

SHIPPING RATES & BUNKERS (9:26 am ET)

Thursday, June 21, 2018

DIRTY TANKER (KT - \$/day)					
Voyage	Spot TCE earnings	2018 avg. rate	10 day trend		
VLCC, 270	AG-FE	19,000	8,800		
Suezmax, 130	WAF-UKC	5,700	700		
Aframax, 70	CAR-USG	14,600	6,200		
Panamax, 50	CAR-USG	6,000	6,700		
CLEAN TANKER (KT - \$/day)					
Voyage	Spot TCE earnings	2018 avg. rate	10 day trend		
MR, 37	UKC-USAC	1,600	8,300		
MR, 38	USG-UKC	(3,500)	1,700		
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	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	14,000		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	64,971	64,200		
LNG (\$/day)					
Weekly spot rate	Sentiment	Current month rate	2018 avg. rate		
160M3 Tri-fuel diesel electric (West)	73,000	Increasing	62,667	63,833	
138-150M3 Steam turbine (West)	50,000	Increasing	44,333	42,583	
160M3 Tri-fuel diesel electric (East)	64,000	Increasing	50,333	52,708	
138-150M3 Steam turbine (East)	45,000	Increasing	36,333	34,000	
LPG (KT)					
Last posted spot rate (\$/mt)	Spot TCE rate (\$/day)	1yr time charter rate (\$/day)			
VLGC, 44 (AG-Japan)	29.75	9,211	16,447		
BUNKERS (\$/mt)					
IFO 380	10 day trend	MDO	10 day trend		
US Gulf	416.5		669.5		
Rotterdam	416.5		621.5		
Singapore	446.0		649.5		

DEVELOPMENTS

OPEC nears deal to boost output. Saudi Arabia made an early announcement that the group and its fellow non-members will target an increase of 1 mbpd to help lower oil prices. Iran, which had previously opposed any rise in output, has signaled its willingness to accept the deal. OPEC and non-members led by Russia will meet this week in Vienna to discuss the potential agreement. The Saudi plan would consist of a first hike in output of 500,000 bpd in Q3 of this year, followed by another 500,000 bpd rise in Q4. However, sources familiar with the deal say that ultimately output constraints will result in an output rise closer to 600,000.

[WSJ June 21, 2018](#)

East Libyan forces retake key oil ports. Following an armed militia attack last week, East Libyan forces have retaken vital oil ports - Es Sider and Ras Lanuf. Earlier this week, Libya's National Oil Corporation announced that the oil terminals suffered "catastrophic damage" as a result of the clashes with fires that destroyed at least two storage tanks.

[FT June 21, 2018](#)

Oil firms expected to drill off Norway this year. Oil firms are expected to drill 40-50 exploration wells off Norway in 2018 compared to the 36 drilled in 2017, according to the Norwegian Petroleum Directorate. The Norwegian continental shelf still holds an estimated 4 Bcm of oil equivalents in undiscovered petroleum resources. Two-thirds of this is located in the Arctic Barents Sea. However, half of the estimated undiscovered resources in the Barents Sea are located north of the areas currently open for petroleum activities.

[Reuters June 21, 2018](#)

Violent insurgency threatens Mozambique gas. A mysterious insurgency in Mozambique has killed at least 39 people since the start of May. The unknown group is apparently seeking to impose a militant form of Islam in Cabo Delgado, not far from one of the world's largest untapped offshore gas fields. Mozambican armed forces have launched a crackdown in the far north but has been unable to capture the insurgents. So far, no gas installation has been targeted and the violence onshore is, at present, unlikely to disrupt the more than \$30B in planned investment, mostly offshore. Companies involved in gas projects include Anadarko, Eni and Exxon. Last week the US embassy advised citizens to leave Palma, where Anadarko is building an onshore LNG terminal.

[FT June 20, 2018](#)

PDVSA's exports fall in June. Amid growing output declines, seizures of some Caribbean assets and the resulting shipping backlog, Venezuelan PDVSA's oil exports fell 32% in the first half of June compared with May. Specifically, PDVSA exported 765,000 bpd in the first two-weeks of June, a 368,000 bpd drop versus the 1.133 mbpd shipped in May.

[Reuters June 20, 2018](#)

COMMODITIES (9:40 am ET)

CRUDE	Source	Unit	Last price	Δ Prior day close	
Brent	ICE	\$/bbl	73.02	↓ -1.72	
WTI	NYMEX	\$/bbl	64.90	↓ -1.32	
Dubai (Spot)	Bloomberg	\$/bbl	70.17	↓ -2.19	
PRODUCTS					
Source	Unit	Last price	Δ Prior day close		
RBOB Gasoline	NYMEX	¢/gal	200.43	↓ -1.92	
Heating Oil	NYMEX	¢/gal	207.17	↓ -3.54	
NATURAL GAS					
Source	Unit	Last price	Δ Prior day close		
US Henry Hub	NYMEX	\$/MMBtu	2.99	↑ 0.03	
UK National Balancing Point	ICE	\$/MMBtu	6.88	↓ -0.03	
NATURAL GAS LIQUIDS					
Source	Last Price (¢/gal)	Last Price (\$/mt)	Δ Prior day close (¢/gal)		
US Mont Belvieu Propane (Spot)	Bloomberg	85.25	444.38	-0.38	
PRICE SPREADS (\$/bbl)					
Source	Last price	Δ Prior day close			
Brent 3-2-1 Crack	ICE	11.75	↑ 0.62		

MARKET ANALYSIS

Asphalt: Midwest barges were steady last week, but rail wholesale price range climbed higher while Flux was steady.

LNG: With prompt vessels quickly being absorbed and multi-month forward fixing, a significant effect on commercial terms has now been experienced.

LPG: Propane's spread to naphtha has averaged minus \$114 pmt in 2018 to date compared to minus \$45 pmt in 2017.

US dollar this 11-month peak, oil slides ahead of OPEC meeting.

Emerging stocks sent lower on trade concerns and strong dollar.

MARKETS (9:40 am ET)

EQUITIES			
Region/Country	Last value	Δ Prior day close	
S&P 500	United States	2,767.32	↑ 0.00
FTSE 100	United Kingdom	7,584.74	↓ -42.66
DAX	Germany	12,598.41	↓ -96.75
Nikkei	Japan	22,693.04	↑ 137.61
SH Composite	China	2,875.81	↓ -39.92
CURRENCIES			
Region/Country	Last value	Δ Prior day close	
£/\$	United Kingdom	1.33	↑ 0.01
€/€	European Union	1.16	↑ 0.00
\$/JPY ¥	Japan	110.15	↓ -0.21
\$/CNY ¥	China	6.49	↑ 0.02

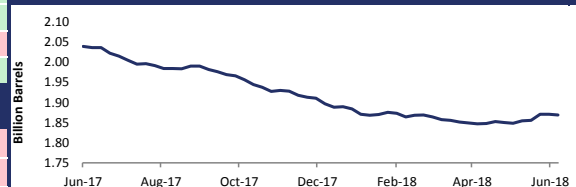
POTEN EVENTS WORLD EVENTS

June 25-29: World Gas Conference, Washington DC. Majed Limam, Mike Reimers, Go Katayama speaking.

June 22: Baker-Hughes Rig Count 1:00pm, ET.

June 27: EIA Petroleum Status Report 10:30am, ET.

EIA US WEEKLY ENDING STOCKS OF CRUDE OIL & PETROLEUM PRODUCTS (June 16, 2017 - June 15, 2018)



DOE US INVENTORY (mb)			
Week ended June 15	Δ Prior week	Δ Prior year	
Crude	426.53 ↓ -5.91	↓ -82.57	
Distillate	117.41 ↑ 2.72	↓ -35.09	
Gasoline	96.70 ↑ 3.28	↓ -1.83	

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