

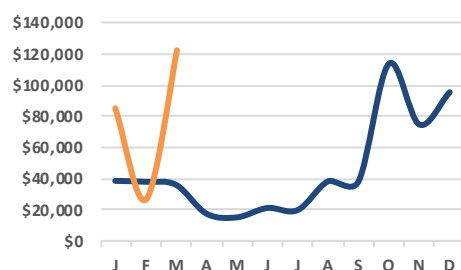
WEEKLY MARKET REPORT



Week 13 • March 27, 2020

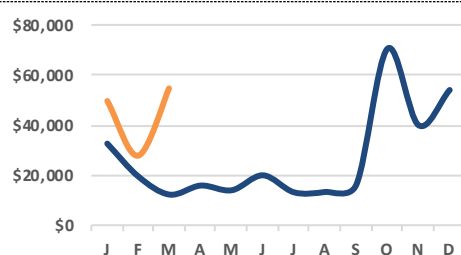
Issue WM13-20

VLCC: The roller coaster ride in the Arabian Gulf sector continued this week. Last week TD3 fell from ws220 to ws120 and initially this week saw some further diminishing as ws87.5 was concluded on a modern unit. However, the drop was short-lived as an influx of time charter and spot inquiries led to a resurgence of rates, pushing TD3 up to ws190 by week's end. With charterers and traders clamoring to lock tonnage up on period business, the list of available tonnage decreased and we saw a revival of spot inquiry in the AG, USG and West Africa. With sentiment clearly in the owners favor, Friday saw eastbound rates climb 10 points at a time moving up 70 points on the final day of the week. The latest TCE's are yielding over \$220,000 per day for TD3. There were 40 fixtures reported this week from the AG, bringing the April cargo tally to 80 and leaving another 65 or so cargoes to go (assuming we continue the pace of March's cargo program). With no anticipated change in production, expectations are for at least that many stems in April. The position list shows a balanced supply and demand equation with some 75 or so vessels available over that same period of time and points to further market strength for the short term.



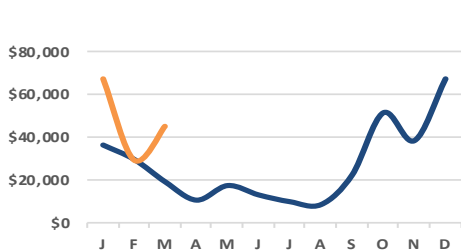
VLCC Average Earnings* MTD 2020 v. CY 2019
 MTD '20 Avg/Day: \$122,053 MTD 20' v. CY '19': +236%

SUEZMAX: Demand in the West was stronger this week, enabling a significant rebound in rates after bottoming out at ws100 for the TD20 route. A very active VLCC sector created additional inquiries for Suezmax. This has improved overall market fundamentals and created stability from last week's downward slide. The TD20 route improved 37.5 points from the start of the week off the back of a more balanced tonnage list and improving rates in alternative load areas. TD20 finished the week at ws140, which yields a TCE of around \$74,000/day (IFO 380) / 71,900/day (0.5%). The BSEA>MED route ended the week at ws145, which boosted the TCE return up to around \$88,000/day (IFO 380) / \$87,700/day (0.5%). In the USG/CBS region, increased demand in both North and South America coupled with a patchy tonnage list have applied upward pressure on rates across the board. The USG>TA route received a boost from bullish sentiment spilling over from the active West Africa and Mediterranean markets pushing rates up to around ws120 basis 145,000mt cargo size. The USG export market also followed suit to the firming VLCC's. East rates were up over \$7.0m (lump-sum) for USG>Singapore. With plenty of upward pressure on both VLCC's and Aframax's going into next week, expect the Suezmax USG export rates to remain strong in the short term. TD20 ended the week settling at ws138.64 which is up 28.87 points from this time last week.



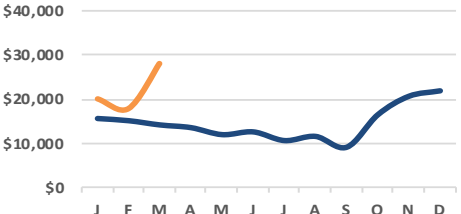
Suezmax Average Earnings* MTD 2020 v. CY 2019
 MTD '20 Avg/Day: \$54,447 MTD 20' v. CY '19': +347%

AFRAMAX: The week kicked off with charterers getting a firm grip on the downward pressure which pushed rates even further down as the week progressed. TD9 saw rates fall nearly 30 points from ws165 at the start of the week. Trans-Atlantic saw a drop near 25 points from ws145 during the second half of the week. Cargo inquiries were out there however it was not enough to pick off the healthy supply of tonnage. The majority of trades this week were done on Trans-Atlantic routes which allowed owners to bring rates back up to the ws130-135 range by Friday which has T/A sentiment poised through the weekend. Now, with inquiries picking up and rates hovering near last done, expect next week to be a good indicator of where the market is headed. Across the pond in Europe, markets have stabilized through the week, dropping anywhere from 15-30 points by the end of the week. Cross UKC and Cross Med kicked off trading near ws180 and finished near ws165 and ws160 as there was not enough inquiries to pick off local tonnage. Now, with many charterers asking questions about short-term time charter and storage, the market should be poised for movement come Monday. Balt/Cont trades fell nearly 30 points this week, closing near ws125, and had a similar trend to most of the European markets. Low inquiries and increased tonnage throughout the region dampened rates with many charterers starting to look for short-term time charter and storage across the region.



Aframax Average Earnings* MTD 2020 v. CY 2019
 MTD '20 Avg/Day: \$45,169 MTD 20' v. CY '19': +138%

MR: The European market can best be divided into two halves with the first half of the week witnessing a softening only to later reverse course on Wednesday for the second half of the week. Increased transatlantic and West Africa demand combined with naphtha pulling ships east helped surge TC2 rates up approximately 20 points to ws185 for 37,000dwt. This may just be a temporary burst, but nonetheless ends the week on a more positive position from where it began. Unfortunately, the USG had no such fortune as a plentiful list and quiet start set the market in a downward motion. Once early April stems began to work mid-week, charterers had their "pick of the litter" bringing rates down substantially. Longer hauls such as USG>Chile have slid down to lump sum \$1.3m, while USG>Brazil appears untested around the ws140 barrier. Short hauls fared no better as USG>CBS fell to low \$400,000's and USG>EC Mexico to low \$200,000's. Barring the exception of product storage, which only seems to be in the "question stage", expectations are for further weakening for the foreseeable future.



MR Average Earnings* MTD 2020 v. CY 2019
 MTD '20 Avg/Day: \$28,107 MTD 20' v. CY '19': +97%

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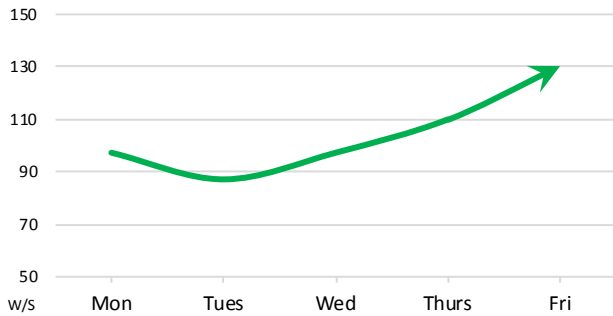
TANKER ROUTES (13kts L B)	Week 12	Week 13	Week 12	Week 13	*Week 12 Bunkers	**Week 13 Bunkers
VLCC	WS L\$	WS L\$	TCE*	TCE**	VLSFO \$294/MT	VLSFO \$274/MT
AG>USG • 280,000 (dwt)	159.00	91.00	--	--		
AG>SPORE • 270,000	170.00	106.00	\$199,310	\$117,606	Time Charter 1 Year v. 3 Years (\$ day): \$57,500 \$34,000	
AG>JPN • 265,000	164.00	103.50	\$198,506	\$118,831		
AG>CHINA • 270,000	175.00	108.50	\$202,762	\$117,939		
WAFR>CHINA • 260,000	169.00	104.50	\$191,476	\$111,993	# Ships Trading:	796
USG>SPORE-AG	12.8m	11.73m	\$188,849	\$172,663	% Fleet on Order:	8%
AG>USG/USG>SPORE-AG	--	--	\$277,976	\$192,661	Ships to Breakers:	No Activity
VLCC Average Earnings⁺	--	--	\$196,007	\$122,771		
SUEZMAX						
WAFR>USG • 130,000	179.50	103.00	\$101,957	\$53,148		
WAFR>UKC • 130,000	184.50	108.00	\$97,199	\$50,290	Time Charter 1 Year v. 3 Years (\$ day): \$41,000 \$28,000	
BSEA>MED • 140,000	191.00	123.00	\$122,363	\$67,599		
CBS>USG • 150,000	143.00	116.50	\$92,723	\$71,941	# Ships Trading:	538
USG>UKC • 150,000	123.00	96.50	\$73,706	\$54,498	% Fleet on Order:	10%
CBS>USG/USG>UKC-WAFR	--	--	\$90,845	\$68,227	Ships to Breakers:	No Activity
AG>USG • 140,000	154.00	74.00	\$121,033	\$52,343		
USG>SPORE	7.20m	5.45m	--	--		
AG>USG/USG>SPORE-AG	--	--	\$134,295	\$76,147		
Suezmax Average Earnings⁺	--	--	\$95,314	\$52,754		
AFRAMAX						
N.SEA>UKC • 80,000	155.00	173.00	\$63,898	\$77,090		
BALT>UKC • 100,000	129.90	145.50	\$60,536	\$70,889	Time Charter 1 Year v. 3 Years (\$ day): \$27,000 \$21,500	
CBS>USG • 70,000	194.00	145.00	\$57,194	\$38,225		
USG>UKC • 70,000	179.00	128.00	\$51,059	\$32,613	# Ships Trading:	1,027
CBS>USG/USG>UKC-NSEA	--	--	\$86,415	\$57,695	% Fleet on Order:	10%
MED>MED • 80,000	159.00	165.00	\$57,074	\$60,823	Ships to Breakers:	No Activity
AG>SPORE • 80,000	134.00	124.00	\$37,425	\$34,353		
Aframax Average Earnings⁺	--	--	\$60,139	\$54,926		
PANAMAX						
CBS>USAC(USG) • 50,000	187.00	181.50	\$40,527	\$39,368	Time Charter 1 Year v. 3 Years (\$ day): \$19,000 \$16,000	
UKC>USG • 55,000	111.20	117.50	\$20,701	\$23,065	# Ships Trading:	447
MED>USG • 55,000	110.00	113.00	\$21,160	\$22,552	% Fleet on Order:	4%
ECU>USWC • 50,000	255.00	259.00	\$54,199	\$55,727	Ships to Breakers:	No Activity
Panamax Average Earnings⁺	--	--	\$28,661	\$29,977		
LR2						
AG>JPN • 75,000	174.80	174.60	\$53,463	\$54,092	Time Charter 1 Year v. 3 Years (\$ day): \$30,500 \$23,000	
AG>UKC	3.67m	3.75m	\$51,042	\$53,192	# Ships Trading:	1,027 [^]
MED>JPN	3.58m	3.88m	\$45,230	\$51,036	% Fleet on Order:	10% [^]
AG>UKC-MED>JPN-AG	--	--	\$56,594	\$61,053	Ships to Breakers:	No Activity
LR2 Average Earnings⁺	--	--	\$54,506	\$56,410		
LR1						
AG>JPN • 55,000	169.90	166.10	\$36,599	\$36,137	Time Charter 1 Year v. 3 Years (\$ day): \$23,500 \$17,000	
AG>UKC	2.64m	2.65m	\$34,667	\$35,256	# Ships Trading:	447 [#]
UKC>WAFR • 60,000	201.10	197.90	\$52,539	\$52,058	% Fleet on Order:	4% [#]
AG>UKC/UKC>WAFR-AG	--	--	\$49,103	\$49,241	Ships to Breakers:	No Activity [#]
LR1 Average Earnings⁺	--	--	\$42,851	\$42,689		
MR						
UKC>USAC • 37,000	177.00	176.00	\$25,334	\$25,415		
USG>UKC • 38,000	128.50	103.00	\$16,917	\$11,908	Time Charter 1 Year v. 3 Years (\$ day): \$19,000 \$16,000	
USG>UKC/UKC>USAC(USG)	--	--	\$36,856	\$31,973		
USG>CBS (Pozos Colorados)	644k	520k	\$27,864	\$19,993	# Ships Trading:	1,723
USG>CHILE (Coronel)	1.74m	1.42m	\$32,722	\$24,028	% Fleet on Order:	8%
CBS>USAC(USG) • 38,000	159.00	142.00	\$24,493	\$21,058	Ships to Breakers:	No Activity
WCIND>JPN-ROK>SPORE-WCIND	--	--	\$31,184	\$31,848		
MR Average Earnings⁺	--	--	\$29,884	\$26,862		
HANDYSIZE						
MED>EMED • 30,000	189.50	216.90	\$31,104	\$39,370	Time Charter 1 Year v. 3 Years (\$ day): \$16,000 \$15,500	
SPORE>JPN • 30,000	158.50	169.30	\$17,438	\$19,620	# Ships Trading:	1,590
Handysize Average Earnings⁺	--	--	\$22,358	\$26,730	% Fleet on Order:	6%
					Ships to Breakers:	No Activity

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

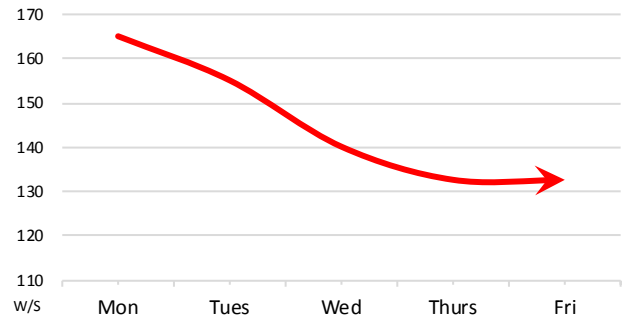
[^] Aframax and LR2 fleet numbers are combined for the purposes of these entries.

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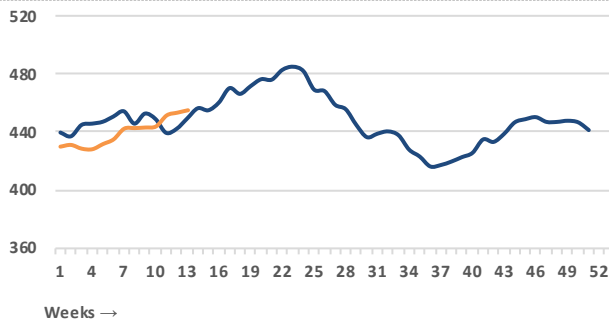
THE WEEK IN CHARTS



Global Climber of the Week: VLCC (USG>Spore 260,000) | +33%

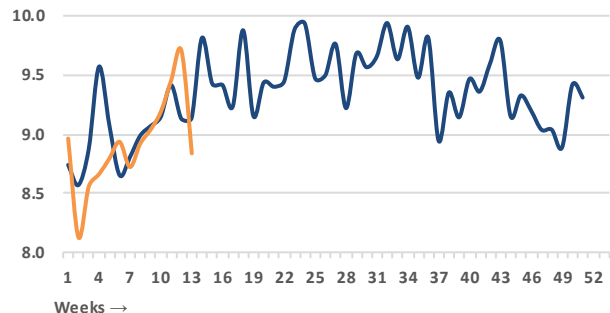


Global Decliner of the Week: AFRAMAX (CBS>USG 70,000) | -19%



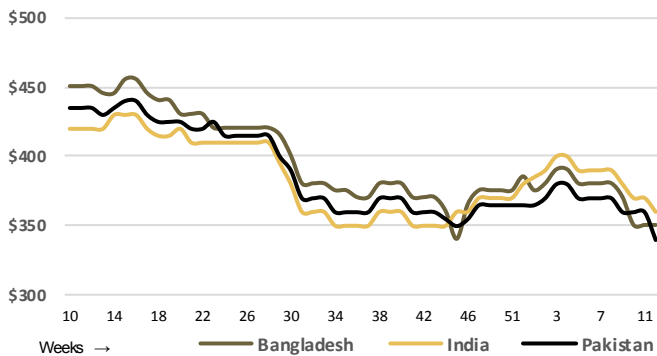
US Crude Oil Stocks (EIA) WTD '20 v. CY '19

This Week: 455.4Mn.Bbls This Week '20 v. '19: +1.3%%

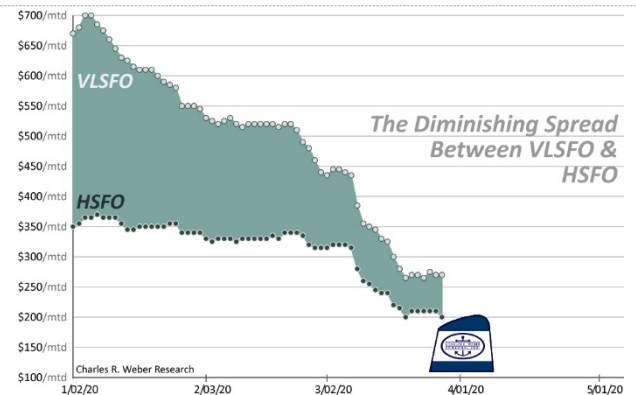


US Gasoline Demand (EIA) WTD '20 v. CY '19

This Week: 8.837Mn.Bbls/Day This Week '20 v. '19: -3.2%



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



Charley's Chart of the Week: The Diminishing Bunker Spread.

VLSFO v. HSFO CY 2020 (6-Port Average).

Charles R. Weber Company, Inc. (Greenwich)
 Greenwich Office Park 3
 Greenwich, CT, 06831
 T: +1 203 629 2300
 E: research@crweber.com
 W: www.crweber.com



Charles R. Weber Company, Inc. (Houston)
 1001 McKinney Street, Suite 475
 Houston, TX, 77002
 T: +1 713 568 7233
 E: research@crweber.com
 W: www.crweber.com