

# WEBER WEEKLY TANKER REPORT



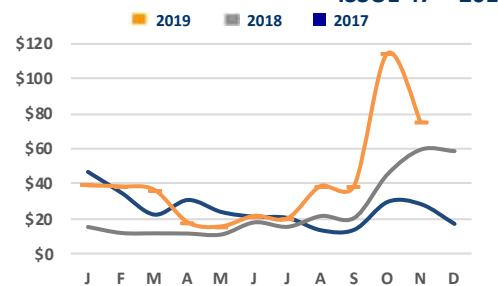
WEEK 47 – 22 November 2019

ISSUE 47 – 2019

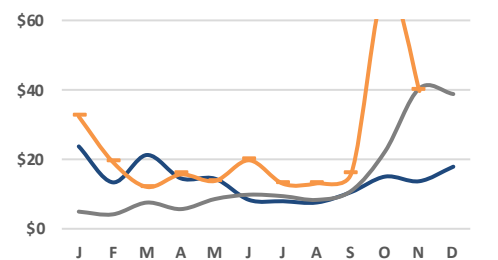
Spot Market	WS/S	TCE	WS/S	TCE
<b>VLCC</b> (13.0 Kts L/B)	Week Ending 15-Nov		Week Ending 22-Nov	
AG>USG 280k	44.70	--	51.80	--
AG>SPORE 270k	74.80	\$60,997	95.80	\$84,680
AG>JPN 265k	73.40	\$62,354	92.80	\$85,053
AG>CHINA 270k	74.80	\$58,374	96.30	\$82,861
WAFR>CHINA 260k	80.50	\$65,200	98.70	\$84,837
USG>SPORE 275k	8.66m	\$73,325	9.54m	\$83,088
AG>USG/USG>SPORE/AG	--	\$101,153	--	\$116,387
<i>VLCC Average Earnings</i>		<i>\$66,372</i>		<i>\$86,979</i>
<b>SUEZMAX</b> (13.0 Kts L/B)				
WAFR>USG 130k	98.50	\$38,779	116.00	\$48,841
WAFR>UKC 130k	103.50	\$35,579	121.00	\$45,188
BSEA>MED 140k	120.00	\$54,916	132.00	\$63,969
CBS>USG 150k	113.50	\$56,733	128.00	\$67,600
USG>UKC 150k	84.00	\$34,674	90.50	\$39,272
CBS>USG/USG>UKC/WAFR	--	\$47,900	--	\$55,235
AG>USG 140k	45.50	\$19,276	52.00	\$24,805
USG>SPORE 130k	5.08m	--	5.88m	--
AG>USG/USG>SPORE/AG	--	\$52,856	--	\$63,964
<i>Suezmax Average Earnings</i>		<i>\$37,584</i>		<i>\$45,748</i>
<b>AFRAMAX</b> (13.0 Kts L/B)				
N. SEA>UKC 80k	130.50	\$40,372	190.00	\$84,054
BALT>UKC 100k	106.40	\$36,463	159.33	\$70,432
CBS>USG 70k	147.00	\$30,023	165.50	\$36,802
USG>UKC 70k	133.50	\$26,333	163.20	\$36,495
CBS>USG/USG>UKC/NSEA	--	\$48,316	--	\$62,215
MED>MED 80k	122.00	\$30,470	191.00	\$62,127
AG>SPORE 70k	130.00	\$28,580	162.00	\$39,280
<i>Aframax Average Earnings</i>		<i>\$34,110</i>		<i>\$56,508</i>
<b>PANAMAX</b> (13.0 Kts L/B)				
CBS>USG 50k	129.50	\$13,863	143.00	\$17,289
CONT>USG 55k	116.90	\$16,817	121.70	\$18,304
ECU>USWC 50k	223.00	\$32,634	239.00	\$36,149
<i>Panamax Average Earnings</i>		<i>\$16,448</i>		<i>\$18,761</i>
<b>LR2</b> (13.0 Kts L/B)				
AG>JPN 75k	111.70	\$23,457	135.70	\$31,553
AG>UKC 80k	2.11m	\$19,657	2.47m	\$26,801
MED>JPN 80k	2.00m	\$17,554	2.26m	\$22,221
AG>UKC/MED>JPN/AG	--	\$23,732	--	\$30,230
<i>LR2 Average Earnings</i>		<i>\$23,548</i>		<i>\$31,113</i>
<b>LR1</b> (13.0 Kts L/B)				
AG>JPN 55k	134.75	\$21,286	154.00	\$26,183
AG>UKC 65k	1.86m	\$18,518	2.08m	\$22,840
UKC>WAFR 60k	131.88	\$21,561	166.50	\$31,045
AG>UKC/UKC>WAFR/AG	--	\$25,386	--	\$32,528
<i>LR1 Average Earnings</i>		<i>\$23,336</i>		<i>\$29,355</i>
<b>MR</b> (13.0 Kts L/B)				
UKC>USAC 37k	122.00	\$9,626	164.38	\$17,944
USG>UKC 38k	123.50	\$11,559	121.88	\$11,375
USG>UKC/UKC>USAC/USG	--	\$22,897	--	\$28,027
USG>CBS (Pozos Colorados) 38k	579k	\$22,129	562k	\$21,152
USG>CHILE (Coronel) 38k	1.61m	\$28,314	1.59m	\$27,807
CBS>USAC 38k	160.00	\$19,787	165.00	\$20,910
WCIND>JPN/ROK>SPORE/WCIND	--	\$22,463	--	\$25,373
<i>MR Average Earnings</i>		<i>\$19,778</i>		<i>\$23,265</i>
<b>Handy</b> (13.0 Kts L/B)				
MED>EMED 30k	174.70	\$24,014	233.00	\$40,118
SPORE>JPN 30k	165.50	\$14,874	165.50	\$15,206
<i>Handy Average Earnings</i>		<i>\$18,164</i>		<i>\$24,174</i>

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

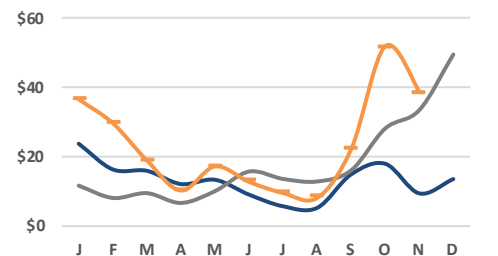
Time Charter Market	1 Year	3 Years
<i>\$/day (theoretical)</i>		
<b>VLCC</b>	\$45,000	\$37,000
<b>Suezmax</b>	\$35,000	\$30,000
<b>Aframax</b>	\$26,000	\$23,000
<b>LR 1</b>	\$18,000	\$17,000
<b>MR</b>	\$17,000	\$16,000
<b>Handy</b>	\$15,000	\$14,000



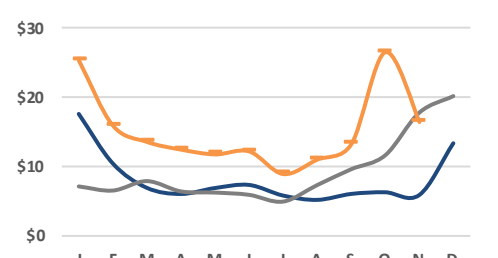
VLCC Average Earnings MTD Average ~\$86,979/Day Month y/y +25%



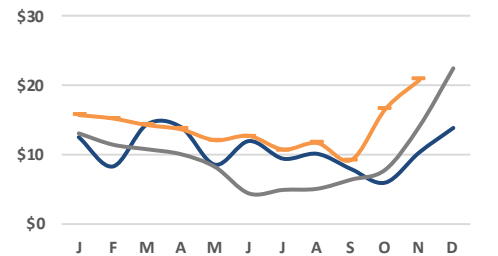
Suezmax Average Earnings MTD Average ~\$45,748/Day Month y/y -2%



Aframax Average Earnings MTD Average ~\$56,508/Day Month y/y +15%



Panamax Average Earnings MTD Average ~\$18,761/Day Month y/y -7%



MR Average Earnings MTD Average ~\$23,265/Day Month y/y +48%

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## SPOT MARKET SUMMARIES

### VLCC

This week has seen a sharp uptick in rates and sentiment in the VLCC sector. At the end of last week, eastbound rates were holding in the low ws70's for modern tonnage, but surged at the start of this week; initially to the mid ws80's and reaching a high of ws114 for China discharge. This yields a tce of about \$105,000 per day basis the current IFO 380 bunker prices at Fujairah.

In such a scenario it's rarely due to a single factor. The pace of fresh inquiry has been steady, led initially by west Africa and followed by the beginnings of the December AG program thereby buoying owners' confidence. Ongoing demand from all regions that draws from the same pot just added daily to their confidence. In addition it seems that fundamentals are more in owners favor again with a narrower supply-demand equation than we have seen for some time. Furthermore, continued uncertainty arises as we move closer to 2020 and the implementation of new fuel regulations and the higher costs therein.

On the tonnage side, while the sanctions on the COSCO fleet have been clarified, 26 of their 52 VLCC's remain out of play – either finishing previous voyages, ballasting towards China or sitting off China, presumably looking to find ways to rectify the US sanctions. Through most of 2019, we saw an overhang of 20-30 ships each month before 26 vessels were essentially "removed" from the fleet. So, despite the influx of new buildings and dearth of deletions, this has artificially reduced the supply of tonnage and how long they will stay out of play is another area of uncertainty.

Looking at the bunker issue, Owners fixing from West Africa today are likely to conclude most of that voyage in 2020 and thus will be burning the more expensive lower sulfur gas oil – another reason Owners Have been resolute in asking/pushing for higher.

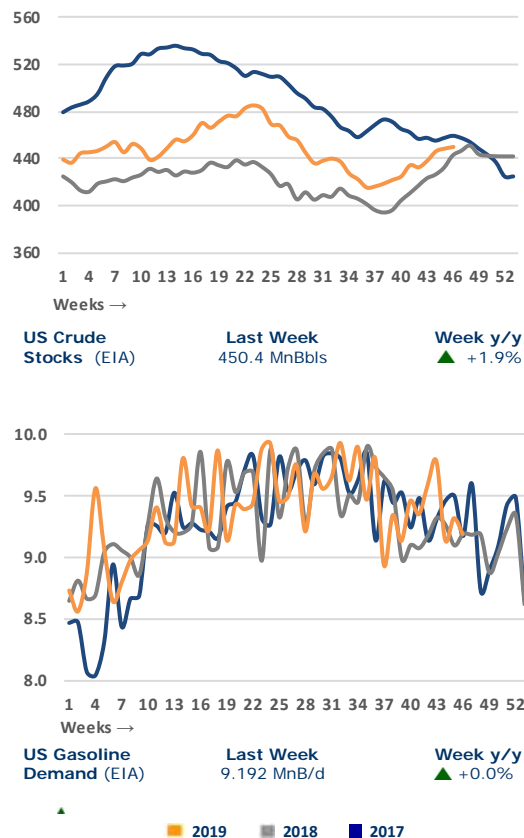
Prior to this spike, Charterers had essentially been working on a slow progression to ease sentiment, but owners have now realized that the pace of forward fixing has fallen behind last month's pace so they are showing resistance on expectations that activity will be ongoing. Previous "lull" periods would usually lead to a dip in rates, but with less supply, Charterers are not seeing large audiences and less competition is adding to Owners resistance.

### Suezmax

Another interest week for the West Africa Suezmax market as demand was relatively flat from last week however, busier secondary markets helped absorb excess tonnage from the list keeping rates pushing higher from last week's levels. The TD20 route rallied to an increase +10 pts off the back of improved market fundamentals and rising rates in AG and Mediterranean markets. TD20 TCE levels also showed a moderate increase on the week improving to just under \$50,000 pdpr. The BSEA – MED route added +12.5 points, which elevated TD6 up to ws140 and yielding a TCE of around \$67,500 pdpr. In the USG/CBS region, increased demand in both North and South America coupled with a patchy tonnage list have left rates in a promising position going into the short holiday week here in the States. The USG-TA route received a boost from the active Aframax TA market which kept Suezmax rates up around the ws90 barrier basis 145k MT cargo size. The big move this week was in the USG-Far East route, which received boost from owners' resistance to lock in the long East voyages in Q4 pushing rates up to \$6.3m (1:1) lump sum for Singapore discharge. BDTI - TD20 ended the week settling at 123.64 which is up (+6.41) from this time last week.

### Aframax

It was an interesting week in the USG market. The market was largely supported by the TA activity which eventually started trading higher than TD9 cargoes and now that the European markets are also strong owners have more incentive to send ships across the pond. The end of the week saw TD 25 trades fetching near ws175 and more than 65k p/d on one wat TCES while TD9 traded near WS165 and round trip TCEs earning around



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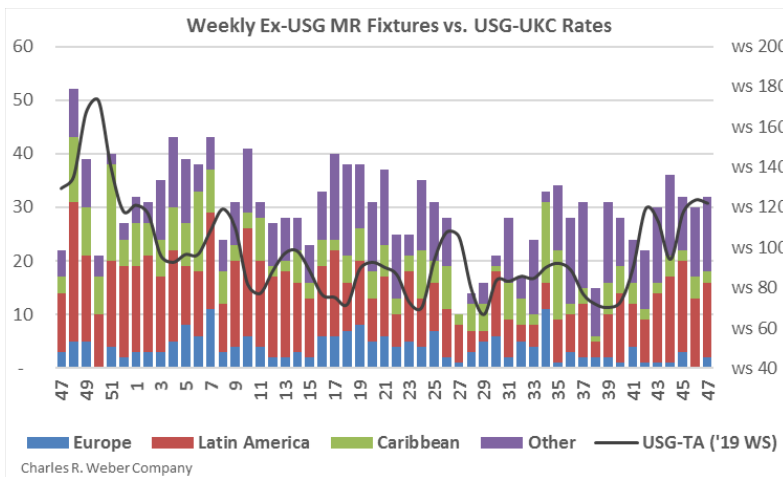
37k p/d. It seems Owners have locked in the higher rates they have been looking for and are hopeful the momentum will keep rolling through the Thanksgiving Holiday.

The European markets continued to trade strong early on with Cross UKC and Cross Med cargoes fetching around ws200 this week and TCEs earning near 70k p/d for Cross UKC and 65k p/d for Cross Med. Now, with the week finishing a little quieter than it started and rates looking to settle, it should give charterers some opportunity to test rates early next week.

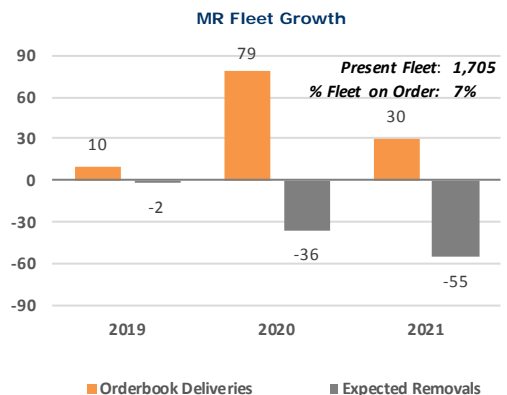
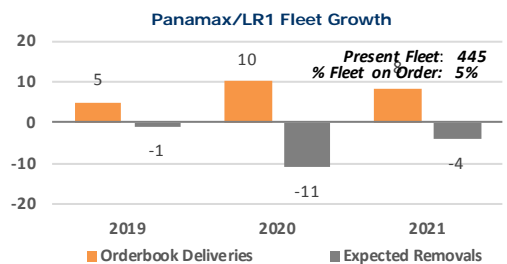
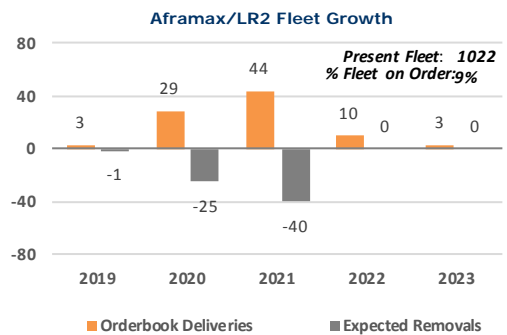
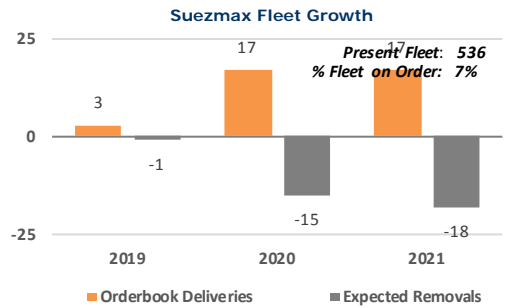
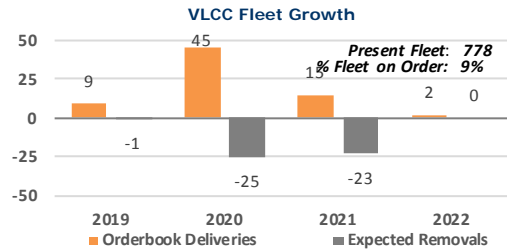
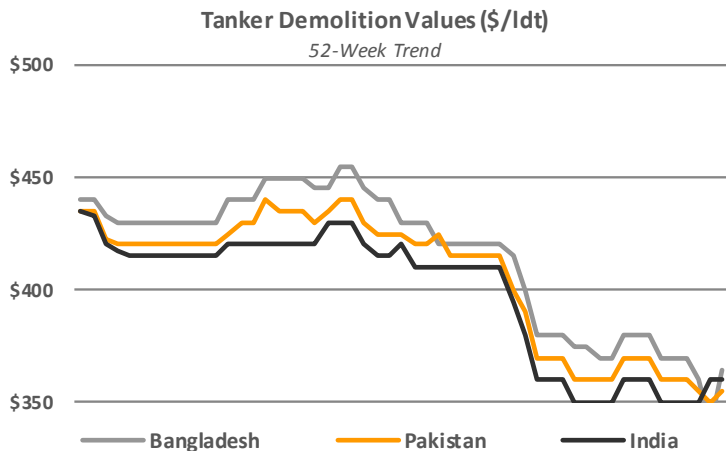
## MR

The slimmest CONT list in quite some time combined with steady cargo demand from both transatlantic and West African destinations helped spark a TC2 rally that continued throughout the course of the week. Rates have now reached 37 x ws 180 levels with the premium for Wafr widening to ws 220. Expectations are for a furthering firming as we head into next week.

Usg markets were active, particularly for usg/mexico short haul runs. However, the excess supply of tonnage caused rates to soften and eventually had a dampening effect on the longer hauls for both ta and south America. Owners are hopeful with the upcoming shortened thanksgiving week, we'll see accelerated volume early on and stop any further erosion.



Charles R. Weber Company



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