



# RVB Tank Storage Solutions

## Market Report week 27

Tank storage opportunities & updates

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### General

The oil market has been very volatile in the run up to the OPEC meeting and in the aftermath. Oil got sold off heavily before the OPEC meeting due to expectations that OPEC would significantly boost output but that feels like a distant memory now with the oil bulls back on the march again. Supply outages in Venezuela and Libya and anticipated import cuts from Iran have revived the rally and 80 USD is just around the corner again. There are fears that the additional OPEC supply is not sufficient to make up for the losses as well as for spare capacity: the more extra production, the less additional supply in case of another supply shock.

**Crude:** Brent spreads are quite stable but WTI spreads are stellar. **Crude stocks in the US are dropping fast due to increased refinery utilization and lower imports** (especially Canadian flows). The WTI front spread has traded at 3 USD/bbl before falling back to 2.50 USD/bbl. Not really an incentive to store crude in the US, however pipeline constraints make storage necessary.

**Gasoline:** Seasonal backwardation is still there and we are seeing more availabilities in ARA, for spot but also for longer term contracts. Rates are coming off a tad too, but nothing really significant. Demand for blending and accumulation activities is still out there on healthy margins but **no one is really rushing in to contract cbm's**.

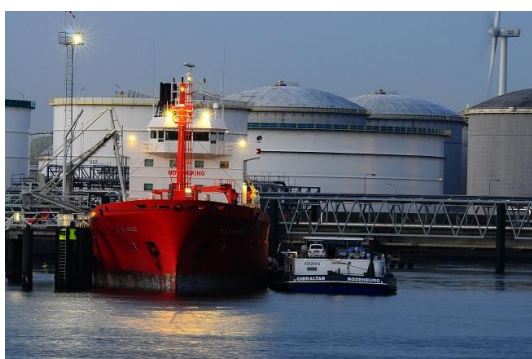
**Gasoil:** The armada of products from the east and the US certainly had its effect on the curve and contango is back on the front and slightly on dec/dec. However, **it's not enough to justify a plain storage play** but it has made life a bit better for people who need storage as part of their operations. Rates are still pressured and some trading companies are putting their toes in the water again and see whether they can strike a 1-year deal at low rates, something we haven't seen for a while.

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**Fuel oil:** The fuel curve remains very strong, hovering around 4 USD backwardation until the end of this year. It's difficult to make money in this market but it is still hard to find availabilities, especially for smaller operations. Rates do not seem to drop either for smaller volumes, but traders continue to contract spot deals for high volume capacity at attractive rates. Activity from Rotterdam to Singapore is on and off and this week one VLCC left Rotterdam and is now underway to the East.

**Chemicals:** With or without trading wars and changing taxes, overall we see big volumes moving and the tank availability for specialty chemicals is very limited. Tanks for easy chems are easier to find. The more requirements like vapor treatment, different modalities, dedicated lines or special last cargoes, the more difficult it is to find the tanks.



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### **China**

One of the measures by Chinese government to improve air quality for the last few years was reducing burning of fuel oil by industrial furnaces. Practically, no approval for new building of fuel oil furnaces has been given for the last 2 years, while a lot of existing furnaces have been converted into natural gas or LPG furnaces or shut-down. According to some major fuel oil players, the total share of fuel oil as energy source for industrial furnaces is less than 50% of the total today vs. above 90% only 5 years ago. This greatly reduced demand for fuel oil storage. While **occupancy rate for chemical tankage has seen a healthy improvement to above 70% on average** for the first half of 2018, occupancy rate for fuel-oils tankage has decreased to around 45% on average for the same period. The storage demand of fuel oils in China is expected to continue decreasing for the foreseeable future.

### **Rotterdam pollution**

The oil spill of 200ton bunker fuel has had a great impact on the activities in the Port of Rotterdam. Parts of the port were closed for a number of days to make sure that cleaning companies could do their work and to make sure that the fuel wouldn't spread any further. Today's status is that the Botlek area is still classified as a polluted area. Entering this area is entirely at the customer's or shipper's own responsibility, **it is to be expected that in the course of next week all operations can be resumed and everything will be back to normal.**

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### Terminal investment overview

Please find an overview below of interesting announced investments in the tank storage industry in the first six months of 2018:

- **Odfjell to sell Rotterdam Terminals to Koole**
- American Midstream Partners sells its marine products terminalling business to institutional investors
- Stena Oil constructs bunker facility in Denmark
- **HES International acquired by Goldman Sachs and Macquarie**
- Vopak expands rail loading facility in Antwerp and will build 65,000 m3 styrene storage in Rotterdam
- OMV constructs a fuel oil terminal in Romania
- Esso Italy sells storage terminals to Sonatrach
- La Corunna 350,000 m3 new oil storage terminal aims to be operational 2h 2019
- Koole's expansion of their biodiesel storage and block train handling in Rotterdam
- NorthStar Midstream sold its newly built Port Arthur TX terminal to Colonial Pipeline
- Howard Energy Partners commended operations at the new Maverick Terminal in Corpus Christi TX (480,000 bbl)

And many more investments, which shows the industry is healthy and profitable. Very attractive for funds to invest in, however **overcapacity is a risk** and as long building against contracts takes place that risk is limited unless those contracts move product from existing terminals.

If you are interested in a market study for a specific area to have an insight in the current market situation please let us know.

### RVB Houston

Since the beginning of July RVB Tank Storage Solutions is located in Houston as well. **We would like to invite everyone in the U.S. to contact us** to find out more on how we can be of service to you. Email address is still the same: [sales@rvbtankstorage.nl](mailto:sales@rvbtankstorage.nl) and local number 281-520-2683. Hope to meet you soon.

### Meet the team

Curious to find out what we can do for your business? Please be informed that we will attend following events:

- **NISTM Galveston TX, 12-13 Sep**
- **EPCA Vienna, 7- 10 Oct**
- **API Austin TX, 16-17 Oct**

We encourage terminal operators to keep us updated on their space situation and we can add your availability to the list as well. In the list we also have a couple of **sublease opportunities**. We are open to more sublet interest and welcome cargo owners to show us their contracted tanks which are not being used.

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Please see a snapshot of opportunities  
(available tank capacities)

<u>capacity (m3)</u>	<u>product</u>	<u>location</u>	<u>available from</u>
-----Belgium/Netherlands-----			
406.000	diesel/gasoil	Amsterdam	now
23.400	dirty petroleum prods	Amsterdam	now
75.000	light ends FP<60	Amsterdam	now
60.000	Gasoline	Rotterdam	now
1.300	dirty petroleum prods	Rotterdam	now
258.000	light ends FP<60	Rotterdam	now
135.000	gasoil/diesel	Rotterdam	now
16.000	chems	Rotterdam	now
10.000	vegoils	Inland Netherlands	Q3/Q4, 2018
5.900	various	Inland Netherlands	now
18.000	chems	Belgium	now
70.000	biodiesel	Belgium	Q3, 2018
73.600	diesel/gasoil	Belgium	now
177.000	light ends FP <60	Belgium	now
-----North Europe-----			
4.000	diesel/gasoil	North Germany	now
15.000	diesel/gasoil	Inland Germany	now
4.487	chems	Inland Germany	now
3.000	diesel/gasoil	West Coast UK	now
13.000	various	West Coast UK	now
14.000	various	East Coast UK	now
1.200	vegoils/chems	East Coast UK	now
15.000	diesel/gasoil	East Coast Scotland	now
100.000	light ends FP<60	Ireland	now
100.000	crude	Ireland	now
10.000	vegoils/chems	Denmark	now
285.000	diesel/gasoil	Denmark	now
651.000	diesel/gasoil	Sweden	now
412.500	dirty petroleum prods	Sweden	now
14.300	vegoils	Sweden	now
7.500	light ends FP<60	Norway	now
4.000	chems	Finland	now
324.000	diesel/gasoil	Finland	now
150.000	crude	Estonia	now
97.000	diesel/gasoil	Estonia	now
73.000	light ends FP<60	Estonia	now

23.500	light ends FP<60	Latvia	now
-----South Europe/Med/Black Sea-----			
17.700	various	Portugal	Q3,2018
70.000	Biodiesel	Spain	now
56.000	various	NW Spain	now
5.000	light ends FP<60	NW Spain	now
23.000	vegoils/chems	South Spain	now
25.000	dirty petroleum prods	South Spain	now
110.000	diesel/gasoil	East Spain	now
317.000	light ends FP<60	East Spain	now
55.000	light ends FP<60	East Spain	now
70.000	gasoil/diesel	East Spain	now
80.000	gasoil/diesel	East Spain	now
25.000	dirty petroleum prods	East Spain	now
20.000	dirty petroleum prods	East Spain	now
5.000	chems	North France - inland	now
2.000	chems	South France - inland	now
40.000	diesel/gasoil	NW France	now
19.600	vegoils/chems	NW France	now
105.000	diesel/gasoil	East Med	now
10.000	various	Croatia	now
7.500	chems	NE Italy	now
15.000	diesel/gasoil	NE Italy	now
12.000	light ends FP<60	NW Italy	now
30.000	various	NW Italy	now
8.000	chems	NW Italy	now
46.000	diesel/gasoil	NW Italy	now
7.000	molasses	NW Italy	now
9.900	light ends FP<60	Albania	now
30.000	light ends FP<60	Georgia	now
100.000	dirty petroleum prods	Georgia	now
45.000	dirty petroleum prods	Ukraine, danube	now
30.000	light ends FP<60	Ukraine, danube	now
12.000	dirty petroleum prods	Ukraine, danube	now
5.000	vegoils/chems	Ukraine, danube	now
120.000	light ends FP<60	SE Turkey	now
45.000	dirty petroleum prods	SE Turkey	now
12.000	vegoils	Illichevsk	now
5.000	chems	SW Russia	now
20.000	methanol	SW Russia	now
-----Africa-----			
14.200	chems	Egypt	now

6.000	vegoils/chems	Egypt	now
10.000	diesel/gasoil	Egypt	now
2.000	chems	Kenya	now
24.000	chems	Tanzania	now
55.000	light ends FP<60	Ghana	now
10.000	Gasoline	South Africa	now
10.000	diesel/gasoil	South Africa	now
2.200.000	crude	South Africa	now

-----Middle East-----

100.0000	various	Gujarat, India	now
97.6000	chems	Gujarat, India	now
15.0000	bitumen	Gujarat, India	now
100.0000	diesel/gasoil	Gujarat, India	now
884.2000	various	UAE	now
172.0000	diesel/gasoil	UAE	now
91.1800	light ends FP<60	UAE	now
74.0000	dirty petroleum prods	UAE	now
35.7950	chems	UAE	now

-----Far East-----

80.000	light ends FP<60	South China	now
150.000	dirty petroleum prods	South China	now
200.000	dirty petroleum prods	North China	now
200.000	dirty petroleum prods	Gr. Ningbo	now
200.000	crude	Gr. Ningbo	now
100.000	crude	Shandong	now
250.000	light ends FP<60	Yangtze River/East China	now
12.500	chems	North China	now
8.000	chems	Shandong	now
7.000	chems	Gr. Ningbo	now
3.000	chems	South China	now
75.000	dirty petroleum prods	South Korea	now
14.100	chems	South Korea	now
72.500	light ends FP<60	South Korea	now
90.000	dirty petroleum prods	Malaysia	now
34.800	vegoils/chems	Malaysia	now
46.000	light ends FP<60	Singapore	now
300.000	dirty petroleum prods	Singapore	now
270.000	diesel/gasoil	Gr. Singapore	now
255.000	dirty petroleum prods	Gr. Singapore	now

-----North America (bbls)-----

70.000	Biodiesel	California, USA	now
200.000	various	Ohio, USA	now

60.000	chems	Pennsylvania, USA	now
35.000	light ends FP<60	New York, USA	now
200.000	dirty petroleum prods	New York, USA	now
55.000	crude	New York, USA	now
50.000	chems	New Jersey, USA	now
43.000	diesel/gasoil	New Jersey, USA	now
43.000	vegoils/chems	Maryland, USA	now
66.000	dirty petroleum prods	Maryland, USA	now
25.000	dirty petroleum prods	Virginia, USA	now
280.000	diesel/gasoil	Virginia, USA	now
120.000	various	South Carolina, USA	now
100.000	diesel/gasoil	North Carolina, USA	now
60.000	light ends FP<60	North Carolina, USA	now
500.000	various	Georgia, USA	now
500.000	crude	Oklahoma, USA	now
250.000	vegoils/chems	Florida, USA	now
625.000	various	Louisiana, USA	Q3, 2018
178.000	chems	Louisiana, USA	now
380.000	various	Texas, USA	now
35.000	dirty petroleum prods	Texas, USA	now
660.000	chems	Texas, USA	now

-----Central & South America-----

350.000	crude	Bahamas	now
190.000	various	Puerto Rico	now
553.000	light ends FP<60	Colombia, Caribs	now
7.500	vegoils	Colombia, Caribs	now
250.000	dirty petroleum prods	Panama, Atlantic	now
26.500	dirty petroleum prods	Argentina	now
10.000	vegoils/chems	Argentina	now



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