



RVB Tank Storage Solutions

Market Report

October 2019

Tank storage opportunities & updates

General & Global

- The fourth and last quarter of the year is usually the one where contracts are either extended, negotiated or ended. As noted in an earlier stage already, we have seen a tendency of consolidation of storage in general and we currently see **some big players giving up large positions** both in light ends as well as in biodiesel, i.e. unheated and heated capacities.
- As US president Trump expects to sign a significant part of a trade deal with China, this comes as a relief for investors since analysts say this agreement will provide boost in global oil demand, however concerns of a continued global demand remain and US crude stock build is expected.
- **RVB Company B.V.** (= RVB Tank Storage Solutions & RVB Shipbroking) and **Odin Marine Europe B.V.** (= shipbroking & logistical services) signed a Letter of Intent to **merge the European activities**. This means we will move to one office in Rotterdam and use the synergies between the 2 companies.

Crude

Looking one year in the past, **Brent was hovering well over US\$ 80.- for the duration of the whole month of October** and subsequently plummeted to US\$ 49 in December. 2019, apart from the missile attack in Saudi Arabia in mid September, from which the market recovered swiftly and apparently without a scratch, has been rather less exciting, balancing around low US\$ 60.- from the early summer. More exactly, this Monday Brent futures fell 45 cents, or 0.7%, to US\$ 61.57 a barrel, while U.S. West Texas Intermediate (WTI) crude fell 85 cents, or 1.5%, to US\$ 55.81. Earlier in the session, Brent and WTI both climbed to their highest levels in a month, hitting \$62.34 and \$56.92, respectively. Anyway both 12 month curves are backwardated.

Petroleum products & Middle distillates

The fourth quarter tends to be showing a drop in high sulphur fuel oil prices and with a rise in gasoil cracks, it seems shipping companies are disposing of HSFO and stockpiling the more IMO-compliant fuels. This shows **an increased demand for fuel oil storage** but there is no free heated capacity. Furthermore, there is a noticeable interest in fuel oil storage in some outer ports as if traders are securing low sulphur products there. With a backward curve in gasoline, **free capacities for light ends remain available in ARA and Med.**

Middle East

The tensions in the region do not diminish as in the second week of this month the Iranian-owned oil tanker “Sabiti” was struck by missiles just south of Jeddah, Saudi Arabia. One of the ports that seems to benefit of this, being just outside of the Strait of Hormuz, is the port of **Fujairah: all tankage is full and waiting lists grow**. Vessels are being served at anchorage and the port breaks record after record in terms of revenue and storage and there is a noticeable increase in bunkering.

For chemicals in the region, **we see several new availabilities in the area of specialties**, heated and low flash, especially in the Hamriyah free zone, UAE.

Asia

With the new rules for IMO2020 coming up and shippers preparing for this, the first 2 weeks of this month have shown a serious increase in the number of vessels anchoring in the Malacca Strait off Singapore and Malaysia as the traders are collecting and saving fuel. The obvious increase in **floating storage captures almost 4.5 million tonnes of fuels that comply with IMO 2020**, floating off the Malaysian ports of Tanjung Pelepas and Sunggai Linggi as of October 16, making up three-quarters of total ship-fuels floating in the strait, a 16% rise from October 4. The peak in VLCC time charter rates could have changed the floating storage market completely. With high returns on voyage and time charters, there is no interest from owners to have their vessels at lower long term rates. Fortunately for the floating market the rates didn't stay high for long. For outer ports this change could have helped to fill their tanks, since any shore tank was for a moment considered to free up the vessels to trade at the high numbers.

The Americas

The focus is more on the world series baseball then on storage :-). Tank opportunities are certainly there, although the gems have been taken. The newbuilding projects in Texas are, with a few exceptions, contracted already. Also, on the Mississippi River, developments are visible. The US East Coast on the other hand has still many options, but never directly suitable tanks. For each tank is outfitting required, seems like it.



Chemicals

We see **slight changes in availability as some chemical tanks will be given back by the end of this year** as contracts are up for renewal. However, unlike what we have experienced earlier this year, customers are less in a hurry to take these tanks. Which seems a bit odd as availability is still at its peak. Some of whom were urgently seeking for storage lost interest as market conditions changed over this period, others are just not in the position to make decisions quickly. This concerns both existing capacity as well as capacity that will be operational as per beginning or mid-2020. Although these new built tanks are specifically designed to accommodate specialty chemicals (more difficult storage projects), **parties seem to be waiting for the start of the new year**. Offers have been sent to many potential customers that request storage but not many have been signed or concluded yet. Not a thing you would easily expect after a long period where many terminals turned new customers down. The risk that now rises is that these projects get their green light all at once. **“First come, first served” remains as crucial as always**. On the other hand, time for the terminals to change their tone as a new era has started.

Vegetable, biodiesel & renewables

Vegoils situation in the hub area's is at a unchanged status quo; no (substantial) capacity will be returned to the market. We do see however **more and more capacity coming free in the outer regions** such as terminals with barge access only or at terminals specifically offering smaller sized tanks for vegs container business. All these tanks are insulated, heated and equipped with mixers. In terms of developments we see that some terminals are investing in heating capability as the demand from last year definitely showed a **shortage for tanks which could handle for example components for biodiesel**, the several fatty acid methyl esters from soyoil, rapeseed, palmoil or tallow.

Meet the RVB storage brokers:

- 5 - 6 November : World Ethanol & Biofuels Conference, Brussels (RVB Speaker)
- 27 November: Platts Light Ends, Rotterdam
- 28 November : Grofor, Hamburg
- 28 - 29 November: Platts European Petrochemicals, Rotterdam
- 5 December : EPL, Rome
- 10 December: ILTA, Woodlands TX
- 22 - 23 January 2020 : European Storage Conference, Amsterdam (RVB Speaker)
- 30 - 31 January 2020 : 10th Middle Distillates Conference, Antwerp

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-----			
317.500	light ends	ARA	now
310.000	diesel/gasoil	ARA	Q4, 2019
115.000	biodiesel (unheated)	ARA	now- Q1,2020
12.760	chems	ARA	now
12.680	chems	ARA	Q1, 2020
5.300	chems	Netherlands	now
7.900	vegoils	Netherlands	now
23.400	vegoils (heated)	Netherlands	Q4, 2019
-----North Europe-----			
460.000	crude	Germany (North)	now
72.900	diesel/gasoil	Germany (North)	now
1.100	chems	Germany (inland)	now
360.000	diesel/gasoil	UK (West Coast)	now
1.800	chems/vegoils	UK (West Coast)	now
660.000	crude	UK (West Coast)	now
4.200	chems	UK (East Coast)	now-Q4, 2019
5.000	ethanol	UK (East Coast)	now
100.000	light ends	Ireland	now
100.000	crude	Ireland	now
8.000	biofuels, vegoils	Denmark	now
117.000	dirty petroleum prods	Denmark	now
60.100	diesel/gasoil	Denmark	now
319.500	diesel/gasoil	Sweden	now
72.500	dirty petroleum prods	Sweden	now
5.000	vegoils	Sweden	now
8.300	light ends	Norway	now
580.000	Crude / diesel	Finland	now-Q1,2020
8.500	gas	Finland	now
60.000	light ends	Estonia	now
22.000	various	Estonia	now
9.000	light ends	Latvia	now
340.000	crude	Baltics	now-Q4,2019
10.000	vegoils	Poland	now
-----South Europe/Med/Black Sea-----			
5.000	chems	France (NW)	now
28.000	chems/vegoils	France (NW)	now
85.000	(bio)diesel/gasoil (unheated)	France (NW)	now
120.000	diesel/gasoil	France (South)	now
180.000	light ends	France (South)	now

5.080	chems	France (South)	now
6.000	various	Spain (NW)	now
15.000	chems/various	Spain (East)	now
64.000	biodiesel	Spain (East)	now
262.000	light ends	Spain (East)	now-Q1,2020
15.000	diesel	Spain (South)	now
40.000	biodiesel/vegs	Spain (South)	now
4.000	chems/various	Spain (South)	Q4, 2019
89.000	diesel/gasoil	Italy (NE)	now
22.500	chems	Italy (NE)	now
14.050	chems	Italy (NW)	now
47.000	various	Italy (NW)	now
6.600	light ends	Albania	now
16.500	vegoil/(bio)diesel	Albania	now
300.000	crude	Croatia	now
22.000	vegoils	Turkey (Black Sea)	now
15.000	chems	Turkey	now
75.000	dirty petroleum prods	Turkey	now
75.000	diesel/gasoil	Turkey	now
66.000	clean petroleum prods	Turkey	now
31.000	base oils/easy chems	Turkey	now
40.000	crude	Romania	now
30.000	light ends	Georgia	now
100.000	dirty petroleum prods	Georgia	now
24.500	vegoils	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-----			
24.568	chems	Egypt	now
3.000	chems	Kenya	now
10.000	chems	Tanzania	now
12.000	Gasoil	Tanzania	now
55.000	light ends	Ghana	now
2.200.000	crude	South Africa	now
10.000	diesel/gasoil	South Africa	now
-----Middle East-----			
7.500	chems	India (Gujarat)	now
20.000	various	India (Gujarat)	now
10.000	bitumen	India (Gujarat)	now
150.000	dirty petroleum prods	UAE	Q4, 2019

3.500	light ends	UAE	now
178.000	chems	UAE	now
-----Far East-----			
120.000	dirty petroleum prods	China (North)	now
10.500	chems	China (North)	now
120.000	diesel/gasoil	China (South)	now
30.000	light ends	China (South)	now
300.000	dirty petroleum prods	China (South)	now
6.000	chems	China (South)	now
360.000	dirty petroleum prods	China (Gr. Ningbo)	now
380.000	crude	China (Gr. Ningbo)	now
2.800	chems	China (Gr. Ningbo)	now
180.000	diesel/gasoil	China (Yangtze River)	now
12.200	chems	China (Yangtze River)	now
180.000	crude	China (Shandong)	now
120.000	dirty petroleum prods	China (Shandong)	now
3.000	chems	China (Shandong)	now
20.000	vegoils	Malaysia	now
22.000	vegoils	Malaysia	Q4, 2019
58.653	light ends/diesel	Malaysia	now
58.000	light ends/diesel	Singapore	now
60.000	light ends/diesel	Singapore	Q4, 2019
-----North America (bbls)-----			
20.000	chems	California, USA	now
470.000	light ends	California, USA	now
500.000	crude	California, USA	now
798.000	gasoil/various	Georgia USA	now
235.000	light ends	Louisiana, USA	now
80.000	chems/clean prods	Louisiana USA	now
260.000	veg oil /easy chems	Louisiana USA	now
100.000	LPG	New Hampshire	now
504.000	light ends	New Jersey, USA	now
22.500	chems (heated)	New Jersey, USA	now
12.000	heavy oil (heated)	New York, USA	now
1.967.000	light crude/petroleum prods	New York, USA	now
1.100	chems (ss)	New York, USA	now
250.000	chems	North Carolina, USA	now
1.300	chems	Ohio, USA	now
500.000	chems/clean prods	Oregon, USA	now
50.000	light ends	Pennsylvania, USA	now
120.000	light ends	Rhode Island, USA	now
240.000	dirty petroleum prods	South Carolina, USA	now

140.000	chems	South Carolina, USA	now
325.000	(bio)diesel	Texas, USA	now
520.000	crude & chems	Texas, USA	now
260.000	light crude/petroleum prods	Texas, USA	now

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

317.460	crude	Bahamas	now
365.079	diesel/gasoil	Aruba	now
190.000	various	Puerto Rico	now
110.000	crude	Colombia (caribbean)	now
392.000	diesel/gasoil	Colombia (caribbean)	now
25.000	clean/dirty petroleum prods	Colombia (caribbean)	now
35.000	dirty petroleum prods	Panama (atlantic)	now
46.000	chems/vegoils	Brasil	now
15.000	chems/vegoils	Argentina	now
29.500	dirty petroleum prods	Argentina	now
2.700	chems/petroleum prods	Mexico	now



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