New Year’s slump continues

Chemical shipping in the Americas continued its New Year’s slump during the first week of January, marked by a small rate drop on the US Gulf-to-Asia route and a falloff of almost 50% in new business.

The Transatlantic route added many of the new fixtures, with a fairly even spread between both directions, with a long list of clean petroleum products (CPP) moving east and westbound.

But it was not enough to make up for the lack of new business Latin America, particularly South America.

Oil fell for the second week in a row, with NYMEX futures for West Texas Intermediate crude dropping more than $1/bbl on a fairly sluggish stock market and lackluster job growth in the payrolls report. For the week, WTI slipped 1.32%.

Front-Month Crude Oil Contract

<table>
<thead>
<tr>
<th>Date</th>
<th>20 Dec</th>
<th>27 Dec</th>
<th>3 Jan</th>
<th>10 Jan</th>
</tr>
</thead>
<tbody>
<tr>
<td>(US$/bbl)</td>
<td>99.32</td>
<td>100.32</td>
<td>93.96</td>
<td>92.72</td>
</tr>
</tbody>
</table>

Bunkers followed in a big way, with prices dropping around $15-25/tonne in three of the major Americas chemical ports. In Houston and New York, marine IFO 380 fuel ran $583-$585. Bunkers dropped about $15/tonne in Panama, and fell $5/tonne in Santos, Brazil.

Marine IFO 380 Fuel

<table>
<thead>
<tr>
<th>PORT</th>
<th>HOUSTON</th>
<th>NEW YORK</th>
<th>SANTOS</th>
<th>PANAMA</th>
</tr>
</thead>
<tbody>
<tr>
<td>(US$/tonne)</td>
<td>583</td>
<td>585</td>
<td>599</td>
<td>601</td>
</tr>
</tbody>
</table>

+++TRANSATLANTIC+++ 

There were 10 new fixtures here, six westbound and four eastbound.

Westbound shipments contained urea ammonium nitrate (UAN) from the Baltic to the US, caustic soda from Europe to Maine and Quebec, and paraxylene (PX) from Turkey to Brazil.

Eastbound cargoes carried tallow from Texas to Morocco, styrene, mixed xylenes and ethylene dichloride from the US Gulf to Asia.

Freight levels held steady. CPP cargoes have ramped up on both legs.

Eastbound

This leg has gone quiet, and several vessels have open space in January, according to the latest SSY Base Oil Report.
CPP
38,000 DOIL 07 January USG/UKC-Med, Nord Innovation, W116 ENI
38,000 DOIL 15 January USG/UKC-Med, Ardmore Seaventure, W110 Exxon
38,000 CPP 17 January USG/ECC, Akeraïos, RNR, Valero
38,000 CPP 03 January USG/UKC-Med, Siteam Anja, W100 VALERO
38,000 CPP 12 January USG/UKC-Med, STI Garnet, W117.5 AIC
38,000 tonnes CPP 18 January USG/Brazil, CPO Singapore, RNR, Shell
60,000 tonnes Naphtha 20 January USG/UK Continent-Mediterranean, BW Amazon, RNR Shell
37,000 tonnes Gasoline 18 January UK Continent/USAC VNR RNR Morgan Stanley

Traffic on this leg has picked up and is keeping freight rates from dropping on the route, sources said.

CPP
37,000 UNL January France/USAC Torm Laura W122.5 M. Stanley
37,000 UNL January UKC/W Africa Torm Republican W150 Teverases
37,000 UNL January UKC/USAC Eagle Express RNR CNR
37,000 CPP January Baltic/UKC Seapike RNR CNR
37,000 UNL January Sines/USAC Nord Observer W120 Cargill
37,000 UNL January Pembroke/USAC Jasmine Express W122.5 Valero
37,000 UNL January UKC/EC Mexico Hafnia Leo RNR CNR
37,000 UNL January UKC/USAC King Gregory W117.5 Koch
37,000 UNL January UKC/USAC-USG, STI Onyx W117.5 CSSSA
37,000 CPP January UKC/W Africa Emerald Sky, W145 CNR
37,000 UNL January Fawley/USAC, Port Said, W120 Global
37,000 UNL January ARA/USAC, Lysias, W117.5 BP
37,000 Naphtha January Skikda/Brazil, Vendome Street, RNR Petrobras

FIXTURES:
10,000 tonnes PX Aliaga/Suape end December, “Imera,” low $70s pmt, CNR
8,500 tonnes Tallow Houston/Casablanca 25-31 January, Bryggen TBN, $67 pmt
40,000 tonnes UAN Sillamae/USEC 1-2sp 8-12 January, “Bow Sun,” $28 pmt
30,000 tonnes MX, SM Miss River/Fareast 25 Dec – 05 January, “Ioannis,” RNR, Total
5,000 tonnes SM Houston/Rotterdam 1-10 January, “Maersk Bristol,” RNR
6,000 tonnes Caustic soda Rotterdam/Searsport 1-7 January, “Bow Summer,” RNR
4,000 tonnes Caustic soda ARA/Quebec 1-5 January, Nordic TBN, RNR
820,000 tonnes EDC Freeport/WC India 20-30 December, Fairfield TBN, RNR, Mitsubishi
40,000 tonnes UAN Sillamae/USEC 1-2sp 8-12 January, “Bow Sun,” $28 pmt
37,000 tonnes UAN Sillamae/Nola 1-4 January, “Torm Thames,” RNR, Agronova
40,000 tonnes UAN Sillamae/USEC 1-2 sp 8-12 January, “Bow Sun,” $28 pmt, CNR
27,500 tonnes UNV Novorossysk/USEC 25-31 December, “Cape Bradley,” $42 pmt, Harvester
27,500 tonnes UNV Novorossysk/USEC 1-10 January, “Champion Trader,” $39 pmt, Harvester
14,000 tonnes FAME Argentina/Moleono, Conchán, Talara 1-3 January, “Hellespont Crusader,” $71 pmt
5,000 tonnes Styrene Lake Charles/Rotterdam 20-31 December, “Kristin Knutsen,” $55 pmt, Helm
8,000 tonnes Biodiesel (FAME) Fredrikstad/USEC-USG 25 Dec – 5 January, “Siva Rotterdam,” RNR, CNR
38,000 tonnes UAN Sillamae/USEC or USG 25-31 December, “Champion,” High $20s pmt

INQUIRIES:
25,000-30,000 tonnes UNV Novorossysk/USEC or USG end December, early January
2,500 tonnes OX Pt Comfort/Veracruz 26 Dec – 06 January, Flint Hills
3,000-5,000 tonnes BTX (Benzene) ARA/USGulf 24 Dec – 04 January
5,000 tonnes Acetic Acid USG/Amterpur Prompt dates
3,500 tonnes Ethanol Houston/Continent end December/early January
3,500 tonnes Tallow Houston/W Africa prompt onwards PZ Cuzzons
30,000 cbm Ethanol USG/AG December loading, BP

+++USG-MAIN PORTS FAR EAST & USG-CHINA+++
There were four new fixtures here: two shipments of ethylene dichloride (EDC) and large cargoes of monoethylene glycol (MEG) and styrene, all from the US Gulf Coast headed to India and Asia.

Brokers said that US Gulf-to-Asia chemical freight rates for large shipments dropped $5/tonne this week on a decline in traffic stemming from a carryover in sluggishness from late December.

Rates fell on shipments of 5,000 tonnes or more to $90-95/tonne, from $95-100/tonne previously. Rates remained unchanged on 2,000-tonne shipments at $115-125/tonne.

It marked the first reduction on the USG-Asia route in more than six months, following six increases since last June.

The route has been the most active of the major trade lanes out of the US for months as producers filled cargoes to feed China’s appetite for chemicals, particularly aromatics and glycols. But new activity has dwindled, with only a small handful of new fixtures this week.

**FIXTURES:**

21,313 tonnes Ethylene dichloride (EDC), prompt Plaquemine & Lake Charles/WCI, “Chemstar Jewel,” RNR, Mitsubishi

5,000 tonnes EDC USG/Far East, 1H January, “Amelia,” RNR, Mitsubishi

30,350 tonnes Monoethylene glycol (MEG) USG/Far East, “MTM Hong Kong,” RNR, ICC

15,000 tonnes Styrene monomer (SM) 2H January USG/Far East RNR, Total

21,000 tonnes Chems 1-3 grds USG/Yangtze River 15-25 January, “Golden Unity,” $87 pmt

5,000 tonnes Acrylonitrile + 13,000 cbm Ethanol Brazil/Fareast 15-30 December, “Fairchem Mustang,” RNR, Petrobras (ethanol)

15,000 tonnes PX Texas/S Korea 15-28 December, “Ioannis 1,” $95 pmt, Koch

20,000 tonnes MEG Point Comfort/China December, “MTM Gibraltar,” mid-hi $80s pmt

19,700 tonnes Styrene/MEG USG/Far East 2H December, “Golden Yosa,” RNR, Tricon

**INQUIRIES:**

10,000 tonnes PX, Houston/Dalian January, ExxonMobil

18,000 tonnes EDC USG/Fareast 25 Dec – 07 January, MSK

10,000 tonnes PX Houston/China 2H January, major producer

5,000 tonnes MX USG Korea 2H January Lotte

5,000 tonnes Vegoil New Orleans Korea/Taiwan 2H January

20,000 tonnes CSS USG/Brazil November Glencore

10,000-20,000 cbm Ethanol Texas City/Phillipines February shipment, Copersucar Trading

18,000 tonnes MEG/Phenol/Acetone USG/FE December loading Vinmar

5,000-20,000 tonnes Paraxylene USG/Asia Nov-/Dec loading Koch

***INTRA NORTH AMERICA & CARIBBEAN***

There was one new fixture, a styrene parcel from Houston to the Caribbean.

In other news, chemical tanker arrivals at the Port of Houston fell 26% in December year on year and also dipped slightly for all of 2013.

The decline marked somewhat of a correction on the ship channel after the swell of vessels in 2012 carrying petroleum products and chemicals on the waterway.

Chemical tanker arrivals in December totalled 126, compared with 170 in the same month of 2012, according to data from the Greater Houston Port Bureau (GHPB), which tracks traffic on the waterway.

Total traffic at the Port of Houston also fell slightly in 2013, with nine of 12 vessel categories showing declines. Chemical tanker arrivals were essentially flat, with three less ship arrivals than in 2012.

<table>
<thead>
<tr>
<th>Vessel arrivals in 2013 at Port of Houston</th>
<th>2013</th>
<th>2012</th>
<th>% chg</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chem tanker</td>
<td>1624</td>
<td>1627</td>
<td>-0.18%</td>
</tr>
<tr>
<td>LPG</td>
<td>579</td>
<td>476</td>
<td>21.64%</td>
</tr>
<tr>
<td>Crude tanker</td>
<td>2752</td>
<td>2865</td>
<td>-3.94%</td>
</tr>
<tr>
<td>Bulk</td>
<td>809</td>
<td>724</td>
<td>11.74%</td>
</tr>
<tr>
<td>Container</td>
<td>966</td>
<td>1010</td>
<td>4.36%</td>
</tr>
<tr>
<td>Gen cargo</td>
<td>1019</td>
<td>987</td>
<td>3.24%</td>
</tr>
<tr>
<td>Total arrivals</td>
<td>8291</td>
<td>8396</td>
<td>-1.25%</td>
</tr>
</tbody>
</table>

Source: Greater Houston Port Bureau

**FIXTURES:**

3,000 tonnes SM Texas/Caribbean 1-6 January, “Sloman Hera,” RNR

38,000 tonnes CPP USEC/Caribs 24-28 December, “Marianne Kirk,” "$475,000, Vitol

**INQUIRIES:**

7,000-10,000 tonnes SBO USG/Dom Rep January Cargill

***USG/SOUTH AMERICA-SOUTH AMERICA/USG***

There were no new fixtures here.

**FIXTURES:**
7,500 tonnes Vegoil Paranagua/Cuba 20-30 December, "Wappen Von Stuttgart," $90 pmt
3,700 tonnes Glycerine Argentina/US 5 January, "Chembulk Tortola," RNR, CNR

INQUIRIES:
20,000 cbm Ethanol ex USG to Brazil end January/early February, Raizen
5,000 tonnes MEG ex USG to Suape
18,000-20,000 tonnes SBO USG/Peru January, Cargill

+++INTRA SOUTH AMERICA+++*
There were no new fixtures.

FIXTURES:
10,000 tonnes Vegoil Argentina/Puerto Cabello 20-30 December, "Bow Riyad," $58 pmt, CNR
14,000 tonnes Biodiesel Argentina/Peru 10 January "Hellespont Crusader," RNR, Mercuria
3,500 tonnes Biodiesel Argentina/Peru 2 January, "Bunga Lotus," RNR, Dreyfus

INQUIRIES: N/A

+++MISCELLANEOUS+++*
There were four new fixtures: two sulphuric acid shipments from Japan to Chile, a biodiesel cargo from Singapore to Canada, and some ethanol from Brazil to Asia.

FIXTURES:
14,000 tonnes NextBTL Singapore/Vancouver 2H December, Tokyo Marine TBN, $84 pmt, Neste
17,000 tonnes Ethanol Brazil/Asia 10-15 January, "Southern Jaguar," $115 pmt, Petrobras
20,500 tonnes Sulphuric acid Japan/Mejillones 17-23 December, "Fairchem Kiso," RNR
30,000 tonnes Sulphuric acid Japan/Mejillones 27-30 December, "Chembulk New Orleans," RNR

18,500 tonnes Sulphuric acid Japan/Chile 25 December- 5 January, "Maemi II," RNR, CNR
40,000 tonnes Vegoil Argentina & Brazil/China 25-30 December, "Nautilus," $63 pmt 2:2 basis
30,000 tonnes Sulphuric acid Japan/Chile 27-30 December, "Chembulk New Orleans," RNR
24,500 tonnes SBO Argentina/India 4 January "Horizon Aphrodite," RNR, Bunge
27,000 tonnes SBO Argentina/India 1 January “St Johannis,” RNR, Cargill
8,000 tonnes + 15,000 tonnes SBO Argentina/India 8 January “Pure Energy,” RNR, Noble
7,000 tonnes SBO Argentina/India 8 January “Ocean Spirit,” RNR, Indira
7,000 tonnes SBO Argentina/India 8 January “Bunga Lily,” RNR, Glencore
2,500 tonnes Sunflower oil (SFO) Argentina/Australia 18 January, "Sira," RNR, G. Smith
18,500 tonnes Sulphuric Acid Japan/Chile 1-10 January, “Princess Park,” RNR

INQUIRIES: N/A

+++SALES, PURCHASE & PRODUCTION+++*
“Ghetty Botiglieri,” 38,000 dwt, T/C delivery Shanghai, re-delivery Europe, $17,000/pd
"Athina M," 52,000 dwt, T/C trip delivery Korea/re-delivery Europe $20,000/pd
Wilmar paid $10m each for seven ships from MISC of the Bunga Melati class which are 32,000 dwt stainless center tanks and coated wings. Wilmar now has 36 ships in their fleet with about 950,000 dwt total.
“Oriental Zinnia,” 14,045 dwt built 2002 fully stainless was sold to European buyers for $11.7m .

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