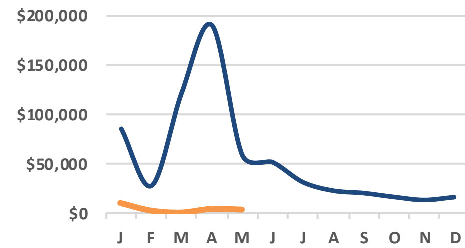
Charles R. Weber Research

WEEKLY MARKET REPORT

Week 20 • May 21, 2021 **Issue WM20-21**

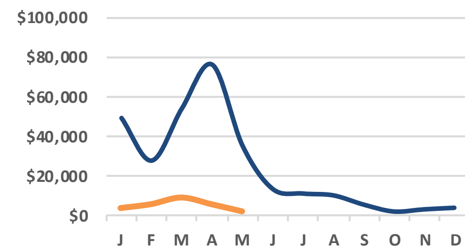
VLCC: An active week in the Arabian Gulf market with Chinese charterers especially busy reaching out into early June to secure tonnage. The added inquiries put upward pressure on sentiment and pushed Eastbound rates from ws31.5 up to ws36, with a high of ws37.5 concluded on replacement business. While the Arabian Gulf was busy, the Atlantic Basin market was unusually quiet. Inquiries from the North Sea and US Gulf extremely limited, while a few West Africa cargoes were concluded at last done levels of ws35. The fundamentals remain in the charterers favor, but if the stronger inquiries continue in the Arabian Gulf, sentiment will keep upward pressure on rates.



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

MTD '21 Avg/Day: $3,528 **MTD '21 *v.* CY '20:** -94%

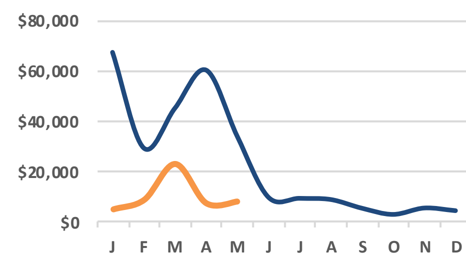
SUEZMAX: The West Africa market was stagnant this week limiting any possibility of rate recovery. As a result, rates for the TD20 route continue to hold in the upper ws40's as sufficient tonnage availabilities and weaker sentiment amongst owners have kept rates grounded. WAFR>UKCM ended the week at ws49 which still yields a sub-OPEX TCE return of roughly $3,800/day (IFO 380) & $250/day (0.5%) basis current bunker prices. In the USG/CBS region, inquiries were limited to only a handful of cargo lifts as rates continue to limp along around last week's levels. Rates for USG>TA ended the week at ws39 (basis 145,000mt cargo) and up-coast is still pinned at around ws50 (basis 150,000mt cargo). The USG>East route pushed a touch higher to end the week with $2.85m levels getting done for South Korea discharge. USG>Singapore should push to around $2.4-2.45m levels but will be date sensitive going into next week. BDTI- TD20 ended the week settling at ws48.89 which is down 2.13 points from this time last week.



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

MTD '21 Avg/Day: $1,609 **MTD '21 *v.* CY '20:** -95%

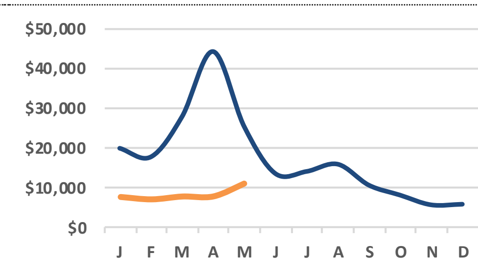
AFRAMAX: The market continued to ease this week with ws100 achieved out of East Coast Mexico. Transatlantic rates continued to hover at last done levels, which are currently 10 Worldscale points over the year to date low for Transatlantic routes. The longer list coupled with a lack of demand were the two contributing factors in allowing charterers to test rates further. That said, depending how much tonnage makes its way back into the market over the weekend, there is a good chance that rates will continue easing through the beginning of next week. Over in Europe the markets continue to remain stagnant. Cross UKC routes hovered between ws90-92.5 and by the end of the week most quotes were receiving around 8 offers each. Cross Mediterranean rates traded sideways all week at ws85. There was a steady flow of fresh inquiries toward the end of the week and the list started to thin out a bit; however, the demand was just not there enough to really get the market moving in a positive direction. The Cross Mediterranean market remains somewhat poised and could have a chance to start ticking up next week.



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

MTD '21 Avg/Day: $8,304 **MTD '21 *v.* CY '20:** -76%

MR: The market in Europe did not experience too much volatility this week. TC2 rates found a "landing spot" at ws135 (basis 37,000mt cargo) and basically held throughout the week. Busier activity in the first few days helped keep rates moving sideways despite an influx of fresh USAC ballasters. The premium to West Africa is holding at a 10-point premium; however, markets can only hold steady for so long and a quieter end to the week will probably have charterers aiming for lower rates once the June stems come into play. As predicted, the US Gulf witnessed a consistent erosion of freight levels, as the Colonial Pipeline disruption became a distant memory. As tonnage continued to build and cargoes slowly returned to the market, charterers were able to capitalize on rates returning to where they began. At present TC14 has fallen to ws80 and TC18 down to ws110 (each basis 38,000mt cargo). Short hauls are also no reprieve for owners at $200,000 and mid $300,000's (each lumpsum) for USG>Caribs. There is a sense that the market has gotten close to the bottom, unfortunately, a fragmented overhang of ships is proving it may take more time before any hopes of a real recovery.



MR Average Earnings⁺ MTD 2021 v. CY 2020

MTD '21 Avg/Day: $11,149 **MTD '21 v. CY '20**: -56%

*Week 19 Bunkers VLSFO $515/MTD | **Week 20 Bunkers VLSFO $508/MTD

TANKER ROUTES (13kts L|B) VLCC	Week 19 WS|L$	Week 20 WS|L$	Week 19 TCE**	Week 20 TCE**
AG>USG • 280,000 (dwt)	18.00	**18.40**	--	--
AG>SPORE • 270,000	33.00	**33.30**	$1,822	**$2,551**
AG>JPN • 265,000	32.00	**31.50**	$5,506	**$5,305**
AG>CHINA • 270,000	34.00	**34.50**	$232	**$1,136**
WAFR>CHINA • 260,000	34.80	**35.00**	$3,822	**$4,418**
USG>SPORE-AG	3.32m	**3.23m**	$21,200	**$20,162**
AG>USG/USG>SPORE-AG	--	--	$13,200	**$13,159**
VLCC Average Earnings +	--	--	*$3,054*	***$3,321***

VLCC	
Time Charter 1 Year v. 3 Years ($|day):	$24,000 | $29,000
# Ships Trading:	829
% Fleet on Order:	12%
Ships to Breakers:	No Activity

SUEZMAX	Week 19 WS|L$	Week 20 WS|L$	Week 19 TCE**	Week 20 TCE**
WAFR>USG • 130,000	51.00	**45.40**	$3,800	**$1,018**
WAFR>UKC • 130,000	51.50	**49.05**	-$357	**-$1,397**
BSEA>MED • 140,000	58.00	**57.50**	$4,570	**$4,207**
CBS>USG • 150,000	50.00	**50.00**	$2,979	**$3,126**
USG>UKC • 150,000	38.80	**38.65**	-$3,400	**-$3,327**
CBS>USG/USG>UKC-WAFR	--	--	-$456	**-$362**
AG>USG • 140,000	16.50	**17.10**	-$6,121	**-$5,659**
USG>SPORE	1.98m	**2.20m**	--	--
AG>USG/USG>SPORE-AG	--	--	$4,176	**$6,450**
Suezmax Average Earnings +	--	--	*$1,339*	***$563***

SUEZMAX	
Time Charter 1 Year v. 3 Years ($|day):	$18,000 | $20,500
# Ships Trading:	567
% Fleet on Order:	7%
Ships to Breakers:	Low Activity

AFRAMAX	Week 19 WS|L$	Week 20 WS|L$	Week 19 TCE**	Week 20 TCE**
N.SEA>UKC • 80,000	91.00	**91.00**	$5,194	**$5,164**
BALT>UKC • 100,000	70.10	**73.20**	$7,468	**$9,167**
CBS>USG • 70,000	104.00	**99.00**	$8,476	**$6,904**
USG>UKC • 70,000	79.50	**77.50**	$1,106	**$639**
CBS>USG/USG>UKC-NSEA	--	--	$15,155	**$13,839**
MED>MED • 80,000	85.50	**85.00**	$6,467	**$6,472**
AG>SPORE • 80,000	87.00	**91.50**	$6,683	**$8,344**
Aframax Average Earnings +	--	--	*$8,231*	***$8,089***

AFRAMAX	
Time Charter 1 Year v. 3 Years ($|day):	$16,500 | $18,000
# Ships Trading:	1,047
% Fleet on Order:	9%
Ships to Breakers:	Low Activity

PANAMAX	Week 19 WS|L$	Week 20 WS|L$	Week 19 TCE**	Week 20 TCE**
CBS>USAC(USG) • 50,000	177.00	**128.00**	$24,638	**$12,816**
UKC>USG • 55,000	103.20	**105.50**	$6,726	**$7,441**
MED>USG • 55,000	105.00	**105.00**	$9,447	**$9,601**
ECU>USWC • 50,000	164.00	**164.00**	$17,514	**$17,823**
Panamax Average Earnings +	--	--	*$13,512*	***$9,315***

PANAMAX	
Time Charter 1 Year v. 3 Years ($|day):	$14,500 | $15,500
# Ships Trading:	458
% Fleet on Order:	1%
Ships to Breakers:	No Activity

LR2	Week 19 WS|L$	Week 20 WS|L$	Week 19 TCE**	Week 20 TCE**
AG>JPN • 75,000	75.70	**89.50**	$2,425	**$6,982**
AG>UKC	1.58m	**1.68m**	$3,265	**$5,395**
MED>JPN	1.56m	**1.58m**	$2,409	**$3,041**
AG>UKC-MED>JPN-AG	--	--	$7,227	**$8,690**
LR2 Average Earnings +	--	--	*$4,024*	***$7,551***

LR2	
Time Charter 1 Year v. 3 Years ($|day):	$18,250 | $19,000
# Ships Trading:	1,047^
% Fleet on Order:	9%^
Ships to Breakers:	No Activity^

LR1	Week 19 WS|L$	Week 20 WS|L$	Week 19 TCE**	Week 20 TCE**
AG>JPN • 55,000	94.00	**90.30**	$5,020	**$4,376**
AG>UKC	1.46m	**1.34m**	$5,680	**$3,659**
UKC>WAFR • 60,000	93.30	**93.90**	$7,358	**$7,694**
AG>UKC/UKC>WAFR-AG	--	--	$9,998	**$8,717**
LR1 Average Earnings +	--	--	*$7,509*	***$6,547***

LR1	
Time Charter 1 Year v. 3 Years ($|day):	$16,000 | $16,000
# Ships Trading:	458°
% Fleet on Order:	1%°
Ships to Breakers:	No Activity°

MR	Week 19 WS|L$	Week 20 WS|L$	Week 19 TCE**	Week 20 TCE**
UKC>USAC • 37,000	150.00	**135.50**	$8,753	**$6,461**
USG>UKC • 38,000	142.00	**94.50**	$9,122	**$1,142**
USG>UKC/UKC>USAC(USG)	--	--	$18,723	**$10,350**
USG>CBS (Pozos Colorados)	800k	**465k**	$33,410	**$11,311**
USG>CHILE (Coronel)	1.52m	**1.28m**	$21,483	**$14,972**
CBS>USAC(USG) • 38,000	179.00	**129.00**	$18,544	**$9,092**
WCIND>JPN-ROK>SPORE-WCIND	--	--	$9,327	**$9,325**
MR Average Earnings +	--	--	*$16,383*	***$9,836***

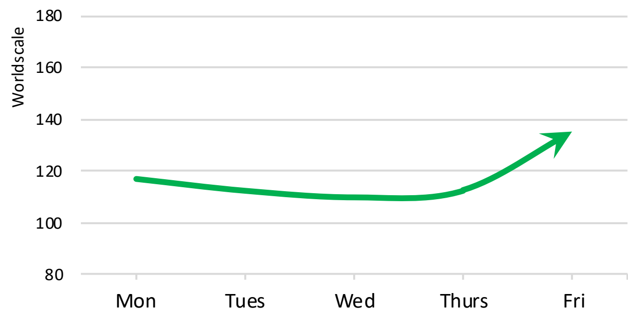
MR	
Time Charter 1 Year v. 3 Years ($|day):	$13,000 | $14,000
# Ships Trading:	1,795
% Fleet on Order:	7%
Ships to Breakers:	Low Activity

HANDYSIZE	Week 19 WS|L$	Week 20 WS|L$	Week 19 TCE**	Week 20 TCE**
MED>EMED • 30,000	140.10	**174.50**	$15,908	**$26,660**
SPORE>JPN • 30,000	146.60	**150.50**	$7,284	**$7,971**
Handysize Average Earnings +	--	--	*$10,389*	***$14,699***

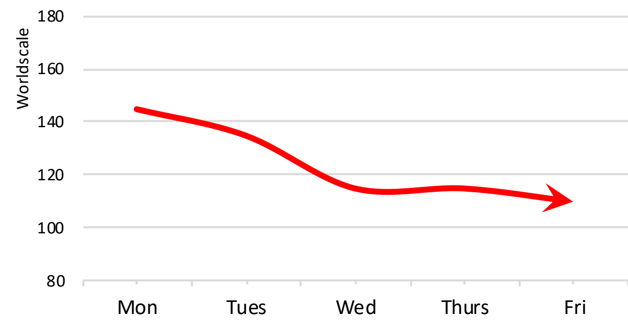
HANDYSIZE	
Time Charter 1 Year v. 3 Years ($|day):	$12,000 | $13,000
# Ships Trading:	604
% Fleet on Order:	6%
Ships to Breakers:	Low Activity

+ "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.
° Panamax and LR1 fleet numbers are combined for the purposes of these entries.

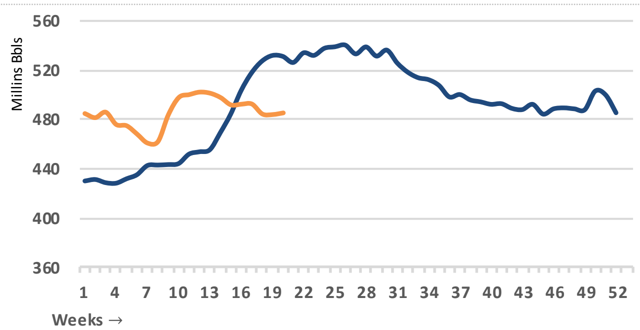
THE WEEK IN CHARTS



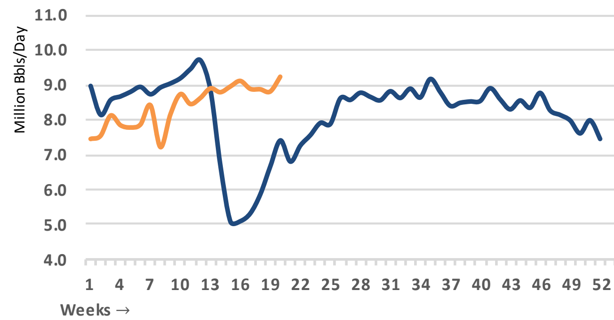
Global **Climber** **of the Week:** MR (AG>JAPAN | 35,000mt) **| +15%**



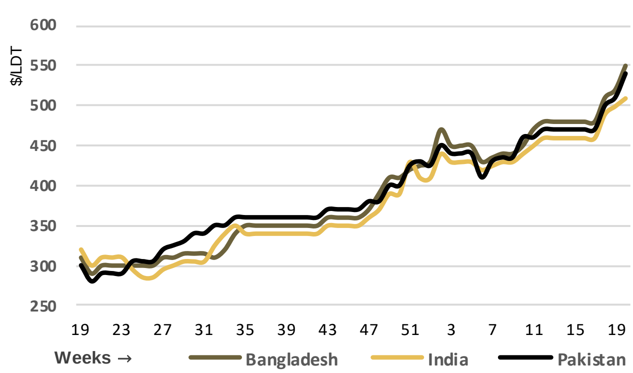
Global **Decliner** **of the Week**: MR (USG>BRAZIL I 38,000mt) **| -24%**



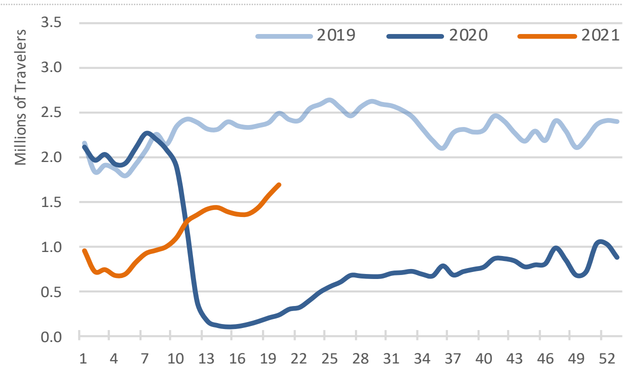
US Crude Oil Stocks (EIA) WTD '21 v. CY '20
This Week: 486.0m bbls **This Week '21 *v.* '20:** -8.6%



US Gasoline Demand (EIA) WTD '21 v. CY '20
This Week: 9.224m bbls/day **This Week '21 *v.* '20:** +24%



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



Charley's Chart of the Week: U.S. TSA - Air Traveler Movements
WTD'21 v CY '20 & '19
This Week: 1,688,000 people **This Week '21 *v.* '20:** +635%

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