ODIN-RVB EUROPE

Market Report

2021 – Week 09 – Edition #02

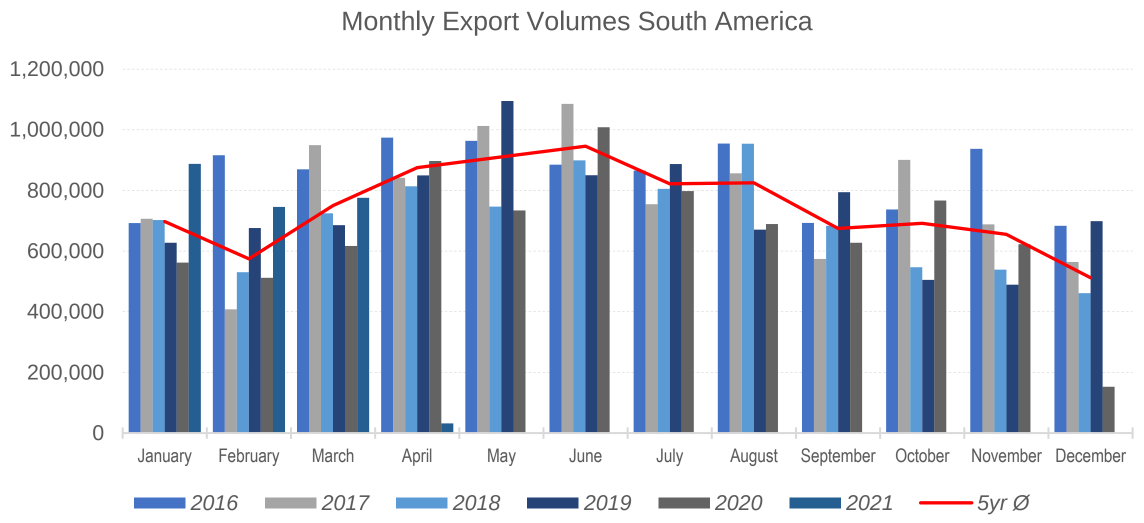
1/ VEGOILS – SOUTH AMERICA

SOAM Edible Update – volume fixed since our last report: **1.179.608 mt / YTD 2.440.618 mt**

Activity has picked up considerably in the Argentine and Brazil export markets these past weeks. Crushers in Argentina are trying to catch up with lost production from the December strikes and on top of that there is a boost in demand for South American vegetable oils. This spike in demand is being caused by very a limited supply of vegetable and palm oils on the world market and this phenomenon is also having a strong bullish effect on commodity pricing.

Not only are we seeing increased shipments on the edible oil side, but also SME exports are also back in the mix with a total of 240.000 metric ton reported fixed for loading to Europe in Q1 so far.

On the edible oils the main destination is India as usual, but market sources are reporting that the present commodity prices might start to have a dampening effect on India's buying appetite. Chinese buyers are still plenty, and the total volume reported being fixed to China now stands at around 350.000 metric ton with at least another three to four stems still uncovered for shipment the next two months.



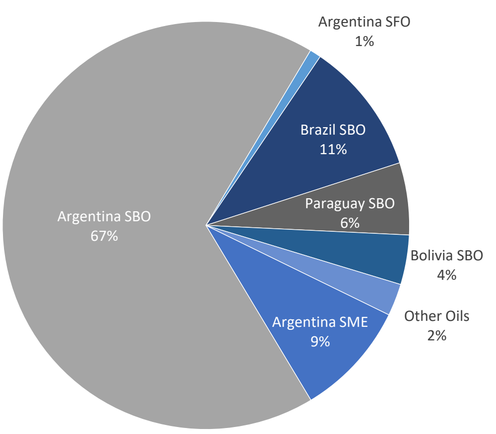
Vessel	*Quantity [mts]*	*Grade*	*Load Port*	*Discharge Port*	*Dates*	*Freight [USD]*
March						
Maersk Cancun	32,000	Vegoil	Argentina Upriver	India	15 – 28 Feb	Mid / High 30's 1/2
Weco TBN	40,000	Vegoil	Argentina	China	26 Feb – 15 Mar	Low / Mid 50's 2/2
Pine Express	40,000	Vegoil	Del Haldia	Redel China	01 – 10	9,000 p.d.
Nave Velocity	40,000	Vegoil	Del W Africa	Redel China	14 – 22	13,250 p.d.
Nord Elegance	40,000	Vegoil	Del Vila do Conde	Redel China	01 – 08	15,000 p.d.
MTM Potomac	32,000	Vegoil	Argentina Upriver	India	05 – 15	Mid / High 30's 1/2
GW Fortune	40,000	Vegoil	Argentina Upriver	India	01 – 10	Mid / High 30's 1/2
Jade Blossom	32,600	Vegoil	Argentina Upriver	India	01 – 10	Mid / High 30's 1/2
Navig8 Achroite	28,000	Vegoil	Del Recalada	Redel India	01 – 10	7,500 p.d.
Pacific Jade	40,000	Vegoil	Del Recalada	Redel India	12 – 15	11,500 p.d.
Yasa Flamingo	30,000	Vegoil	Argentina Upriver	Egypt	01 – 10	Low 30's 1/1
Hellas Nemesis	31,000	Vegoil	Argentina Upriver	Pakistan + Muscat	15 – 25	Mid / High 30's 1/2
Buddha	40,000	Vegoil	Argentina Upriver	India	01 – 05	Mid / High 30's 1/2
Amor	32,000	Vegoil	Del Recalada	Redel Options	17 – 23	11,000 p.d.
Aris II	30,000	Vegoil	Argentina Upriver	Egypt	25 – 30	Low 30's 1/1
Largo Energy	40,000	Vegoil	Del Vila do Conde	Redel China	27 Mar – 07 Apr	15,000 p.d.
Pine Olia	30,000	Vegoil	Argentina Upriver	Iran	Mid	Around 70.00 1/1
Navig8 Strength	32,000	Vegoil	Del Recalada	Redel India	10 – 18	10,000 p.d.
STI Marvel	30,000	SME	Argentina Upriver	Cont / Med Option	20 – 25	Around 775.000 L/S
ECO City Of Angels	30,000	SME	Argentina Upriver	Cont	Early	In House
Maersk Cyprus	30,000	SME	Argentina Upriver	Cont	08 – 10	Around 775.000 L/S
Bow Compass	20,500	Various	Argentina Upriver	Cont / Med Option	20 – 25	Around 1.2M L/S
Bow Compass	5,500	Various	Argentina Upriver	Dunkirk+Rotterdam	05 - 12	High 60's

Interestingly we have not seen freight rates move dramatically on fixtures concluded the past weeks. This only goes to show that the worldwide CPP freight markets are not bringing a smile on the face of owners at all. The CPP market in the Atlantic did recover some ground two weeks ago, but that spike was short lived.

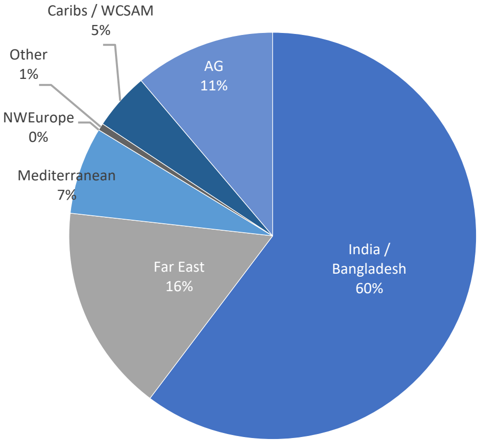
At the time of writing this report we can state that owners are starting to push back a little bit harder and trying to get better rates for vessels heading east. The two arguments for this are expensive fuel and very poor freight markets in the east.

The only route we have seen owners managing to fix substantially higher rates is the South America to China route. Chinese demand is healthy and a tightening in the supply of CIQ suitable vessels has made charterers part with a few dollars more on the freight in fear of otherwise missing out.

Top 10 – SAM Export per Product



Top 10 – Vegoil Destinations ex.SAM



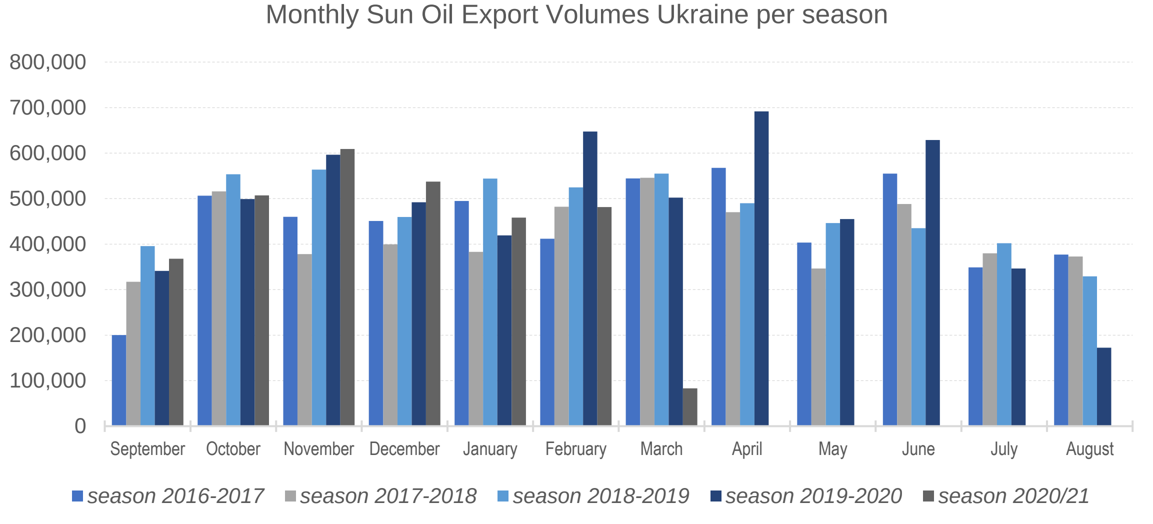
Edible Oil / SME Freight Assessment	*This Week [USD]*	*Change [USD]*	*Trend*
Argentina - West Mediterranean 18-20,000mt 1/1	47 – 49	-1	→↘
Argentina - West Mediterranean 25-30,000mt 1/1	30 – 32	0	→
Argentina - East Mediterranean 18-20,000mt 1/1	48 – 50	-1	→↘
Argentina - East Mediterranean 25-30,000mt 1/1	31 – 33	0	→
Argentina - North West Europe 18-20,000mt 1/1 – Non Fosfa	48 – 50	-1	→↘
Argentina - North West Europe 25-30,000mt 1/1 – Non Fosfa	31 – 33	-1	→↘
Argentina - Caribs 18-20,000 mt 1/1	44 – 46	0	→
Argentina - US Gulf 30-32,000 mt 1/1	28 – 29	0	→
Argentina - India 30-32,000 mt 1/2	38 – 39	+1	→↗
Argentina & Brazil - India 40-42,000 mt 2/2	35 – 36	+1	→↗
Argentina - Iran 30-32,000mt 1/1	67 – 69	+2	→↗
Argentina & Brazil - Far East 40-42,000 mt 2/2	48 – 50	+2	→↗
Argentina & Brazil - China 40-42,000 mt 2/2 - CIQ	54 – 56	+3	↗

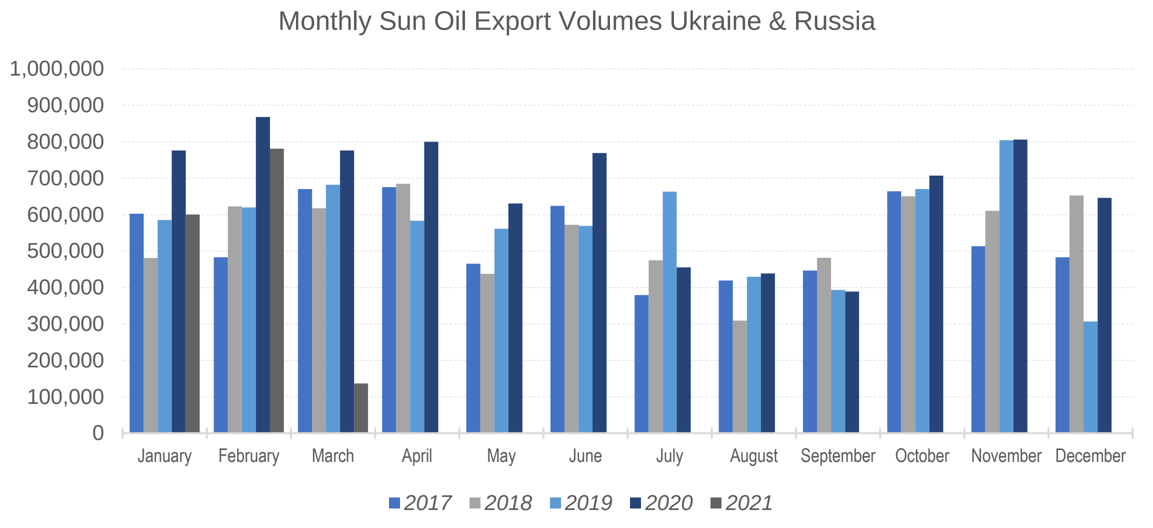
2/ VEGOILS – BLACK SEA

The February export from the Ukraine was much lower this February month compared to the previous two years, main reason is that we have seen less trade caused by high sun oil prices, tight local supplies and a potential Russian export tax on soft oil exports.

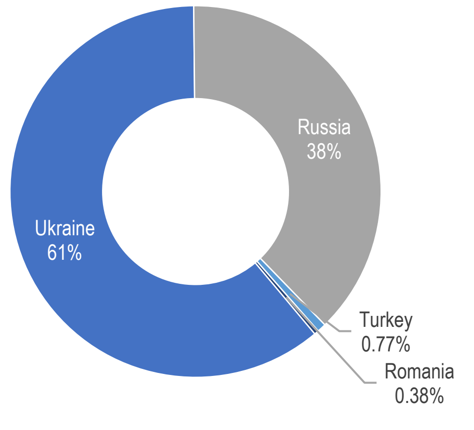
The Clean market in the Mediterranean is coming down quickly from WS 210 now close to WS140, the heights of WS205 were quickly forgotten last week with minimal cargoes quoted, but the clean market remains volatile and influencing vegoil freight rates fixed out of the Black Sea backed by higher bunker prices.

The previous spike in February came after oil traders rushed to ship European diesel to the US, where arctic weather forced large refining capacity offline in Texas and boosted refined product prices across the country. However, the demand is still weak but on a brighter note widespread vaccine distribution seems to be going and should aid in opening world economies sooner than later.

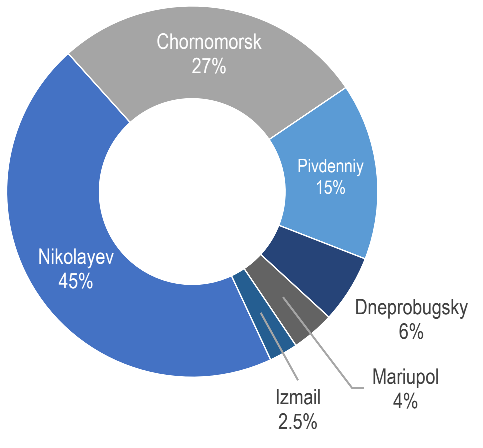




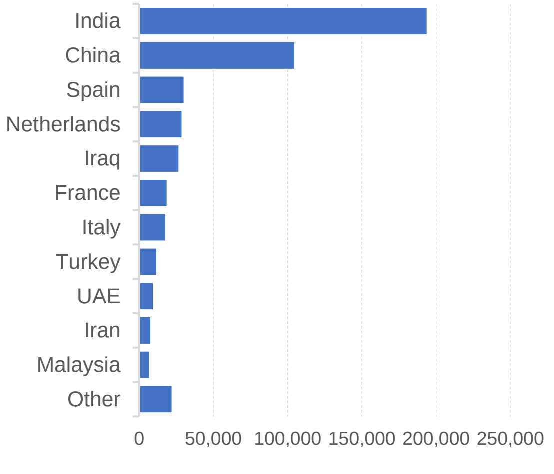
Export of Sun Oil by Country - February



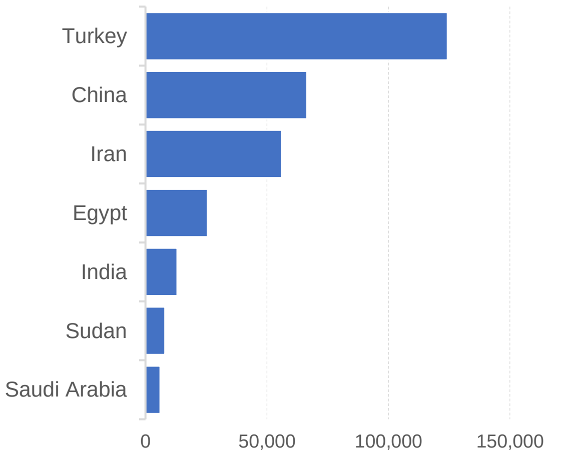
Ukraine export of Sun Oil by port - February



Ukraine Export by Destination - February



Russia Export by Destination - February



3/ PALMOIL – ASIA

Short Haul

Massive exports during November & December 2020 and increasing palm oil prices have greatly negated the buying sentiments in January 2021, pushing the regional palm oil market through a poor start to the year. Palm oil prices have been on an upwards trend with the La Nina & shortage of labor during the pandemic dramatically impacting Malaysia's production and leading to a supply squeeze.

The increase in Indonesian export levy & export tax has made buying CPO from Indonesia too expensive for India & China. Indonesia's export levy was increased from USD 180 to USD 225 pmt in January and maintained the same in February, while the export tax was increased from USD 33 to USD 74 pmt in January and further increased to USD 93 pmt in February.

Freight rates have taken a nosedive over the past few weeks due to a surplus of tonnage in the region & the lack of demand. As we approach the end of February, some charterers finally broke the month-long silence and dished out a handful of new requirements. A fraction of these enquiries was seeking early March tonnages to India, while the majority are headed for China but only in 2nd half March- suggesting that China may now be gearing up for post Lunar new year restocking.

Owners, however, are mostly still busy seeking employment for their vessel opening end February to early march and are not ready to look so far ahead yet.

There is a good chance for china's freight rate to increase slightly in March due to the slight pick up due to potential restocking activities.

India's freight rate is likely to hold at current level as the pandemic situation is still keeping a lid on India's demand.

Long Haul

Palms long-haul has remained relatively uninspiring over the last month with the predicted uplift that MR owners needed not coming to fruition due to oversupply of tonnage.

There has been some positive activity on the far east and AG CPP markets in recent weeks, but the numbers are still rather low, and the increased rates are just making up for the increased bunker price and leaving little to no improvements on owners overall TCE.

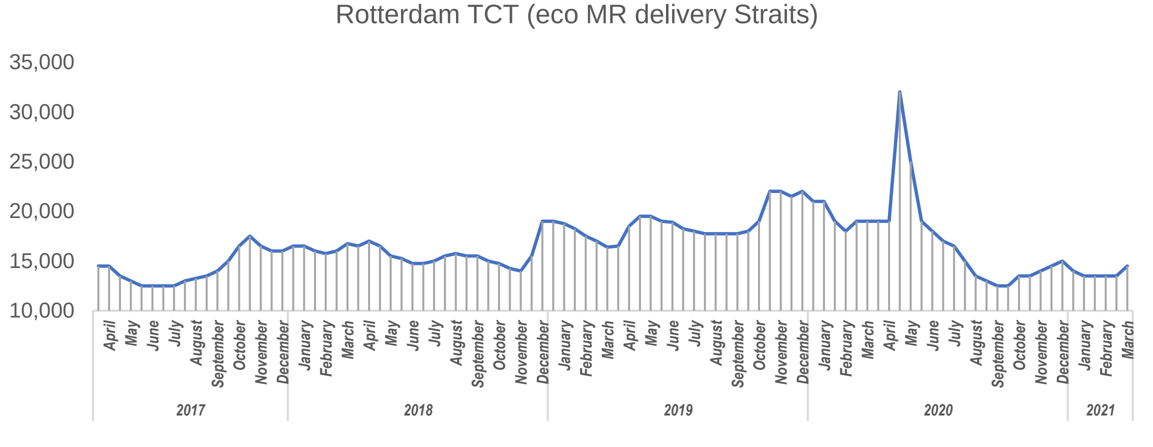
IMO2 part and full space has also stayed relatively cheap up until now but a potential uplift for end march early April dates is predicted. The reasons are twofold; FOSFA tonnage is slightly tighter and there has been a marked increase in activity in the short haul market in the last days that could mean some owners may rather stay in the east.

It will be interesting to see if the smaller ships can increase freight rates where larger vessels have failed in the recent months.

Vessel	*Quantity [mts]*	*Grade*	*Load Port*	*Discharge Port*	*Dates*	*Freight [USD]*
February – Long Haul						
Stolt Efficiency	5,200	UCO	Huangpu	Malaga	05 – 15	96.00
Chem Ranger	2,000	Glycerine	Straits	Rotterdam	01 - 10	Mid 90's
Maersk Brigit	2,000	PFAD	Lubuk Guang	Rotterdam	20 – 28	76.00
Dvina Gulf	9,000	POP	Straits	Genoa + Tarragona	25 – 30	70.00
UACC Yanbu	42,000	UCO / UCOME	Dongguan + N.China	ARA	20 - 30	1.59M L/S 2/1
March – Long Haul						
ACE TBN	3,000	UCOME	Lianyungang	Spain	15 – 30	105.00
Stolt TBN	4,900	Base Oil	Malacca	Antwerp	14 – 16	Low 80's
Nord Vision	30,000	POP	Indonesia	Med / Cont	20 – 30	RNR
ECE Nur K	15,000	POP	Straits	Adriatic	01 - 05	RNR

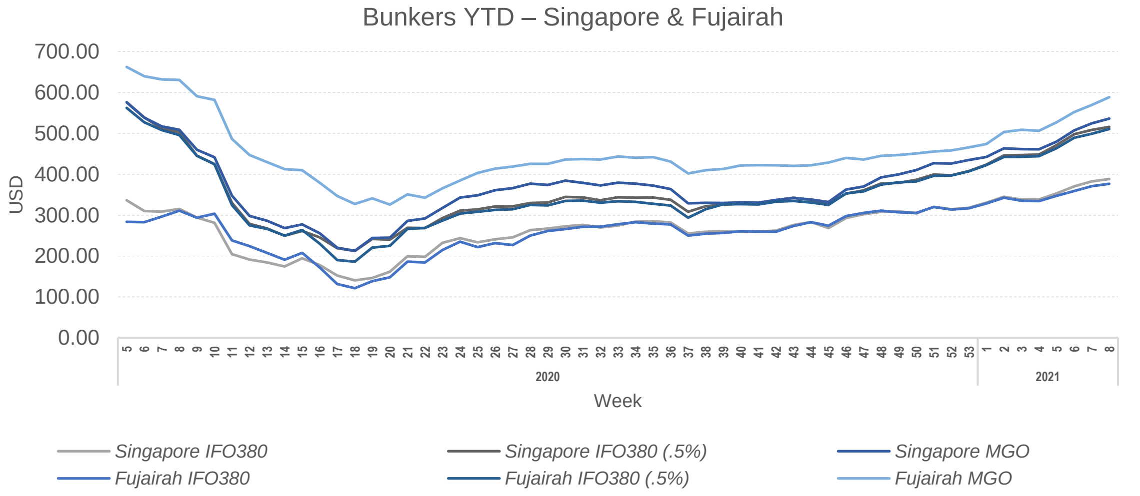
Destination Freight Matrix in USD (21 February – 21 March 2021)								
Destination (ex. Straits)		*QTY*	*Base Rate current week 1/1*	*Forecast Base Rate 1/1*	*Add Port within range*	*Add Port cross range*	*Add Port outside range*	*Add Freight Heat / N2*
India	East Coast	6-8kt	25.00	25.00	1.50	2.50	3.00	3.00
		8-10kt	24.00	24.00	1.50	2.50	3.00	3.00
		10-12kt	23.00	23.00	1.50	2.50	3.00	3.00
		12-15kt	22.00	22.00	1.50	2.50	3.00	3.00
	West Coast	12-15kt	25.00	25.00	1.50	N/A	3.00	3.00
		15-20kt	24.00	24.00	1.50	N/A	3.00	3.00
Bangladesh	Chittagong	6-8kt	25.00	25.00	1.50	N/A	3.00	3.00
		8-10kt	24.00	24.00	1.50	N/A	3.00	3.00
Pakistan	Karachi / Port Qasim	20-25kt	21.00	21.00	1.50	N/A	3.00	3.00
		25-30kt	20.00	20.00	1.50	N/A	3.00	3.00
		30-35kt	19.00	19.00	1.50	N/A	3.00	3.00
		35-40kt	18.00	18.00	1.50	N/A	3.00	3.00
China	South China	10-12kt	23.00	24.00	1.50	2.50	3.00	3.00
		12-15kt	22.00	23.00	1.50	2.50	3.00	3.00
	Mid China	10-12kt	28.00	29.00	1.50	2.50	3.00	3.00
		12-15kt	27.00	28.00	1.50	2.50	3.00	3.00
	Mid River	10-12kt	30.00	31.00	1.50	2.50	3.00	3.00
		12-15kt	29.00	30.00	1.50	2.50	3.00	3.00
	North China	10-12kt	33.00	34.00	1.50	2.50	3.00	3.00
		12-15kt	32.00	33.00	1.50	2.50	3.00	3.00
Korea	Onsan/Ulsan	4-5kt	39.00	39.00	1.50	N/A	3.00	3.00

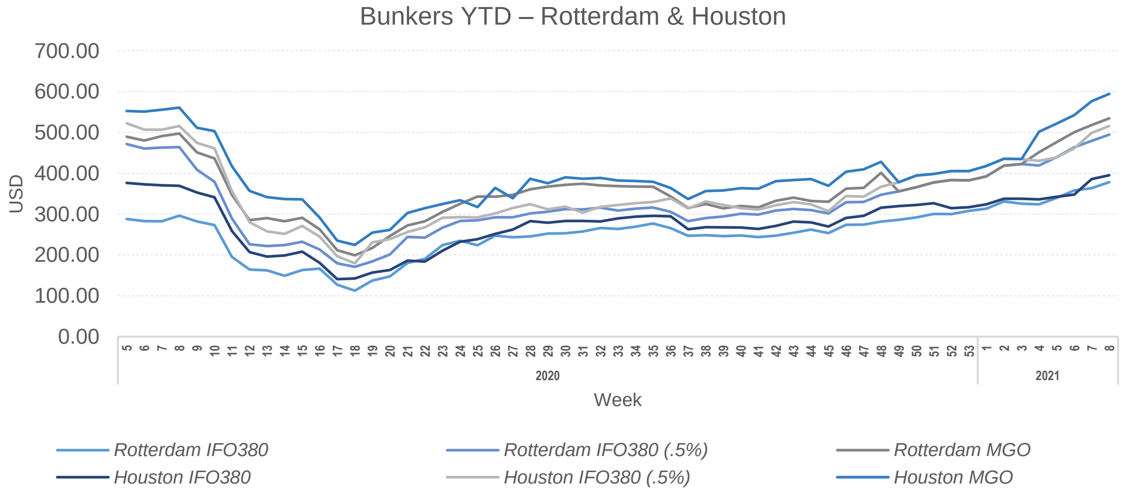
Vessel	*Size*	*Trip*	*Delivery*	*Re-Delivery*	*Dates*	*T/C Rate [USD] pday*
February						
Navig8 Azotic	38,000	TCT	Sandakan	US Gulf	20 – 30	13,500
High Venture	42,000	TCT	Balikpapan	Fujairah / Gib	15 – 30	11,250
Sunny Victory	42,000	TCT	Balikpapan	E.Africa / Fujairah	15 – 30	11,500
Green Sky	42,000	TCT	Straits	WCI	01 – 10	RNR
Eurochampion	42,000	TCT	Balikpapan	Med / Cont / US	18 – 28	15,250
Torm Thor	42,000	TCT	Tarnjun	Med / Cont	20 – 30	14,500
March						
Eurosailor	42,000	TCT	East Malaysia	Med / Cont	01 – 10	14,000
Silver Venus	42,000	TCT	Singapore	Med / Cont	01 – 05	13,500



Vessel	*Delivery*	*Re-Delivery*	*T/C Rate [USD] pday*	*Trend*
MR (Eco but NON Scrubber)	Last Port	Med / Cont / US Gulf	13,500 – 14,500	→

Freight Assessment per Discharge Area	*Quantity Range*	*Freight pmt [USD]*	*Trend*
Rotterdam - Part Space	5-15,000	45 – 49	↗
Rotterdam - Part Space	15-25,000	45 – 48	↗
Rotterdam 2/1 - FOSFA	40-42,000	39 – 41	→
Italian Med (IMO3) 2/3 - NOBL	40-42,000	39 – 41	→
Span Med (IMO3) 2/4 - NOBL	35-40,000	41 – 44	→
West Med (IMO2) 2/2 - FOSFA	18-20,000	62 – 67	↗
East Med - Black Sea	12-18,000	57 – 64	→
Black Sea	25-35,000	37 – 42	↗
US Gulf – US Atlantic Coast (IMO3) 2/1	35-39,000	44 – 50	→
West Africa (IMO3) 2/2	25-30,000	44 – 50	→





4/ TANKSTORAGE

General

Our first contribution of 2021. A bit later then you are used from us, but we are going through a process of change. The team is changing, but the service stays, and fresh energy will even help to see an hear more from us. We are working on our website and many other changes behind the scenes. Stay tuned and keep following us on our LinkedIn company page.

Crude & Petroleum Products

Crude prices hit a 13-month high but are backward dated (future pricing lower), which doesn't make storing very attractive. Gasoline is in contango and for that reason we see storage demand. Although in today's market we don't see many gasoline suitable tanks available. The few opportunities we see are not in NWE Europe but in South Europe. Tank capacity should fit the vessel sizes otherwise the logistic costs kill the opportunity.

Distillates are the hottest product group to watch. In April – June 2020 many tanks were contracted for 1 year with options to extend for the cargo owners. However, in today's market without a contango to justify the storage charges, we see the notices being given to terminate those contracts and a big volume of product will enter the market to empty those tanks in time to redeliver them before contract end. Especially in Scandinavia where caverns full of product and markets like Denmark offered the attractive contango play tanks, will see capacity coming available in Q2.

In the HUB markets where tanks are not just used for contango play but as a supply chain solution, to barge to the Hinterland (Germany) for example or near the refineries, we don't expect the demand for tanks to slow down in the same line as the non-HUB locations, but still a million cub can be expected to be released to the market. Jet fuel consumption is expected to low the remainder of the year, which may have a different impact on the storage demand compared to diesel/gasoil.

Biofuels & Climate Goals

Our climate goals have an impact on terminal strategies. Can you build more tanks with current Co2 restrictions or what do you build in order to be prepared for the future? LNG, Hydrogen or what is a future proof business model.

Still investors consider the tank storage market a steady investment and there is a lot of money available for the right investment, but who can predict the future to sign a multi-year storage contract to meet the investment conditions?

What product has a long-term strategy? Apparently are biofuels still the best bet, since there are so many terminals investing in biofuels storage. Heated tanks for biodiesel or their feedstocks. Less for ethanol or renewable jet fuel although the demand for those tanks is even higher.

The global consumption of biofuels projections show a growth of 30% by 2035, therefore terminals should focus on this market and get ready.

Chemicals & Vegetable Oils

We've already noticed a change in today's chemical market when it comes to terminals more actively promoting their tanks to us in comparison to previous years. More capacity is available, and the conclusion of new contracts seem to take longer. Whereas in the past tanks were gone very quickly, customers have now more time to do their internal feasibility studies. This is especially the case for 2000 m3 tanks, in which most terminals in ARA have invested when undergoing their terminal expansion projects. The expectation is that the situation will continue and more opportunities for cargo owners will come up. This is particularly the case for NW Europe, in other regions such as United States or Asia, capacity is still scarce.

Vegetable oil terminals remain their good position. Capacity is rented out and there are still plenty of customers looking for UCO possibilities. Most of them face the same problem; blending restrictions should be limited or preferably non existing, a terminal should have sufficient draft and the possibility to also handle flexibags. On top of that, tanks should have been available yesterday and easily scaled up or decreased when demand changes. New capacity is coming online this year as multiple terminals are investing in tanks for biofuels and/or converting existing tanks to accommodate this strong demand.

4/ LOCAL NEWS

Transshipment at the dolphins popular in Port of Rotterdam

The dolphin configurations in the Calandkanaal are part of a total of 29 berths at buoys and dolphins in the port of Rotterdam. These provide facilities for flexible, efficient, and risk-free ship-to-ship (STS) transfer. The berths are an attractive addition to the transshipment options near the terminals and offer a safe alternative to STS on the open sea.

Nowhere in Northwest Europe are there as many STS possibilities as in Rotterdam. Vessels of all sizes can moor at the buoys and dolphins 24/7 and reserving these online is easy. The berths are not only used for ship-to-ship transfer but also for bunkering and for repair and maintenance activities (in the hold or hull, for instance).

It is expected that De Klerk BV in Werkendam will install the new dolphins in the Calandkanaal this year.

5/ CHARTERING TEAM

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