



RLA Weekly Report – Friday, 06 September 2024

No. 105

“Swing Tonnage for Chemical Carriers in August”

Swing Tonnage

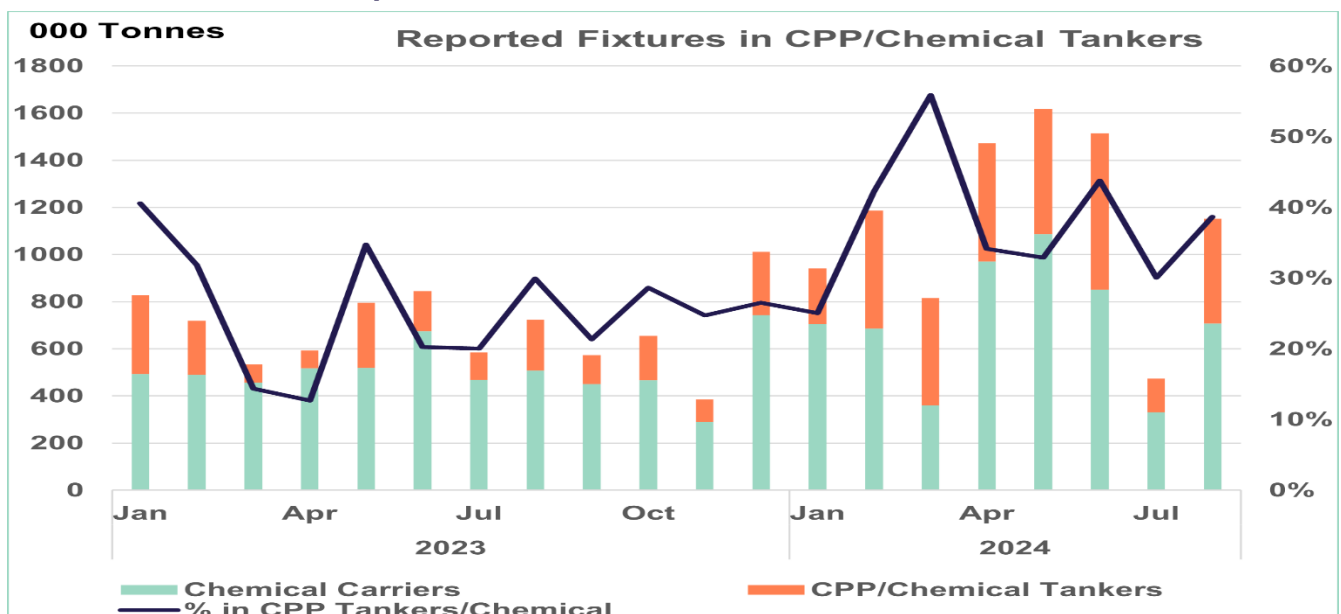
- In our analysis of the monthly fixtures for August 2024, we observed that the share of MR vessels (CPP/Chemical Tankers) in the chemicals trade increased to 39%, compared to 30% in July. Of the total 1.15 million tonnes of chemicals shipped globally, approximately 445,000 tonnes were transported using MR vessels. However, most shipments, 706,200 tonnes, were still carried by chemical tankers, accounting for 61% of the total volume.

The gradual increase in the use of MR vessels in the chemicals trade can be attributed to reduced clean product exports from the US, as much of the production was directed towards domestic consumption. In August 2024, demand for gasoline and diesel in the US was relatively strong, with most of the supply being sourced locally. Refinery margins also rose to 93.3% by the last week of August. During this period, both exports and imports remained low.

Clean MR rates on the benchmark TC14 trade route (US Gulf to UK Continent) fell by 11% MoM to \$16,100/day, driven by reduced exports, which led to an increase in prompt tonnage and vessel availability. Rates on the TC2 route (UK Continent to US Gulf) also declined, as residual fuel imports into the US Gulf Coast reached their lowest level since February 2019. As a result, MR vessels began shifting into the chemicals trade.

Rates on the chemicals benchmark eastbound Trans-Atlantic trade route (US Gulf to UK Continent) dropped by 5% MoM to \$41,600/day, as the increased presence of MR vessels boosted the tonnage supply in the chemicals trade.

Reported Fixtures in CPP/Chemical Tankers





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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