



## RLA Weekly Report – Friday, 15 March 2024

No. 81

### India-EFTA Agreement: \$100 Billion Investment Boost

#### Economy

- India has reached a significant agreement with four European countries in the European Free Trade Association (EFTA), aimed at slashing tariffs and fostering investment. This deal is forecast to attract \$100 billion in investments and create one billion jobs in India over the next 15 years. Notably, this agreement comes amidst India's ongoing trade negotiations, including recent deals like the one with the UK, which is expected to bolster India's exports in key sectors such as information technology, business services, and audio-visual services. Additionally, the agreement encompasses provisions for the mutual recognition of professional services such as nursing, chartered accounting, and architecture.

#### Oil

- Potential shifts in the tanker market are imminent, as Russia's oil exports could redirect buyers to China and India due to extended OPEC+ production cuts. The situation with Russia becomes more complex amidst tightening sanctions. Russia is expected to implement further cuts of 471 kbd on top of existing reductions of 500 kbd, aiming to keep oil prices above the G7 ceiling. These cuts cover both crude and refined products, aiming to maintain pricing amidst higher benchmark Brent prices. Navigating the Russian market poses increasing challenges, especially with intensifying sanctions enforcement.

#### 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
08/03/2024	321.11	192.22	233.57	61.32	4631250	69.14	107.10	175.31	317.00	106.23
11/03/2024	324.44	200.56	232.86	61.43	4750000	70.32	106.85	176.56	311.50	106.32
12/03/2024	320.00	203.61	229.64	66.15	5187500	70.45	106.55	176.56	308.00	105.66
13/03/2024	320.00	216.94	207.86	78.79	6237500	70.68	106.40	174.06	305.00	103.32
14/03/2024	320.56	230.56	180.71	83.08	6612500	71.95	107.30	170.63	300.50	102.41

Source: Baltic Exchange



## LPG

- Saudi Aramco, a state-controlled company, has maintained its monthly propane and butane prices unchanged for March, despite recommendations from term customers to lower them. This decision was influenced by strong demand in India, which saw LPG imports to India rise to nearly 2 million tonnes in February. Demand for LPG was boosted by government subsidies and incentives under the PMUY scheme, which were offered to low-income users in the run-up to state elections and prior to the general election. The demand is expected to grow further, with plans to expand the PMUY scheme to 7.5 million homes over the next 1-2 years. Higher fuel consumption during the Eid Al-Fitr holiday and stock building before the general election also support the need for more imports.

### VLGC Spot Freight Rates

\$/tonne			
Route No.	BLPG1	BLPG2	BLPG3
Description	AG-East	USG-Cont	USG-Japan
Size mt	44000	44000	44000
08/03/2024	63	66	118
11/03/2024	72	71	127
12/03/2024	74	74	131
13/03/2024	78	75	135
14/03/2024	79	77	138

Source: Baltic Exchange

## LNG

- The US halting non-FTA permits could impact 21 LNG export projects, with a combined capacity of 237 million tonnes/year in Mexico and the US. The US Department of Energy is also reviewing the economic and environmental impacts of these projects. Mexico and Canada, which use US natural gas as feedstock in their LNG export projects, require a non-FTA permit from the US. The delay or cancellation of US project FIDs could potentially prevent the ordering of new LNG buildings. If replaced by international projects, new vessel orders may shift. Alternative projects in countries like Qatar, Canada, and Mozambique are closer to Asian buyers. The pause may affect global trading patterns for LNG, with shorter voyage distances not potentially decreasing shipping demand. Despite all the facts, LNG will still need to be moved and new carriers built.

### LNG Spot Freight Rates

\$/day			
Route No.	BLNG1g	BLNG2g	BLNG3g
Description	Aus-Japan	USG-Cont	USG-Japan
27/02/2024	38552	35234	39099
01/03/2024	36101	37886	40964
05/03/2024	34158	36533	40744
08/03/2024	35345	38492	42991
12/03/2024	34324	38509	42991

Source: Baltic Exchange



## Chemicals

- The strong chemical tanker market in Houston and Rotterdam continues through February, with regular carriers having limited space for spot cargoes due to healthy contract volumes. Ace showed consistent interest in smaller spot cargoes, while larger tramp vessels concentrated on large volumes or full cargoes of ethanol and methanol. The high transatlantic eastbound market is related to sanctions against Russian products, causing Europe to import several products they used to buy from Russia. Methanol and ethanol cargoes were fixed in 38,000–40,000 tonne lots, with prices reported to be in the high \$40/tonne range. Houston, Rotterdam, and Antwerp have fixed various amounts of chemicals, including 5,000 tonne of phenol at \$105/tonne, 3,000 tonne of acetic acid at \$115/tonne, 1,000 tonne of specialty chemicals at \$14/tonne, and 12,000 tonne of renewable diesel at \$49/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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