

WEBER WEEKLY TANKER REPORT



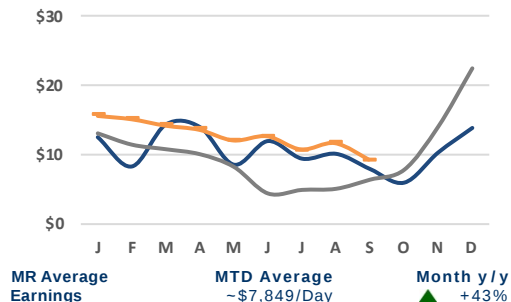
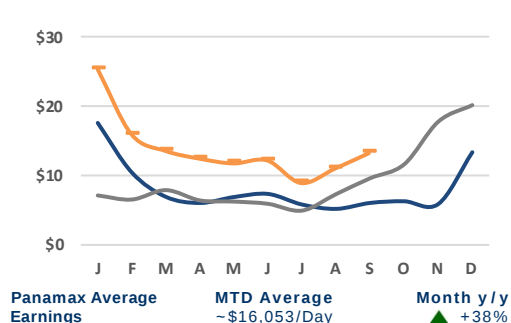
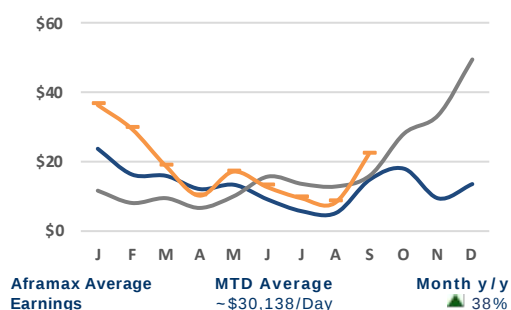
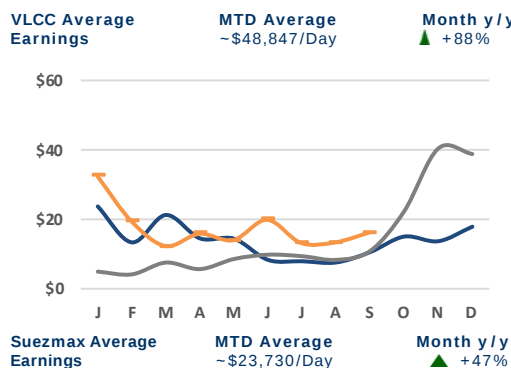
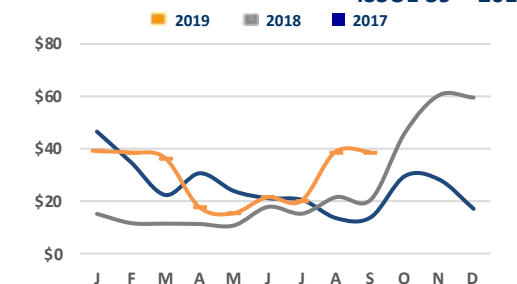
WEEK 39 – 27 September 2019

ISSUE 39 – 2019

Spot Market	WS/LS	TCE	WS/LS	TCE
VLCC (13.0 Kts L/B)	Week Ending 20-Sep	Week Ending 27-Sep		
AG>USG 280k	29.40	--	32.00	--
AG>SPORE 270k	65.50	\$37,876	69.20	\$45,547
AG>JPN 265k	63.00	\$37,302	67.20	\$45,771
AG>CHINA 270k	67.50	\$38,166	70.70	\$45,088
WAFR>CHINA 260k	69.00	\$44,934	72.30	\$49,705
USG>SPORE 275k	6.84m	\$45,391	7.34m	\$52,075
AG>USG/USG>SPORE/AG	--	\$60,869	--	\$69,380
VLCC Average Earnings		\$41,432		\$48,847
SUEZMAX (13.0 Kts L/B)				
WAFR>USG 130k	67.50	\$16,215	86.00	\$27,433
WAFR>UKC 130k	72.50	\$13,815	91.00	\$24,554
BSEA>MED 140k	74.00	\$18,160	88.50	\$29,285
CBS>USG 150k	81.00	\$28,752	86.00	\$33,101
USG>UKC 150k	65.50	\$17,846	72.00	\$22,941
CBS>USG/USG>UKC/WAFR	--	\$25,372	--	\$30,883
AG>USG 140k	32.50	\$(779)	33.50	\$(4,142)
USG>SPORE 130k	4.39m	--	4.60m	--
AG>USG/USG>SPORE/AG	--	\$30,012	--	\$36,118
Suezmax Average Earnings		\$15,140		\$23,730
AFRAMAX (13.0 Kts L/B)				
N.SEA>UKC 80k	107.50	\$22,367	123.00	\$33,949
BALT>UKC 100k	89.75	\$24,573	104.00	\$33,934
CBS>USG 70k	135.00	\$21,926	145.00	\$26,111
USG>UKC 70k	132.50	\$22,140	136.00	\$23,943
CBS>USG/USG>UKC/NSEA	--	\$42,837	--	\$46,213
MED>MED 80k	108.00	\$19,289	123.00	\$26,884
AG>SPORE 70k	111.00	\$14,639	121.00	\$20,031
Aframax Average Earnings		\$23,652		\$30,138
PANAMAX (13.0 Kts L/B)				
CBS>USG 50k	155.00	\$17,324	169.00	\$21,187
CONT>USG 55k	93.80	\$7,231	103.25	\$10,374
ECU>USWC 50k	175.00	\$21,819	193.00	\$26,244
Panamax Average Earnings		\$12,707		\$16,053
LR2 (13.0 Kts L/B)				
AG>JPN 75k	98.85	\$11,403	94.65	\$12,336
AG>UKC 80k	2.11m	\$15,184	1.99m	\$13,546
MED>JPN 80k	2.00m	\$12,299	2.31m	\$18,432
AG>UKC/MED>JPN/AG	--	\$19,022	--	\$21,658
LR2 Average Earnings		\$13,940		\$15,440
LR1 (13.0 Kts L/B)				
AG>JPN 55k	101.50	\$6,997	98.38	\$8,141
AG>UKC 65k	1.68m	\$11,343	1.54m	\$9,161
UKC>WAFR 60k	92.38	\$7,071	105.44	\$11,200
AG>UKC/UKC>WAFR/AG	--	\$14,497	--	\$14,712
LR1 Average Earnings		\$10,747		\$11,427
MR (13.0 Kts L/B)				
UKC>USAC 37k	95.00	\$2,358	97.00	\$3,088
USG>UKC 38k	71.50	\$(1,038)	70.00	\$(897)
USG>UKC/UKC>USAC/USG	--	\$7,981	--	\$8,321
USG>CBS (Pozos Colorados) 38k	346k	\$4,163	350k	\$4,835
USG>CHILE (Coronel) 38k	1.01m	\$8,383	1.04m	\$9,714
CBS>USAC 38k	106.00	\$6,466	109.50	\$7,566
WCIND>JPN/ROK>SPORE/WCIND	--	\$15,340	--	\$14,476
MR Average Earnings		\$7,480		\$7,849
Handy (13.0 Kts L/B)				
MED>EMED 30k	102.95	\$1,929	107.45	\$3,540
SPORE>JPN 30k	140.70	\$6,677	137.50	\$7,559
Handy Average Earnings		\$4,968		\$6,112

Average Earnings weighted proportionally to regional activity share of each size class' worldwide market (including routes not necessarily shown above).

Time Charter Market \$/day (theoretical)	1 Year	3 Years
VLCC	\$36,000	\$32,000
Suezmax	\$23,000	\$24,000
Aframax	\$20,000	\$21,500
LR 1	\$16,000	\$17,000
MR	\$15,000	\$16,500
Handy	\$14,000	\$13,500



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SPOT MARKET SUMMARY

VLCC

The Arabian Gulf September 23-27

It certainly proved an interesting week in the VLCC sector. After an initial drop in levels, rates surged almost thirty percent to year-to-date highs, with tce's pushing above the \$55,000 per day level for TD3. The week began with a pause in activity, as Charterers looked to use the slower pace to erode the bullish sentiment of Owners and initially it worked. However, following the realization of the effects from the latest US sanctions on COSCO Shipping Dalian Co, LTD., the sentiment quickly reversed. In a move to avoid possible US sanctions, charterers were looking to replace any COSCO ships taken on the spot market. The surge in activity, and the possibility that some 43 + vessels might be effectively taken out of the spot market (at least for some period), buoyed sentiment and rates across the globe.

As the uncertainty over these most recent sanctions persist, the pressure will continue.

Eastbound rates for modern tonnage dipped from the high to low ws60's, reaching a nadir of ws62, before rebounding. The upward climb was steep and quick as levels moved from the low to mid 60's, passing by the ws70 level, with the latest fixture at ws75 for preferred business to Korea. At the time of writing one charterer was firm at ws80, with no takers.

Westbound business has been untested for some time, but assessed around the ws30 level at the start of the week. In line with the east market, rates also rose. The current level is still untested but is closer to ws40. Triangulation still shows the highest possible returns as AG to the USG followed by USG to Singapore (basis ws40 cc and \$8.50 mil) yields a tce of around \$88,200 per day over the two voyages.

Position list and Cargo Avails

There were 20 fresh fixtures to report this week, bringing the October cargo tally to 69, leaving 25 to 30 cargoes to go through the second decade of the month. This compares to a position list with some 50 units available over that same period.

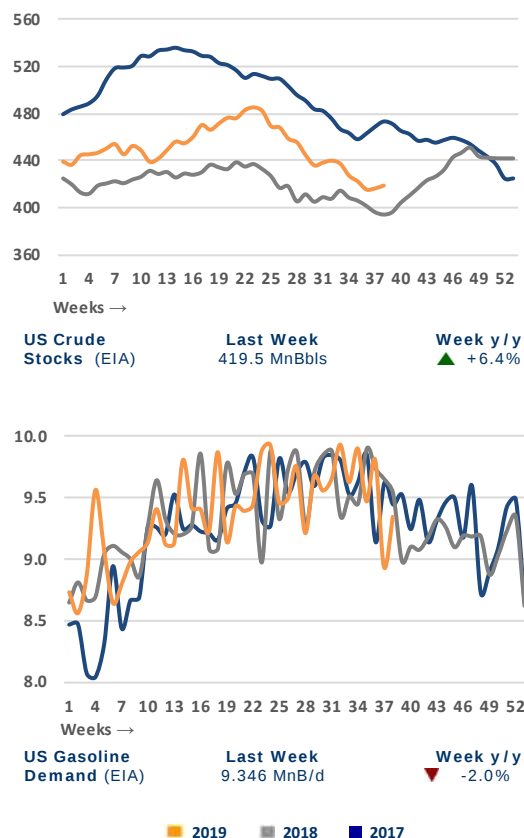
Suezmax

The Suezmaxes went from strength to strength this week, with TCEs moving up across the board, in some cases nearly doubling. Of course, much of the strength derived from the newly-introduced sanctions regime that delivered a fair shock to the market. Things were looking fairly decent anyway in the USG and Europe last week, and that provided a nice jumping-off point for the geopolitical driver this week. Rates in the USG and Europe are solidly in the \$20s at this point, but the real change has been in WAF and the AG, where rates have finally moved to join the leading markets.

Indeed, the TD20 benchmark route was pushing up toward WS100 as the week came to an end. The improvement in TCEs, in percentage terms, were far and away the best in that region. And, as in the other markets, there's nothing to suggest things will immediately crack and come off; owners are putting their ships in the proverbial garage and strolling home for the weekend with an easy gait.

Aframax

Imagining the owners at this point, one's mind couldn't be blamed for alighting on the famous theme from Prokofiev's Peter and the Wolf, in which the jaunty lilt associated with the eponymous lad renders perfectly a carefree and optimistic world. Whereas there was a touch of concern as last week came to an end, those fears were put to rest as the new sanctions regime made a few ships absolutely toxic to charterers who, in their struggle to replace them, ended the week by breaking up larger stems and pushing cargoes into the Aframax market. The US Gulf only picked up a few WS points over the course of the week, after all, but the reversal in the face of increasingly muted expectations must have the owners feeling saucy. What must appear especially piquant for said owners is that this September spike, even if artificially amplified by



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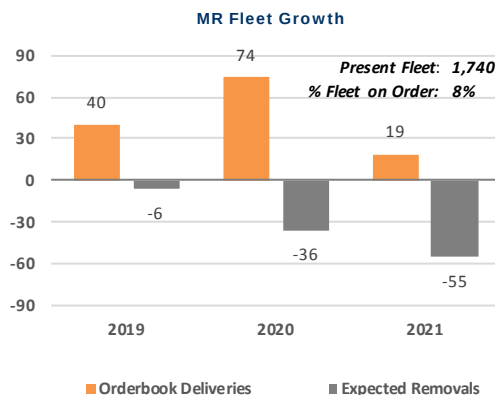
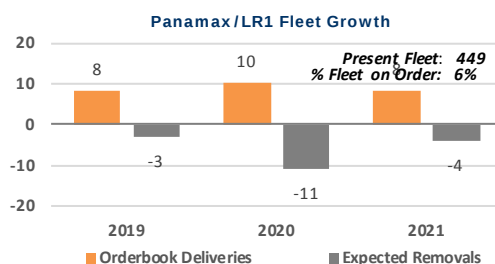
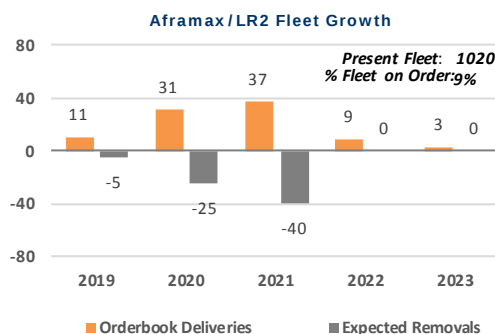
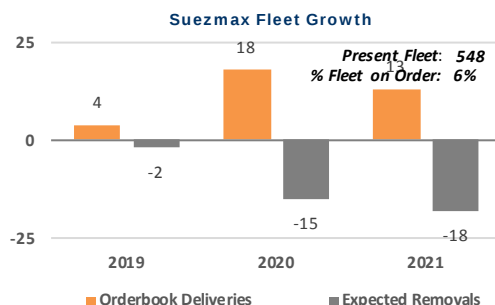
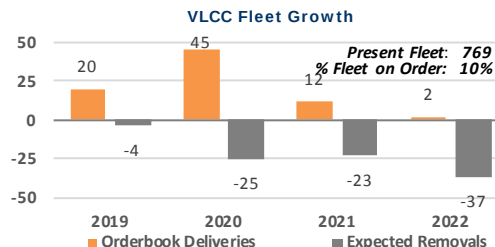
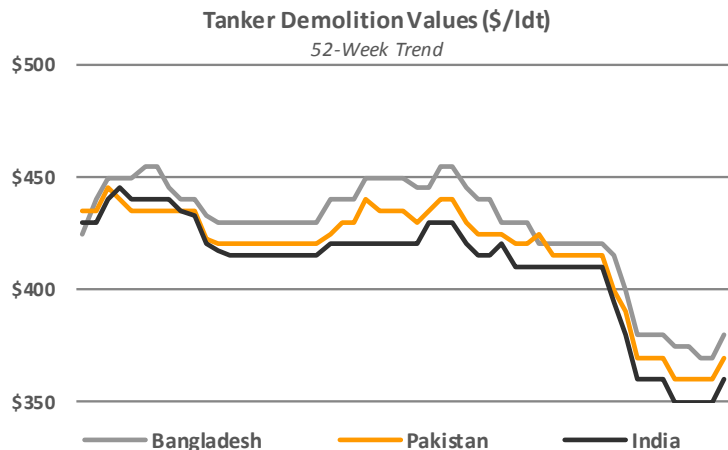
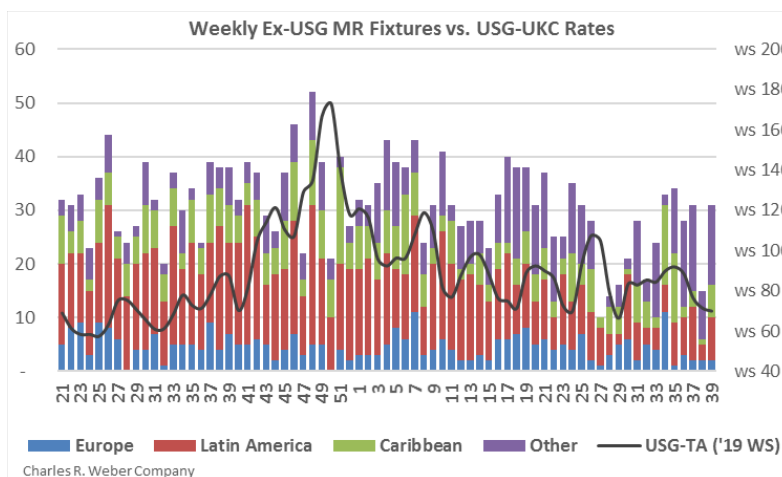
sanctions, may actually carry into the winter market, as we somewhat optimistically suggested three weeks back.

Europe is also on a roll, and Baltic and North Sea TCEs have moved into the mid \$30s. Elsewhere, the Med has pushed up and the triangulated voyages across the Atlantic suggest returns in the \$40s. If this continues, as appears reasonably likely in the short term, perhaps owners will shift from the bucolic Peter and begin whistling the somewhat more bellicose Ride of the Valkyries.

MR

No one cares about the spot market for MRs at the moment, and the reason for that apathy is fairly clear. Rates appear to be more or less immobile, languishing at or near a floor in the low four digits. The WS rate for the benchmark TC2 route has been between 90 and 100 since mid-August. While the assets appear to be sought after by charterers and owners alike, the spot market struggles to matter.

The story is much the same in the US Gulf, where only the Chile route experienced any sort of upward push this week. But the silver lining on this cloud, while distant and faded, is the very thing behind such pronounced apathy: everyone is focused on the strength in the dirty market. There is now talk of 5-10 LR2s going dirty in order to capitalize. That's the kind of development that, if persistent, is likely to feed through the complex and redound to the benefit of the MRs. But it is also likely to take some time. Meanwhile, there are more ships than cargoes and rates remain stagnant on both sides of the Atlantic.



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