

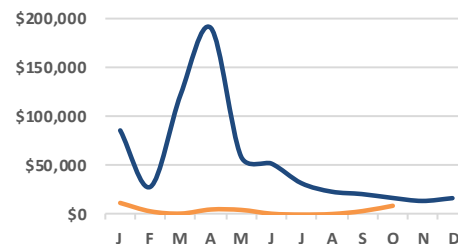
WEEKLY MARKET REPORT



Week 40 • October 8, 2021

Issue WM40-21

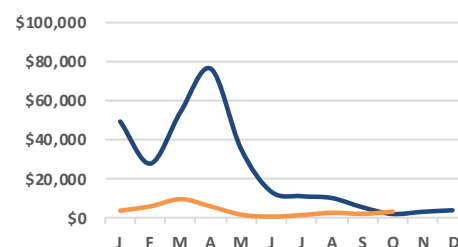
VLCC: Despite the holiday period in China, many of the local Chinese charterers were busy securing local tonnage throughout the week, which kept upward pressure on sentiment against limited market inquiries. Those few cargoes that did enter the market saw large audiences, but a continued resistance from modern tonnage to lock in lower levels kept rates static. TD3 only dipped 0.22 Worldscale points over the week, while TD15 was down half a point. The over-supply of available units continues to weigh on the market and some fives ships reported failed in the Atlantic at week's end cast further doubt on the market's strength in the region.



VLCC Average Earnings* MTD 2021 v. CY 2020

MTD '21 Avg/Day: \$7,886 MTD '21 v. CY '20: -49%

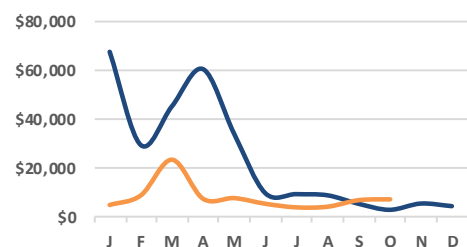
SUEZMAX: The West Africa market has not witnessed a double digit increase in rates on a week-to-week comparison since the second half of March this year. Demand in West Africa was stronger this week as charterer's scrambled to seek third decade coverage, enabling a boost in rates across the board. The WAFR>UKCM route improved 12.5 Worldscale points from the start of the week off the back resistance amongst owners and firmer rates in alternative load regions. TD20 finished the week at ws70, which yields a TCE of around \$9,600/day (IFO 380) and \$6,500/day (0.5%) basis current bunker prices. In the Americas, inquiries were steady, however, with decent amount of tonnage turnaround in the Western Atlantic basin rates pushed higher but not at the same pace as across the pond. Rates for USG>UKCM capped off the week pushing higher to ws50 (basis 145,000mt cargo) as a result of a firming Aframax sector and charterer's targeting the cheaper Suezmax equivalent. The USG>EAST route pushed a touch higher as well with Singapore discharge commanding \$2.6-2.65m levels and remains date sensitive going into next week. BDTI- TD20 ended the week settling at ws68.32 which is up 13.43 points from last week.



Suezmax Average Earnings* MTD 2021 v. CY 2020

MTD '21 Avg/Day: \$2,944 MTD '21 v. CY '20: +23%

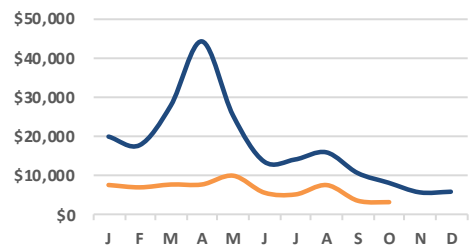
AFRAMAX: The first half of the week saw rates holding near last done levels after tonnage had a chance to stack up over the weekend. Owners began showing resistance after a decent amount of activity began employing lingering tonnage throughout the region. By week's end, local markets began firming with EC Mexico routes closing significantly higher than last done levels up near ws112.5 for non Pajaritos cargoes. Transatlantic routes increased steadily with more owners willing to send their ships to Europe with rates projected in the ws90 levels by the end of the week. Now, with the list tight, expect the market to continue firming through the weekend as owners look to squeeze as much as they can out of the situation. The European markets had their fair share of excitement as well with both Cross Mediterranean and Cross UKC routes closing at ws105. The UKC, like the US Gulf, started off with rates holding at last done, however, a mid-week rush was able to quickly thin out the list and send rates up 10 points from ws95. In the Mediterranean, owners were able to reach a weekly high of ws110 on Cross Mediterranean routes after some calculated trades in the region forced charterers to continue paying more than last done levels. Expect next week to start trading at last done levels with rates hovering through the first half of the week.



Aframax Average Earnings* MTD 2021 v. CY 2020

MTD '21 Avg/Day: \$7,456 MTD '21 v. CY '20: +166%

MR: Once again, TC2 began, maintained and ended the week at a flat ws100 (basis 37,000mt cargo). Rates have remained sideways for over a month and showing no change in sight. To make matters worse for owners, the impact of rising bunker prices has dropped earnings nearly \$1,800 per day over this same time frame. Cargoes to West Africa are still not yielding any premiums as owners have turned to the Cross UKC Handy market for any possible employment alternatives. Needless to say, a large rise in inquiries will be desperately needed before we see any turnaround. The US Gulf market remains in the doldrums as all gains from the previous week have now drifted into a downward trend. TC14 lingers around ws72.5 (basis 38,000mt cargo) with no arbitrage opportunities. Voyages to both sides of South America have slid as last done USG>Chile stands at Lumpsum \$1.14m and ws115 (basis 38,000mt cargo) to Brazil, respectively. Short hauls are faring no better with rates at \$345,000 to CBS and \$170,000 to EC Mexico. Once again, the oversupply of tonnage will continue to be the overriding factor and will keep the market uninspiring until we see an increase in global demand.



MR Average Earnings* MTD 2021 v. CY 2020

MTD '21 Avg/Day: \$3,365 MTD '21 v. CY '20: -59%

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TANKER ROUTES (13kts LJB)	Week 39	Week 40	Week 39	Week 40	*Week 39 Bunkers	**Week 40 Bunkers
VLCC	WS L\$	WS L\$	TCE**	TCE**	VLSFO \$58 1/MTD	VLSFO \$59.5/MTD
AG>USG • 280,000 (dwt)	20.00	20.00	--	--		
AG>SPORE • 270,000	39.40	40.00	\$4,897	\$4,730		
AG>JPN • 265,000	37.90	39.00	\$8,856	\$9,379		
AG>CHINA • 270,000	40.20	41.00	\$2,937	\$2,895		
WAFR>CHINA • 260,000	43.10	42.90	\$6,779	\$5,698		
USG>SPORE-AG	4.12m	5.40m	\$28,862	\$48,762		
AG>USG/USG>SPORE-AG	--	--	\$18,148	\$29,067		
VLCC Average Earnings⁺	--	--	\$6,226	\$7,886		
SUEZMAX						
WAFR>USG • 130,000	50.50	55.50	\$548	\$2,492		
WAFR>UKC • 130,000	54.00	60.00	-\$2,025	\$340		
BSEA>MED • 140,000	62.50	66.50	\$4,571	\$6,574		
CBS>USG • 150,000	63.00	64.50	\$8,856	\$9,019		
USG>UKC • 150,000	42.50	45.00	-\$4,208	-\$3,499		
CBS>USG/USG>UKC-WAFR	--	--	\$1,318	\$2,089		
AG>USG • 140,000	26.50	32.40	-\$6,306	-\$2,779		
USG>SPORE	2.55m	2.55m	--	--		
AG>USG/USG>SPORE-AG	--	--	\$6,147	\$8,091		
Suezmax Average Earnings⁺	--	--	\$935	\$2,944		
AFRAMAX						
N.SEA>UKC • 80,000	92.50	100.00	\$3,395	\$7,417		
BALT>UKC • 100,000	62.20	71.50	\$75	\$4,242		
CBS>USG • 70,000	84.00	87.50	-\$878	-\$304		
USG>UKC • 70,000	80.50	87.00	-\$1,217	\$90		
CBS>USG/USG>UKC-NSEA	--	--	\$9,885	\$11,973		
MED>MED • 80,000	95.50	105.50	\$8,811	\$12,865		
AG>SPORE • 80,000	88.00	93.00	\$4,706	\$5,795		
Aframax Average Earnings⁺	--	--	\$4,774	\$7,456		
PANAMAX						
CBS>USAC(USG) • 50,000	138.00	149.50	\$11,527	\$13,732		
UKC>USG • 55,000	92.20	91.60	\$199	-\$566		
MED>USG • 55,000	96.00	100.00	\$3,477	\$3,993		
ECU>USWC • 50,000	170.00	170.00	\$16,785	\$16,354		
Panamax Average Earnings⁺	--	--	\$5,565	\$5,981		
LR2						
AG>JPN • 75,000	105.70	99.30	\$9,475	\$6,983		
AG>UKC	2.20m	2.13m	\$12,930	\$11,132		
MED>JPN	2.03m	1.77m	\$8,262	\$3,300		
AG>UKC-MED>JPN-AG	--	--	\$16,133	\$12,328		
LR2 Average Earnings⁺	--	--	\$11,692	\$8,763		
LR1						
AG>JPN • 55,000	105.40	102.70	\$5,711	\$4,685		
AG>UKC	1.58m	1.54m	\$6,061	\$4,817		
UKC>WAFR • 60,000	83.82	85.77	\$2,839	\$2,893		
AG>UKC/UKC>WAFR-AG	--	--	\$8,568	\$7,797		
LR1 Average Earnings⁺	--	--	\$7,139	\$6,241		
MR						
UKC>USAC • 37,000	100.00	100.00	-\$1,145	-\$1,674		
USG>UKC • 38,000	73.00	75.00	-\$4,337	-\$4,454		
USG>UKC/UKC>USAC(USG)	--	--	\$1,775	\$1,537		
USG>CBS (Pozos Colorados)	324k	354k	\$302	\$1,893		
USG>CHILE (Coronel)	1.12m	1.17m	\$8,754	\$9,783		
CBS>USAC(USG) • 38,000	104.00	113.00	\$2,617	\$3,915		
WCIND>JPN-ROK>SPORE-WCIND	--	--	\$9,387	\$7,531		
MR Average Earnings⁺	--	--	\$3,497	\$3,365		
HANDYSIZE						
MED>EMED • 30,000	129.20	127.33	\$11,663	\$10,861		
SPORE>JPN • 30,000	139.70	138.00	\$4,233	\$3,689		
Handysize Average Earnings⁺	--	--	\$6,908	\$6,271		

Time Charter 1 Year v. 3 Years (\$ | day):
\$25,000 | \$29,000

Ships Trading: 835
% Fleet on Order: 9%
Ships to Breakers: 1

Time Charter 1 Year v. 3 Years (\$ | day):
\$18,000 | \$21,000

Ships Trading: 571
% Fleet on Order: 7%
Ships to Breakers: 2

Time Charter 1 Year v. 3 Years (\$ | day):
\$16,500 | \$18,500

Ships Trading: 1,056
% Fleet on Order: 9%
Ships to Breakers: 1

Time Charter 1 Year v. 3 Years (\$ | day):
\$14,000 | \$15,500

Ships Trading: 456
% Fleet on Order: 3%
Ships to Breakers: 1

Time Charter 1 Year v. 3 Years (\$ | day):
\$18,250 | \$19,000

Ships Trading: 1,056[^]
% Fleet on Order: 9%[^]
Ships to Breakers: 1

Time Charter 1 Year v. 3 Years (\$ | day):
\$16,000 | \$16,000

Ships Trading: 456[°]
% Fleet on Order: 3%[°]
Ships to Breakers: No Activity

Time Charter 1 Year v. 3 Years (\$ | day):
\$13,000 | \$14,000

Ships Trading: 1,808
% Fleet on Order: 7%
Ships to Breakers: No Activity

Time Charter 1 Year v. 3 Years (\$ | day):
\$11,500 | \$13,500

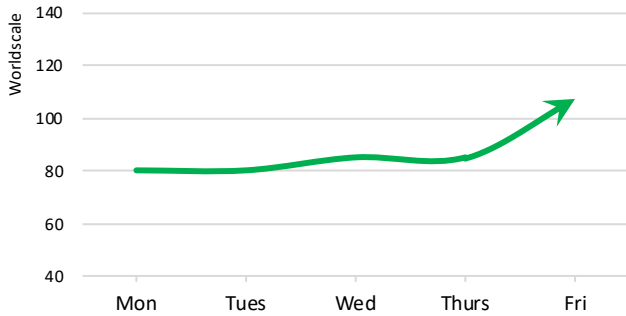
Ships Trading: 575
% Fleet on Order: 4%
Ships to Breakers: 3

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

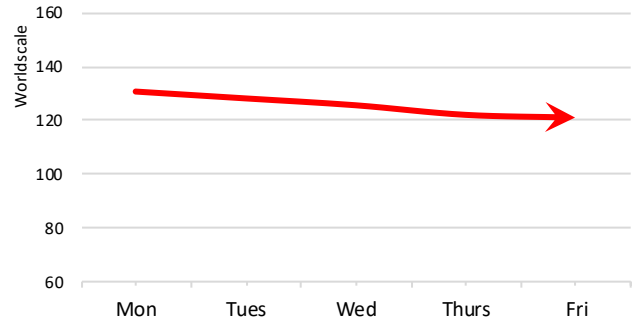
[^] Aframax and LR2 fleet numbers are combined for the purposes of these entries.

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

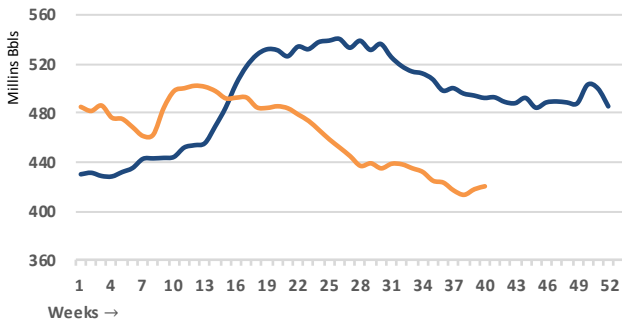
THE WEEK IN CHARTS



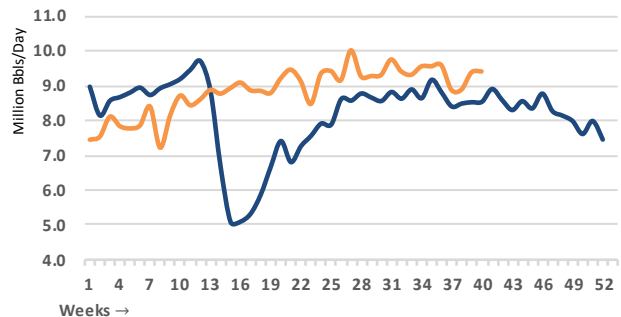
Global Climber of the Week: Aframax (CBS>USG | 70,000mt) | +34%



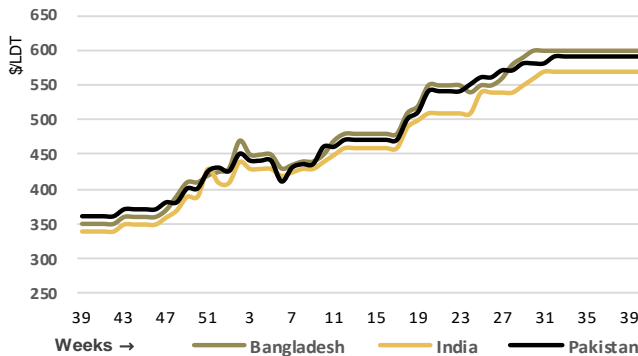
Global Decliner of the Week: MR (WCIND>JAPAN | 35,000mt) | -7.2%



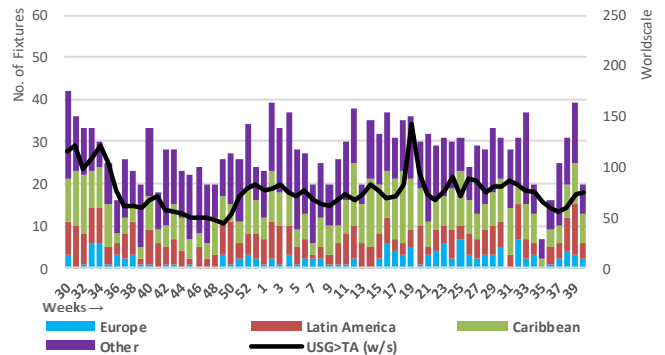
US Crude Oil Stocks (EIA) WTD '21 v. CY '20
 This Week: 420.9m bbls This Week '21 v. '20: -14%



US Gasoline Demand (EIA) WTD '21 v. CY '20
 This Week: 9.427m bbls/day This Week '21 v. '20: +10%



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



Charley's Chart of the Week: Weekly Ex-USG MR Fixtures v USG>UKC Rates

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