



SHIPPING RATES & BUNKERS (9:30 am ET)

DIRTY TANKER (KT - \$/day)				
Voyage	Spot TCE earnings	2018 avg. rate	10 day trend	
VLCC, 270	AG-FE	9,500	9,300	
Suezmax, 130	WAF-UKC	6,400	1,000	
Aframax, 70	CAR-USG	1,900	6,300	
Panamax, 50	CAR-USG	5,200	6,600	

CLEAN TANKER (KT - \$/day)				
Voyage	Spot TCE earnings	2018 avg. rate	10 day trend	
MR, 37	UKC-USAC	100	7,700	
MR, 38	USG-UKC	(400)	1,400	

TIME CHARTER (KDWT)				
1yr eco vessel rate (\$/day)	Yearly trend	Newbuild price (\$M)	Secondhand 5yr old price (\$M)	
VLCC, 200+	26,000		88.0	61.5
Suezmax, 130-200	17,750		60.0	41.0
Aframax, 80-130	16,500		48.0	30.0
LR2, 80-130	16,750		50.0	31.0
LR1, 60-80	13,750		42.0	28.0
MR, 42-60	13,750		35.5	26.5
Handymax, 30-42	12,750		33.0	23.0

US FLAG (KT - \$/day)				
Voyage	Weekly spot rate	2018 avg. rate	10 week trend	
Handy, 38	USG-USAC	60,039	63,811	

LNG (\$/day)				
Weekly spot rate	Sentiment	Current month rate	2018 avg. rate	
160M3 Tri-fuel diesel electric (West)	Flat	76,000	65,185	
138-150M3 Steam turbine (West)	Flat	58,000	44,481	
160M3 Tri-fuel diesel electric (East)	Flat	65,000	54,222	
138-150M3 Steam turbine (East)	Flat	45,000	35,407	

LPG (KT)				
Last posted spot rate (\$/mt)	Spot TCE rate (\$/day)	1yr time charter rate (\$/day)		
VLGC, 44 (AG-Japan)	37.57	18,092	16,447	

BUNKERS (\$/mt)				
IFO 380	10 day trend	MDO	10 day trend	
US Gulf	455.0	667.5		
Rotterdam	440.5	641.5		
Singapore	472.0	667.0		

DEVELOPMENTS

US oil exports to India surge ahead of sanctions on Iran. US crude oil exports to India hit a new record in June. So far this year, the volumes are already double last year's total as refiners in India seek to replace Iranian and Venezuelan barrels. India is expected to import more than 15 mbpd of US crude this year through July, compared to 8 mb in all of 2017. This could increase, particularly if China imposes levies on its US oil imports, which would reduce Chinese purchases and lower US crude prices. The government has told its refiners to prepare for drastic decreases or even zero Iranian crude. As a result, some Indian refiners have finished testing runs of US oil this year, often by mixing it with heavier grades than their plants typically process.

[Reuters July 12, 2018](#)

IEA warns of tightening spare oil capacity. The International Energy Agency said spare oil production capacity risks being "stretched to the limit" as global supply disruptions and US sanctions on Iran tighten the market. While rising oil prices may hinder demand growth, the key risk for the moment was supply capacity. The IEA estimates that only 2.1 mbpd of readily available spare capacity in three OPEC members Saudi Arabia, Kuwait and UAE. If Saudi Arabia raises output to near 11 mbpd this summer, as it has indicated, this would reduce the kingdom's spare capacity to "unprecedented" levels.

[FT July 12, 2018](#)

Crude prices fall in rising trade war China. Crude fell by the most in two years, futures down 7%, as the US-China trade war escalates with planned US tariffs on Chinese goods of \$200B. Last week, US stockpiles fell by 12.6 mb, while oil imports in the largest American refining region (TX and LA) dropped by 1.13 mb, the most in half a decade, and Libya announced plans to unleash more crude exports. Concern among some analysts is that trade tensions will drive the global economy into a slowdown and impact oil demand. The sectors targeted by tariffs in both countries include metals, energy and agricultural products. China has seven weeks to reach a deal or else face the looming tariffs.

[Bloomberg July 11, 2018](#)

Alaska officials remain confident on China natural gas partnership. State officials said they were sure China will help the state achieve its goal of building a pipeline to transport stranded natural gas from the North Slope to markets, despite the currently-escalating US-China tensions. China is expected to buy 75% of LNG shipped through the future pipeline. The \$43B project would send natural gas from the North Slope by pipeline to a liquefaction plant in Southern Alaska. The field is expected to produce about 3.5 Bcf/d. US-China tariffs, however, may threaten the project's development.

[Reuters July 11, 2018](#)

COMMODITIES (9:45 am ET)

CRUDE	Source	Unit	Last price	Δ Prior day close
Brent	ICE	\$/bbl	73.68	↑ 0.28
WTI	NYMEX	\$/bbl	70.41	↑ 0.03
Dubai (Spot)	Bloomberg	\$/bbl	72.55	↓ -1.83

PRODUCTS	Source	Unit	Last price	Δ Prior day close
RBOB Gasoline	NYMEX	¢/gal	207.18	↑ 1.04
Heating Oil	NYMEX	¢/gal	210.60	↑ 0.52

NATURAL GAS	Source	Unit	Last price	Δ Prior day close
US Henry Hub	NYMEX	\$/MMBtu	2.81	↓ -0.02
UK National Balancing Point	ICE	\$/MMBtu	7.50	↓ -0.21

NATURAL GAS LIQUIDS	Source	Last Price (¢/gal)	Last Price (\$/mt)	Δ Prior day close (¢/gal)
US Mont Belvieu Propane (Spot)	Bloomberg	94.25	491.30	↓ -3.63

PRICE SPREADS (\$/bbl)	Source	Last price	Δ Prior day close
Brent 3-2-1 Crack	ICE	13.17	↑ 0.03

MARKET ANALYSIS

Asphalt: West Coast asphalt selling prices rose in the Rockies for July material last week. Demand stayed strong.

LNG: In the west, while July European reloads remained attractive last week, limited shipping options stalled some discussions. Shipping discussions continued to focus on Atlantic basin multi month opportunities.

LPG: Propane/propylene stocks increased by a shade under 2.9 mb last week, broadly in line with market expectations and a smaller build than observed the previous week at 4.3 mb.

Oil prices rebound as IEA warns of output capacity limits.
Wall street to recover as earnings hope to ease trade fears.
Asian markets rise, led by Chinese indexes.

MARKETS (9:45 am ET)

EQUITIES				
Region/Country	Last value	Δ Prior day close		
S&P 500	2,774.02	↓ -19.82		
FTSE 100	7,646.47	↑ 54.51		
DAX	12,453.91	↑ 36.78		
Nikkei	22,187.96	↑ 255.75		
SH Composite	2,837.66	↑ 59.89		

CURRENCIES				
Region/Country	Last value	Δ Prior day close		
£/\$	1.32	↑ 0.00		
€/€	1.17	↑ 0.00		
\$/JPY ¥	112.40	↑ 0.40		
\$/CNY ¥	6.67	↓ -0.01		

POTEN EVENTS

WORLD EVENTS

Sept. 17-20: Gastech, Barcelona, Poten sponsoring.
July 13: Baker Hughes Rig Count, 1:00pm, ET.
July 18: EIA Petroleum Status Report, 10:30am, ET.

EIA US WEEKLY ENDING STOCKS OF CRUDE OIL & PETROLEUM PRODUCTS (July 7, 2017 - July 6, 2018)



DOE US INVENTORY (mb)				
	Week ended July 6	Δ Prior week	Δ Prior year	
Crude	405.25	↓ -12.63	↓ -90.10	
Distillate	121.68	↑ 4.13	↓ -31.87	
Gasoline	239.00	↓ -0.69	↑ 3.34	