

## INDIA'S OIL AND GAS TANKER OUTLOOK – FEBRUARY 2023

### MARKET UPDATES

#### India's ONGC sees fastest oil output growth in 20 years

- India's largest oil producer ONGC is expecting crude oil output to grow by 4-5pc in the April 2023–March 2024 fiscal year, which if achieved will be its fastest growth in two decades.
- ONGC told investors on 15 February that following its October–December — the third quarter of India's 2022-23 financial year — earnings, it sees production of crude oil rising by 1pc in 2022-23, reversing a six-year long streak of declining output.
- In April–December, production at ONGC's self-owned fields grew by 0.5pc to 374,000 b/d but total crude oil output, including from joint ventures, fell by 0.4pc in the same period.
- ONGC, which produces 71pc of India's oil output, has seen its crude production decline over the past decade as most of its fields are old and ageing, and its new discoveries faced cost escalations and technical delays.
- The Indian government has over the past few years mulled selling some of ONGC's biggest fields to private sector entities to boost output but such measures have faced resistance from the state-controlled company.
- The major gains in oil production will come from KG 98/2 block on the eastern offshore at Kakinada, the largest subsea project in India, where the new floating production storage and offloading (FPSO) unit will start production from May–June 2023, ONGC said.
- The Kakinada FPSO will see production of 38,000 b/d in 2023-24 and 44,000 b/d in 2024-25, ONGC said.

#### Indian state refiners hold runs at maximum in Jan, Feb

- Indian state-controlled refiners continued to operate their refineries at maximum nameplate capacity on the back of strong domestic fuel demand, market participants close to the refiners told Argus.
- BPCL's 310,000 b/d Kochi, 240,000 b/d Mumbai and 156,000 b/d Bina refineries, MRPL's 300,000 b/d refinery in Mangalore, and HPCL's 190,000 b/d Mumbai and 166,000 b/d Visakhapatnam refineries operated at maximum or over 100pc of their nameplate capacities in January and have maintained this utilisation rate in February.
- Refineries owned by India's biggest state-controlled refiner IOC also operated at maximum, but a market participant said that a crude distillation unit (CDU) at the Haldia refinery underwent a scheduled turnaround for a very short period in January. But the turnaround did not have any major impact on the utilisation rate, the unit is back to operating at normal levels, the participant said.
- No maintenance or turnaround related shutdowns are planned in February, but BPCL's Bina refinery is scheduled to take a major turnaround-related shutdown over May–June.
- The 60,000 b/d Numaligarh refinery in northeast India's Assam state will undergo a once-in-five years complete shutdown over March–April. The refinery is owned by a consortium consisting of state-controlled explorer Oil India, state-controlled engineering and construction firm Engineers India and the Assam government.

#### India's LPG imports rise on year in February: Vortexa

- India's LPG imports rose on the year in February, with shipments mostly from the Middle East, according to data from oil analytics firm Vortexa.
- The rise was likely driven by higher domestic use of the cooking fuel compared with a year earlier when Covid-19 weighed on demand.
- Imports totalled 2.07mn t in February, up by 25pc from a year earlier when India was battling the Omicron variant. This pushed down cylinder refill rates among low-income consumers, especially those that were left in a worse financial position as a result of Covid-19.
- The UAE was the top Middle East supplier to India in February, with deliveries of 602,100t, up by 26pc on the year, followed by shipments from Qatar and Kuwait that rose by 35pc and 20pc to 580,400t and 199,500t respectively. But shipments from Saudi Arabia fell by 20pc on the year to 381,200t.
- The Middle East is India's main LPG supplier. Deliveries from the region accounted for 88pc of India's total imports during the month, stable from a year earlier.
- The US was India's second-biggest supplier in February, although imports fell by 33pc on the year to 92,700t. India took the lowest volumes of February LPG from Malaysia, China and Taiwan at 10,900t, 5000t and 2,800t respectively.

#### Adani Total to start operations at Indian LNG terminal by mid-June

- Adani Total Private Ltd will receive its first liquefied natural gas (LNG) cargo at the Dhamra terminal on India's east coast in April and expects to start commercial operations 30 to 45 days after receiving the shipment, the Adani Group told Reuters.
- The start-up of the 5 million tonnes per annum (mtpa) LNG import terminal, delayed from September 2021, is crucial to Prime Minister Narendra Modi's plan to boost natural gas use in the country's energy mix to 15% from about 6% currently.
- The Adani Group's first LNG import terminal will boost gas use in India's east, where the Dhamra project is only the second import terminal. The country's five other import terminals are on its western coast.
- Adani Total, in which French energy giant TotalEnergies SE has a 50% stake, said the Dhamra terminal expected safety checks and testing to be completed in February, adding that all key regulatory approvals have been achieved.
- India's imports fell for a second consecutive year in 2022 after rising for seven years, data from analytics firm Kpler showed, with its appetite curbed by high prices due to Europe's scramble for gas to replace supply from Russia.

## DIRTY MARKET TREND

### VLCC FIXTURES TREND

Voyage Route	JAN-2023		FEB-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	11	63.33090909	8	73.8125	-27%	17%
MEG-ECI	9	60.25888889	4	60.6875	-56%	1%
MEG-WCI+ECI						
ECM-WCI						
ECM-ECI			1	9.95		
WAF-WCI	2	4.285			-100%	-100%
WAF-ECI			1	5.2		

### SUEZMAX FIXTURES TREND

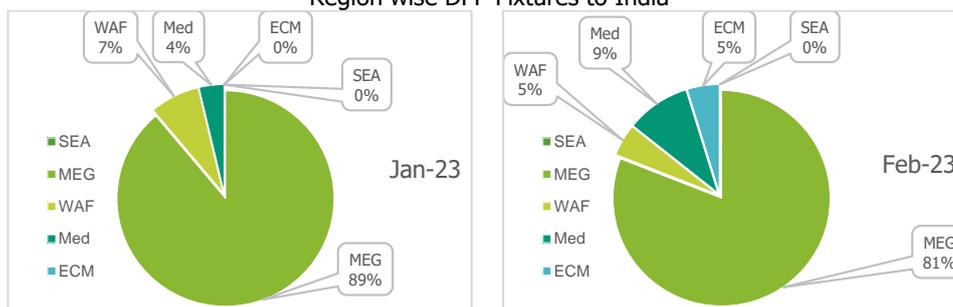
Voyage Route	JAN-2023		FEB-2023		% CHANGE M/M	
	Fixtures	Avg. WS/Avg. (USD Mill. in L/S)	Fixtures	Avg. WS/Avg. (USD Mill. in L/S)	Fixtures	Avg. WS/Avg. (USD Mill. in L/S)
MEG-WCI	4	132.13	3	132.85	-25%	1%
MEG-ECI			2	145		
ECMEX-ECI						
WAF-ECI						
WAF-WCI						
MED-WCI			1	4.45		
MED-ECI	1	3.7	1	5.1	0%	38%
SEA-WCI						

### AFRAMAX FIXTURES TREND

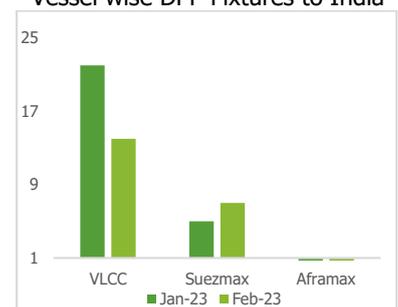
Voyage Route	JAN-2023		FEB-2023		% CHANGE M/M	
	Fixtures	Avg. WS/Avg. (USD Mill. in L/S)	Fixtures	Avg. WS/Avg. (USD Mill. in L/S)	Fixtures	Avg. WS/Avg. (USD Mill. in L/S)
SEA-WCI						
SEA-ECI	1	1070			-100%	-100%
MEG-WCI	1	174.37			-100%	-100%
MEG-ECI						

### REGION WISE AND VESSEL WISE FIXTURES TREND

Region wise DPP Fixtures to India

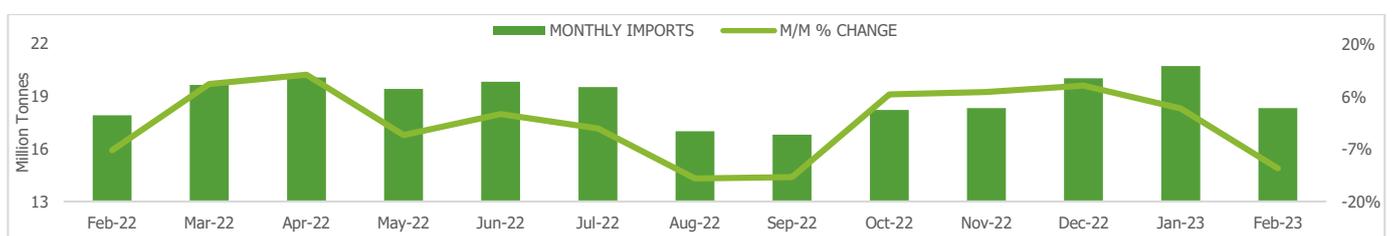


Vessel wise DPP Fixtures to India



DPP Fixtures Trend M/M-> MEG▼29% & WAF▼50% w/w.

### INDIAN MONTHLY CRUDE OIL IMPORTS



## PRODUCT MARKET TREND

Trade Routes	Jan-23 Avg. Freight (USD Millions)	Feb-23 Avg. Freight (USD Millions)	Percentage Change
WCI-WCI	0.67	0.68	1%
WCI-ECI	0.80	0.90	13%
WCI-ECI+WCI	1.43		-100%
WCI-WCI+ECI			
ECI-ECI	0.550		-100%
ECI-WCI		0.63	
ECI-ECI+WCI			
ECI-WCI+ECI			
AG-WCI & ECI		0.75	
ECI-Colombo			
WCI-Colombo			
No. of Fixtures	6.00	4.00	-33%

M/M Charterer wise CPP Fixtures to India



Indian Monthly CPP Exports

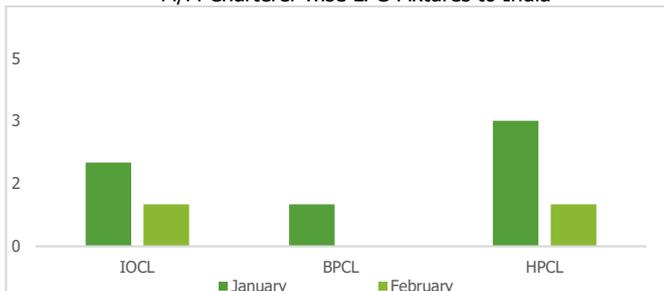


INDIAN CPP Exports Trend M/M-> ▲3.7% m/m.

## LPG MARKET TREND

Vessel Type	Avg Freight (USD Millions) JAN-2023	Avg Freight (USD Millions) FEB-23	M/M % CHANGE
VLGC	3.10	3.45	11%
MGC	-	-	-
No. of Fixtures	6	2	-67%

M/M Charterer wise LPG Fixtures to India



LPG Fixtures Trend M/M-> IOCL▼50% & HPCL▼67% m/m.

Indian Monthly LPG Imports



INDIAN LPG IMPORT Trend M/M-> ▼2.26% m/m.

Website Link - <https://www.saigalseatrade.com/>

For any queries, reach out to us at:

Email – [tanker@saigalseatrade.com](mailto:tanker@saigalseatrade.com), [gas@saigalseatrade.com](mailto:gas@saigalseatrade.com), [research@saigalseatrade.com](mailto:research@saigalseatrade.com)

T : +91-22-24210505 (Mumbai) T : +91-11-26252389 (Delhi)

**DISCLAIMER** - This report is intended for general guidance and information purposes only. We have taken reasonable care to ensure the facts to the best of our knowledge however, please note that we make no assurance that the underlying forward-looking statements are free from errors. Saigal Sea Trade does not accept any form of liability, neither legally nor financially, for loss (direct or indirect) caused by the understanding and/or use of this report or its content.

