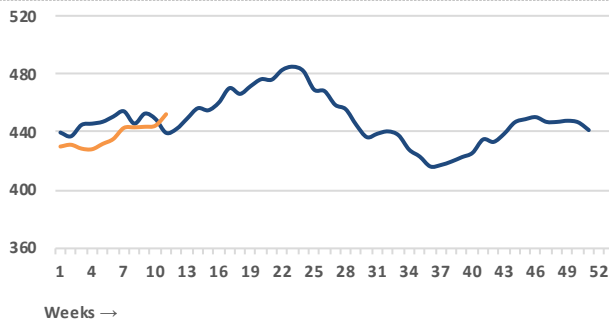
THE WEEK IN CHARTS



Global Climber of the Week: VLCC (AG>USG 280,000) | +575%

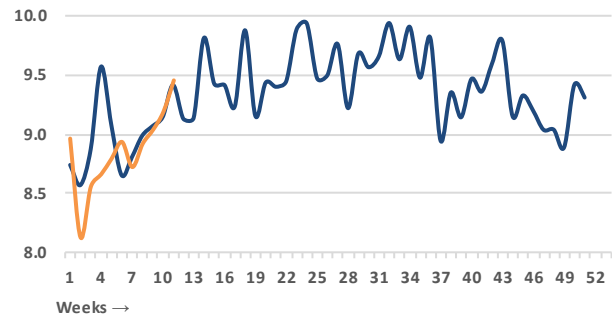


Global Decliner of the Week: PANAMAX (USG>CBS 50,000) | -15%



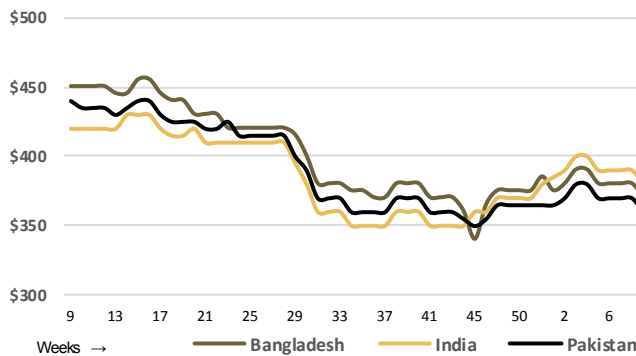
US Crude Oil Stocks (EIA) WTD '20 v. CY '19

This Week: 444.1Mn.Bbls      This Week '20 v. '19: -01.1%

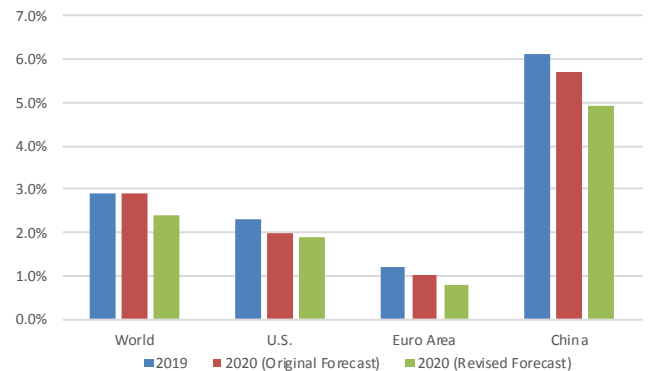


US Gasoline Demand (EIA) WTD '20 v. CY '19

This Week: 9.186Mn.Bbls/Day      This Week '20 v. '19: -00.5%



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



Charley's Chart of the Week: OECD Real GDP Economic Outlook Revisions. OECD downgrades its 2020 Real GDP Forecasts.

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