

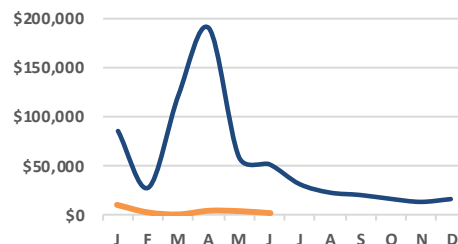
# WEEKLY MARKET REPORT



Week 23 • June 11, 2021

Issue WM23-21

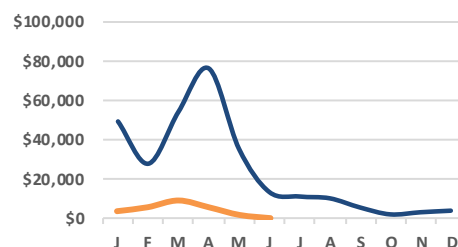
**VLCC:** This week started out like many of the last few weeks in the VLCC market, too darn quiet, and unfortunately, it has ended much the same. This week saw little fresh inquiries. Likewise, we see less than twenty cargoes remaining for the June program and are still about a week away from the progression into the July cargo programs. The sluggish pace of inquiries has those few cargoes out there in no rush to move and such inactivity keeps downward pressure on market sentiment. Rates for TD3 dipped back down to the ws32.5 level for the week. The Atlantic Basin did not fare much better, and the lack of action continued to allow rates to move sideways. Rising bunker prices may limit further drops in rates as owners will try and hold on to existing levels as their returns continue to flirt with a negative OPEX result. Therefore, if one were going to surmise the situation this week in an equation form, it could be written as: *“Limited Inquiries + Ample Tonnage = Bearish Market”*.



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

MTD '21 Avg/Day: \$1,739      MTD '21 v. CY '20: -97%

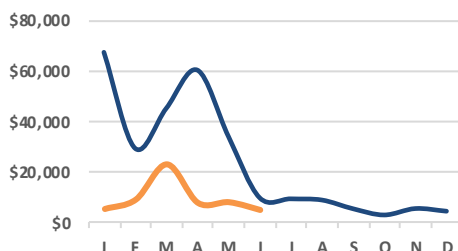
**SUEZMAX:** Demand in West Africa was stronger this week as charterers actively worked their remaining end June programs in earnest. The uptick in cargo inquiries helped absorb some of the excess tonnage; however, overall fundamentals remain unbalanced which kept rates grounded in place. TD20 finished the week at where it started, at ws47.5, which yields a TCE of around \$1,600/day (IFO 380) and \$2,100/day (0.5%). In the USG/CBS region, Suezmax inquiries were limited to only a handful of fixtures as rates continue to limp along around last week's levels. Rates for USG>TA ended the week at ws37.5 (basis 145,000mt cargo) and up-coast is still pinned at around ws50 (basis 150,000mt cargo). The USG>Singapore route continues to teeter around \$2.4m levels but remains date sensitive going into next week. BDTI- TD20 ended the week settling at ws47.61 which is down 0.12 points from this time last week.



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

MTD '21 Avg/Day: -\$376      MTD '21 v. CY '20: -103%

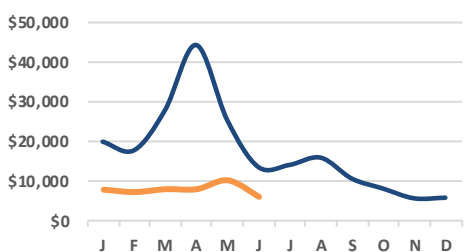
**AFRAMAX:** The market remained stagnant for the most part this week. Local routes continued fixing at ws80 while Transatlantic routes fluctuated up and down by 5 points this week and finally settling at ws72.5 from the week's low of ws67.5. Like previous weeks, the same factors were at play in keeping the market from moving. The longer list coupled with the lack of steady demand continued to fuel the lackluster market conditions. Now, with more tonnage expected to hit the market through the weekend, next week will likely start off with a softer sentiment and we could see charterers testing owners' willingness to fix below last done levels. The story continued over in Europe with Cross UKC and Cross Mediterranean markets closing at ws87.5. Rates hovered some during the week but held in the ws85-87.5 range. Sentiment overall was stable across most European markets and was aided by most deals being done under the radar. At the end of the day, demand will need to increase before owners really start seeing any sort of upward movement. Expect similar market conditions for next week.



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

MTD '21 Avg/Day: \$4,765      MTD '21 v. CY '20: -51%

**MR:** It seemed inevitable from the start that TC2 would run into its share of difficulties this week. Plenty of ballasters entering the region combined with a limited number of fresh cargoes helped drastically drop rates about 20 points down to ws110 (basis 37,000mt cargo). Despite a couple of lower deals, the market did show some overall resilience holding sideways for the remainder of the week. Premiums to West Africa narrowed to a 5-point spread as an attractive demurrage play served as an alternative. The underlying sentiment is that perhaps we will see an uptick come next week as an improved US Gulf market may slow the ballast convoy to Europe. US Gulf witnessed a welcomed resurgence this week, as thinning front-end tonnage and refreshed inquiries supplied a nice boost for rates. TC14 jumped to ws90 (basis 38,000mt cargo) from a previously done ws65 and USG>Brazil now stands at ws130. USG>Chile proves untested, but now aiming close to \$1.3m (lumpsum) and USG>CBS at \$425k-\$450k and USG>ECMex at \$225k-\$250k range. Although it is still very low in terms of TCE, it still shows some long-awaited positivity which owners have not had much of recently. Time will tell if rates can maintain any momentum once available ballasters plot their next course.



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

MTD '21 Avg/Day: \$5,917      MTD '21 v. CY '20: -57%

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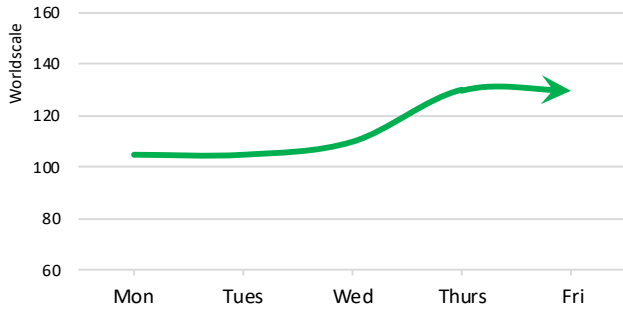
TANKER ROUTES (13kts L B)	Week 22 WS L\$	Week 23 WS L\$	Week 22 TCE**	Week 23 TCE**	*Week 22 Bunkers VLSFO \$530/MTD	**Week 23 Bunkers VLSFO \$535/MTD
<b>VLCC</b>						
AG>USG • 280,000 (dwt)	19.60	18.60	--	--		
AG>SPORE • 270,000	34.00	31.50	\$2,031	-\$956	<b>Time Charter 1 Year v. 3 Years (\$ day):</b> \$24,000   \$29,000	
AG>JPN • 265,000	32.60	31.30	\$5,356	\$3,460		
AG>CHINA • 270,000	34.70	32.40	\$107	-\$2,670		
WAFR>CHINA • 260,000	36.10	33.00	\$4,019	\$849	<b># Ships Trading:</b>	832
USG>SPORE-AG	3.26m	3.32m	\$19,311	\$19,982	<b>% Fleet on Order:</b>	11%
AG>USG/USG>SPORE-AG	--	--	\$13,535	\$12,456	<b>Ships to Breakers:</b>	Low Activity
<b>VLCC Average Earnings<sup>+</sup></b>	--	--	\$2,862	\$615		
<b>SUEZMAX</b>						
WAFR>USG • 130,000	42.50	42.50	-\$1,398	-\$1,631		
WAFR>UKC • 130,000	47.50	47.50	-\$3,053	-\$3,283	<b>Time Charter 1 Year v. 3 Years (\$ day):</b> \$18,000   \$20,500	
BSEA>MED • 140,000	57.50	57.50	\$3,643	\$3,081		
CBS>USG • 150,000	50.00	50.00	\$2,344	\$2,093		
USG>UKC • 150,000	38.70	37.20	-\$4,097	-\$5,275	<b># Ships Trading:</b>	569
CBS>USG/USG>UKC-WAFR	--	--	-\$1,144	-\$2,147	<b>% Fleet on Order:</b>	7%
AG>USG • 140,000	24.00	22.70	-\$1,528	-\$2,608	<b>Ships to Breakers:</b>	Low Activity
USG>SPORE	2.40m	2.39m	--	--		
AG>USG/USG>SPORE-AG	--	--	\$10,508	\$9,696		
<b>Suezmax Average Earnings<sup>+</sup></b>	--	--	-\$194	-\$557		
<b>AFRAMAX</b>						
N.SEA>UKC • 80,000	90.00	86.50	\$4,034	\$1,476		
BALT>UKC • 100,000	67.00	64.15	\$5,209	\$3,369	<b>Time Charter 1 Year v. 3 Years (\$ day):</b> \$16,500   \$18,000	
CBS>USG • 70,000	83.00	79.50	\$710	-\$692		
USG>UKC • 70,000	72.50	69.50	-\$1,602	-\$2,738	<b># Ships Trading:</b>	1,050
CBS>USG/USG>UKC-NSEA	--	--	\$9,104	\$7,361	<b>% Fleet on Order:</b>	9%
MED>MED • 80,000	86.50	86.00	\$6,426	\$6,036	<b>Ships to Breakers:</b>	Low Activity
AG>SPORE • 80,000	93.00	92.50	\$8,052	\$7,721		
<b>Aframax Average Earnings<sup>+</sup></b>	--	--	\$5,335	\$4,195		
<b>PANAMAX</b>						
CBS>USAC(USG) • 50,000	114.00	104.00	\$8,881	\$6,284	<b>Time Charter 1 Year v. 3 Years (\$ day):</b> \$14,000   \$16,000	
UKC>USG • 55,000	105.10	105.00	\$6,769	\$6,573	<b># Ships Trading:</b>	458
MED>USG • 55,000	105.00	105.00	\$9,008	\$8,849	<b>% Fleet on Order:</b>	1%
ECU>USWC • 50,000	165.00	165.00	\$17,091	\$17,087	<b>Ships to Breakers:</b>	No Activity
<b>Panamax Average Earnings<sup>+</sup></b>	--	--	\$7,305	\$6,209		
<b>LR2</b>						
AG>JPN • 75,000	79.70	75.40	\$3,147	\$1,628	<b>Time Charter 1 Year v. 3 Years (\$ day):</b> \$18,250   \$19,000	
AG>UKC	1.71m	1.64m	\$5,367	\$3,741	<b># Ships Trading:</b>	1,050 <sup>^</sup>
MED>JPN	1.72m	1.64m	\$4,764	\$3,619	<b>% Fleet on Order:</b>	9% <sup>^</sup>
AG>UKC-MED>JPN-AG	--	--	\$9,807	\$8,297	<b>Ships to Breakers:</b>	No Activity <sup>^</sup>
<b>LR2 Average Earnings<sup>+</sup></b>	--	--	\$5,365	\$3,849		
<b>LR1</b>						
AG>JPN • 55,000	90.90	88.70	\$3,874	\$3,224	<b>Time Charter 1 Year v. 3 Years (\$ day):</b> \$16,000   \$16,000	
AG>UKC	1.39m	1.36m	\$4,005	\$3,178	<b># Ships Trading:</b>	458 <sup>°</sup>
UKC>WAFR • 60,000	92.70	80.80	\$6,761	\$3,441	<b>% Fleet on Order:</b>	1%
AG>UKC/UKC>WAFR-AG	--	--	\$8,628	\$6,621	<b>Ships to Breakers:</b>	No Activity <sup>°</sup>
<b>LR1 Average Earnings<sup>+</sup></b>	--	--	\$6,251	\$4,922		
<b>MR</b>						
UKC>USAC • 37,000	128.50	113.00	\$4,917	\$2,261		
USG>UKC • 38,000	67.00	76.00	-\$3,993	-\$2,597	<b>Time Charter 1 Year v. 3 Years (\$ day):</b> \$13,000   \$14,000	
USG>UKC/UKC>USAC(USG)	--	--	\$5,171	\$4,825		
USG>CBS (Pozos Colorados)	304k	365k	\$206	\$4,127	<b># Ships Trading:</b>	1,794
USG>CHILE (Coronel)	1.10m	1.16m	\$9,256	\$10,835	<b>% Fleet on Order:</b>	7%
CBS>USAC(USG) • 38,000	108.00	110.00	\$4,649	\$4,905	<b>Ships to Breakers:</b>	Low Activity
WCIND>JPN-ROK>SPORE-WCIND	--	--	\$10,242	\$8,014		
<b>MR Average Earnings<sup>+</sup></b>	--	--	\$6,230	\$5,603		
<b>HANDYSIZE</b>						
MED>EMED • 30,000	151.80	130.10	\$19,281	\$12,489	<b>Time Charter 1 Year v. 3 Years (\$ day):</b> \$12,000   \$13,000	
SPORE>JPN • 30,000	154.20	143.00	\$8,028	\$6,369	<b># Ships Trading:</b>	606
<b>Handysize Average Earnings<sup>+</sup></b>	--	--	\$12,079	\$8,572	<b>% Fleet on Order:</b>	6%
					<b>Ships to Breakers:</b>	Low Activity

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

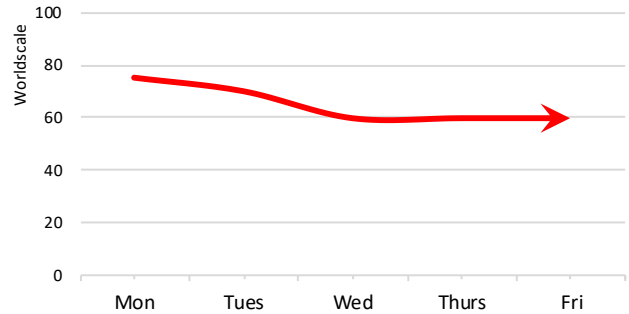
<sup>^</sup> Aframax and LR2 fleet numbers are combined for the purposes of these entries.

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

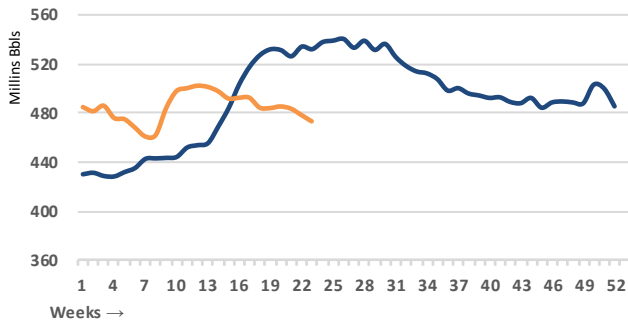
THE WEEK IN CHARTS



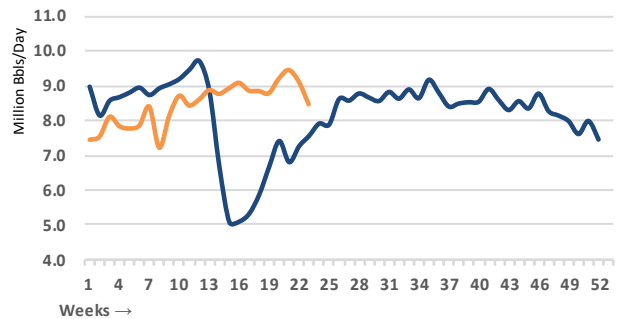
**Global Climber of the Week:** MR (USG>WAF | 38,000mt) | **+24%**



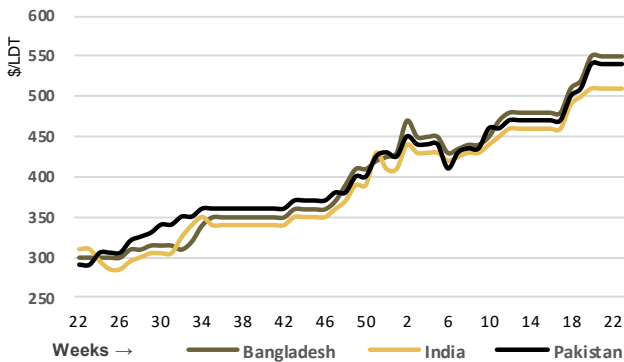
**Global Decliner of the Week:** Aframax (NSEA>USAC | 80,000mt) | **-20%**



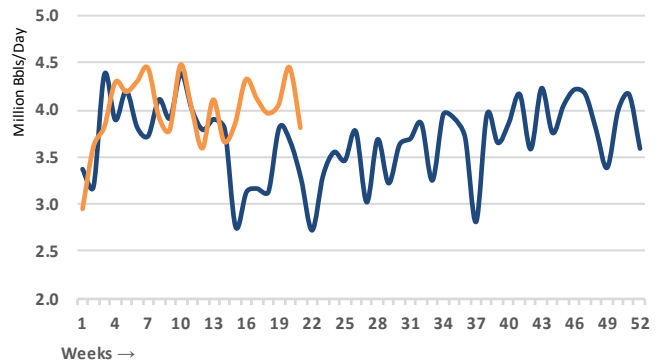
**US Crude Oil Stocks (EIA) WTD '21 v. CY '20**  
 This Week: 474.0m bbls      This Week '21 v. '20: -10%



**US Gasoline Demand (EIA) WTD '21 v. CY '20**  
 This Week: 8.480m bbls/day      This Week '21 v. '20: +12%



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



**Charley's Chart of the Week: US Distillate Fuel Oil Demand WTD '21 v CY '20**  
 This Week: 3.813m bbls/day      This Week '21 v. '20: +16%

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