

2022 New York Ship Finance Forum

Big Fun at Tanker Party – Will It Last?

Vortexa empowers traders and analysts with actionable real-time data and analytics for energy flows, freight markets and oil inventories.

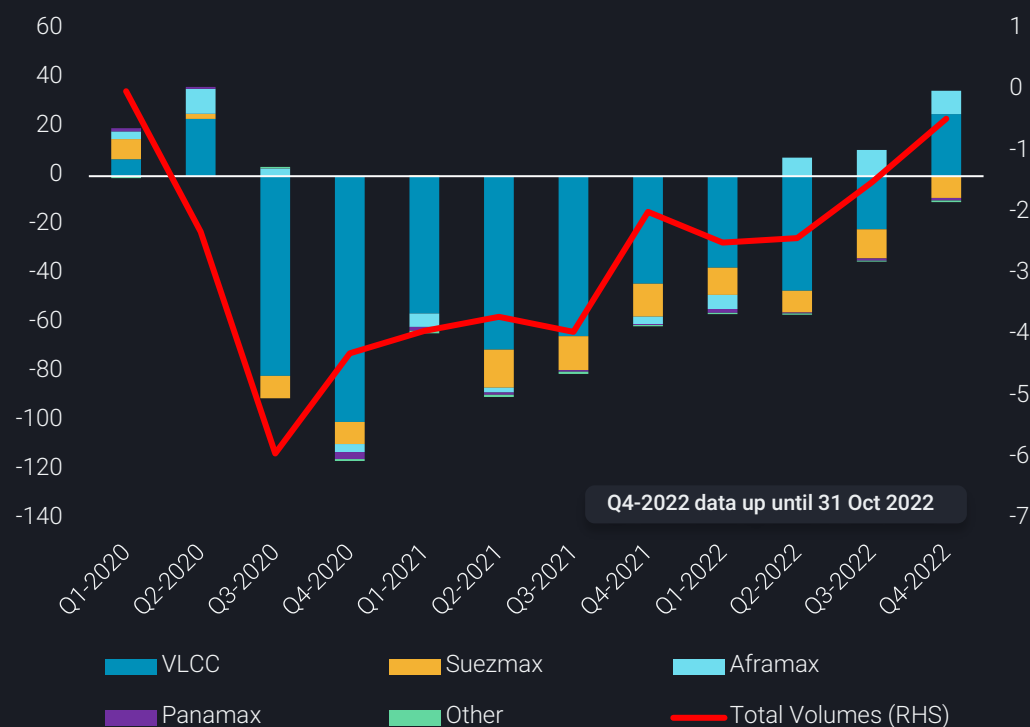


We provide powerful analytics by combining advanced AI with human expert intelligence.

Crude

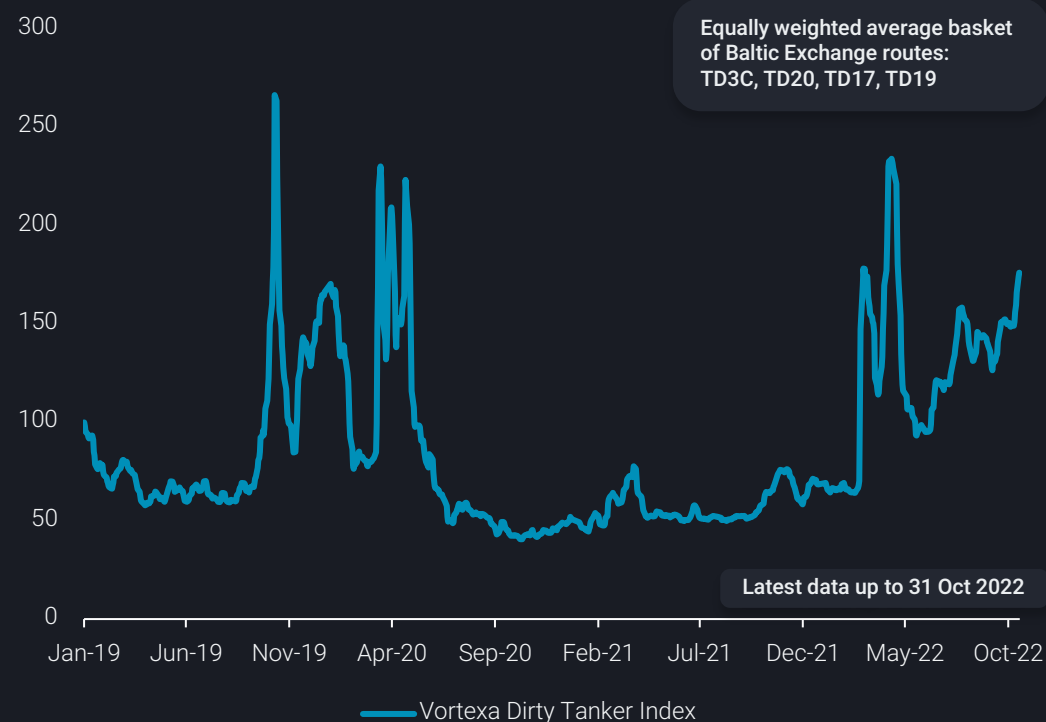
VLCC and Aframax tankers are leading the rate rally on the back of higher volumes and average mileage

Crude tonne-miles by vessel class (LHS, bn tm) vs 2019 avg. and global seaborne crude exports (RHS, mbd) vs 2019 avg.



Get live data on platform ([tonne-miles](#), [volumes](#))

Vortexa Dirty Tanker Index

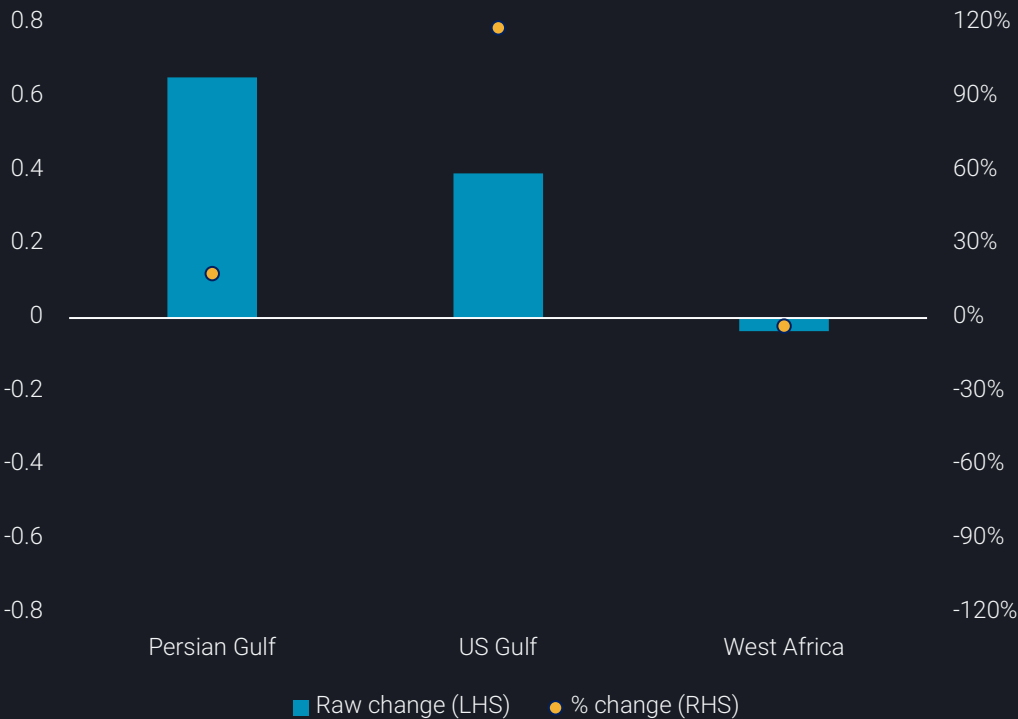


Get live data on platform ([Freight pricing](#))

The now: China's comeback lifted VLCC rates, with daily tonne-miles from US Gulf more than doubling

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Absolute (LHS, billion) vs percentage change (RHS) in daily crude tonne-miles towards China per selected origin between Sep – Oct 2022 vs. Jan - Aug 2022



[Data retrieved via the Freight API/SDK](#)

Asia crude/condensates VLCC imports from Atlantic Basin Utilisation (count)

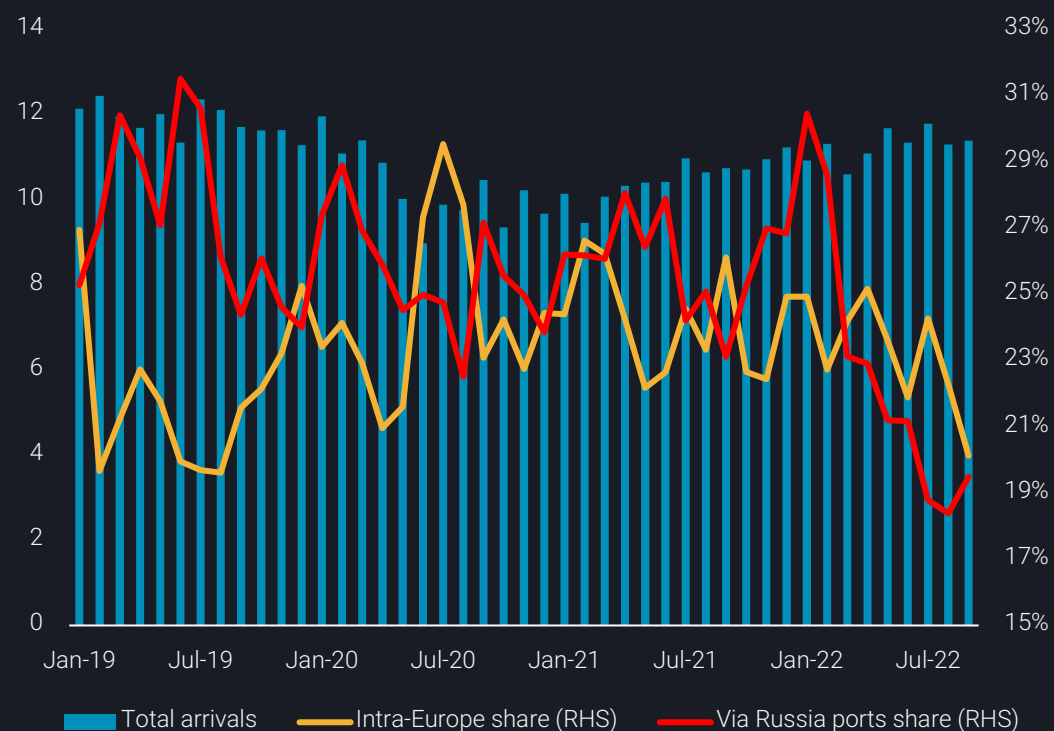


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European crude diversification out of Europe, supportive for Aframax/Suezmax demand

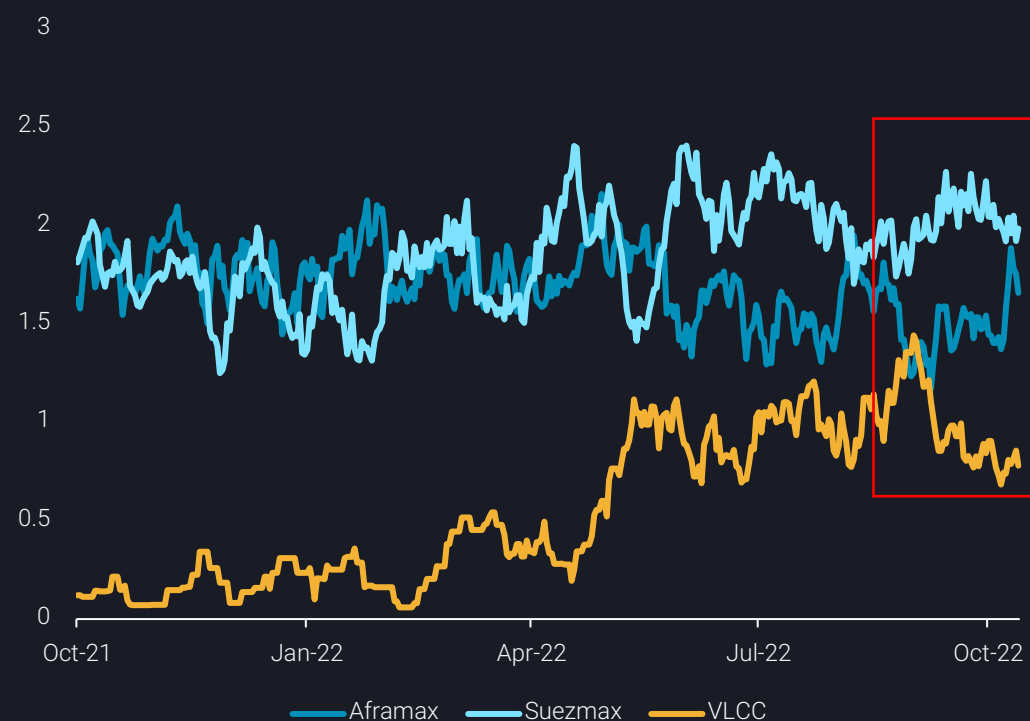
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European seaborne crude arrivals (LHS, mbd) vs share of Intra-Europe and via Russian ports (RHS, %)



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Tonne-miles towards Europe by vessel class (bn tonne-miles)

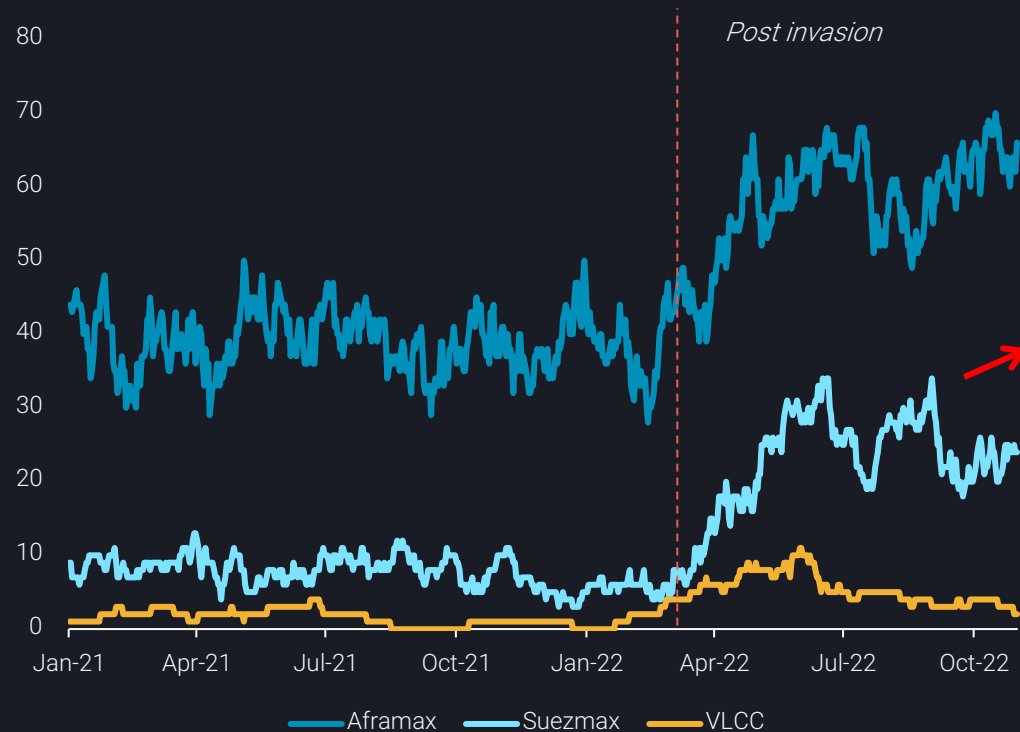


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Russian crude/condensates exports continue flowing to East of Suez, increasing Aframax & Suezmax employment... however China is keeping its options open

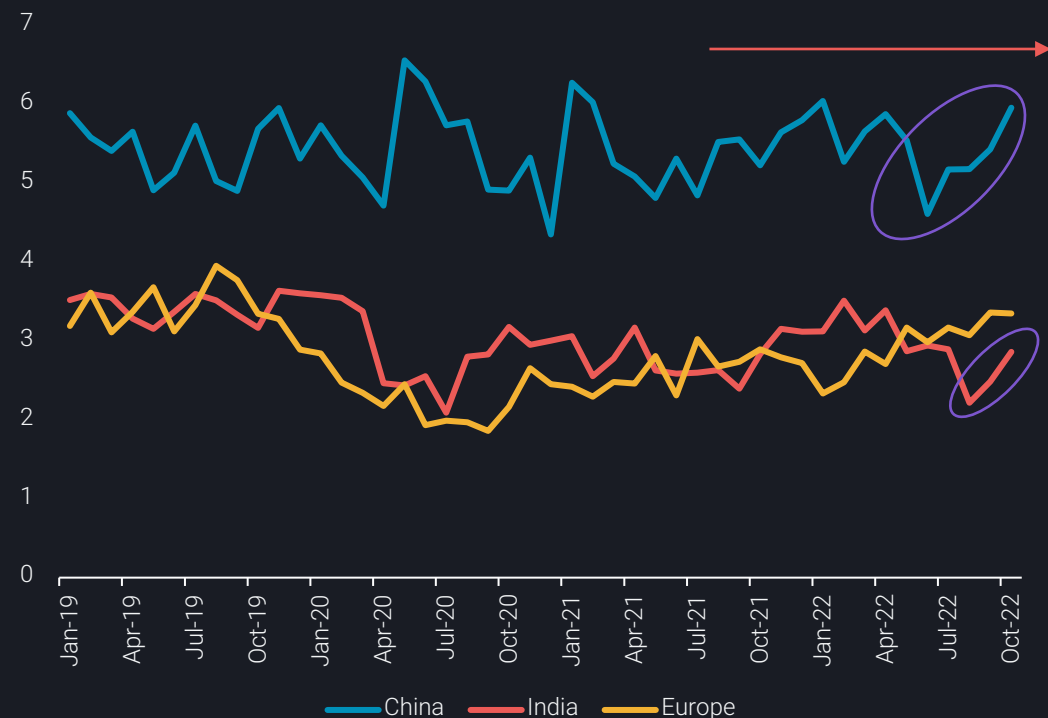
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Crude tanker utilisation for vessels carrying Russian grades (no. of vessels)



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OPEC crude/condensate arrivals by selected destinations (mbd)

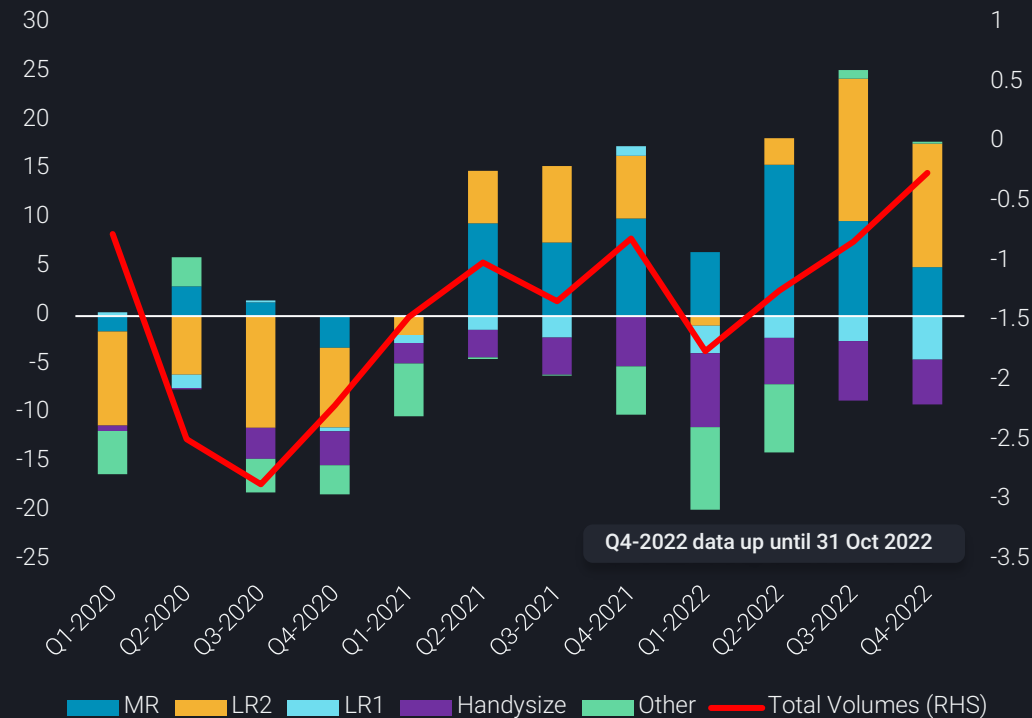


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Products

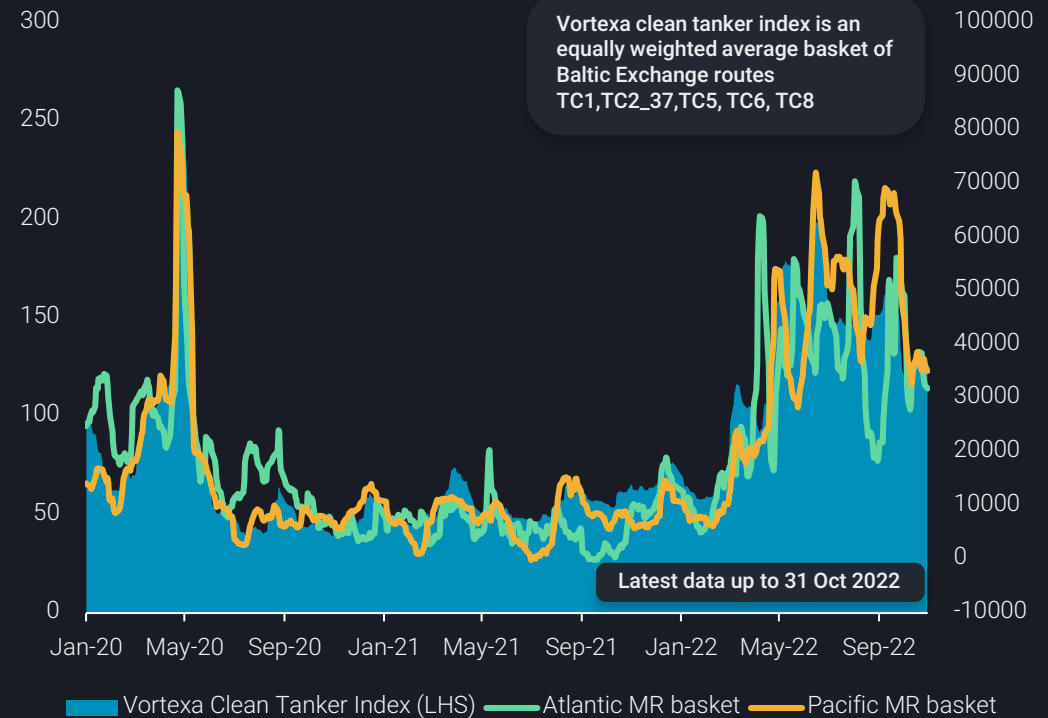
Correction in clean tanker indicators may point already at demand weakness & refining adjustments (runs, yields)

CPP tonne-miles by vessel class (LHS, bn tm) vs 2019 avg. and global seaborne CPP exports (RHS, mbd) vs 2019 avg.



Get live data on platform ([tonne-miles](#), [volumes](#))

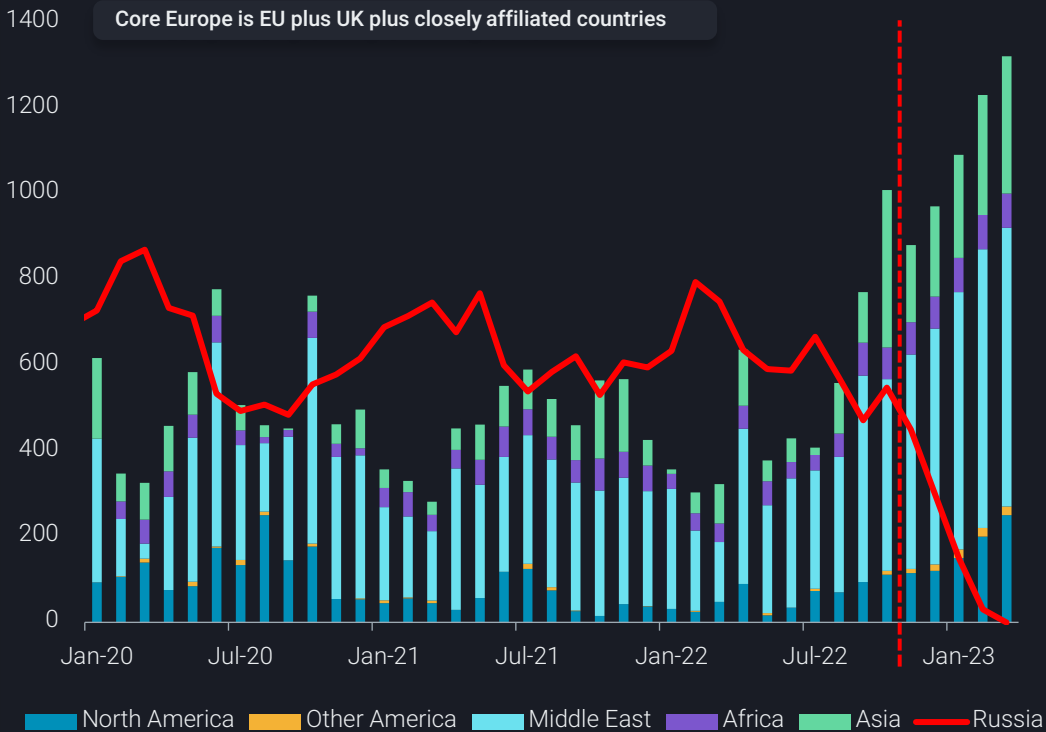
Vortexa Clean Tanker Index (LHS) vs Pacific and Atlantic MR baskets (RHS, '000\$/day)



Get live data on platform ([Freight pricing](#))

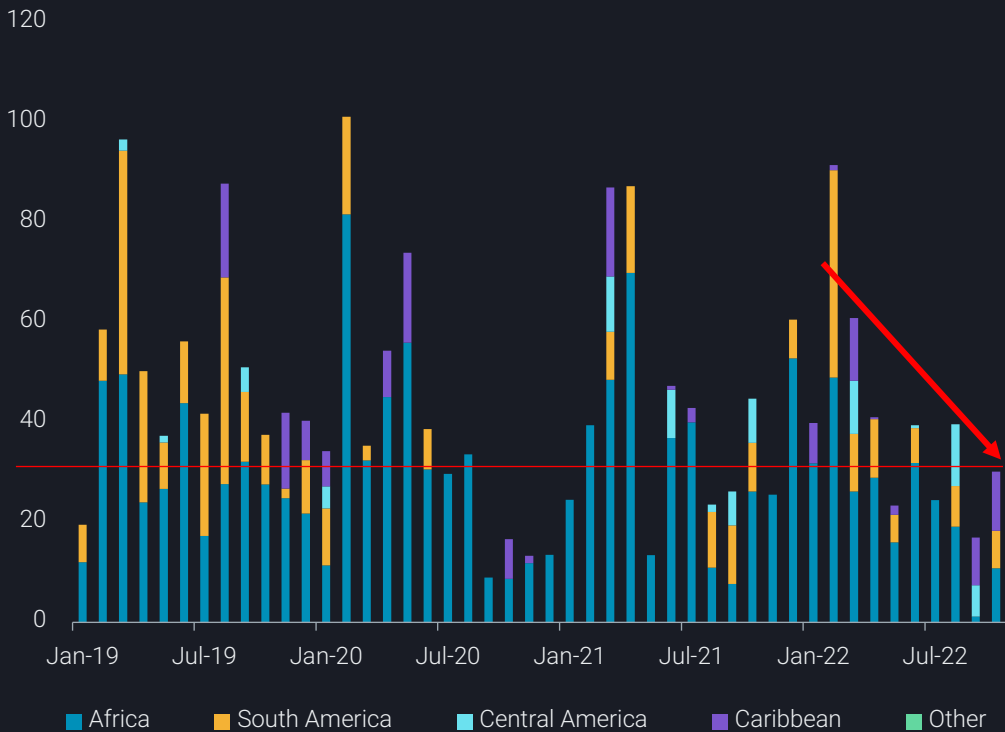
While Europe is getting in big flows of non-Russian diesel, Russia struggles to place its diesel into Atlantic Basin

Core European diesel imports (excl. Turkey) by origin region (LHS, mbd) vs share from Russia (RHS, %)



[Get live data on platform](#)

Russian diesel exports to Latin America and West Africa (kbd)

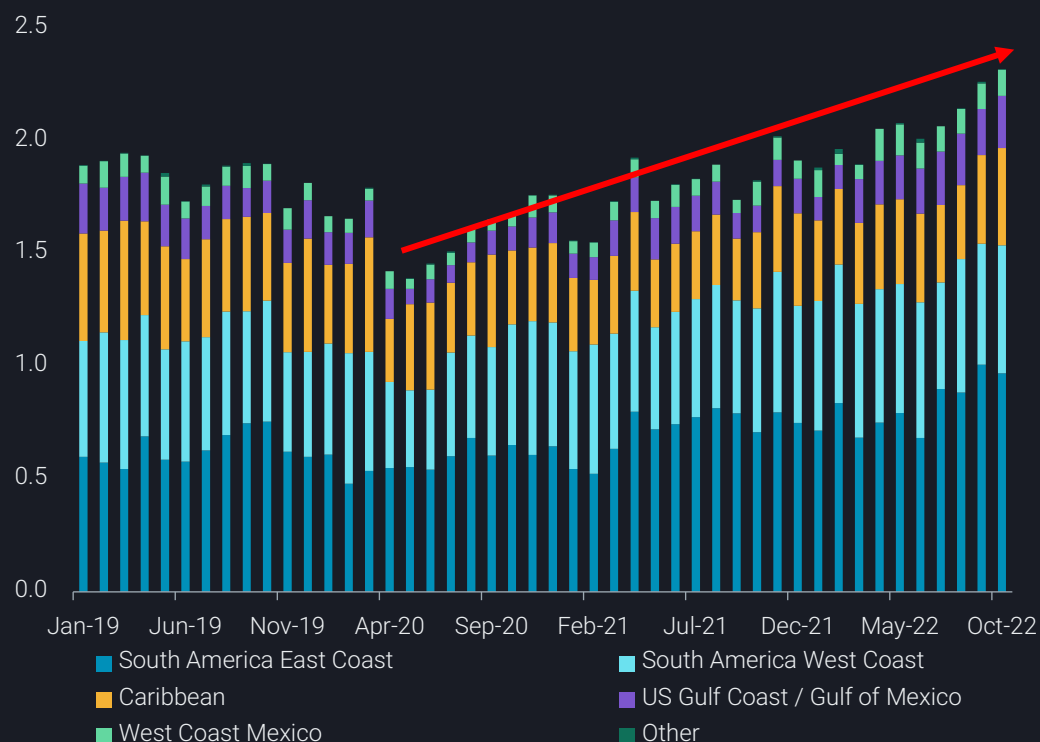


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Ripple effects from diesel: Tight market in the US Gulf limits transatlantic diesel flows on MRs

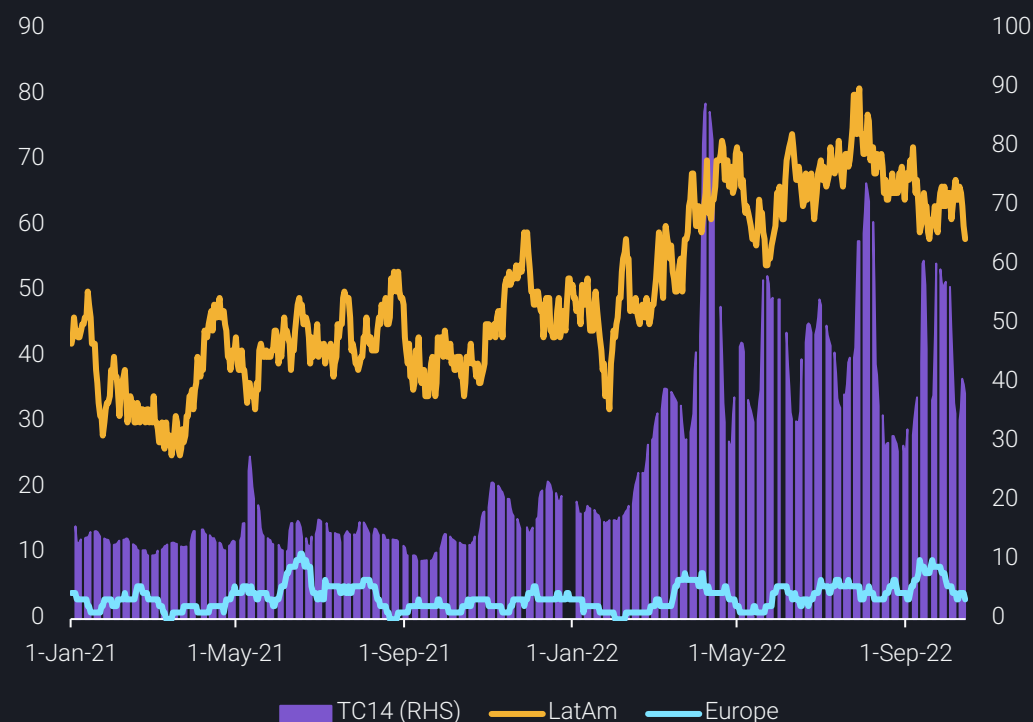
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LatAm diesel imports by destination shipping region (mbd)



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MR Utilisation out of USG by selected destinations (LHS, no. of vessels) vs. TC14 (RHS, \$/ton)

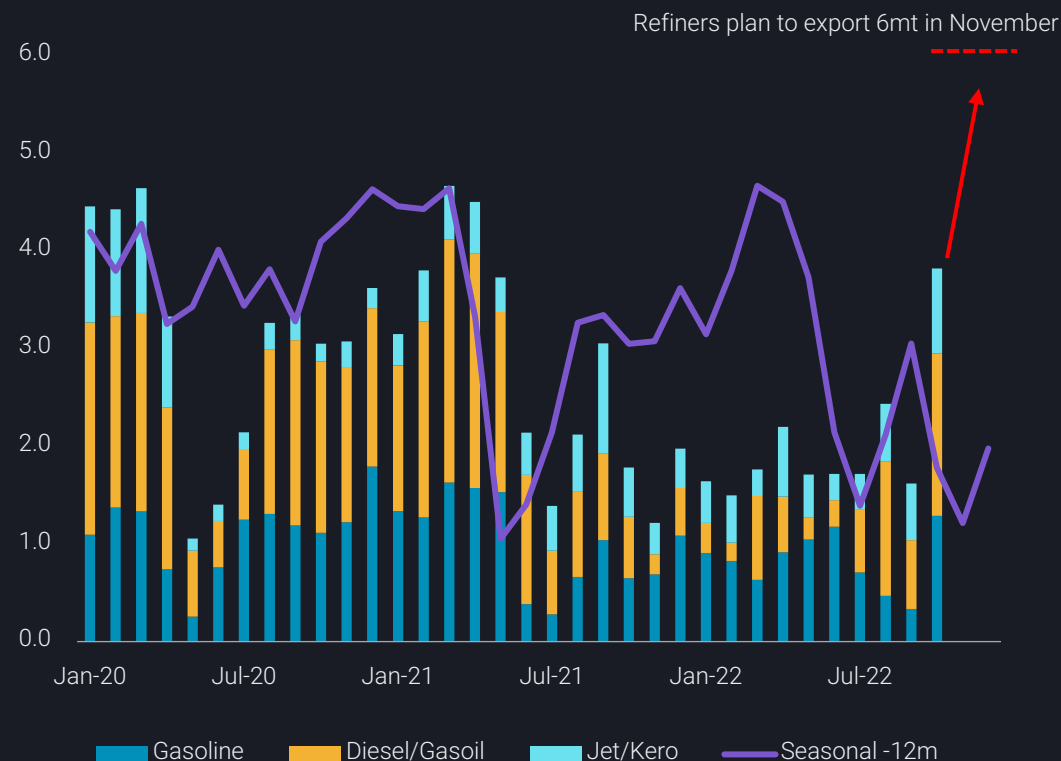


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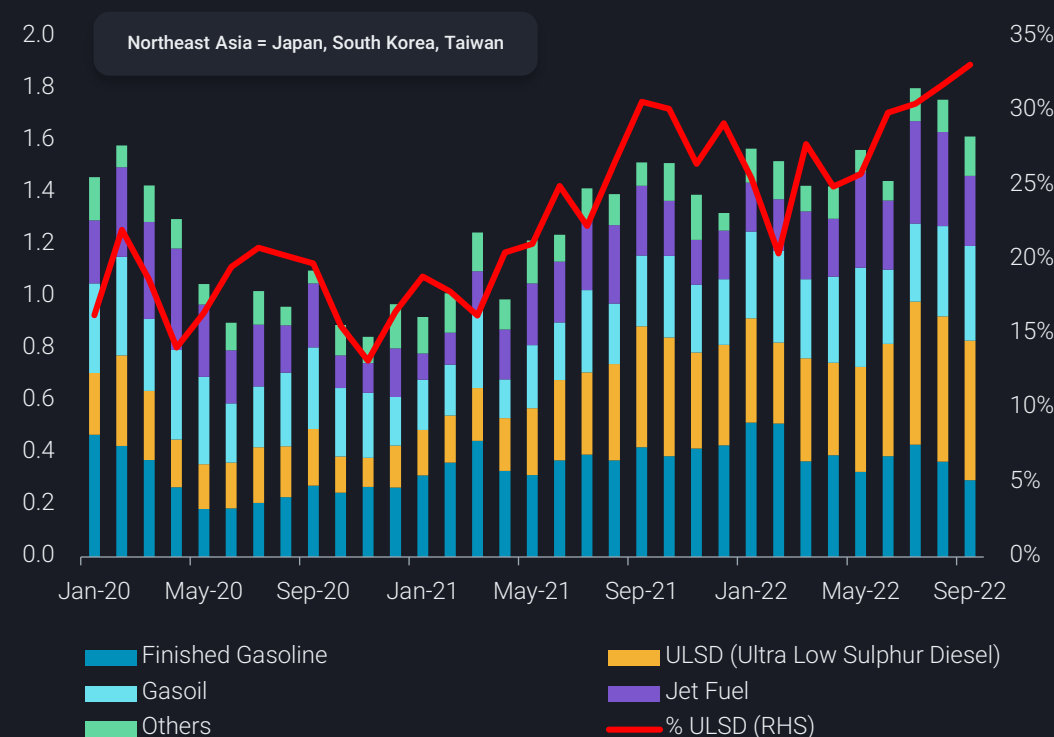
China issues additional product export quotas to incentivise economy; diesel drive CPP exports in East Asia...

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China's clean product exports (mt)



Northeast Asia clean product exports by product category (mbd, LHS) and percentage ULSD (% , RHS)

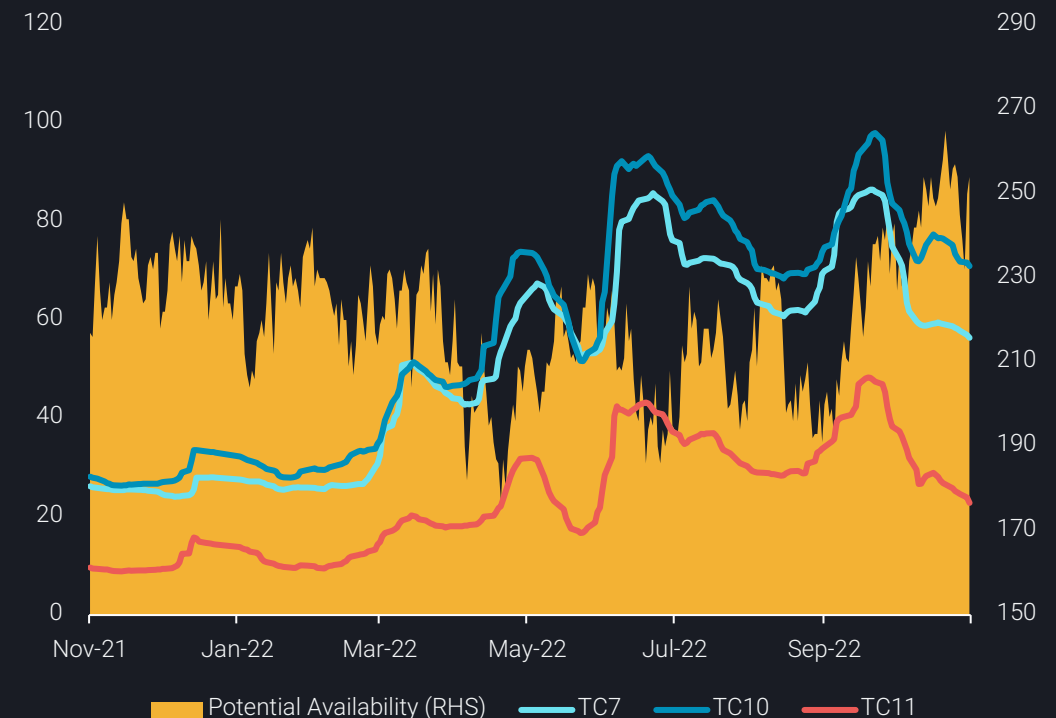


...Thus MRs are heading East, where opportunities of employment rising, but tonnage availability currently caps rates

MR fleet distribution (no. of vessels)



TC7, TC10, TC11 (LHS, no. of vessels) on Pacific routes vs availability (RHS, no. of vessels) in East & Southeast Asia

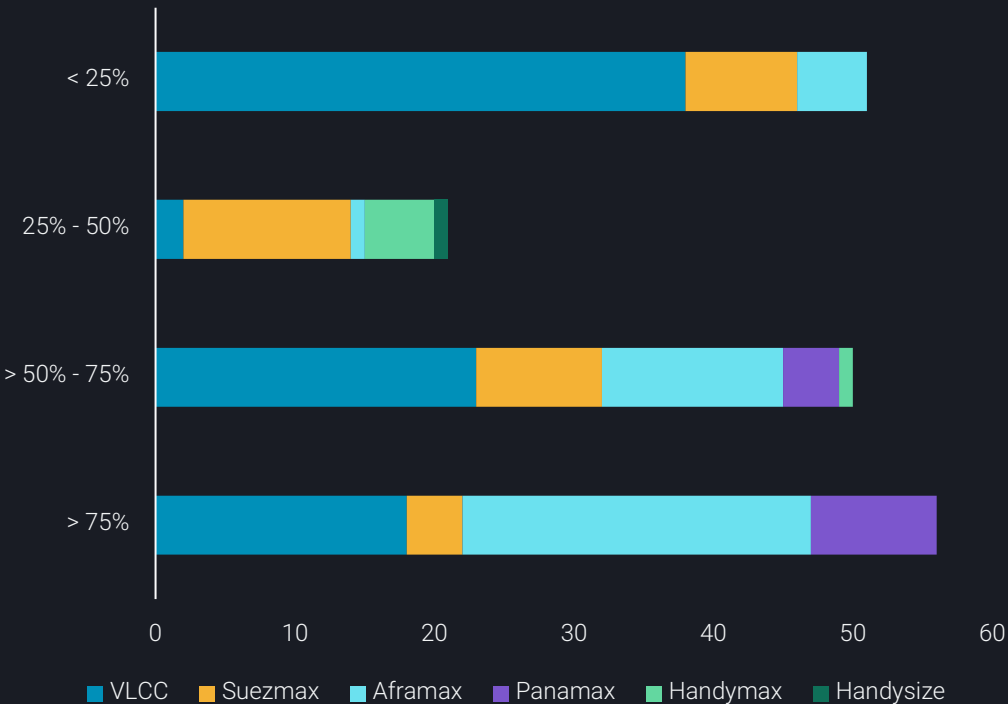


The Wildcards: Iran, EU ban & the oil supply

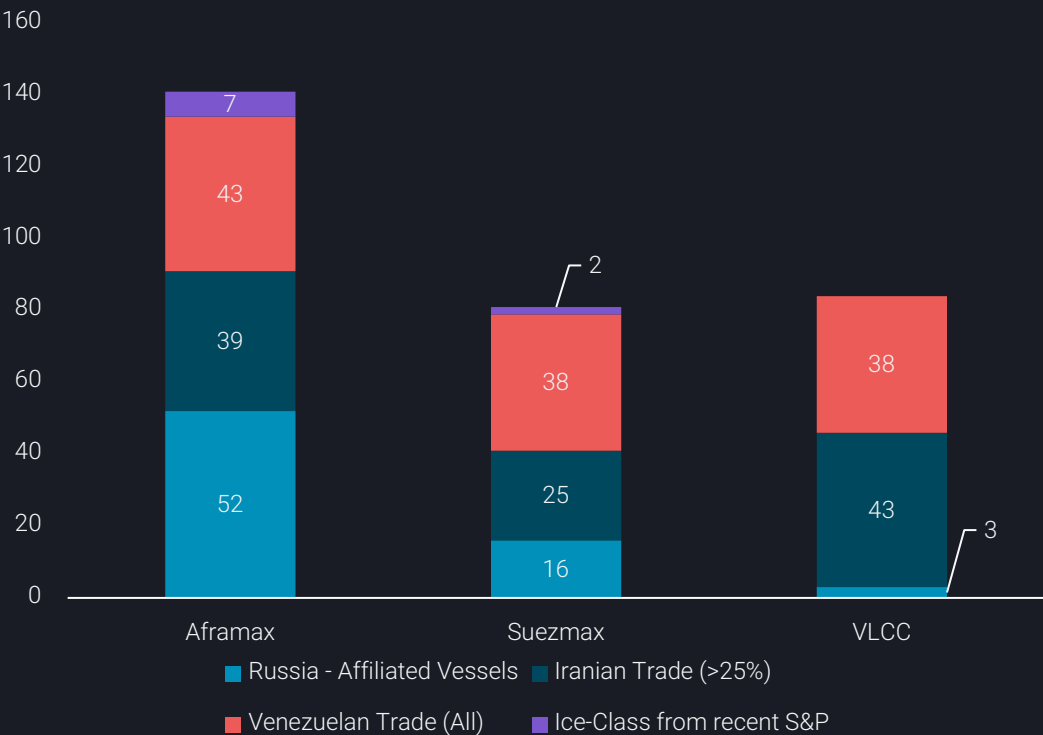
An additional 56 Iranian tankers identified as highly likely to switch to Russian trade

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Count of tankers identified as viable candidates to switch from Iranian trade to Russian trade based on their likelihood (%), split by vessel class



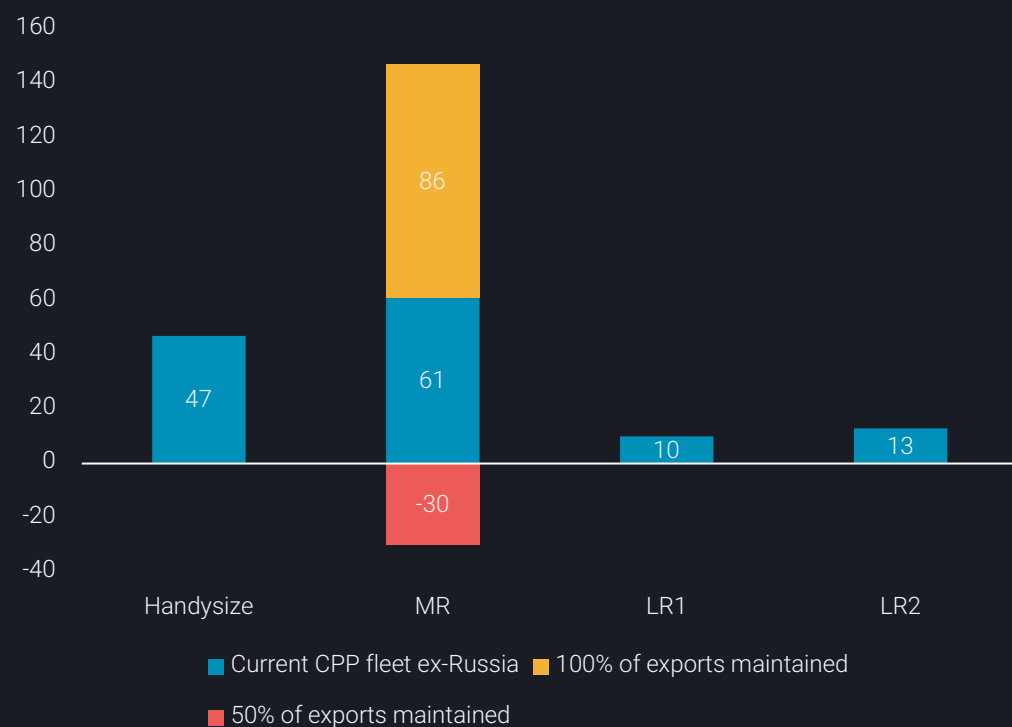
Number of viable candidates for carrying Russian crude post-EU ban (no. of vessels)



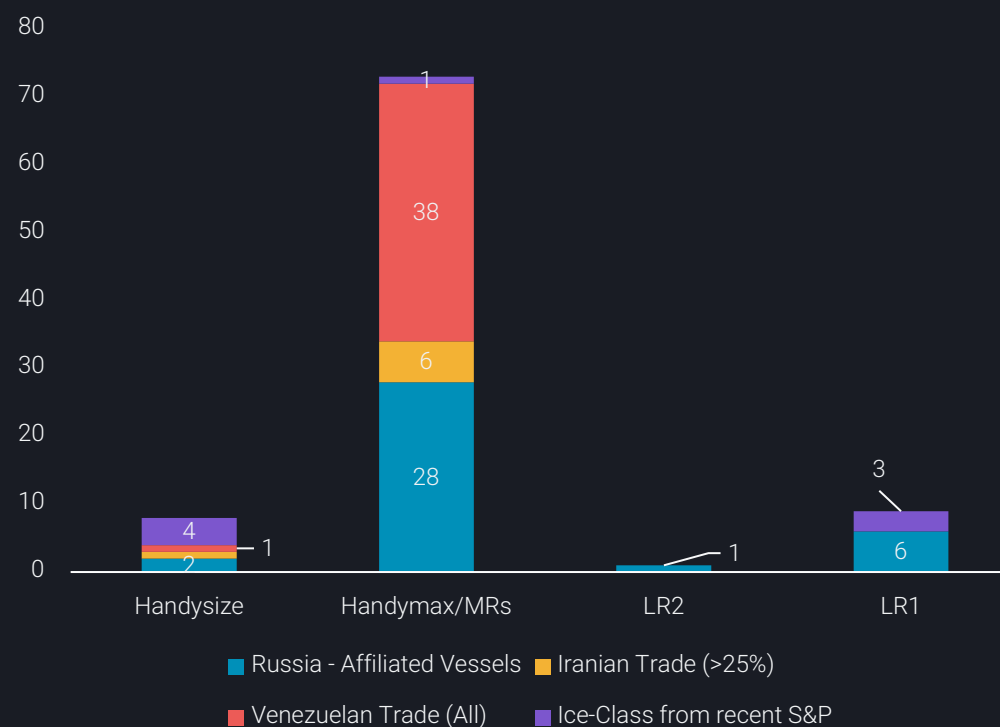
Is the shadow CPP tanker fleet enough to accommodate the reshuffling of CPP Russian exports?

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CPP Tanker fleet requirements to accommodate Russian exports to friendly states by vessel class (no. of vessels)

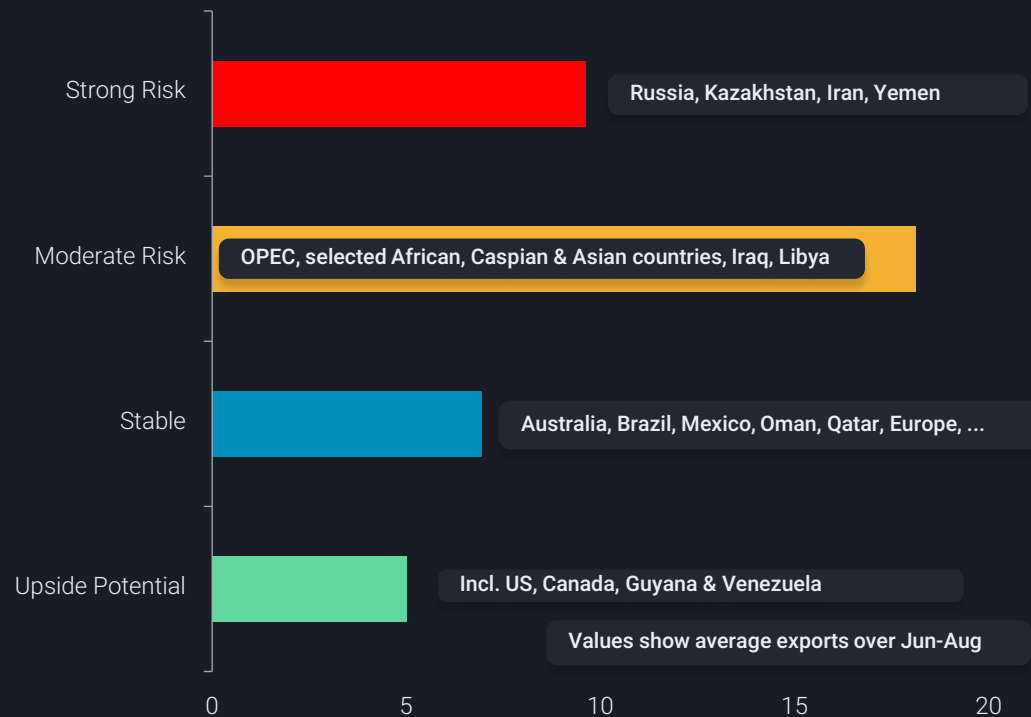


Number of viable candidates for carrying Russian CPP post-EU ban (no. of vessels)



While crude supply is currently relatively ample, this can change very quickly on a highly skewed risk vs supply growth profile

World seaborne crude/condensate exports by country grouped into production/political risk groups (mbd)

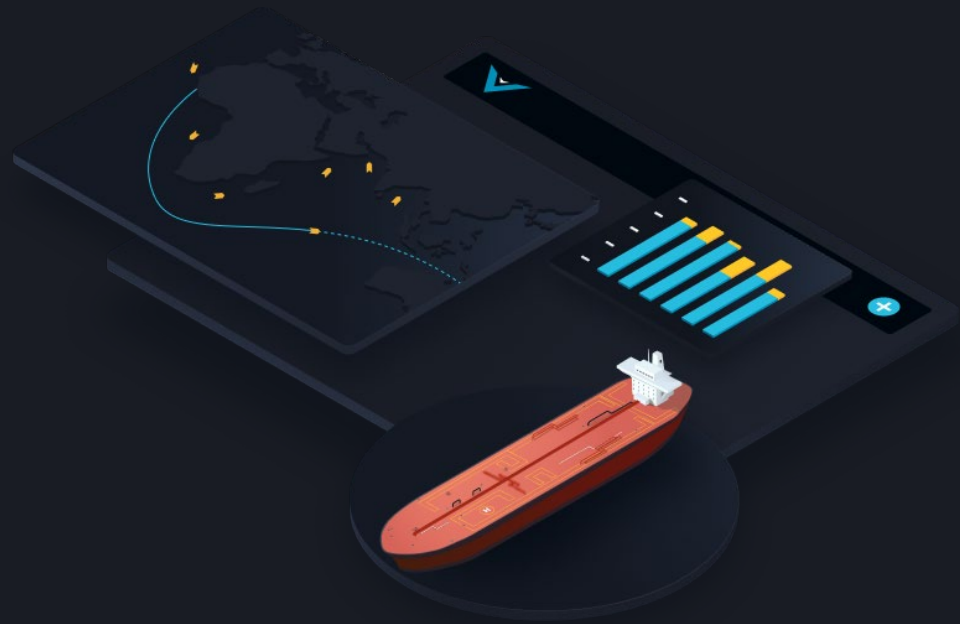


EIA US crude production forecast (mbd)



Key takeaways

- European diversification and higher refinery runs from China are poised to support all crude tanker segments in the short-term
- Global crude supplies could be at risk in the medium term which in turn could impact trade demand fundamentals and hence freight rates
- Tight diesel supplies in the West are migrating MRs in the East, but the surge of longer-haul destinations are required to absorb current over capacity amidst weaker light distillate trade
- Europe & Russia made progress in phasing out mutual dependence. From Europe's side, much of the diesel reshuffling has already taken place, relatively easier
- Russia is dependent on a very few buyers, and runs into severe ice-class tanker restrictions in the Baltic and Arctic, with the rerouting of Druzhba barrels as further challenge
- CPP fleet is not sufficient to absorb current Russian CPP exports, leading to a prospective shortfall in exports
- The above may lead to Russia, ultimately accepting an oil price cap implemented from G7



Thank you

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