



RLA Weekly Report – Friday, 19 April 2024

No. 85

Oil Prices Reach \$90/bbl After Israel’s Attack on Iran

Economy

- China's economy expanded by 5.3% in the first quarter y-o-y, surpassing market participants' expectations significantly. Policymakers are striving to boost demand and restore confidence amid a lingering downturn in the property sector. While the overall outlook is positive, some underlying concerns persist. The property sector, a crucial component of the Chinese economy, continues to face difficulties, with a 9.5% decline in investment y-o-y during the first quarter of 2024. Data from March revealed a deceleration in industrial output and retail sales growth compared to the figures reported for January and February.

Oil

- On the morning of 19 April 2024, Israeli and Western officials reported that Israel carried out airstrikes against Iran. This action seemed to be a restrained response to Tehran's drone and missile attack on Israel from the previous week. This caused a sudden spike in the Brent crude price, which rose to \$90/bbl momentarily before settling at \$87/bbl just after a few hours. Market participants anticipate a further shortage of oil supply and increased prices as the US and EU plan tighter sanctions against Iran after last week's attack on Israel, adding complications to the already tight oil market.

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
12-04-2024	191.11	183.61	191.43	62.75	5100000	62.80	122.65	225.00	235.00	127.06
15-04-2024	209.44	183.06	184.29	63.63	5318750	63.65	119.55	223.13	235.00	123.44
16-04-2024	284.00	178.33	173.57	67.58	6025000	63.15	116.35	213.44	234.00	117.33
17-04-2024	311.39	173.33	155.71	70.99	6100000	60.50	115.85	184.06	234.00	112.02
18-04-2024	305.00	173.61	149.29	72.86	6375000	59.85	115.10	180.63	234.50	108.72

Source: Baltic Exchange



LPG

- Singapore-based LPG carrier owner Petregaz, which operates import facilities in Mauritius and South Africa has opened a new LPG terminal in Krishnapatnam, located in Andhra Pradesh, India. This terminal is part of the Adani Krishnapatnam Private Port and is designed to provide cost-effective and reliable LPG supply solutions to various sectors including residential, commercial, industrial, and automotive. The Krishnapatnam facility is equipped with two refrigerated storage tanks for propane and butane, each with a capacity of 30,410 cbm. It features a modern jetty that can accommodate all types of LPG vessels without congestion issues. Additionally, the terminal has constructed two 3-kilometer pipelines and boasts the capacity to handle 1.4 million tonnes of LPG annually.

LNG

- Gas prices in the Netherlands and the UK increased on 16 April 2024 morning due to worries about tensions in the Middle East, ongoing issues at the Freeport LNG terminal, and an unexpected outage in Norway. The European gas market is increasingly concerned about instability in the Middle East, especially since the region has become more dependent on LNG supplies from the Middle East following the Russia-Ukraine conflict. Additionally, prices are being supported by an unexpected outage at Norway's Nyhamna processing plant, which has resulted in a reduction of Norwegian daily gas flows to Europe by about 15%, dropping to below 300 million cbm/day.

Chemicals

- After reaching a three-year low in March 2024 and stagnating for the first two months of the year, the European PVC market saw a slight recovery in April 2024. Prices have continued to climb in April. The anticipated increase in PVC prices was mainly attributed to rising feedstock costs. Currently, downstream PVC demand is slow in sectors such as automotive and construction, where PVC is highly utilised, due to subdued consumer demand before the onset of peak demand season during the latter part of the year.



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.



SINGAPORE OFFICE

10 Anson Road
#10-11 International Plaza
SINGAPORE 079903
T: +65-6950 7561

LONDON OFFICE

Terminal House
52 Grosvenor Gardens
London, UK SW1W 0AU
T: +44-20-3386 9413

INDIA OFFICE

SCO 10, First Floor
Sector - 79, Mohali,
Punjab, INDIA 140308
T: +91-172-4105887

E: info@wademaritime.com | research@richardsonlawrie.com

w: www.wademaritime.com | www.richardsonlawrie.com