Market Views
November 2023

VORTEXA

Market Views

Signs of weakness emerge in overall volatile market

Agenda

Register for our weekly Vortexa Analysis Briefings

where we present our key views in 15min

every Tuesday ET 12:00

Oil demand momentum shows clear signs of slowing

China demand growth in 2024 may well be lacklustre

Saudi-led OPEC+ cuts have tightened the market, but stocks are not drawing anymore on weak demand, poor refinery margins as well as growing crude supply

American crude supplies are increasingly going to Asia, underpinning dirty freight

Diesel margins appear to be on a consistent easing path

Refinery supplies have easily met product demand over recent months in spite of strong refinery maintenance

Freight rates – both clean and dirty – receive support from longer voyages but not from transported volumes

The recent dirty freight rally may not have many legs

2024 may not see much effective refinery capacity expansion

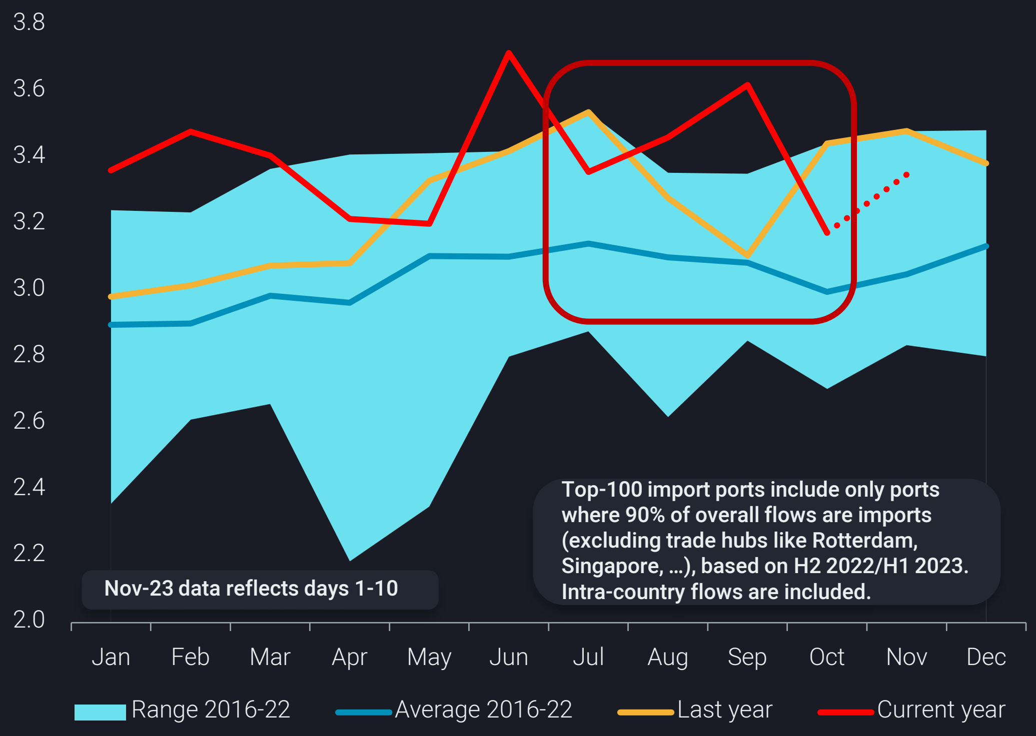
This presentation has been compiled under the guidance of

David Wech

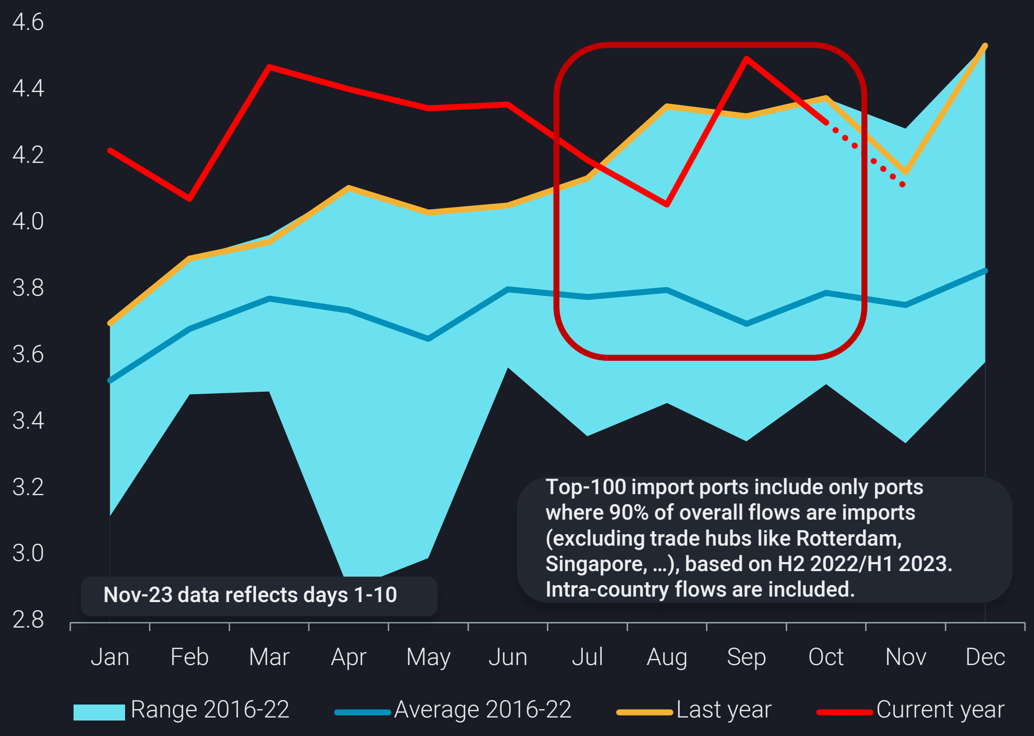
Chief Economist

Over Jul-Oct, demand momentum for gasoline & diesel has slowed by about 100kbd vs seasonal norm compared to H1 2023

Gasoline/blending components arrivals in Top-100 gasoline import ports (mbd)



Diesel arrivals in Top-100 diesel import ports (mbd)

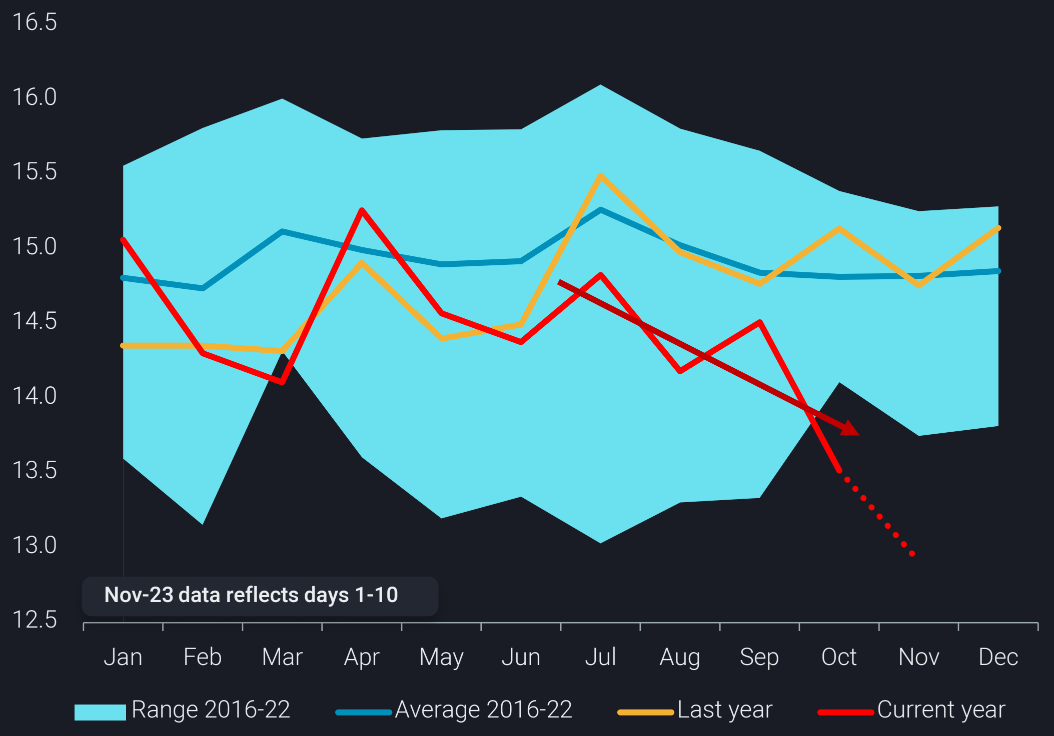


Get live data on platform

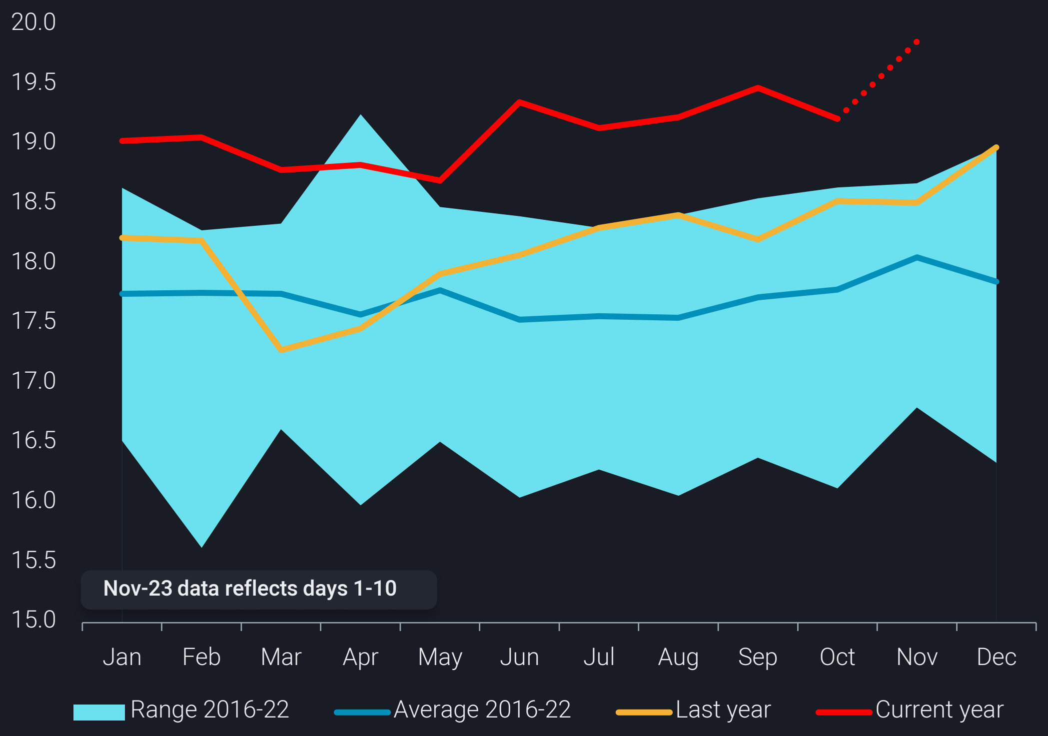
Get live data on platform

Product imports diverge strongly between basins, with AB at 32-month low, while Pacific Basin remains close to all-time high

Total seaborne product imports into Atlantic Basin (mbd)



Total seaborne product imports into Pacific Basin (mbd)

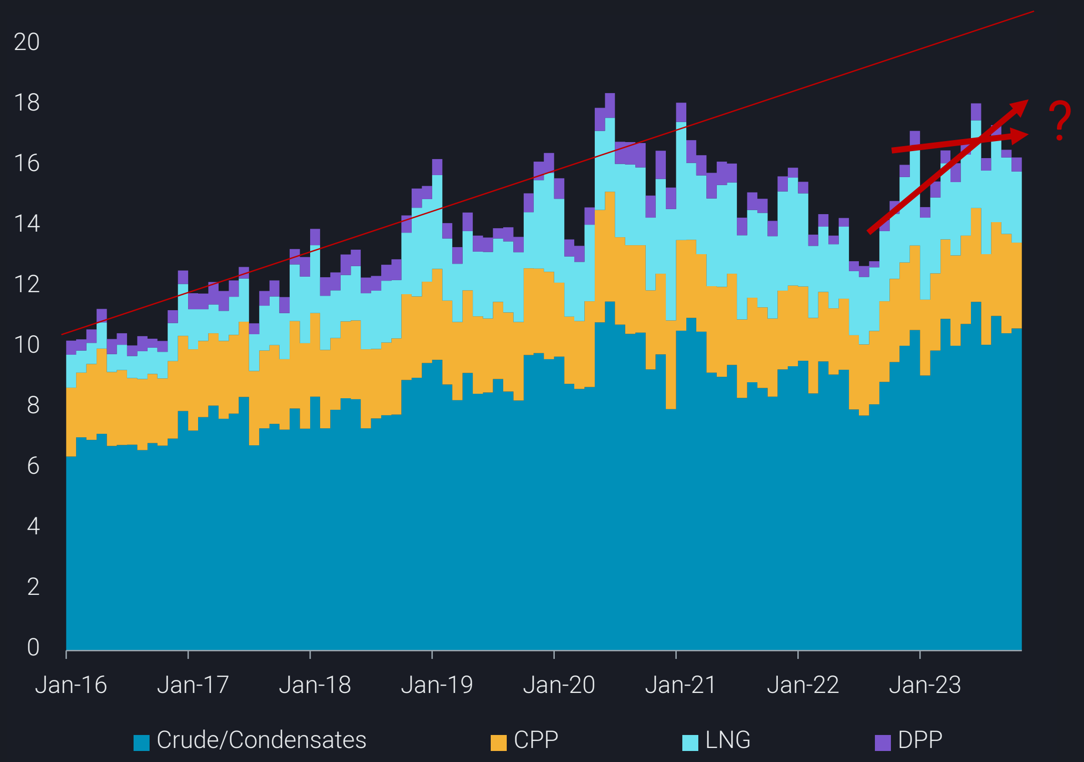


Get live data on platform

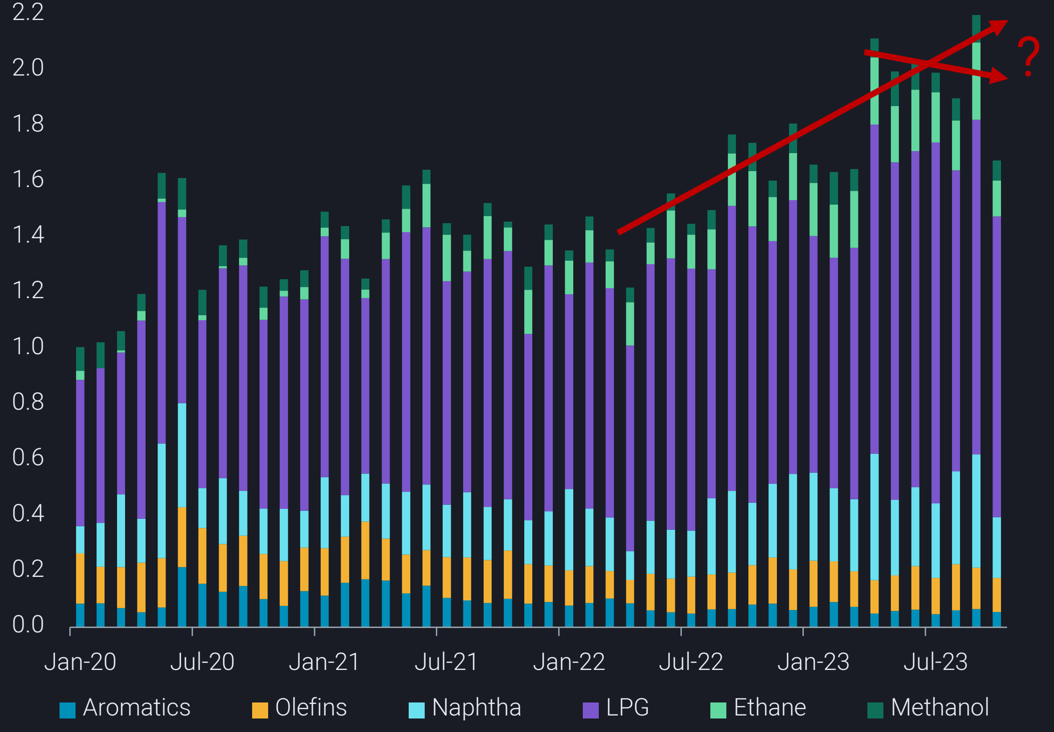
Get live data on platform

China seaborne oil imports staged a strong comeback, driven by crude and petchem feeds, but momentum seems to stall

China seaborne energy imports by type (mbd)



Chinese imports of selected petchem-related products (mbd)

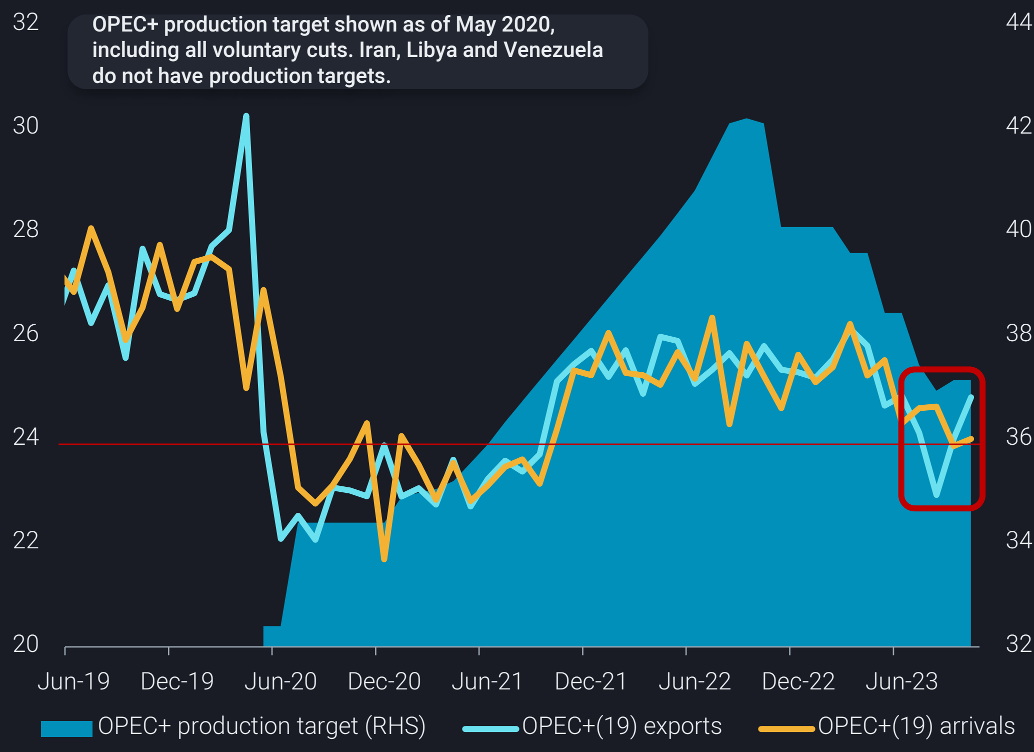


Get live data on platform

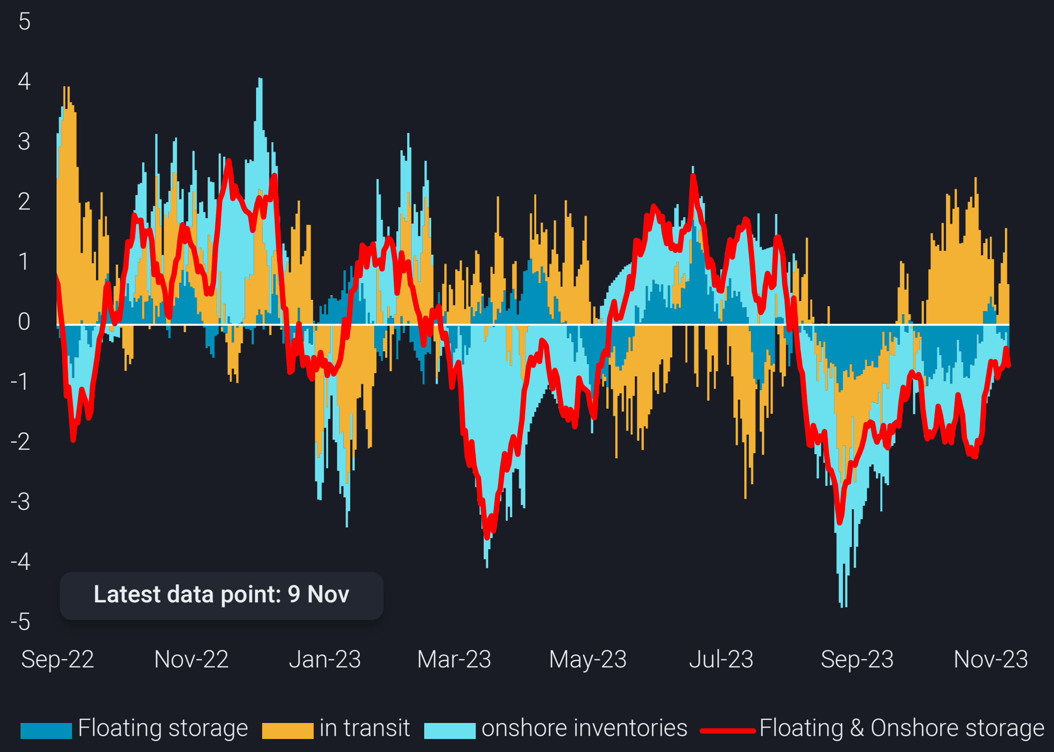
Get live data (LPG+, naphtha, methanol, aromatics)

Imports of OPEC+ crude have been only 700kbd above Covid period in Sep-Oct; stockdraws coming nevertheless to an end

OPEC+ crude/condensate exports and arrivals (LHS) and production targets (RHS, incl. voluntary cuts) (mbd)



Change in world crude inventories by type (4-week average, mbd)

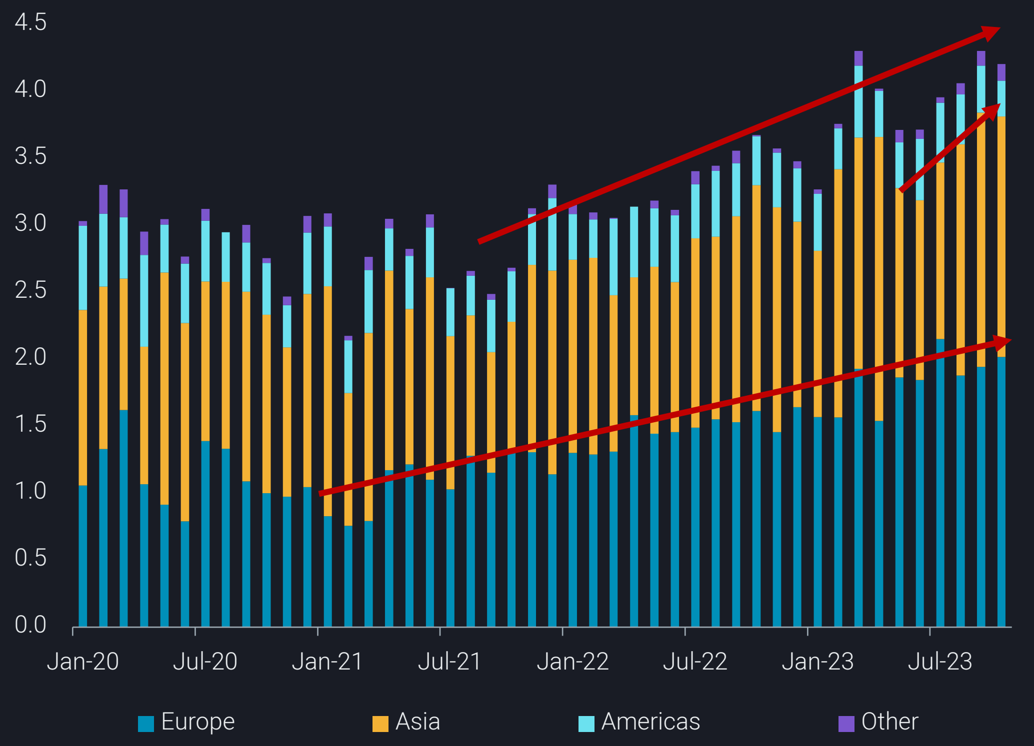


Get live data (OPEC-19 exports, OPEC-19 arrivals)

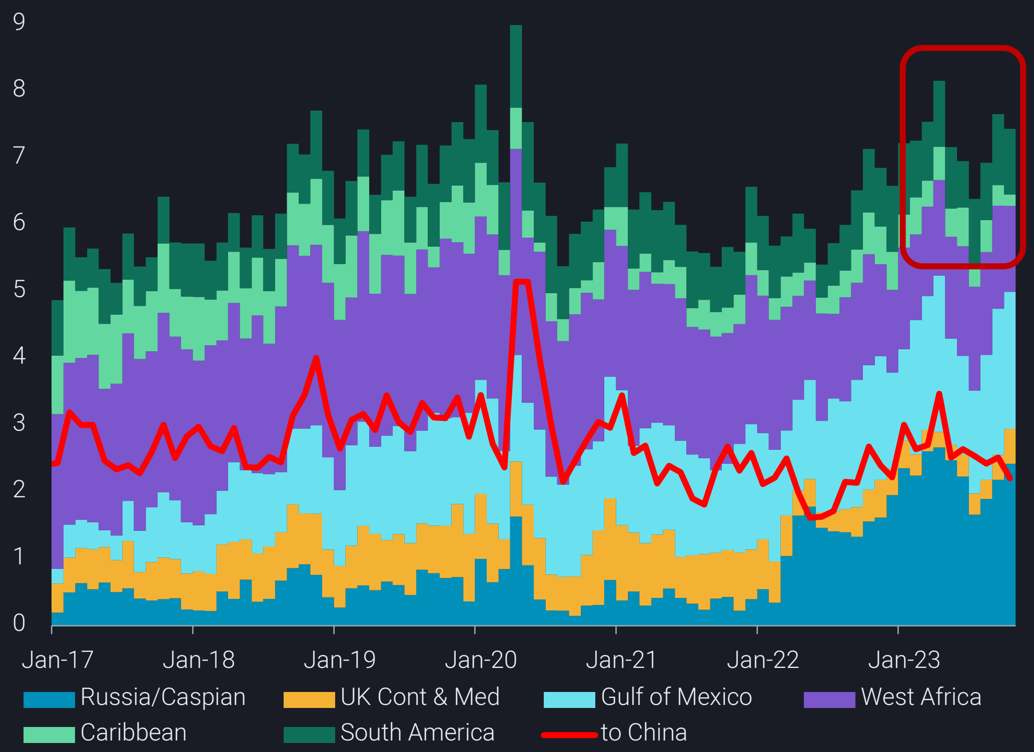
Get live data (floating storage, in-transit, inventories)

American crude exports serve as main marginal supplier; recently more American supplies go to Asia outside China

US seaborne crude/condensate exports by destination region (mbd)



Atlantic Basin crude & condensate exports by origin region to East of Suez markets & volume to China (mbd)

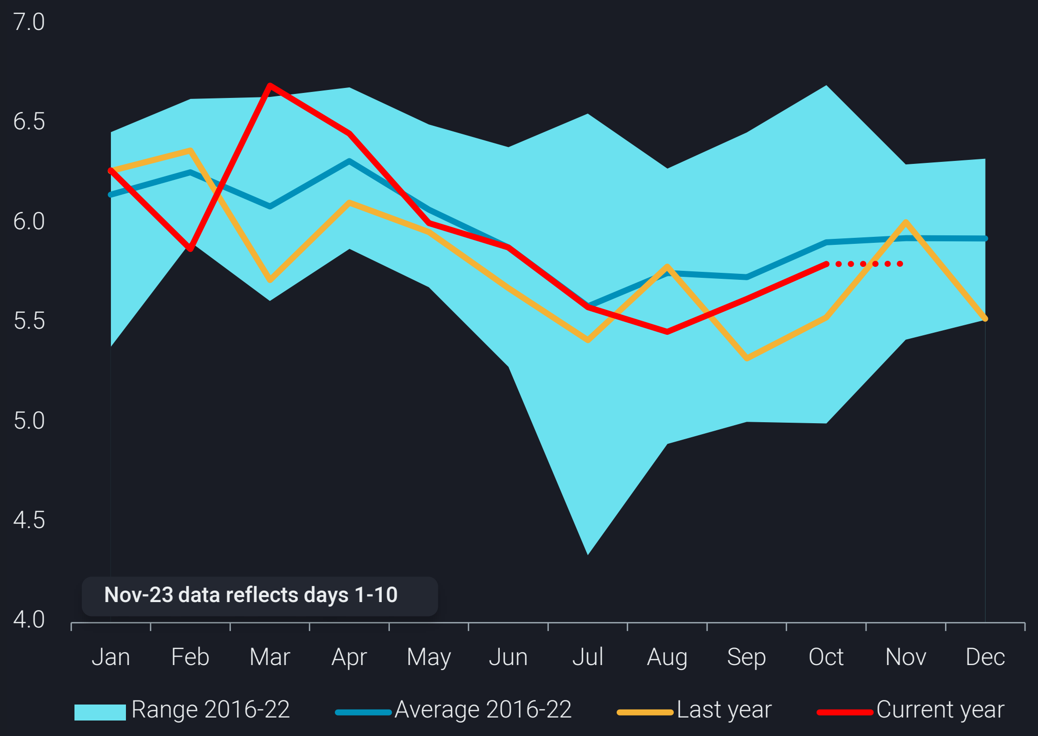


Get live data on platform

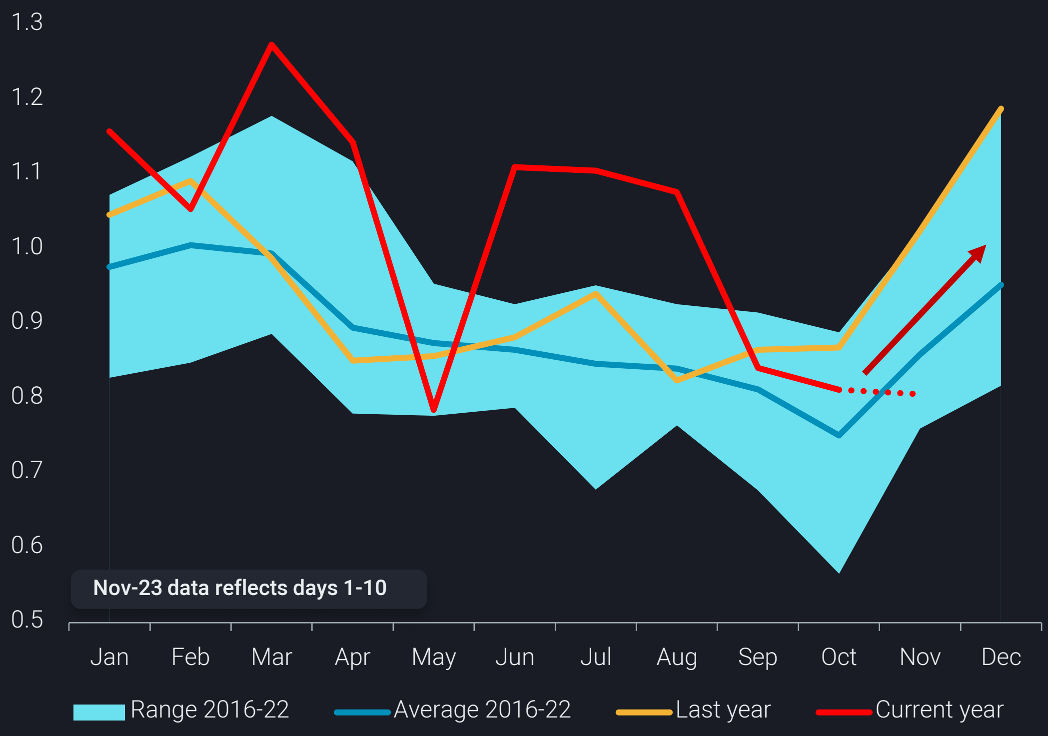
Get live data on platform

Russian crude and product exports trend (only) 170kbd below seasonal norm, with diesel exports set to increase from here on

Seaborne exports of Russian crude (excl. CPC Blend, KEBCO and other transit grades) and products (mbd)



Russian seaborne diesel exports (mbd)

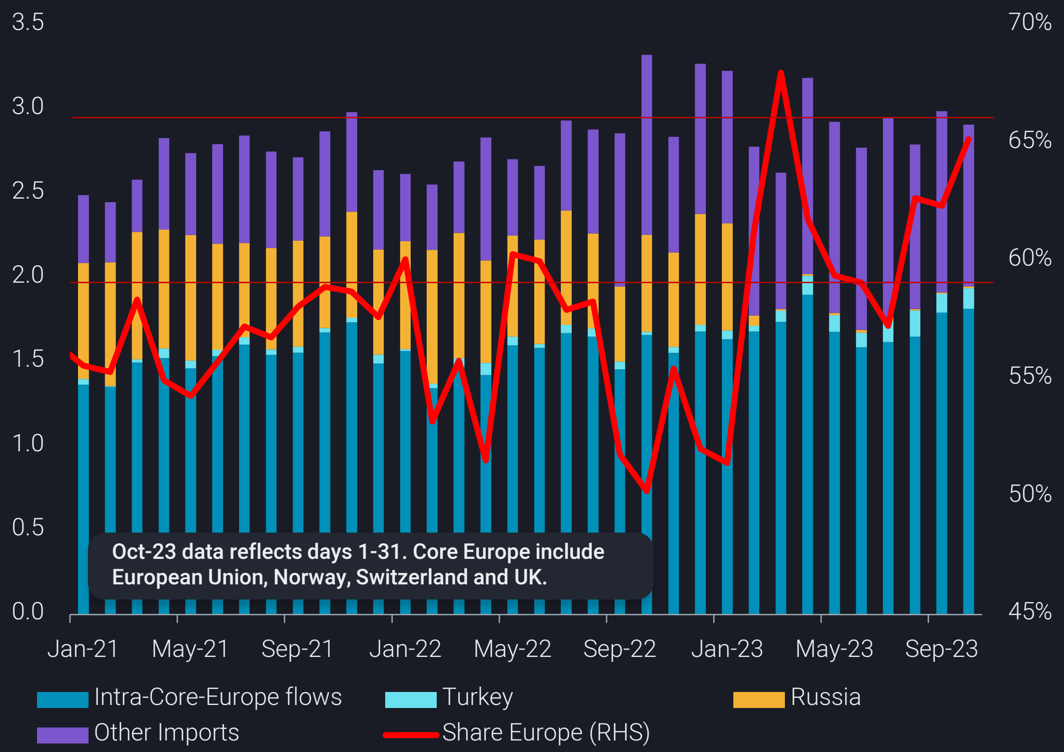


Get live data (all crude & products, Russian crude)

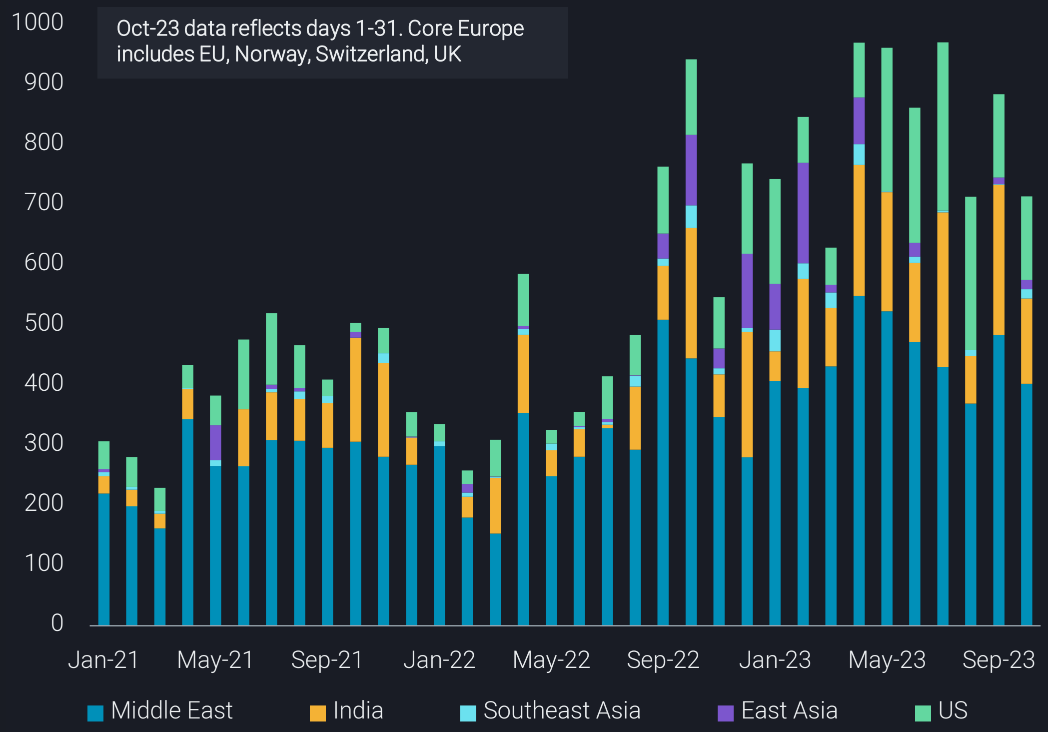
Get live data on platform

Europe remains well supplied with diesel, with more regional supplies meeting demand, including record exports from Turkey

Core European seaborne diesel supplies by selected sources (mbd) & share of European supplies (%, RHS)



Core European diesel imports from non-European origins (kbd)

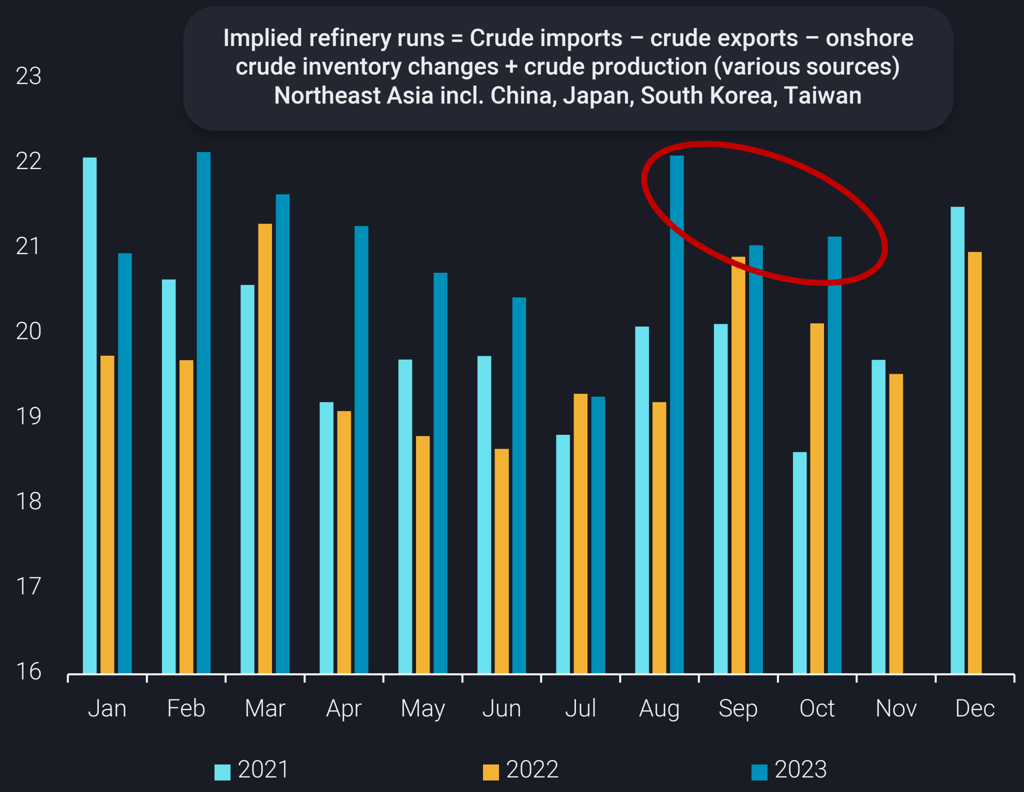


Get live data (intra-flows, Turkey, Russia, total)

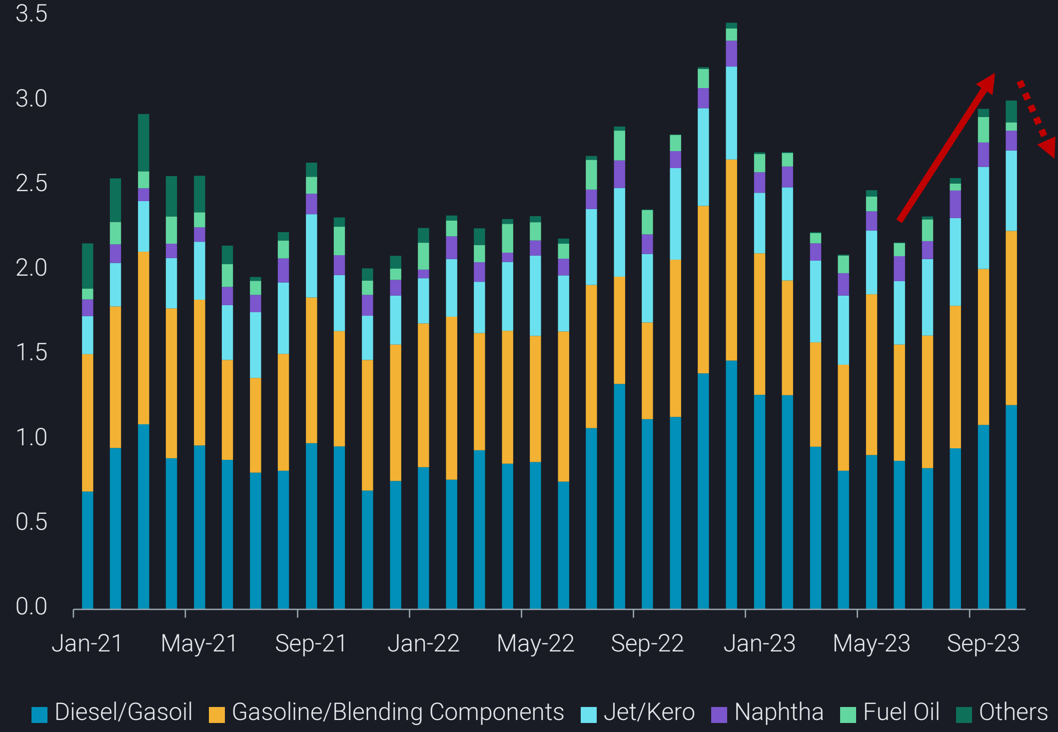
Get live data on platform

East Asia's robust refinery runs push region's refined product exports to 10-month high, overwhelming markets somewhat

East Asia implied refinery runs (mbd)

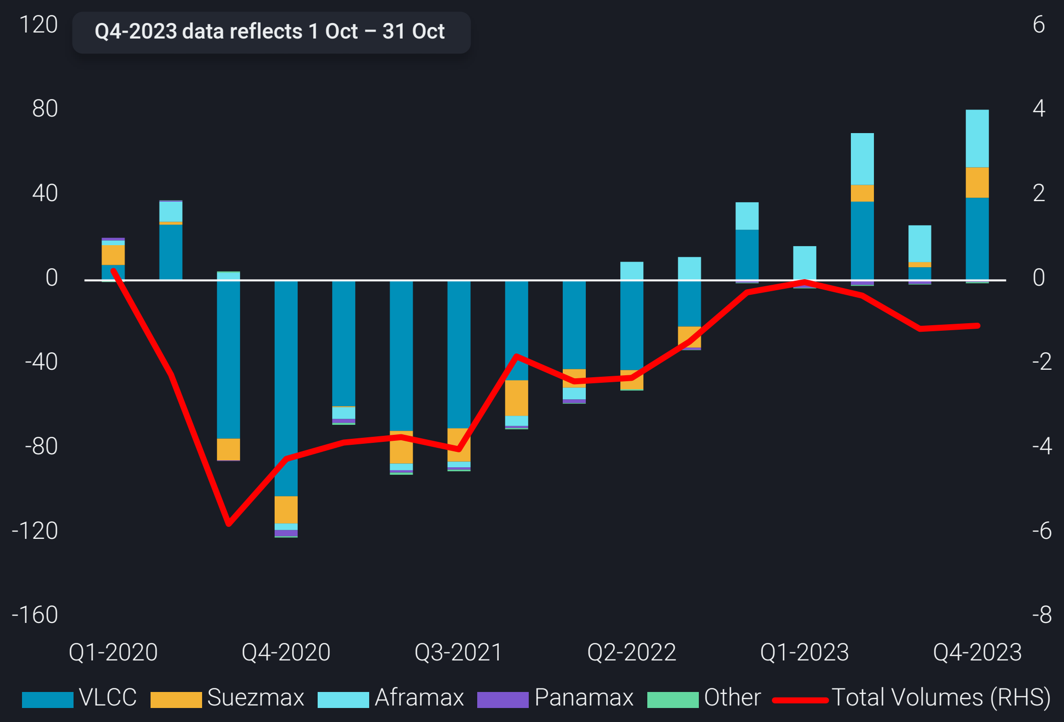


East Asia refined product exports (mbd)



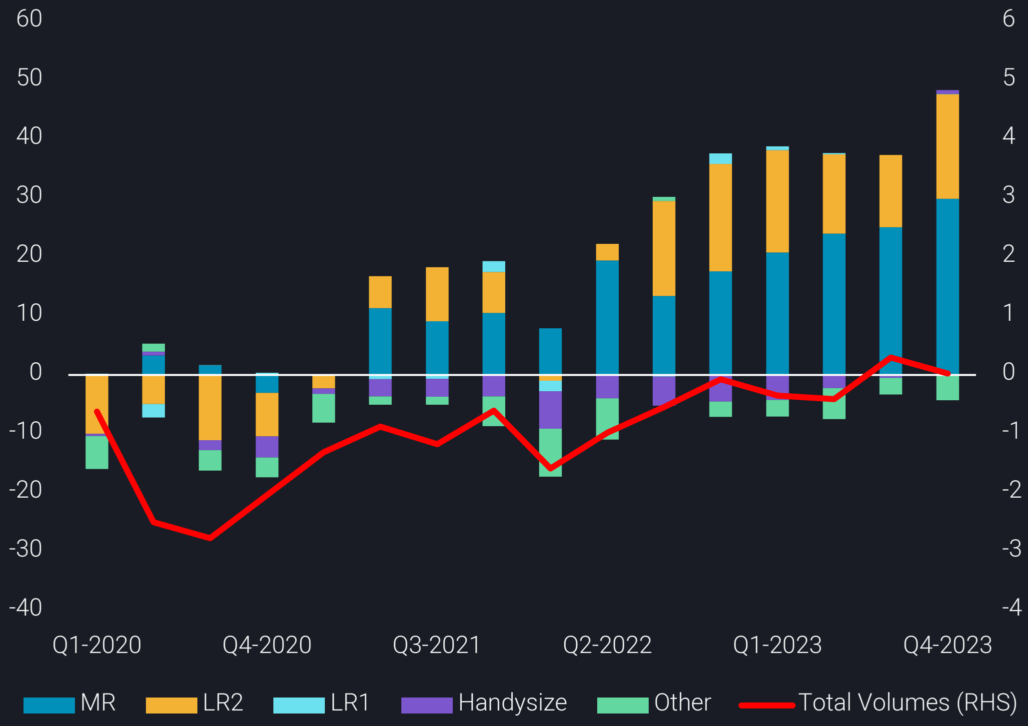
Long-haul deliveries are binding dirty & clean vessel capacity, but underlying volumes are not growing so far in 2023

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



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

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



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

Main dirty vessel fundamentals – laden and ballast utilisation & speed – do not really justify particularly high freight rates

Combined utilisation of VLCC, Suezmax and Aframax dirty vessels by status (no. of vessels)

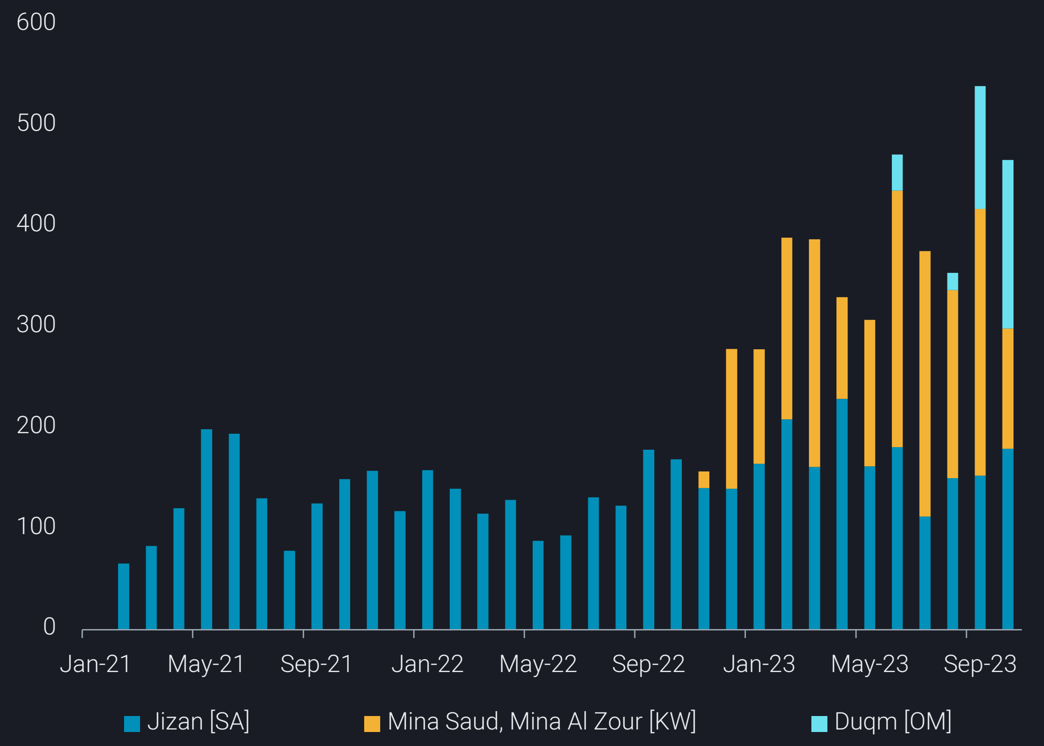
[Get live data on platform]

Average speed of VLCC, Suezmax and Aframax dirty vessels by status (knots)

[Get live data on platform]

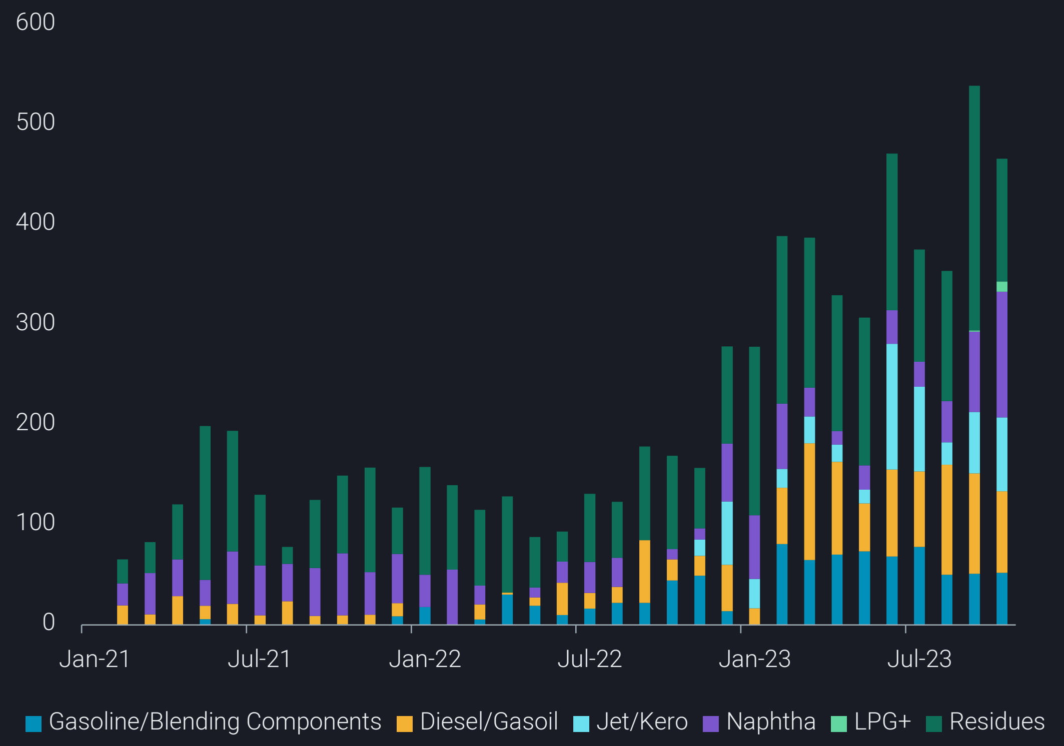
New Middle Eastern refining capacity struggles to produce on-spec product, while 2024 may see very little new capacity

Product loadings from Middle Eastern grassroot refineries by refinery (kbd)



Get live data on platform

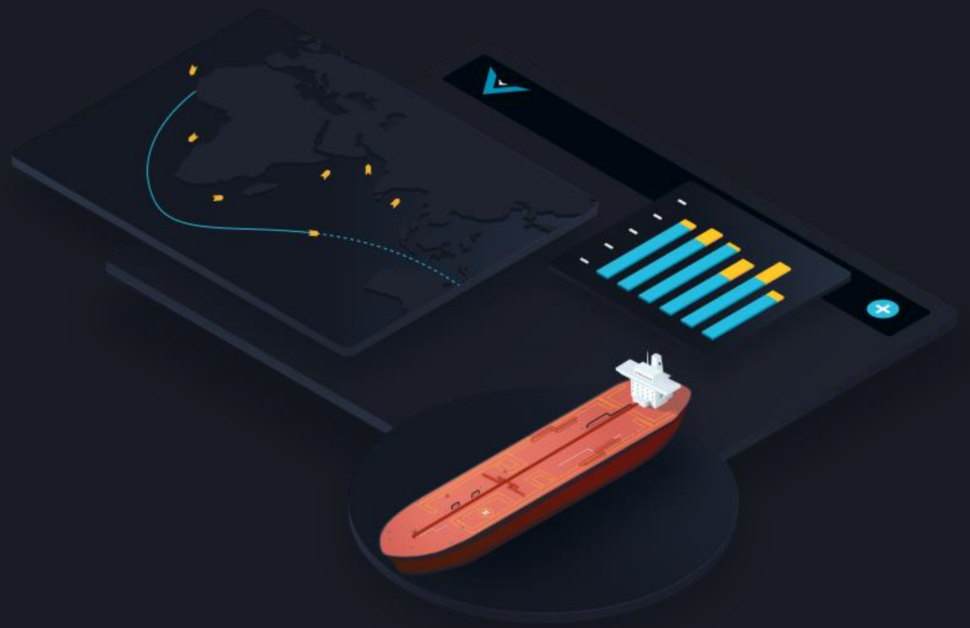
Product loadings from Middle Eastern grassroot refineries by product (kbd)



Get live data on platform

Disclaimer

This information is a market analysis service, it does not constitute a solicitation for the purchase or sale of any commodity or financial instrument. Any persons acting on information contained in this material do so solely at their own risk. Vortexa Ltd and its affiliates are not responsible for the accuracy of data collected from external sources and will not be held liable for any errors or omissions in facts or analysis contained in this information service. While all reasonable care has been taken to ensure that the facts stated in this material are accurate and that the forecasts, opinions and expectations contained herein are reasonable, Vortexa and its affiliates make no representations or warranties whatsoever to the completeness or accuracy of the information provided. Accordingly, no reliance should be placed on the accuracy, fairness or completeness of the information contained in this material. Vortexa accepts no liability whatsoever for any loss arising from any use of this material or its contents, and neither Vortexa nor any of its employees shall be in any way responsible for the contents hereof, apart from the liabilities and responsibilities that may be imposed on them by law. Vortexa's third party sources provide data on an "as-is" basis and accept no responsibility and disclaim any liability relating to reliance on or use of their data by any party. When Vortexa comments or opines on data obtained from third party sources, these comments or opinions shall be understood as Vortexa's own comments or opinions unless a third party is quoted as their source.



Market Intelligence & Analytics Services

Book your free demo!

The Vortexa market intelligence & support team comprises 20+ people globally, averaging 10+ years in energy and freight analytics. Based in London, Singapore and Houston, our analysts work with our clients to extract value from our analytics.

Client reports

- 3 PDF reports p/w
- Weekly Freight Newsletter
- Concise bullet & chart format covering energy flows & freight

Client video briefings

- 2 x 15 minute live video briefings p/w
- Attendees anonymous to others
- On demand archive available

Analyst support

- Expert support
- Useful tips & tricks
- Customised briefings

VORTEXA

Thank you!

London

Vortexa Ltd.
Portsoken House
155 Minories
London
EC3N 1LJ

Singapore

Vortexa Asia Pte Ltd
36 Robinson Road
Singapore
068877

Houston

Vortexa Inc.
2200 Post Oak Blvd
Suite 1000
Houston, Texas
77056

New York

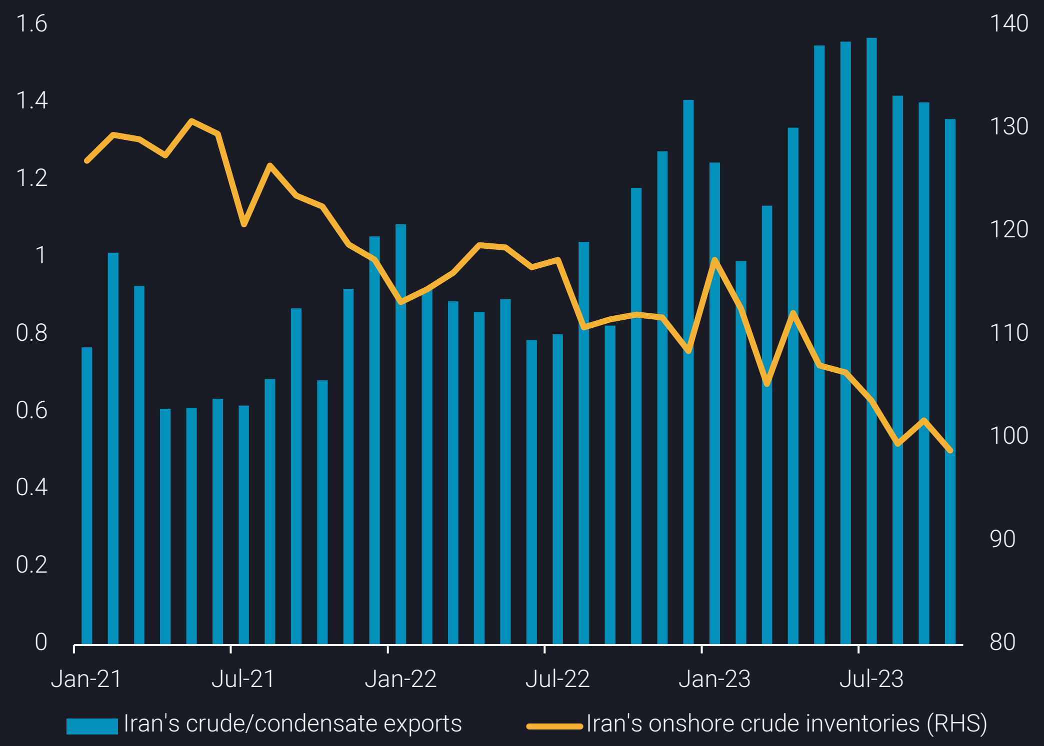
New York
Vortexa Inc
368 9th Ave
New York

Dubai

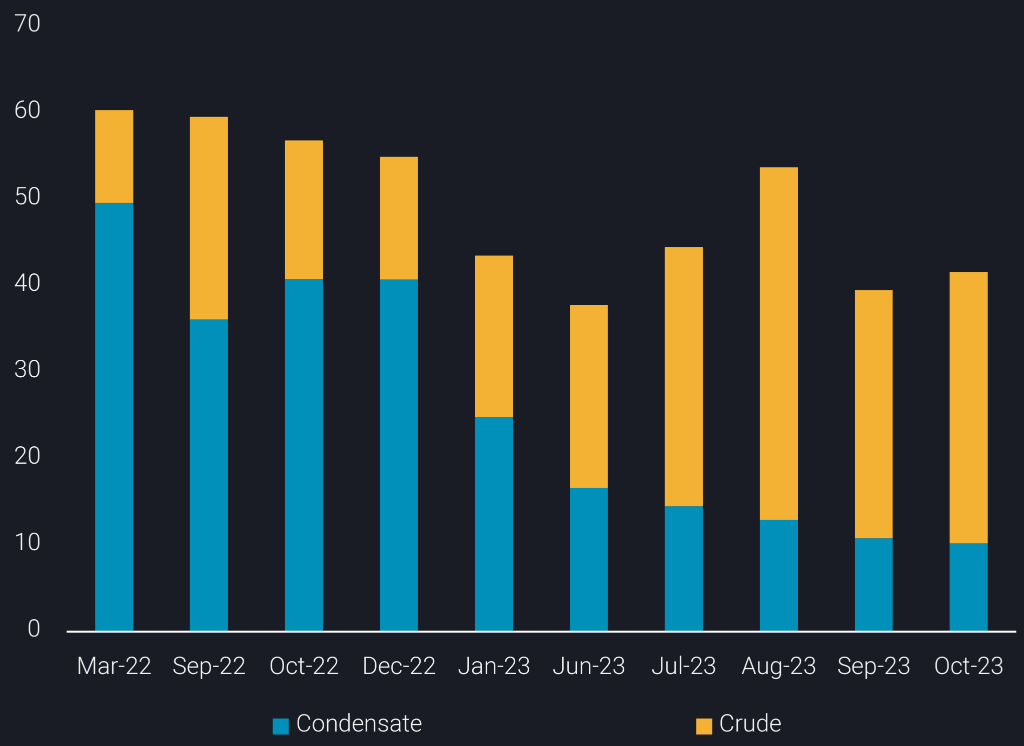
Vortexa Inc.
Level 54, Almas Tower
JLT, Dubai,
UAE

Momentum in Iranian crude/condensate exports is slowing, as onshore stocks have been drawn & floating storage remains low

Iranian crude/condensate exports (mbd, LHS) vs Iranian onshore crude inventories (mb, RHS)



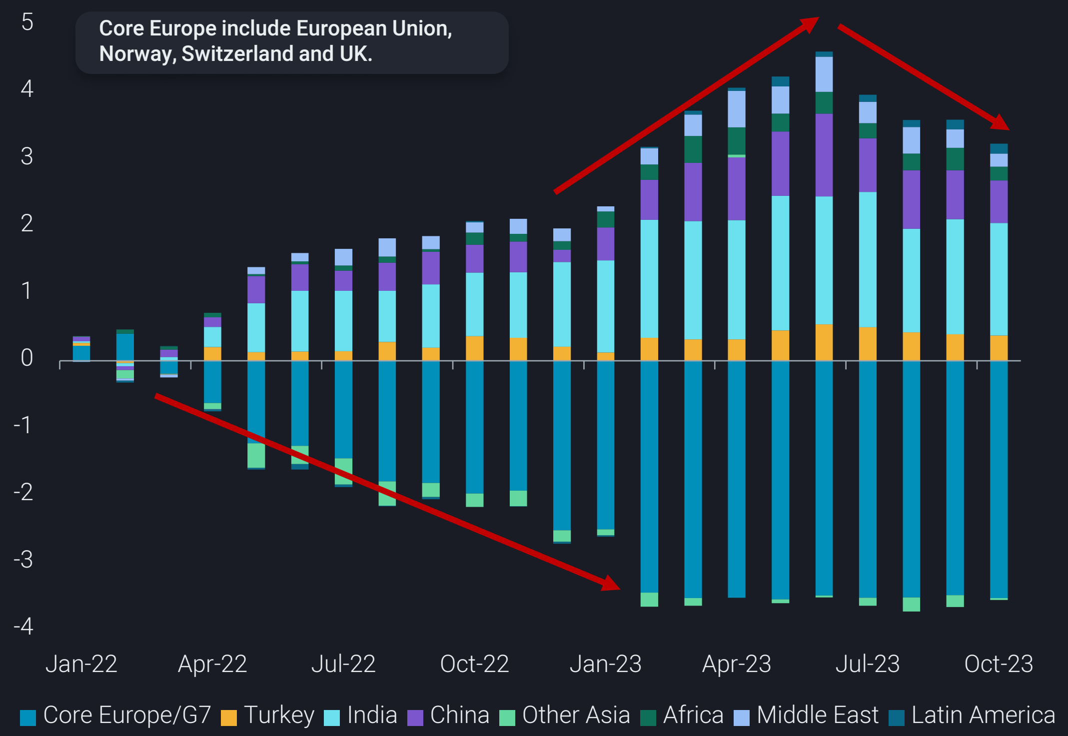
Iranian crude/condensate in floating storage (mb)



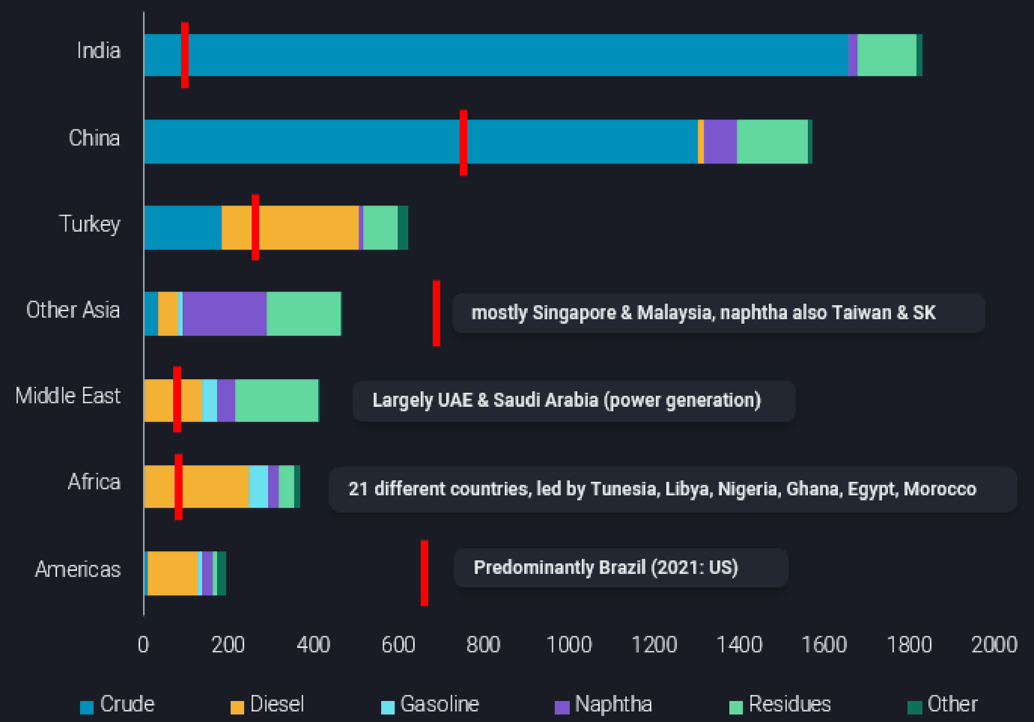
Get live data on platform ([exports](), [inventories]())

China's role in buying Russian oil is shrinking, as are available volumes, while more is staying in relatively closer markets

Change in imports of Russian crude and products vs 2021 average by main destinations (mbd)



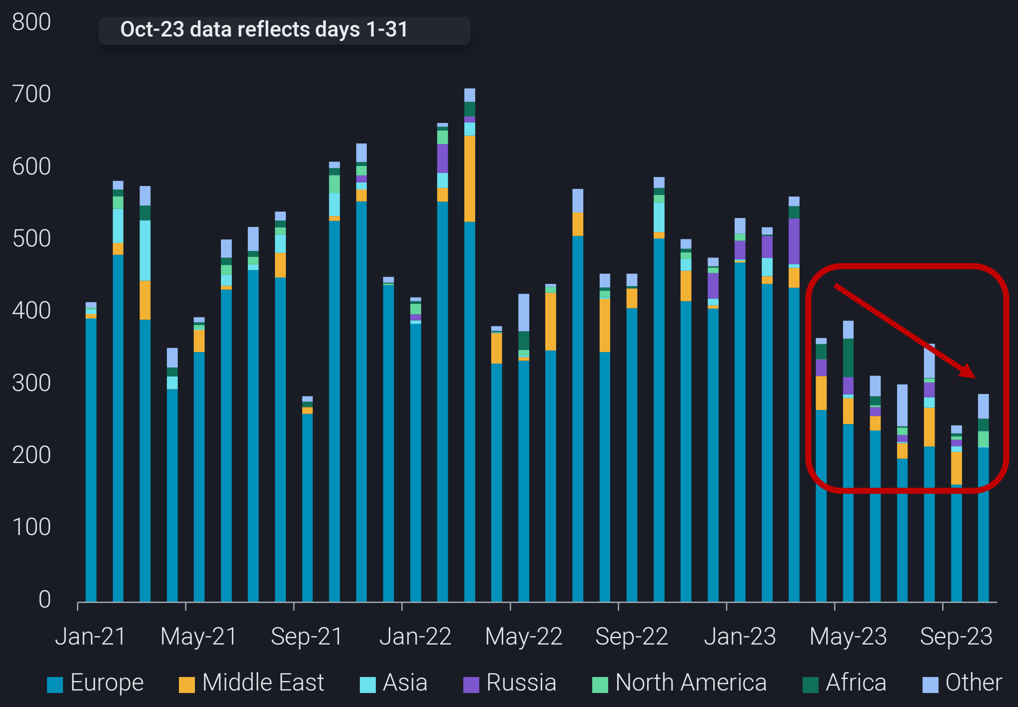
Main importers of Russian oil in Jan-Oct 2023 split by product & 2021 average total import volumes (red lines) (kbd)



Get live data (by product, by region, by country)

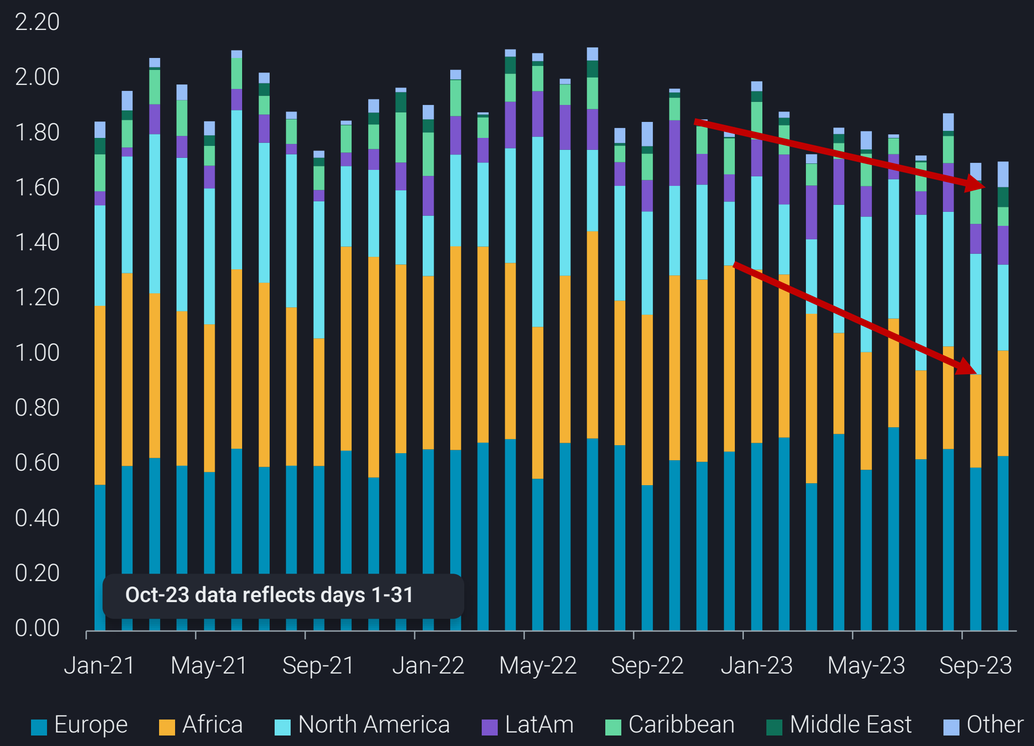
West Africa gasoline imports reflect sharp decline, backing out 200kbd from Europe before Dangote even starts

West Africa gasoline imports by origin region (kbd)



[Get live data from platform]

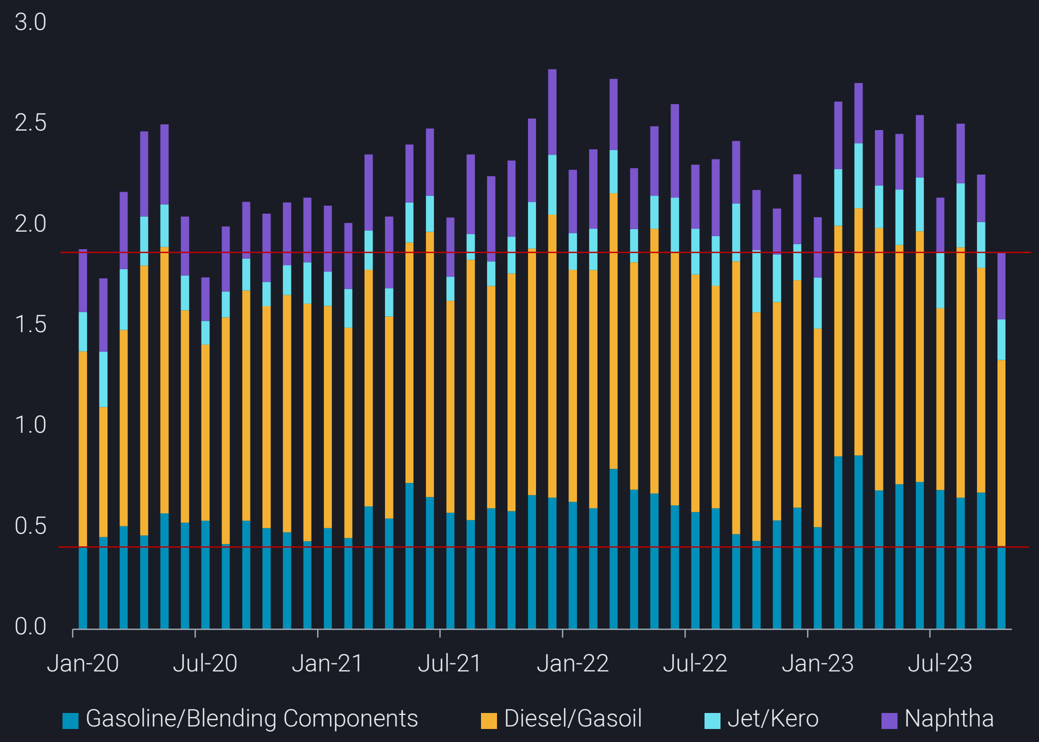
European gasoline exports by destination region (mbd)



[Get live data from platform]

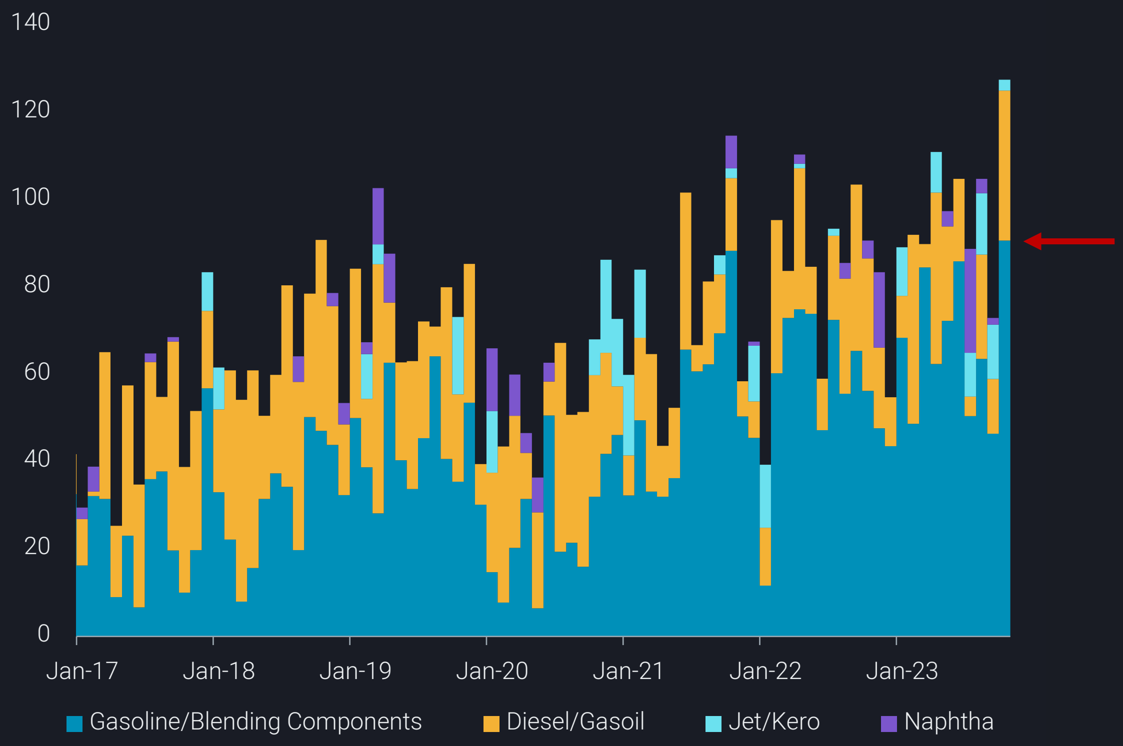
Wider Arabian Sea refinery maintenance shortens gasoline market by 300kbd in October …

India and Saudi Arabia exports of main clean products (kbd)



[Get live data on platform]

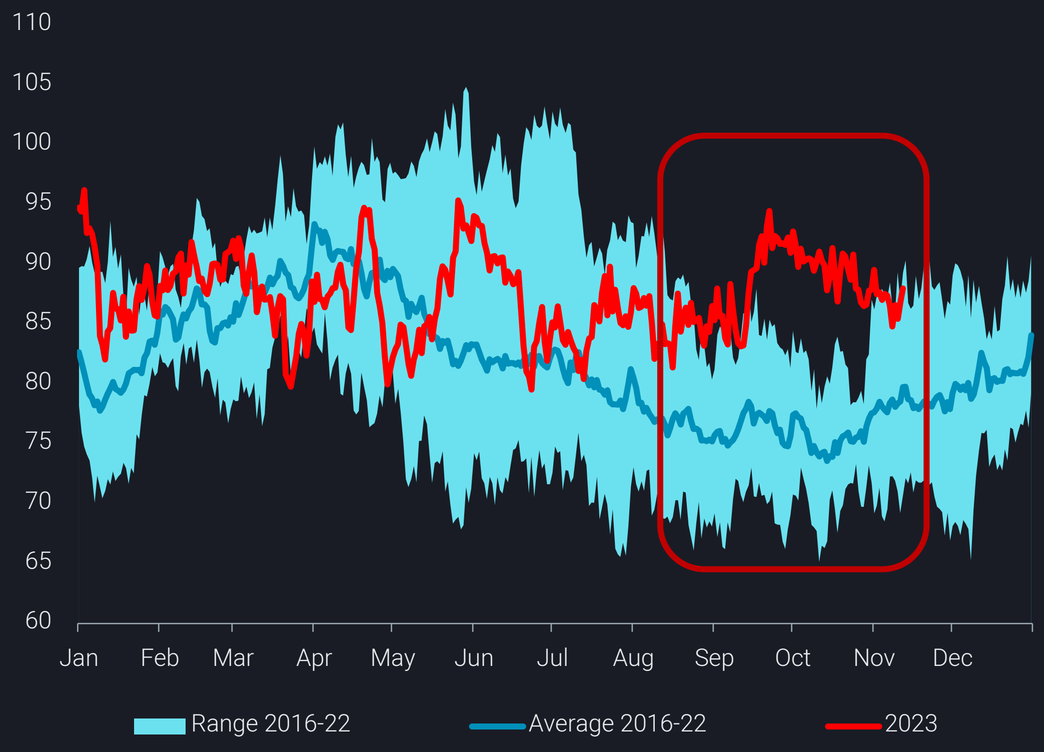
Iraq imports of main clean products (kbd)



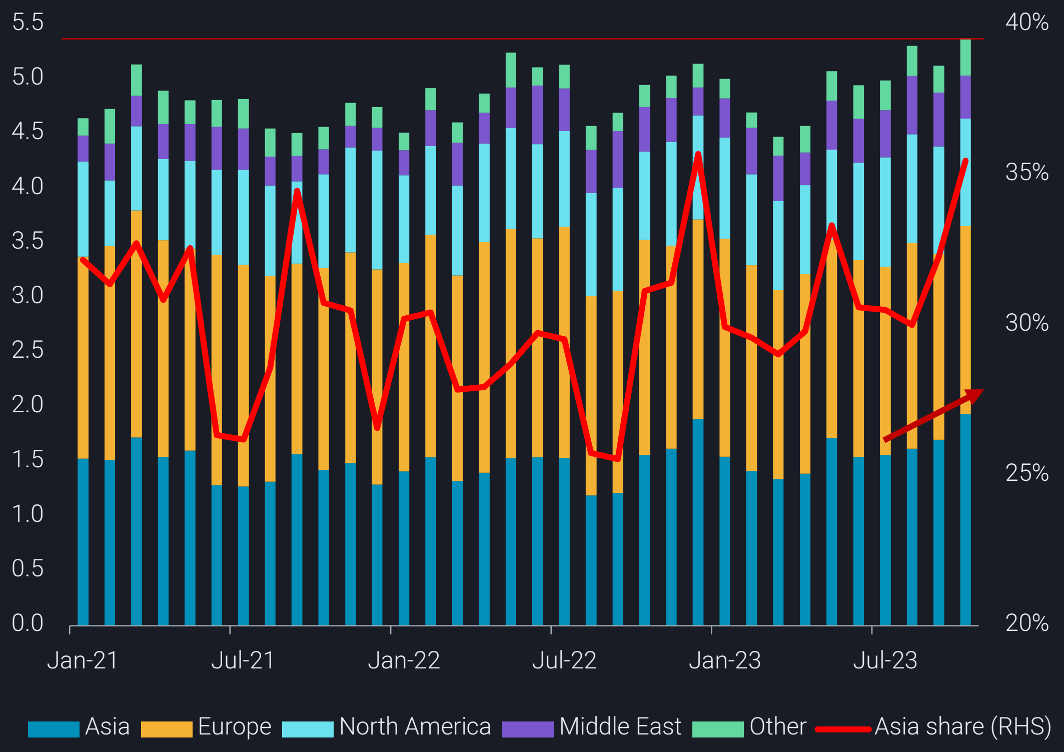
[Get live data on platform]

... but massive exports from other markets, especially Asia, keep gasoline pretty long, as illustrated by in-transit volumes

Gasoline/blending components in transit (mbd)



Gasoline/blending components exports excl. India & Saudi Arabia by origin region (mbd, LHS) & share from Asia (%, RHS)



Get live data on platform

Get live data on platform