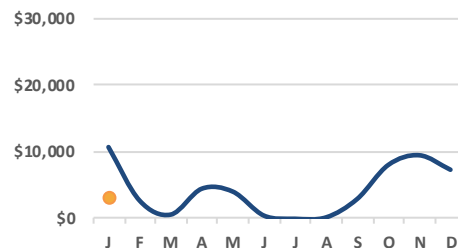




Week 2 • January 14, 2022

Issue WM02-22

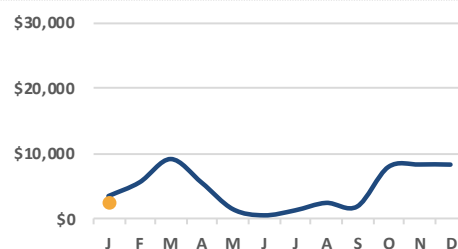
VLCC: The Arabian Gulf market provided more of the same lackluster narrative this week. We saw sluggish activity met with ample supply which led to a slight softening of Worldscale rates as TD3 dipped from ws37 to ws36.5 (basis 2022 WS). The drop in TCE returns, however, proved more dramatic as bunker prices rose \$26/mtd for VLSFO and \$15/mtd for IFO 380, (basis Fujairah). Earnings for TD3 fell \$1,400 per day to \$5,200 per day for those units with scrubbers and \$2,100 per day to -\$4,000 per day for those vessels burning VLSFO. In the Atlantic Basin we did see an uptick in US Gulf export activity as charterers were much busier on their February program. However, with negative sentiment elsewhere and still sufficient supply, rates dipped below \$5.0 million for China-Korea discharge before ultimately settling at the \$4.7 million level.



VLCC Average Earnings* MTD 2022 v. CY 2021

MTD '22 Avg/Day: \$3,078 MTD '22 v. CY '21: -71%

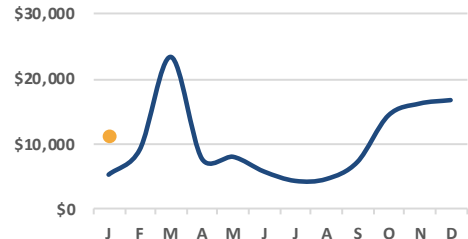
SUEZMAX: West Africa inquiries were steady this week as charterers wrapped up any remaining end January stems while pushing into their February programs in earnest. The much-needed boost in cargo inquiries helped absorb excess tonnage, which has improved overall market fundamentals and created some rate stability going into next week. However, the increased demand was not enough to help push rates higher as the TD20 route teetered around ws52.5-53.5 for most of the week. Corresponding TD20 TCE's were flat on the week-to-week comparison yielding a return of roughly \$3,900/day (IFO 380) and (-\$900)/day (0.5%) basis current bunker prices. In the Americas, inquiries were active with most inquiries originating in the US Gulf and South America regions. Overall, local rates only managed a minimal uptick as sufficient tonnage availabilities continue to hamper any significant rate improvements from further developing. Rates for USG>TA ended the week up 2.5 points at ws51.5 (basis 145,000mt cargo) while the up-coast route pushed into upper ws60's (basis 150,000mt cargo). The USG>EAST voyages inched a touch higher as well this week with Singapore discharge commanding \$3.15 million levels and remain date sensitive going into next week.



Suezmax Average Earnings* MTD 2022 v. CY 2021

MTD '22 Avg/Day: \$2,480 MTD '22 v. CY '21: -27%

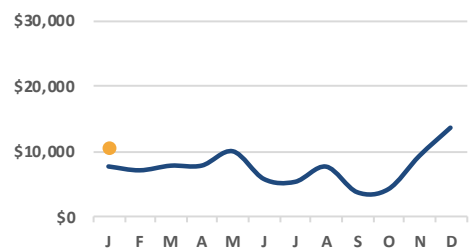
AFRAMAX: It was a steady week in the Aframax market with rates holding near last done levels for most of the week. Local routes saw a bit of a gap between EC Mexico and Caribbean routes after ws85 was done out of Covenas up to the US Gulf. This was quickly corrected to reflect the EC Mexico rate after ws100 was done on a Covenas to EC Canada cargo. Transatlantic routes settled at ws95 by the end of the week after reaching a high of ws102.5. Now, with plenty of ships lingering around the area through the weekend, expect charterers to test rates down to start off next week. Europe saw markets flip this week after Cross UKC routes dropped 10 points to settle at ws92. Activity remained quiet through much of the week with a slight increase on Friday; however, rates held flat to end the week. The Mediterranean market saw a 12.5-point jump from ws87.5 to close at ws100. The market closed firm; however, a lengthy Suezmax list could start capping rates next week.



Aframax Average Earnings* MTD 2022 v. CY 2021

MTD '22 Avg/Day: \$11,050 MTD '22 v. CY '21: +114%

MR: On Monday, the European market performed as expected and saw TC2 increase some 5-10 Worldscale points boosted by Friday's inquiries for local, transatlantic and Argentina options, only to drop back to the previous weeks' levels by Tuesday due to a few failed fixtures. By mid-week, activity in Europe picked up and we saw TC2 levels stabilizing at ws145. However, this did not last long as some tainted cargo history vessels agreed to lower rates and brought TC2 down some 10 points on Thursday, but thanks to some new inquiries today, TC2 closed at ws140. The thinning tonnage list should result in a balanced market next week. In the US Gulf, this week saw charterers looking to cover January 15-20 cargos. This, coupled with a tightening MR list, saw owners starting to resist last done levels and saw some owners showing a preference for longer voyages. The end of this week was not so active in terms of fixtures, yet the resistance from owners remained. All in all, TC14 started out at ws92.5 and closed up around ws95. The USG>CBS route gained some \$75,000 (lumpsum) from last week to end at \$525,000 and USG>Brazil also increased closing at ws145. Meanwhile, USG>Chile climbed above the \$1.4 million (lumpsum) threshold.



MR Average Earnings* MTD 2022 v. CY 2021

MTD '22 Avg/Day: \$10,493 MTD '22 v. CY '21: +36%

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TANKER ROUTES (13kts LJB)	Week 10	Week 2	Week 1	Week 2	**Week 1 Bunkers	**Week 2 Bunkers
VLCC	WS L\$	WS L\$	TCE**	TCE**	VLSFO \$623/MTD	VLSFO \$650/MTD
AG>USG • 280,000 (dwt)	20.47	19.00	--	--		
AG>SPORE • 270,000	39.10	37.50	\$6,050	\$2,597		
AG>JPN • 265,000	35.63	35.30	\$3,115	\$1,114		
AG>CHINA • 270,000	37.78	37.50	\$1,693	-\$233		
WAFR>CHINA • 260,000	38.34	37.90	\$5,692	\$3,687		
USG>SPORE-AG	4.10m	3.71m	\$27,308	\$19,320		
AG>USG/USG>SPORE-AG	--	--	\$17,579	\$10,690		
VLCC Average Earnings⁺	--	--	\$4,427	\$1,729		
SUEZMAX						
WAFR>USG • 130,000	51.19	51.00	\$2,152	\$446		
WAFR>UKC • 130,000	55.52	53.50	-\$151	-\$2,634		
BSEA>MED • 140,000	64.57	62.50	\$8,115	\$4,970		
CBS>USG • 150,000	66.14	65.50	\$12,614	\$11,122		
USG>UKC • 145,000	48.68	48.30	\$706	-\$1,791		
CBS>USG/USG>UKC-WAFR	--	--	\$6,834	\$5,375		
AG>USG • 140,000	32.79	29.90	\$3,803	\$619		
USG>SPORE	2.98m	3.09m	--	--		
AG>USG/USG>SPORE-AG	--	--	\$17,987	\$16,609		
Suezmax Average Earnings⁺	--	--	\$3,525	\$1,435		
AFRAMAX						
N.SEA>UKC • 80,000	99.51	92.70	\$12,976	\$7,023		
BALT>UKC • 100,000	120.40	107.40	\$36,145	\$27,274		
CBS>USG • 70,000	87.32	94.60	\$1,133	\$2,891		
USG>UKC • 70,000	94.60	99.00	\$4,447	\$4,924		
CBS>USG/USG>UKC-NSEA	--	--	\$17,763	\$19,596		
MED>MED • 80,000	84.71	87.60	\$5,942	\$6,475		
AG>SPORE • 80,000	95.38	101.30	\$8,286	\$9,382		
Aframax Average Earnings⁺	--	--	\$11,376	\$10,723		
PANAMAX						
CBS>USAC(USG) • 50,000	132.77	120.00	\$11,811	\$7,566		
UKC>USG • 55,000	104.43	103.75	\$4,516	\$3,423		
MED>USG • 55,000	105.64	105.00	\$7,017	\$5,956		
ECU>USWC • 50,000	173.81	173.50	\$20,805	\$19,960		
Panamax Average Earnings⁺	--	--	\$7,947	\$5,770		
LR2						
AG>JPN • 75,000	102.25	91.50	\$9,839	\$5,224		
AG>UKC	2.29m	1.99m	\$13,336	\$6,600		
MED>JPN	1.88m	1.85m	\$4,136	\$2,726		
AG>UKC-MED>JPN-AG	--	--	\$14,132	\$9,881		
LR2 Average Earnings⁺	--	--	\$11,268	\$6,775		
LR1						
AG>JPN • 55,000	105.70	97.40	\$6,771	\$3,910		
AG>UKC	1.66m	1.62m	\$6,560	\$4,891		
UKC>WAFR • 60,000	108.70	101.60	\$11,122	\$8,244		
AG>UKC/UKC>WAFR-AG	--	--	\$12,711	\$10,398		
LR1 Average Earnings⁺	--	--	\$9,741	\$7,154		
MR						
UKC>USAC • 37,000	143.11	145.00	\$7,214	\$6,880		
USG>UKC • 38,000	95.50	93.00	\$52	-\$1,081		
USG>UKC/UKC>USAC(USG)	--	--	\$11,118	\$10,228		
USG>CBS (Pozos Colorados)	482k	480k	\$9,838	\$9,097		
USG>CHILE (Coronel)	1.40m	1.39m	\$15,572	\$14,808		
CBS>USAC(USG) • 38,000	143.77	137.50	\$11,703	\$9,777		
WCIND>JPN-ROK>SPORE-WCIND	--	--	\$12,374	\$9,771		
MR Average Earnings⁺	--	--	\$11,005	\$9,980		
HANDYSIZE						
MED>EMED • 30,000	190.10	171.80	\$32,803	\$26,426		
SPORE>JPN • 30,000	135.50	130.60	\$4,285	\$2,954		
Handysize Average Earnings⁺	--	--	\$14,552	\$11,404		

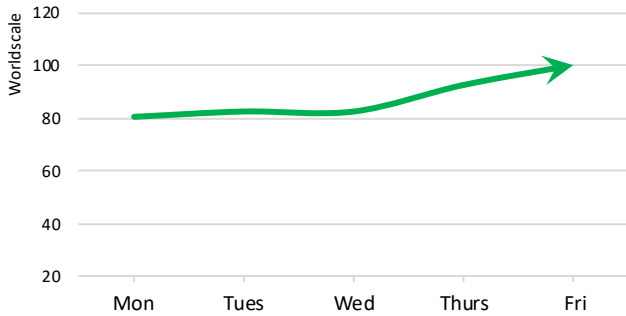
^o2022 Worldscale Rates

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

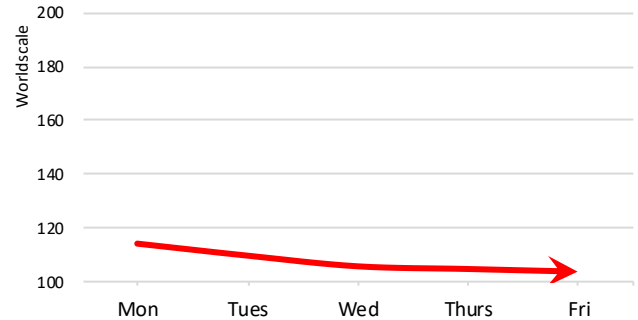
[^] Aframax and LR2 fleet numbers are combined for the purposes of these entries.

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

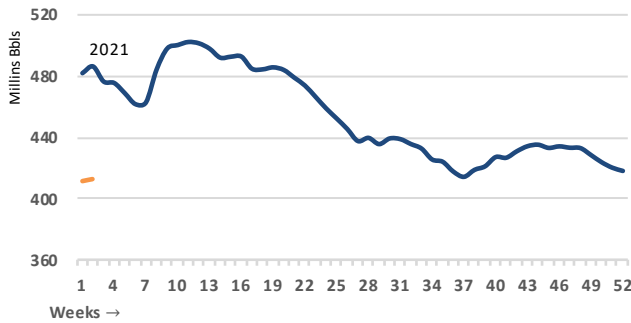
THE WEEK IN CHARTS



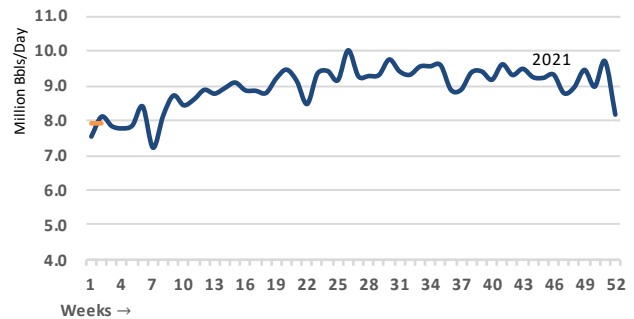
Global Climber of the Week: Aframax (MED>MED | 80,000mt) | +24%



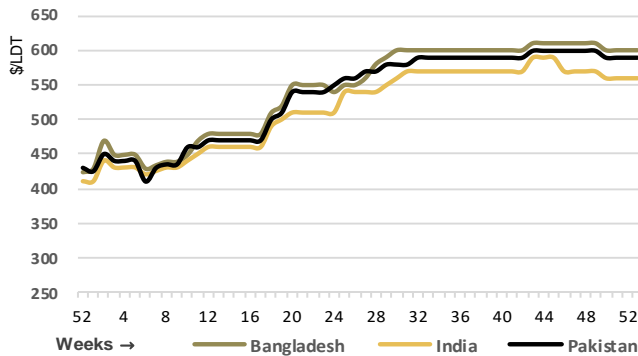
Global Decliner of the Week: Aframax (BALT>UKC | 100,000mt) | -9.2%



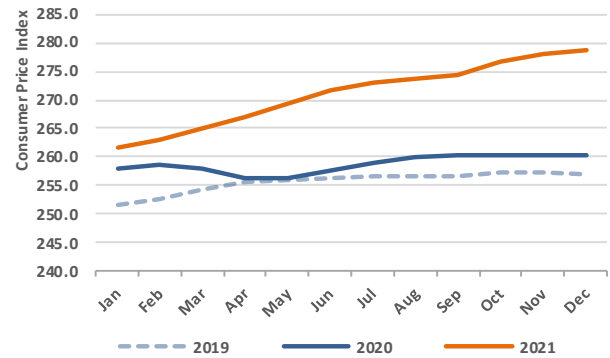
US Crude Oil Stocks (EIA) WTD '22 v. CY '21
Last Week: 413.3m bbls Last Week '22 v. '21: -14%



US Gasoline Demand (EIA) WTD '22 v. CY '21
Last Week: 7.906m bbls/day Last Week '22 v. '21: +5.0%



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



Charley's Chart of the Week: US Consumer Price Index (BLS)
Inflation Rate CY '21: 4.69% Inflation Rate Dec '21 v. Dec '20: 7.03%

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