



RLA Weekly Report – Friday, 17 May 2024

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In April, US Inflation Eased to 3.4%, Sparking Debates on Timing of Rate Cuts

Economy

- In April, the Federal Reserve noted progress on inflation, with the consumer price index rising 3.4% y-o-y and 0.3% m-o-m, ending a three-month trend of unexpectedly high inflation. Rent prices and core CPI saw their slowest increases in years. Traders anticipate rate cuts in September and December, aiming for a year-end policy rate of 4.75%-5%. However, the Fed Chair suggests delaying rate cuts to ensure the 2% inflation target is met.

Oil

- India's oil demand is projected to rise to 5.80 million b/d in 2025, a 4.1% increase from the 5.57 million b/d forecasted for 2024. This growth will be driven by higher consumption of gasoline and other petroleum products due to robust economic activity. The positive economic momentum of 2024 is expected to persist into 2025, with steady manufacturing and business activities supporting oil demand. Transportation and industrial fuels will continue to be the main drivers, with bitumen, LPG, and naphtha also contributing. Strong investment, an expanding manufacturing sector, government support, and a construction boom are expected to further boost economic growth and oil demand in the second quarter of 2024.

Tanker Freight Rates on Key Routes

Route No.	TC6	TC2_37	TC14	TC8	TC20	TD3C	TD6	TD9	TD18	TD20
Description	30 kt Clean Algeria to Euro Med	37 kt Cont to USAC	38 kt USG to Cont	65 kt Clean MEG to UKC	90 kt MEG to UKC	270 kt Ras Tanura to China	135 kt BSea to Med	70kt Caribs to US Gulf	30 kt Baltic to UKC	130 kt WAF to Cont
Size mt	30000	37000	38000	65000	90000	270000	135000	70000	30000	130000
Route	Skikda to Lavera	Rdam to New	USG to Cont	Jubail to Rdam	Jubail to Rdam	Ras Tanura to	Novo to Augusta	Covenas - Corpus Christi	Baltic to UKC	Offshore Bonny to Rdam
	WS	WS	WS	WS	\$	WS	WS	WS	WS	WS
10-05-2024	251.67	198.06	172.86	79.23	6556250	72.45	110.70	165.31	252.50	110.00
13-05-2024	242.78	190.28	171.07	79.23	6525000	72.50	110.30	149.38	255.00	108.72
14-05-2024	282.78	188.06	150.00	85.50	6562500	71.20	110.60	147.50	263.33	100.94
15-05-2024	292.78	190.83	140.00	91.32	6693750	69.25	110.20	146.88	265.83	98.44
16-05-2024	267.50	192.78	132.14	93.41	7150000	72.15	111.75	148.13	265.00	102.06

Source: Baltic Exchange



LPG

- LPG usage in Poland increased by 0.2% last year, reaching 2.5 million tonnes, nearing the pre-pandemic record of 2.52 million tonnes set in 2019, driven by higher Autogas sales. Autogas consumption rose by 10,000 tonnes to 1.89 million tonnes, raising its share of total demand by 0.3 percentage points to 75.6%. The number of Autogas vehicles in Poland grew by 37,000, surpassing 3.45 million. However, Autogas's share of the overall motor fuel market remained steady at 13.6%, and the number of fuel stations selling Autogas decreased by 100 to 7,370.

LNG

- The global seaborne LNG trade continued to rise in the first quarter of 2024. The US has now become the largest LNG exporter, contributing 21.3% of shipments in this period, followed by Australia and Qatar. Specifically, the USA exported 22.8 million tonnes of LNG in the first quarter. Moreover, Australia is maintaining its position as the second-largest exporter among major players. This growth trend in LNG trade has persisted since last year, particularly following the events in Ukraine that prompted Europe to diversify its energy sources away from Russian pipeline gas. In 2023, global LNG shipments surged to 409.9 million tonnes, and this positive trajectory continued in the first quarter of 2024, with volumes increasing by 2.6% year-over-year to 107.0 million tonnes.

Chemicals

- Space was tighter for regular carriers heading to South America compared to those traveling in the opposite direction. However, this was balanced by several MRs showing interest in large parcels of caustic soda and methanol due to a significant drop in the CPP market. Consequently, spot rates for smaller parcels increased, while rates for large cargoes remained stable. Contract volumes were relatively high, with 8,000 tonnes of EDC fixed from Point Comfort to Santos at around \$105/tonne of 38,000 tonnes of methanol from Point Lisas to Paranagua reported in the high \$50s. With many cargoes scheduled in May, space availability could tighten further, raising freight levels.



SHORT TERM OUTLOOK – OIL TANKER MARKET

A monthly report covering the next four months and including trends in oil supply, demand and trade, tanker demand and supply, spot, and time charter rates for MRs up to VLCCs, comparisons with FFAs plus the latest news on developments impacting the oil and tanker sectors.

MEDIUM TERM OUTLOOK – OIL TANKER MARKET

Concise analyses of topical issues, consistent market data series and views on future trends in tanker charter rates. The report covers Oil Prices; Economic Developments; Oil Demand and Supply; Trade; Tanker Demand, Supply and Rates. Sent to clients around January, April, July and October each year

SHORT TERM OUTLOOK – VLGC MARKET

A monthly report looking four months ahead at likely trends in the VLGC Spot Market with the latest on key LPG carrier trades, benchmark LPG prices, arbitrage developments, a comparison with FFAs and recent news

MEDIUM TERM OUTLOOK – LPG CARRIER MARKET

A quarterly series of regular reviews, analyses and forecasts of the LPG Carrier Market. The report covers Economic Developments; LPG production, consumption and pricing; LPG, chemical gases and ammonia trade, LPG Carrier Demand, Supply and Rates for Fully Ref, Semi-Ref and Pressurised Ships. Reports sent to clients around January, April, July and October each year.

CHEMICAL CARRIER WORLD SERVICE

An annual consultancy service currently providing Clients with an Annual Fundamentals Report, a Forecast Update, two quarterly Market Monitors, Monthly Commodity Trade Bulletins for key countries, an annual presentation on the market outlook and access to RLA's consultant's and analysts to discuss issues arising from these reports.



SINGAPORE OFFICE

10 Anson Road
#10-11 International Plaza
SINGAPORE 079903
T: +65-6950 7561

LONDON OFFICE

Terminal House
52 Grosvenor Gardens
London, UK SW1W 0AU
T: +44-20-3386 9413

INDIA OFFICE

SCO 10, First Floor
Sector - 79, Mohali,
Punjab, INDIA 140308
T: +91-172-4105887