

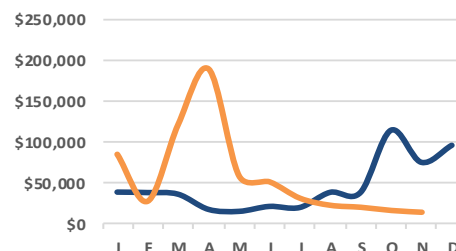
WEEKLY MARKET REPORT



Week 45 • November 06, 2020

Issue WM45-20

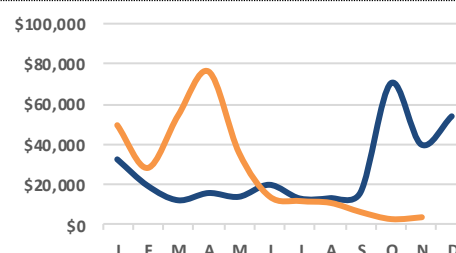
VLCC: Another sluggish week on the VLCC sector as TCE's hover below daily operating costs. TD3 has held below ws30 for over six straight weeks and the over-abundance of tonnage, coupled with the weaker demand of cargoes, keeps downward pressure in play. Adding to the negative sentiment this week were rumors that Russia and OPEC+ were considering deeper oil output cuts early next year to try and strengthen the oil market. The weaker demand due to COVID-19 continues to weigh on market fundamentals in the short and medium term.



VLCC Average Earnings* MTD 2020 v. CY 2019

MTD '20 Avg/Day: \$13,195 MTD 20' v. CY '19': -82%

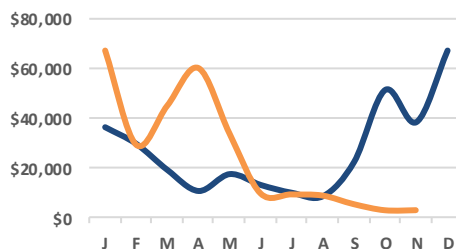
SUEZMAX: Demand in the West was a touch stronger this week, enabling rates to hover in place after scraping the bottom for much of October. The modest uptick in cargo inquiries has helped absorb excess tonnage, which has improved overall market fundamentals and created some much-needed stability. The TD20 route teetered around ws30-32.5 from much of the week off the back of resistance amongst owners and improving rates in alternative load areas. TD20 rates maintained TCE's of around \$4,700/day (IFO 380) / \$3,200/day (0.5%) which is up slightly from a week to week comparison. The BSEA>MED route ended the week at ws42.5 for TD6 yielding a TCE return of around \$3,900/day (IFO 380) / \$2,900/day (0.5%). In the USG/CBS region, inquiries were steady which helped boost transatlantic rates above the ws30 barrier for the first time since September; however, rates remain date sensitive. The USG>Singapore route bounced around the low \$2.1-2.2m levels for most of the week as charterers continue to utilize VLCC stem splits to keep Far East voyages pinned down at current levels. BDTI- TD20 ended the week settling at ws33.43 which is up 1.20 points from this time last week.



Suezmax Average Earnings* MTD 2020 v. CY 2019

MTD '20 Avg/Day: \$3,327 MTD 20' v. CY '19': -92%

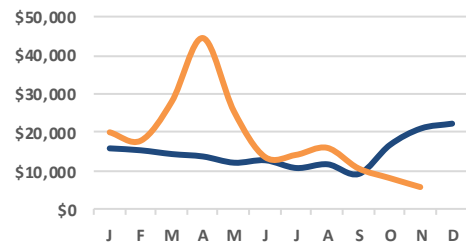
AFRAMAX: Finally, a glimpse of optimism floating around the market after a week of solid inquiries. Activity was strong this week as the list finally had a chance to thin out, giving owners an opportunity to start showing some resistance. Rumors of a ws50 were reported on Friday; however, rates were able to climb up to ws45 on transatlantic routes by the end of the week, it was only 5 points but 5 points well deserved. East Coast Mexico cargoes continued to fix around last done levels at ws45 and bringing in negative daily earnings. Owners are hoping that the end of the bottom is near and if inquiries can stay steady enough, it should continue this week's momentum into next week. Over in Europe rates remained stagnant. The Libyan market continued to prop up Cross Mediterranean rates for now, which closed around ws60. Cross UKC continued to hover around ws67.5 after silent fixing failed to increase rate levels. Unfortunately, the optimism from the Americas has yet to trickle over to the European markets and unless activity sees an abrupt turnaround, much of the same can be expected for next week.



Aframax Average Earnings* MTD 2020 v. CY 2019

MTD '20 Avg/Day: \$2,823 MTD 20' v. CY '19': -92%

MR: It is growing increasingly difficult to point out any optimism whatsoever in the clean market. The TC2 benchmark has now fallen to its lowest levels in recent memory, now hovering around ws67.5 (basis 37,000mt cargo). Such multi-year lows can typically only recover once owners finally say "No". It does appear this is beginning to take shape and the market has mostly likely reached a floor in Europe. US Gulf activity remains virtually non-existent. A few cargoes here and there have slashed lumpsum rates to \$10,000-20,000 for USG>CBS and Cross Caribbean voyages. Port charges and bunkers continue to account for the bulk of the freight resulting in dismal returns for owners. USG>CBS now stands at a meager \$225,000 and USG>EC Mexico at \$140,000. TC14 has breached ws50 support levels, but this can be viewed more as an estimate due to the lack of true data points. No further relief from South America as USG>Brazil stays flat at ws70 (basis 38,000mt cargo) and USG>Chile at mid \$900,000's. There's no question the pandemic and subsequent demand destruction has wreaked havoc on shipping for the time being and all owners can do for now is show patience and hope for a better tomorrow.



MR Average Earnings* MTD 2020 v. CY 2019

MTD '20 Avg/Day: \$5,819 MTD 20' v. CY '19': -72%

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TANKER ROUTES (13kts L B)	Week 44	Week 45	Week 44	Week 45	*Week 44 Bunkers	**Week 45 Bunkers
VLCC	WS L\$	WS L\$	TCE*	TCE**	VLSFO \$333/MTD	VLSFO \$324/MTD
AG>USG • 280,000 (dwt)	15.00	15.00	--	--		
AG>SPORE • 270,000	27.20	26.00	\$12,737	\$11,185		
AG>JPN • 265,000	24.80	24.00	\$10,722	\$9,653		
AG>CHINA • 270,000	28.20	27.00	\$11,434	\$9,903		
WAFR>CHINA • 260,000	29.30	29.10	\$15,272	\$15,022		
USG>SPORE-AG	3.62m	3.50m	\$37,712	\$35,760		
AG>USG/USG>SPORE-AG	--	--	\$28,601	\$27,500		
VLCC Average Earnings⁺	--	--	\$14,352	\$13,195		
SUEZMAX						
WAFR>USG • 130,000	29.50	30.75	\$3,671	\$4,514		
WAFR>UKC • 130,000	33.50	33.25	\$2,020	\$1,896		
BSEA>MED • 140,000	45.00	45.00	\$2,049	\$2,050		
CBS>USG • 150,000	35.00	33.50	\$4,606	\$3,464		
USG>UKC • 150,000	23.00	26.20	-\$2,178	\$273		
CBS>USG/USG>UKC-WAFR	--	--	-\$94	\$2,043		
AG>USG • 140,000	18.70	19.00	\$2,276	\$2,555		
USG>SPORE	2.12m	2.27m	--	--		
AG>USG/USG>SPORE-AG	--	--	\$13,925	\$15,466		
Suezmax Average Earnings⁺	--	--	\$3,433	\$3,327		
AFRAMAX						
N.SEA>UKC • 80,000	70.00	67.50	\$1,731	\$40		
BALT>UKC • 100,000	43.00	41.80	\$3,159	\$2,501		
CBS>USG • 70,000	45.00	45.50	-\$3,020	-\$2,784		
USG>UKC • 70,000	42.00	43.00	-\$902	-\$484		
CBS>USG/USG>UKC-NSEA	--	--	\$4,131	\$4,680		
MED>MED • 80,000	65.00	61.25	\$7,650	\$5,717		
AG>SPORE • 80,000	55.50	52.50	\$6,815	\$5,685		
Aframax Average Earnings⁺	--	--	\$3,636	\$2,823		
PANAMAX						
CBS>USAC(USG) • 50,000	67.50	58.50	\$5,989	\$3,482		
UKC>USG • 55,000	55.10	55.00	\$2,751	\$2,758		
MED>USG • 55,000	55.00	55.00	\$3,834	\$3,826		
ECU>USWC • 50,000	190.00	190.00	\$36,744	\$36,758		
Panamax Average Earnings⁺	--	--	\$5,167	\$4,200		
LR2						
AG>JPN • 75,000	58.00	58.00	\$8,331	\$8,647		
AG>UKC	1.53m	1.52m	\$8,741	\$8,564		
MED>JPN	1.42m	1.45m	\$6,838	\$7,303		
AG>UKC-MED>JPN-AG	--	--	\$11,739	\$11,921		
LR2 Average Earnings⁺	--	--	\$9,677	\$9,737		
LR1						
AG>JPN • 55,000	60.10	63.50	\$5,558	\$6,492		
AG>UKC	1.12m	1.15m	\$4,570	\$5,110		
UKC>WAFR • 60,000	58.90	54.00	\$6,745	\$5,209		
AG>UKC/UKC>WAFR-AG	--	--	\$8,195	\$7,895		
LR1 Average Earnings⁺	--	--	\$6,877	\$7,194		
MR						
UKC>USAC • 37,000	83.00	69.00	\$5,435	\$2,611		
USG>UKC • 38,000	53.50	50.00	\$450	-\$258		
USG>UKC/UKC>USAC(USG)	--	--	\$9,834	\$9,181		
USG>CBS (Pozos Colorados)	248k	241k	\$1,014	\$571		
USG>CHILE (Coronel)	965k	950k	\$10,132	\$9,716		
CBS>USAC(USG) • 38,000	90.00	90.00	\$8,580	\$8,606		
WCIND>JPN-ROK>SPORE-WCIND	--	--	\$8,236	\$7,232		
MR Average Earnings⁺	--	--	\$7,222	\$5,819		
HANDYSIZE						
MED>EMED • 30,000	78.10	77.90	-\$1,664	-\$1,722		
SPORE>JPN • 30,000	99.00	90.10	\$7,084	\$5,628		
Handysize Average Earnings⁺	--	--	\$3,934	\$2,982		

Time Charter 1 Year v. 3 Years (\$ | day):
\$28,000 | \$33,000

Ships Trading: 813
% Fleet on Order: 8%
Ships to Breakers: No Activity

Time Charter 1 Year v. 3 Years (\$ | day):
\$21,500 | \$22,500

Ships Trading: 541
% Fleet on Order: 8%
Ships to Breakers: No Activity

Time Charter 1 Year v. 3 Years (\$ | day):
\$18,000 | \$20,000

Ships Trading: 1,034
% Fleet on Order: 9%
Ships to Breakers: No Activity

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

Ships Trading: 452
% Fleet on Order: 2%
Ships to Breakers: Low Activity

Time Charter 1 Year v. 3 Years (\$ | day):
\$18,500 | \$20,500

Ships Trading: 1,034[^]
% Fleet on Order: 9%[^]
Ships to Breakers: No Activity[^]

Time Charter 1 Year v. 3 Years (\$ | day):
\$15,000 | \$16,000

Ships Trading: 452[°]
% Fleet on Order: 2%[°]
Ships to Breakers: No Activity[°]

Time Charter 1 Year v. 3 Years (\$ | day):
\$13,250 | \$14,000

Ships Trading: 1,744
% Fleet on Order: 7%
Ships to Breakers: No Activity

Time Charter 1 Year v. 3 Years (\$ | day):
\$11,000 | \$13,000

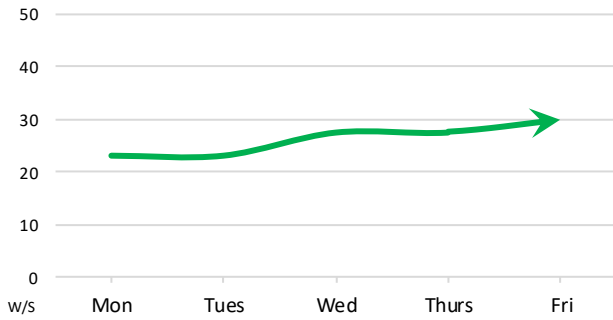
Ships Trading: 599
% Fleet on Order: 5%
Ships to Breakers: No Activity

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

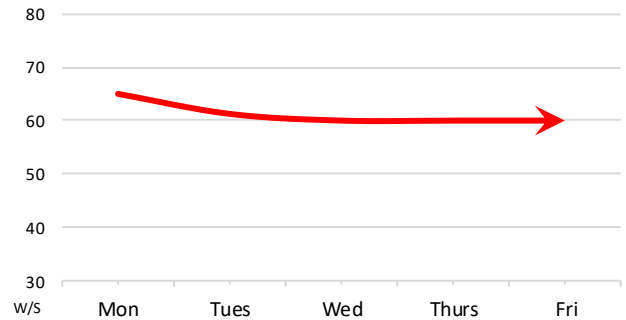
[^] Aframax and LR2 fleet numbers are combined for the purposes of these entries.

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

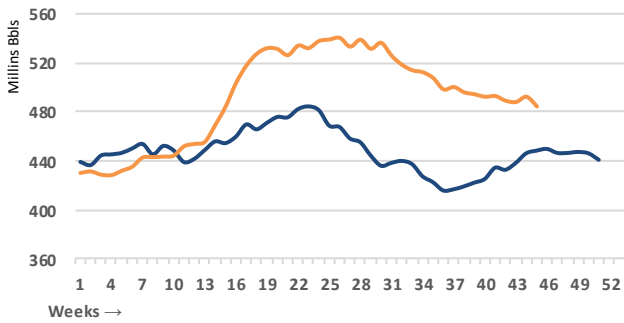
THE WEEK IN CHARTS



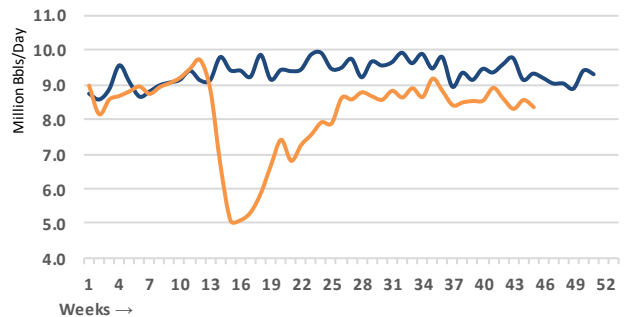
Global Climber of the Week: Suezmax (USG>UKC 130,000) | +30



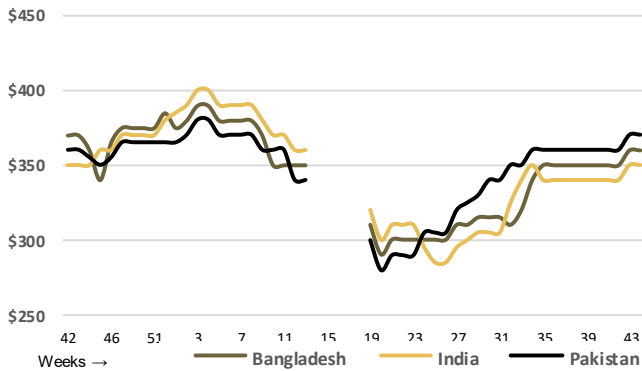
Global Decliner of the Week: Aframax (MED>MED 80,000) | -7%



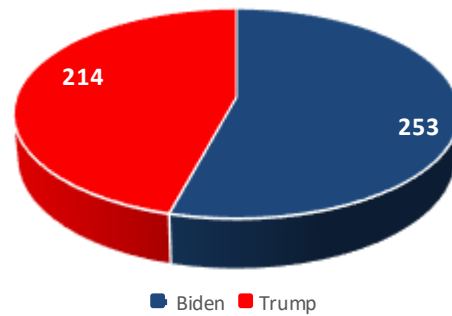
US Crude Oil Stocks (EIA) WTD '20 v. CY '19
 This Week: 484.4m bbls This Week '20 v. '19: +7.9%



US Gasoline Demand (EIA) WTD '20 v. CY '19
 This Week: 8.336m bbls/day This Week '20 v. '19: -10%



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



Charley's Chart of the Week: U.S. Presidential Election Results
 270 Electoral Votes Needed to Win.

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