

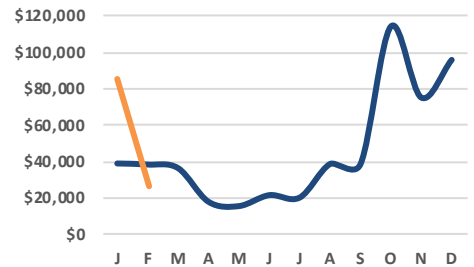
WEEKLY MARKET REPORT



Week 7 • February 14, 2020

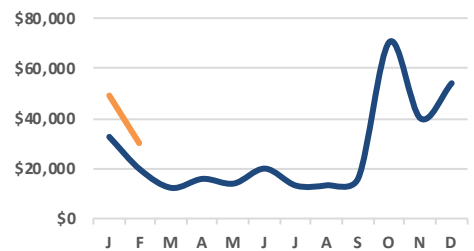
Issue WM07-20

VLCC: The bearish sentiment that developed last week (following the re-entry of COSCO and anticipated demand destruction due to the Coronavirus) kept its hold on the VLCC sector as TCE's hovered just above daily operating costs. The uncertainty surrounding the effects of the Coronavirus continue to play out. Global oil demand is expected to see its first quarterly contraction in over a decade, according to the IEA, which could prompt production cuts. The slowing activity continues to weigh on market sentiment. There were 25 fresh fixtures reported this week, as charterers progressed through the final decade of February programs, bringing the month's cargo tally to 117. If the demand kept the same pace as January we would expect another 15 or so cargoes to go, but lower tally is expected. The position list shows some 28 or so vessels still remaining through the remainder of the month. Eastbound rates continued to hover in the low ws40's, the latest fixture for TD3 concluded at ws40.5, which yields a TCE below \$17,000 per day. Westbound business was largely out of play, but followed a similar trend to eastern business as assessments to the USG held around ws30. Triangulation still maintains the highest possible TCE returns, as AG>USG followed by USG>Singapore (basis ws30 c/c and \$5.5m) yields about \$51,300 per day over the two voyages.



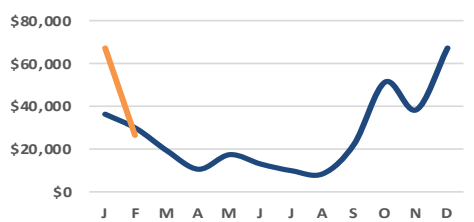
VLCC Average Earnings* MTD 2020 v. CY 2019
 MTD '20 Avg/Day: \$26,259 MTD 20' v. CY '19': -31%

SUEZMAX: West Africa inquiries were relatively stagnant this week resulting in downward pressure on rates. Charterers continue to drip feed their end/early programs while challenging last done levels all week with relative ease. TD20 route fell another 10 pts down to ws80, with the corresponding TCE's declining around 29% from week to week down to around \$31,000/day (IFO 380) / \$25,100/day (0.5%). The BSEA>MED route remains bleak as limited transit delays and lower expected cargo demand has caused freight rates sink almost 5 points to ws90 for the TD6 route yielding a TCE of around \$39,600/day (IFO 380) / \$36,300/day (0.5%). In the USG/CBS region, limited cargo inquiries and softer sentiment amongst owners have left rates shaky and due for testing on both local and TA voyages. Rates for USG>TA imploded further this week dropping nearly 15 pts down to the low ws80's basis 145,000 MT cargo size. The USG>SPORE route appears to continue to teeter around the \$4.75m-\$4.8m level for the time being; however, with VLCC East rates continuing to close the gap, expect the Suezmax market to be tested further going into next week. BDTI - TD20 ended the week settling at w/s79.59 which is down 9.30 points from last week's close of business.



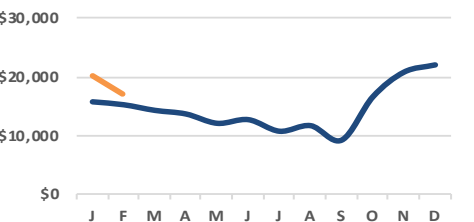
Suezmax Average Earnings* MTD 2020 v. CY 2019
 MTD '20 Avg/Day: \$30,546 MTD 20' v. CY '19': +58%

AFRAMAX: The USG market finished on a quiet note this week after an active first half. The week started strong with solid enquiry for USG/TA and ECMEX/USG cargoes. Monday and Tuesday saw a rush of cargoes come out, picking off prompt tonnage before fog along the USG coast delayed the majority of ships that were due to be free of cargo this week. In typical fashion, after the fog lifted, the weather offshore deteriorated, keeping the list tight and ships that were on to lightering voyages occupied until at least Saturday afternoon/evening. With that said, enquiry remains on the quieter side and additional tonnage should start trickling back in to the market over the weekend, giving charterers some opportunity to test rates down next week. The European markets seem to be gaining some optimism after and active NSEA market boosted Cross UKC rates early. Sentiment seems poised across the board with all of Europe ready to bring rates back up to more workable levels. Owners remain optimistic in the Med despite only achieving ws85 on the last done trade which however, is a slight bump this week. Now, with enquiry expected to pick up, and the markets optimistically poised, next week should be a good indicator as to where rates will end up during the second half of the month.



Aframax Average Earnings* MTD 2020 v. CY 2019
 MTD '20 Avg/Day: \$26,378 MTD 20' v. CY '19': -11%

MR: A short tonnage list on the Continent to start the week gave owners positive expectations. However, market rates hovered for most of the week until inquiries to West Africa picked up. The week concluded with a slight up-swing with last done fixed 37,000mt at ws165 for typical CONT>USAC movement and owners are optimistic going into next week. A positive note in the USG seems to be that for a second week in a row we are back to normal with respect to export volumes and activity. The tonnage list was still heavy at the front end of the week. After a major correction to rates last week, rates this week scraped bottom for most of the week for all discharge destinations. TC 14 presently stands at ws90 for 38,000mt, USG>Brazil 38,000mt at ws140 and USG>CBS lump sum at the \$475,000 to \$500,000 range. The tonnage list has been chopped down considerably, so perhaps we have reached the bottom and rates may improve next week.



MR Average Earnings* MTD 2020 v. CY 2019
 MTD '20 Avg/Day: \$17,189 MTD 20' v. CY '19': +33%

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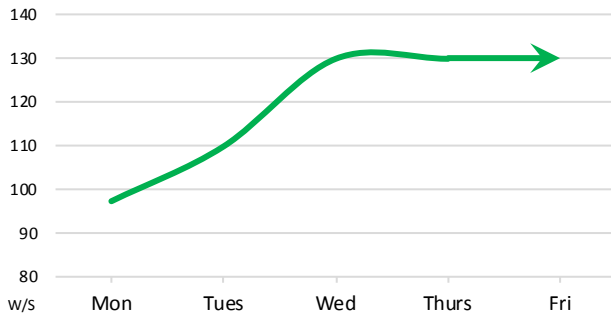
TANKER ROUTES (13kts L B)	Week 6	Week 7	Week 6	Week 7	*Week 6 Bunkers	**Week 7 Bunkers
VLCC	WS L\$	WS L\$	TCE*	TCE**	VLSFO \$534/MT	VLSFO \$523/MT
AG>USG • 280,000 (dwt)	34.00	30.00	--	--		
AG>SPORE • 270,000	45.20	42.40	\$24,010	\$21,015	Time Charter 1 Year v. 3 Years (\$ day): \$40,000 \$34,000	
AG>JPN • 265,000	43.50	40.40	\$23,369	\$19,873		
AG>CHINA • 270,000	46.30	42.40	\$22,884	\$19,873		
WAFR>CHINA • 260,000	48.60	46.20	\$27,775	\$25,384	# Ships Trading:	793
USG>SPORE-AG	6.15m	5.50m	\$66,076	\$56,173	% Fleet on Order:	9%
AG>USG/USG>SPORE-AG	--	--	\$60,172	\$50,305	Ships to Breakers:	Low Activity
VLCC Average Earnings⁺	--	--	\$28,468	\$24,049		
SUEZMAX						
WAFR>USG • 130,000	81.50	82.00	\$28,858	\$29,569	Time Charter 1 Year v. 3 Years (\$ day): \$30,000 \$28,000	
WAFR>UKC • 130,000	86.50	87.00	\$26,578	\$27,277		
BSEA>MED • 140,000	99.50	94.50	\$45,520	\$41,439	# Ships Trading:	536
CBS>USG • 150,000	116.50	113.00	\$62,277	\$41,627	% Fleet on Order:	9%
USG>UKC • 150,000	93.00	92.00	\$42,047	\$41,627	Ships to Breakers:	No Activity
CBS>USG/USG>UKC-WAFR	--	--	\$56,208	\$54,992		
AG>USG • 140,000	44.00	40.00	\$21,376	\$19,474		
USG>SPORE	5.28m	4.93m	--	--		
AG>USG/USG>SPORE-AG	--	--	\$53,662	\$49,988		
Suezmax Average Earnings⁺	--	--	\$29,904	\$31,188		
AFRAMAX						
N.SEA>UKC • 80,000	104.00	119.50	\$20,961	\$32,257	Time Charter 1 Year v. 3 Years (\$ day): \$25,000 \$22,000	
BALT>UKC • 100,000	88.10	102.10	\$26,834	\$36,051		
CBS>USG • 70,000	132.50	178.00	\$25,139	\$43,530	# Ships Trading:	1,025
USG>UKC • 70,000	140.50	171.00	\$28,767	\$40,409	% Fleet on Order:	10%
CBS>USG/USG>UKC-NSEA	--	--	\$52,767	\$73,283	Ships to Breakers:	Low Activity
MED>MED • 80,000	75.00	75.50	\$5,901	\$6,520		
AG>SPORE • 80,000	103.00	95.00	\$17,414	\$14,782		
Aframax Average Earnings⁺	--	--	\$21,872	\$30,884		
PANAMAX						
CBS>USAC(USG) • 50,000	187.00	180.00	\$34,451	\$32,686	Time Charter 1 Year v. 3 Years (\$ day): \$16,000 \$15,500	
UKC>USG • 55,000	165.00	131.10	\$30,632	\$20,504	# Ships Trading:	447
MED>USG • 55,000	151.00	141.00	\$26,831	\$24,092	% Fleet on Order:	4%
ECU>USWC • 50,000	246.00	250.00	\$45,366	\$51,173	Ships to Breakers:	No Activity
Panamax Average Earnings⁺	--	--	\$32,066	\$26,653		
LR2						
AG>JPN • 75,000	81.55	81.90	\$10,083	\$10,602	Time Charter 1 Year v. 3 Years (\$ day): \$25,500 \$24,000	
AG>UKC	1.80m	1.76m	\$7,108	\$6,957	# Ships Trading:	1,025 [^]
MED>JPN	2.45m	2.47m	\$17,089	\$17,838	% Fleet on Order:	10% [^]
AG>UKC-MED>JPN-AG	--	--	\$18,019	\$18,324	Ships to Breakers:	Low Activity [^]
LR2 Average Earnings⁺	--	--	\$12,726	\$13,173		
LR1						
AG>JPN • 55,000	92.19	92.80	\$8,264	\$8,752	Time Charter 1 Year v. 3 Years (\$ day): \$16,500 \$17,000	
AG>UKC	1.62m	1.54m	\$8,369	\$7,097	# Ships Trading:	447 [#]
UKC>WAFR • 60,000	132.20	126.00	\$23,956	\$22,287	% Fleet on Order:	4% [#]
AG>UKC/UKC>WAFR-AG	--	--	\$19,156	\$17,504	Ships to Breakers:	No Activity [#]
LR1 Average Earnings⁺	--	--	\$13,710	\$13,128		
MR						
UKC>USAC • 37,000	144.00	156.50	\$13,482	\$16,200	Time Charter 1 Year v. 3 Years (\$ day): \$16,500 \$16,000	
USG>UKC • 38,000	114.00	90.50	\$8,468	\$3,713	# Ships Trading:	1,714
USG>UKC/UKC>USAC(USG)	--	--	\$24,608	\$21,775	% Fleet on Order:	8%
USG>CBS (Pozos Colorados)	585k	484k	\$19,046	\$12,542	Ships to Breakers:	No Activity
USG>CHILE (Coronel)	1.94m	1.24m	\$33,064	\$13,485		
CBS>USAC(USG) • 38,000	185.00	130.00	\$25,344	\$12,657		
WCIND>JPN-ROK>SPORE-WCIND	--	--	\$12,138	\$12,179		
MR Average Earnings⁺	--	--	\$18,898	\$15,480		
HANDYSIZE						
MED>EMED • 30,000	179.00	189.20	\$19,678	\$27,276	Time Charter 1 Year v. 3 Years (\$ day): \$15,000 \$14,000	
SPORE>JPN • 30,000	138.80	138.00	\$9,234	\$9,332	# Ships Trading:	1,586
Handysize Average Earnings⁺	--	--	\$14,062	\$15,791	% Fleet on Order:	6%
					Ships to Breakers:	Low Activity

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

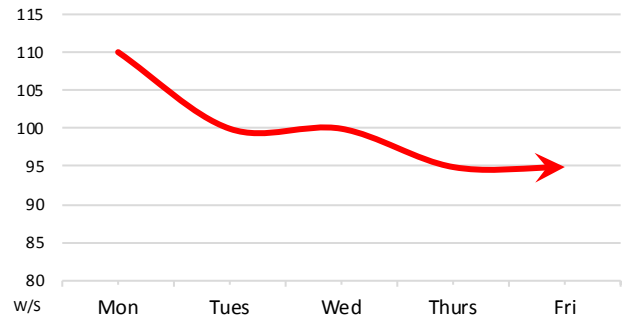
[^] Aframax and LR2 fleet numbers are combined for the purposes of these entries.

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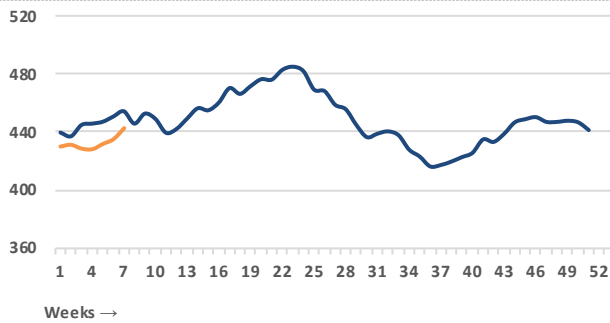
THE WEEK IN CHARTS



Global Climber of the Week: AFRAMAX (NSea>UKC 80,000) | +33.3%

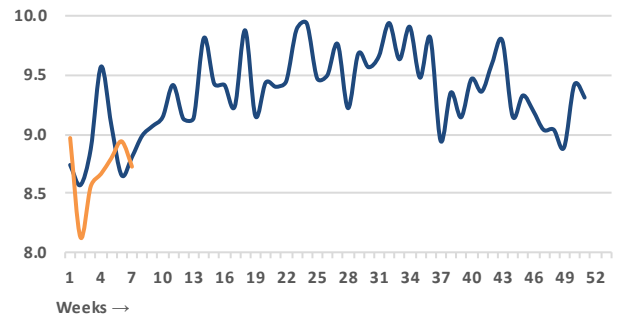


Global Decliner of the Week: MR (ECC>UKC 38,000) | -13.6%



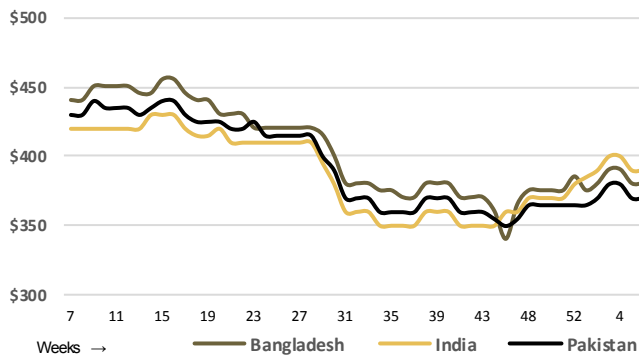
US Crude Oil Stocks (EIA) WTD '20 v. CY '19

This Week: 442.5Mn.Bbls This Week '20 v. '19: -02.6%

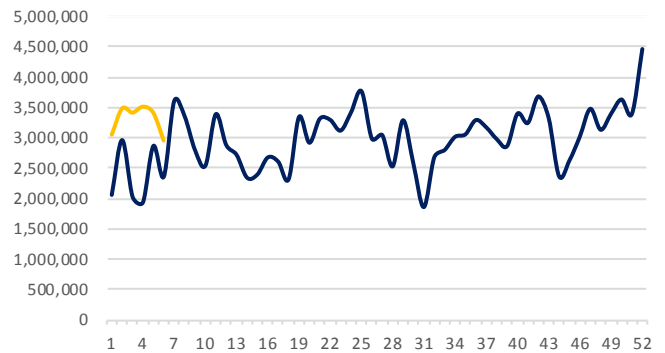


US Gasoline Demand (EIA) WTD '20 v. CY '19

This Week: 8.722Mn.Bbls/Day This Week '20 v. '19: -00.9%



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



Charley's Chart of the Week: Weekly U.S. Exports of Crude Oil WTD '20 v. CY '19 (Barrels/Day)

This Week: 2,970,000 Bbls/Day This Week '20 v. '19: 25.6%

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