



RLA Weekly Report – Friday, 30 August 2024

No. 104

“Oil prices increased due to supply disruptions in Libya and planned output cuts by Iraq”

Economy

- The U.S. dollar rose for a second consecutive session on 29 August, buoyed by stronger-than-expected second quarter GDP growth of 3% and stable jobless claims. The dollar reached a one-week high against the yen and gained against the euro, which fell 0.4% to \$1.1077. The GDP revision and jobless claims data led to reduced expectations of a 50 basis-point rate cut by the Federal Reserve, with a 25 basis-point cut now more likely. The dollar index increased 0.3% to 101.35 and is on track for its largest weekly gain since early April.

Oil & Tanker

- Oil prices increased on 29 August due to supply disruptions in Libya and planned output cuts by Iraq. U.S. West Texas Intermediate crude futures rose 1.8% to \$75.85/bbl, while Brent crude futures gained 1.4% to \$79.72/bbl. Libya's oil production was severely impacted, with about 700,000 b/d offline due to political tensions. Iraq will reduce its output from 4.25 million to between 3.85 million b/d - 3.9 million b/d in September to comply with OPEC+ quotas. Expectations of U.S. interest rate cuts also supported the market, overshadowing signs of weak demand.

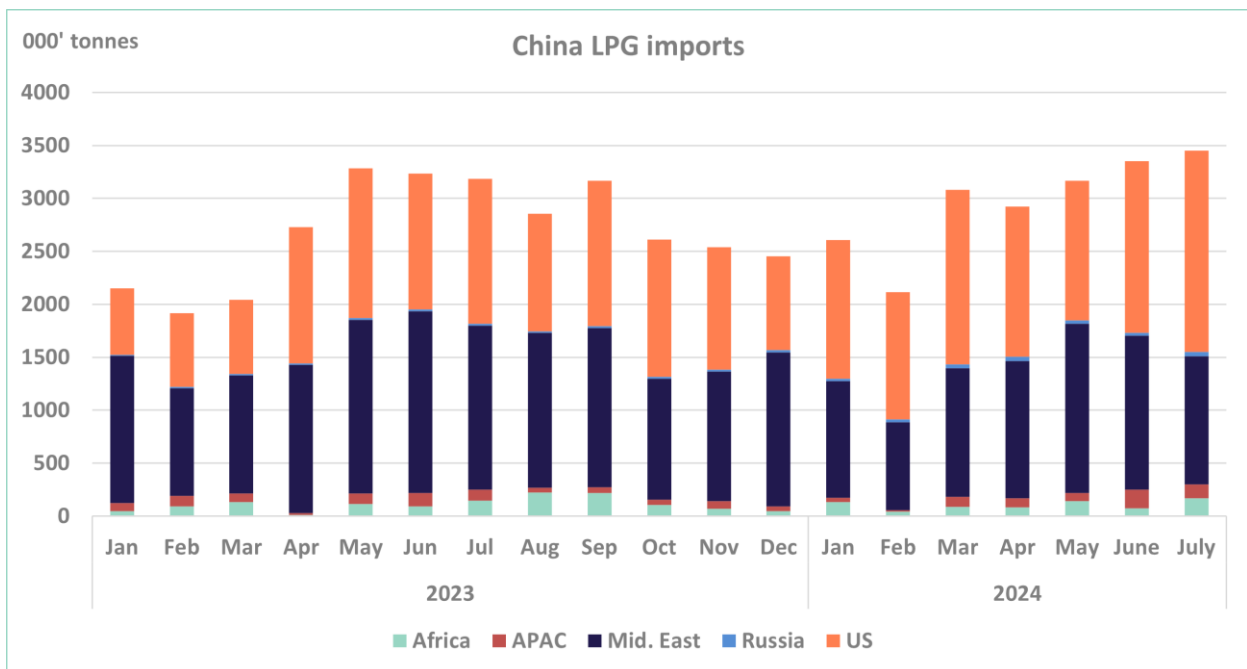
Tanker Freight Rates on Key Routes

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
	WS	WS	WS	WS	\$	WS	WS	WS	WS	WS
22-08-2024	206.17	119.81	172.50	47.14	4128502	52.95	87.50	114.69	237.92	78.61
23-08-2024	209.33	120.05	166.79	48.13	4084560	52.35	87.55	110.63	239.58	78.61
27-08-2024	199.83	128.86	153.93	50.53	4047060	51.43	87.55	108.75	241.25	80.97
28-08-2024	160.39	130.11	154.29	50.20	4028310	48.65	87.51	102.00	240.83	82.36
29-08-2024	151.78	135.74	154.29	50.42	3984560	44.70	87.25	100.31	240.00	82.36

Source: Baltic Exchange

LPG

- In July, Chinese LPG imports surged to a yearly high of 3.4 million tonnes, driven by PDH plant demand and stockpiling ahead of new plant launches. This marked a 3.0% month-on-month increase and an 8.4% rise year-on-year.



Chemicals

- In August 2024, the Asian Purified Terephthalic Acid (PTA) market in China saw a significant price drop, despite the challenges posed by Typhoon Gaemi. This decline was mainly due to reduced demand from downstream industries, including packaging and textiles, alongside improvements in the supply chain and lower feedstock costs, such as propylene and crude oil prices. The packaging industry, a major consumer of PTA, faced a slowdown in demand, which led to decreased PTA consumption. This sluggish demand was further aggravated by economic uncertainties and weak consumer sentiment in the region. Consequently, several production units within the packaging sector operated below capacity, putting additional pressure on PTA demand.

Dry Bulk

- In July, seaborne bauxite shipments hit a record high, largely driven by Chinese electric vehicle manufacturers and rising demand for Capesize and Newcastlemax bulk carriers. Chinese aluminum producers, facing challenges at domestic mines, have increasingly sourced bauxite from countries like Brazil, Montenegro, and Turkey. Import figures for July showed a nearly 17% Y-o-Y increase, with major contributions from Guinea and Australia. China has imported 944,000 tonnes of Brazilian bauxite out of 4.3 million tonnes shipped this year. So far, 45 Panamax and 26 Supramax bulk carriers have been involved in transporting Brazilian bauxite to China.



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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