

INDIA'S OIL AND GAS TANKER OUTLOOK – MAY 2023

MARKET UPDATES

India's ONGC makes offshore oil, gas discoveries

- India's state-controlled upstream firm ONGC has made what it describes as a key crude oil and gas discovery in the country's western offshore basin.
- ONGC has discovered exploration wells MBS171HAA-1 named Amrit and MBS182HDA-1 named Monga in block MB-OSHP-2017/1 in the Mumbai offshore region in the Arabian Sea.
- Details of the reserves are yet to be released. "[A] detailed assessment of the discoveries is in progress," ONGC said on 11 May.
- The block was awarded to the company as part of India's Open Acreage Licensing Policy (OALP). The OALP was introduced in 2017 to attract major oil and gas firms to develop India's upstream sector.
- ONGC previously made a key gas discovery in exploration well MBS171HAA-1 in the Mumbai offshore region with a gas flowing rate of 145,093 m³/d from the Panna Formation. This discovery is so far the deepest recorded presence of a commercial pool in the sector at a depth of 3,800m, ONGC said in February.
- These discoveries could provide a boost to India's domestic production at a time when it is struggling to meet its upstream output goals and reduce reliance on oil and gas imports.

India's BPCL to build ethylene cracker project

- Indian state-controlled refiner BPCL will build an ethylene cracker project at its 156,000 b/d Bina refinery, including downstream petrochemical plants, according to an exchange filing on 16 May.
- The cost of the project, including the expansion of the Bina refinery, is estimated to be 490bn rupees (\$5.95bn). Production of petrochemical and oil products — including ethylene, propylene, polyethylene, polypropylene and benzene — from the refinery is set to begin from fiscal year April 2027-March 2028, a government release shows.
- BPCL has been planning to expand capacity at the Bina refinery in Madhya Pradesh state over the next three years.
- "We have plans to go from 7.8mn t/yr to something in the range of 11mn-11.5mn t/yr, subject to final details," BPCL's director of refineries Sanjay Khanna told Argus during the India Energy Week earlier this year.
- BPCL has a petrochemical unit at the 310,000 b/d Kochi refinery in Kerala that produces 500,000t of propylene, part of which goes into downstream production.
- The firm also plans to set up a greenfield petrochemicals plant at Maharashtra state's Rasayani town, 60km from its 240,000 b/d Mumbai refinery which includes an ethylene cracker. The firm has initial plans to build a 450,000 t/yr propylene unit and a 1.5mn t/yr polyethylene facility.
- It also has a 600 acre complex in Mumbai, which will have a 400,000 t/yr capacity propylene plant and a 1.2mn t/yr cracker that will convert feedstock from the company's 240,000 b/d Mumbai refinery to ethylene. BPCL has been seeking foreign partners for the project to invest \$3bn for the project.

APM Terminals Pipavav to invest \$90 mln to bolster LPG handling capacity

- APM Terminals Pipavav, an all-weather port located just 152 nautical miles from Nhava Sheva, Mumbai, has revealed plans that will see an investment of around \$90 million in a new liquid berth.
- The port's current capacity to handle 2 MMT of liquid bulk will increase to 5.2 MMT.
- The investment supports the port's objective of contributing to the growth of India's logistics infrastructure, bolstering connectivity to northwest hinterlands.
- This expansion will have a positive impact on the state of Gujarat's economy by boosting trade and commerce, APM Terminals Pipavav said.
- The port's LPG handling capacity expansion comes at a time when homes are moving to LPG following the Indian Prime Minister's flagship program 'Pradhan Mantri Ujjwala Yojana (PMUY).
- The social welfare scheme was launched by the Government of India in 2016 with the aim of enabling households to replace traditional cooking fuels such as wood, coal, and cow dung with LPG cylinders.

India's palm oil imports hit 27-month low, buyers pick cheaper soft oils, dealers say

- India's palm oil imports sank to a 27-month low in May as buyers cancelled expensive cargoes of the edible oil and replaced them with cheaper soyoil and sunflower oil, six dealers said.
- Palm oil imports by India fell to 441,000 tonnes last month, down 14% from 510,094 tonnes in April, according to average estimates from the dealers. May imports were the lowest since February 2021, the dealers added.
- The drop in purchases by the world's biggest importer of vegetable oils could weigh on palm oil prices, which are already trading near their lowest level in 30 months.
- India buys palm oil mainly from Indonesia, Malaysia - the top two producers - and Thailand, while it imports soyoil and sunflower oil from Argentina, Brazil, Russia and Ukraine.
- Price-sensitive Asian buyers typically rely on palm oil because of the low cost and quick shipping times.
- But the edible oil started trading at a premium to soyoil and sunflower oil over the past few months, prompting buyers to shift to the cheaper soft oils, said Sandeep Bajoria, CEO Sunvin Group, a vegetable oil brokerage and consultancy firm.

VLCC FIXTURES TREND

Voyage Route	APR-2023		MAY-2023		% CHANGE M/M	
	Fixtures	Avg. WS/Avg. (USD Mill. in L/S)	Fixtures	Avg. WS/Avg. (USD Mill. in L/S)	Fixtures	Avg. WS/Avg. (USD Mill. in L/S)
MEG-WCI	5	73.788	9	55.4	80%	-25%
MEG-ECI	2	64.795	3	49.02	50%	-24%
MEG-WCI+ECI						
ECM-WCI						
ECM-ECI						
WAF-WCI	2	5.1375	1	3.94	-50%	-23%
WAF-ECI	-	-				

SUEZMAX FIXTURES TREND

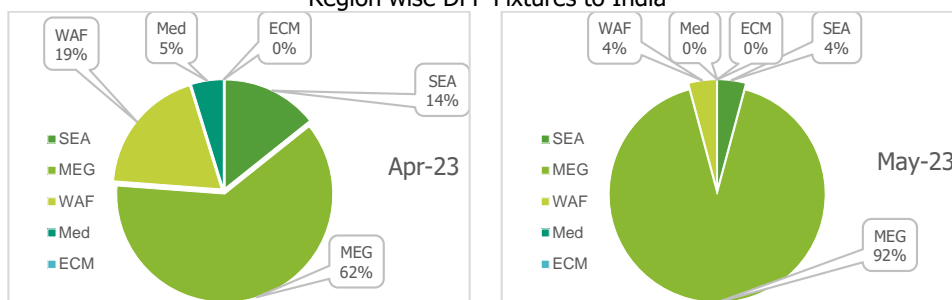
Voyage Route	APR-2023		MAY-2023		% CHANGE M/M	
	Fixtures	Avg. WS/Avg. (USD Mill. in L/S)	Fixtures	Avg. WS/Avg. (USD Mill. in L/S)	Fixtures	Avg. WS/Avg. (USD Mill. in L/S)
MEG-WCI	4	141.73	4	109.97	-25%	-22%
MEG-ECI	2	127.25	1	123	-50%	-3%
ECMEX-ECI						
WAF-ECI	2	3.87				-
WAF-WCI						
MED-WCI	-	-				
MED-ECI	-	-				
SEA-WCI						

AFRAMAX FIXTURES TREND

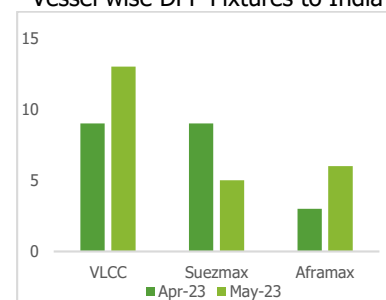
Voyage Route	APR-2023		MAY-2023		% CHANGE M/M	
	Fixtures	Avg. WS/Avg. (USD Mill. in L/S)	Fixtures	Avg. WS/Avg. (USD Mill. in L/S)	Fixtures	Avg. WS/Avg. (USD Mill. in L/S)
SEA-WCI	2	229	228.75	1	108	-50%
SEA-ECI	1	147.16	147.16	-	-	-
MEG-WCI				5	177	-
MEG-ECI						

REGION WISE AND VESSEL WISE FIXTURES TREND

Region wise DPP Fixtures to India

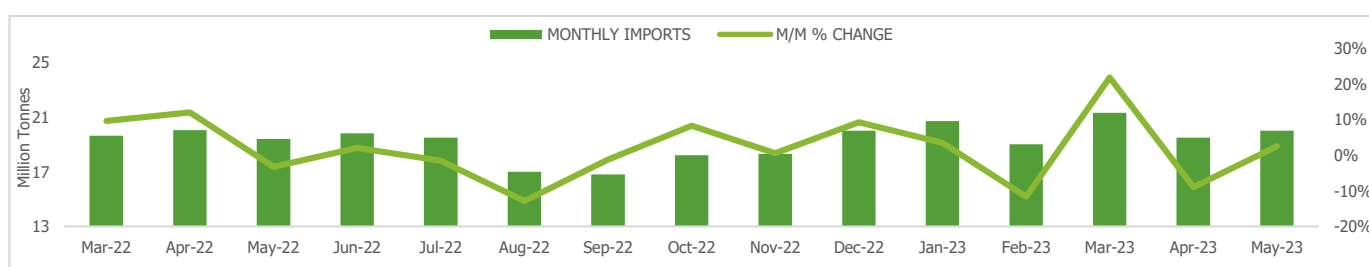


Vessel wise DPP Fixtures to India



DPP Fixtures Trend M/M-> SEA ▼67%, MEG ▲69% & WAF ▼75% w/w.

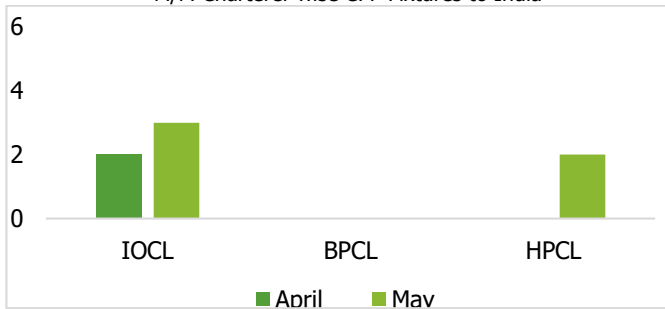
INDIAN MONTHLY CRUDE OIL IMPORTS



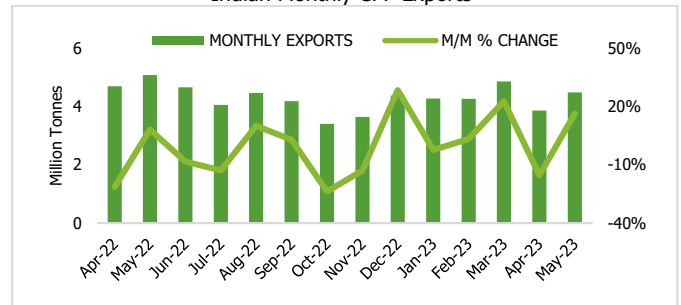
PRODUCT MARKET TREND

Trade Routes	Apr-23 Avg. Freight (USD Millions)	May-23 Avg. Freight (USD Millions)	Percentage Change
WCI-WCI			
WCI-ECI	-	0.60	
WCI-ECI+WCI			
WCI-WCI+ECI	-	0.60	
ECI-ECI	0.89	0.755	-15%
ECI-WCI	1.6	-	
ECI-ECI+WCI	-		
ECI-WCI+ECI			
AG-WCI & ECI			
ECI-Colombo			
WCI-Colombo			
No. of Fixtures	2.00	5.00	150%

M/M Charterer wise CPP Fixtures to India



Indian Monthly CPP Exports

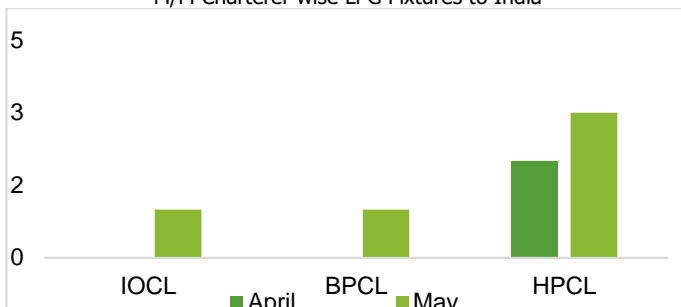


INDIAN CPP Exports Trend M/M-> ▲16.32% m/m.

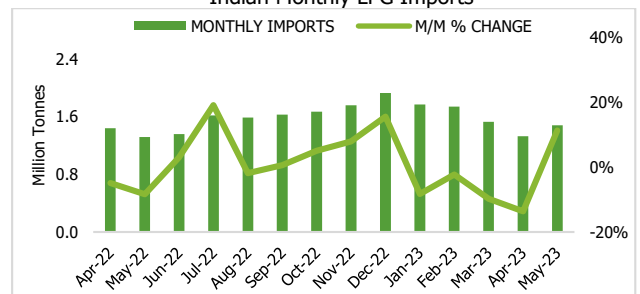
LPG MARKET TREND

Vessel Type	Avg Freight (USD Millions) APR-23	Avg Freight (USD Millions) MAY-23	M/M % CHANGE
VLGC	3.27	5.15	58%
MGC	-	3.58	-
No. of Fixtures	2	5	150%

M/M Charterer wise LPG Fixtures to India



Indian Monthly LPG Imports



INDIAN LPG IMPORT Trend M/M-> ▲11.28% m/m.

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