

## INDIA'S OIL AND GAS TANKER OUTLOOK – JULY 2022

### MARKET UPDATES

#### India approves \$1.6bn investment in Brazilian oil block

- Indian state-owned refiner BPCL has received government approval to invest an additional \$1.6bn to develop an oil block in Brazil, as Delhi aims to strengthen its crude supply security.
- The BM SEAL-11 block is operated by Brazil's state-controlled Petrobras with a 60pc interest, while BPCL subsidiary Bharat PetroResources holds a 40pc stake. The block is planned to begin production in 2026-27, India's Cabinet Committee on Economic Affairs (CCEA) said on 27 July.
- BM SEAL-11 is located in the deepwater Sergipe-Alagoas basin, which is estimated to hold up to 1bn bl of oil equivalent, comprised mainly of 40° API crude and associated natural gas. The investment approval will help strengthen India's energy security and access to equity oil, as well as aid the country in diversifying its crude supply sources, CCEA said. Indian oil companies have expressed interest in sourcing more crude oil from Brazil, it added.

#### ONGC inks deal with GAIL, AGCL on Tripura gas sale

- The state-owned exploration giant ONGC has signed a gas-selling agreement with GAIL India and Assam Gas Company Ltd (AGCL) to monetise natural gas at its upcoming gas well at Khubal under Panisagar of North Tripura.
- The agreement was signed by executive director of ONGC, Tripura Asset, Tarun Malik, managing director of AGCL Gokul Chandra Swargiary and CGM-zonal head, GAIL, R Choudhury on behalf of their respective companies in a brief function .
- Addressing the gathering Malik said Khubal will be the 10th gas producing field of ONGC in Tripura, which has been working in gas exploration activities since 1976.
- According to the agreement, ONGC will supply 50,000 standard cubic metres per day of gas to GAIL and AGCL and a total 0.1 MSCMD gas will be supplied from ONGC's Khubal gas collecting station. Khubal station would have a capacity to process 0.44 MSCMD of gas.
- He said more gas will find its way into the industry and people's homes with a positive impact on their living standards that in turn will boost the economy of the region. The ONGC has embarked on a mission to produce more gas from its fields in Tripura that would incentivise local business and industries.

#### India's fuel demand falls in July as monsoon sets in

- India's demand for petrol and diesel fell in the first half of July over the previous month as the onset of monsoon chipped away consumption in some sectors and restricted mobility, preliminary industry data showed. Diesel, the most widely used fuel in the country, saw consumption drop 13.7% during July 1-15 to 3.16 MT from 3.67 MT demand in the same period of the previous month.
- The arrival and intensity of monsoon weighs heavily on diesel demand in the country and consumption traditionally is lower in July-September than in April-June. Floods restrict mobility and demand from the farm sector, which uses diesel in irrigation pumps and trucking, also drops with the onset of rains.
- Diesel demand was however almost 27% higher year-on-year, supported by strong economic growth and a relatively low baseline for the same period in 2021 when a second wave of COVID-19 had impacted the economy.
- Consumption of diesel was 43.6% higher than the 2.2 MT demand during July 1 to 15 of 2020. It was 13.7% more than pre-COVID July 2019, the data showed.
- Petrol sales fell 7.8% to 1.27 MT in the first half of July when compared to 1.38 MT consumption in the same period of the previous month.
- Accordingly, jet fuel (ATF) demand grew by 77.2% to 247,800 tonnes during July 1 to 15 when compared year-on-year. It was 125.9% higher than July 2020 but 17.7% lower than pre-COVID July 2019. Month-on-month, sales fell 6.7%.

#### India's July soyoil imports jump to record on duty free buying-dealers

- India's soyoil imports in July more than doubled from a month ago to a record high as refiners ramped up purchases to take advantage of New Delhi's move to allow duty free imports of the vegetable oil to calm all-time high prices, five dealers said.
- Higher soyoil purchases by the world's biggest edible oil importer will support U.S. soyoil prices , but will dent rival palm oil's share in Indian buying and force Malaysian and Indonesian sellers to offer discounts to regain the market share, trading sources said.
- The country's soyoil imports in July jumped 113% from a month ago to a record 493,000 tonnes, according to the average estimate from five dealers with global trading firms that account for more than 80% of India's soyoil imports.
- India has also allowed imports of 2 MT of sunflower oil without import taxes, but availability of sun oil has been limited due to shipment disruptions from top exporter Ukraine, said a Mumbai-based dealer with a global trading firm.
- Soyoil imports look set to remain robust in the coming months and India could import a record 4.5 MT of soyoil in 2021/23 marketing year ending on October 31, compared to 2.87 MT a year ago, dealers said. Soyoil usually accounts for a fifth of India's total vegetable oil imports, but this year its share could rise to one third, dealers said.

## DIRTY MARKET TREND

### VLCC FIXTURES TREND

Voyage Route	JUNE-2022		JUL-2022		% 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	6	52.51	5	61.24	-17%	17%
MEG-ECI	3	44.51	4	59	33%	33%
MEG-WCI+ECI	-	-	-	-	-	-
ECM-WCI	-	-	-	-	-	-
ECM-ECI	1	5.22	1	6.95	0%	33%
WAF-WCI	1	3.6	-	-	-	-
WAF-ECI	1	3.78	4	4.0125	-	-

### SUEZMAX FIXTURES TREND

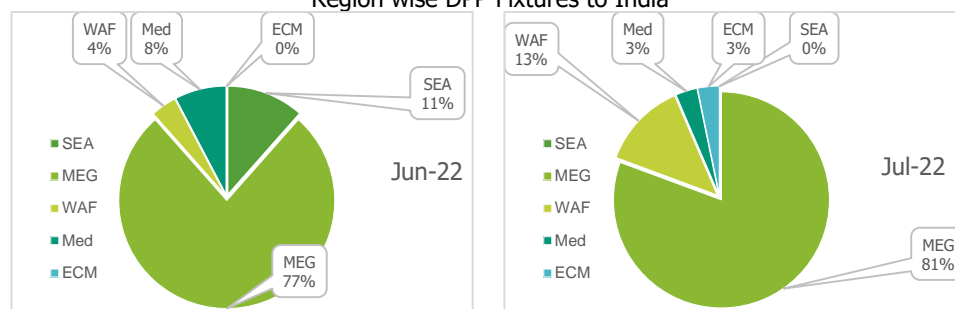
Voyage Route	JUNE-2022		JUL-2022		% CHANGE M/M	
	Fixtures	Avg. WS/Avg. (USD Mill. in L/S)	Fixtures	Avg. WS/Avg. (USD Mill. in L/S)	Fixtures	Avg. WS/Avg. (USD Mill. in L/S)
MEG-WCI	6	102.98	6	120.59	0%	17%
MEG-ECI	4	99.64	3	121	-25%	21%
ECMEX-ECI	-	-	-	-	-	-
WAF-ECI	-	-	-	-	-	-
WAF-WCI	-	-	-	-	-	-
MED-WCI	2	3.27	1	2.75	-50%	-16%
MED-ECI	1	3.37	-	-	-	-
SEA-WCI	-	-	-	-	-	-

### AFRAMAX FIXTURES TREND

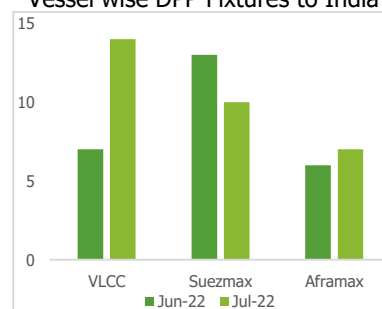
Voyage Route	JUNE-2022		JUL-2022		% CHANGE M/M	
	Fixtures	Avg. WS/Avg. (USD Mill. in L/S)	Fixtures	Avg. WS/Avg. (USD Mill. in L/S)	Fixtures	Avg. WS/Avg. (USD Mill. in L/S)
SEA-WCI	2	125.90	-	-	-	-
SEA-ECI	-	-	1	194	-	-
MEG-WCI	8	195.52	7	179.92	-13%	-8%
MEG-ECI	-	-	-	-	-	-

### REGION WISE AND VESSEL WISE FIXTURES TREND

Region wise DPP Fixtures to India

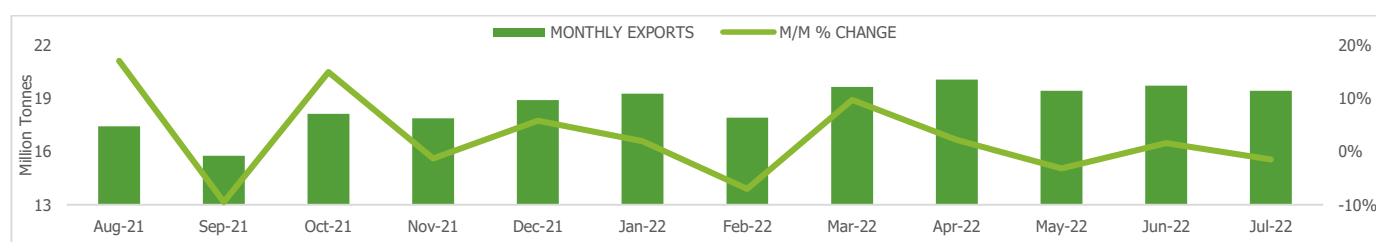


Vessel wise DPP Fixtures to India



DPP Fixtures Trend M/M-> MEG ▼ 4%, SEA ▲ 11%, MED ▲ 5%

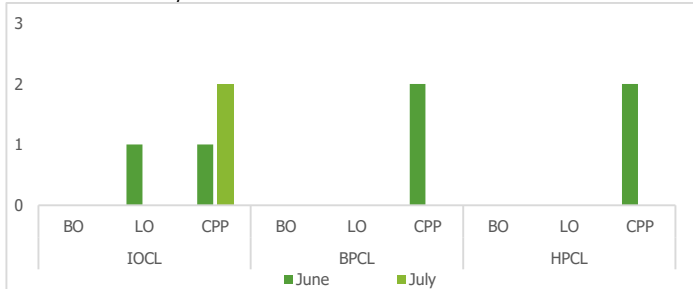
### INDIAN MONTHLY CRUDE OIL IMPORTS



## PRODUCT MARKET TREND

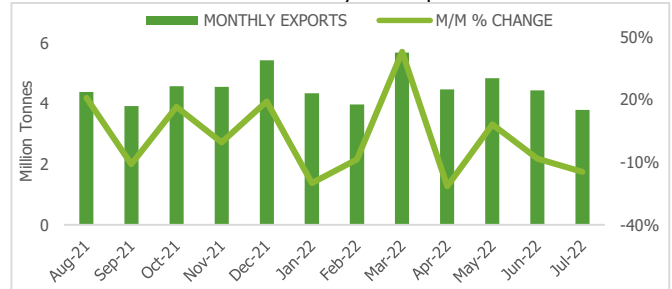
Trade Routes	Jun-22 Avg. Freight (USD Millions)	Jul-22 Avg. Freight (USD Millions)	Percentage Change
WCI-WCI	0.52	1.4	-
WCI-ECI	1.25	1.5	20%
WCI-ECI+WCI	-	-	-
WCI-WCI+ECI	-	-	-
ECI-ECI	0.33	-	-
ECI-WCI	0.30	-	-
ECI-ECI+WCI	-	-	-
ECI-WCI+ECI	-	-	-
AG-WCI & ECI	-	-	-
ECI-Colombo	-	-	-
WCI-Colombo	-	-	-
No. of Fixtures	6	2	-67%

M/M Charterer wise CPP Fixtures to India



CPP Fixtures Trend M/M-> IOCL CPP ▲ 50%

Indian Monthly CPP Exports

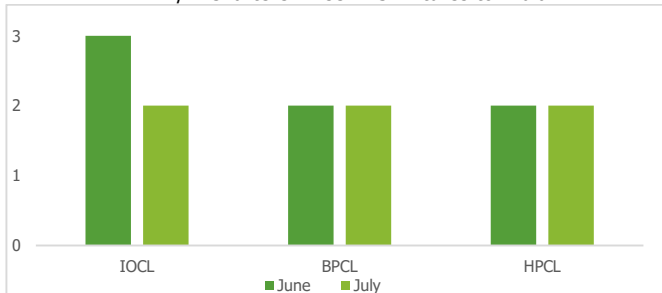


INDIAN CPP Exports Trend M/M-> ▼ 15%

## LPG MARKET TREND

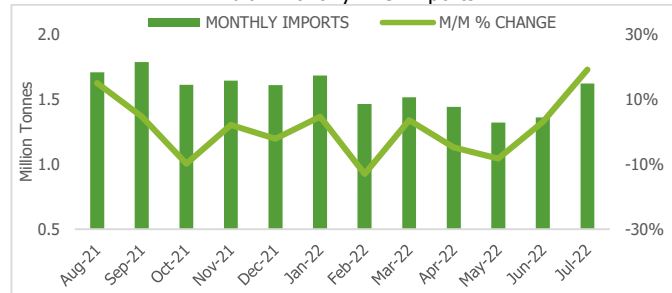
	Avg Freight (USD Millions)	Avg Freight (USD Millions)	M/M % CHANGE
Vessel Type	JUNE-2022	JULY-2022	
VLGC	2.75	2.58	-6%
MGC	-	1.40	-
No. of Fixtures	12	6	-50%

M/M Charterer wise LPG Fixtures to India



LPG Fixtures Trend M/M-> ▼ 50%

Indian Monthly LPG Imports



INDIAN LPG IMPORT Trend M/M-> ▲ 19%

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