

## **Energy Markets Update 2022**

**Tightness in crude and products,  
spare capacity in shipping**

# Key Takeaway

The oil market is running short of spare capacity

- OPEC+ exports remain range-bound for fourth month in a row
- The lack of freely available capacity is also a big issue in refining

New grassroots refineries and potential supply comebacks from US shale and Iran may alleviate the situation, but not before H2 2022

In the meantime, up- and downstream players may struggle to meet demand, giving room to further price/margin increases, risking (or possibly requiring) demand destruction on the way

- Demand upside for fuel oil and jet, concerns on naphtha/LPG
- Gasoline taking lead from diesel
- Refining maintenance and outages to be closely watched

The system is operating at the limit, making further stockdraws unlikely and questioning the relationship with market structure

In difference to crude and product, tanker markets show ample capacity and poor pricing

This presentation has been compiled under the guidance of



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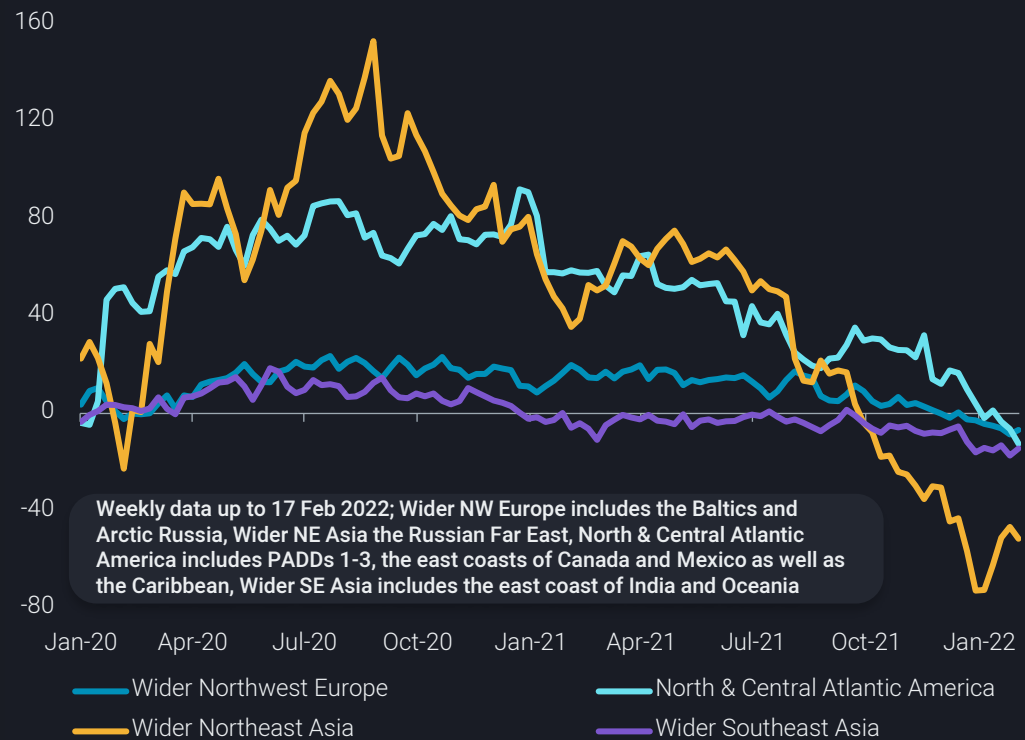
# Global crude inventories may have reached a bottom, questioning the relationship with market structure from here on

Floating-roof crude inventories - China vs Rest of World (mb)



[Get live data on platform](#)

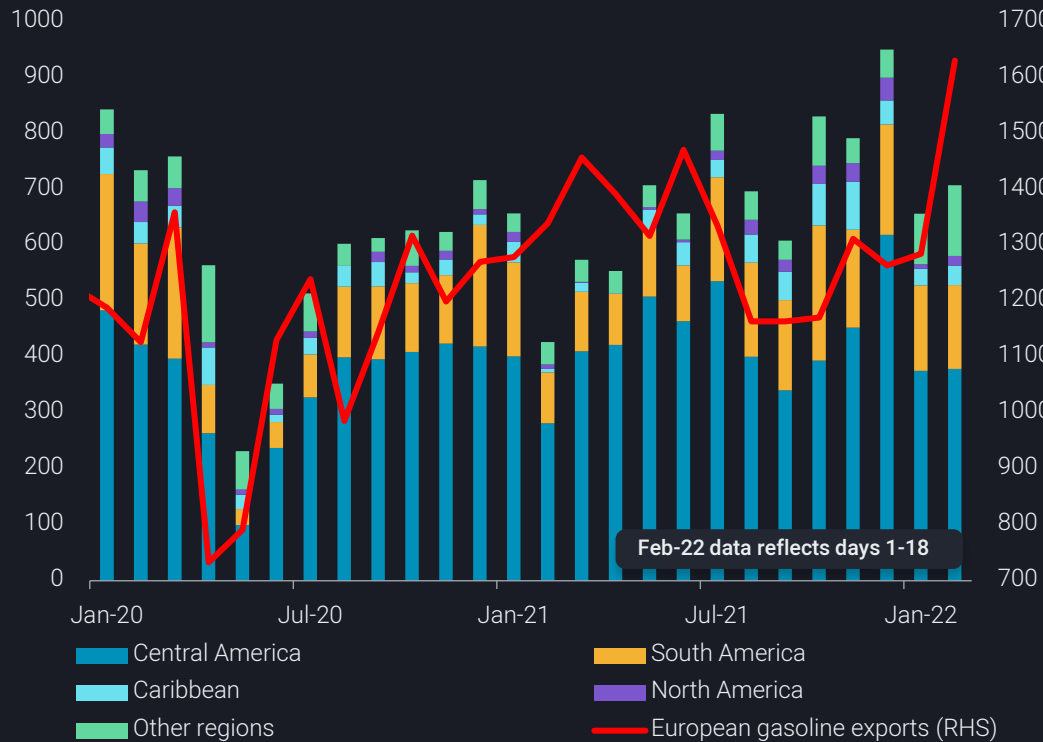
Cumulative crude inventory changes vs end 2019 by selected regions (mb)



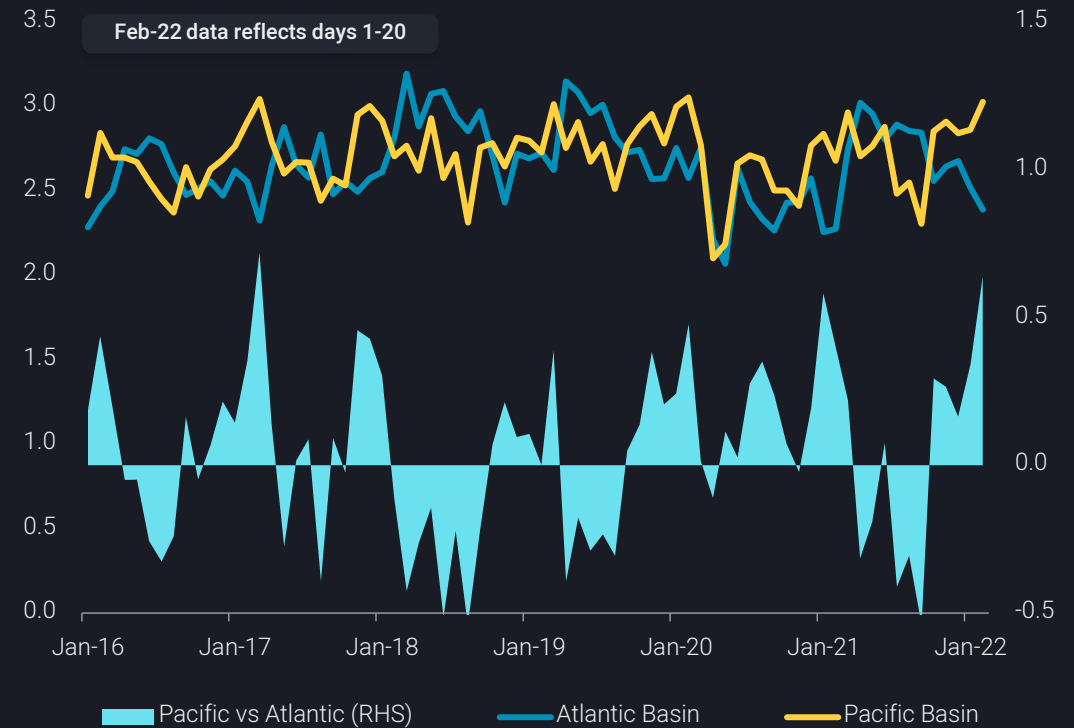
[Get live data on platform](#)

# Gasoline: Double strength from Atlantic and Pacific Basins

US gasoline exports by destination markets & European total gasoline exports (RHS) (kbd)

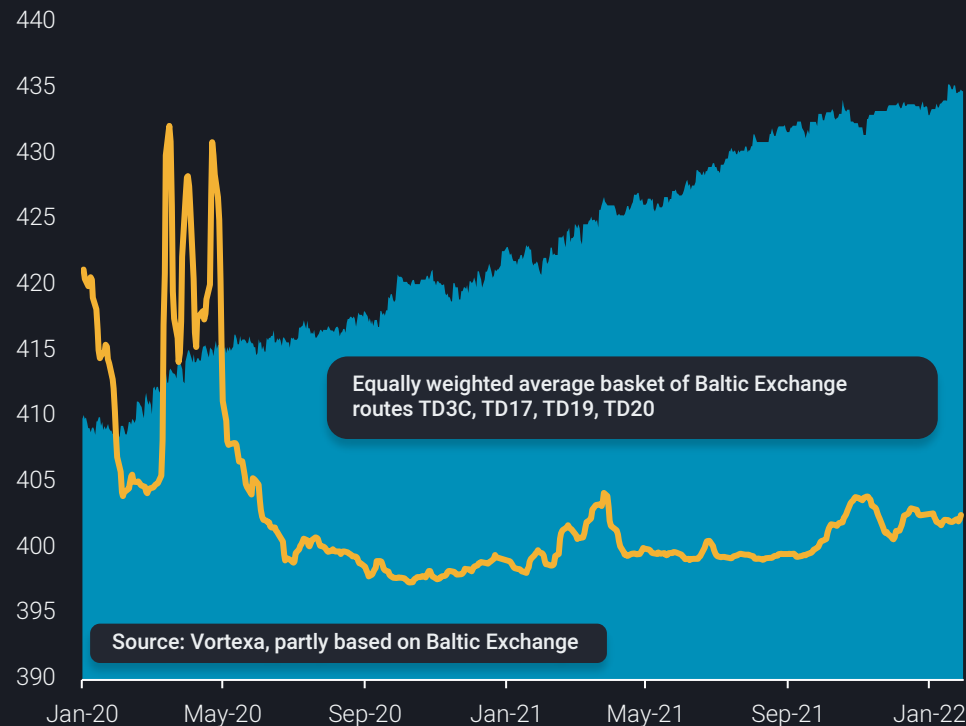


Gasoline/blending component imports by global basin and spread (mbd)

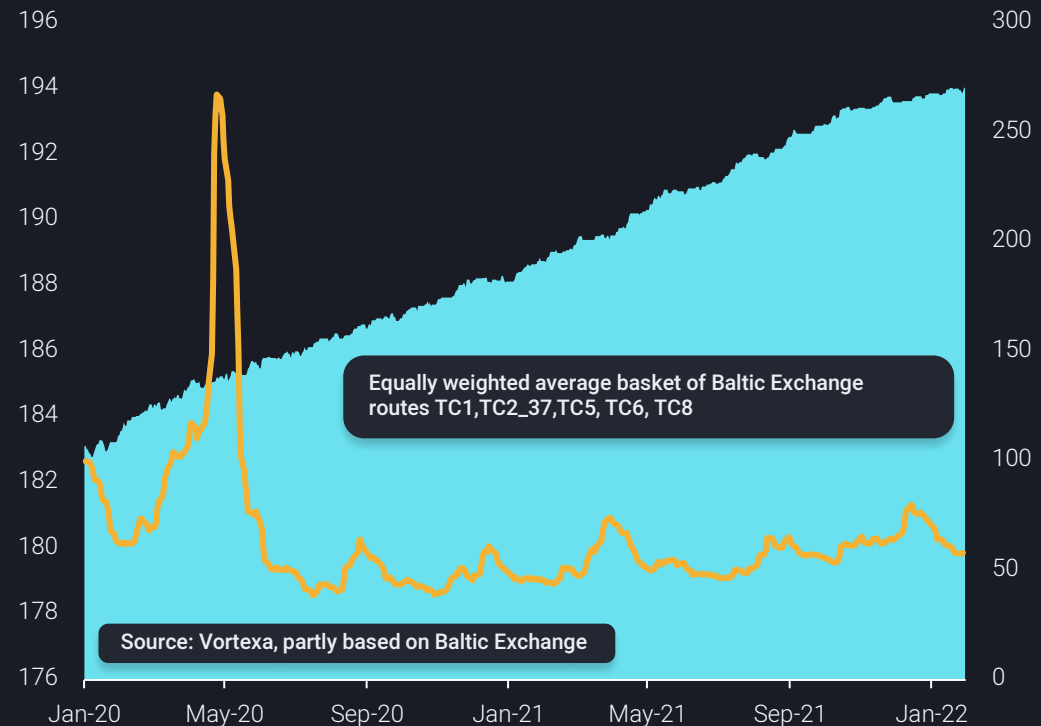


# Freight rates remain depressed, also as vessel supply is steadily growing

**Vortexa Dirty Tanker Index (baseline = 100 @ 2 Jan 2020) vs Dirty Tanker Capacity (mn DWT - LHS)**



**Vortexa CPP Tanker Index (baseline = 100 @ 2 Jan 2020) vs CPP Tanker Capacity (mn DWT - LHS)**



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The graphic features an aerial night view of an oil tanker on the left. On the right, the Vortexa logo is at the top, followed by the text 'Vortexa Analysis Briefing'. Below this is a network diagram with a central globe icon connected to three circular speaker icons. Each speaker icon is linked to a circular portrait of a person: a man on the left, a man in the center, and a woman on the right. Below each portrait is a small icon representing a different market or commodity: a barrel for the first man, a bar chart for the second man, and a dollar sign for the woman.



# Industry Reflections Panel

Monday, 21st February 2022

# Industry Reflections Panel



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CEO, The Baltic Exchange



# Thank you

