RVB Tank Storage Solutions

Market Report
November 2019

Tank storage opportunities & updates

Global & crude:
Oil prices dropped 1% mid November amid renewed doubts over the prospects of the US and China trade deal: Brent crude went down 69 cents to $61.82 a barrel while US West Texas Intermediate (WTI) crude was up 63 cents at $56.61 a barrel, both levels back to respectively US$ 63,40 (Brent) and US$ 58,42 (WTI) at the moment of writing this. Traders are prepared to pay near-record premiums for sweeter barrels as refiners are encouraged to switch to these crude grades that produce smaller quantities of high-sulphur fuel oil. However, premiums for heavier grades, which produce more fuel oil, also continue to rally due to a deficit created by U.S. sanctions on Iran and Venezuela who both cut oil exports sharply. The new marine fuel rules have created a rally in certain crude oil grades that are are ideal for refiners producing IMO-compliant bunker fuel oil. While the rally in light sweet grades stands out, sour crudes rally as well. North Sea crude grades are also rallying, with Ekofisk, one of the five grades that can set the value of dated Brent, jumped to its highest since 2013 last Tuesday. Brent oil prices are expected to continue trading around our $60-a-barrel forecast with **backwardation likely to persist** in the next year.

Gasoil:
All lot of activity is going on in the middle distillates market in ARA. Although the market for gasoil is backwarded, many **players are checking storage positions as from 2020.** Rental rates are low, with numbers around €2 recently closed due to ample availability of capacity. Result is that many players are showing a “wait and see” attitude.
So far this year, more than 9 million tons of gasoil have been sent up the Rhine to various destinations in Germany, Switzerland and France. On average this year, there was around 202kt pw of gasoil moving upwards. Extend this year's data, it is expected that some 11 million tons of gasoil will be transported by barge this year compared to ‘just’ 7.6 million tons in 2018.

Gasoline:
When it comes to gasoline, we see quite different scenarios within Europe. ARA is showing capacity and although offers have been sent to customers nobody has taken those tanks as of yet. A totally different picture in Germany, where all capacities for gasoline are almost completely rented out for the full year. It seems impossible to gain a foothold in that market if you are not already in it. Going further south we see again availability of gasoline but no takers nor interest whatsoever.
Another thing that comes to our attention is that **we see more enquiries for very small gasoline tanks.** Customers trying to create a “niche blend” and looking for a tank of just 1000 m3 - 3,000 m3 to accommodate that flow and its logistics of bringing in hazardous components by truck. As the typical gasoline hubs cannot meet those enquiries due to a lack of small gasoline or blending feedstock tanks or a truck rack we are curious to see if the new capacity at chemical terminals might be in a position to offer storage for those particular needs.

Vegetable oils, biodiesel & renewables:
Occupancy in the vegetable oil market is high and no tanks are coming back as far as we have noticed. Better yet, newbuilt tanks will become available in the inlands. Market is even that congested that some major players are forced to go beyond the hubs and take storage positions at entirely new terminals out of their usual shipping route. As it looks right now, this is not going to change anytime soon. The demand for heated biodiesel storage remains unchanged as well. As a matter of fact, every month we get at least one new enquiry on top of the full waiting list we already have. And with the availability of heated biodiesel tanks being low, we see that the interest for unheated tanks remains quite high as well.

Chemicals
We see slightly more tank availability than a few months back. Unlike what we see in the vegetable oil market, some chemical tanks will be returned in the new year. On top of the newbuilt capacity that still needs to be contracted, we could say that **opportunities are there again after many months of selling no**, at least for ARA. In Germany and France this situation is less fortunate as almost no tank can be found there for chemical business and also in the Med, finding suitable capacity for special chemicals is a challenge.

China update
Due to Chinese tax authority further tightening on consumption tax for CPP, **gasoline blending market is heading towards non-existing**. Terminals storing Aromatics for this purpose are seeing their occupancy fell below 50 % for 2019, while specialty chemicals tanks enjoyed a good year with above 70 % occupancy. For petroleum tanks, due to decreased activities of Teapot refineries and less consumption of fuel oils caused by environmental policies, the storage market is even more depressing, with ample availability of tanks all over the country. Storage rate has not seen any improvement during 2019.

Meet the RVB storage brokers:

- 28 November : Grofor, Hamburg

- 28 – 29 November : Platts European Petrochemicals, Rotterdam
- 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)

capacity (m3)	product	location	available from
		-----Belgium/Netherlands-----	
317.500	light ends	ARA	now
612.000	diesel/gasoil	ARA	now-Q1,2020
24.500	chems	ARA	now
47.230	chems	ARA	Q1-Q2,2020
5.300	chems	Netherlands	now
19.100	vegoils	Netherlands	now-Q1,2020
		-----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
5.000	ethanol	UK (East Coast)	now
200.000	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
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
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
302.000	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)	now
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	now
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
150.000	diesel/gasoil	China (South)	now
35.000	light ends	China (South)	now
280.000	dirty petroleum prods	China (South)	now
14.500	chems	China (South)	now
320.000	dirty petroleum prods	China (Gr. Ningbo)	now
500.000	crude	China (Gr. Ningbo)	now
6.000	chems	China (Gr. Ningbo)	now
185.000	diesel/gasoil	China (Yangtze River)	now
4.500	chems	China (Yangtze River)	now
300.000	crude	China (Shandong)	now
180.000	dirty petroleum prods	China (Shandong)	now
8.000	chems	China (Shandong)	now
20.000	vegoils	Malaysia	now
22.000	vegoils	Malaysia	now
58.653	light ends/diesel	Malaysia	now
58.000	light ends/diesel	Singapore	now
60.000	light ends/diesel	Singapore	now

---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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