



## RLA Weekly Report – Thursday, 08 August 2024

No. 101

### Reserve Bank of India keeps repo rate unchanged at 6.5%

#### Economy

- On August 8, RBI Governor Shaktikanta Das announced that the repo rate will remain at 6.5% for the eighth consecutive review. India's GDP growth is projected at 7.2% for the current fiscal year and the CPI inflation forecast for FY25 is adjusted to 4.4%. India is experiencing resilient economic growth, but there is still need for progress to achieve the 4% inflation target. While inflation is moderating, its decline is slow, partly due to persistent food price inflation. Despite a recent rise in consumer inflation to 5.1%, it is expected to ease to 4.5% in FY25, aided by improved agricultural output and a normal monsoon.

#### Oil & Tanker

- U.S. crude oil inventories fell by 3.7 million bbls to 429.3 million. Crude stocks in Cushing, Oklahoma, rose by 579,000 bbls. Refinery crude runs increased by 252,000 b/d. Despite the unexpected inventory build, oil prices rebounded on concerns over potential Middle East supply disruptions. Brent crude rose to \$77.90/bbl. This uptick came after a sharp drop earlier in the week due to market fears of a US recession and weak demand, further exacerbated by decreased Chinese crude imports and geopolitical tensions.

#### Tanker Freight Rates on Key Routes

Route No.	TC6	TC2_37	TC14	TC8	TC20	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	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	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 Ningbo	Novo to Augusta	Covenas - Corpus Christi	Baltic to UKC	Offshore Bonny to Rdam
01-08-2024	WS 156.39	WS 201.56	WS 160.00	WS 57.47	\$ 4556250	WS 47.00	WS 97.45	WS 118.44	WS 232.92	WS 80.39
02-08-2024	151.39	201.88	160.00	57.03	4581250	46.73	96.05	118.13	232.50	76.94
05-08-2024	129.44	193.13	159.29	56.92	4568750	45.75	94.95	117.19	233.33	75.97
06-08-2024	122.50	183.13	150.00	56.48	4512500	45.60	93.00	115.94	234.17	76.94
07-08-2024	120.00	165.63	152.86	54.50	4400000	45.75	90.55	115.31	235.00	76.79

Source: Baltic Exchange



## LPG

- Grupa Azoty Polyolefins announced that it had signed agreements with Hyundai Engineering. These agreements aim to finalize activities necessary for the long-delayed \$1.8 billion propane dehydrogenation and polypropylene plant to commence commercial operations. The planned plant is designed to produce 429,000 tonnes/year of polymer-grade propylene and 437,000 tonnes/year of polypropylene.

## LNG

- Dutch and British wholesale gas prices rose slightly on Tuesday after previous declines, with the Dutch TTF front-month contract increasing by 0.50 euro to 36.35 euros/MWh and the October contract up by 0.75 euro to 37.10 euros/MWh. In the UK, the day-ahead contract rose by 1.35 pence to 79.75 pence per therm. Despite these gains, supply remains strong, with higher liquefied LNG send-out and increased Norwegian gas exports expected. European carbon prices also increased, with the benchmark contract rising by 1.07 euro to 69.80 euros per metric ton.

## Chemicals

- Germany's chemical industry continued to face a declining business climate in July 2024 due to the ongoing economic slowdown in the country. Demand for chemicals continued to fall, leading companies to cut production. The capacity utilization rate fell to 74.8%, significantly below the long-term average of around 82% required for profitability. Furthermore, many chemical companies are planning substantial staff reductions in the coming months. Both the current business situation and future expectations of companies worsened considerably in July compared to June 2024.



### SHORT TERM OUTLOOK – OIL TANKER MARKET

A monthly report covering the next four months and including trends in oil supply, demand and trade, tanker demand and supply, spot, and time charter rates for MRs up to VLCCs, comparisons with FFAs plus the latest news on developments impacting the oil and tanker sectors.



### MEDIUM TERM OUTLOOK – OIL TANKER MARKET

Concise analyses of topical issues, consistent market data series and views on future trends in tanker charter rates. The report covers Oil Prices; Economic Developments; Oil Demand and Supply; Trade; Tanker Demand, Supply and Rates. Sent to clients around January, April, July and October each year



### SHORT TERM OUTLOOK – VLGC MARKET

A monthly report looking four months ahead at likely trends in the VLGC Spot Market with the latest on key LPG carrier trades, benchmark LPG prices, arbitrage developments, a comparison with FFAs and recent news



### MEDIUM TERM OUTLOOK – LPG CARRIER MARKET

A quarterly series of regular reviews, analyses and forecasts of the LPG Carrier Market. The report covers Economic Developments; LPG production, consumption and pricing; LPG, chemical gases and ammonia trade, LPG Carrier Demand, Supply and Rates for Fully Ref, Semi-Ref and Pressurised Ships. Reports sent to clients around January, April, July and October each year.



### CHEMICAL CARRIER WORLD SERVICE

An annual consultancy service currently providing Clients with an Annual Fundamentals Report, a Forecast Update, two quarterly Market Monitors, Monthly Commodity Trade Bulletins for key countries, an annual presentation on the market outlook and access to RLA's consultant's and analysts to discuss issues arising from these reports.



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