

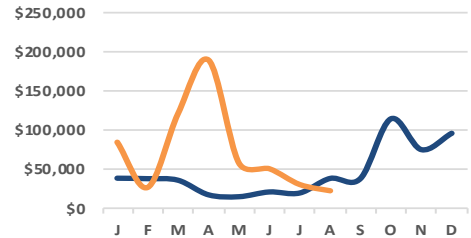
WEEKLY MARKET REPORT



Week 33 • August 14, 2020

Issue WM33-20

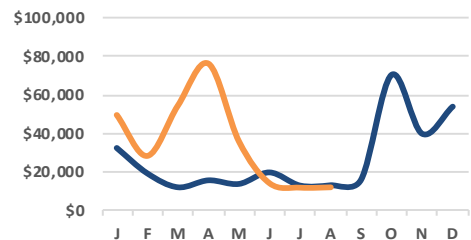
VLCC: Another slow summer week with more of the same in the market. The lackluster pace of inquiries continues to meet with sufficient supply. Those few charterers that entered the market with fresh cargoes received more than ample offers, exerting further downward pressure on market sentiment. TD3 levels continued to set new lows for the year, as TCE's fell into the mid-teens and hovering just above daily operating costs. The muted demand from the AG continues to weigh on the market as the August program is nearly complete. This will mark the third consecutive month of 90 cargoes or fewer. The last time we saw such low volume was over ten years ago in 2009. It should be noted that the one factor that is limiting the tonnage lists continues to persist, as some fifty VLCC's are still sitting laden off of China waiting to discharge; however, this is still not enough to impact the supply and demand ratio, and therefore, the bearish undertones continue.



VLCC Average Earnings* MTD 2020 v. CY 2019

MTD '20 Avg/Day: \$22,560 MTD 20' v. CY '19': -42%

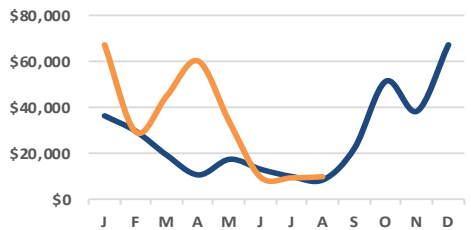
SUEZMAX: The market remains firmly entrenched in the grip of the perfect storm of COVID-19 and the summer doldrums. With around 12 fixtures being reported as booked in the West Africa market, the TD20 rates held flat at what appears to be the temporary bottom at ws45 (basis 130,000mt cargo), which returns a fairly meager \$11,000 per day TCE. In the Caribs/USG/EC Mexico sector, rates were put under pressure, with ECMexico>UKC trading down to ws39 (basis 145,000mt cargo), again leaving not much more than a lowly TCE of \$10,000 per day. The AG markets also remain under the influence of a tonnage overloaded VLCC market, and the need to split cargoes to the benefit of the Suezmax class has vanished. Worldscale rates in the AG remained in the low ws20's for West, and low ws50's for short East, mid to upper 40's for long East. The Mediterranean, North Sea and Black Sea markets have fared no better and the outlook for better times for the owners is still well over the horizon.



Suezmax Average Earnings* MTD 2020 v. CY 2019

MTD '20 Avg/Day: \$11,629 MTD 20' v. CY '19': -12%

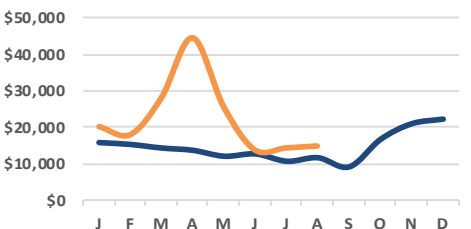
AFRAMAX: The damage was done to the market this week with rates dropping approximately 12.5 points across all trade lanes in the Americas. Rates fell to ws70 by mid-week with demurrage trading around \$21,000 per day. A healthier list and a decrease in activity had owners settling for less and less with each trade. Now, with the list getting a chance to build through the weekend and not one outstanding cargo to report on Friday, rates should remain stagnant into next week. Any optimism surrounding the current market situation has essentially dried up and whatever traction owners gained over the past few weeks is currently gone. Over in Europe rates remained sideways. Owners are optimistic on Cross Med routes and hope the CPC program will be enough to prop up rates which are currently trading around ws65. Baltic>Cont and Cross UKC both traded sideways for the week as there was just not enough support out there to get rates moving. If the Cross Med trades can pick up next week, the adjacent markets should have enough support to pick up some steam from that momentum.



Aframax Average Earnings* MTD 2020 v. CY 2019

MTD '20 Avg/Day: \$9,722 MTD 20' v. CY '19': +17%

MR: A lackluster week in Europe concludes as slowing enquiries and more ample tonnage have consistently dropped rates down to present levels of ws80 (basis 37,000mt cargo) for Transatlantic voyages. West African destinations have not fared much better, as rates appear to be falling through the ws100 threshold led mainly by tainted "history" deals. An improvement in the LR sector may provide owners with a bit of hope that the market has finally seen a bottom. The U.S. Gulf has managed to hold on to solid gains this week. Consistent fixing for both short and longer haul voyages has taken place as pre-COVID-19 export volumes start to return. A steady boost of Mexican bound business has driven USG>EC Mexico rates up to \$450,000, with USG>CBS approaching \$700,000. Runs for Transatlantic are at ws117.5 (basis 38,000mt cargo) and Latin America routes, such as USG>Chile at \$1.55m and USG>Brazil at ws155 (basis 38,000mt cargo), show healthy returns and momentum continuing into next week.



MR Average Earnings* MTD 2020 v. CY 2019

MTD '20 Avg/Day: \$14,749 MTD 20' v. CY '19': +27%

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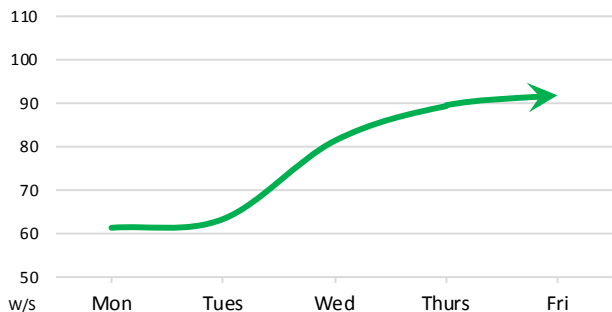
TANKER ROUTES (13kts L B)	Week 32	Week 33	Week 32	Week 33	*Week 32 Bunkers	**Week 33 Bunkers
VLCC	WS L\$	WS L\$	TCE*	TCE**	VLSFO \$343/MT	VLSFO \$345/MT
AG>USG • 280,000 (dwt)	21.60	21.00	--	--		
AG>SPORE • 270,000	33.80	31.40	\$20,248	\$16,912	Time Charter 1 Year v. 3 Years (\$ day): \$40,000 \$39,000	
AG>JPN • 265,000	32.80	30.40	\$20,353	\$16,911		
AG>CHINA • 270,000	35.40	33.60	\$19,630	\$17,089		
WAFR>CHINA • 260,000	38.50	38.30	\$25,770	\$25,299	# Ships Trading:	806
USG>SPORE-AG	4.33m	4.40m	\$48,163	\$49,058	% Fleet on Order:	9%
AG>USG/USG>SPORE-AG	--	--	\$41,430	\$43,524	Ships to Breakers:	No Activity
VLCC Average Earnings*	--	--	\$23,725	\$21,394		
SUEZMAX						
WAFR>USG • 130,000	45.00	41.00	\$12,832	\$10,103	Time Charter 1 Year v. 3 Years (\$ day): \$25,000 \$26,000	
WAFR>UKC • 130,000	49.00	46.00	\$10,806	\$8,798		
BSEA>MED • 140,000	56.00	58.00	\$10,348	\$11,831	# Ships Trading:	541
CBS>USG • 150,000	67.50	63.50	\$29,818	\$26,485	% Fleet on Order:	9%
USG>UKC • 150,000	45.00	41.00	\$13,322	\$10,214	Ships to Breakers:	No Activity
CBS>USG/USG>UKC-WAFR	--	--	\$21,068	\$17,442		
AG>USG • 140,000	22.60	21.70	\$4,825	\$3,887		
USG>SPORE	3.00m	2.90m	--	--		
AG>USG/USG>SPORE-AG	--	--	\$23,222	\$21,661		
Suezmax Average Earnings*	--	--	\$12,228	\$11,029		
AFRAMAX						
N.SEA>UKC • 80,000	80.00	82.50	\$8,002	\$9,781	Time Charter 1 Year v. 3 Years (\$ day): \$19,500 \$21,000	
BALT>UKC • 100,000	56.00	58.20	\$10,606	\$12,009		
CBS>USG • 70,000	79.50	73.00	\$9,977	\$7,287	# Ships Trading:	1,034
USG>UKC • 70,000	79.50	75.00	\$12,259	\$10,480	% Fleet on Order:	10%
CBS>USG/USG>UKC-NSEA	--	--	\$24,514	\$21,473	Ships to Breakers:	No Activity
MED>MED • 80,000	57.80	62.00	\$3,348	\$5,381		
AG>SPORE • 80,000	67.00	62.50	\$10,522	\$8,688		
Aframax Average Earnings*	--	--	\$9,849	\$9,595		
PANAMAX						
CBS>USAC(USG) • 50,000	86.00	87.00	\$10,597	\$10,802	Time Charter 1 Year v. 3 Years (\$ day): \$13,000 \$14,000	
UKC>USG • 55,000	60.90	59.90	\$3,873	\$3,481	# Ships Trading:	452
MED>USG • 55,000	56.00	55.00	\$3,507	\$3,109	% Fleet on Order:	4%
ECU>USWC • 50,000	227.50	227.50	\$45,796	\$45,696	Ships to Breakers:	No Activity
Panamax Average Earnings*	--	--	\$9,356	\$9,163		
LR2						
AG>JPN • 75,000	57.55	66.40	\$7,845	\$11,020	Time Charter 1 Year v. 3 Years (\$ day): \$20,000 \$21,500	
AG>UKC	1.50m	1.57m	\$7,503	\$8,832	# Ships Trading:	1,034^
MED>JPN	1.97m	2.08m	\$15,550	\$17,475	% Fleet on Order:	10%^
AG>UKC-MED>JPN-AG	--	--	\$16,321	\$18,180	Ships to Breakers:	No Activity^
LR2 Average Earnings*	--	--	\$10,668	\$13,405		
LR1						
AG>JPN • 55,000	60.10	77.60	\$5,034	\$9,726	Time Charter 1 Year v. 3 Years (\$ day): \$18,500 \$17,500	
AG>UKC	1.11m	1.32m	\$3,860	\$7,806	# Ships Trading:	452°
UKC>WAFR • 60,000	81.90	95.40	\$13,448	\$17,610	% Fleet on Order:	4%°
AG>UKC/UKC>WAFR-AG	--	--	\$10,719	\$15,303	Ships to Breakers:	No Activity°
LR1 Average Earnings*	--	--	\$7,877	\$12,514		
MR						
UKC>USAC • 37,000	95.50	86.50	\$7,408	\$5,506	Time Charter 1 Year v. 3 Years (\$ day): \$13,750 \$15,000	
USG>UKC • 38,000	97.50	108.50	\$9,191	\$11,438	# Ships Trading:	1,744
USG>UKC/UKC>USAC(USG)	--	--	\$18,737	\$19,663	% Fleet on Order:	7%
USG>CBS (Pozos Colorados)	570k	635k	\$21,895	\$26,135	Ships to Breakers:	No Activity
USG>CHILE (Coronel)	1.35m	1.47m	\$20,672	\$24,155		
CBS>USAC(USG) • 38,000	137.00	146.00	\$18,529	\$20,460		
WCIND>JPN-ROK>SPORE-WCIND	--	--	\$9,954	\$8,687		
MR Average Earnings*	--	--	\$14,500	\$14,997		
HANDYSIZE						
MED>EMED • 30,000	80.40	82.40	-\$1,292	-\$778	Time Charter 1 Year v. 3 Years (\$ day): \$13,000 \$14,000	
SPORE>JPN • 30,000	92.30	89.60	\$5,614	\$5,089	# Ships Trading:	599
Handysize Average Earnings*	--	--	\$3,128	\$2,977	% 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).

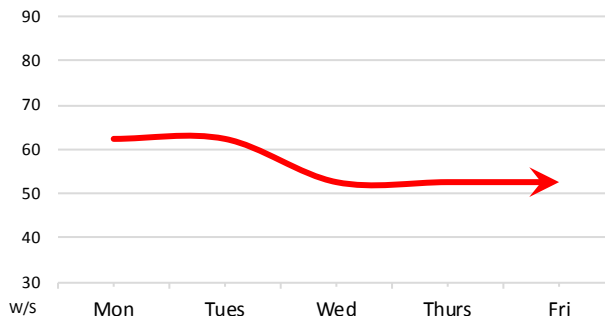
^ Aframax and LR2 fleet numbers are combined for the purposes of these entries.

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

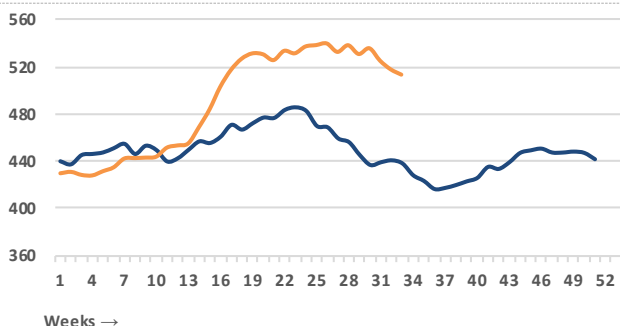
THE WEEK IN CHARTS



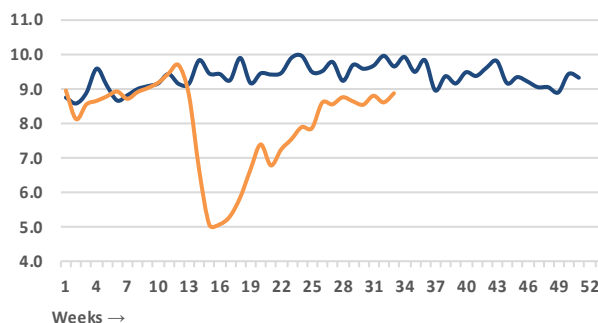
Global Climber of the Week: LR1 (AG>Japan 55,000) | +49%



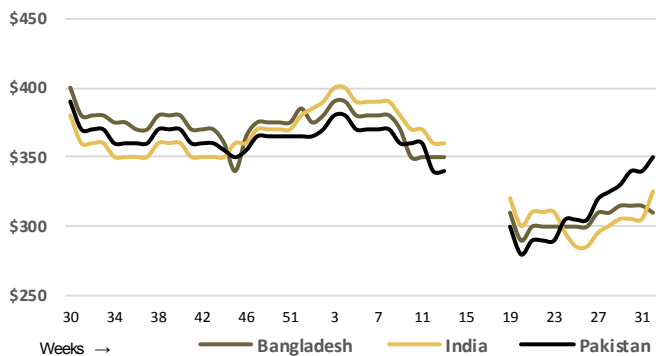
Global Decliner of the Week: Suezmax (WAF>Singapore 130,000) | -16%



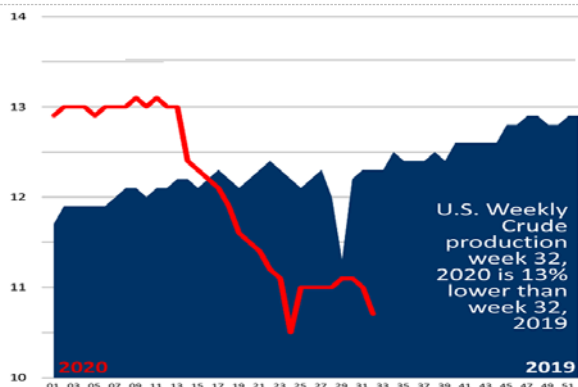
US Crude Oil Stocks (EIA) WTD '20 v. CY '19
This Week: 514.1m bbls This Week '20 v. '19: +17.4%



US Gasoline Demand (EIA) WTD '20 v. CY '19
This Week: 8.883m bbls/day This Week '20 v. '19: -7.7%



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



Charley's Chart of the Week: U.S. Weekly Crude Oil Production (EIA)

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