ODIN-RVB EUROPE

Storage Market Report
August, 2021

General

Concluding a tank storage contract is still negotiated in a conventional way. Parties know each other, meet each other preferably before negotiating opportunities. Terminals don't want to disclose their available space since transparency is considered a weakness, afraid that it will result in lower rates. When we started 6 years ago, it was already a surprise that we created transparency, but when we showed that deals were done because of awareness of availability, the attitude changed towards a broker. Although still some terminal operators think that cargo owners will be able to find them without using brokers, even though it is a complete jungle with too many sales managers and account managers, all covering a very limited number of products or locations. The one stop shop, like Odin-RVB is still ideal if you want to cover the complete market with one point of contact.

Are we as brokers being overtaken by new concepts like auctions? We watch the auction introduction and notice following:
1. will an auction be able to react to the market? Especially product prices change fast, and storage can be attractive at certain levels and therefore a terminal should be able to work the space as fast.
2. standard terms & conditions? An auction should be based on the same terms & conditions; however we haven't found a trader or producer yet willing to accept standard terms. How can offers be compared if not the same terms are used?
3. is storage a commodity? Each terminal has it's jetty & tank configuration, which makes it unique. Understanding the difference and consequently the value of each terminal is important. Question is if an automated bidding tool, can cover that element.
4. duration versus rate. Sometimes a long contract is more valuable than a higher rate. By automating the negotiation, you miss out on the length/rate discussion.
5. board approval – options – fixed capacity. Achieving board approval before offering is a challenge for many companies. Negotiating options for extension is not possible or taking only a selection of the tanks offered.

For now, we consider the tool not effective, and we suggest to stick to using the service of experts.

Until the market is ready to outsource their storage contracting, we consider this step, one too big. One day the market might be ready, but for now it is important to get a feeling of who you deal with and which company you are partnering with. Too much money is involved to select the wrong partner.

Oil products

Brent at US$ 69 and WTI at US$67 is still nearly double from a year ago. With the fuel oil being backwarddated it is still surprising how tight the dirty petroleum product (DPP) storage market is. Very limited tank capacity for DPP in most regions.
Gasoline in Europe is flat till end of the year, and that is what we see in the storage market. Capacity offered for this year, while 2022 is expected to be back to normal (to make money with blending and throughput via shore tanks). Distillate's market is very slow. Very limited interest to take on tanks and enough capacity globally available. Low rates can be achieved by contracting now, but few cargo owners willing to take that expense.

Chemicals

The Chemical market is extremely active, which results in difficulties to find tanks. We have many inquiries for storage, but no suitable tanks to offer. The storage rates are still at healthy levels (for the terminals), however even higher rates will most likely result in not getting the business done, since there is only so much supply chain costs a cargo can bear. We have seen that with ethanol, very expensive tanks were not booked, even though the interest to store the product was high. Interesting to see that Scandinavian terminals have high utilisation as well. For a long time, we have seen availability in the Baltic, but since the beginning of this year, all capacity has been taken for chemicals. The Mediterranean is historically well utilized but especially Turkey shows more opportunities, which might be a result of the political climate.

Vegoil / Bio fuels

As biofuel producers ramp up, there is an opportunity for commodity traders to supply them with feedstock, and potentially to produce that feedstock too. Investing in production however carries a risk. As the biofuels market matures and technologies evolve, feedstocks in high demand now may later fall out of favour. Forming joint ventures with biofuel producers is one way to mitigate that risk. Record high prices in many agricultural commodity markets are also a double-edged sword. High prices may attract more traders into biofuel feedstocks but could hurt their margins, as well as draw unwanted attention from politicians who will cite food inflation as a risk of the green initiative.

Greater diversity in feedstock markets is ultimately needed for independent traders to thrive without the big-four 'ABCD' traders dominating. Over the past few years, we have witnessed additional incentives given by both the US and EU to run biofuels on waste and residue feedstock as opposed to vegetable oil. This has triggered new sourcing developments centred around waste hydrogen, green methanol, and ammonia for conversion into alternatives to biofuels. However, the overwhelming supply of veg oils (relative to wastes) coupled with the forward hedgability / tradeability will likely force them to be a cornerstone of this renewable diesel buildout.

Please keep sharing your tank availability with us and we invite cargo owners to work their storage inquiries via us. We cover the complete market for you. Watch this space for the launch of our new website soon.

With the AFPM coming up, subject travel / meeting restrictions, we are looking forward to meeting in person again. Either Oct 5-7 in New Orleans for the Petroleum Summit or Oct 17-19 in San Antonio for the Petrochemical Conference.

Please find a snapshot of opportunities (available tanks at the terminals)

Capacity (m3)	Product	Location	Available from
	Belgium/Netherlands		
15.399	Diesel	Belgium	Now
3.676	Chems / Various	Belgium	Now
255.500	Distillates	Belgium	Now
16.800	(Easy) Chems	Belgium	Now

6.776	Biodiesel	Belgium	Q1 2022
153.000	Distillates / FO	Belgium	Q3 2022
30.192	Base oils heated	ARA	Now
85.000	Fuel oil	ARA	Now
140.000	Gasoline	ARA	Now
100.000	Diesel	ARA	Now
4.500	Chems	ARA	Now
120.000	Gasoline / Components	ARA	Now
100.000	Diesel / Gasoil	ARA	Now
6.000	Vegoils (heated)	ARA	Q3 2021
40.000	Fuel Oil	ARA	Q3 2021
26.029	Chems	ARA	Q4, 2021
150.000	Diesel	ARA	Q1 2022
300.000	Fuel Oil	ARA	Q3 2022
60.000	Biodiesel	ARA	Q3 2022
1.567	Vegoils (heated)	Netherlands	Now
6.000	Chemicals	Netherlands	Now
2.100	Biodiesel / (Easy)Chems	Netherlands	Now
5.000	Bitumen	Netherlands	Now
43.500	Vegoils (heated)	Netherlands	Now
12.000	Vegoils / UCO	Netherlands	Q4 2021

North Europe

80.000	Distillates	North Germany	Now
30.000	CPP / Biodiesel	North Germany	Q4 2021
12.000	Biofuels / ULSD / Gasoil / Fuel Oil	North Germany	Q1 2022
5.000.000	Crude	North Germany	Q2 2022
40.000	Biofuels / ULSD / Gasoil / Fuel Oil	North Germany	Q4 2022
18.000	Distillates / Gasoil	North Germany	Q1 2023
3.528	CPP / Diesel	Germany, River Rhine	Now
2.500	Chems / Diesel	Germany, River Rhine	Now
900	Chems	Germany, River Rhine	Now
4.984	Chems /Lights	Germany, River Rhine	Now
12.500	Chems / Various	Germany, River Rhine	Q4 2021
70.000	Chemicals / Base oil / Light Ends	Westcoast UK	Q3 2021
1.100.000	Chemicals / Gasoil / Petroleum products	Westcoast UK	Q1 2022
100.000	Light ends	Westcoast UK	Q4 2022
1.600.000	Crude / Fuel oil / Bitume	Westcoast UK	Q4 2022
1.690	LPG (PO/N-Butane)	East Coast UK	Now

4.000	Chems	East Coast UK	Now
1.080	Veg oil / (Easy) Chems	East Coast UK	Now
13.000	Chemicals	East Coast UK	Now
25.000	Chems, various	East Coast UK	Q4 2021
55.000	Fuel Oil	Denmark	Now
60.000	Fuel oil / Biodiesel	Denmark	Now
5.000	Biomass	Denmark	Now
144.000	Diesel	Denmark	Now
300.000	Fuel Oil	Sweden	Now
7.300	Diesel / Vegs	Sweden	Now
8.500	Gas	Finland	Now
340.000	Crude	Finland	Now
8.000	Chems	Finland	Now
8.365	Biodiesel / Light Ends	Norway	Now
110.000	Heavy Fuel Oil / VGO	Lithuania	Now
80.000	Light ends	Lithuania	Now
22.700	Vegoil / Chems	Estonia	Now
10.000	Gasoline / Diesel	Estonia	Now
24.000	Light ends / Jet	Estonia	Now
100.000	Fuel oil	Estonia	Now
4.000	Base oil	Latvia	Now
10.000	Vegoils / FAME / Biodiesel	Poland	Now

South Europe/Med/Black Sea

4.900	(Easy)Chems	Portugal	Now
22.300	Biofuels / Vegoils / (Easy) Chems	NW Spain	Now
360.000	Crude / Petroleum prods	NW Spain	Q4 2022
37.800	Distillates / Light ends	South Spain	Now
18.500	Chems / Veg oils / Easy prods	South Spain	Q3 2021
60.000	Vegoils / FuelOil / Derivatives	South Spain	Q1 2022
42.000	Diesel / Jet / Gasoline	East Spain	Now
8.700	Diesel / Biodiesel / Jet	East Spain	Now
10.000	Chems / Biofuels	East Spain	Now
70.000	Diesel	East Spain	Now
20.000	Biodiesel	East Spain	Now
100.000	Light ends / Diesel	East Spain	Now
15.000	Chems / Various	East Spain	Q3 2021
200.000	Naphtha	France	Q3 2021
12.500	(Easy)Chems	France	Now

25.000	Diesel 10ppm	France	Now
20.000	Jet	France	Now
100.000	Diesel / Light ends	France	Now
10.650	Petroleum	France	Now
21.700	Gasoline / Components	North France	Now
7.000	Diesel 10 ppm	North France	Now
21.700	Heating oil / Biodiesel (FAME) / Light ends	North France	Now
1.600	Chemicals	South France	Now
3.660	Chemicals	South France	Now
33.000	Bulk Alcohol Bio-ethanol	South France	Q4 2021
16.000	Chems / Petroleum prods	Croatia	Now
80.000	Crude	Croatia	Now
89.000	Crude / Fuel Oil / Diesel	NE Italy	Q3 2022
6.000	Chems	NW Italy	Now
3.000	Gasoline	NW Italy	Now
16.500	Petroleum products / Biofuels	Albania	Now
80.000	Crude / DPP	Georgia	Now
15.000	Vegoils	Ukraine, black sea	Now
84.000	Gasoil / Various	Turkey, black sea	Now
10.115	(Easy)Chems / Vegoils	Turkey	Now
50.000	Gasoline	Turkey	Q4 2021
20.000	Chems	Turkey	Q1 2023
70.000	CPP / DPP	Turkey	Q1 2023
45.000	Fuel oil	SE Turkey	Now
23.000	Vegoils	SE Turkey	Now
100.000	Light ends	SE Turkey	Now
30.000	Diesel / Jet	SE Turkey	Now
30.000	Various	SE Turkey	Q3 2021
300.000	Gasoil / Gasoline / Fuel Oil	SE Turkey	Q3 2021
110.000	Chems	SE Turkey	Q1 2023
20.000	Light Hydrocarbons	SW Russia	Now

Africa

14.100	Chems, excl. acids	Egypt	Now
7.400	Vegoils	Egypt	Now
5.000	Chemicals	Kenya	Now
8.400	Chemicals/diesel	Tanzania	Now
24.000	Gasoil	Tanzania	Now
16.000	Light ends	Tanzania	Now

20.000	Clean Petroleum Prods	Mozambique	Now
20.000	Clean Petroleum Prods	Mozambique	Now
90.000	Fuel Oil / Gasoil / Gasoline	Seychelles (Victoria)	Now
46.000	Diesel / Jet / Gasoline	South Africa	Now

Middle East

2.000	CPP	India (Gujarat)	Now
7.716	Chems / CPP	India (Gujarat)	Now
108.000	Fuel OIl	UAE	Now
133.000	Gasoil	UAE	Now
5.300	Baseoil	UAE	Now
25.000	Chems	UAE	Now
15.000	Bitumen / Fuel oil / Biofuels - heated	UAE	Now
60.000	CPP / Gasoline	UAE	Now
3.000	Chemicals	UAE	Now
70.000	CCP	UAE	Now
30.000	CPP / (Easy)Chems	UAE	Q1 2022
30.000	Fuel oil	Oman	Now
80.000	CPP / (Easy)Chems	Oman	Now

Far East

4.500	Chems / Various	East China / Yangtze River	Now
8.000	Chems / Various	Thailand	Now
10.000	Chems / Vegoils	Thailand	Q4 2021
10.800	Chemicals	Malaysia	Now
85.000	CPP	Malaysia	Q3 2021
100.000	Fuel oil	Malaysia	Q3 2021
4.000	Vegoils	Malaysia	Q1 2022
27.200	Chems / Vegoils	Malaysia	Q2 2022
15.000	Base oil	Indonesia	Now
25.000	Chemicals	Singapore	Now
37.500	Chems	Singapore	Now
260.000	Fuel oil	Gr. Singapore	Now

North America (Bbls)

150.000	(Easy)Chems	Baltimore	Now
25.000	Chems	California	Now
255.000	Chems, petroleum prods	Florida	Now

190.000	Chemicals	Georgia	Now
14.000	Chemicals	Illinois	Now
100.000	(Easy)Chems / Base oils	Indiana	Now
800.000	Heavy crude / (Bio)diesel	Louisiana	Now
90.000	Chemicals	Louisiana	Now
50.000	Speciality Products	Michigan	Now
37.000	Chems	Missouri	Now
80.000	Chems / Biodiesel / CPP	New Jersey	Now
50.000	Light ends	New Jersey	Now
1.930.000	Fuel oil / VGO	New Jersey	Now
2.460.000	Crude	New Jersey	Now
265.000	(Easy)Chems	North Carolina	Now
34.000	Chems	Ohio	Now
140.475	Chems	Pennsylvania	Now
20.000	Chemical	South Carolina	Now
1.235.000	Diesel / Biodiesel	Texas	Now
256.700	Chemicals	Texas	Now
75.000	(Easy)Chems / Base oils	Texas	Now
25.000	Chemicals	Texas	Now
472.000	DPP (Dirty Petroleum Products)	Texas	Now
500.000	Chems / Clean products	Texas	Q1 2022

Central & South America

577.000	Gasoline / Jet fuel	Bahamas	Now
365.079	Gasoline / Crude	Aruba	Now
900.000	Crude	Curacao	Now
60.000	Chems / Petroleum prods	Puerto Rico	Now
15.000	Chems	Mexico	Q3 2021
14.581	Mid Distillates / Alcohol / Chems	Colombia (Caribbean)	Now
165.000	Crude / Gasoline / Diesel / Naphtha	Colombia (Caribbean)	Now
25.000	CPP / DPP	Colombia (Caribbean)	Now
76.000	Gasoil / Gasoline	Colombia (Caribbean)	Now
120.000	Vegoils	Colombia (Caribbean)	Now
123.000	Gasoil / Gasoline	Colombia (Caribbean)	Now
15.000	CPP	Argentina	Now
13.000	Gasoil	Argentina	Now
50.000	Fuel oil / (Easy)Chems	Brazil	Now
1.428	Ethanol	Peru	Now
7.691	Gasoline	Peru	Now

25.305	Diesel	Peru	Now
1.578	Ethanol	Peru	Now
5.194	Avgas	Peru	Now
4.041	Gasoline	Peru	Now
16.699	JET A1	Peru	Now
6.052	(Bio)Diesel	Peru	Now

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