



RVB Tank Storage Solutions

Market Report April 2019

Tank storage opportunities & updates

Whilst in April crude stocks swelled in the United States, oil prices dipped in the last week of April as U.S. President Donald Trump again pressured the Organization of the Petroleum Exporting Countries **to raise crude production to ease gasoline prices and to make up for a decline in exports from Iran** following a tightening of sanctions on Tehran by the United States.

Trade unions have agreed to end a week-long strike at Europe's largest oil refinery - Shell's 404,000 bpd Pernis refinery in the Netherlands—after the parties resolved a dispute over wages that had seen the refinery operating at reduced rates since early April. The union had given no indications of the amount of output reduction, but Pernis is the largest oil refinery in Europe, **Shell said that the industrial action had “a significant impact” on the refinery’s operations.**

There is growing demand for petroleum products from emerging markets but the demand in developed countries is declining as environmental standards get tougher and electric vehicles spread.

Crude

After the \$50 dip around Christmas, Brent Crude has steadily gone up to a six-month high \$ 74 in mid-April but with the end of the US sanctions in sight, Brent crude futures settled at \$ 72.15, a 3 % loss.

On one single day, Brent rose above \$75 a barrel for the first time this year after Germany, Poland and Slovakia suspended imports of Russian crude via a major pipeline due to contamination. Russia said it plans to restore oil supplies via its key Druzhba pipeline to Europe in two weeks.

After rallying more than 30 percent year to date, **oil prices could even be set for a further upside in coming weeks as a combination of near-term bullish supply-side factors could push prices higher than current levels.** Over the next few weeks, **several critical geopolitical events could set the trend for even higher oil prices in coming months.** These events, combined with a tightening global oil market, could leave prices vulnerable to any sudden supply outage on top of the production cuts by OPEC and its Russia-led non-OPEC allies.

The three top candidates are Iran, Venezuela, and Libya. All three OPEC producers were exempted from the cartel's production cuts that began in January and are expected to last at least until June. And all three have shown so far this year that there was good reason to be exempted—their respective production has been either falling or volatile, and set for further disruptions in coming weeks and months.

Fuel Oil

Global bunker demand being 5 Million barrels per day of which 80% is represented by High Sulphur Fuel Oil that will become non-compliant as per 1 January 2020, it is still surprisingly quiet on the VLSFO front. With a production share of 700.000 bpd of VLSFO and another 600.000 bpd of compliant fuel oil blends, ship owners seem reluctant to adopt the new fuel immediately. **First, they aren't confident that these fuels will be widely available already in 2020, and second, because they are unsure if the low sulphur fuel oil offered at different ports will be compatible.** Although several shipowners are installing scrubbers on their vessels to maintain ability to use HSFO, others seem to wait it out with gasoil as back-up medium.

The fuel oil market is in backwardation however the demand for storage tanks is still there. **Blending tanks in smaller sizes are most popular.**

Gasoil

The European low sulphur gasoil prices continued to trend higher in recent weeks. The price was up 23.0% on a year-to-date basis and was 8.5% higher than on the same day last year. **Higher prices were largely driven by the upward march seen in global crude oil prices.**

Moreover, Amsterdam-Rotterdam-Antwerp stocks fell further at the end of February and are nearly 20% lower than levels recorded this time last year. While demand has softened somewhat, extremely low inventories mean prices would jump in the event of any refinery issues.

Gasoline

Gasoline singlehandedly accounts for almost half of the national oil consumption in the US and has increased 60% since 1st of January year to date. Following the Brent, the gasoline prices have been going up in that same period and average on \$ 1.15 per liter whereas average in Europa lies at \$ 1.75 based on additional taxes.

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Chemicals

We see the pressure taking off the storage market. On the chemical storage we see opportunities which are quickly taken, but at least they are there again. Contracts terminate and terminals don't have to look long for replacement parcels, but **for the quick deciders there are tanks again**. However, this only seems the case for ARA. In other regions, for example central and South Europe, availability of chemical tanks remains tight and there is no sign this will change anytime soon.

Vegoils

Same in the vegetable oil market, a seasonal market, which has seen the top of market for now at least. As most of the storage was full in the whole Zeebrugge, Ghent, Amsterdam, Rotterdam area, **new capacities are becoming available**. However, you'll need to be quickly in order to not lose the opportunity to someone else. Tanks are offered to many parties. This is particularly the case for the Netherlands and Belgium. We do see availability in other regions as well, such as in Scandinavia and the Black Sea.

USA

ITC Houston is working on their waste water management after which they expect to get approval to start operations again. However, no timeline has been disclosed.

Space is extremely tight and floating storage options are taken as well. Only away from Houston, tanks can be found. US East coast shows different opportunities for example.

Asia/Middle East

Terminals in the greater Singapore market show bullish rates. Competing against floating storage in the area, the terminals stick to their numbers. The available capacity is very limited anyhow since Singapore contracts tend to run from Jan 1st till Dec 31st.

Singapore's bunker industry dynamics are changing due to increased competition and the enforcement of mass flow meters, a move which has no doubt increased transparency but has also escalated costs.

The Fujairah storage market seems to have recovered from their last year's low. The tanks are rented again, and the total oil product stocks hit a fresh record high. Light distillates stocks fell, gasoline showed some weakness, but the dirty products stocks rose. Crude oil storage is expected to double by 2022 as companies expand their facilities. **The current 10.5 million m3 capacity will rise by 75%** with the expansions at ADNOC and independent oil storage companies.

Meet the RVB storage brokers

- 1-2 May: **Transload Distribution Association of North America (TDANA), Seattle WA**
- 3-4 June: **ILTA Conference & Trade Show, Houston TX**
- 11-12 June: **Downstream Petrochemicals, Houston TX**
- 13-14 June: **European Chemical Luncheon (EPL), Lisbon**
- 19-20 June: **Northeast Petrochemical, Pittsburgh PA**

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)**

capacity (m3)	product	location	available from
-----Belgium/Netherlands-----			
195.300	diesel/gasoil	ARA	now
9.041	chems	ARA	now
27.850	vegoils	ARA	now
22.000	biodiesel	ARA	now-Q3, 2019
90.000	dirty petroleum prods	ARA	now
60.000	light ends	ARA	Q2-Q3,2019
-----North Europe-----			

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	17.000	dirty petroleum prods	Germany (North)	now
	7.100	various	Germany (inland)	now
	30.000	light ends	UK (West Coast)	now
	363.000	diesel/gasoil	UK (West Coast)	now-Q3, 2019
	10.000	various	UK (West Coast)	now
	660.000	crude	UK (West Coast)	now-Q3, 2019
	55.000	various	UK (East Coast)	now-Q4, 2019
	15.000	diesel/gasoil	Scotland (East Coast)	now
	100.000	light ends	Ireland	now
	200.000	crude	Ireland	now
	8.500	biofuels, vegoils	Denmark	now
	4.500	various	Denmark	now
	205.000	diesel/gasoil	Denmark	now
	90.000	light ends	Denmark	now
	100.000	dirty petroleum prods	Denmark	now
	89.500	diesel/gasoil	Sweden	now
	52.500	dirty petroleum prods	Sweden	now
	5.000	vegoils	Sweden	now
	8.300	light ends	Norway	now
	24.000	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-----				
	10.000	light ends	France (NW)	Q3, 2019
	5.000	chems	France (NW)	Q3, 2019
	120.000	diesel/gasoil	France (South)	now
	120.000	light ends	France (South)	now
	4.000	chems	France (South)	now
	400.000	Crude	Spain (NW)	Q3, 2019
	50.000	various	Spain (NW)	now
	5.000	light ends	Spain (NW)	now
	50.000	vegoils	Spain (NW)	now
	40.000	biodiesel	Spain (East)	now
	40.000	chems	Spain (East)	now-Q3, 2019
	279.000	diesel/gasoil	Spain (East)	now
	45.000	dirty petroleum prods	Spain (East)	now
	127.000	light ends	Spain (East)	now
	15.000	diesel	Spain (South)	now
	89.000	diesel/gasoil	Italy (NE)	Q3, 2019
	2.050	chems	Italy (NW)	now
	30.000	various	Italy (NW)	now
	6.600	light ends	Albania	now
	16.500	vegoil/(bio)diesel	Albania	now
	10.000	various	Croatia	now
	300.000	crude	Croatia	now
	22.000	vegoils	Turkey (Black Sea)	now
	15.000	chems	Turkey	now
	5.000	base oils/easy chems	Turkey	now

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	100.000	dirty petroleum prods	Georgia	now
	4.500	various	Ukraine (Black Sea)	now
	30.000	light ends	Ukraine (Danube)	now
	33.000	dirty petroleum prods	Ukraine (Danube)	now
	5.000	various	Russia (SW)	now
	10.000	chems	Russia (SW)	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	India (Gujarat)	now
	30.000	chems	India (Gujarat)	now
	15.000	bitumen	India (Gujarat)	now
	100.000	diesel/gasoil	India (Gujarat)	now
	50.000	light ends	India (Gujarat)	now
	515.000	various	UAE	now
	172.000	diesel/gasoil	UAE	now
	91.180	light ends	UAE	now
	74.000	dirty petroleum prods	UAE	now
	95.795	chems	UAE	now
-----Far East-----				
	100.000	dirty petroleum prods	China (North)	now
	5.500	chems	China (North)	now
	100.000	diesel/gasoil	China (South)	now
	32.000	light ends	China (South)	now
	220.000	dirty petroleum prods	China (South)	now
	3.500	chems	China (South)	now
	200.000	dirty petroleum prods	China (Gr. Ningbo)	now
	600.000	crude	China (Gr. Ningbo)	now
	2.500	chems	China (Gr. Ningbo)	now
	150.000	diesel/gasoil	China (Yangtze River)	now
	15.000	chems	China (Yangtze River)	now
	300.000	crude	China (Shandong)	now
	6.000	chems	China (Shandong)	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
	22.000	vegoils/chems	Malaysia	now
	46.000	light ends	Singapore	now
	400.000	dirty petroleum prods	Singapore	now
	58.000	light ends/diesel	Singapore	Q3, 2019
	60.000	light ends/diesel	Singapore	Q4, 2019

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	55.000	dirty petroleum prods	Singapore (strait)	now
-----North America (bbls)-----				
	320.000	light ends	California, USA	now
	150.000	light ends	California, USA	now
	20.000	chems	California, USA	now
	2.360.000	dirty petroleum prods	New York, USA	now
	2.295.000	crude	New York, USA	now
	21.100	chems	New York, USA	now
	50.000	chems	New Jersey, USA	now
	390.000	diesel/gasoil	New Jersey, USA	now
	114.000	light ends	New Jersey, USA	now
	24.000	light ends	Washington USA	now
	76.000	dirty petroleum prods	Maryland, USA	now
	250.000	chems	North Carolina, USA	now
	20.000	chems	South Carolina, USA	now
	120.000	light ends	Rhode Island, USA	now
	100.000	LPG	New Hampshire, USA	now
	570.000	various	Georgia USA	now
	80.000	chems	Louisiana, USA	now
	260.000	chems/vegoils	Louisiana, USA	now
	210.000	various	Texas, USA	now
	30.000	(bio)diesel	Texas, USA	now
	194.000	chems	Texas, USA	now
-----Central & South America-----				
	2.000.000	crude	Bahamas	now
	2.300.000	diesel/gasoil	Aruba	now
	190.000	various	Puerto Rico	now
	110.000	crude	Colombia (caribbean)	now
	392.000	diesel/gasoil	Colombia (caribbean)	now
	35.000	dirty petroleum prods	Panama (atlantic)	now
	29.500	dirty petroleum prods	Argentina	now
	10.000	diesel/gasoil	Argentina	now



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