

INDIA'S OIL AND GAS TANKER OUTLOOK – OCTOBER 2022

MARKET UPDATES

Festive demand drives up Indian state refiners gasoil sales in Oct

- Indian state fuel retailers' diesel sale in October surged from the previous month, preliminary sales data shows, indicate a pick up in industrial activity during the peak festive season.
- Fuel demand in India- a proxy for oil demand in Asia's third-largest economy- typically rises during the month long festival season as diesel-guzzling trucks hit the roads to deliver goods.
- State-refiners' average daily gasoil sales last month rose 6.2% from September and was 12% higher than a year ago, the data showed. Gasoil accounts for about two-fifth of India's over all fuel demand.
- India's factory activity expanded at a stronger pace in October as demand and output remained solid, encouraging firms to hire workers at the fastest pace in nearly three years, according to the Manufacturing Purchasing Managers' Index, compiled by S&P Global.
- Also, a higher need for personal mobility during the month-long festival season drove up October average gasoline sales by 1.5% from September, the data showed.

India's ONGC eyes stake in Russian entity managing Sakhalin

- India's Oil and Natural Gas Corp plans to take a stake in the new Russian entity that will manage the Sakhalin 1 project in the far east as it seeks to retain a 20% share in the asset, three sources familiar with the matter said.
- Russian President Vladimir Putin earlier this month issued a decree to establish a new operator for the ExxonMobil led project and authorised the Kremlin to decide whether foreign shareholders could retain stakes in Sakhalin 1.
- ONGC holds a stake in the project through its overseas investment arm ONGC Videsh.
- The new Russian entity, managed by Rosneft subsidiary Sakhalinmorneftegaz-shelf, will own investors' rights in Sakhalin 1. Foreign shareholders have one month to decide on retaining stakes in the project.
- Exxon has fully exited Russia after Moscow this month unilaterally terminated its interests in the Sakhalin-1 oil and gas project.
- Output of Sakhalin 1 collapsed after Exxon declared force majeure in April and refused to accept Russian insurance cover for the tankers as western insurers pulled out due to the sanctions, sources said.

Russia becomes the No. 1 oil supplier for India in October

- Russia has become India's top oil supplier, edging past the traditionally dominant suppliers Saudi Arabia and Iraq, according to the energy cargo tracker Vortexa.
- Russia supplied 946,000 barrels per day of crude to India in October, the highest ever in a month. It accounted for 22 per cent of India's total crude imports, ahead of Iraq's 20.5 per cent and Saudi Arabia's 16 per cent. Compared to September, overall crude import went up 5 per cent in October and that from Russia rose 8 per cent, according to Vortexa, an energy intelligence firm that has offices in Singapore and London and tracks oil and gas tankers across the globe, providing freight and inventories analytics.
- For the first time, India imported more seaborne Russian crude than the European Union - the volumes were 34 per cent higher than the EU's. With imports of 1 million barrels per day in October, China remained the largest buyer of Russian seaborne crude.
- India also imported about 106,000 barrels per day of fuel oil from Russia in October, a new high.
- The dramatic rise in Russia's share of the Indian market from less than 1 per cent in 2021 was triggered by the deep discounts that followed the February invasion of Ukraine.

IEA sees India's imports of natural gas, oil zoom by 2030

- India's import of natural gas will double and that of oil will rise 50 per cent by 2030 due to soaring domestic demand while production remains subdued, International Energy Agency (IEA) said in its latest outlook released .
- The demand for natural gas in the country would nearly double to 115 billion cubic meters (bcm) in 2030 from 66 bcm in 2021, with most of the growth coming from manufacturing and other industry, according to IEA's World Energy Outlook based on the stated policies scenario.
- Domestic production of natural gas is projected to rise 50 per cent to 48 bcm in 2030, which would be lower than India's output of 51 bcm in 2010. Gas imports will double to nearly 70 bcm by 2030 in the IEA scenario.
- India's oil demand is projected to rise from the current 4.7 million barrels per day (mb/d) to 6.7 mb/d in 2030 and 8.3 mb/d in 2050. India's imports of oil would rise from 4.1 mb/d to 6.2 mb/d in 2030 and 8 mb/d in 2050, as per IEA.
- The global oil demand is projected to plateau in 2035 at around 103 million barrels per day and then drop by around one million barrels per day by 2050. The projected loss of oil demand in road transport, buildings and power after 2030 are offset by growth in feedstocks, aviation and shipping, as per the report.
- The global demand for natural gas rises at an average rate of 0.4 per cent per year between 2021 and 2030, lower than the 2.2 per cent growth rate between 2010 and 2021. The demand is expected to reach 4,400 bcm in 2030 and stay at that level until 2050.

DIRTY MARKET TREND

VLCC FIXTURES TREND

Voyage Route	SEPT-2022		OCT-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	2	91.77	6	104.76	200%	14%
MEG-ECI	3	77.25	1	73.61	-67%	-5%
MEG-WCI+ECI						
ECM-WCI						
ECM-ECI	1	9.15			-100%	-100%
WAF-WCI	1	7.25	1	7.55	0%	4%
WAF-ECI	2	6.55	1	8.25	-50%	26%

SUEZMAX FIXTURES TREND

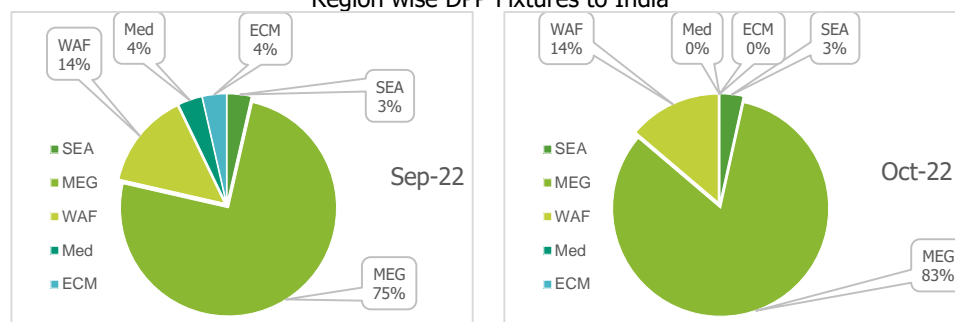
Voyage Route	SEPT-2022		OCT-2022		% CHANGE M/M	
	Fixtures	Avg. WS/Avg. (USD Mill. in L/S)	Fixtures	Avg. WS/Avg. (USD Mill. in L/S)	Fixtures	Avg. WS/Avg. (USD Mill. in L/S)
MEG-WCI	7	154.4	12	171.89	71%	11%
MEG-ECI	2	126.29	4	164.25	100%	30%
ECMEX-ECI						
WAF-ECI			1	4.275		
WAF-WCI	1	5	1	6	0%	20%
MED-WCI						
MED-ECI	1	4.25			-100%	-100%
SEA-WCI						

AFRAMAX FIXTURES TREND

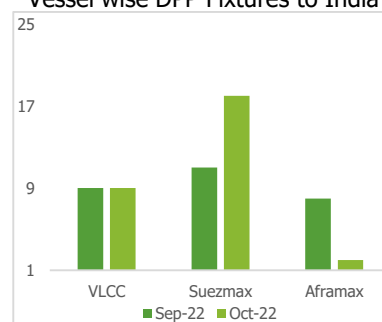
Voyage Route	SEPT-2022		OCT-2022		% CHANGE M/M	
	Fixtures	Avg. WS/Avg. (USD Mill. in L/S)	Fixtures	Avg. WS/Avg. (USD Mill. in L/S)	Fixtures	Avg. WS/Avg. (USD Mill. in L/S)
SEA-WCI						
SEA-ECI	1	244.13	1	175	0%	-28%
MEG-WCI	7	206.28	1	170	-86%	-18%
MEG-ECI						

REGION WISE AND VESSEL WISE FIXTURES TREND

Region wise DPP Fixtures to India

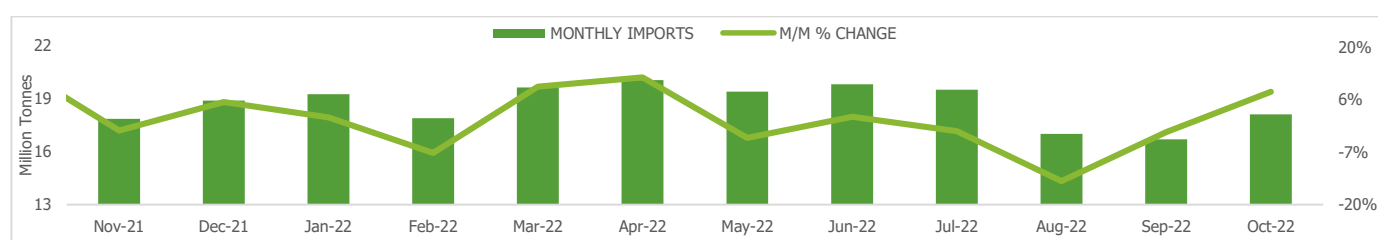


Vessel wise DPP Fixtures to India



DPP Fixtures Trend M/M-> MEG ▲ 14%

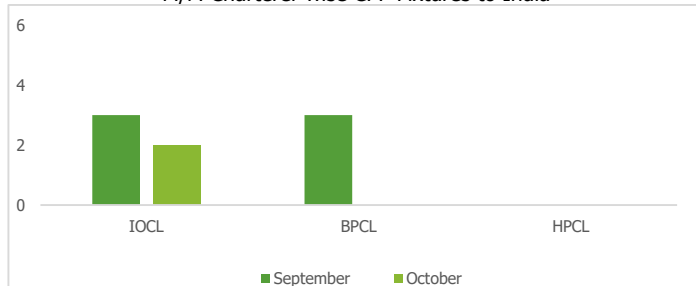
INDIAN MONTHLY CRUDE OIL IMPORTS



PRODUCT MARKET TREND

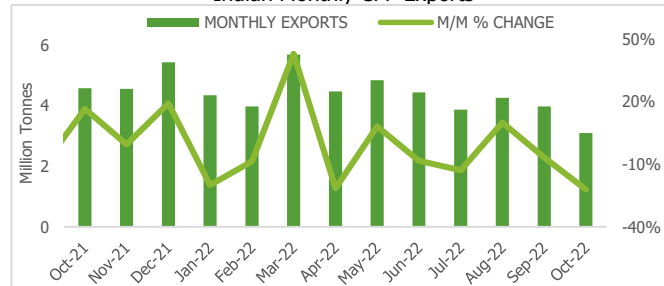
Trade Routes	Sep-22 Avg. Freight (USD Millions)	Oct-22 Avg. Freight (USD Millions)	Percentage Change
WCI-WCI	0.85		-100%
WCI-ECI	1.52		-100%
WCI-ECI+WCI			
WCI-WCI+ECI			
ECI-ECI		0.915	
ECI-WCI			
ECI-ECI+WCI			
ECI-WCI+ECI			
AG-WCI & ECI			
ECI-Colombo			
WCI-Colombo			
No. of Fixtures	6	2	-67%

M/M Charterer wise CPP Fixtures to India



CPP Fixtures Trend M/M->IOC CPP ▼33%

Indian Monthly CPP Exports

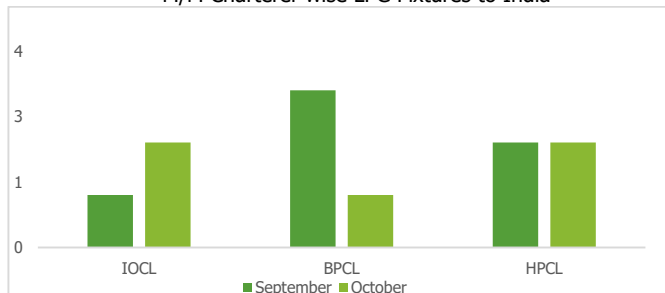


INDIAN CPP Exports Trend M/M-> ▼22%

LPG MARKET TREND

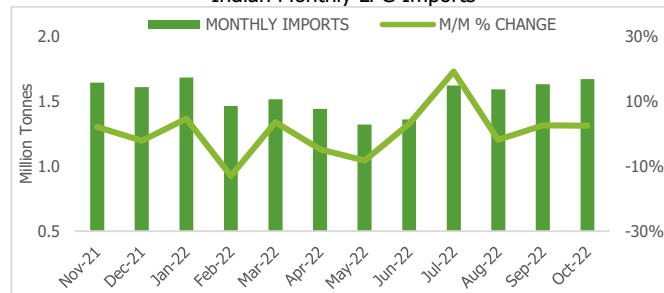
Vessel Type	Avg Freight (USD Millions) SEP-2022	Avg Freight (USD Millions) OCT-2022	M/M % CHANGE
VLGC	2.93	3.72	27%
MGC	-	-	
No. of Fixtures	6	5	-17%

M/M Charterer wise LPG Fixtures to India



LPG Fixtures Trend M/M-> ▼17%

Indian Monthly LPG Imports



INDIAN LPG IMPORT Trend M/M-> ▲2%

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