



RVB Tank Storage Solutions

Market Report September 2019

Tank storage opportunities & updates

Crude

As a swarm of drones has attacked two major Saudi Aramco facilities (Abqaiq petroleum processing facilities and Khurais Oil field) as much as almost 50 % of Saudi Arabia's most important oil infrastructure was destroyed in the 3rd weekend of this month. As a result, the country's output was cut with 5.7 million barrels per day, estimated to be more than 5 % of the global oil supply. **The attack on Saudi Arabia's largest oil processing plant pushed crude prices sharply higher immediately after**, though its longer-term impact depends on how long production is disrupted and the attack's future implications. US crude oil (WTI) jumped \$5.61 per barrel, or 10.2 percent, to \$60.46 per barrel. Brent crude surged \$7.84 per barrel, or 13 percent, to \$68.06 per barrel but has been steady in the last week around \$ 62,25 ending around \$ 61,26 at 10o'clock today, September 30.

Petroleum products & Middle distillates

As far as unheated capacity is concerned, the markets still show availability in the midsize range tanks, even in the hubs, whereas heated capacity is not so easily found anymore. **New capacities coming to the market are a result of consolidation as that is more often seen in the market** For example, BP concluded last year a huge terminal deal with HES in Rotterdam to have a pipeline connected to the terminal next to their plant. Currently these clean petroleum products are stored at independent terminals that will feel the pain as soon this large volume will move to the newly built terminal. A similar move to consolidate volume in a terminal where they have a stake in, is Litasco with Sea-Tank in Antwerp, therewith releasing capacity in Rotterdam & Amsterdam. **For the hub ports we do not expect too much suffering, but outer ports may pay the price.** If you are currently storing in a port outside of a hub you have a trading disadvantage. If you are able to move to a hub this will create buy/sell opportunities plus higher product value. In the USA we see a similar interest from the big cargo players to own or participate in a terminal where they store their product. **Consolidating volume and building new terminals will result in cargo reshuffling.**

Middle East

The bunkering hub of Fujairah may have been shaken up by the recent tanker attacks in the Gulf of Oman, but officials are confident that it will be business as usual, as the port and accompanying free zone keep on going forward with diversification plans. Fujairah is trying to compete with other bunkering and oil storage hubs like Singapore, the world's biggest, and Amsterdam-Rotterdam-Antwerp, the huge oil refining and distillate storage complex spanning the Netherlands and Belgium. But the port and adjacent free zone in **Fujairah, where two refineries and 17 oil terminals are located, are exposed to the rising tensions between Iran and the US**, and have suffered a dip in bunkering activity as higher insurance premiums makes refueling in Fujairah unattractive. The positioning of Fujairah, one of the seven emirates that make up the UAE federation, is vital to the UAE, OPEC's third largest oil producer, which pumps about 3 million b/d, mostly from state-owned Abu Dhabi National Oil Company. The port does not reveal bunkering data, but officials say overall throughput at the Fujairah Oil Tanker Terminals grew over summer this year. **Neighboring Oman, whose ports lie outside the strait of Hormuz, the biggest Middle East oil producer outside OPEC, has its**

own ambitions to develop bunkering and oil storage hubs and could potentially attract some bunkering activity in the future.

Biodiesel & Renewables

The Trump administration lifted restrictions on the sale of higher ethanol blends of gasoline, keeping a campaign promise to farmers suffering from the trade war with China. This allows gasoline stations to sell blends containing up to 15 percent corn-based ethanol, called E15, year-round, ending the summertime ban that President Barack Obama's Environmental Protection Agency imposed in 2011 to reduce smog pollution. The widely anticipated action on E15 was estimated to generate over a billion new gallons of ethanol demand in the next five years. **Brazil's and the world's largest sugar and ethanol merchant subsequently declared to expect an increase in ethanol demand by 50% for the next two or three years.** The decision marks a setback for the oil industry, which views biofuels as competition for its petroleum-based fuels. **For the fuel ethanol additional tankage will be required.**



Chemicals

In the chemical segment we see a development where terminals are renovating in order to comply with the latest carbon footprint requirements, expanding with stainless steel tanks versus mild steel. There is so much stainless steel low flash storage expected to come online that one might wonder if the demand side is ready for that. **Almost every chemical terminal in ARA is expanding, some even by doubling the existing capacity and very few against a contract.** If we look at the situation as it is today you could say that this opportunistic building is a natural response to the very tight chemical storage market and we shouldn't be too worried that these state of the art tanks will be left empty. However, if we take a closer look at the fact that this capacity becomes available all at once it might almost seem like too much. Not even to mention that in addition to that, **entirely new terminals will be built in the coming years as well.**

An obvious positive result here for the cargo owners and traders as the market then changes in their favour enables them to actually negotiate rates rather than having to accept "take it or leave it". Furthermore, there will be more room and chances for spot contracts. These requests are now often rejected by terminals as they have the luxury of favouring long term contracts over these spot requests, leaving these cargo owners empty handed most of the time forcing them to go look for other creative solutions. With this new capacity in ARA & Houston it is also the question whether the surrounding regions will be affected or not.

Vegetable oils

The vegetable oil market shows less development as a couple of terminals are investing but overall the capacity in the main hubs remains very restricted. This surely has to do with the fact that it is a less attractive market to invest in as supply almost completely depends on a harvest being good or bad. This means, tanks will not be built without a contract, something totally different from what we see in the chemical market. This is also why many vegetable

oil terminals are focusing on biodiesel nowadays as it shows a more structural demand. Moreover, heated vegetable oil tanks can easily be used for biodiesel provided that the terminals have the right permits in place. Another reason why these terminals are perfectly capable of accommodating the biodiesel demand is that these terminals often have smaller sized tanks to store different kind of grades and perform high blending activities. **What gets our attention is the increased interest in biofuels tanks in Spain.** ARA is still the preferred area, but Spain is definitely second because of the possibility and demand to distribute the biodiesel locally. However, as still not many terminals have a “waste license” to store UCO (used cooking oil) in Spain, -which often is used as a blending component or feedstock to produce UCOME (biodiesel)- we do see multiple terminals investing in a license and expecting to accommodate this flow by beginning of next year.

Meet the RVB storage brokers :

- 2 - 3 October: European Bulk Liquid Storage Conference, Antwerp
- 6 - 9 October: EPCA Conference, Berlin
- 10 October: New York Harbour Fuel Supply & Distribution Club Gala
- 17-18 October: Bunker conference, Rotterdam
- 23 October: Fosfa dinner, Amsterdam
- 5 - 7 November: World Ethanol & Biofuels Conference, Brussels (RVB Speaker)
- 28 November: Grofor dinner, Hamburg

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 Note : RVB is hiring !

Do you have an affection with bulk liquids? Always wanted to be a broker ? For our Rotterdam office we offer a position in an interesting and challenging working environment. Check out the full vacancy here: <https://www.rvbcompany.com/wp-content/uploads/2019/08/vacancy-tank-storage-broker.pdf>

**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-----			
67.500	light ends	ARA	now
310.000	diesel/gasoil	ARA	now-Q4, 2019
41.000	biodiesel (unheated)	ARA	now- Q4,2019
16.330	chems	ARA	now-Q4, 2019
7.650	vegoils	Netherlands	now
9.600	vegoils (heated)	Netherlands	Q4,2019
-----North Europe-----			
460.000	crude	Germany (North)	now
38.900	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
171.500	diesel/gasoil	Sweden	now
172.500	dirty petroleum prods	Sweden	now
5.000	vegoils	Sweden	now
90.000	Fuel oil	Norway	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
134.700	light ends	France (South)	now
5.080	chems	France (South)	now
6.000	various	Spain (NW)	now
15.000	chems/various	Spain (East)	now
34.000	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
168.000	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
40.000	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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