

SHIPPING RATES & BUNKERS (9:30 am ET)

Monday, August 13, 2018

DIRTY TANKER (KT - \$/day)	Voyage	Spot TCE earnings	2018 avg. rate	10 day trend
VLCC, 270	AG-FE	12,600	9,700	
Suezmax, 130	WAF-UKC	4,500	5,100	
Aframax, 70	CAR-USG	1,300	5,700	
Panamax, 50	CAR-USG	7,700	6,400	
CLEAN TANKER (KT - \$/day)	Voyage	Spot TCE earnings	2018 avg. rate	10 day trend
MR, 37	UKC-USAC	4,000	6,800	
MR, 38	USG-UKC	(2,600)	800	
TIME CHARTER (KDWT)	1yr eco vessel rate (\$/day)	Yearly trend	Newbuild price (\$M)	Secondhand 5yr old price (\$M)
VLCC, 200+	26,000		90.0	61.0
Suezmax, 130-200	19,000		60.0	42.0
Aframax, 80-130	16,000		48.0	30.0
LR2, 80-130	16,000		50.0	31.0
LR1, 60-80	13,750		43.0	26.0
MR, 42-60	13,750		35.5	25.5
Handymax, 30-42	12,500		33.0	23.0
US FLAG (KT - \$/day)	Voyage	Weekly spot rate	2018 avg. rate	10 week trend
Handy, 38	USG-USAC	58,070	62,786	
LNG (\$/day)	Weekly spot rate	Sentiment	Current month rate	2018 avg. rate
160M3 Tri-fuel diesel electric (West)	74,000	Flat	74,000	66,688
138-150M3 Steam turbine (West)	56,000	Flat	56,000	46,406
160M3 Tri-fuel diesel electric (East)	63,000	Flat	63,000	55,719
138-150M3 Steam turbine (East)	44,000	Flat	44,000	36,813
LPG (KT)	Last posted spot rate (\$/mt)	Spot TCE rate (\$/day)	1yr time charter rate (\$/day)	
VLGC, 44 (AG-Japan)	39.79	20,559	17,270	
BUNKERS (\$/mt)	IFO 380	10 day trend	MDO	10 day trend
US Gulf	419.5		727.0	
Rotterdam	422.5		622.0	
Singapore	467.5		658.0	

DEVELOPMENTS

Saudi Arabia cuts oil production, despite pledge to boost output. The kingdom's oil production in July fell even though it has promised to raise output significantly in an effort to offset an expected drop in Iranian exports. Last month, Saudi Arabia pumped just below 10.4 mbpd, according to OPEC research figures. This is equivalent to a fall back of more than 52,000 bpd from the previous month. Figures from the kingdom itself showed an even lower number, below 10.3 mbpd. President Trump had asked global producers to supply more oil after the launch of US sanctions on Iran's oil sector to keep oil prices steady. OPEC's largest producer said it lowered production because it has not seen sufficient demand for its crude as Iran offers heavy discounts for its crude. Nonetheless, total OPEC production was 32.3 mbpd, up 41,000 bpd from the prior report.

[FT Aug 13, 2018](#)

Iraq strikes \$369M deal with Petrofac to build Majnoon crude-processing plant. The deal terms state that work to build the new facility, which has a capacity to produce 200,000 bpd should be completed in 34 months.

[Reuters Aug 13, 2018](#)

Caspian countries to settle dispute on oil and gas reserves. Leaders of Russia, Kazakhstan, Iran, Azerbaijan and Turkmenistan struck a deal that aims to resolve a longstanding dispute over ownership of O&G reserves on the water. According to the EIA, Caspian reserves of 2012 were estimated at 48B bbl of oil and 292 Tcf of natural gas. Details of the deal were not revealed, but an early draft of the agreement outlined key provisions. These include defining and regulating the "rights and obligations of each of the countries with respect to the use of the Caspian sea waters, bottom, subsoil, natural resources and airspace". It also established that territorial waters not exceed 15 nautical miles in width.

[WSJ Aug 12, 2018](#)

Multiple VLCC export terminals planned offshore US Gulf. Since 2017, as US production grew, Asia has developed into an important destination for US crude and VLCCs have become a more significant factor in the transportation mix. In 1H 2018, VLCCs carried a higher percentage of US Gulf crude oil exports than Aframax and Suezmaxes, even though almost all VLCCs in the USG need to be loaded via reverse lightering. As a result, several midstream, logistics and trading companies have announced plans for VLCC capable offshore export terminals. The projects that have been announced so far are located all over the USG coast area, from Brownville in the south-west corner of Texas to LOOP in eastern Louisiana. Even if not all these offshore terminals are built, VLCC export capacity from the USG will likely grow dramatically in the next 3-4 years, coinciding with and facilitating a rapid expansion of US production.

[Poten's Tanker Opinion Aug 10, 2018](#)

COMMODITIES, (9:10 am ET)

CRUDE	Source	Unit	Last price	Δ Prior day close
Brent	ICE	\$/bbl	72.82	↑ 0.01
WTI	NYMEX	\$/bbl	67.40	↓ -0.23
Dubai (Spot)	Bloomberg	\$/bbl	71.59	↑ 0.85
PRODUCTS	Source	Unit	Last price	Δ Prior day close
RBOB Gasoline	NYMEX	¢/gal	203.61	↓ -0.31
Heating Oil	NYMEX	¢/gal	214.36	↑ 0.39
NATURAL GAS	Source	Unit	Last price	Δ Prior day close
US Henry Hub	NYMEX	\$/MMBtu	2.92	↓ -0.02
UK National Balancing Point	ICE	\$/MMBtu	7.90	↑ 0.20
NATURAL GAS LIQUIDS	Source	Last Price (¢/gal)	Last Price (\$/mt)	Δ Prior day close (¢/gal)
US Mont Belvieu Propane (Spot)	Bloomberg	96.88	505.01	↓ -0.12
PRICE SPREADS (\$/bbl)	Source	Last price	Δ Prior day close	
Brent 3-2-1 Crack	ICE	11.14	↑ 0.08	

MARKET ANALYSIS

LNG: At least three vessels were fixed last week, for single voyages loading Atlantic and SE Asia in Aug and Sept.

LPG: In the next four weeks, there are 15 spot vessels open for AG loading, 13 of which are owner tonnage and 2 are relets.

US stock futures drop on worries on Turkey currency crisis.

Turkish lira falls further, hits fresh lows against US dollar.

MARKETS, (9:10 am ET)

EQUITIES	Region/Country	Last value	Δ Prior day close
S&P 500	United States	2,833.28	↓ -20.30
FTSE 100	United Kingdom	7,638.67	↓ -28.34
DAX	Germany	12,371.97	↓ -52.38
Nikkei	Japan	21,857.43	↓ -440.65
SH Composite	China	2,785.87	↓ -9.44
CURRENCIES	Region/Country	Last value	Δ Prior day close
£/\$	United Kingdom	1.28	↑ 0.00
€/€	European Union	1.14	↑ 0.00
\$/JPY ¥	Japan	110.77	↓ -0.05
\$/CNY ¥	China	6.88	↑ 0.04

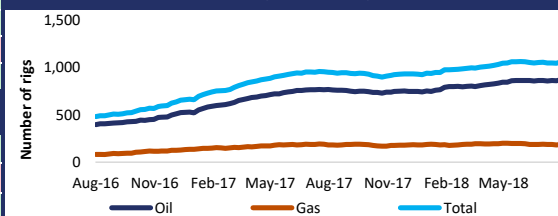
POTEN EVENTS

WORLD EVENTS

Sept. 17-20: Gastech, Barcelona, Poten sponsoring.

Aug. 15: EIA Petroleum Status Report, 10:30am, ET.
Aug. 16: EIA Natural Gas Report, 11:00am, ET.

BAKER HUGHES US OIL/GAS SPLIT (Aug 12, 2016 - Aug 10, 2018)



BAKER HUGHES DRILLING RIG COUNT	Week ended Aug 10	Δ Prior count	Δ Prior year
United States	1,057	↑ 13	↑ 108
Canada	209	↓ -14	↓ -11
International	997	↑ 38	↑ 38

NEW YORK LONDON HOUSTON PERTH ATHENS SINGAPORE GUANGZHOU