Storage Market Report
February 2020

General
Almost unavoidably, this months report starts of with an update on the effect that the **coronavirus** has as the demand of the world's biggest crude importer is plummeting and **China is stranding cargoes off the country's coast,** prompting shippers to seek out other Asian destinations to store their product. Crude stocks appear to pile up over the recent weeks and as a result of that, many VLCC's are no longer able to discharge at China's top crude import terminal of Qingdao. The utilization rates are currently 'only' around 60% in Shandong for commercial and strategic crude oil stocks, so in theory there would be a lot of spare capacity but it has never been this full other than the peak in early June last year. On a more positive note we can see the first signs of improvement in the course of the month whilst China is picking up production again and the so-called **'tea-pots' are taking advantage of the lower prices and are buying reserves on the spot market again.** The influence of the Corona virus and the fear of it even stretches further into our business as companies decide to fly less and don't visit conferences such as IP Week in London for example.

Crude, Petroleum & gasoline
Whilst China is the world's second largest economy, the above-mentioned effect not only leaves a mark on the crude trade to China, it also effects Chinese national production where refineries have cut output by about 1.5 million bbls per day. As a result, **Brent crude oil went down 15% since the beginning of the year** and a further drop in demand is expected in this first quarter. The lack of available space is prompting traders to divert cargoes scheduled to arrive in February and March until China's demand improves. Brent being at US$ 68,91 on January 6 it then dropped to US$ 53,27 in the beginning of this month and it has since seen a recovery towards US$ 59+ on the date of writing this report.
We see WTI making similar moves from US$ 63,27 dropping to US$ 49,57 and back up towards US$ 53+ this week. A somewhat obvious but positive effect is refining margins strengthening as refined product price declines were outpaced by falling crude prices. The weaker Chinese demand is also causing inventories to build outside of the country. **Refined product stocks held in Fujairah rose by a staggering 12%** week on week to reach the highest level since November 2018 and Singapore stocks also rose, with gasoline and light distillates up 3% to their highest number since August 2018, while middle distillates went up just 1%.

Whether there is a 'corona' influence on the bunker demand and supply or the introduction of the low sulphur IMO regulation is having an effect on it, **Singapore has seen bunker demand in February increasing** over January and reaching the highest monthly in more than 2 years. The major portion of the bunker demand is only low sulphur with 'ULSFO' and 'low-sulfur 100CST' listed as a fuel category for the very first time.

Vegetable oils & biofuels

The increased **demand for biodiesel, HVO and UCO storage** has led to terminals currently not having any experience with these products investigating in opportunities to do so; either by **converting existing capacity** or by **investing in expansion land.**
Diesel tanks seem most suitable for this, as tanks can rather easily be converted into tanks capable of accommodating HVO or even biodiesel, often by installing insulation and heating. Besides, diesel tanks show empty space still, which makes it worth looking into other product to enhance occupancy levels. UCO however is less easy to accommodate and to convert tanks for as these flows typically come in less volume as well as require the terminal to have a certain waste permit. On top of that, lots of volume is still transported in flexibags which means the terminal must have a heating system for these “bag in a container” as well as a discharge set up to make sure the flexibag is emptied completely. Something not many terminals are familiar with nor have the manpower to organize. The only tank availabilities in NW Europe we still see for vegetable oils and/or biofuels are in Scandinavia and in the Baltics; both prompt available as well as the possibility to convert dirty tanks into clean or even invest in new build capacity.

Chemicals

Not much has changed since our latest report, other than a slight increase in terminal occupancy. When in January prompt storage space could (sometimes) still be found February has sold almost solely “no” by referring only to new build capacity, this accounts for the entire ARA region as well as far beyond. Germany, France and Italy haven’t shown spot opportunities for a while now, implicating that **occupancy levels for chemical tanks are again at a peak.** In the third quarter of this year tanks are expected to be returned again. Although the new tanks are generally being built with a focus on difficult products, we still have a number of enquiries we cannot accommodate in these expansion projects such as; chloric products, light ends as well as pressurized tanks for liquefied gas. Should you a have possibilities to either invest or make capacity available we’d like to hear from you.

Meet the RVB storage brokers

- 24 - 27 February : IP week, London
- 10 - 12 March : StocExpo 2020, Rotterdam
- 17 – 19 March : LogiChem EU 2020, Rotterdam
- 22 – 24 March : AFPM Annual meeting (Petroleum products), Austin TX
- 29 – 31 March : AFPM Petrochemical Conference, New Orleans LA
- 22 April : Antwerp XL Expo
- 23 April : Nofota, Rotterdam

We continue to ask all terminal operators to please keep us informed on their available capacity situation. In the list we also demonstrate all possible **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	-----------------------
220.000	light ends	ARA	Q1-Q2,2020
482.000	diesel/gasoil	ARA	now
11.140	chems	ARA	now
28.900	chems	ARA	Q1-Q2,2020
4.500	chems	Netherlands	now
2.250	vegoils	ARA	Q2, 2020

17.050	vegoils	Netherlands	Q1, 2020
5.000	bitumen	Netherlands	now
-------North Europe-------			
460.000	crude	Germany (North)	now
23.900	diesel/gasoil	Germany (North)	now
800	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
8.890	chems	UK (East Coast)	now
5.000	ethanol	UK (East Coast)	now
100.000	crude	Ireland	now
5.000	biofuels/vegoils	Denmark	now
74.500	dirty petroleum prods	Denmark	now
17.600	diesel/gasoil	Denmark	now
3.000	chems/biodiesel	Sweden	now
50.000	diesel/gasoil	Sweden	now
35.000	dirty petroleum prods	Sweden	now
8.300	light ends	Norway	now
580.000	Crude / diesel	Finland	now
8.500	gas	Finland	now
34.000	light ends	Estonia	now
18.300	chems/various	Estonia	now
9.000	light ends	Latvia	now
200.000	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	France (NW)	now
120.000	diesel/gasoil	France (South)	now
132.000	light ends	France (South)	now
5.960	chems	France (South)	now
6.000	various	Spain (NW)	now
15.000	chems/various	Spain (East)	now
34.000	biodiesel	Spain (East)	now
77.000	light ends	Spain (East)	now
15.000	diesel	Spain (South)	now
40.000	biodiesel/vegs	Spain (South)	now
4.000	chems/various	Spain (South)	now
183.000	diesel/gasoil	Italy (NE)	now
6.000	chems	Italy (NE)	now
2.050	chems	Italy (NW)	now
25.000	various	Italy (NW)	now
6.600	light ends	Albania	now
16.500	vegoil/(bio)diesel	Albania	now
557.700	crude	Croatia	now
140.000	clean petroleum products	Greece	now
22.000	vegoils	Turkey (Black Sea)	now
15.000	chems	Turkey	now
66.000	clean petroleum prods	Turkey	now
31.000	base oils/easy chems	Turkey	now
43.000	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

106.000	crude/ dirty petroleum prods	Med South East (Cyprus to Egypt)	Now
---Africa------------------------			
24.568	chems	Egypt	now
3.000	chems	Kenya	now
10.000	chems	Tanzania	now
20.000	diesel/gasoil	Tanzania	now
55.000	light ends	Ghana	now
20.000	dpp / black prods	Mozambique	now
110.000	dpp / black prods	South Africa	Q1, 2021
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
6.000	dirty petroleum prods	South Korea	now
200.000	dirty petroleum prods	South Korea	Q1, 2020
30.000	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)------------------------			
150.000	dirty petroleum prods	Alabama, USA	Q1, 2020
20.000	chems	California, USA	now
500.000	crude	California, USA	now
601.000	gasoil/various	Georgia USA	now
235.000	light ends	Louisiana, USA	now
80.000	chems/clean prods	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
1.042.000	black oil prods	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
80.000	chems	Texas, USA	Q1, 2020
---Central & South America---			
365.079	diesel/gasoil	Aruba	now
190.000	various	Puerto Rico	now
176.000	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
10.000	chems/vegoils	Argentina	now
84.500	dirty petroleum prods	Argentina	now
2.700	chems/petroleum prods	Mexico	now