



RLA Weekly Report – Friday, 08 March 2024

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Turkey Halts Russian Oil Imports at Dortyol Terminal Amid Sanctions Threats

Economy

- The Indian economy is expected to experience significant growth, with GDP projected to expand by 6.8 % in the upcoming fiscal year. This growth trajectory positions India to achieve upper middle-income status by 2031, and there is anticipation that it could become the world's third-largest economy by that time. Economic progress will be supported by domestic structural reforms and cyclical factors. Despite a better-than-expected growth rate of 7.6 % this fiscal year, India's real GDP growth is expected to moderate to 6.8 % in fiscal 2025.

Oil

- Russia's threat of US sanctions has led to a ban on Russian oil imports at a Turkish terminal in Dortyol. The facility, which received record Russian volumes oil in 2023, will not accept any more cargoes. Turkey has been a major importer of crude and fuel from Russia since Western sanctions were imposed due to the invasion of Ukraine. The ban also applies to cargoes not breaching any sanctions or regulations. The new approach aims to eliminate the effects of activities beyond Turkey's control, despite compliance with all applicable sanctions. Last year, Dortyol received 11.74 million bbls from Russia, and exports increased to 24.7 million bbls. The last ship to discharge Russian cargo arrived in February, carrying 511,000 bbls of diesel. Russia unveiled new crude production and export cuts in March, indicating growing sanctions pressure.

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	USG to Cont	Jubail to Rdam	Jubail to Rdam	Ras Tanura to	Novo to Augusta	Covenas - Corpus Christi	Baltic to UKC	Offshore Bonny to Rdam
	WS	WS	WS	WS	\$	WS	WS	WS	WS	WS
01/03/2024	318.33	231.67	155.71	60.33	4387500	60.32	108.95	172.81	338.50	103.41
04/03/2024	320.56	214.17	161.07	60.33	4375000	65.36	108.20	168.13	334.00	102.95
05/03/2024	320.00	198.06	177.50	59.89	4418750	74.55	107.55	170.63	330.00	102.14
06/03/2024	319.44	177.78	210.00	60.33	4484375	73.41	107.50	171.88	328.00	101.45
07/03/2024	319.44	173.33	226.43	61.10	4568750	71.50	107.95	174.69	321.00	102.86

Source: Baltic Exchange



LPG

- The EU's upcoming LPG import ban on Russia is likely to put supply diversification in the hands of landlocked countries in central and eastern Europe that still rely on LPG imports. Since the initial shock of Russia's invasion in February 2022, which disrupted traditional supply routes and boosted demand, the region has improved its efforts to fill any shortfalls. The Czech Republic quickly switched to western LPG imports after many companies opted for a Russian product boycott. The market in Hungary has also significantly decreased its reliance on Russian supplies, with less than 4,000 tonnes of its LPG imports in 2023 and a share of arrivals from the EU falling from 96% in 2021 to 32% in 2023.

VLGC Spot Freight Rates

\$/tonne			
Route No.	BLPG1	BLPG2	BLPG3
Description	AG-East	USG-Cont	USG-Japan
Size mt	44000	44000	44000
01/03/2024	57	59	106
04/03/2024	56	60	108
05/03/2024	57	61	110
06/03/2024	58	63	112
07/03/2024	60	64	115

Source: Baltic Exchange

LNG

- Gulf oil giants Saudi Aramco and Abu Dhabi are in talks to invest in U.S. LNG projects, aiming to compete with oil majors and regional rival Qatar in the booming super-chilled gas market. With demand for chilled fuel expected to grow by 50% by 2030, the two energy giants are tapping opportunities in the United States, which has become the world's biggest exporter of LNG. Saudi Aramco is in negotiations to invest in the infrastructure of a liquefied natural gas (LNG) project in Port Arthur, Texas. While a US organisation is in negotiations with an Abu Dhabi organisation for the offtake of a proposed fourth processing unit at an export facility in the United States, LNG capacity is set to almost double over the next four years, but developers face financial hurdles and regulatory pressures on banks to focus on environmental, social, and governance (ESG).

LNG Spot Freight Rates

\$/day			
Route No.	BLNG1g	BLNG2g	BLNG3g
Description	Aus-Japan	USG-Cont	USG-Japan
20/02/2024	38325	38809	39290
23/02/2024	38009	36410	39290
27/02/2024	38552	35234	39099
01/03/2024	36101	37886	40964
05/03/2024	34158	36533	40744

Source: Baltic Exchange



Chemicals

- The US Gulf to East Coast South America contract volumes are steady, but spot cargoes are rare. Regular carriers have space for spot cargoes, causing freight rates to weaken slightly for the second month in a row. Large cargoes of caustic soda and methanol were fixed as full cargoes on product carriers. Multi-grade lube oils of 5,700 tonne were fixed from Port Arthur to Rio de Janeiro with one regular carrier at \$92/tonne. Ethanol was fixed from the US Gulf to Montego Bay at \$68/tonne.



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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