

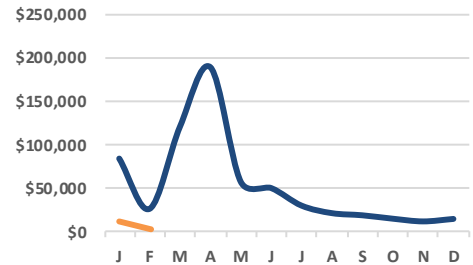
# WEEKLY MARKET REPORT



Week 6 • February 12, 2021

Issue WM06-21

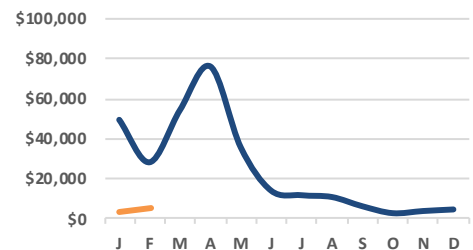
**VLCC:** Last week we saw a lowly 18 fixtures reported from the Arab Gulf, the majority of that dominated by local Unipecc COA business, while this week we saw a similar trend, but it was only 12 Arab Gulf fixtures. February marks the first month of the voluntary 1 million barrels per day of cuts by Saudi Arabia and it is taking its toll market activity. That coupled with bunker prices reaching the highest level in almost 12 months, means rates hovering well below daily OPEX for most tonnage. Returns for non-eco, non-scrubber units are at negative levels for certain voyages, while the modern-eco units barely cover daily OPEX levels. We have seen a slight uptick in freight rates this week, but this has little to do with fundamentals and more of owners looking to maintain current TCE's. Owners are showing less interest in locking in the longer trades from the Atlantic, while the Arab Gulf inquiries are almost non-existent. Little change is expected in the short-term.



**VLCC Average Earnings\* MTD 2021 v. CY 2020**

MTD '21 Avg/Day: \$3,458      MTD '21 v. CY '20: -87%

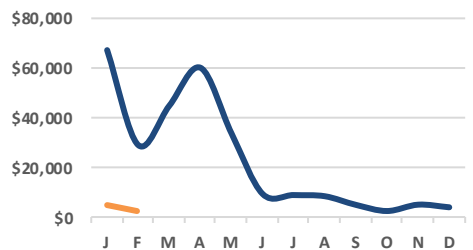
**SUEZMAX:** West Africa inquiries were limited this week resulting in a quick dip in rates for the TD20 route off the back of disjointed tonnage fundamentals. Rates were able to push back up into the low w50's by week's end as fresh resistance amongst owners in addition to higher bunker prices should keep rates elevated in the low-mid w50's going into next week. Rates for WAFR>UKCM ended at ws52.5 but still yielded a dismal TCE of around \$4,600/day (IFO 380) / \$1,500/day (0.5%). In the Americas, Suezmax inquiries / "questions" remains fairly steady however with a healthy amount of tonnage availability rates have been held in check for the week. Rates for USG>TA were holding around ws52.5 (basis 145,000mt cargo) while USG>Far East rates have bounced around the mid \$2,000,000 levels for Singapore discharge but remain date sensitive. BDTI- TD20 ended the week settling at ws53.41 which is up 1.32 points from this time last week.



**Suezmax Average Earnings\* MTD 2021 v. CY 2020**

MTD '21 Avg/Day: \$5,576      MTD '21 v. CY '20: -80%

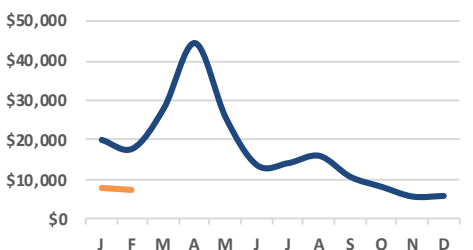
**AFRAMAX:** It was an interesting week in the market. Rates started off near last done levels at the ws70 range for both Transatlantic and local cargoes before the list started to tighten up due to fog delays. Owners took advantage of the tighter list during the first half of the week, pushing rates up to ws80 for local voyages by Wednesday. Activity was steady but not overwhelming, that said, owners continued to capitalize and by the end of the week, ws99 was rumored to be done ex-Bahamas to the USAC. With the threat of fog behind us, the US Gulf now faces the threat of a winter storm starting Sunday night through Tuesday morning. With ice and snow in the forecast and temperature in the surrounding Houston area reaching single digits, port delays along the coast will likely be inevitable. Owners will likely continue to keep up the momentum through the weekend however, once tonnage starts making its way back into the market next week, charterers could have a chance to start testing rates back down. Another week goes by and the European saga continues. Rates held steady at last done levels with owners continuing to achieve ws77.5 on Cross UKC and ws75 on Cross Med. The demand is just not there to support any sort of rate increase and the market will likely continue to suffer next week.



**Aframax Average Earnings\* MTD 2021 v. CY 2020**

MTD '21 Avg/Day: \$2,816      MTD '21 v. CY '20: -90%

**MR:** The Continent market started the week slow with rates heading slightly downward as Charterers began grabbing shaky histories to achieve lower rates for MRs, while LR1's and LR2's remained fairly active with rates firming. By week's end after fixing tainted histories and vintage units rates began steadying as the tide turned and owners were able to claw back some gains ending the week around ws120 (basis 37,000mt cargo). Boring, dull and/or repeating last done rates continue to describe the US Gulf market for most of this week. The snail's pace in the US Gulf continued as TC14 hovered around ws75 (basis 38,000mt cargo) for most of the week but likely ending the week around ws70. Rates to Brazil weakened slightly to ws112.5 (basis 38,000mt cargo). Charterers were able to chip away at USG>Chile to settle at \$1.05 m. Shorter hauls to both the Caribbean and EC Mexico also took a hit to owners' bottom line, especially with rising bunker costs, with voyages to CARIBS ended around \$350,000 and \$165,000 to EC Mexico that failed subjects. We also saw a little flurry of action concluded on the US West Coast during the week. With the Presidents Day holiday weekend upon us, we expected to see some much-needed inquiries, however, it did not seem to materialize by COB today.



**MR Average Earnings\* MTD 2021 v. CY 2020**

MTD '21 Avg/Day: \$7,075      MTD '21 v. CY '20: -60%

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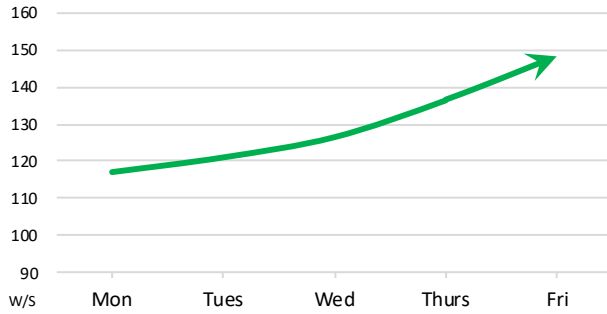
TANKER ROUTES (13kts L B)	Week 5 WS L\$	Week 6 WS L\$	Week 5 TCE*	Week 6 TCE**	*Week 5 Bunkers VLSFO \$463/MTD	**Week 6 Bunkers VLSFO \$489/MTD
<b>VLCC</b>						
AG>USG • 280,000 (dwt)	18.60	18.50	--	--		
AG>SPORE • 270,000	30.60	31.00	\$2,573	\$1,515	Time Charter 1 Year v. 3 Years (\$ day): \$27,000   \$31,000	
AG>JPN • 265,000	29.00	28.00	\$5,089	\$2,330		
AG>CHINA • 270,000	31.80	31.80	\$1,230	-\$263		
WAFR>CHINA • 260,000	34.60	32.60	\$6,705	\$3,202	# Ships Trading:	820
USG>SPORE-AG	3.26m	3.25m	\$23,392	\$21,647	% Fleet on Order:	10%
AG>USG/USG>SPORE-AG	--	--	\$16,833	\$14,986	Ships to Breakers:	No Activity
<b>VLCC Average Earnings<sup>+</sup></b>	--	--	\$4,962	\$1,954		
<b>SUEZMAX</b>						
WAFR>USG • 130,000	52.00	46.50	\$6,742	\$2,715		
WAFR>UKC • 130,000	57.00	51.50	\$4,863	\$956	Time Charter 1 Year v. 3 Years (\$ day): \$18,000   \$22,000	
BSEA>MED • 140,000	68.00	65.50	\$12,980	\$10,410		
CBS>USG • 150,000	57.00	59.00	\$10,424	\$10,769	# Ships Trading:	559
USG>UKC • 150,000	48.50	50.50	\$5,168	\$5,360	% Fleet on Order:	8%
CBS>USG/USG>UKC-WAFR	--	--	\$13,586	\$14,210	Ships to Breakers:	No Activity
AG>USG • 140,000	22.50	18.60	-\$3,819	-\$3,685		
USG>SPORE	2.41m	2.52m	--	--		
AG>USG/USG>SPORE-AG	--	--	\$10,429	\$10,866		
<b>Suezmax Average Earnings<sup>+</sup></b>	--	--	\$7,133	\$4,019		
<b>AFRAMAX</b>						
N.SEA>UKC • 80,000	77.48	77.50	-\$1,401	-\$2,145		
BALT>UKC • 100,000	57.60	56.20	\$3,037	\$1,447	Time Charter 1 Year v. 3 Years (\$ day): \$16,500   \$20,000	
CBS>USG • 70,000	70.00	76.50	-\$1,286	\$106		
USG>UKC • 70,000	68.00	75.50	-\$304	\$1,114	# Ships Trading:	1,041
CBS>USG/USG>UKC-NSEA	--	--	\$8,258	\$10,917	% Fleet on Order:	9%
MED>MED • 80,000	79.00	75.00	\$5,242	\$2,583	Ships to Breakers:	No Activity
AG>SPORE • 80,000	65.00	65.00	\$1,559	\$656		
<b>Aframax Average Earnings<sup>+</sup></b>	--	--	\$3,087	\$2,544		
<b>PANAMAX</b>						
CBS>USAC(USG) • 50,000	99.00	90.00	\$7,322	\$4,439	Time Charter 1 Year v. 3 Years (\$ day): \$14,000   \$15,000	
UKC>USG • 55,000	64.70	64.60	-\$1,407	-\$2,171	# Ships Trading:	458
MED>USG • 55,000	70.00	70.00	\$437	-\$330	% Fleet on Order:	1%
ECU>USWC • 50,000	195.00	195.00	\$25,956	\$25,112	Ships to Breakers:	Low Activity
<b>Panamax Average Earnings<sup>+</sup></b>	--	--	\$3,944	\$2,306		
<b>LR2</b>						
AG>JPN • 75,000	67.90	64.20	\$3,237	-\$253	Time Charter 1 Year v. 3 Years (\$ day): \$17,500   \$20,500	
AG>UKC	1.42m	1.33m	\$2,117	-\$578	# Ships Trading:	1,041 <sup>^</sup>
MED>JPN	1.87m	1.89m	\$9,717	\$9,054	% Fleet on Order:	9% <sup>^</sup>
AG>UKC-MED>JPN-AG	--	--	\$10,663	\$8,982	Ships to Breakers:	No Activity <sup>^</sup>
<b>LR2 Average Earnings<sup>+</sup></b>	--	--	\$5,710	\$2,823		
<b>LR1</b>						
AG>JPN • 55,000	76.40	82.10	\$2,502	\$3,051	Time Charter 1 Year v. 3 Years (\$ day): \$15,000   \$16,000	
AG>UKC	1.07m	1.12m	-\$195	-\$16	# Ships Trading:	458 <sup>°</sup>
UKC>WAFR • 60,000	101.30	108.20	\$11,081	\$12,168	% Fleet on Order:	1% <sup>°</sup>
AG>UKC/UKC>WAFR-AG	--	--	\$7,304	\$8,005	Ships to Breakers:	No Activity <sup>°</sup>
<b>LR1 Average Earnings<sup>+</sup></b>	--	--	\$4,903	\$5,528		
<b>MR</b>						
UKC>USAC • 37,000	128.50	116.00	\$7,296	\$4,560		
USG>UKC • 38,000	70.50	77.00	-\$1,698	-\$1,062	Time Charter 1 Year v. 3 Years (\$ day): \$13,000   \$14,500	
USG>UKC/UKC>USAC(USG)	--	--	\$10,211	\$9,330	# Ships Trading:	1,777
USG>CBS (Pozos Colorados)	350k	376k	\$4,844	\$6,017	% Fleet on Order:	7%
USG>CHILE (Coronel)	1.08m	1.10m	\$10,410	\$10,392	Ships to Breakers:	No Activity
CBS>USAC(USG) • 38,000	107.00	108.00	\$6,094	\$5,730		
WCIND>JPN-ROK>SPORE-WCIND	--	--	\$4,306	\$2,387		
<b>MR Average Earnings<sup>+</sup></b>	--	--	\$7,660	\$6,489		
<b>HANDYSIZE</b>						
MED>EMED • 30,000	132.20	129.90	\$14,315	\$13,179	Time Charter 1 Year v. 3 Years (\$ day): \$11,000   \$13,000	
SPORE>JPN • 30,000	119.30	113.80	\$4,572	\$3,269	# Ships Trading:	610
<b>Handysize Average Earnings<sup>+</sup></b>	--	--	\$8,080	\$6,836	% Fleet on Order:	5%
					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).

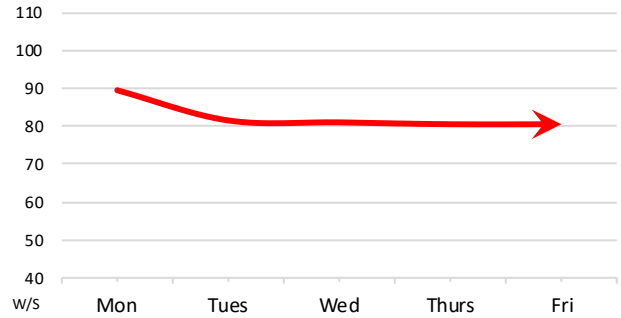
<sup>^</sup> Aframax and LR2 fleet numbers are combined for the purposes of these entries.

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

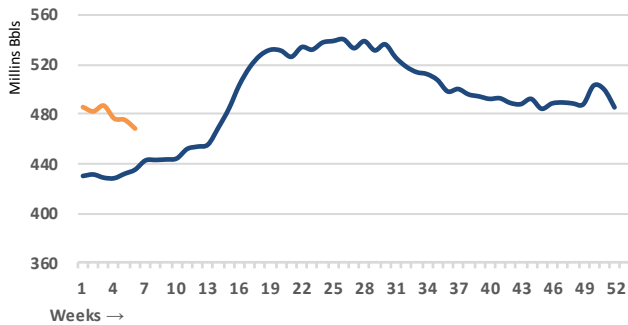
THE WEEK IN CHARTS



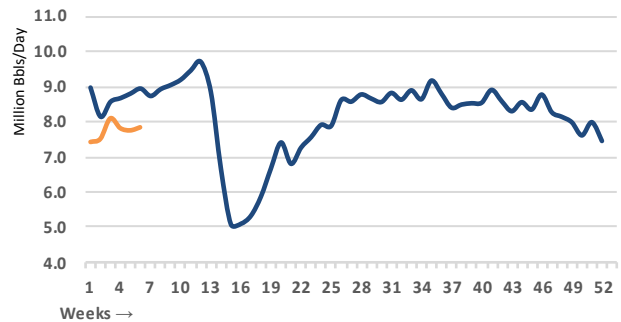
**Global Climber of the Week:** Handy (MED>MED | 30,000) | **+27%**



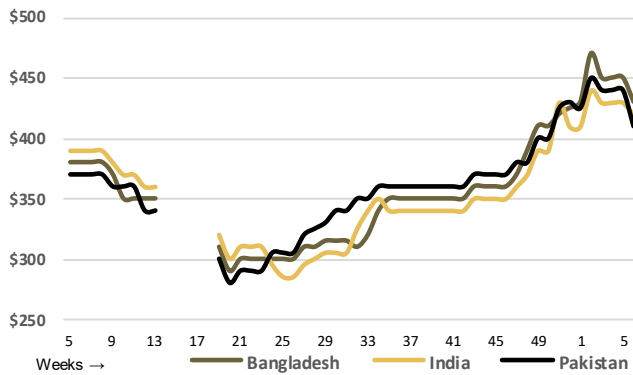
**Global Decliner of the Week:** MR (WC India>Japan | 35,000) | **-10%**



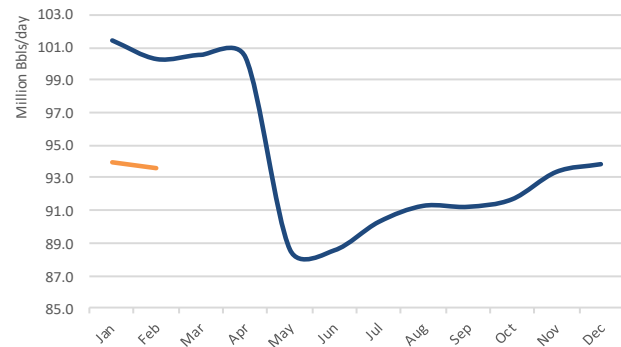
**US Crude Oil Stocks (EIA) WTD '21 v. CY '20**  
This Week: 469.0m bbls This Week '21 v. '20: +7.8%



**US Gasoline Demand (EIA) WTD '21 v. CY '20**  
This Week: 7.857m bbls/day This Week '21 v. '20: -12.0%



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



**Charley's Chart of the Week:** World Oil Production (EIA) 2020 v MTD 2021  
February 2021 Projection: 93.55m bbls/day February '21 v. '20: -6.6%

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