

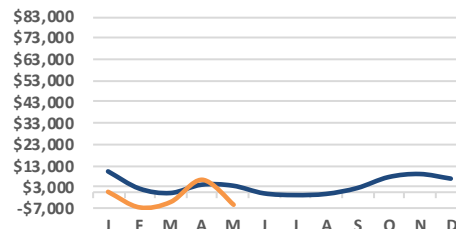
# WEEKLY MARKET REPORT



Week 19 • May 13, 2022

Issue WM19-22

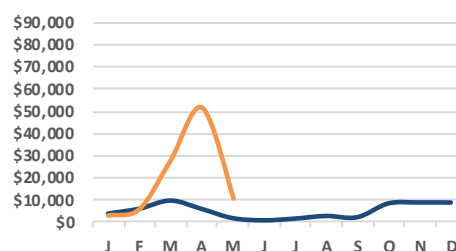
**VLCC:** Lackluster week in the VLCC sector with little change in market sentiment and rates. Eastbound levels from the Arabian Gulf continuing to hover around the ws40 level for modern units, which keeps TCEs below daily operating costs for most voyages and vessels. In the Atlantic, it was a similar story, and although we are seeing fewer ballast units from the east, we are seeing more oil from the West (Brazil, West Africa & US Gulf) being discharged in the UKC market, which is making up for the loss of Russian crude into the EU countries.



**VLCC Average Earnings\* MTD 2022 v. CY 2021**

MTD '22 Avg/Day: \$-5,415      MTD '22 v. CY '21: -239%

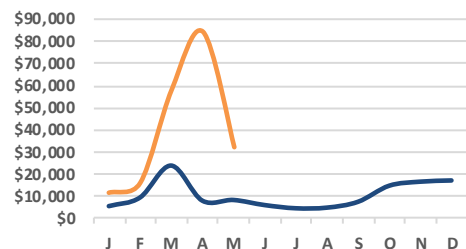
**SUEZMAX:** A bit of an up and down week for the sector as West Africa rates faced resistance right out of the gates and continued its upward trend from late last week. Tighter regional tonnage fundamentals coupled with limited interest from eastern ballasters helped push rates up into the mid ws90's for the TD20 route. However, the initial uptick was short lived as charterers were able to successfully test last done levels by midweek due to a build in end month tonnage as weaker than expected demand from alternative load regions kept tonnage supply balanced and rates in check. The WAFR>UKCM route finished off the week at ws90 which yields a TCE return of roughly \$15,900/day (IFO 380) and \$10,900/day (0.5%) basis current bunker prices. In the Americas, inquiries remain sluggish at best as rates continue to shadow the receding Aframax market in order to keep pace. Rates for USG>TA ended the week at ws63.5 levels (basis 145,000mt cargo) and up-coast is now pegged at around ws80 (basis 150,000mt cargo). The USG>EAST route slipped once again this week with Singapore discharge commanding \$3.75-3.8m levels but should see additional testing from charterers to coincide with descending VLCC rates. BDTI- TD20 ended the week settling at ws87.93 which is up 4.98 points from this time last week.



**Suezmax Average Earnings\* MTD 2022 v. CY 2021**

MTD '22 Avg/Day: \$10,452      MTD '22 v. CY '21: +681%

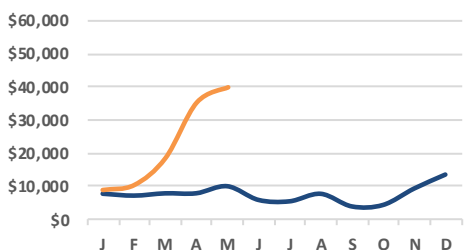
**AFRAMAX:** It was a slow start this week for the segment as the Atlantic markets continued to ease. The week started off with plenty of tonnage for charterers to grab off natural dates, allowing them to chip away at rates with each fixture. Moving into the second half of the week however, a flurry of activity on Thursday picked off most of the remaining tonnage giving owners an opportunity to start showing some resistance across all markets. Local rates closed up at ws140 while owners tried to make the same push on cargoes into Europe; however, the weaker Suezmax market capped rates around the ws135 mark. Activity became quiet again on Friday and if enough tonnage were to make its way back into the market over the weekend and next week starts off in a similar fashion, we could see charterers begin to chip away at rates yet again. The easing trend extended across the pond with a quieter North Sea and UK Continent program dropping levels down to ws135. Over in the Mediterranean, rates saw a 10-point Worldscale decline, after limited fresh inquiries, allowed tonnage to start stacking up across the region. To sum it all up, unless inquiries can increase and remain steady, we could see rates continue to hover around their current levels through next week.



**Aframax Average Earnings\* MTD 2022 v. CY 2021**

MTD '22 Avg/Day: \$31,926      MTD '22 v. CY '21: +302%

**MR:** After holding much of the week steady at ws320 (basis 37,000mt cargo), TC2 saw rates surge higher by the end of Friday. Increased activity had some charterers talking multiple ships on subjects and forcing others into the market to compete for front-end availability. A thinning list has now pushed freight levels up to ws345, with open stems still yet to be covered. Inquiries into West Africa remain and are warranting a 10-point Worldscale premium. The lifting of subjects come Monday should determine the next direction for the market. A slower start in the US Gulf had some of the benchmark voyages facing a correction. An inactive USG>TA arbitrage saw TC14 fall from ws190 down to ws170 (basis 38,000mt cargo). Limited cargo flow from the USG to Brazil dropped rates down to ws220 (basis 38,000mt cargo) suffering an almost 50-point decline. Owners soon opted for shorter voyages both to the Caribbean and EC Mexico landing rates at \$800k to \$600k, respectively. The only resilient voyage proved to be USG>Chile in which owners were able to maintain \$2.3m levels despite a surrounding softening. An improving European market should attract some ballasters, but the US Gulf will likely need increased volume to prevent any further erosion next week.



**MR Average Earnings\* MTD 2022 v. CY 2021**

MTD '22 Avg/Day: \$39,691      MTD '22 v. CY '21: +293%

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TANKER ROUTES (13kts LJB)	Week 18 WS L\$	Week 19 WS L\$	Week 18 TCE*	Week 19 TCE**	*Week 18 Bunkers VLSFO \$918/M TD	**Week 19 Bunkers VLSFO \$901/M TD
<b>VLCC</b>						
AG>USG • 280,000 (dwt)	25.10	<b>24.50</b>	--	--		
AG>SPORE • 270,000	47.00	<b>43.00</b>	-\$1,808	-\$5,510		
AG>JPN • 265,000	44.60	<b>40.80</b>	-\$3,468	-\$7,071		
AG>CHINA • 270,000	46.10	<b>42.40</b>	-\$7,863	-\$10,252		
WAFR>CHINA • 260,000	45.50	<b>43.20</b>	-\$2,588	-\$4,256		
USG>SPORE-AG	4.55m	<b>4.29m</b>	\$17,891	\$13,452		
AG>USG/USG>SPORE-AG	--	--	\$5,934	\$4,667		
<b>VLCC Average Earnings<sup>+</sup></b>	--	--	-\$4,281	-\$6,906		
<b>SUEZMAX</b>						
WAFR>USG • 130,000	73.20	<b>85.00</b>	-\$2,273	\$7,121		
WAFR>UKC • 130,000	78.00	<b>88.00</b>	-\$4,301	\$3,723		
BSEA>MED • 140,000	149.20	<b>135.00</b>	\$53,451	\$43,584		
CBS>USG • 150,000	94.50	<b>82.50</b>	\$13,705	\$8,843		
USG>UKC • 145,000	77.00	<b>67.60</b>	-\$1,314	-\$3,779		
CBS>USG/USG>UKC-WAFR	--	--	\$10,415	\$5,837		
AG>USG • 140,000	47.00	<b>45.00</b>	-\$5,652	-\$5,520		
USG>SPORE	4.35m	<b>4.06m</b>	--	--		
AG>USG/USG>SPORE-AG	--	--	\$17,151	\$14,888		
<b>Suezmax Average Earnings<sup>+</sup></b>	--	--	\$9,137	\$11,766		
<b>AFRAMAX</b>						
N.SEA>UKC • 80,000	155.00	<b>145.00</b>	\$30,426	\$29,666		
BALT>UKC • 100,000	243.50	<b>207.70</b>	\$85,323	\$70,809		
CBS>USG • 70,000	150.50	<b>138.80</b>	\$9,854	\$7,977		
USG>UKC • 70,000	152.10	<b>135.00</b>	\$7,378	\$4,555		
CBS>USG/USG>UKC-NSEA	--	--	\$31,650	\$26,979		
MED>MED • 80,000	158.00	<b>152.00</b>	\$31,577	\$29,200		
AG>SPORE • 80,000	190.00	<b>190.00</b>	\$30,252	\$30,406		
<b>Aframax Average Earnings<sup>+</sup></b>	--	--	\$33,869	\$29,982		
<b>PANAMAX</b>						
CBS>USAC(USG) • 50,000	227.50	<b>196.00</b>	\$23,692	\$17,817		
MED>USG • 55,000	160.00	<b>160.00</b>	\$10,769	\$12,453		
ECU>USWC • 50,000	263.00	<b>275.00</b>	\$32,109	\$36,156		
USG>CBS • 50,000	228.50	<b>196.00</b>	\$20,866	\$14,305		
<b>Panamax Average Earnings<sup>+</sup></b>	--	--	\$21,557	\$18,614		
<b>LR2</b>						
AG>JPN • 75,000	261.80	<b>298.50</b>	\$47,439	\$66,154		
AG>UKC	4.77m	<b>5.62m</b>	\$48,611	\$66,461		
MED>JPN	3.66m	<b>4.62m</b>	\$23,600	\$40,706		
AG>UKC-MED>JPN-AG	--	--	\$45,829	\$65,260		
<b>LR2 Average Earnings<sup>+</sup></b>	--	--	\$50,631	\$65,856		
<b>LR1</b>						
AG>JPN • 55,000	302.70	<b>315.27</b>	\$47,933	\$51,076		
AG>UKC	4.54m	<b>4.94m</b>	\$52,278	\$61,193		
UKC>WAFR • 60,000	215.46	<b>236.47</b>	\$32,346	\$39,648		
AG>UKC/UKC>WAFR-AG	--	--	\$55,460	\$64,599		
<b>LR1 Average Earnings<sup>+</sup></b>	--	--	\$51,449	\$57,837		
<b>MR</b>						
UKC>USAC • 37,000	317.00	<b>326.00</b>	\$26,304	\$30,685		
USG>UKC • 38,000	233.00	<b>296.00</b>	\$15,549	\$29,188		
USG>UKC/UKC>USAC(USG)	--	--	\$40,226	\$54,119		
USG>CBS (Pozos Colorados)	995k	<b>855k</b>	\$35,066	\$27,238		
USG>CHILE (Coronel)	2.37m	<b>2.19m</b>	\$35,313	\$31,209		
CBS>USAC(USG) • 38,000	285.00	<b>246.00</b>	\$31,751	\$25,309		
WCIND>JPN-ROK>SPORE-WCIND	--	--	\$49,876	\$51,057		
<b>MR Average Earnings<sup>+</sup></b>	--	--	\$38,291	\$41,091		
<b>HANDYSIZE</b>						
MED>EMED • 30,000	279.30	<b>246.10</b>	\$57,068	\$46,553		
SPORE>JPN • 30,000	366.70	<b>386.00</b>	\$32,562	\$35,838		
<b>Handysize Average Earnings<sup>+</sup></b>	--	--	\$41,384	\$39,695		

**Time Charter 1 Year v. 3 Years (\$ | day):**  
\$28,500 | \$28,000

**# Ships Trading:** 851  
**% Fleet on Order:** 6.3%  
**Ships to Breakers:** 1

**Time Charter 1 Year v. 3 Years (\$ | day):**  
\$24,000 | \$23,500

**# Ships Trading:** 583  
**% Fleet on Order:** 4.6%  
**Ships to Breakers:** No Activity

**Time Charter 1 Year v. 3 Years (\$ | day):**  
\$19,500 | \$20,000

**# Ships Trading:** 644  
**% Fleet on Order:** 5.1%  
**Ships to Breakers:** No Activity

**Time Charter 1 Year v. 3 Years (\$ | day):**  
\$16,000 | \$16,500

**# Ships Trading:** 55  
**% Fleet on Order:** 0.0%  
**Ships to Breakers:** No Activity

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

**# Ships Trading:** 417  
**% Fleet on Order:** 11.0%  
**Ships to Breakers:** No Activity

**Time Charter 1 Year v. 3 Years (\$ | day):**  
\$17,500 | \$16,500

**# Ships Trading:** 391  
**% Fleet on Order:** 0.8%  
**Ships to Breakers:** No Activity

**Time Charter 1 Year v. 3 Years (\$ | day):**  
\$15,500 | \$16,000

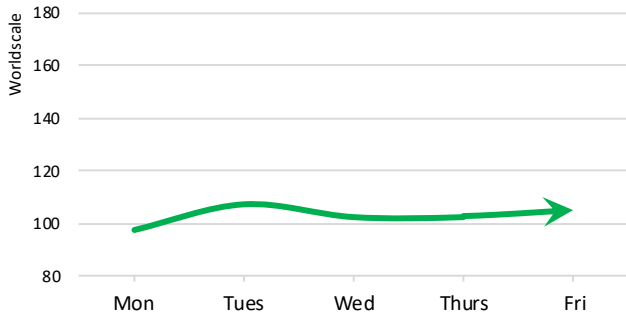
**# Ships Trading:** 1,889  
**% Fleet on Order:** 5.8%  
**Ships to Breakers:** No Activity

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

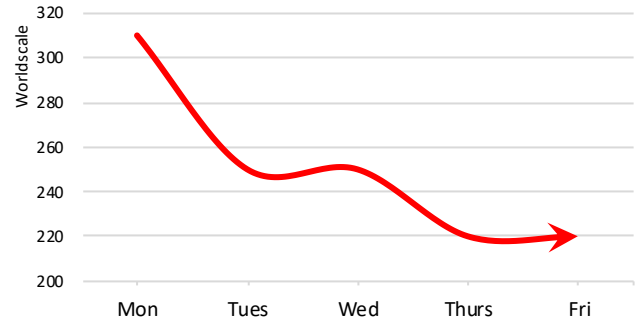
**# Ships Trading:** 542  
**% Fleet on Order:** 3.7%  
**Ships to Breakers:** No Activity

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

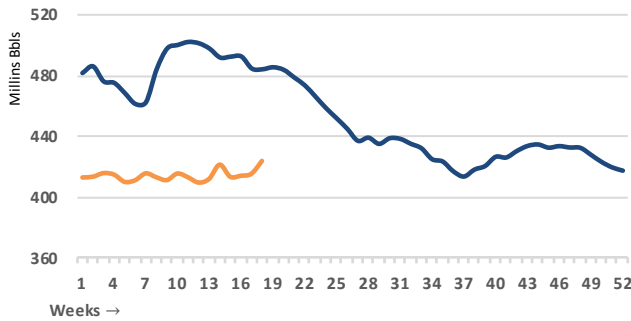
THE WEEK IN CHARTS



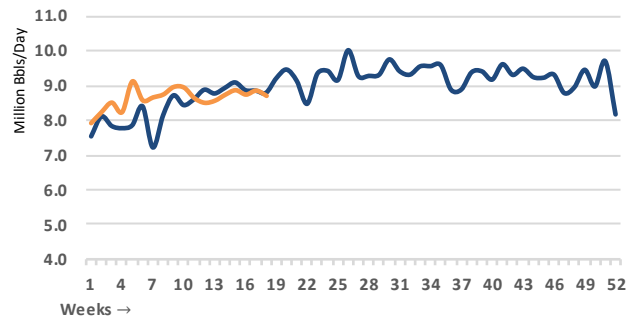
**Global Climber of the Week: Aframax (NSEA>USAC | 80,000mt) | +7.6%**



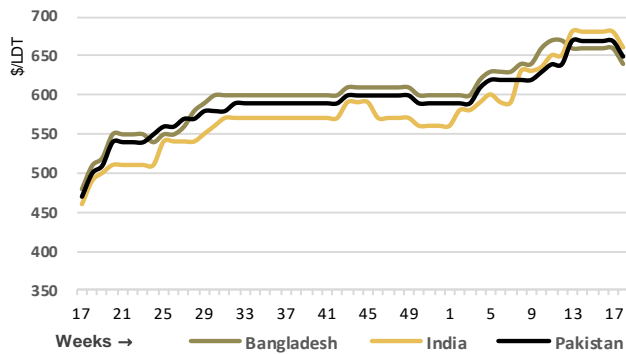
**Global Decliner of the Week: MR (USG>ECC | 38,000mt) | -29%**



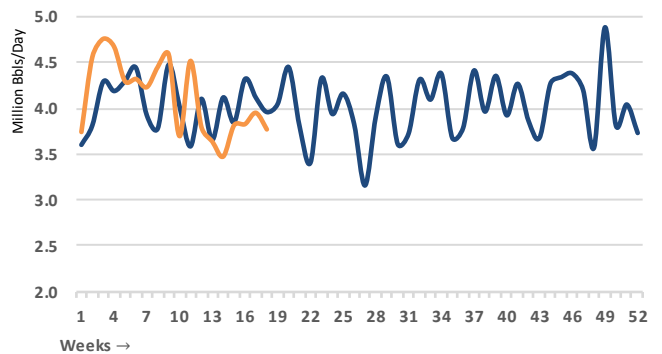
**US Crude Oil Stocks (EIA) WTD '22 v. CY '21**  
Last Week: 424.2m bbls Last Week '22 v. '21: -9%



**US Gasoline Demand (EIA) WTD '22 v. CY '21**  
Last Week: 8.702m bbls/day Last Week '22 v. '21: -1.1%



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



**Charley's Chart of the Week: US Distillate Fuel Oil Demand (EIA)**  
WTD '22 v. CY '21  
Last Week: 3.777m bbls/day Last Week '22 v. '21: -4.8%

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