Poten & Partners - Daily Briefing

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| SF | IIPPING RATES & B | UNKERS (9:20 aı | m ET) | | Friday, August 17, |
| DIRTY TANKER (KT - \$/day) | Voyage | Spot TCE earnings | , 2018 avg. rate | 10 day trend | DEVELOPMENTS |
| VLCC, 270 | AG-FE | 14,200 | 9,800 | | Cheniere's bid to feed first gas to Texas LNG plant approved. The US |
| Suezmax, 130 | WAF-UKC | 3,700 | 5,100 | | energy regulator has approved Cheniere Energy's request to feed the fir |
| Aframax, 70 | CAR-USG | 500 | 5,600 | | gas into its new LNG facility in Corpus Christi, signaling the beginning of |
| Panamax, 50 | CAR-USG | 8,300 | 6,500 | | commissioning phase for the export terminal. The FERC approval means |
| CLEAN TANKER (KT - \$/day) | | | - | 10 day trend | the company will be able to produce the first commissioning cargo by 4 |
| | Voyage | Spot TCE earnings | 2018 avg. rate | | 2018, if not earlier. Train 1 at the Corpus Christi facility will become the |
| MR, 37 | UKC-USAC | 5,000 | 6,800 | | first LNG export terminal in Texas, and the third functioning one in the U |
| MR, 38 | USG-UKC | (1,400) | 800 | | Cheniere's Sabine Pass terminal, with four trains, is the largest LNG facil |
| TIME CHARTER (KDWT) | 1yr eco vessel | Yearly trend | Newbuild price | Secondhand 5yr | in the US with a 18 mmta capacity. Over a dozen trains are slated to |
| | rate (\$/day) | | (\$M) | old price (\$M) | become operational next year on the US East Coast, adding 36 mmta to |
| VLCC , 200+ | 26,000 | | 90.0 | 61.0 | global LNG supply compared to the 290 mmta traded in 2017. |
| Suezmax, 130-200 | 19,000 | | 60.0 | 42.0 | Reuters Aug 17, 2 |
| Aframax, 80-130 | 16,000 | \sim | 48.0 | 30.0 | AP Moller-Maersk to spin off oil drilling rig arm. The Danish firm |
| LR2, 80-130 | 16,000 | \sim | 50.0 | 31.0 | attempted to sell Maersk Drilling but received disappointing bids, causir |
| LR1, 60-80 | 13,750 | | 43.0 | 26.0 | it to star the spin-off that should generate proceeds of about \$1.2B nex |
| MR, 42-60 | 13,750 | | 35.5 | 25.5 | year. Maersk decided to break the conglomerate in 2016 and focus on |
| Handymax. 30-42 | 12,500 | \sim | 33.0 | 23.0 | global trade, concentrating on its shipping, port terminals and logistics |
| US FLAG (KT - \$/day) | Voyage | Weekly spot rate | 2018 avg. rate | 10 week trend | business. Since then, however, oil prices have recovered while containe |
| | USG-USAC | 58,070 | 62,643 | 10 week trend | shipping has entered a difficult period partly due higher fuel costs. The |
| Handy, 38 | | 38,070 | | | firm has secured debt financing of \$1.5B for its drilling unit and aims to |
| LNG (\$/day) | Weekly spot rate | Sentiment | Current month rate | 2018 avg. rate | spin it off to existing shareholders in 2019 when it becomes a separate listed company in Copenhagen. |
| 160M3 Tri-fuel diesel electric (Wes | | Flat | | 66 600 | |
| | | | 74,000 | 66,688 | FT Aug 17, 2 |
| 138-150M3 Steam turbine (West) | 56,000 | Flat | 56,000 | 46,406 | Japan's Mitsubishi Corp to acquire 25% stake in Bangladesh LNG terminal. The remaining 75% of the Summit LNG terminal will remain w |
| 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 | Summit Corp. Summit LNG's plans for the project call for a FSRU to be installed off the coast of Moheshkali, where it will receive and regasify L |
| LPG (KT) | Last post | ed spot rate | Spot TCE rate | 1yr time charter | procured by Petrobangla, the national oil and gas company. Construction |
| | | 5/mt) | (\$/day) | rate (\$/dav) | works have commenced, with commercial operation expected to start in |
| VLGC, 44 (AG-Japan) | 4 | 40.14 | 20,559 | 17,270 | Mar. 2019. The planned import volumes are about 3.5 mmta. Mitsubish |
| BUNKERS (\$/mt) | IFO 380 | 10 day trend | MDO | 10 day trend | reportedly investing about \$20M-\$25M for the 25% equity. The Japanes |
| US Gulf | 409.5 | \sim | 677.0 | \sim | giant also announced plans to help develop an offshore receiving site in |
| Rotterdam | 413.0 | | 622.0 | $\sim \sim$ | the South Asian country. |
| | | \sim | | | |
| Singapore | 454.5 | | 655.5 | / | Reuters Aug 17, 2 |
| | COMMODITIE | S, (9:20 am ET) | | | EU approves Danish renewable energy plans. EU state aid regulators |
| CRUDE | Source | Unit | Last price | Δ Prior day close | approved three Danish renewable energy plans, worth a total of €144M |
| Brent | ICE | \$/bbl | 72.40 | 0.97 | as part of the country's goal of loosening its dependence on fossil fuels |
| WTI | NYMEX | \$/bbl | 66.2 | 0.74 | 2050. The three projects are aimed toward supporting electricity |
| Dubai (Spot) | Bloomberg | \$/bbl | 70.08 | 0.97 | production from wind and solar this year and next. One is a €112M plar that includes onshore and offshore wind turbines and solar installations |
| PRODUCTS | Source | Unit | Last price | Δ Prior day close | Another, worth €27M, is for onshore wind test and demonstration |
| | | | | 1.97 | projects. The third €5M project is a transitional measure for onshore wi |
| RBOB Gasoline | NYMEX | ¢/gal | 200.71 | | |
| Heating Oil | NYMEX | ¢/gal | 212.18 | 2.54 | Reuters Aug 17, 2 |
| NATURAL GAS | Source | Unit | Last price | Δ Prior day close | MARKET ANALYSIS |
| US Henry Hub | NYMEX | \$/MMBtu | 2.94 | 0.03 | Asphalt: Rockies regional retail prices firmed in a number of areas last |
| UK National Balancing Point | ICE | \$/MMBtu | 8.13 | 0.16 | week, with wholesale ranges up too. |
| _ | 6 | Last Price | Last Price | Δ Prior day close | LNG: As winter approaches, with Far East gas prices expected to rise a |
| NATURAL GAS LIQUIDS | Source | (¢/gal) | (\$/mt) | (¢/gal) | a high number of vessels deliver onto their forward multi-month charte |
| US Mont Belvieu Propane (Spot) | Bloomberg | 94.25 | 491.30 | 1.00 | charterers with spot shipping opportunities should expect to see much |
| PRICE SPREADS (\$/bbl) | S | ource | Last price | ∆ Prior day close | stronger commercial terms going forward. |
| Brent 3-2-1 Crack | | ICE | 10.74 | -0.03 | LPG: A number more spot AG cargoes were offered into the market la |
| | MARKET <u>S, (</u> | 9:20 am ET) | | | week as Chinese buyers looked to secure more AG-origin material in the |
| EQUITIES | | n/Country | Last value | Δ Prior day close | face of heavy tariffs being imposed on US cargoes. |
| S&P 500 | | ed States | 2,840.69 | 22.32 | Oil prices on track for weekly fall on concerns over trade tensions. |
| FTSE 100 | | d Kingdom | 7,524.83 | -31.55 | POTEN EVENTS WORLD EVENTS |
| DAX | | rmany | 12,151.39 | -85.78 | Aug 17: Baker Hughes Rig Count, |
| | | apan | | • | 1:00pm FT |
| Nikkei | | | 22,270.38 | 78.34 | Sept. 17-20: Gastech, Barcelona, |
| SH Composite | (| China | 2,668.97 | -36.23 | Poten sponsoring. Aug 22: EIA Petroleum Status |
| CURRENCIES | Regio | n/Country | Last value | Δ Prior day close | Report, 10:30am, ET. |
| | | | | | EIA US WORKING NATURAL GAS IN UNDERGROUND STORAGE |
| £/\$ | United | d Kingdom | 1.27 | 1 0.00 | (Aug. 2016 - Aug. 2018) |
| €/\$ | Europ | ean Union | 1.14 | 0.00 | |
| \$/JPY ¥ | | apan | 110.40 | -0.49 | 5000 |
| | | China | 6.88 | -0.01 | 4000 |
| S/CNY ¥ | | | | 0.01 | 2000 2000 1000 |
| \$/CNY ¥ | 1 | | Propane | Butane | ing source in the second secon |
| AUG. POSTED / SPOT PRICES (\$/mi | | | 580.00 | 595.00 | 2000 |
| | | | | | |
| AUG. POSTED / SPOT PRICES (\$/mi | | | 555.00 | 570.00 | |
| AUG. POSTED / SPOT PRICES (\$/mt Saudi Aramco | | | 555.00 552.00 | 570.00 533.00 | |
| AUG. POSTED / SPOT PRICES (\$/m Saudi Aramco Sonatrach OPIS North Sea | | | 552.00 | 533.00 | 0 , , , |
| AUG. POSTED / SPOT PRICES (\$/m Saudi Aramco Sonatrach | | | | | |

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