Market Report
November 2022

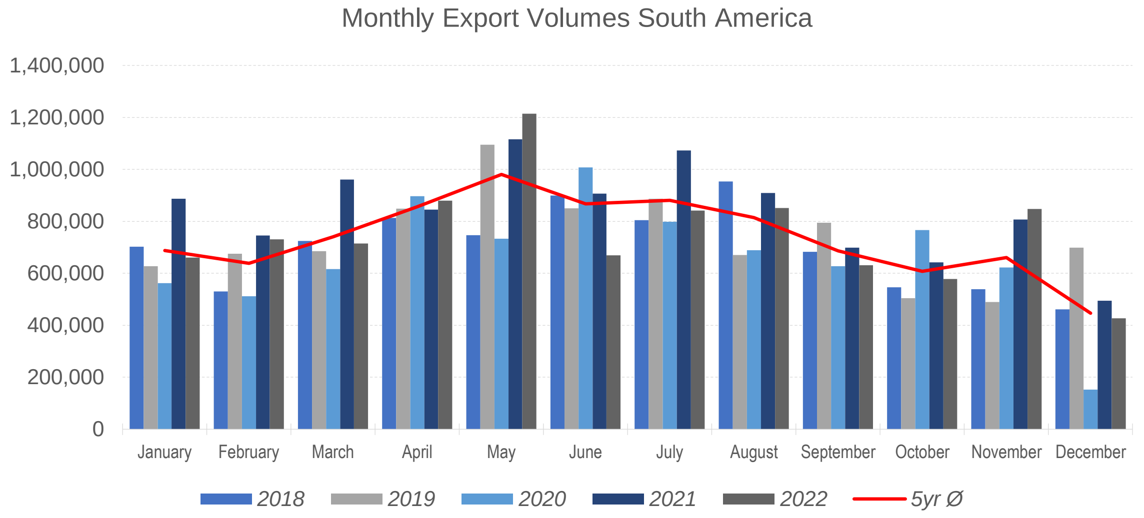
1/ VEGOILS – SOUTH AMERICA

SOAM Edible Update – volume fixed since our last report: **484.500 mt / YTD 9.048.580 mt**

We have seen a considerable slowdown in number of fixtures the past weeks. The biggest part of soybean oil that was available for export after the record month of September, has been exported now. Present outstanding enquiries for shipment in December are few and far apart. Something we are used to see this time of the year, when looking at the multiple year export volumes.

However, we do want to point out to our readers that very recently the Argentine government has announced another period of giving farmers a favourable currency exchange rate for all soybeans sold from this Monday 28th of November until the end of the year, coupled with a reduction of export tariffs on soybean meal and oil.

Market participants expect an increase in farmers selling of soybeans to the crush industry, however it will not be as pronounced as we have seen in September. The main reason is that farmers are less likely to give up all their stocks before having a clear(er) picture of the new crop situation. New crop plantings have been delayed due to unfavourable weather conditions so it is yet unclear how large the new crop will turn out.



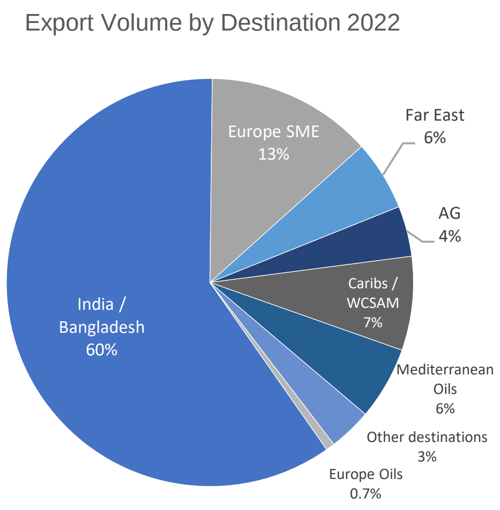
Vessel	Quantity [mts]	Grade	Load Port	Discharge Port	Dates	Freight [USD]
November						
Wisby Atlantic	40,000	Vegoil	Argentina / Brazil	India	10 – 20	Mid 70's 2/2
Clarice	21,000	Vegoil	Argentina Upriver	India	15 – 25	High 80's 1/1
Yongheng Ocean	40,000	Vegoil	Argentina / Brazil	India	12 – 23	Around 70.00 2/2
Weco Pisces	40,000	Vegoil	Argentina / Brazil	India	03 – 10	Mid / High 70's 2/2
Aida	30,000	Vegoil	Del Recalada	Redel Med	01 – 07	Around 26.500 p.d.
Pacific Tarmalane	40,000	Vegoil	Argentina / Brazil	India	01 – 10	High 70's 2/2
JBU Onyx	18,000	Vegoil	Brazil	WC India	05 – 15	Low 70's 1/1
Gulf Mishref	40,000	Vegoil	Argentina / Brazil	India	20 – 30	Low / Mid 70's 2/2
Stena Convoy	40,000	Vegoil	Brazil	India	14 – 24	Low 70's 1/2
Shogun	40,000	Vegoil	Argentina / Brazil	India	01 – 10	Around 70.00 2/2
Nord Vanguard	40,000	Vegoil	Argentina / Brazil	India	14 – 24	Mid 70's 2/2
Yangon	40,000	Vegoil	Argentina / Brazil	India	18 – 28	Low / Mid 70's 2/2
Stena Conductor	40,000	Vegoil	Argentina / Brazil	India	14 – 24	Mid 70's 2/2
Eurosailor	30,000	SME	Argentina Upriver	Cont	10 – 15	Around 1.7M L/S
High Navigator	28,700	SME	Argentina Upriver	Cont	Early	Around 1.7M L/S
Maritime Meridian	28,500	SME	Argentina Upriver	Cont	Early	Around 1.7M L/S
Esteem Houston	28,500	SME	Argentina Upriver	Cont	Early	Around 1.7M L/S
Pacific Citrine	40,000	Vegoil	Argentina / Brazil	India	01 – 10	Low 80's 2/2
Gladys W	40,000	Vegoil	Argentina / Brazil	India	15 – 25	High 70's 2/2
Elisabeth Schulte	14,000	Vegoil	Argentina Upriver	Med / Cont	10 – 20	Mid 80's
Bochem London	13,400	Vegoil	Argentina Upriver	Colombia + Nicaragua	03 – 10	Mid 90's
Celcius Malaga	10,000	Vegoil	Argentina Upriver	Dom Republic	10 – 20	Around 90.00 1/1
Stream Atlantic	7,000	Vegoil	Necochea	Australia	10 – 20	COA
Shamrock Jupiter	7,000	Vegoil	Argentina Upriver	Venezuela	Early	Low 100's
Scot Stuttgart	6,500	Vegoil	Argentina Upriver	Venezuela	20 – 30	110.00 – 115.00
Atlantic Guard	25,000	Vegoil	Argentina Upriver	Spain	20 – 30	High 60's 1/1
Pacific Jasper	40,000	Vegoil	Argentina / Brazil	India	24 Nov – 03 Dec	77.50 2/2

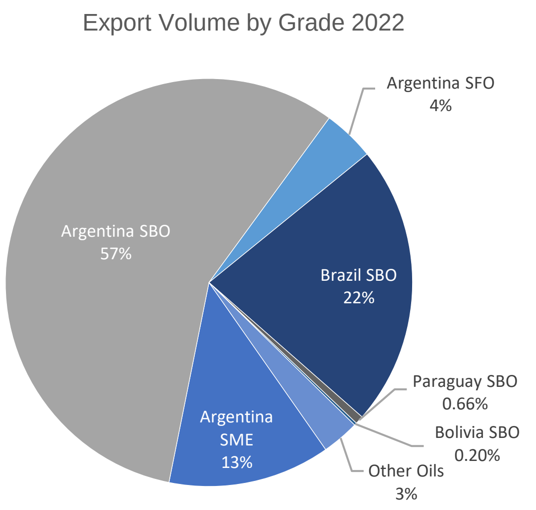
There has been quite a lot of volatility the past weeks in the western CPP markets. A very pronounced increase in rates in the days running up to last weeks Thanksgiving holiday was seen on both sides of the Atlantic. At the time of writing this report the markets appear to be cooling off a bit.

There are many macro economic and political factors this week that are keeping the market from really taking a direction. Anti Covid protests in China, dropping oil prices and rumours OPEC will decrease output just to name a few current items.

The lack of edible/bio cargoes from South America has made it so that this market has not moved much at all the past weeks. The benchmark rate for 40KT to India has hovered between mid 70's and 80 dollars per ton. Rates on smaller chemical units have also been quite stable.

Going forward we can only keep repeating that expect rates to remain volatile and unpredictable. Although the extremely bullish talk by shipowners has been a bit more subdued this week earnings are still at record highs and it will only take a small spark to light the whole market up again.





Edible Oil / SME Freight Assessment	*This Week [USD]*	*Change [USD]*	*Trend*
Argentina - West Mediterranean 18-20,000mt 1/1	85 - 90	0	→
Argentina - West Mediterranean 29,000mt 1/1	76 – 78	+5	↗
Argentina - East Mediterranean 18-20,000mt 1/1	87 – 92	0	→
Argentina - East Mediterranean 29,000mt 1/1	78 – 80	+5	↗
Argentina - North West Europe 18-20,000mt 1/1 – Non FOSFA	88 – 93	0	→
Argentina - North West Europe 29,000mt 1/1 – Non FOSFA	69 – 72	+5	↗
Argentina - North West Europe 29,000mt 1/1 – SME	1.8M L/S	+100.000	↗
Argentina - Caribs 18-20,000mt 1/1	80 – 85	0	→
Argentina - US Gulf 29,000mt 1/1	55 – 60	+5	↗
Argentina - India 29,000mt 1/2	95 – 98	+5	↗
Argentina & Brazil - India 40-42,000mt 2/2	80 – 82	+5	↗
Argentina - Iran 30-32,000mt 1/1 (untested)	120 - 125	+5	↗
Argentina & Brazil - Far East 40-42,000mt 2/2	95 – 95	+5	↗
Argentina & Brazil - China 40-42,000mt 2/2 - CIQ	97 – 99	+5	↗

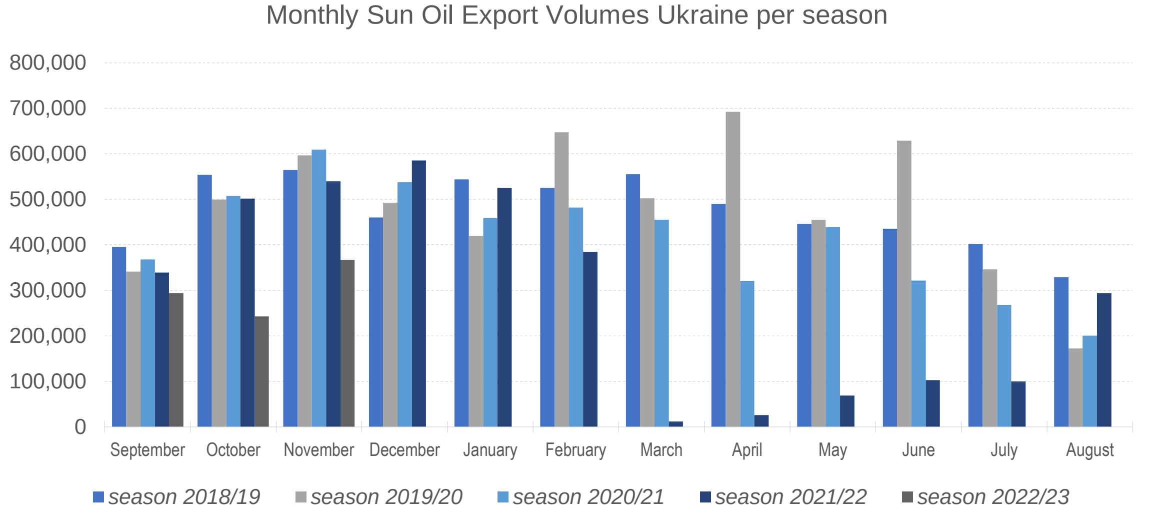
2/ VEGOILS – BLACK SEA

Let's start the Black Sea market report off on a positive note, on November the 17th the Black Sea grain corridor initiative was extended for another 120 days by the United Nations and Turkey, the guarantors of the initiative for safe transport of agricultural products across the Black Sea. The confirmation provides certainty for the next 3 months, where Ukraine opted for an extension for at least 1 year and to include the port of Mykolaiv into the initiative. Since end February several dry cargo carriers and tankers, remain in the port of Mykolaiv awaiting the possibility to sail.

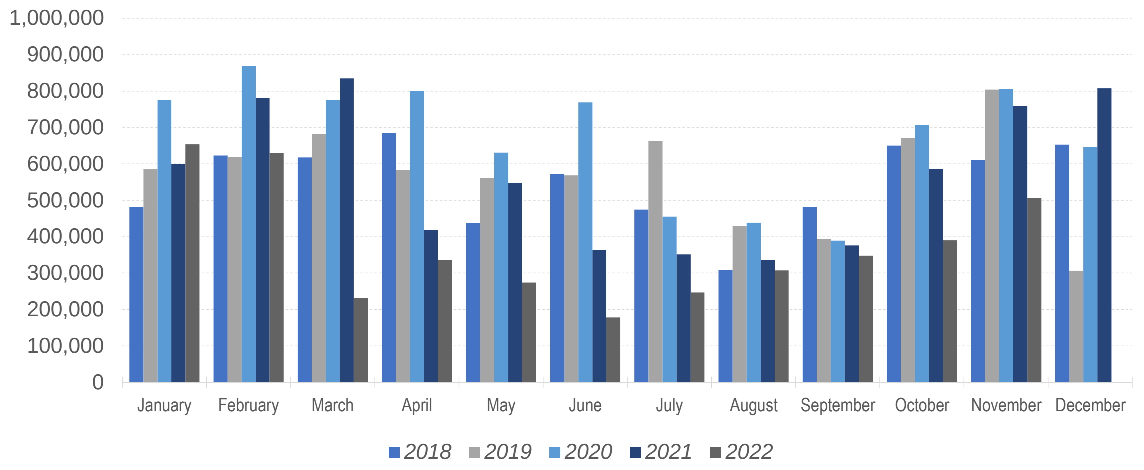
All vessels calling the ports of Chornomorsk, Odessa and Pivdennyi, are subject to the JCS inspections, which delay loading. The latest reports show a vast line up of close to 80 vessels with waiting times of up to 3 weeks for approval to enter the loading ports, as well as up to 30 loaded vessels which are being prepared for inspection in Turkish territorial waters, before continuing their voyage.

The participating countries are looking for ways to increase the number of inspections per day. Presently 3 teams are conducting the inspections and planning 12 inspections per day. The small number of inspections bring complications for shipowners, charterers, shippers and receivers, with no limits on laycans for loading and delivery windows at the final destination. One can only hope that the JCC will be able to create a system which will optimize the turnaround and provide transparency to all parties.

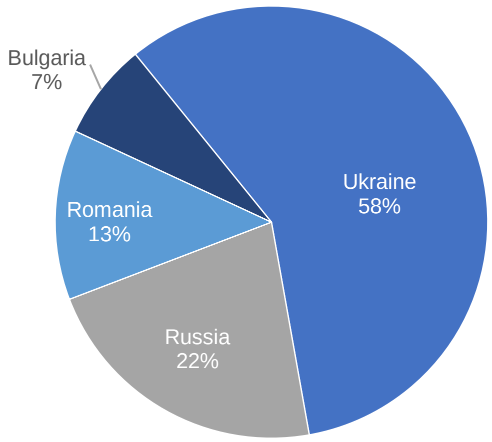
The export from Ukraine in November totalled close to 365.000 mt of Sunoil. A significant increase was seen in the exported volumes from the Sulina river ports, where Reni was the main loading port. The Ukrainian sunflower oil mainly found her way to Turkey, followed by China, India and the Mediterranean ports in Italy and Spain. Constanta and Varna are still functioning as hubs for transhipments ex. Ukraine. Russian export also still continues, and is conducted mostly out of Novorossiysk and Kavkaz anchorage, the total exported volume for November was close to 130.000 mt of sunflower oil. These shipments all have India and China as final destination.



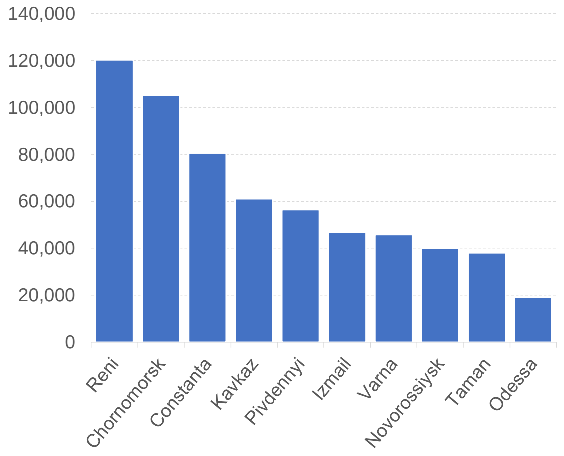
Monthly Sun Oil Export Volumes Ukraine & Russia



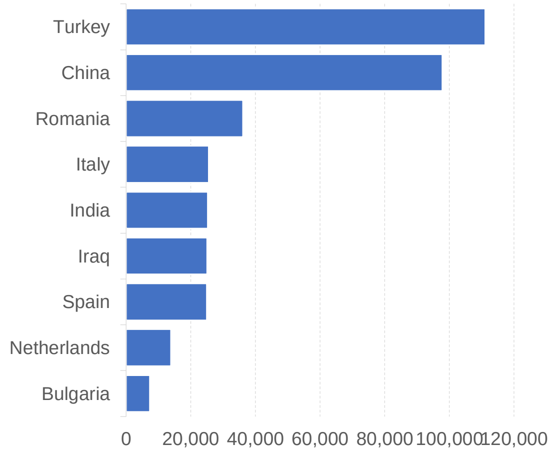
Sun Oil Export by Country - November



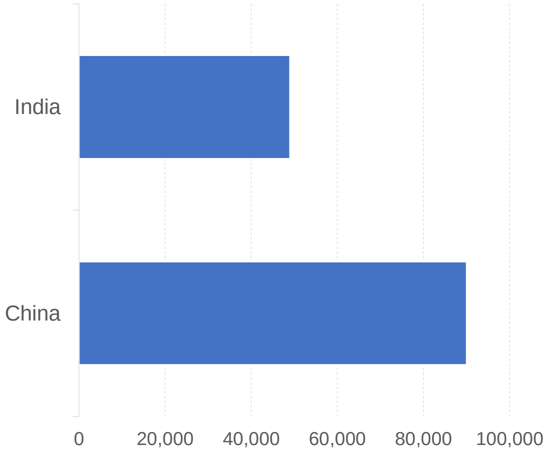
East Mediterranean Export by Load Port – November



Destinations ex. Ukraine - November



Destinations ex. Russia - November



3/ PALMOIL – ASIA

Long Haul

As noted last month the CPP markets looked to be heading upwards, and MR's are now back making around the 60,000 US dollars a day mark in the Far East. Charterers that booked at the end of October got the cheapest rates on T/C trips and those will probably remain the cheapest rates till the end of the year.

Russian sanctions due to come in on the 5th of December has once again got owners rubbing their hands together and talking of an end of year spike, and if LR2's do start to dirty up, that will definitely create extra downward pressure on ships of a smaller size.

IMO 2 markets remained rather flat, with slight drops on the full cargoes and part cargoes due to there being a large amount of space available for November into early December dates. J19 rates rumoured to be down to 170's for a full cargo to the Med and part cargoes being fixed for similar rates as a couple of owners faced sailing light.

However, booking forward still demands the 200+ US dollar premiums that have been paid over the last few months. Looking forward we think there will be premiums to be paid on taking MR's but the smaller vessels, for a change, may look a bit more stable than other markets.

Short Haul

"What goes up must come down."

We have always known this idiom in words, but never in feelings until today.

After a meteoric rise in freight rates earlier this year, the numbers have finally taken a dive over the last few weeks & stabilized at a lower level as the year draws nearer to an end. It appears that palm oil traders are finally starting to see real challenges in justifying their sales with surging product prices & higher freight rate.

The silence in the market is hard to ignore as owners scramble to find cargo to fill up their ships that are free of cargo in the first half of December. Many of these owners are offering lower freight then before. As much as this may sound like the end of owners' windfall, market optimists should be quick enough to point out that bunker prices are merely normalizing into around the same level as November 2021, yet freight is still more than double of what was fixed then. There's nothing here to whine about really.

Palm oil movement eventually slowed down to an abrupt halt after Malaysia's palm oil prices took on an upward trend as production decreased following a prolonged labour shortage & excessive bad weather. Economic challenges have also driven prices upwards & reduced export favourability. The exchange rate of Malaysian ringgit vs US dollar has declined by about 8% over a course of 5 months. Typically, in a period where the US dollar is stronger, commodity prices tend to decline on weaker consumer demand from various countries due to a lack of affordability.

Indonesia started waiving the levy imposed on exports of palm oil products from mid-July to help reduce a stock glut that accumulated after a three-week export ban in late April, which was designed to stabilise local cooking oil prices and that appears to have effectively reduced its stockpile & supported palm oil prices.

Looking at the above situation, palm oil prices are definitely not at their most competitive levels right now. A short-term prediction is that the market will continue to remain sluggish for the entire December. Analysts are expecting CPO prices to be supported at their current level as supply is not plentiful, yet sufficient. Demand is not robust, yet enough to ensure that freight rate will not take a nose dive anytime soon.

The only thing that we all can be sure about is the fact that parabolic growth is always unsustainable, and sooner or later, everything will have to go back into a balance.

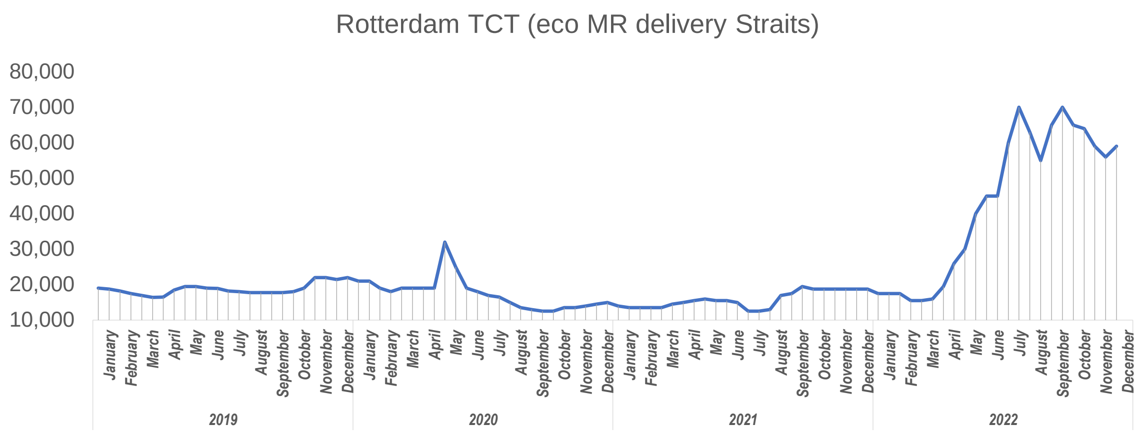
Freight Assessment per Discharge Area	*This Week [USD]*	*Change [USD]*	*Trend*
Straits - EC India / Bangladesh 8-12,000mt 1/1	62.00	0	→
Straits - WC India / Pakistan 15-20,000mt 1/1	72.00	-1	↘
Straits - WC India / Pakistan 20-30,000mt 1/1	71.00	-1	↘
Straits / E Malaysia – South China 12-15,000mt 1/1	62.00	0	→
Straits / E Malaysia – Mid China 12-15,000mt 1/1	71.00	0	→
Straits / E Malaysia – South China Upriver 12-15,000mt 1/1	76.00	0	→
Straits / E Malaysia – North China 12-15,000mt 1/1	81.00	0	→

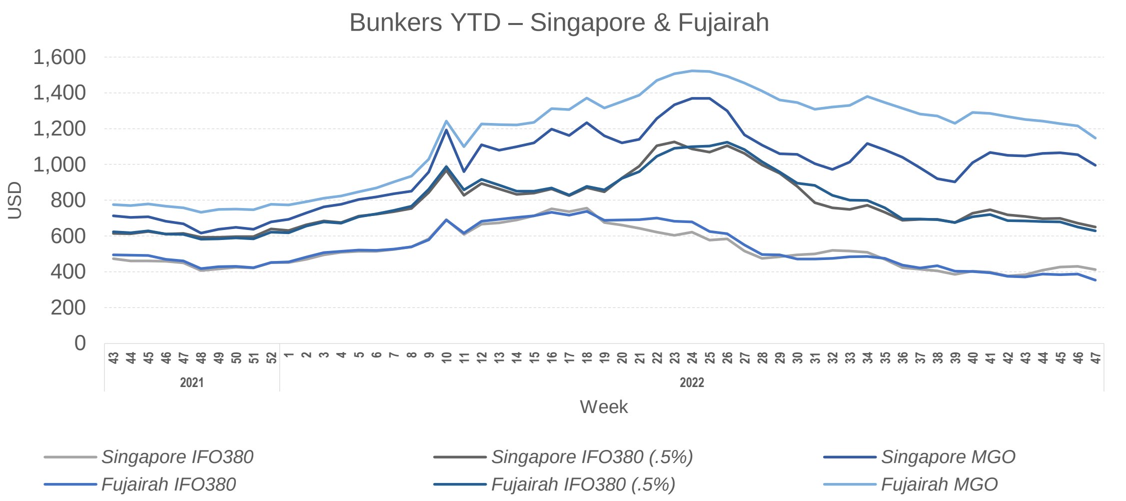
Vessel	Quantity [mts]	Grade	Load Port	Discharge Port	Dates	Freight [USD]
December – Long Haul						
Hafnia Amethyst	34,000	Vegoil	Korea + China	Med / Cont	25 Nov – 05 Dec	5.2M L/S 3/2
Torm Cavatina	40,000	Vegoil	China + Straits	ARA	01 – 05	4.95M L/S 3/1
SC Draco	30,000	UCO	N. China	US Gulf	10 – 20	5.275M L/S 2/1
Maersk Barry	27,000	Vegoil	Lubuk Gaung	Umm Qasr	28 Nov – 04 Dec	81.00
Bristol Trader (Subs)	28,000	Palms	Straits	Italy	08 – 10	4.45M L/S
Lucky Trader	40,000	Caustic Soda	China	Med / ARA	End Nov – Begin Dec	5.1M L/S
December – Short Haul						
Noel	12,000	Palms	Straits	EC India	20 – 25	65.00
Zheng He1	18,000	Palms	Straits	WC India	10 – 20	Mid 70's
Asian Grace	9,000	Palms	Cilegon	EC India	01 – 15	Low 70's
Chem Hero	15,000	Palms	Thailand	WC India	Prompt	High 70's

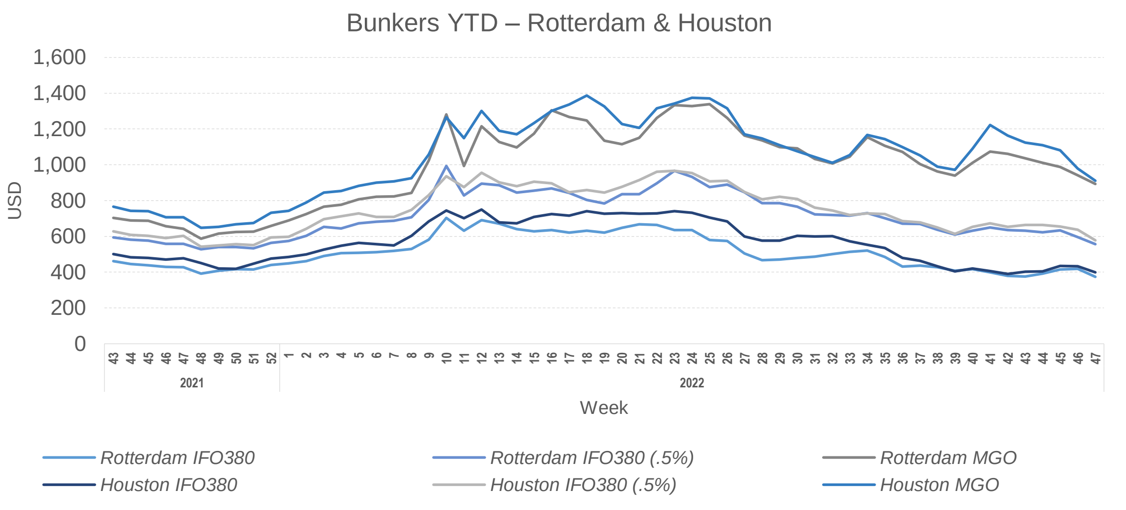
Vessel	Size	Trip	Delivery	Re-Delivery	Dates	T/C Rate [USD] pday
Time Charter – December						
Global Glory	38,000	TCT	Mid China	Med / Cont / USA	10 – 20	55,500
Nord Master	49,000	TCT	Korea	Med / Cont	End Nov – Early Dec	59,000
Dianella	49,000	TCT	Haldia	World Wide	10 – 20	55,000

Freight Assessment per Discharge Area	Quantity Range	Freight pmt [USD]	Trend
Straits - Rotterdam - Part Space (IMO3)	5-15,000	180 – 190	→
Straits - Rotterdam - Part Space (IMO3)	15-25,000	150 – 160	→
Straits - Rotterdam 2/1 - FOSFA	40-42,000	117 - 125	↘
Straits - Rotterdam (IMO2) 1/1 NOBL	1-2,000	230 - 250	↘
Straits - Italian Med (IMO3) 2/3 - NOBL	40-42,000	117 – 125	↘
Straits - Span Med (IMO3) 2/4 – NOBL	35-40,000	117 – 125	↘
Straits - West Med (IMO2) 2/2 - FOSFA	18-20,000	175 – 185	↘
Straits - Black Sea	25-35,000	N/A	→
Straits - US Gulf – US Atlantic Coast (IMO3) 2/1	35-39,000	125 – 135	→
Straits - West Africa (IMO3) 2/2	25-30,000	130 – 150	→

Vessel	Delivery	Re-Delivery	T/C Rate [USD] pday	Trend
MR (Eco but NON Scrubber)	Last Port	Med / Cont / US Gulf	56 - 61,000	↗


Rotterdam TCT (eco MR delivery Straits)
80,000
70,000
60,000
50,000
40,000
30,000
20,000
10,000
January February March April May June July August September October November December
2019
2020
2021
2022


Bunkers YTD – Singapore & Fujairah
USD
Week
2021
2022
Singapore IFO380
Singapore IFO380 (.5%)
Singapore MGO
Fujairah IFO380
Fujairah IFO380 (.5%)
Fujairah MGO


Bunkers YTD – Rotterdam & Houston
USD
Week
2021
2022
Rotterdam IFO380
Rotterdam IFO380 (.5%)
Rotterdam MGO
Houston IFO380
Houston IFO380 (.5%)
Houston MGO

4/ LOCAL NEWS

Data Safe House Rotterdam has taken off

The Data Safe House Rotterdam Foundation was recently formally established and the first exchange of information between major industrial companies and network operators is now under way.

This data exchange ensures that network operators always have the most up-to-date information on the sustainability plans of affiliated companies. This helps them ensure that the infrastructure for the energy transition is ready in time. This way, the Data Safe House accelerates the transition. The Rotterdam approach can also be applied in other industry clusters.

Every company in refining, chemicals and energy is making plans to make their operations more sustainable. This changes the demand and supply of various energy carriers. This usually means increasing the use of (green) energy and hydrogen, and decreasing the use of oil, natural gas and coal. In particular, network operators such as Stedin and TenneT need to know how much extra electricity is needed where and when. Investment in infrastructure involves billions of euros and these must be spent effectively and efficiently. At the same time, companies want to be sure that the power can actually be delivered before making the decision to switch. Bottlenecks must be avoided. At the same time, companies do not want their competitors to know their exact plans unless they want to jointly develop a project.

Data exchange

To ensure this exchange of information between companies and network operators is optimal, confidential and efficient, the Port of Rotterdam Authority and Deltalinqs have founded the Data Safe House. This is an autonomous and independent foundation that collects information from companies on their decarbonisation plans. The companies decide who is allowed to see this information: they remain the ‘owners’ of the information at all times. The main advantage for companies is that they no longer have to send the same information to different parties. This makes the process more efficient for them. Network operators get ‘bottom-up’ reliable, up-to-date information that has been verified by the Data Safe House manager. This reduces the risk of network operators working with outdated, unreliable information.

The Data Safe House started in Rotterdam, but the idea is that it can be adopted by other industry clusters. Netbeheer Nederland has therefore indicated its support for the initiative. By exchanging data nationwide through the Data Safe House, forecasts by national planning agencies, for example, can also become more reliable. The Data Safe House is, in addition to a Smart Energy grant from the municipality of Rotterdam, funded by contributions from the participating parties. Thirteen parties have since joined.

7/ CHARTERING TEAM

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