

WEBER WEEKLY TANKER REPORT



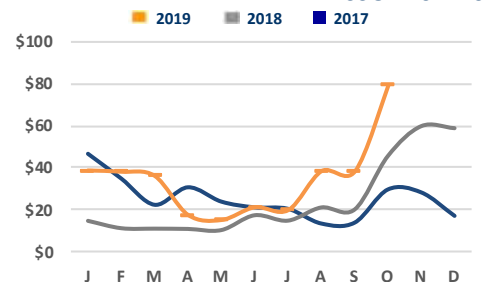
WEEK 40 – 4 October 2019

ISSUE 40 – 2019

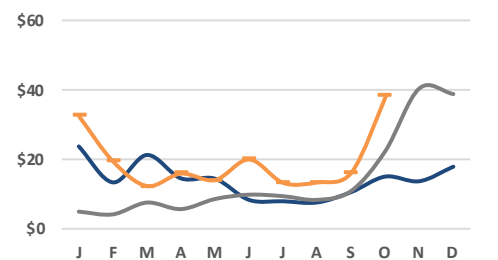
Spot Market	WS/S	TCE	WS/S	TCE
VLCC (13.0 Kts L/B)	Week Ending 27-Sep		Week Ending 4-Oct	
AG>USG 280k	32.00	--	44.50	--
AG>SPORE 270k	69.20	\$45,547	96.20	\$78,425
AG>JPN 265k	67.20	\$45,771	92.50	\$77,848
AG>CHINA 270k	70.70	\$45,088	95.70	\$75,990
WAFR>CHINA 260k	72.30	\$49,705	94.40	\$75,414
USG>SPORE 275k	7.34m	\$52,075	9.40m	\$76,506
AG>USG/USG>SPORE/AG	--	\$69,380	--	\$102,844
<i>VLCC Average Earnings</i>		<i>\$48,847</i>		<i>\$79,253</i>
SUEZMAX (13.0 Kts L/B)				
WAFR>USG 130k	86.00	\$27,433	110.00	\$42,468
WAFR>UKC 130k	91.00	\$24,554	115.00	\$38,965
BSEA>MED 140k	88.50	\$29,285	118.50	\$52,164
CBS>USG 150k	86.00	\$33,101	106.00	\$49,164
USG>UKC 150k	72.00	\$22,941	90.00	\$36,493
CBS>USG/USG>UKC/WAFR	--	\$30,883	--	\$47,082
AG>USG 140k	33.50	\$(4,142)	45.50	\$15,749
USG>SPORE 130k	4.60m	--	5.22m	--
AG>USG/USG>SPORE/AG	--	\$36,118	--	\$50,245
<i>Suezmax Average Earnings</i>		<i>\$23,730</i>		<i>\$38,043</i>
AFRAMAX (13.0 Kts L/B)				
N.SEA>UKC 80k	123.00	\$33,949	158.00	\$60,275
BALT>UKC 100k	104.00	\$33,934	133.80	\$53,735
CBS>USG 70k	145.00	\$26,111	157.50	\$31,760
USG>UKC 70k	136.00	\$23,943	149.50	\$29,706
CBS>USG/USG>UKC/NSEA	--	\$46,213	--	\$54,186
MED>MED 80k	123.00	\$26,884	173.00	\$51,028
AG>SPORE 70k	121.00	\$20,031	129.50	\$24,914
<i>Aframax Average Earnings</i>		<i>\$30,138</i>		<i>\$45,361</i>
PANAMAX (13.0 Kts L/B)				
CBS>USG 50k	169.00	\$21,187	193.00	\$27,927
CONT>USG 55k	103.25	\$10,374	120.00	\$16,041
ECU>USWC 50k	193.00	\$26,244	197.00	\$27,904
<i>Panamax Average Earnings</i>		<i>\$16,053</i>		<i>\$21,612</i>
LR2 (13.0 Kts L/B)				
AG>JPN 75k	94.65	\$12,336	114.10	\$20,657
AG>UKC 80k	1.99m	\$13,546	2.19m	\$18,697
MED>JPN 80k	2.31m	\$18,432	2.45m	\$22,399
AG>UKC/MED>JPN/AG	--	\$21,658	--	\$26,508
<i>LR2 Average Earnings</i>		<i>\$15,440</i>		<i>\$22,605</i>
LR1 (13.0 Kts L/B)				
AG>JPN 55k	98.38	\$8,141	108.63	\$12,334
AG>UKC 65k	1.54m	\$9,161	1.60m	\$11,432
UKC>WAFR 60k	105.44	\$11,200	107.25	\$12,812
AG>UKC/UKC>WAFR/AG	--	\$14,712	--	\$16,859
<i>LR1 Average Earnings</i>		<i>\$11,427</i>		<i>\$14,597</i>
MR (13.0 Kts L/B)				
UKC>USAC 37k	97.00	\$3,088	103.50	\$5,074
USG>UKC 38k	70.00	\$(897)	73.00	\$514
USG>UKC/UKC>USAC/USG	--	\$8,321	--	\$10,413
USG>CBS (Pozos Colorados) 38k	350k	\$4,835	355k	\$5,943
USG>CHILE (Coronel) 38k	1.04m	\$9,714	1.14m	\$13,200
CBS>USAC 38k	109.50	\$7,566	114.50	\$9,340
WCIND>JPN/ROK>SPORE/WCIND	--	\$14,476	--	\$13,430
<i>MR Average Earnings</i>		<i>\$7,849</i>		<i>\$9,275</i>
Handy (13.0 Kts L/B)				
MED>EMED 30k	107.45	\$3,540	113.70	\$5,926
SPORE>JPN 30k	137.50	\$7,559	132.70	\$8,197
<i>Handy Average Earnings</i>		<i>\$6,112</i>		<i>\$7,379</i>

Average Earnings weighted proportionally to regional activity share of each size class' worldwide market (including routes not necessarily shown above).

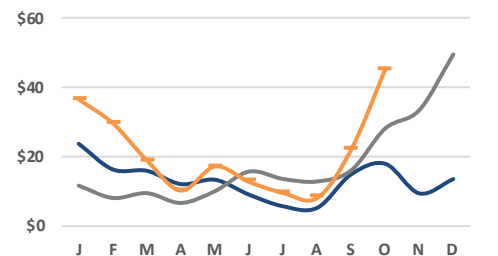
Time Charter Market \$/day (theoretical)	1 Year	3 Years
VLCC	\$43,000	\$36,000
Suezmax	\$29,000	\$25,000
Aframax	\$24,000	\$22,500
LR 1	\$16,000	\$17,000
MR	\$14,500	\$16,500
Handy	\$14,000	\$13,500



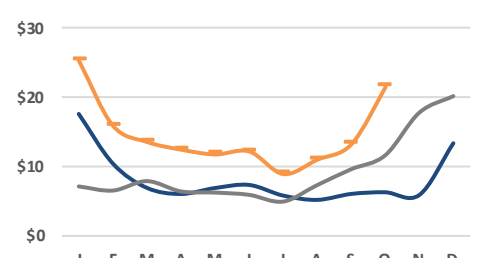
VLCC Average Earnings MTD Average ~\$79,253/Day Month y/y ▲ +73%



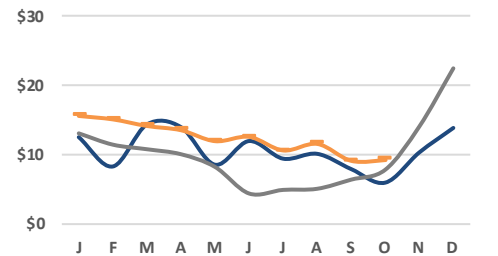
Suezmax Average Earnings MTD Average ~\$38,043/Day Month y/y ▲ +69%



Aframax Average Earnings MTD Average ~\$45,361/Day Month y/y ▲ +61%



Panamax Average Earnings MTD Average ~\$21,612/Day Month y/y ▲ +85%



MR Average Earnings MTD Average ~\$9,275/Day Month y/y ▲ +19%

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SPOT MARKET SUMMARY

VLCC

The Arabian Gulf Sep 30 – Oct 4

Rates in the VLCC sector surged, doubling levels from a week ago, and TCEs pushed toward \$100,000 per day, with export rates from the USG surpassing the thirteen million dollar level. The pressure was on from the start of the week, as the COSCO fleet remains out of play (arguably taking some 50 VLCC's from the market for the moment); this led to several prompt replacements and a much busier spot program from Unipecc and those end-users to whom Unipecc delivers. As activity in the AG increased, so did inquiry from West Africa and the USG, giving Owners even more options to lock in the highest returns seen in years. As Charterers entered the market, they were forced to move quickly on limited choices as each subsequent fixture proved higher than last. TD3 increased forty-five percent from Monday and ninety percent from last week, with the trend expected to continue into next week.

All eyes will be on the expected announcement from COSCO next week what effect this will have on the VLCC market, if any. If COSCO ships remain out of play rates will continue their steep rise, but when they re-enter it is sure to ease some of that pressure. But when? How many? And who will take the tonnage remains uncertain.

Eastbound rates for modern tonnage firmed dramatically this week, moving from the low ws80's up into triple digits, the latest fixture at ws115 for a voyage to Singapore. Westbound business retested in the middle of the week as ws43 was concluded for a voyage to the UKC via the Suez canal. Rates continued to firm from there and the rate today is arguably close to ws60. Triangulation still shows the highest possible returns as AG to the USG followed by USG to Singapore (basis ws55 cc and \$12.50 mil) yields a TCE of over \$143,000 per day over the two voyages.

Position list and Cargo Avails

There were 36 fresh fixtures to report this week bringing the October cargo tally to 111, leaving another 30 or so cargoes to go. This compares to a position list with 42 units available over that same period.

Suezmax

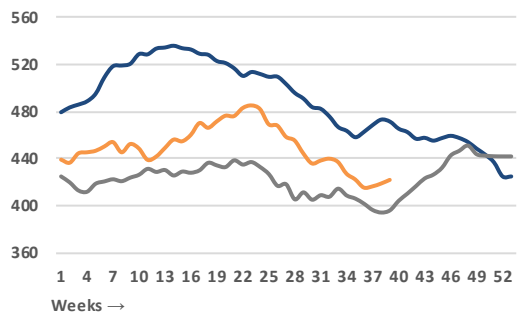
The Suezmax markets made moves that we haven't seen in quite some time this week, with some European markets rising to yield returns of over \$50,000 / day. Long haul voyages are commanding a premium, but also pulling tonnage out of the markets. The cargoes have continued to arrive, more or less one after the next, which has the owners feeling confident.

West Africa had been lagging behind due to a relative paucity of cargoes, but finally this week, it started moving to catch up. Ships were being absorbed in their local markets at high rates, erasing them from the WAF consideration, and finally a few cargoes came out to test the market. Rates still aren't quite as high there, but it wasn't a shabby weekly average in the high \$30s and low \$40s. But ending the week at the high end of the range with owners comfortably waiting until next week is a fairly bullish sign for the near term.

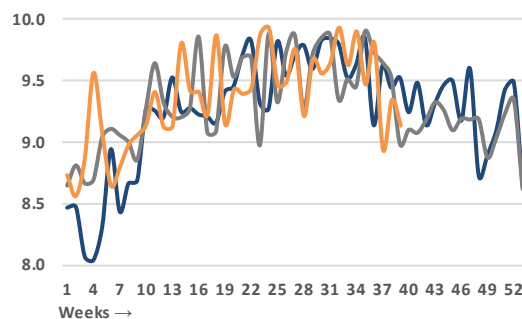
Aframax

It briefly appeared that Aframaxes in the US Gulf were harbingers of weakness in the dirty markets. Early in the week they seemed to be giving back some of the gains of previous weeks. It was not to be! As Aframaxes (and Suezmaxes) in Europe continued to surge higher, the US Gulf couldn't help but be swept along. By the end of the week, owners were seeing cargoes again, and quickly dug their heels in.

Rates for the week were certainly higher than last on both sides of the Atlantic, and now the European markets are seeing returns north of \$50,000 / day. Even though the rally has been dizzyingly sharp, its broad-based nature seems to promise more of the same for next week.



US Crude Stocks (EIA) Last Week 422.6 MnBbls Week y/y ▲ +6.7%



US Gasoline Demand (EIA) Last Week 9.137 MnB/d Week y/y ▲ +1.7%

■ 2019 ■ 2018 ■ 2017

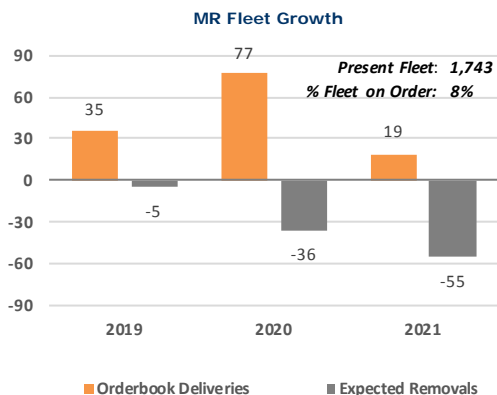
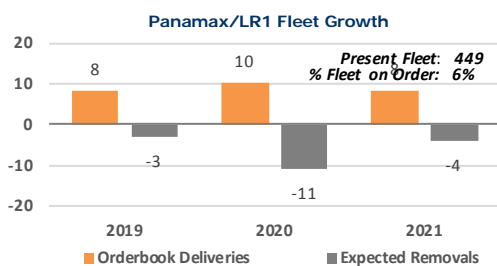
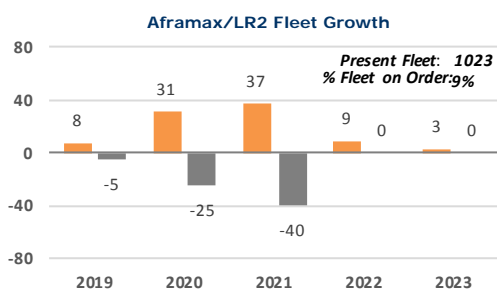
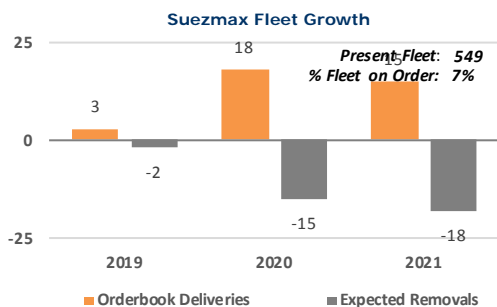
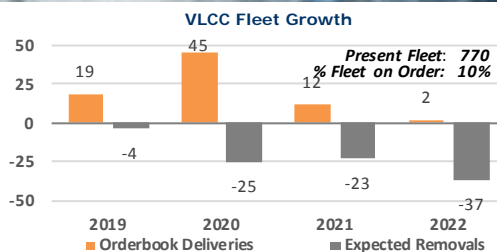
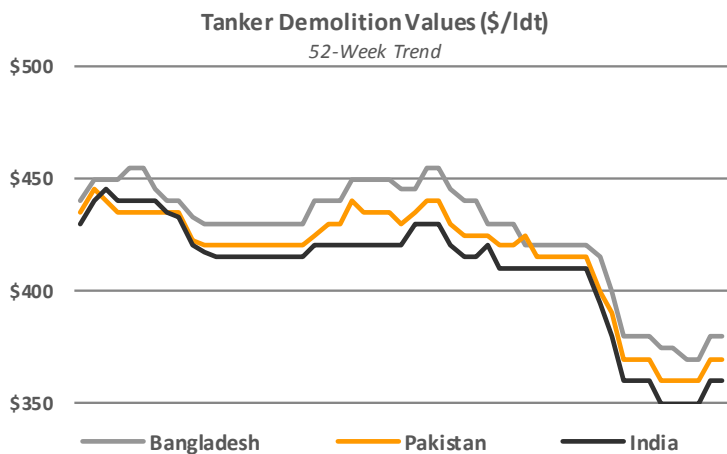
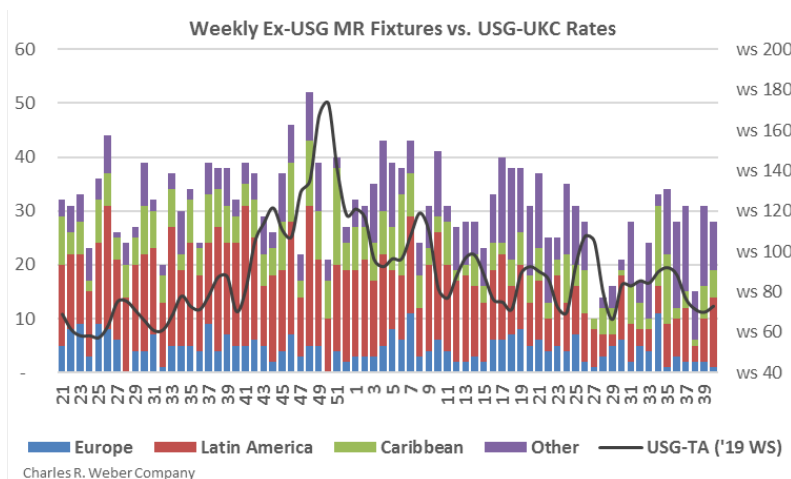
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MR

The MR market has been so depressed for so long that it's difficult to believe in any kind of light at the end of the tunnel. That said, in the Atlantic basin, the TC2 benchmark finally broke above WS 100 this week. In fact, it jumped nearly 20 points overnight midweek, and remains at WS 115 as we head to the weekend. With much of the weak tonnage disappearing, and the list looking a bit tighter, things may well persist into next week.

The US Gulf has not yet experienced the same kind of jump, but rates are creeping higher and poised to push more. Again, the list has cleared out somewhat and the weaker tonnage has disappeared. There's been talk of LRs moving to the dirty trade to capture *that* action so perhaps that trend will feed through the complex and spark a surge on the clean side that draws along the MRs.



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