



RVB Tank Storage Solutions

Market Report January 2019

Tank storage opportunities & updates

The first report of 2019 but unfortunately still in the old format. We have tried to get the new heatmap ready for our availability tool but welcome to the world of IT bugs... Please bear with us and we hope to present this new tool in our February issue.

The coming weeks we will be travelling again to see our customers. **Edo will be a moderator at the Platts European Storage Conference.** We are on a roadshow with some of our customers for special projects and of course at conferences. It is also an honor to be nominated by Tank Storage Magazine for the **OUTSTANDING ACHIEVEMENT AWARD 2019.** We invite you to vote via <http://www.tankstoragemag.com/awards-vote/> in order to have the best chance to win, as competition is fierce.

Oil market

2018 ended in negative territory for both Brent and WTI. Brent traded well above 85 USD/bbl in October but tumbled to almost 50 USD/bbl in December. How is that for volatility? With these low numbers at year end, an old friend returned to the market as well: **contango.** So far, **2019 has shown a decent recovery,** despite the US government shutdown, a negative supply/demand outlook and macro worries. With that, contango in Brent has gone, but the WTI curve is still showing some as US commercial stocks continue to build and transportation constraints are far from over.

Distillates

After a stormy period in the distillates market due to high demand and low Rhine levels, the **calm has returned and spreads have cooled off.** Demand for the hinterland is still there for products and storage as the fear of lower Rhine levels is still not completely gone. Feb19/Dec19 is roughly showing a 1 USD contango per month, quite uneventful. The first half of 2020 is almost flat, so it almost seems that positioning for IMO2020 has been done. US Heating oil is showing a similar picture, however with some backwardation in the front. Arab Gulf and Asian cargoes are moving towards the US and Latin America rather than NWE as margins are better there.

Fuel oil

The end of 2018 and the beginning of 2019 showed quite a bit of ARB activity with some VLCC's and Suezmax's heading for Singapore. Spreads are cooling off a tad, or better: are off their highs but the market is still firm throughout 2019 in anticipation of IMO2020. Spreads in the first month of 2020 are backwardated as well, and although most market participants are expecting high sulphur oversupply, contango is still not there. On that note, we think spreads should cool off in Q419 as well, as ships should take low sulphur bunkers before 2020 to fully comply. On the

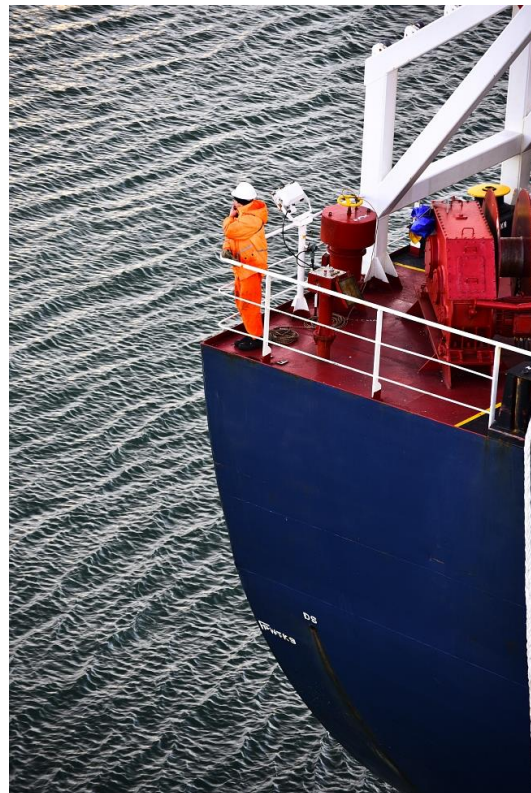
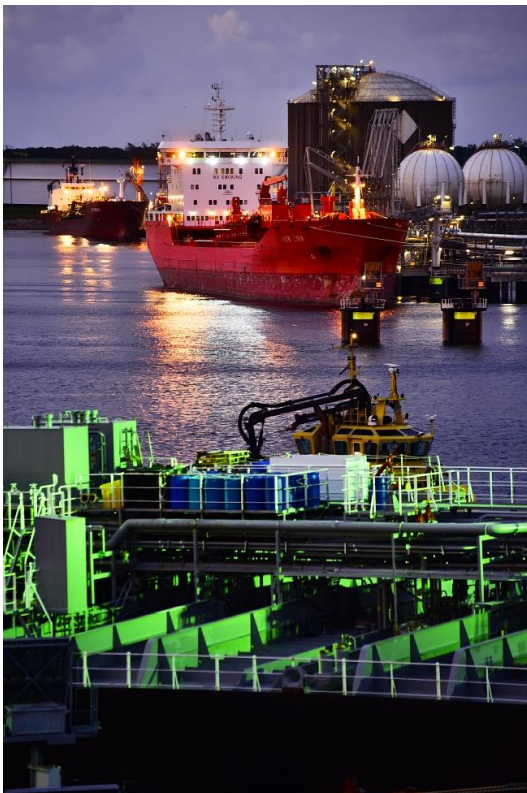
storage side, **tanks are rented out but are not necessarily full**. It's 2020 position taking more than anything else as margins are low, storage costs and working capital costs are high, and rolling your position is very costly.

Gasoline

Tanks in ARA and to a lesser extent NWE are full and occupancy is high. The winter/summer contango play has been in full force and **most players with storage have been able to lock in the margin successfully**. The contango has eased a bit lately in ARA. In the US it is more pronounced, mainly attributable to the recent stock builds.

Biodiesel

The market for **heated biodiesel continues to boom**, especially now with subzero temperatures across ARA. It seems that most heated and dedicated systems are rented out and these are being fully utilized. Some low pour point/winterspec biodiesel is hitting the market now as well and these molecules are being stored in dedicated distillates tanks. A welcome relief once again for storage operators with ullage for middle distillates.



Chemicals & vegetable oils

The search for spot tanks remain difficult, chemical tanks between 2,000 m3 up to 5,000 m3 show almost no availability these days in ARA. It is the preferred size for companies having cross ocean business as chemical parcels normally do not come in smaller sizes. In the fourth quarter of last year this was mainly the case for heated capacity, but now there seems to be an **overall shortage of tanks** in these sizes. Hence, decisions need to be taken fast in order to not lose the

opportunity to someone else if a tank is given back.

Only a couple of small tanks can still be found, but unfortunately most of the time these tanks are not suitable for specialty chemicals and/or have a flashpoint restriction. A pity as we do have quite some enquiries for these small sizes that have not been fulfilled yet for over 2 years. As many terminals are expanding and with new chemical terminals on the horizon we are thrilled to see if these open enquiries finally find their tank.

For edible/Veg oils the situation is quite the same although terminals in the ARA do not expand capacity that much as what we see in the chemical market- although there is room for more. The difficulty however lies in the contract periods. In the edible oils market players are not likely to commit to a long term storage agreement as this market is more depending on trade regulations and seasonality. At this moment just **a couple of small and heated tanks are still available**.

USA

The market for specialty products is tight in the HUB ports like Houston & New York. Stainless steel or dedicated lines is not easy to find. **In the range Mississippi River - Baltimore MD we see quite some opportunities**. West coast is even more tight, for any kind of product it is hard to find a tank. The US contracts tend to be longer than in Europe. 3-5 year terms is quite standard versus 1 year with rolling options in Europe. With the tightness in the market I expect that **longer term contracts will be the future**, as terminals will need such a commitment in order to modify or build tanks to accommodate such demand.

On the products side, we see that fuel oil contracts peaked at the end of the year. It was to expect that everybody was waiting for everybody and once tanks were contracted, nobody wanted to miss out and suddenly **the IMO 2020 rush started**. As a trader or supplier you want to be prepared for next year's change and have the tanks to either blend or store the different Sulphur grades. Although it might seem early days, but nobody wants to risk to be left empty handed.

Gasoline is painful just now. No money is made and storage is always a cost you don't want to have when the product prices and flows don't support it. However you don't rent tanks for a month but for year(s), so the risk to lose money is there. Renewals tend to be done at slightly lower numbers in order to support the customers.

Diesel business is still fairly slow, although for special grades with high Sulphur for example or smaller tanks, it is still hard to find the right solution.

Caribbean

We see a lot of capacity available on the islands and in Columbia / Panama. The rates still tend to be about double of the New York Harbour, which really surprise us. With the low occupancy you would expect lower numbers, especially since the Islands mean double handling (small local markets).

Meet the RVB storage brokers

- **23 January: Argus Crude Summit, Houston TX**
 - **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> *)
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- 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

*) Use promocode RVB15 for a 15% discount.

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-----			
295.600	diesel/gasoil	ARA	Q1, 201
96.400	light ends	ARA	now/Q1, 201
4.650	chems	ARA	now/Q2, 201
1.250	chems	Inland	now/Q1, 201
2.000	vegoils	ARA	nov
50.000	biodiesel	ARA	Q1-Q3, 201
10.000	bitumen	ARA	now/Q1, 201
-----North Europe-----			
460.000	crude	North Germany	nov
6.000	diesel/gasoil	North Germany	Q1, 201
8.240	easy chems	Inland Germany	nov
30.000	light ends	West Coast UK	nov
3.000	diesel/gasoil	West Coast UK	nov
10.000	various	West Coast UK	nov
660.000	crude	West Coast UK	Q2/Q3, 201
360.000	diesel/gasoil	West Coast UK	Q2/Q3, 201
40.000	various	East Coast UK	nov
15.000	various	East Coast UK	Q4, 201
15.000	diesel/gasoil	East Coast Scotland	nov
100.000	light ends	Ireland	nov
200.000	crude	Ireland	nov

4.700	various	Denmark	now
517.000	diesel/gasoil	Denmark	now
122.500	light ends	Denmark	now
100.000	dirty petroleum prods	Denmark	now
155.500	diesel/gasoil	Sweden	now
74.579	dirty petroleum prods	Sweden	now
5.000	vegoils	Sweden	now
15.000	light ends	Sweden	now
8.300	light ends	Norway	now
20.000	diesel/gasoil	Norway	now
4.000	chems	Finland	now
391.000	diesel/gasoil	Finland	now
75.000	diesel/gasoil	Estonia	now
60.000	light ends	Estonia	now
200.000	crude	Baltics	now
9.000	light ends	Latvia	now

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

6.000	chems	France	now
260.000	crude	France	now
60.000	diesel/gasoil	France	now
1.200	chems	South France - inland	now
7.000	vegoils	South France - Marseille	now
4.000	light ends	North France	Q2 2019
5.000	chems	North France - inland	now
10.000	various	NW France	now
66.000	Biodiesel	NW Spain	now
400.000	Crude	NW Spain	Q3,2019
50.000	various	NW Spain	now
5.000	light ends	NW Spain	now
50.000	vegoils	NW Spain	now
30.000	Biodiesel	South Spain	now
25.000	fuel oil/vgo	South Spain	now
100.000	diesel/gasoil	Spain	now
35.000	biodiesel	East Spain	Q1, 2019
55.000	chems	East Spain	Q1-Q2,2019
317.000	diesel/gasoil	East Spain	now
45.000	dirty petroleum prods	East Spain	Now
120.000	light ends	East Spain	Q1, 2019
62.000	diesel/gasoil	Malta	now

7.500	chems	NE Italy	now
15.000	diesel/gasoil	NE Italy	now
8.000	chems	NW Italy	now
28.000	diesel/gasoil	NW Italy	now
30.000	diesel/veg oil/edible	NW Italy	now
9.900	light ends	Albania	now
22.000	vegoil/diesel, no heating	Albania	now
10.000	chems / petroleum prods	Croatia	now
300.000	Crude	Croatia	now
45.000	diesel/gasoil	East Med	now
58.000	diesel/gasoil	Turkey	now
45.000	fuel oil	SE Turkey	now
120.000	gasoline, IFR tanks	SE Turkey	now
40.000	Crude	Romania	now
30.000	clean petroleum products	Georgia	now
100.000	crude / dpp	Georgia	now
17.000	vegoils/chems	Ukraine, black sea	now
30.000	clean petroleum products	Ukraine, danube	now
45.000	dpp / black prods	Ukraine, danube	now
12.000	fuel oil/vgo, heating	Ukraine, danube	now
5.000	base oils/easy chems	SW Russia	now
20.000	methanol	SW Russia	now

-----Africa-----

14.200	chems, excl. acids	Egypt	now
6.000	chems/vegoils	Egypt	now
10.000	various	Egypt	now
2.000	chems	Kenya	now
12.000	chems	Tanzania	now
12.000	Gasoil	Tanzania	now
55.000	diesel/gasoline	Ghana	now
2.200.000	crude	South Africa	now
10.000	light ends	South Africa	now
10.000	diesel/gasoil	South Africa	now

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

100.000	various	Gujarat, India	now
30.000	chems	Gujarat, India	now
15.000	bitumen	Gujarat, India	now
100.000	diesel/gasoil	Gujarat, India	now
50.000	light ends	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-----

30.000	light ends	South China	Q1, 2019
200.000	dirty petroleum prods	South China	now
200.000	dirty petroleum prods	North China	now
200.000	dirty petroleum prods	Gr. Ningbo	now
300.000	crude	Gr. Ningbo	Q2, 2019
300.000	crude	Shandong	Q1, 2019
150.000	diesel/gasoil	Yangtze River/East China	now
32.000	chems	Yangtze River/East China	now
8.000	chems	Shandong	now
3.500	chems	Gr. Ningbo	now
5.500	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
400.000	dirty petroleum prods	Singapore	now/Q2, 2019
58.000	light ends/diesel	Singapore	Q3, 2019
60.000	light ends/diesel	Singapore	Q4, 2019
200.000	diesel/gasoil	Gr. Singapore	now
55.000	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
2.360.000	dirty petroleum prods	New York, USA	now
2.295.000	crude	New York, USA	now
20.000	chems	New York, USA	now
50.000	chems	New Jersey, USA	now
390.000	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-----

2.000.000	crude	Bahamas	now
2.500.000	diesel/gasoil	Aruba	now
190.000	various	Puerto Rico	now
500.000	crude	Colombia (caribbean)	now
53.000	diesel/gasoil	Colombia (caribbean)	now
285.000	dirty petroleum prods	Panama (atlantic)	now
29.500	dirty petroleum prods	Argentina	now
10.000	diesel/gasoil	Argentina	now



You are receiving this email because you opted in via our website / mail.

Our mailing address is:

sales@rvbtankstorage.nl

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

Our telephone number is:

+31 10 50 66 020

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