



## RVB Tank Storage Solutions

### Market Report week 50

Tank storage opportunities & updates



#### RVB Tank Storage Solutions 2018 REVIEW

2018 was in many ways an interesting year. Most mineral products were in **backwardation** which has led to ample storage availabilities around the globe, notably for diesel. **Extreme weather conditions** affected the storage market as well: low water levels on the Rhine have resulted in much more demand for storage with rail connection and for additional storage tanks to compensate for the small intake on the river barges.

On the political side we had to deal with the prospect of a **hard Brexit**: what to do and how to prepare for it? Should you as a producer/buyer/seller have a back-up tank on mainland Europe or should you build up volume in a tank in the UK to be prepared for potential customs issues? Will REACH still be valid for UK produced products? Many uncertainties that resulted in many storage requests but also led to a 'wait and see' - approach. That approach is even more true for **IMO 2020**. As a terminal should you convert your large fuel oil tanks to clean products or should you modify small clean tanks for fuel oil by installing heating and insulation? Will blending take on, will more scrubbers be installed or are end-users opting for Marine diesel to avoid stability and compatibility issues? Some trading houses have decided to minimize their fuel oil exposure and/or closed the fuel oil trading desks. Others are integrating their fuel and distillate desk to be as lean as possible for any outcome. But most have not made any clear decision on how to deal with this issue. This will result in interesting and uncertain times for terminals, producers and end-users.

The market has been affected by **geopolitical issues** as well. Take the trade war between the US and China. This ongoing dispute is having a serious impact on global growth and therefore on demand for oil products and chemicals. And then there are the US sanctions against Iran: what effect will this have on supply and demand balances and can the market cope with it? Finally, we have seen **supply chain changes** which we couldn't have imagined: exporting countries became importing countries and vice versa, product arbs changed, appeared or closed, new specs were introduced and import/export subsidies were granted or cancelled. But with all these issues: our creative industry will cope with it and RVB Tank Storage Solutions can certainly help you to cope with it!

As brokers we had to deal with all those challenges and we are proud to say that 2018 has again been a year **with growth and support from existing and new customers**. More companies get used to the broker function in the storage business. We have done more consultancy assignments and we appreciate being valued as an expert in the market. We have grown our network. **Houston** has been added to our office list (**Rotterdam, Shanghai & Singapore**) and with hard work and waving the RVB flag, we slowly see the results of having representation in the Americas.

**What can you expect from us in 2019.** We will grow our organization further. We are looking to expand our team and are open to consider applications. Our market reports are well-read and we will keep improving them. We want to cover the global market in line with our global ambitions and to write about different subjects and markets. Some of these topics will be on your mind already and others will make you think about how this is covered within your organization. We will continue to attend conferences either as speaker or moderator or just to listen to your presentations. We want to meet in person as much as we can as we consider our industry a people's business which can't be replaced by e-mail or an internet portal. Your business is too important and valuable for us, so **personal contact is key**.

**Spot or long-term storage for crude/products/chemicals/vegetable oils and to some extent gases: let us cover it for you!**

Our biggest amazement of this year is that all this **scamming/spoofing** of JP54/D2/D6/Mazut hasn't disappeared by now. In this transparent world anybody should recognize a deal-too-good-to-be true because it is in fact just that: too good to be true. We keep receiving TSA (Tank Storage Agreement) requests on a daily basis, like so many of you. And our role is also to filter these requests from the genuine ones and to protect those who want to get involved.

Thank you once more for your support and please continue to do so. It is our pleasure to serve you. We have a great team for both **storage and shipping brokerage**. **We wish everybody happy holidays.**

### **Crude**

Oil slid further the last few weeks on the supply and demand outlook for 2019 due to the US/China trade war and a weaker economic outlook. The crudes and equities moved lower hand in hand. Brent nosedived below 60 USD/bbl and WTI could barely keep its head above 50 USD/bbl. **Both benchmarks lost more than 30% of its value since October.** The OPEC cut only delivered short term relief with a dead cat bounce last Friday. OPEC will reduce oil production by a total of 800,000 bpd, while non-OPEC nations, led by Russia, are reportedly adding another 400,000 bpd of cuts, for a total of 1.2 million bpd OPEC+ production cut. Brent is showing a minor contango now all the way out to July 2019. WTI is weaker with a contango of around 1.70 USD/bbl up to Dec19. Even with flat price taking a beating, the curve has held up reasonably well.

### Gasoline

The European gasoline market is weak at the front and the contango is running out to June 2019 and is now roughly at 55 USD/MT. A lot of market players have locked in the play and as an effect, **summer spec is in high demand and hard to source** so a profitable contango game seems harder than it looks at first sight if you take storage and financing into account as well. The US market shows a more steep contango curve, which makes life a little easier.

### Distillates

With the strong Dec contract now almost out of the way, we see contango more pronounced in the ARA distillates market again. Still, 20 bucks all the way out to April 2020 is hardly a curve you can build a healthy business case on. The US curve is strong still in the front and last weekend's weather in the South East is certainly not helping the market to cool off with a dump of snow, ice and colder-than-average temperatures.

### Fuel oil

The fuel oil market is still backwardated up to 2020 but the extreme strength at the front has disappeared. The market seems quiet. November arb cargoes could be counted on 1 hand and so far, December looks the same.

### Chemicals & edible oils

Terminals are busier than ever, now that we are approaching the year's end and unlike recent years there is a lot more uncertainty with regards to the availability of tanks as per Q1, 2019. Many customers of whom storage contracts end by December are **prolonging their contracts**. Lack of ullage, along with a healthy economy, has led to a high number of storage requests in the last quarter of this year. Not often have terminals declined so many requests due to the lack of space. Occupancy is almost 100% at each chemical and vegetable oil terminal in the hubs like ARA & Houston and far beyond. Still, tanks can be found, although the possibilities are extremely limited. This has to do with "the perfect fit": looking at the capabilities and logistical connections of each tank and how busy it is at the terminal to continue serving all customers in the best possible way. Another reason is that in the current situation terminal operators intentionally choose to keep a few small tanks empty rather than rushing into spot business or storing low-quality products to avoid the risk of not being able to offer the next month when a much bigger project could come along. In other words, terminals can be much pickier these days.



## Meet the RVB storage brokers

- **24-25 January: European Oil Storage Conference, Amsterdam** <https://www.spglobal.com/platts/en/events/emea/european-oil-storage/summary>
- **31 Jan-1 Feb: EMEA Middle Distillates Conference, Antwerp** <https://www.spglobal.com/platts/en/events/emea/middle-distillates/summary>
- **18-22 February: Base Oils and Lubricants, London**
- **26-28 February: IP Week, London**
- **17-19 March: AFPM Petroleum, San Antonio TX**
- **24--26 March: AFPM Petrochemicals, San Antonio TX**
- **26-28 March: StocExpo, Rotterdam**

We would like to ask terminal operators to keep us informed on their available capacity space situation. In the list we also have a couple of sublease opportunities. We are open to potential sublease options and welcome cargo owners to show us their contracted tanks which are not utilized.

Please find a snapshot of opportunities  
(available tanks at the terminals)

<u>capacity (m3)</u>	<u>product</u>	<u>location</u>	<u>available from</u>
-----Belgium/Netherlands-----			
522.100	diesel/gasoil	ARA	now/Q1, 2019
199.400	light ends	ARA	now/Q1, 2019
7.900	chems	ARA	now
7.000	chems	ARA	Q3, 2019
6.000	vegoils	Inland	Q1, 2019
5.400	vegoils	ARA	now
10.000	biodiesel	ARA	Q3, 2019
55.000	dirty petroleum prods	ARA	Q2, 2019
-----North Europe-----			
460.000	crude	North Germany	now
12.000	diesel/gasoil	North Germany	Q1, 2019
3.500	diesel/gasoil	Inland Germany	now
4.740	chems	Inland Germany	now
30.000	light ends	West Coast UK	now
83.000	diesel/gasoil	West Coast UK	now
13.000	various	West Coast UK	now
660.000	crude	West Coast UK	Q2/Q3, 2019
360.000	diesel/gasoil	West Coast UK	Q2/Q3, 2019
14.000	various	East Coast UK	now

15.000	various	East Coast UK	Q4, 2019
5.000	vegoils/chems	East Coast UK	now
15.000	diesel/gasoil	East Coast Scotland	now
100.000	light ends	Ireland	now
200.000	crude	Ireland	now
10.000	vegoils/chems	Denmark	now
4.500	various	Denmark	now
380.000	diesel/gasoil	Denmark	now
100.000	dirty petroleum prods	Denmark	now
203.000	diesel/gasoil	Sweden	now
37.079	dirty petroleum prods	Sweden	now
12.500	vegoils	Sweden	now
15.000	Jet	Sweden	now
7.500	light ends	Norway	now
20.000	diesel/gasoil	Norway	now
4.000	chems	Finland	now
391.000	diesel/gasoil	Finland	now
100.000	crude	Estonia	now
97.000	diesel/gasoil	Estonia	now
48.000	light ends	Estonia	now
200.000	crude	Baltics	now
23.500	light ends	Latvia	now

-----South Europe/Med/Black Sea-----

17.700	various	Portugal	now
400.000	crude	Spain	Q3, 2019
130.000	biodiesel	Spain	now
56.000	various	NW Spain	now
5.000	light ends	NW Spain	now
23.000	vegoils/chems	South Spain	now
25.000	dirty petroleum prods	South Spain	now
40.000	chems	East Spain	Q2, 2019
110.000	diesel/gasoil	East Spain	now
317.000	light ends	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
1.200	chems	South France - inland	now
220.000	crude	France	now

60.000	diesel/gasoil	NW France	now
10.000	vegoils/chems	NW France	now
4.000	light ends	NW France	Q2, 2019
300.000	crude	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	NW Italy	now
30.000	various	NW Italy	now
8.000	chems	NW Italy	now
46.000	diesel/gasoil	NW Italy	now
9.900	light ends	Albania	now
30.000	light ends	Georgia	now
100.000	dirty petroleum prods	Georgia	now
45.000	dirty petroleum prods	Ukraine, danube	now
30.000	light ends	Ukraine, danube	now
12.000	dirty petroleum prods	Ukraine, danube	now
5.000	vegoils/chems	Ukraine, danube	now
120.000	light ends	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	Ghana	now
10.000	light ends	South Africa	now
10.000	diesel/gasoil	South Africa	now
2.200.000	crude	South Africa	now

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

100.000	various	Gujarat, India	now
97.600	chems	Gujarat, India	now
15.000	bitumen	Gujarat, India	now
100.000	diesel/gasoil	Gujarat, India	now
884.200	various	UAE	now
172.000	diesel/gasoil	UAE	now

91.180	light ends	UAE	now
74.000	dirty petroleum prods	UAE	now
35.795	chems	UAE	now

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

80.000	light ends	South China	now
150.000	dirty petroleum prods	South China	now
200.000	dirty petroleum prods	North China	now
250.000	dirty petroleum prods	Gr. Ningbo	now
300.000	crude	Gr. Ningbo	now
150.000	crude	Shandong	now
200.000	light ends	Yangtze River/East China	now
12.500	chems	North China	now
30.000	chems	Shandong	now
2.000	chems	Gr. Ningbo	now
8.000	chems	South China	now
75.000	dirty petroleum prods	South Korea	now
14.100	chems	South Korea	now
72.500	light ends	South Korea	now
90.000	dirty petroleum prods	Malaysia	now
34.800	vegoils/chems	Malaysia	now
46.000	light ends	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)-----

320.000	light ends	California, USA	now
150.000	light ends	California, USA	Q2, 2019
20.000	chems	California, USA	now
1.520.000	dirty petroleum prods	New York, USA	now
2.710.000	crude	New York, USA	now
20.000	chems	New York, USA	now
50.000	chems	New Jersey, USA	now
100.000	diesel/gasoil	New Jersey, USA	now
50.000	light ends	Washington USA	Q2, 2019
76.000	dirty petroleum prods	Maryland, USA	now
20.000	chems	South Carolina	now
100.000	LPG	New Hampshire, USA	now
570.000	various	Georgia USA	now
265.000	chems	Louisiana, USA	now
210.000	various	Texas, USA	now



194.000	chems	Texas, USA	Q1, 2019
-----Central & South America-----			
350.000	crude	Bahamas	now
190.000	various	Puerto Rico	now
553.000	light ends	Colombia, Caribs	now
7.500	vegoils	Colombia, Caribs	now
250.000	dirty petroleum prods	Panama, Atlantic	now

**CONFERENCES**

# 12th Annual European Oil Storage Conference

**Date** January 24-25, 2019  
**City** Amsterdam, Netherlands  
**Venue** [Amsterdam Marriott Hotel](#)

# 9th Annual Middle Distillates Conference

**Date** January 31 - February 1, 2019  
**City** Antwerp, Belgium  
**Venue** [Radisson Blu Astrid Hotel](#)




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**Our Rotterdam contact details are:**

[sales@rvbtankstorage.nl](mailto:sales@rvbtankstorage.nl) and telephone: +31 10 50 66 020

RVB Tank Storage Solutions B.V,  
Wilhelminakade 1 / 35th floor,  
3072 AP Rotterdam  
the Netherlands

**Our Houston contact details are:**

+1 281 520 2683 or email: [sales@rvbtankstorage.nl](mailto:sales@rvbtankstorage.nl)

further details on our website: [www.rvbcompany.com](http://www.rvbcompany.com)

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