

WEBER WEEKLY TANKER REPORT



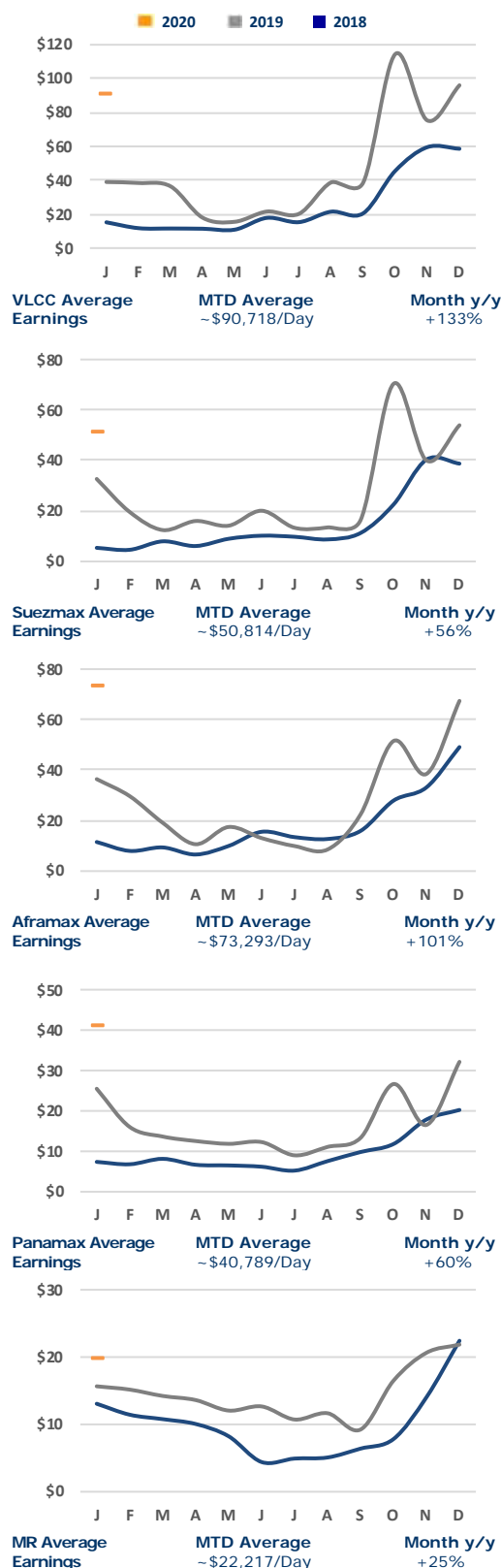
WEEK 04 – 24 January 2020

ISSUE 04 – 2020

| Spot Market | WS/S | TCE | WS/S | TCE |
|---------------------------------|-------------|-----------|-------------|-----------|
| VLCC (13.0 Kts L/B) | WK 17 - Jan | | WK 24 - Jan | |
| AG>USG 280k | 52.50 | -- | 49.70 | -- |
| AG>SPORE 270k | 85.00 | \$68,657 | 85.50 | \$71,076 |
| AG>JPN 265k | 84.17 | \$70,476 | 83.00 | \$69,102 |
| AG>CHINA 270k | 88.33 | \$70,327 | 85.50 | \$68,302 |
| WAFR>CHINA 260k | 85.00 | \$66,619 | 85.00 | \$68,331 |
| USG>SPORE 275k | 10.83m | \$76,193 | 10.12m | \$70,384 |
| AG>USG/USG>SPORE/AG | -- | \$125,846 | -- | \$106,083 |
| <i>VLCC Average Earnings</i> | | \$75,187 | | \$78,342 |
| SUEZMAX (13.0 Kts L/B) | | | | |
| WAFR>USG 130k | 131.25 | \$56,162 | 128.00 | \$55,080 |
| WAFR>UKC 130k | 136.25 | \$52,672 | 132.00 | \$51,052 |
| BSEA>MED 140k | 153.75 | \$89,778 | 147.50 | \$84,675 |
| CBS>USG 150k | 126.25 | \$65,452 | 132.50 | \$71,214 |
| USG>UKC 150k | 112.50 | \$51,892 | 107.50 | \$48,154 |
| CBS>USG/USG>UKC/WAFR | -- | \$65,927 | -- | \$65,382 |
| AG>USG 140k | 70.00 | \$32,577 | 86.00 | \$42,607 |
| USG>SPORE 130k | 7.0m | -- | 7.0m | -- |
| AG>USG/USG>SPORE/AG | -- | \$76,278 | -- | \$88,278 |
| <i>Suezmax Average Earnings</i> | | \$47,595 | | \$46,513 |
| AFRAMAX (13.0 Kts L/B) | | | | |
| N.SEA>UKC 80k | 135.00 | \$40,117 | 146.00 | \$48,072 |
| BALT>UKC 100k | 126.00 | \$48,054 | 129.70 | \$50,465 |
| CBS>USG 70k | 360.00 | \$111,790 | 299.31 | \$88,374 |
| USG>UKC 70k | 223.33 | \$55,521 | 199.88 | \$47,516 |
| CBS>USG/USG>UKC/NSEA | -- | \$122,170 | -- | \$102,664 |
| MED>MED 80k | 148.33 | \$39,774 | 146.20 | \$39,614 |
| AG>SPORE 70k | 175.00 | \$40,366 | 152.00 | \$32,780 |
| <i>Aframax Average Earnings</i> | | \$69,102 | | \$60,999 |
| PANAMAX (13.0 Kts L/B) | | | | |
| CBS>USG 50k | 340.00 | \$66,209 | 336.00 | \$65,653 |
| CONT>USG 55k | 172.68 | \$30,327 | 161.28 | \$26,751 |
| ECU>USWC 50k | 240.00 | \$47,213 | 240.00 | \$47,213 |
| <i>Panamax Average Earnings</i> | | \$50,707 | | \$45,316 |
| LR2 (13.0 Kts L/B) | | | | |
| AG>JPN 75k | 122.75 | \$21,298 | 107.21 | \$16,567 |
| AG>UKC 80k | 2.71m | \$20,743 | 2.57m | \$18,938 |
| MED>JPN 80k | 2.72m | \$17,502 | 2.38m | \$12,723 |
| AG>UKC/MED>JPN/AG | -- | \$26,092 | -- | \$22,157 |
| <i>LR2 Average Earnings</i> | | \$22,895 | | \$18,428 |
| LR1 (13.0 Kts L/B) | | | | |
| AG>JPN 55k | 139.83 | \$17,861 | 113.30 | \$11,474 |
| AG>UKC 65k | 2.21m | \$16,477 | 1.95m | \$12,210 |
| UKC>WAFR 60k | 158.50 | \$28,892 | 138.70 | \$23,374 |
| AG>UKC/UKC>WAFR/AG | -- | \$27,395 | -- | \$21,941 |
| <i>LR1 Average Earnings</i> | | \$22,628 | | \$16,708 |
| MR (13.0 Kts L/B) | | | | |
| UKC>USAC 37k | 160.00 | \$14,127 | 160.50 | \$14,559 |
| USG>UKC 38k | 178.33 | \$19,270 | 185.00 | \$21,174 |
| USG>UKC/UKC>USAC/USG | -- | \$36,905 | -- | \$31,494 |
| USG>CBS (Pozos Colorados) 38k | 967k | \$41,869 | 1.0m | \$44,546 |
| USG>CHILE (Coronel) 38k | 2.13m | \$35,763 | 2.16m | \$37,238 |
| CBS>USAC/G 38k | 233.33 | \$33,557 | 239.00 | \$35,278 |
| WCIND>JPN/ROK>SPORE/WCIND | -- | \$12,989 | -- | \$13,702 |
| <i>MR Average Earnings</i> | | \$21,492 | | \$22,717 |
| Handy (13.0 Kts L/B) | | | | |
| MED>EMED 30k | 217.00 | \$33,190 | 177.60 | \$22,280 |
| SPORE>JPN 30k | 155.67 | \$9,502 | 153.00 | \$9,709 |
| <i>Handy Average Earnings</i> | | \$18,030 | | \$14,235 |

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 | \$36,000 | \$30,000 |
| Aframax | \$27,000 | \$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

The AG market sentiment continues to dissipate as charterers patiently drip-feed their mid-month programs in an effort to continue to keep downward pressure on last done levels. There were 22 fixtures reported this week, bringing the February cargo tally to 42, including 7 fixture so far for 2nd decade. This leaves roughly another 35 +/- cargoes expected through the middle decade vs. around 55 +/- vessels left remaining through the same period including 8 ex d/d and 5 n/b's. Expect rates to be tested across the board for the short run as weaker fundamentals and a limited expected inquiry due to the Chinese New Year's should keep owners ideas in check going into next week. TD3 traded lower once again settling at 78.96 (-1.29) and down from 87.64 (-8.68) from this time last week.

Rate progression in the West Africa market tracked that in the Middle East. The WAFR - CHINA route shed 7.5 points to conclude at ws77.5, with corresponding TCEs losing 12% to conclude at around \$59,100/day (0.5%) and \$73,400/day (IFO 380).

Rates for voyages commencing in the Americas also faltered this week on the weaker regional demand and a build in the tonnage list. The USG - SPORE route slide down \$600k to conclude at \$10.9M, lump sum.

Suezmax

The Suezmax sector continued to seek balance, but with a slight eroding trend in rates for most trades. Sufficient tonnage was met with limited inquiry, and a Libyan force majeure situation that left some tonnage looking for prompt replacement cargoes. TD20 started the week at ws129.55, made a slight improvement, boosted by some fresh early week inquiry and a dose of owner sentiment, yet closed the week at ws130.23 for an overall net neutral position. TCE's for TD20 finished the week at \$61,700 (IFO 380), and \$54,500 (0.5%). Regional activity in the Med and Black Sea has been underwhelming, as well as in the North Sea, and rates are in modest retreat in these sectors. The Caribbean/USG market has seen thinner tonnage lists, and inquiry to match, but are still feeling the effects of a drag in the overall Atlantic Basin trades. The AG continues to see a steady diet of short and longer haul eastern voyages, but there is weight being put on this sector from a VLCC market with rates in retreat.

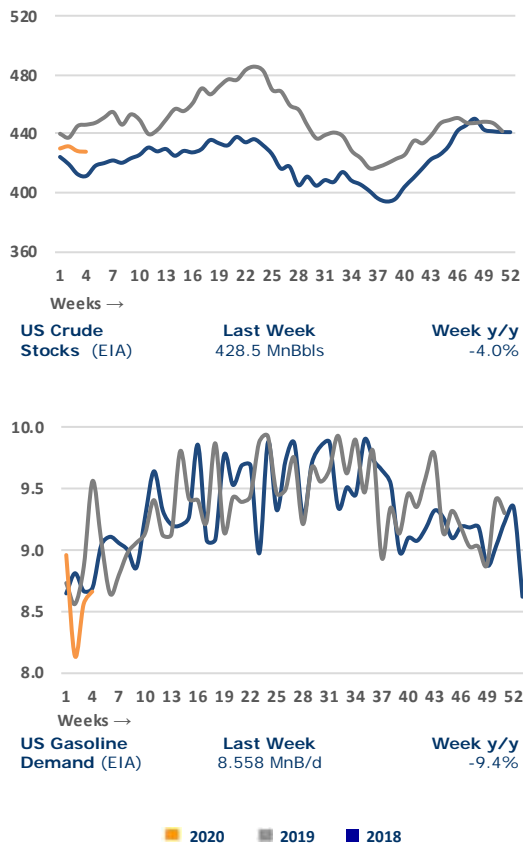
Aframax

Rates in the Aframax sector were generally softer, globally, by week's end. Rates in the USG/Caribs region began to soften, in part due to better weather in the USG, allowing STS operations and refinery programs to return to steadier pace, with some ballasters from the Western Med and Continent still unfixed, charterers see their opening top put additional downward pressure on rates, which have already fallen from the ws215 level to ws190 by week's end. The EC Mexico market has remained mired with long delays at load ports, and rates for the short EC Mex/USG trade remain significantly higher than TA or Caribs/States voyages, but even the rates for this short-haul trade will certainly be impacted by the drop in rates for the other regional trades.

The AG, Suez and Feast Afra trades are also under pressure as the larger VL market continues to set the trend of a softening start to the middle/end of the first quarter. Growing concerns over the effect of the Wuhan coronavirus can only add concern over the short term effects to demand, as travel, and even Chinese New Year's celebrations are either restricted or outright cancelled. Reduced demand will not have a positive effect on tanker rates.

MR

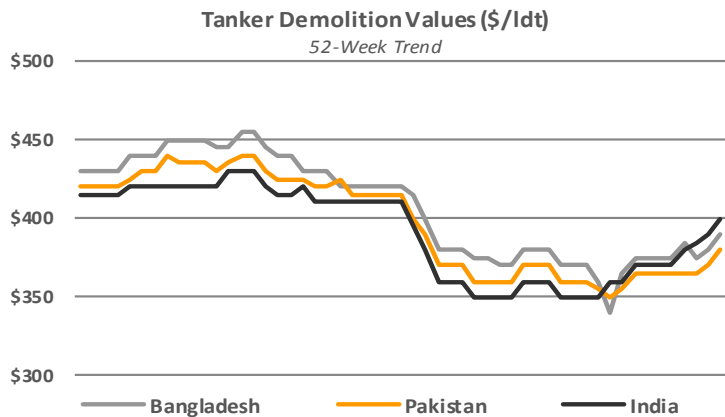
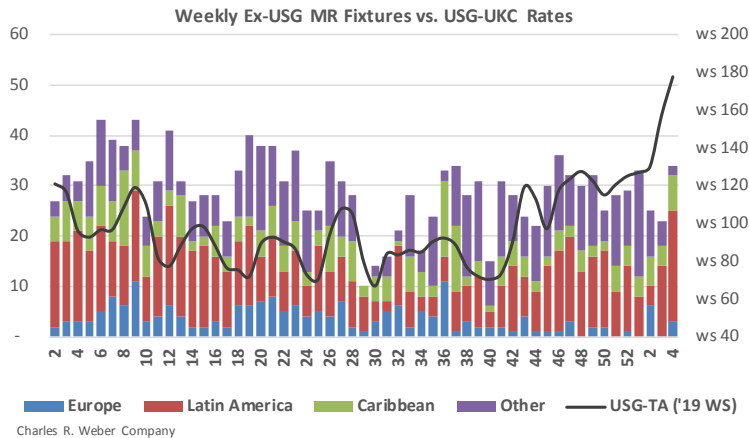
Rates in Europe gained positive momentum each day throughout the week. This was largely in part to less ballasters entering the UKC area, as ships continue to opt for a more robust USG market. A fresh burst of renewed cargo flow have owners optimistic about further improvement to the existing 37,000 ws165-170 TC2 market and ws215 to 220 for West Africa. USG levels remain consistently steady for cargoes loading



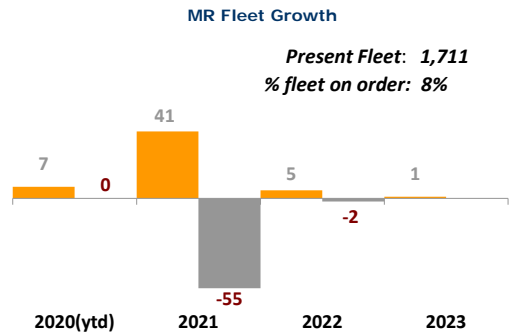
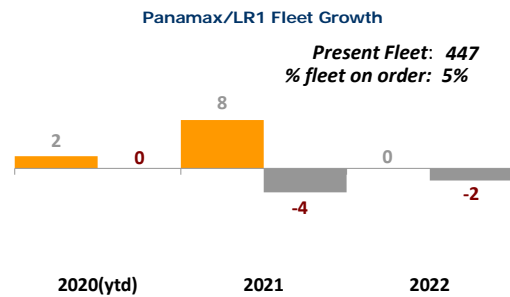
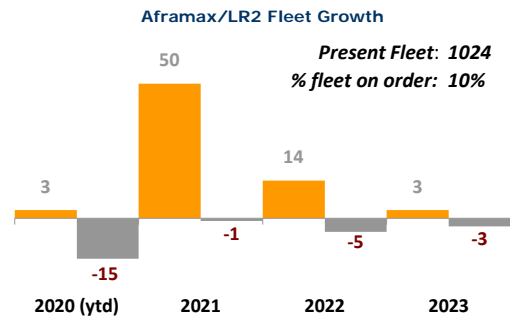
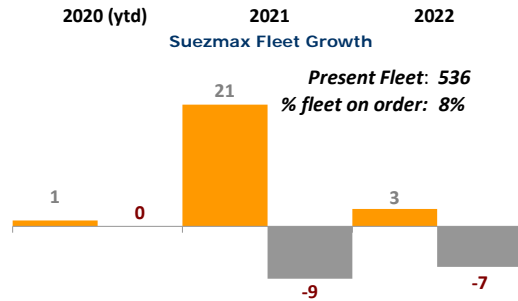
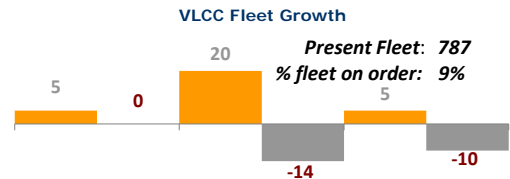
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throughout the end of Jan. A lean list with limited overhang has short-hauls still achieving \$1.0m for USG/CBS as TC14 holds steady at 38,000 ws185. Routes to South America are equally lucrative with USG/Chile still gaining in excess of \$2.0m and Brazil 38,000 ws250. Despite some charterers expecting an inevitable correction, signs are still pointing for solid returns for early February.



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