



APAC webinar

The oil market in a post-pandemic era

Agenda

- Global crude trade flows outlook
- Will Asia's refining margins remain strong into Q3?
- Shifting trade patterns of Russian oil
- Opportunities and challenges for the shipping market

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This presentation has been compiled
under the guidance of

APAC webinar
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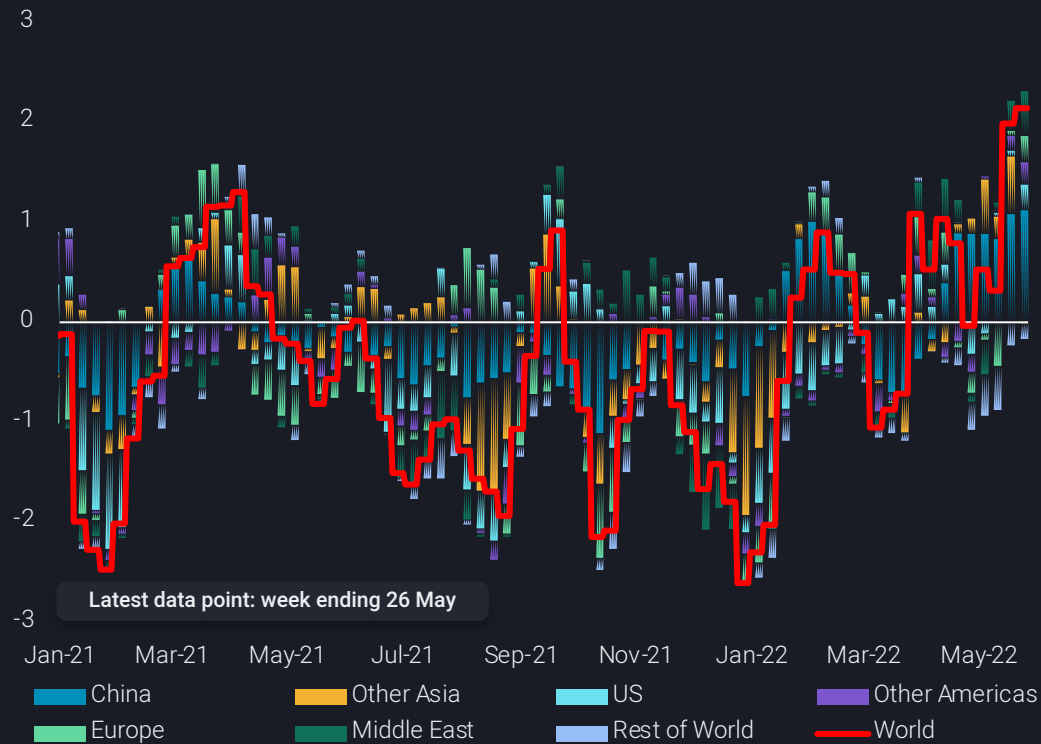
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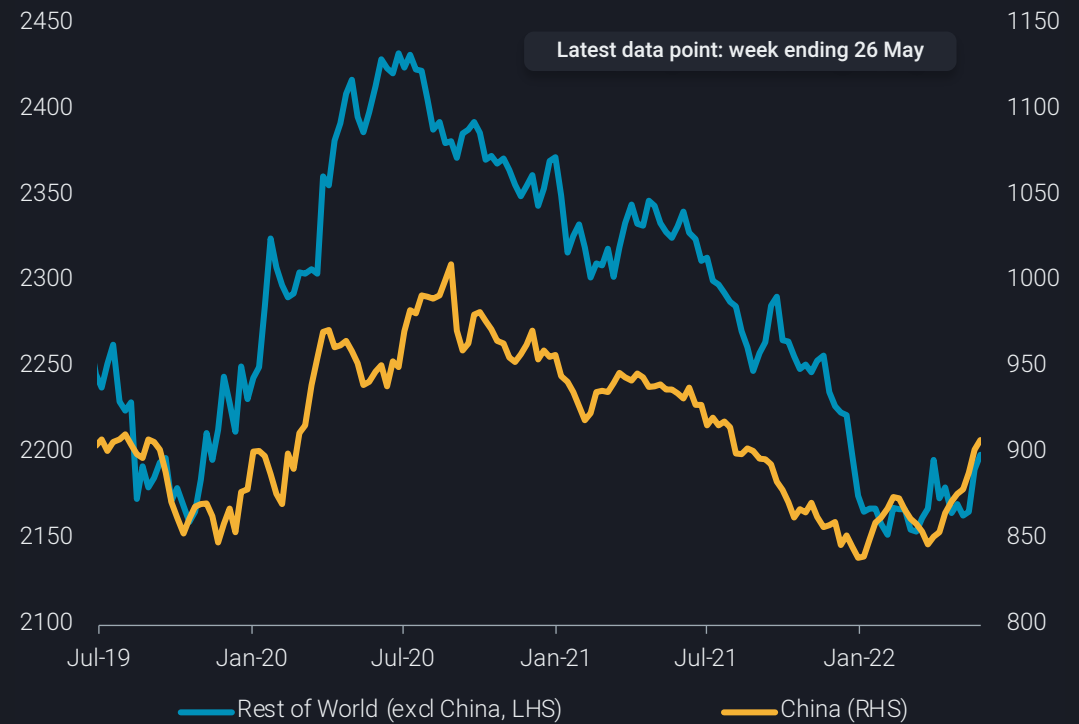
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Global crude stocks build led heavily by China

Onshore crude inventory change by region (4-week average, mbd)

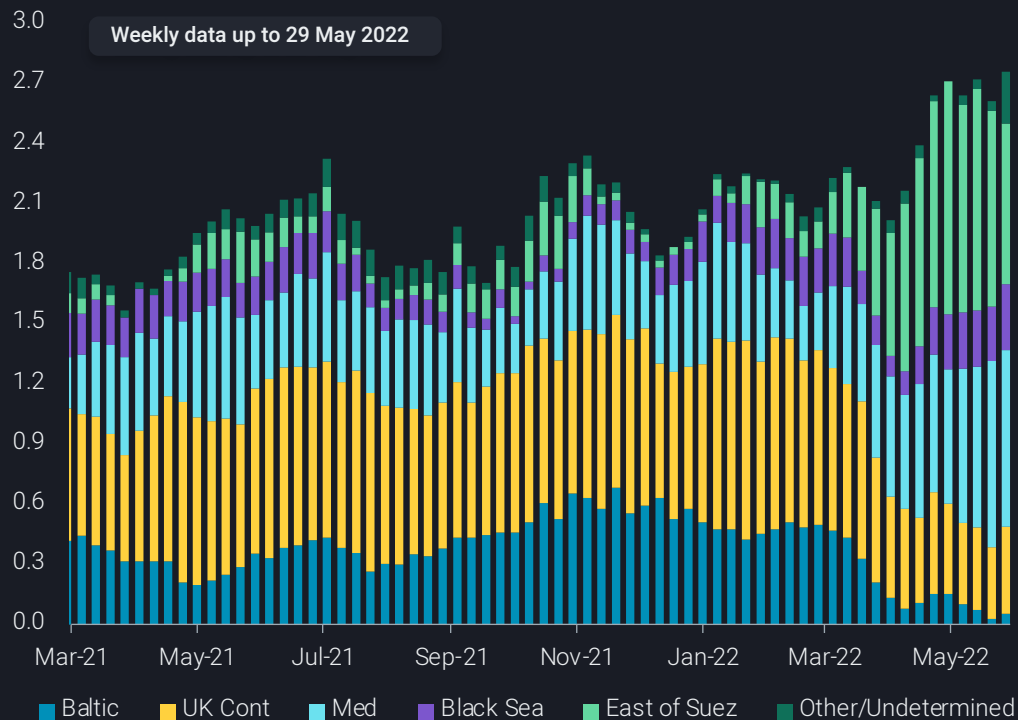


China onshore crude inventories (mb, LHS) vs World excl. China crude inventories (mb, RHS)

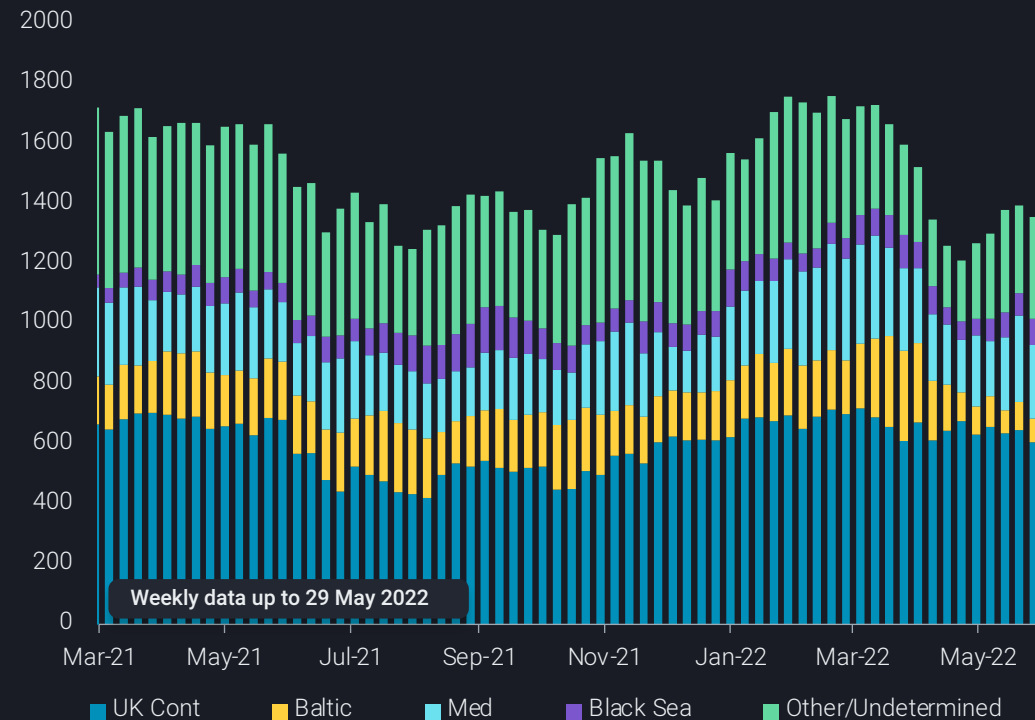


Russian oil exports towards Europe remain very strong beyond 15 May deadline, with diesel exports holding 2021 average

Russian crude exports from the Arctic, Baltic and Black Sea (4-week average, mbd)

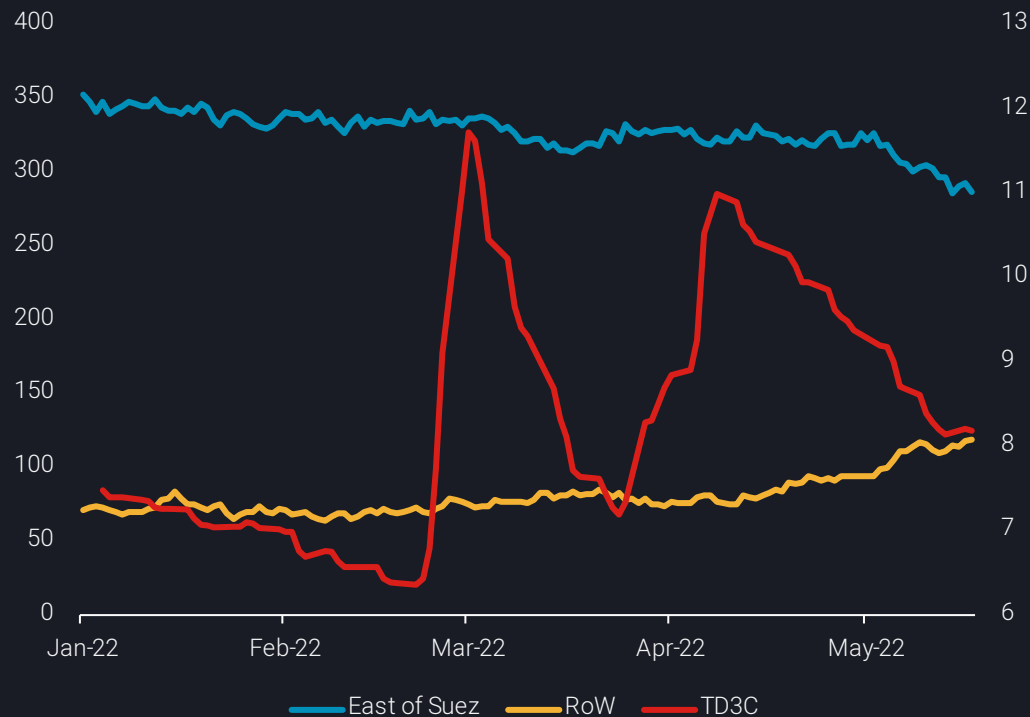


Russian clean product (excl. LPG+) seaborne exports from Baltic and Black Sea (kbd, 4-week average)

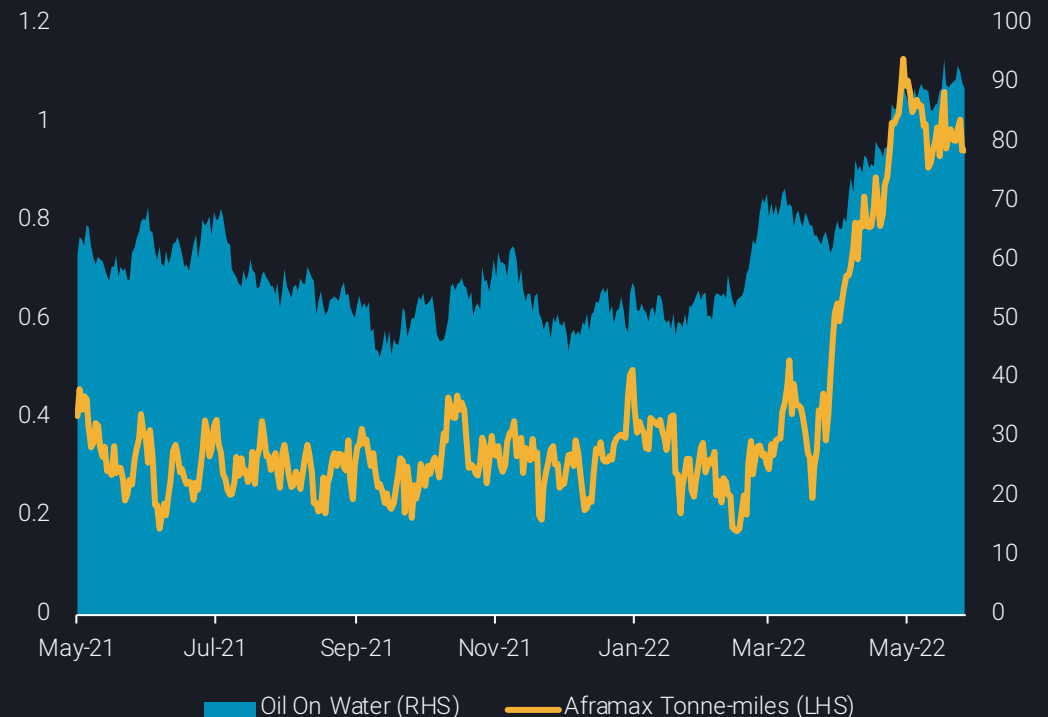


VLCC struggle while Russia boost Aframax tonne-miles

VLCC heading towards East of Suez vs. Rest of the World (no. of vessels) vs. Middle East-to-East Asia rates

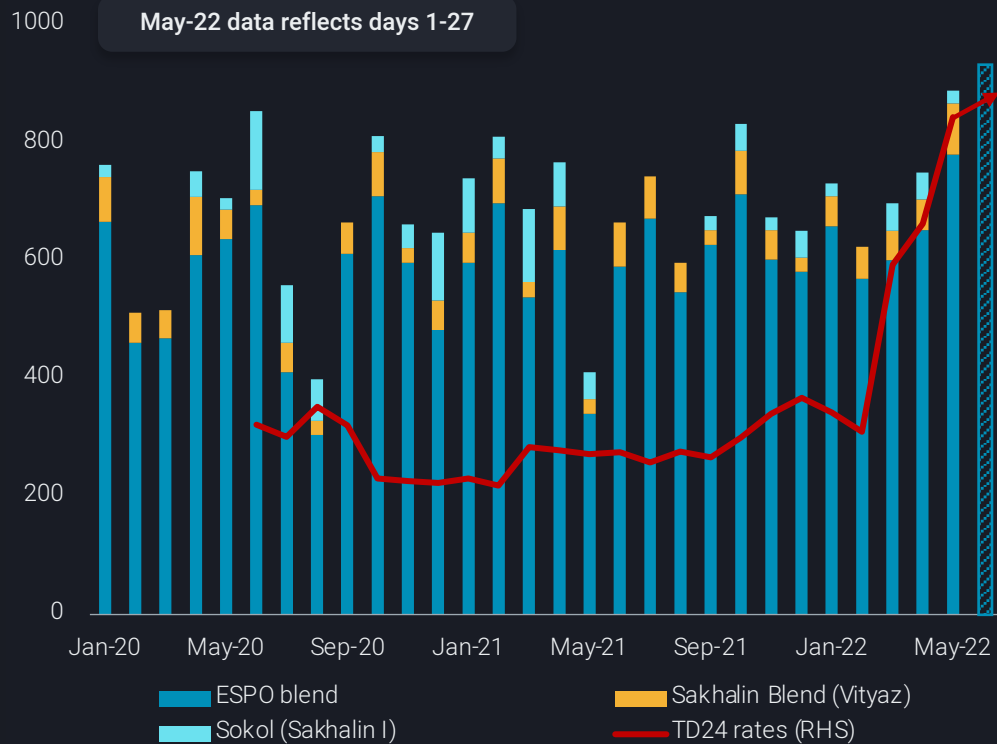


Oil in transit for Russian crude (mb) vs. Aframax tonne-miles carrying Urals (bn tonnes)

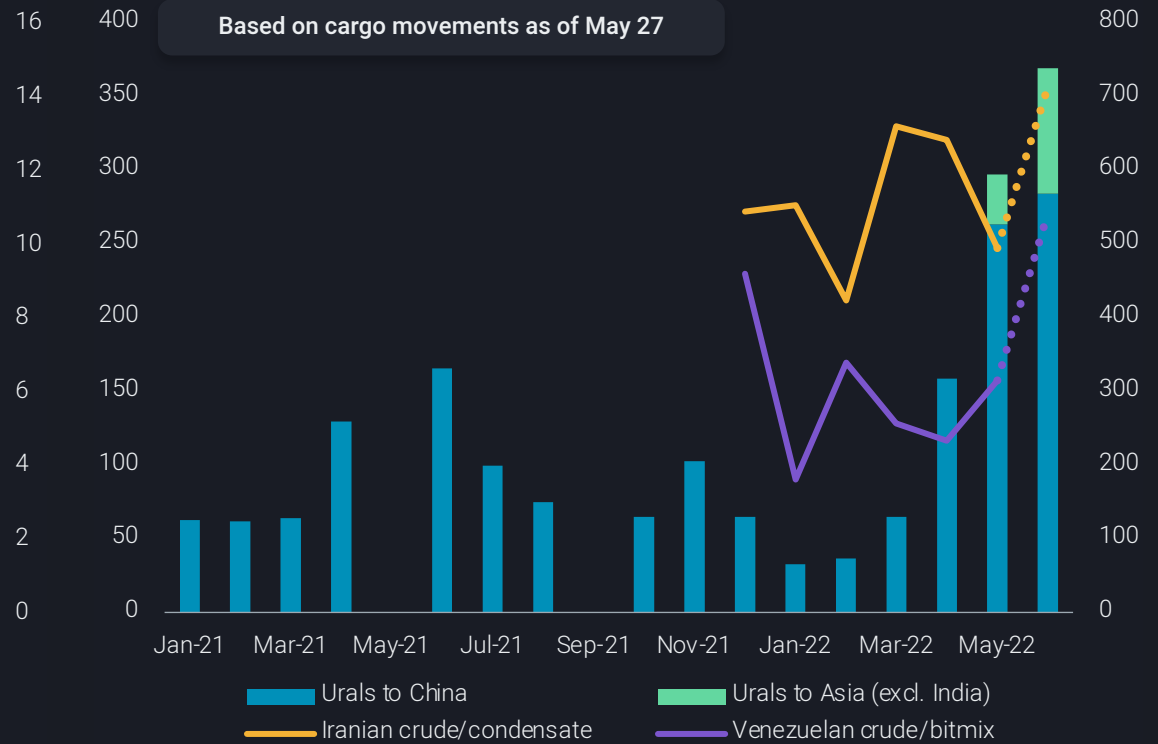


China's Russia Far East crude imports pick up despite soaring freight; refiners enjoy various discounted crude options

China's Russia Far East imports (kbd, LHS) and freight (\$/t, RHS)

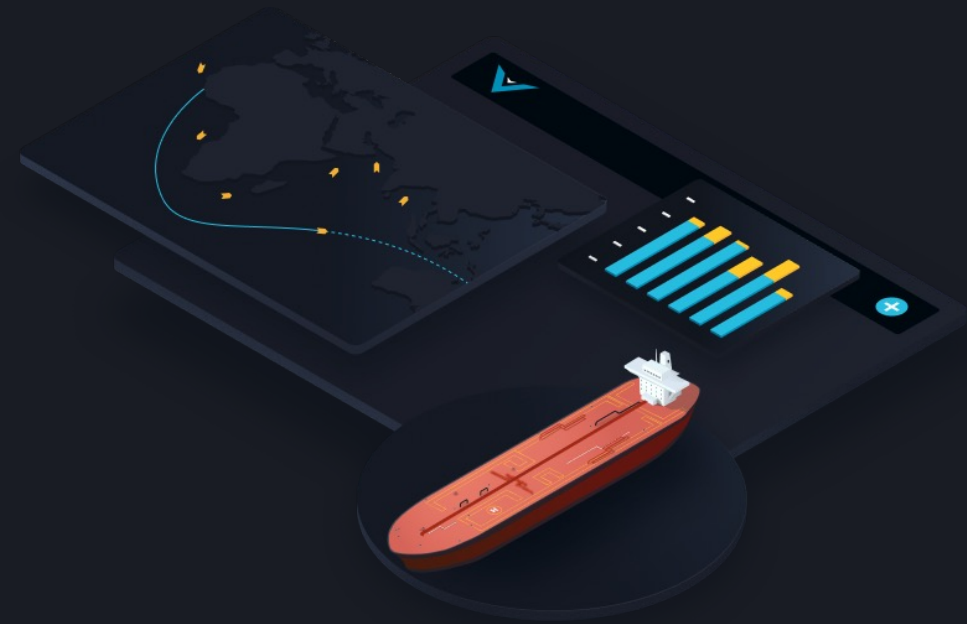


China's Urals imports (kbd, LHS) vs. Iranian/Venezuelan oil imports (kbd, RHS)



Key Takeaway

- Global oil market sees a paradox of rising crude inventories and tight refined products market
- Reshuffling of Russian oil flows towards Asia and the Middle East is set to accelerate as EU ban draws near
- Continuity of Asia's strong refining margins hinges upon sustaining oil demand despite inflationary pressures, and keeping export arbitrage open
- China's refining industry experienced a challenging start of the year, but recovery could be in sight
- VLCC tanker earnings could remain in rough waters for awhile, whilst MR tanker earnings enjoy a windfall



Thank you

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