
ODIN-RVB EUROPE

Storage Market Report

April 2020

After being quoted and interviewed by newspapers and tv stations, here the original ODIN-RVB Tank Storage Solutions report.

General

April will go into the history books as **the first time ever that the oil price (WTI) went below zero**. Since storage capacity plays a crucial part in this, our industry was put in the spot lights. The bottleneck in the USA is called Oklahoma. In combination with global oversupply, the reduced demand as result of Covid-19 and the lockdown, this oil price madness was created. **Any tank capable to store crude oil has been rented**, since profits can be made and solutions are looked for to keep pumping up the oil.

The demand of tankage is extremely high and although there is only very limited availability we haven't seen very high storage rates. Of course the rates have been higher than 6 months ago, but the **terminals favor 2 year terms over high rates and short term contracts**. Terminals who had no availability begin March are now complaining, since they didn't benefit from higher rates or renewed contracts and they only see a slowdown of activity, since product is waiting to sold at higher rates at a later date. The available capacities that we are finding and bringing to the market are the typical 'oddballs' that is to say that with each terminal there is a certain challenge either in the tank setup, the draft or the import/export limitations. Even mothballed terminal are being brought back to life or maintenance has been postponed where possible. Especially **the outer ports which suffered the most from backwardation, finally see healthy rates and business** for their tanks and caverns.

Next to this extreme occupancy in land based tanks and underground in caverns, we have seen **a surge in floatir storage** as well, with **time charter rates shooting through the roof**. Millions of tons of crude and petroleum products float at all the well known anchorages of the world. Waiting for a home, a tank or an offset market. Although the oil producing countries (OPEC as well as others, including Russia) have now agreed on cutting the output, they will still produce more than needed. But without an outlook when this oil or products are needed, it can be a very expensive exercise. At time charter rates of roughly \$20,000 pd for a M/R, **the comparison with shore storage is already 3 times as expensive**. Now those rates jump up, the floating storage is not economical anymore, but will be considered for short term solutions.



USA

With the WTI crude oil price dropping below \$ 0, an obvious effects is that any crude oil storage in the US that was not committed yet has been taken in the meantime. **The only options left are tanks that are to be refurbished**, with lead-times varying between 6-12 months, or new build tanks with a lead-time of at least 12 months. For other product groups however, particularly for (easy) chemicals and diesel, there are still tanks to be found.

Chemical market

In the chemical market we see quite some players facing trouble, reorganizing the plant output now that global consumption has reduced due to Covid-19. Expansion plans are withdrawn and some producers even have to terminate their existing storage contracts. To build up and have stock doesn't outweigh the costs of it anymore. On the other hand we see **an increased demand for spot storage** which often has to do with the fact that customers can't receive product in today's market forcing suppliers to look for temporary storage in a market that is highly congested. 2nd half this year a lot of new capacity is coming to the market and after the summer we expect to see signs of oversupply in the North Western European market.

Biofuels & vegoils market

We see **an increased demand for ethanol storage**, now that sanitizers play such a crucial part in today's life. Unfortunately it remains rather difficult to find a suitable tank for this product as permitting and high excise keep preventing terminals from offering space for just a short period. As vegoils tank occupancy is at its limit for quite some time now, more and more terminals that are still left with tanks for easy chemical products and who are facing difficulties to rent the space out for a longer period are studying the possibility to offer tanks for FAME or HVO. They feel more comfortable in jumping into that market, rather than keeping the tanks empty for spot chemicals requests.

The biodiesel storage in heated tanks in the ARA-region remains strong. **Due to the short supply, available heated opportunities within ARA are taken quickly.** Consequently outer ports or barge terminals are being booked provided they have the heated tanks.

Middle East/Asia

The number of terminals in the Middle East is huge, however you have to be very lucky to find any free storage in any of these terminals. There are **only a few leftovers which can be used for some chemicals** or for the local market. In China we see a 50,000 m3 crude for example but since supply to such a tank isn't economical, this tank is still available.

Long term projects

The availability list includes also some new build and long term projects where investments are required which can only be covered by long term contracts. Depending on the project it can be 2 year contract, but more common is 3-5 year contracts to get such projects alive. The list is much longer, since terminals with spare land are always interested to expand and build against a contract.

Meet the team

Till further notice we will only virtually meet. Video calls are the new wining and dining. However our team is available.

Here the link to our recent tv performance: <https://cnbc.com/video/2020/04/24/crude-storage-broker-remaining-global-oil-storage-capacity-is-maybe-less-than-one-percent.html>

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-----			
2.100	diesel/gasoil	ARA	Q3 2020
125.000	dirty petroleum prods	ARA	Q4 2021
11.785	chems/various	ARA	now
15.500	chems	ARA	Q3/Q4 2020
17.000	vegoils (h)	ARA	Q1 2021
2.400	chems	Netherlands	now
2.850	vegoils (unh)	Netherlands	now
5.000	bitumen	Netherlands	now
-----North Europe-----			
30.000	diesel/biodiesel	Germany (North)	Q1 2021
40.000	diesel/gasoil	Germany (North)	Q1 2022
3.300	chems/various	Germany, River Rhine	now
1.800	chems/vegoils	UK (West Coast)	now
100.000	diesel/gasoil	UK (West Coast)	Q1 2021
8.000	chems/various	UK (East Coast)	now
1.690	specialty chems	UK (East Coast)	now

5.000	biofuels/vegoils	Denmark	now
14.650	diesel/gasoil	Denmark	Q3 2020
5.500	diesel/gasoil	Norway	Q3 2020
5.500	diesel/gasoil	Norway	Q1 2021
340.000	crude	Finland	Q3 2020
8.500	gas	Finland	now
6.850	chems/various	Estonia	now
10.000	vegoils	Poland	now
----- South Europe/Med/Black Sea -----			
20.000	light ends	France (South)	now
5.960	chems	France (South)	now
360.000	crude/cpp	NW Spain	Q4 2021
15.000	chems/various	East Spain	Q1 2021
89.000	dpp/cpp	NE Italy	Q2 2021
363.000	crude	Croatia	Q2 2021
6.600	light ends	Albania	now
16.500	vegoil/(bio)diesel	Albania	now
66.500	chems/diesel	Turkey	now
30.000	light ends	Georgia	now
100.000	crude	Georgia	now
8.400	chems	Russia (SW)	now
----- Africa -----			
21.568	chems	Egypt	now
3.000	chems	Kenya	now
10.000	chems	Tanzania	now
20.000	diesel/gasoil	Tanzania	now
20.000	dirty petroleum prods	Mozambique	now
----- Middle East -----			
10.000	bitumen	India (Gujarat)	now
47.000	chems/cpp	UAE	now
30.000	chems/cpp	UAE	Q4 2020
6.000	chems	UAE	now
----- Far East -----			
8.000	chems	China (North)	now
14.500	chems	China (South)	now
6.000	chems	China (Gr. Ningbo)	now
3.000	chems	China (Yangtze River)	now
8.000	chems	China (Shandong)	now
615.000	crude/dpp	South Korea	Q1 2021
30.000	vegoils	Malaysia	now
50.000	chems/various	Gr. Singapore	now
----- North America (bbi) -----			
585.000	diesel/gasoil	North Carolina, USA	now
255.000	chems	Louisiana, USA	now
25.000	diesel/gasoil	Texas, USA	now
139.200	chems	Texas, USA	now
115.000	clean petroleum prods	Texas, USA	Q4 2020

250.000	chems/cpp	Texas, USA	Q2 2021
250.000	chems/cpp	Texas, USA	Q3 2021
150.000	clean petroleum prods	Florida, USA	Q4 2020

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

365.079	cpp/crude	Aruba	Q3 2020
40.000	chems/clean prods	Puerto Rico	now
178.745	diesel/gasoil	Colombia (caribbean)	Q3 2020
36.836	dpp/ccp	Colombia (caribbean)	now
10.000	chems/vegoils	Argentina	now
23.000	diesel/gasoil	Argentina	now
3.000	dirty petroleum prods	Argentina	now



You are receiving this email because you opted in via our website / mail.

Our mailing address is:

sales@rvbtankstorage.nl

Odin - RVB Europe B.V,
Wilhelminakade 1 / 35th floor,
3072 AP Rotterdam
The Netherlands

Our telephone number is:

+31 88 3500 750

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