



## RLA Weekly Report – Friday, 03 May 2024

No. 87

### U.S. Benchmark Lending Rates Remain Unchanged

#### Economy

- On May 2, 2024, the US Federal Reserve, after its FOMC meeting, decided to keep benchmark interest rates unchanged at 5.25%-5.50% for the sixth consecutive session. This decision followed a 1.6% GDP growth in the first quarter of 2024. Additionally, the personal consumption expenditures price index, which is a crucial measure of inflation for the Federal Reserve, increased at an annualized rate of 3.4% for the quarter, the largest rise in a year. Given that inflation remains above the 2% target, it is unlikely that the Fed will consider cutting rates before the second half of the year.

#### Oil

- Brent crude oil prices dropped 3.1% to \$83.63 per barrel following a report that U.S. crude inventories reached their highest level since June 2023. According to the EIA, crude oil inventories increased by 7.3 million barrels to 460.9 million barrels, marking the highest stockpile level in ten months. Additionally, easing tensions between Israel and Hamas in the Middle East have reduced supply fears among market participants, further contributing to the decline in crude prices.

### 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
26-04-2024	240.56	165.28	132.86	75.44	6300000	60.95	114.35	158.13	237.50	108.44
29-04-2024	241.22	164.72	129.29	75.00	6275000	62.65	114.50	158.13	242.50	110.81
30-04-2024	243.33	163.61	131.43	74.67	6287500	64.28	114.60	156.56	245.00	107.50
01-05-2024	242.78	164.44	138.57	75.11	6275000	64.89	113.50	156.25	242.50	101.11
02-05-2024	243.06	170.56	144.64	74.83	6100000	65.75	111.10	155.63	243.00	100.67

Source: Baltic Exchange



## LPG

- In the first quarter, China's LPG imports surged by 27%, reaching 7.8 million tonnes due to new PDH plants coming online and increased demand from ethylene crackers. The momentum is expected to continue into April and May, as many petrochemical plants have resumed operations following maintenance shutdowns in the first quarter of 2024.

## LNG

- Gazprom, the Russian natural gas giant, reported its biggest loss in nearly 25 years, totalling \$6.9 billion, as gas sales halved due to Vladimir Putin's war in Ukraine. At the same time, European countries have been more successful than expected in securing alternative natural gas supplies. Russia's contribution to Europe's gas imports dropped from 40% in 2021 to just 8% in 2023. Although the Kremlin has acknowledged increased natural gas purchases by China, these exports to China reached only 22 billion cubic meters, compared to the pre-war annual average of 230 billion cubic meters that Russia exported.

## Chemicals

- U.S. Ethanol prices saw a notable increase of 2.5%. With the U.S. summer driving season on the horizon, the demand for Ethanol-blended gasoline is likely to rise, which could put upward pressure on prices. Additionally, its use in solvents, pharmaceuticals, and chemical feedstocks continues to fuel demand across various industrial sectors.



### 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

E: [info@wademaritime.com](mailto:info@wademaritime.com) | [research@richardsonlawrie.com](mailto:research@richardsonlawrie.com)

w: [www.wademaritime.com](http://www.wademaritime.com) | [www.richardsonlawrie.com](http://www.richardsonlawrie.com)