



RLA Weekly Report – Friday, 25 August 2023

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Oil Prices Climb: Brent and WTI show gains amidst reduced Gasoil stocks, European Reserve drops, and falling U.S. Treasury Yields**Economy**

- In August, Japan's manufacturing sector experienced its third consecutive monthly contraction, attributed to elevated oil prices and global economic uncertainty. However, the rate of decline exhibited a slowdown, according to the latest reports.
- The preliminary Japan Manufacturing Purchasing Managers' Index (PMI) by Au Jibun Bank inched slightly higher to a seasonally adjusted 49.7 in August, up from 49.6 in July. It's important to note that the index continued to stay below the critical threshold of 50.0, which demarcates contraction from expansion in the sector.

Oil and Tankers

- Brent concluded the session with a gain of \$0.15/bbl, reaching a price of \$83.36/bbl. Meanwhile, WTI experienced an increase of \$0.16/bbl, reaching \$79.05/bbl. This upward movement in prices was attributed to recent data indicating a 3% reduction in gasoil stocks stored in the ARA refining and storage centre during the past week. Additionally, there were decreases in refined stocks across Europe and a decline in the yields of the 2-year U.S. Treasury, all contributing to the positive settlement.
- Unexpectedly, India's growth in oil demand is said to be contracting. After reaching 415,000 b/d during the period of economic recovery from the government-mandated COVID-19 lockdowns in 2021/2022, the demand has now decreased to 255,000 b/d in the initial seven months of this year.

Tanker Freight Rates on Key Routes

Route No.	TC6	TC2_37	TC14	TC8	TC20	TD1	TD3C	TD6	TD9	TD18	TD20
Description	30 kt Clean Algeria to Euro Med	37 kt Cont to USAC	38 kt USG to Cont	65 kt Clean MEG to UKC	90 kt MEG to UKC	280 kt MEG to USG	270 kt Ras Tanura to China	135 kt BSea to Med	70kt Caribs to US Gulf	30 kt Baltic to UKC	130 kt WAF to Cont
Size mt	30000	37000	38000	65000	90000	280000	270000	135000	70000	30000	130000
Route	Skikda to Lavera	Rdam to New York	USG to Cont	Jubail to Rdam	Jubail to Rdam	Ras Tanura to LOOP	Ras Tanura to Ningbo	Novo to Augusta	Covenas - Corpus Christi	Baltic to UKC	Offshore Bonny to Rdam
	WS	WS	WS	WS	\$	WS	WS	WS	WS	WS	WS
18/08/2023	222.22	200.00	158.33	49.89	3675000	26.06	45.58	70.80	119.38	191.00	68.86
21/08/2023	222.22	201.75	156.67	50.66	3787500	26.33	45.25	71.50	120.31	188.50	70.68
22/08/2023	234.44	199.25	153.33	51.37	3793750	26.33	45.17	71.35	121.25	187.00	75.45
23/08/2023	240.56	200.20	155.83	50.66	3837500	26.28	44.50	72.35	119.38	186.00	75.00
24/08/2023	254.44	205.00	152.50	49.34	3793750	26.22	44.13	72.80	120.00	185.50	75.45

Source: Baltic Exchange

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LPG

- Poland's seaborne LPG imports declined by 8% in the second quarter of 2023 due to tough competition from cheaper Russian supplies in Northwest Europe. Seaborne arrivals amounted to 244,000 tonnes from April to June, with the Gdansk terminal experiencing a 31% reduction in intake to 116,500 tonnes. Despite the decline, Polish seaborne imports increased by 11% in the first half of 2023, reaching 513,000 tonnes, more than double the amount from 2021.

VLGC Spot Freight Rates

Route No. Description Size mt \$/tonne	BLPG1 AG-East 44000	BLPG2 USG-Cont 44000	BLPG3 USG-Japan 44000
18/08/2023	95	99	170
21/08/2023	95	99	168
22/08/2023	95	99	167
23/08/2023	94	99	168
24/08/2023	95	99	169

Source: Baltic Exchange

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LNG

- MISC, a key player in the Malaysian maritime sector, sees a promising outlook for the current year's LNG market. Their positive view, supported by second quarter findings, attributes this to resurgent demand driven by price cuts, seasonal stock adjustments, and heatwave-induced inventory reductions. Amid these factors, MISC plans to grow its gas assets and maintain stable earnings through extended charters.

LNG Spot Freight Rates

Route No. Description \$/day	BLNG1g Aus-Japan	BLNG2g USG-Cont	BLNG3g USG-Japan
11/08/2023	85484	91676	129656
15/08/2023	90343	95204	133613
18/08/2023	107989	101661	138442
22/08/2023	114845	108452	147308

Source: Baltic Exchange

Chemicals

- AP Moller-Maersk's pioneering methanol dual-fuel container ship, provisionally named the Maersk Solstice, has made its third bunkering stop during its maiden voyage to Copenhagen. The vessel, with a capacity of 2,100 TEU, was bunkered with 500 tonnes of green methanol at the Suez Canal Container Terminal in East Port Said, utilizing a mass-balanced approach.



- The global chemical tanker market, valued at US\$15 billion in 2023, is projected to expand significantly, reaching a market size of US\$31 billion by 2033, with a forecasted Compound Annual Growth Rate (CAGR) of 7.5% between 2023 and 2033.
- European caustic soda export spot prices faced stability to softness in the week starting 21 August due to sluggish demand, driven by seasonal trends affecting key Mediterranean countries like Turkey. Prices at FOB (free on board) points in the Mediterranean and Northwest Europe saw declines, with northwest European prices decreasing by \$20/dmt on the lower end to \$280-330/dmt FOB and Mediterranean spot prices dropping by \$10/dmt on the lower end to \$270-310/dmt FOB.

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