



SHIPPING RATES & BUNKERS (9:55 am ET)

Wednesday, June 13, 2018

DIRTY TANKER (KT - \$/day)				
Voyage	Spot TCE earnings	2018 avg. rate	10 day trend	
VLCC, 270	AG-FE	10,300	8,500	
Suezmax, 130	WAF-UKC	(800)	600	
Aframax, 70	CAR-USG	14,500	5,800	
Panamax, 50	CAR-USG	5,800	6,800	

CLEAN TANKER (KT - \$/day)				
Voyage	Spot TCE earnings	2018 avg. rate	10 day trend	
MR, 37	UKC-USAC	2,200	8,700	
MR, 38	USG-UKC	(3,700)	2,000	

TIME CHARTER (KDWT)				
1yr eco vessel rate (\$/day)	Yearly trend	Newbuild price (\$M)	Secondhand 5yr old price (\$M)	
VLCC, 200+	25,000		88.0	61.5
Suezmax, 130-200	18,000		60.0	41.0
Aframax, 80-130	15,000		48.0	30.0
LR2, 80-130	15,250		50.0	30.5
LR1, 60-80	14,000		42.0	29.0
MR, 42-60	14,750		36.0	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	68,077	64,166	

LNG (\$/day)				
Weekly spot rate	Sentiment	Current month rate	2018 avg. rate	
160M3 Tri-fuel diesel electric (West)	60,000	Increasing	57,500	63,435
138-150M3 Steam turbine (West)	43,000	Increasing	41,500	42,261
160M3 Tri-fuel diesel electric (East)	47,000	Increasing	43,500	52,217
138-150M3 Steam turbine (East)	34,000	Increasing	32,000	33,522

LPG (KT)					
Last posted spot rate (\$/mt)	Spot TCE rate (\$/day)	1yr time charter rate (\$/day)			
VLGC, 44 (AG-Japan)	29.29	9,211	16,447		

BUNKERS (\$/mt)				
IFO 380	10 day trend	MDO	10 day trend	
US Gulf	421.0		673.0	
Rotterdam	428.5		636.0	
Singapore	454.5		672.5	

DEVELOPMENTS

IEA sees global economy driving strong oil demand in 2019. The agency for the first time announced its oil demand forecast for next year, saying it expects a growth equivalent to 1.4 mbpd. A large portion of that growth is expected to come from rising demand for petrochemicals. However, the IEA said that with its forecasts come higher risk, including potential higher prices, weakening economic confidence, trade protectionism and a stronger US dollar. On the supply side, non-OPEC members are expected to contribute 1.7 mbpd next year compared to around 2 mbpd this year, with the US making up around 75% of that growth. Nonetheless, infrastructure bottlenecks are expected to limit production growth from the US.

[WSJ June 13, 2018](#)

Consortium led by Hong Kong's CKI bids \$9.8 for Australian gas pipeline group, APA Group. The A\$11 per share offer, as confirmed by APA, values the company at a 33% premium to its closing price on Tuesday. The deal faces potential competition hurdles, for which CKI is proposing to divest a number of its existing Australian assets including pipelines and storage facilities. The offer represents one of the largest takeover attempts in Australia this year. It would test the country's foreign investment rules, after being tightened in Feb., in response to concerns about growing Chinese influence in business, politics and society. CKI and China's state grid were blocked from bidding for a stake in Ausgrid in 2016. Chinese investment then fell to 11% in 2017 from the previous year.

[FT June 13, 2018](#)

US exports of jet fuel increase, driven by Latin American and Caribbean countries. The US exported 186,000 bpd of jet fuel last year, the 11th consecutive year of rising gross jet fuel exports. Nearly 62% went to LATAM and Caribbean countries, especially Mexico (22%). This growth, driven by relatively high domestic production and a growing international aviation industry, has established the US as a net exporter of jet fuel for the seventh straight year. Growth in international tourism is fueling demand for jet fuel as many LATAM and Caribbean countries lack sufficient refining capacity to meet domestic jet fuel demand.

[EIA June 13, 2018](#)

Shell feeds gas into Australia's new Prelude FLNG unit. The gas was fed from the LNG carrier "Gallina" as part of the cooling process in preparation for start-up. The carrier left the Prelude FLNG port on June 7, according to ship tracking data. Shell did not comment on estimates for a start-up date but reconfirmed that it expected to see cash flow from Prelude in 2018.

[Reuters June 12, 2018](#)

COMMODITIES, (9:44 am ET)

CRUDE				
Source	Unit	Last price	Δ Prior day close	
Brent	ICE	\$/bbl	75.68	↓ -0.20
WTI	NYMEX	\$/bbl	65.98	↓ -0.38
Dubai (Spot)	Bloomberg	\$/bbl	73.38	↓ -1.01

PRODUCTS				
Source	Unit	Last price	Δ Prior day close	
RBOB Gasoline	NYMEX	¢/gal	208.71	↓ -0.28
Heating Oil	NYMEX	¢/gal	215.22	↓ -0.96

NATURAL GAS				
Source	Unit	Last price	Δ Prior day close	
US Henry Hub	NYMEX	\$/MMBtu	2.96	↑ 0.02
UK National Balancing Point	ICE	\$/MMBtu	7.53	↑ 0.16

NATURAL GAS LIQUIDS				
Source	Last Price (¢/gal)	Last Price (\$/mt)	Δ Prior day close (¢/gal)	
US Mont Belvieu Propane (Spot)	Bloomberg	88.50	461.32	↓ -1.13

PRICE SPREADS (\$/bbl)					
Source	Last price	Δ Prior day close			
Brent 3-2-1 Crack	ICE	12.62	↓ -0.01		

MARKET ANALYSIS

Asphalt: Midwest, retail markets rose in most areas last week, with demand staying strong.

LNG: Stronger than expected spot cargo market conditions, strong sentiment for the winter season and the favorable JKM-NBP spread, continued to create opportunities last week for owners as both single voyages and multi-month requirements surfaced.

LPG: The West freight market saw a slight increase in activity last week, with two fixtures being reported, though not close to what owners holding USG would have been hoping for.

US stock futures climb ahead of Fed decision on interest rates.
Nikkei edges higher ahead of Fed decision.

MARKETS, (9:44 am ET)

EQUITIES					
Region/Country	Last value	Δ Prior day close			
S&P 500	United States	2,786.85	↑ 4.85		
FTSE 100	United Kingdom	7,727.37	↑ 23.56		
DAX	Germany	12,880.03	↑ 37.73		
Nikkei	Japan	22,966.38	↑ 88.03		
SH Composite	China	3,049.80	↓ -30.01		

CURRENCIES					
Region/Country	Last value	Δ Prior day close			
£/\$	United Kingdom	1.33	↓ 0.00		
€/€	European Union	1.18	↑ 0.00		
\$/JPY ¥	Japan	110.43	↑ 0.06		
\$/CNY ¥	China	6.40	↓ 0.00		

POTEN EVENTS

June: 18-19: LNG101 Energy for a Cleaner Future, Poten Training with New York University School of Professional Studies.

WORLD EVENTS

June 13: EIA Petroleum Status Report, 10:30am, ET.
 June 14: EIA Natural Gas Report, 10:30am, ET.

5-YEAR OLD VESSEL PRICES (June 2014 - June 2018)

VESSELS ON ORDER KDWT (2018-2019+ delivery)					
Share of current fleet	Vessel	Share of current fleet			
VLCC, 200+	15%	Panamax, 60-80	6%		
Suezmax, 130 - 200	9%	LR1, 60-80	6%		
Aframax, 80-130	11%	MR, 42-60	10%		
LR2, 80-130	9%	Handymax, 30 - 42	3%		