Market Report

2021 – Week 14 – Edition #03

1/ VEGOILS – SOUTH AMERICA

SOAM Edible Update – volume fixed since our last report: **1.176.050 mt / YTD 3.616.668 mt**

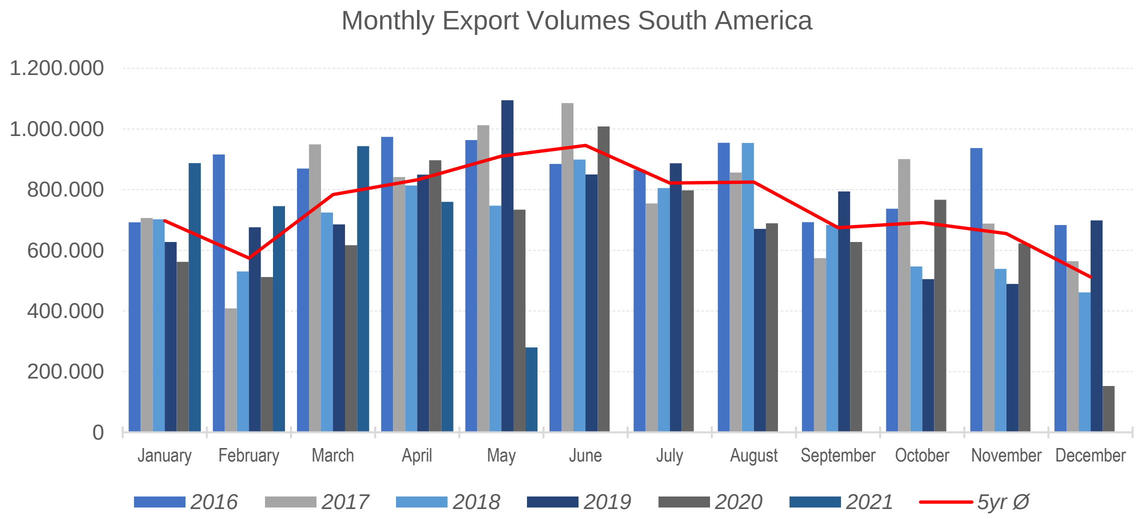
Although the numbers say differently the export market for vegoils and SME never had a busy feeling to it the past weeks. It was more a "steady as she goes" scenario.

The Ever Given blockage of the Suez Canal has not had any impact on the South American market as far as we can tell. An item which is becoming ever more obvious to market participants is that worldwide demand for edible oils outweighs supply, driving up prices for all types of edible oil. And from what we understand the general consensus is that demand will stay strong for the remainder of the year.

The market is closely eyeing what path the Biden administration will follow when it comes to fighting climate change. Expectations are that there will be a bigger focus on renewable/biofuels. We will closely monitor how this situation will play out and keep you posted.

But if the present situation in Brazil is an indicator it might not be as easy as signing a mandatory blending quota into law. Brazil is expected to step back from implementing the 13% blending mandate for biodiesel. This was supposed to come into force on the 1st of March, but current high prices for the main biodiesel feedstock in Brazil (Soyabean Oil) is causing this mandate to become economically impossible to follow.

We doubt however that this news is on the front pages in Brazil as the country is suffering from the effects of the ongoing pandemic. The situation with the Brazilian Covid mutation is so dire that it has re-instated quarantine measures in some Argentina ports and has made the authorities engage in much stricter pre arrival screening procedures.



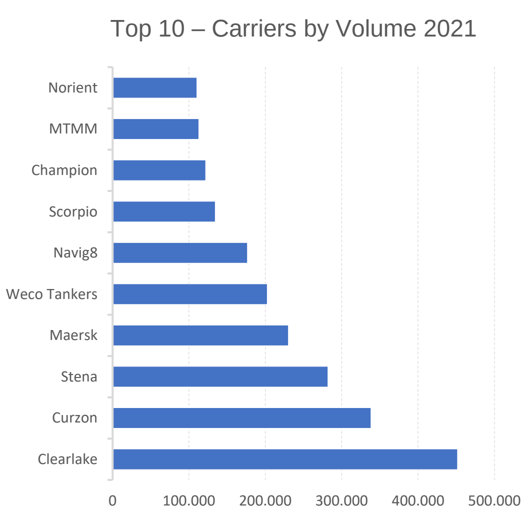
Vessel	*Quantity [mts]*	*Grade*	*Load Port*	*Discharge Port*	*Dates*	*Freight [USD]*
			April			
Clearocean Music	32,000	Vegoil	Argentina Upriver	India	01 – 15	High 30's 1/2
Hellas Mariana	32,000	Vegoil	Argentina Upriver	India	15 – 25	High 30's 1/2
Eldia	38,000	Vegoil	South Argentina	Iran	05 – 15	Mid 60's
Champion Contest	40,000	Vegoil	Argentina/Brazil	China	01 – 13	Mid 50's 2/2
Torm Agnete	34,000	Vegoil	Argentina Upriver	WC India	05 – 15	High 30's 1/2
Happy Lady	38,000	Vegoil	South Argentina	Iran	15 – 25	Mid 60's
MTM Hudson	32,000	Vegoil	Argentina Upriver	India	07 – 15	High 30's 1/2
Maersk Tianjin	30,000	Vegoil	Argentina Upriver	Egypt	01 – 10	Low 30's
Wisco Adventure	40,000	Vegoil	Argentina/Brazil	China	01 – 10	Mid/High 50's 2/2
Johnny Traveller	40,000	Vegoil	Argentina/Brazil	China	01 – 10	Mid/High 50's 2/2
Apostolos	33,000	Vegoil	Argentina Upriver	India	10 – 16	High 30's 1/2
Sea Eagle	32,000	Vegoil	Argentina Upriver	WC India	01 – 10	High 30's 1/2
Alexandros II	33,000	Vegoil	Argentina Upriver	India	01 – 10	High 30's 1/2
Torm Amalie	40,000	Vegoil	Del Recalada	Redel WC India	10 – 20	12,500 p.d.
Agios Nikolaos IV	30,000	Vegoil	Argentina Upriver	Iran	25 April – 05 May	Mid 70's
Atlantika Bay	32,000	Vegoil	Argentina Upriver	India	20 – 30	High 30's 1/2
STI Virtus	32,500	Vegoil	Argentina Upriver	Korea	10 – 20	Around 50
Maersk Mediterranean	33,500	Vegoil	Argentina Upriver	India	26 April – 06 May	Around 40 1/2
Nord Harmony	40,750	Vegoil	Argentina/Brazil	China	20 – 30	Mid/High 50's 2/2
Navig8 Amazonite	28,000	Vegoil	Del Recalada	Redel India	20 – 30	10,500 p.d.
PVT Aurora	6,000	Vegoil	Argentina Upriver	Venezuela	1st half	RNR
Eva Tokyo	4,300	Vegoil	Argentina Upriver	Brazil	20 – 30	Mid 80's
Celcius Malaga	15,000	Vegoil	Argentina Upriver	Peru	Early	Mid/High 40's
Jupiter	33,000	Vegoil	Argentina Upriver	India	Mid	In House

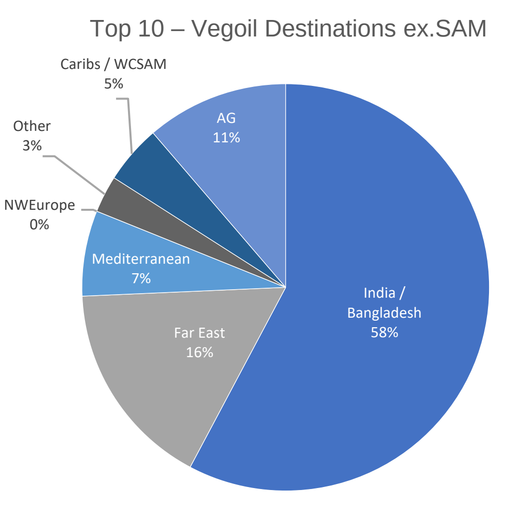
Freight rates have slowly and steadily increased over the past few weeks. The benchmark rate for 40KT vegoils from EC SOAM to India increased from \$36/37 PMT to around \$40 PMT at the time of writing.

A slightly shorter tonnage list coupled with a steady flow of cargoes is one of the drivers, but the main driver has been the high costs of fuel in South America. To compensate for these increased costs owners have successfully managed to push rates up.

The rates for a CIQ suitable vessel to China increased even more relatively speaking because most of these vessels have a longer positioning ballast.

In the clean mineral markets in the Atlantic not too much excitement has been seen the past weeks bar a short spike due to the Suez blockage. For the moment we believe freights will move more of less sideways.





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

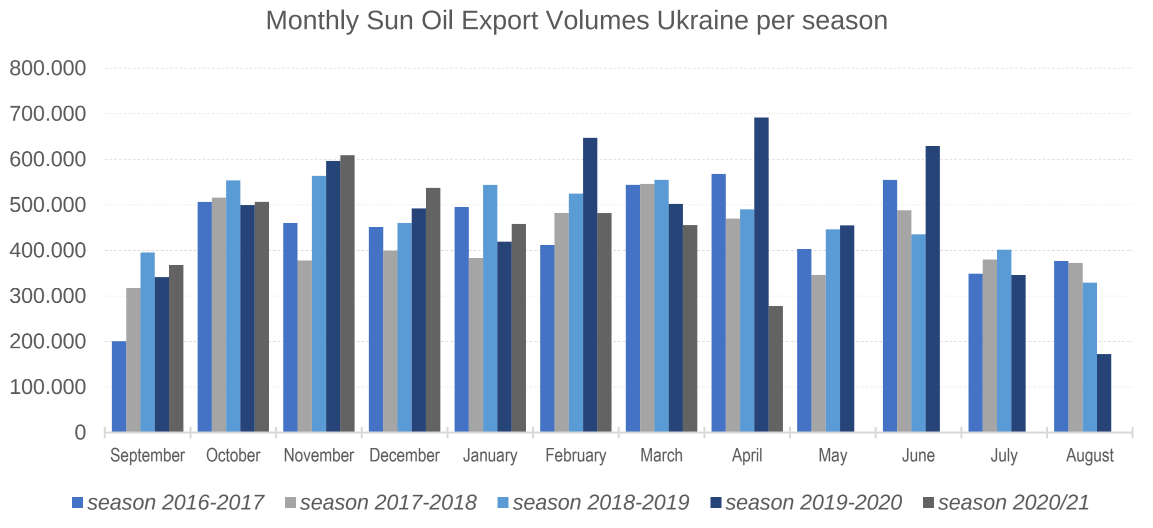
More than 400 vessels were stranded in the Mediterranean and the Red Sea when the giant container ship Ever Given became wedged across the vital waterway on the 23rd of March. International supply chains were thrown into disarray when the 400-meter Ever Given ran aground. Specialist rescue teams took almost a week to free it after extensive dredging and repeated tugging operations. This interruption did have an effect on the availability of April tonnage ex Black Sea, but in the week after Easter more ships are showing interest at shipping vegoils East again.

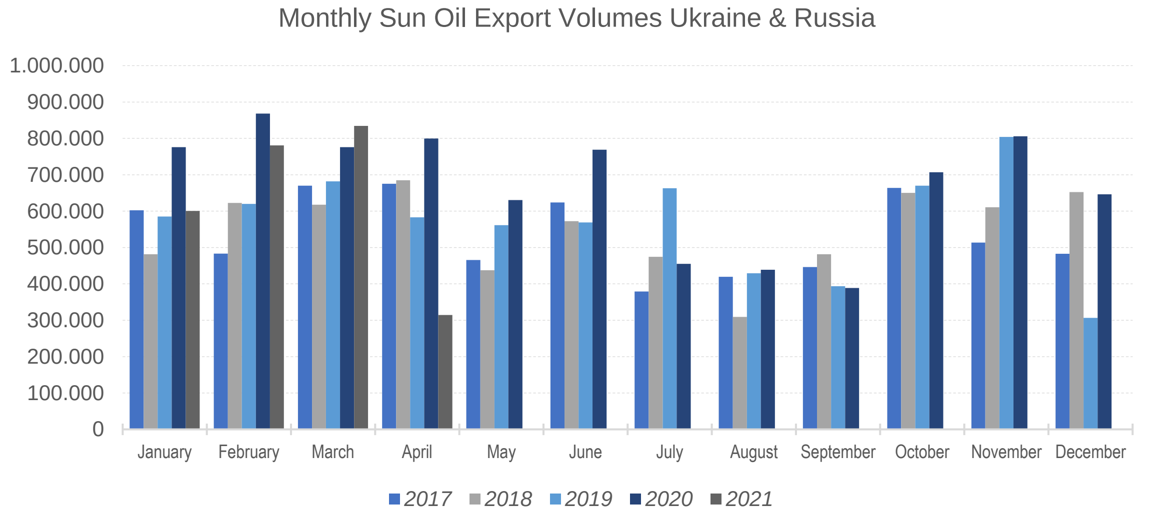
We did notice a firming trend into all sizes and destinations. However, the Clean market is coming down again and handies Med/Med are now trading at WS140, which is much lower than last week´s levels.

Activity in the Ukrainian sun oil market was muted due to the limited supply and a lack of demand, while buyers were holding back. The volumes ex Ukraine in February and March declined compared to the last Season. On the other hand, we have seen an increase from Russia in March, please see all export destinations in below graphics for March 2021.

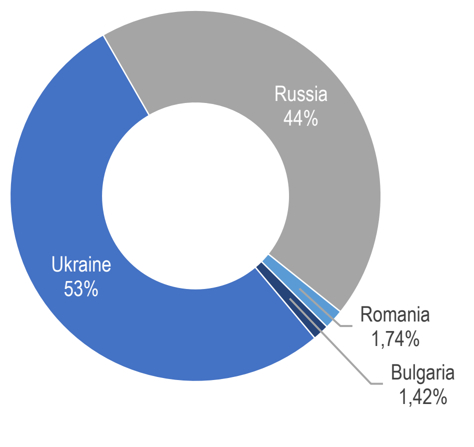
Russian exports of sun oil accelerated in late March partly because crushers were worried that the export tax on sun oil might be introduced already in April, shipments surpassed our estimate of 300.000 mt and reached about 380.000 of which 130.000 mt into Turkey.

India's total oilseed production for the 2021/2022 marketing year will rise to 39.9 million ton as strong market prices have encouraged higher planted area for soybeans, rapeseed, and sunseed, the USDA said in a report. India’s total oilseed use is estimated to rise by 2% to 32 million ton, and with the hospitality industry's demand expected to recover, edible vegoil consumption is estimated to increase similarly to 22.9 million ton. “Edible oil imports in 2021/22 are forecasted to rise 1% to 14.5 million ton, of which 8.5 million ton is palm oil and 3.7 million ton soybean oil”, the post said.

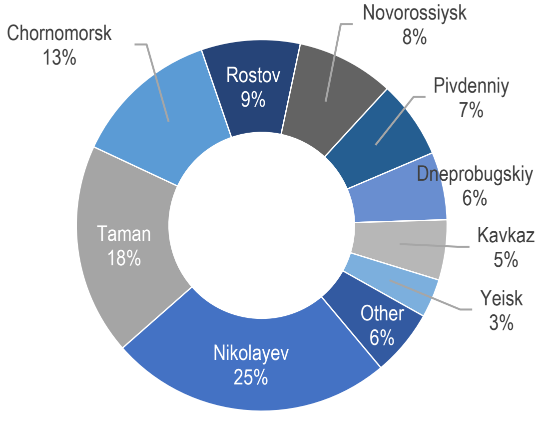


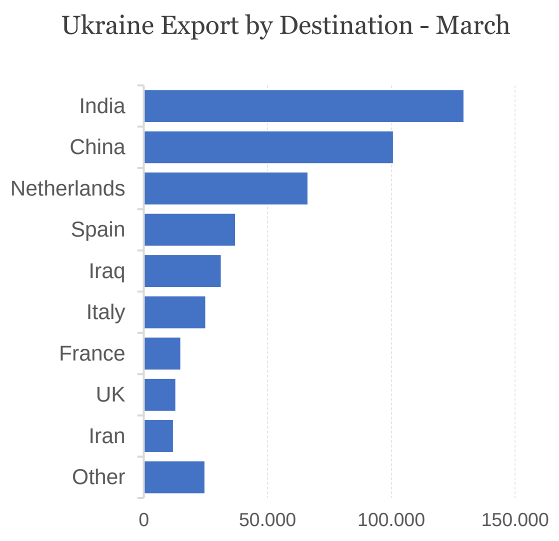


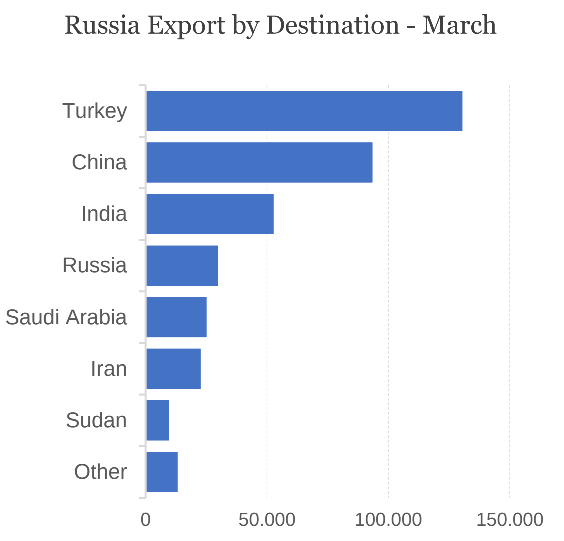
Export of Sun Oil by Country - March



Sun Oil Export by port - March







3/ PALMOIL – ASIA

Short Haul

After a 6 months supply crunch due to wet weather & labor shortage induced by the pandemic, Malaysia's palm oil inventories has finally inched higher by the end of March even though an increase of exports pre-Ramadan kept supply tight.

April tonnage to India is still highly sought after, but the chances of getting an April B/L are slim by now. As demands for April tonnage increase, owners who previously prefer to ship chemicals also jumped onto the bandwagon and went in for the kill.

We've seen 12KT palms from Straits to Chittagong being fixed at high 30s to low 40s- easily, USD 10 above the usual market levels. Since available April tonnage is running out, some charterers are willing to consider 1st half May positions which will be just in time for post-Ramadan restocking.

However, compared to April tonnage, it seems that charterers are not as willing to pay up as yet. Traders are optimistic that India's demand will be stable through the month of May as rival soya bean oil and sunflower oil is still substantially more expensive than palm oil. Freight is still hovering at high levels, but a gentle downward pressure is expected over the next few weeks.

Long Haul

MR Palms long haul rates are showing a gradual climb month on month and reach around USD 15,500 – 16,000 per day for a time charter trip in April. The rates have been held up by a steady CPP market and an active UCO-UCOME market which took out a few IMO2 candidates that would have otherwise looked at palms.

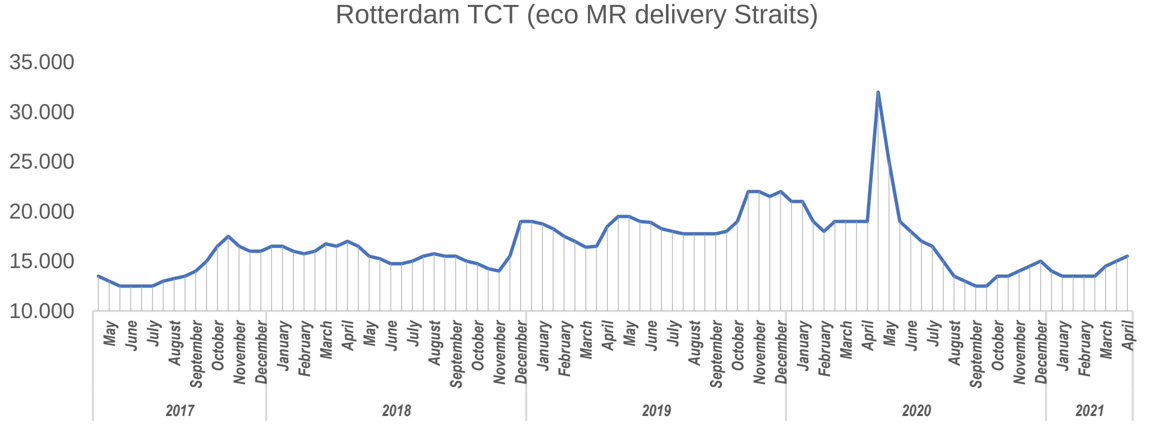
Part space has been tight especially for those looking for stainless steel and FOSFA / EU1 space. The part cargo market saw jumps of USD 10 - 20 compared to early 2021 rates consequently. Full IMO2 20kt deadweight rates have also risen into the 70's for Mediterranean and Rotterdam destinations due to a tightness of tonnage for April dates.

Looking forward we expect MR levels to stay the same and possibly move up slightly so long as CPP stays stable. Specialized chemicals/IMO2 rates are expected to stay strong for the next month or so due to a buoyant chemicals market.

Vessel	*Quantity [mts]*	*Grade*	*Load Port*	*Discharge Port*	*Dates*	*Freight [USD]*
April – Short Haul						
VNR	13,000	Palms	Dumai	EC India	DNR	30.00
DL Clover	10,000	Palms	Straits	North China	05 – 10	Mid / High 30's
GMS TBN	12,000	Palms	Bontang	South China	05 – 10	23.00
FSL New York	18,000	Palms	Straits + Kijing	WC India / Pakistan	05 – 10	Mid 30's 2/1
Shell TBN	24,000	Palms	Straits	WCI	1st Half	Mid 20's
Fu Xing Zhi Lu	5,800	Palms	Lahad Datu	Manila	End	Low 20's
Si Chou Zhi Lu	5,800	Palms	Tanjung Bakau	Manila	Early May	Mid 20's
April – Long Haul						
Hulda Maersk	23,500	UCO / UCOME	Korea + China	Cont	05 – 15	L/S 1.6M 3/1
Bull Kangen	26,000	POP	Straits	Spain	1st Half	Mid 50's
MTM Mumbai	42,000	POP	Philippines	Med / Cont / USA	01 – 10	50.00
SW Monaco	30,000	POP	Straits	Black Sea	01 – 10	38.00 – 39.00
Sigaia Theresa	1,500	Glycerine	Panjang	Rotterdam	10 – 20	130.00
NCC Safa	19,700	UCO / UCOME	China	Spain / Cont	01 – 10	RNR
Curzon TBN	35,000	POP	Emalay + Straits	WAF	18 – 25	66.00
Battersea Park	18,500	POP	Straits	Med / Cont	15 – 25	Low 80's 2/2
Wisby Pacific	38,600	Palms	Straits	Med	10 – 15	L/S 2.2M 7/1
Sigaia Theresa	3,500	PKFAD	Tarahan + Port Kelang	Spain	01 – 15	137.00
Sigaia Theresa	1,500	Glycerine	Panjang	Rotterdam	07 – 15	135.00
MTM Mumbai	40,000	Palms	E Malaysia + Straits	Cont	1st Half	High 50's
Sigaia Theresa	6,800	Palms	Straits	Spain / opt Cont	1st Half	RNR
Curzon	35,000	Palms	E Malaysia + Straits	WAF	Mid	RNR
Essie C	42,000	Palms	Straits	Med / Cont	2nd Half	RNR

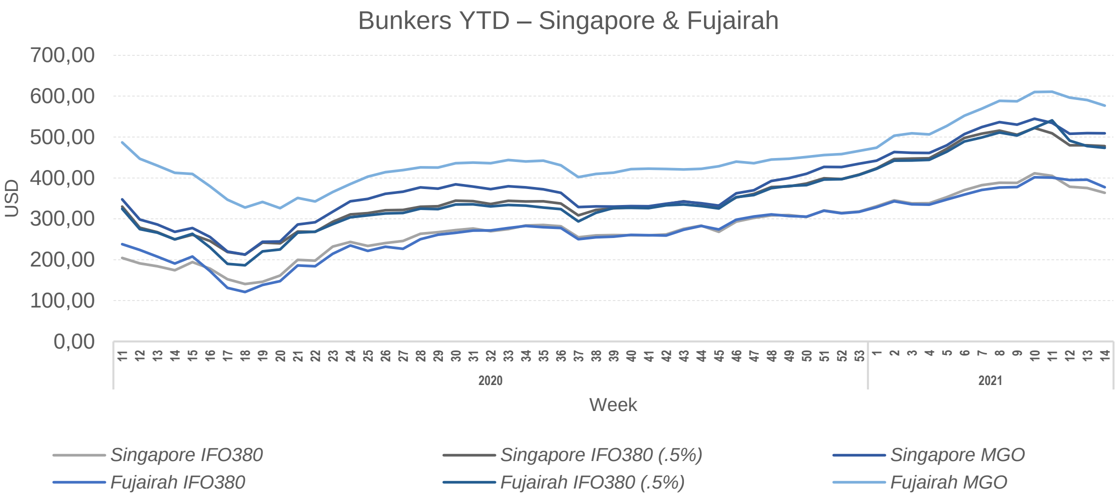
Destination Freight Matrix in USD (11 April – 09 May 2021)								
Destination (ex. Straits)		*QTY*	*Base Rate current week 1/1*	*Forecast Base Rate 1/1*	*Add Port within range*	*Add Port cross range*	*Add Port outside range*	*Add Freight Heat / N2*
India	East Coast	6-8kt	27.00	26.00	1.50	2.50	3.00	3.00
		8-10kt	26.00	25.00	1.50	2.50	3.00	3.00
		10-12kt	25.00	24.00	1.50	2.50	3.00	3.00
		12-15kt	24.00	23.00	1.50	2.50	3.00	3.00
	West Coast	12-15kt	27.00	26.00	1.50	N/A	3.00	3.00
		15-20kt	26.00	25.00	1.50	N/A	3.00	3.00
Bangladesh	Chittagong	6-8kt	27.00	26.00	1.50	N/A	3.00	3.00
		8-10kt	26.00	25.00	1.50	N/A	3.00	3.00
Pakistan	Karachi / Port Qasim	20-25kt	23.00	22.00	1.50	N/A	3.00	3.00
		25-30kt	22.00	21.00	1.50	N/A	3.00	3.00
		30-35kt	21.00	20.00	1.50	N/A	3.00	3.00
		35-40kt	20.00	19.00	1.50	N/A	3.00	3.00
China	South China	10-12kt	26.00	26.00	1.50	2.50	3.00	3.00
		12-15kt	25.00	25.00	1.50	2.50	3.00	3.00
	Mid China	10-12kt	31.00	31.00	1.50	2.50	3.00	3.00
		12-15kt	30.00	30.00	1.50	2.50	3.00	3.00
	Mid River	10-12kt	33.00	33.00	1.50	2.50	3.00	3.00
		12-15kt	32.00	32.00	1.50	2.50	3.00	3.00
	North China	10-12kt	36.00	36.00	1.50	2.50	3.00	3.00
		12-15kt	35.00	35.00	1.50	2.50	3.00	3.00
Korea	Onsan/Ulsan	4-5kt	42.00	42.00	1.50	N/A	3.00	3.00

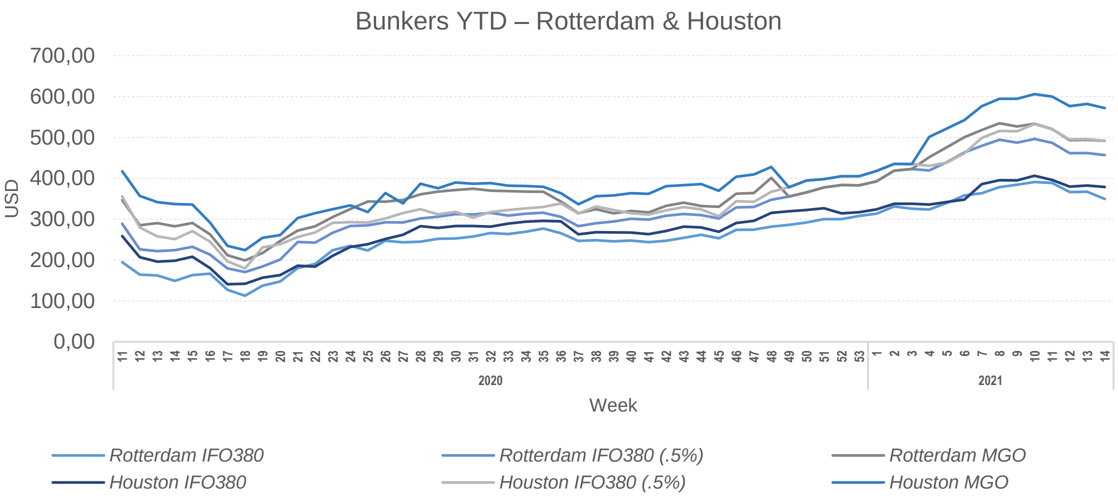
Vessel	*Size*	*Trip*	*Delivery*	*Re-Delivery*	*Dates*	*T/C Rate [USD] pday*
April						
Yasa Vega	42,000	TCT	S. Korea	Med / Cont / US	15 – 30	15,450
Yasa Orion	42,000	TCT	S. Korea	Med / Cont / US	15 – 30	15,450
Pacific Moonstone	42,000	TCT	S. Korea	Med / Cont / US	05 – 10	15,250
Navig8 Guard	42,000	TCT	Emalay	Med / Cont / US	01 – 05	14,750
Euro Trader	42,000	TCT	S. Korea	W.W.	01 – 10	15,350
Navig8 Gauntlet	42,000	TCT	S. Korea	Med / Cont / US	01 – 10	15,500
NCC Danah	42,000	TCT	TBN	Med / Cont / US	DNR	15,900
NCC Safa	42,000	TCT	S. Korea	Med / Cont / US	01 – 10	16,000
Active	42,000	TCT	Singapore	Med / Cont / US	15 – 30	16,000
Essie C	42,000	TCT	Straits	Med / Cont	15 – 30	RNR



Vessel	*Delivery*	*Re-Delivery*	*T/C Rate [USD] pday*	*Trend*
MR (Eco but NON Scrubber)	Last Port	Med / Cont / US Gulf	15,500 – 16,000	↗

Freight Assessment per Discharge Area	*Quantity Range*	*Freight pmt [USD]*	*Trend*
Rotterdam - Part Space	5-15,000	49 – 59	↗
Rotterdam - Part Space	15-25,000	48 – 58	↗
Rotterdam 2/1 - FOSFA	40-42,000	44 – 45	↗
Italian Med (IMO3) 2/3 - NOBL	40-42,000	44 – 45	↗
Span Med (IMO3) 2/4 - NOBL	35-40,000	43 – 44	↗
West Med (IMO2) 2/2 - FOSFA	18-20,000	75 – 79	↗
East Med - Black Sea	12-18,000	64 – 70	↗
Black Sea	25-35,000	37 – 42	→
US Gulf – US Atlantic Coast (IMO3) 2/1	35-39,000	45 – 50	↗
West Africa (IMO3) 2/2	25-30,000	58 – 62	↗


Bunkers YTD – Singapore & Fujairah
USD
700,00
600,00
500,00
400,00
300,00
200,00
100,00
0,00
2020
2021
Week
Singapore IFO380
Singapore IFO380 (.5%)
Singapore MGO
Fujairah IFO380
Fujairah IFO380 (.5%)
Fujairah MGO


Bunkers YTD – Rotterdam & Houston
USD
700,00
600,00
500,00
400,00
300,00
200,00
100,00
0,00
2020
2021
Week
Rotterdam IFO380
Rotterdam IFO380 (.5%)
Rotterdam MGO
Houston IFO380
Houston IFO380 (.5%)
Houston MGO

4/ TANKSTORAGE

Petroleum

With the product pricing in backwardation, we see many tank-contracts ending within the 2nd quarter this year. Based on the future pricing, extension of those contract is not economically attractive. Either the contract rates lower or the contract ends. To store products, the financing costs plus storage costs should be covered by the higher future product price. Currently storing product means an expense. Unless no home can be found for the products, storage isn't the option product owners go for. Terminal operators are not ready to lower their rates yet, since there is so much unclarity about the market, that they hope the market will change soon. The vaccination rate is growing globally, and the hopes of going back to 'normal' this summer creates optimism. Time will tell if that helps the storage industry to fill their tanks at higher rates.

Floating storage with the lower time charter rates and high flexibility is still an alternative to shore-based storage. Crude Brent averaged $60/b since the beginning of the year and was trading at $68/b last week. Fuel oil is showing a gradually decline in pricing for the balance of the year. Gasoline shows a short-term increase but a steep decline from the summer till the end of the year. Gasoil from April onwards a flatline. In other words, no contango play which makes storage attractive. That leaves storage demand for supply chain solutions only (make bulk or break bulk) or oversupply of product (no home to find for the product in question) and/or blending.

Chemicals

With still a lot of new build tanks coming online this year, we already see in today's market the demand for chemicals tanks slowing down. More tanks have been offered and thanks to our efforts filled again, but the trend is showing that we are over the peak. In the hub ports it was always a struggle to find a suitable tank and now there are options. That means a good time to reposition or evaluate a storage strategy. If a cargo owner was due to availability forced to rent tanks at a terminal which might not be the ideal terminal, this year will be good to compare the alternatives. That is exactly what a broker does, and we can assist with. The cheapest tank is not always the best solution. A tank at a terminal which matches your requirements is in the end the best solution.

Biofuels & Feedstock

Due to shortage of supply and high product pricing, we see the stocks being extremely low. We normally don't follow stock levels, but since we have those tanks listed as sublease opportunity, it is a noticeable trend. The rental contracts still run and the parties renting those contracts, don't want to end the contract, however, look for sublease till supply of product is available again. A reduction of costs is always welcome, especially if you have the tanks on a long-term lease.

Vegetable Oils

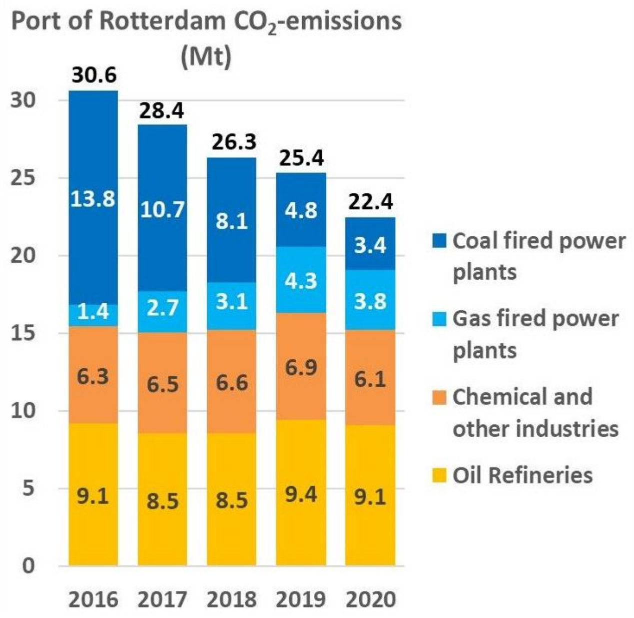
This market is still tight on tank availability. The number of terminals capable to offer FOSFA/GMP+ and any other special requirements is still limited. And the companies involved in this business are getting bigger and bigger. The last 10 years there were many mergers and take-overs in this industry, that the number of product owners & traders have been halved.

4/ LOCAL NEWS

Carbon emissions in port of Rotterdam drop swifter than national average

In the period 2016-2020, the port of Rotterdam reduced its total carbon emissions by no less than 27%. Nationwide, the volume of greenhouse gases released into the atmosphere fell by 14% in the same period. In 2020, Rotterdam achieved a 12% reduction in emissions, compared to 8% in the Netherlands as a whole. As a result of this swift decrease, companies in the port of Rotterdam are currently responsible for 13.5% of the Netherlands' total carbon emissions: a share that several years ago was 16%.

The port's total emissions volume combines those released by industrial production (refineries, chemical companies) and electricity generation (gas- and coal-fired power plants).



Last year, Rotterdam's power plants cut their carbon emissions by 1.9 million ton (21%) – in percentage terms equivalent to the national figure. While a share of this reduction can be attributed to lower power consumption, this is mainly thanks to a substantial (over 40%), nationwide increase in the generation of electricity from renewable sources (solar, wind and biomass).

One remarkable milestone reached in 2020 was that for the first time in history, Rotterdam's natural gas-fired power plants actually released more carbon into the atmosphere than their coal-fired counterparts.

The carbon emissions of Rotterdam's industrial sector fell by 1.1 million ton (7%), while industrial emissions nationwide remained at the same level. These reduced industrial emissions are a consequence of economic contraction over the course of 2020. This slump led to reduced demand for oil and chemical products, forcing local industry to scale back its activities.

In 1990, the port of Rotterdam released over 20 million ton of CO2 into the atmosphere. Until 2016, this volume increased to over 30 million ton as a result of the expansion of existing companies in Rotterdam and the arrival of new ones. From 2016 on, the port was able to report substantial reductions. By 2020, emissions were close to the total volume recorded 30 years ago, while at the same time the port area increased with 20% and the annual throughput with some 50%.

5/ CHARTERING TEAM

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