



SHIPPING RATES & BUNKERS (9:50 am ET)

Monday, July 16, 2018

DIRTY TANKER (KT - \$/day)		Voyage	Spot TCE earnings	2018 avg. rate	10 day trend
S H I P P I N G	VLCC, 270	AG-FE	9,100	9,300	
	Suezmax, 130	WAF-UKC	6,700	4,900	
	Aframax, 70	CAR-USG	1,300	6,300	
	Panamax, 50	CAR-USG	5,300	6,600	
CLEAN TANKER (KT - \$/day)		Voyage	Spot TCE earnings	2018 avg. rate	10 day trend
P R I N T E S	MR, 37	UKC-USAC	400	7,600	
	MR, 38	USG-UKC	(600)	1,300	
TIME CHARTER (KDWT)		1yr eco vessel rate (\$/day)	Yearly trend	Newbuild price (\$M)	Secondhand 5yr old price (\$M)
R A T E S	VLCC, 200+	26,000		88.0	62.0
	Suezmax, 130-200	17,750		60.0	42.0
	Aframax, 80-130	16,500		48.0	30.0
	LR2, 80-130	16,000		50.0	31.0
	LR1, 60-80	13,750		42.0	28.0
	MR, 42-60	13,500		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
B U N K E R S	Handy, 38	USG-USAC	58,079	63,606	
	LNG (\$/day)		Weekly spot rate	Sentiment	Current month rate
U N D E R S	160M3 Tri-fuel diesel electric (West)	76,000	Flat	76,000	65,571
	138-150M3 Steam turbine (West)	58,000	Flat	58,000	44,964
	160M3 Tri-fuel diesel electric (East)	65,000	Flat	65,000	54,607
	138-150M3 Steam turbine (East)	45,000	Flat	45,000	35,750
LPG (KT)		Last posted spot rate (\$/mt)	Spot TCE rate (\$/day)	1yr time charter rate (\$/day)	
S	VLGC, 44 (AG-Japan)	36.75	17,105	16,447	
	BUNKERS (\$/mt)		IFO 380	10 day trend	MDO
U N D E R S	US Gulf	443.0		676.5	
	Rotterdam	432.0		631.0	
	Singapore	462.5		656.0	

DEVELOPMENTS

US refinery capacity virtually unchanged between 2017-2018. As of Jan. 1, 2018, US operable atmospheric crude distillation capacity totaled 18.6 mb per calendar day, 0.1% lower than 2017. Annual operable crude oil distillation unit (CDU) capacity had increased slightly in each of the five years before 2018. Barrels per calendar day reflect the input a distillation unit can process in a 24-hour period under usual operating conditions, taking into account both planned and unplanned maintenance. Meanwhile, secondary refining capacity including thermal cracking, catalytic hydrocracking, increased 1% from year-ago levels. Record refinery runs have contributed to increased US production, which averaged 9.4 mbpd in 2017, a 4 mbpd jump from 2009 levels.

[EIA July 16, 2018](#)

China's economy expected to fall further, global growth likely impacted. Data released since Friday confirms that the ongoing effort to reduce credit is slowing China's economic growth. As the country contributes as much as one-third of global growth, this is a sign that the world economy may experience a slowdown in the coming years. China's economy grew at an expected 6.7% in 2Q, it's slowest pace since 2016, while indicators for investment growth and industrial output slowed in June. Retail sales remained stable. If the US pursues its tariffs on as much as \$250B worth of Chinese imports, this could reduce the latter's growth by 0.3%. The risk of an indirect hit to China from supply chain complexities could result in another 0.3% drop.

[Bloomberg July 16, 2018](#)

Germany says Nord Stream 2 pipeline is a commercial project. This comes in response to President Trump's characterization of the pipeline as "inappropriate". A German government spokesman added that Germany wanted Ukraine to remain a transit route for gas imports from Russia. Trump had accused Germany of being "captive" of Russia due to its energy reliance.

[Reuters July 16, 2018](#)

Dirty tanker trade shows steady growth. Dirty tanker trade increased almost 5% in the first six months of 2015 and grew 2.2% and 3.3% in 2016 and 2017, respectively. However, in 2018 to date, the total dirty tanker trade (measured in Metric Tons) is down 1.3% compared to the same period one year ago. The largest VLCC trade route, AG to the China Sea, which has not changed since 2014, is responsible for some 30% of the total VLCC trade. Meanwhile, the AG-USG trade, which ranked 4th in 2014 declined by 33% as import demand falls in the US. Thanks to rising exports from the US, the newly found USG - China Sea now ranks 9th. Meanwhile, Suezmaxes have seen strong growth in employment since 2014. As for the Aframax segment, the intra-Asean Far East has surpassed the Caribbean market as the largest Aframax trading area. Overall, crude oil tanker demand has been flat and rates are down due to increases in fleet size.

[Poten's Tanker Opinion July 13, 2018](#)

MARKET ANALYSIS

LNG: At least four vessels were fixed last week for single voyages loading Far East, Middle East and Atlantic City in July.

LPG: In the next four weeks, there are 21 spot vessels open for AG loading, 17 of which are owner tonnage and 4 are relets.

Oil prices fall as concerns about supply fade with the reopening of key Libyan ports.

Wall Street set to open flat as weaker oil prices offset earnings.

Dollar falls after hitting biggest weekly rise in a month.

COMMODITIES, (9:55 am ET)

CRUDE		Source	Unit	Last price	Δ Prior day close
E N E R G Y	Brent	ICE	\$/bbl	73.31	↓ -2.02
	WTI	NYMEX	\$/bbl	69.45	↓ -1.56
	Dubai (Spot)	Bloomberg	\$/bbl	72.64	↑ 1.33
PRODUCTS		Source	Unit	Last price	Δ Prior day close
P R O D U C T S	RBOB Gasoline	NYMEX	¢/gal	205.07	↓ -5.60
	Heating Oil	NYMEX	¢/gal	208.74	↓ -4.60
NATURAL GAS		Source	Unit	Last price	Δ Prior day close
N A T U R A L G A S	US Henry Hub	NYMEX	\$/MMBtu	2.76	↑ 0.00
	UK National Balancing Point	ICE	\$/MMBtu	7.69	↑ 0.07
NATURAL GAS LIQUIDS		Source	Last Price (¢/gal)	Last Price (\$/mt)	Δ Prior day close
C O M M O D I T I E S	US Mont Belvieu Propane (Spot)	Bloomberg	92.75	483.48	↓ -0.50
	PRICE SPREADS (\$/bbl)		Source	Last price	Δ Prior day close
P R I C E S P R E A D S	Brent 3-2-1 Crack	ICE	12.59	↓ -0.20	

MARKETS, (9:55 am ET)

Region/Country		Last value	Δ Prior day close	
M A R K E T S	S&P 500	United States	2,801.31 ↑ 3.02	
	FTSE 100	United Kingdom	7,592.16 ↓ -69.71	
	DAX	Germany	12,572.25 ↑ 31.52	
	Nikkei	Japan	22,597.35 ↑ 409.39	
	SH Composite	China	2,814.04 ↓ -17.14	
CURRENCIES		Region/Country	Last value	Δ Prior day close
C U R R E N C I E S	£/\$	United Kingdom	1.33 ↑ 0.00	
	€/€	European Union	1.17 ↑ 0.00	
	\$/JPY ¥	Japan	112.40 ↑ 0.05	
	\$/CNY ¥	China	6.68 ↓ -0.01	

BAKER HUGHES DRILLING RIG COUNT		Week ended July 13	Δ Prior count	Δ Prior year
D A T A	United States	1,054	↑ 2	↑ 102
	Canada	197	↑ 15	↑ 6
	International	959	↓ -8	↓ -1

POTEN EVENTS	WORLD EVENTS
Sept. 17-20: Gastech, Barcelona, Poten sponsoring.	July 18: EIA Petroleum Status Report, 10:30am, ET.
	July 19: EIA Natural Gas Report, 11:00am, ET.

BAKER HUGHES US OIL/GAS SPLIT (July 15, 2016 - July 13, 2018)

