



SHIPPING RATES & BUNKERS (9:15 am ET)

Thursday, September 13, 2018

DIRTY TANKER (KT - \$/day)		Voyage	Spot TCE earnings	2018 avg. rate	10 day trend
VLCC, 270	AG-FE		15,600	10,400	
Suezmax, 130	WAF-UKC		7,200	5,200	
Aframax, 70	CAR-USG		16,700	6,600	
Panamax, 50	CAR-USG		10,700	6,700	
CLEAN TANKER (KT - \$/day)		Voyage	Spot TCE earnings	2018 avg. rate	10 day trend
MR, 37	UKC-USAC		3,600	6,500	
MR, 38	USG-UKC		(900)	600	
TIME CHARTER (KDWT)		1yr eco vessel rate (\$/day)	Yearly trend	Newbuild price (\$M)	Secondhand 5yr old price (\$M)
VLCC, 200+		26,000		90.0	61.0
Suezmax, 130-200		19,000		60.0	42.0
Aframax, 80-130		16,500		48.0	29.0
LR2, 80-130		15,500		50.0	30.0
LR1, 60-80		13,750		43.0	26.0
MR, 42-60		13,750		36.0	25.5
Handymax, 30-42		12,500		33.0	23.0
US FLAG (KT - \$/day)		Voyage	Weekly spot rate	2018 avg. rate	10 week trend
Handy, 38	USG-USAC		56,035	62,089	
LNG (\$/day)		Weekly spot rate	Sentiment	Current month rate	2018 avg. rate
160M3 Tri-fuel diesel electric (West)		86,000	Increasing	86,000	68,083
138-150M3 Steam turbine (West)		68,000	Increasing	68,000	47,972
160M3 Tri-fuel diesel electric (East)		78,000	Increasing	78,000	57,278
138-150M3 Steam turbine (East)		60,000	Increasing	60,000	38,278
LPG (KT)		Last posted spot rate (\$/mt)	Spot TCE rate (\$/day)	1yr time charter rate (\$/day)	
VLGC, 44 (AG-Japan)		38.36	17,599	17,763	
BUNKERS (\$/mt)		IFO 380	10 day trend	MDO	10 day trend
US Gulf		438.5		720.0	
Rotterdam		430.0		660.0	
Singapore		466.0		698.5	

Hurricane Florence likely to affect Southeast US electric power, transportation fuels. The storm's high winds and heavy rainfall are likely to impact energy infrastructure as it makes landfall in the Carolinas region. Evacuation has been ordered, which could disrupt normal business operations and affect electricity supply and demand patterns for transportation fuels. Demand for transportation fuels typically surges in the days preceding a hurricane in the affected areas, adding pressure on available local inventories. For the week ending Sept. 7, Lower Atlantic inventories of gasoline in the primary supply chain were 27.9 mb, 19% higher than the previous five-year average for that time of year.

[EIA Sept 13, 2018](#)

Supply uncertainty from Iran and Venezuela could tighten markets, warns IEA. A supply squeeze could send prices well above \$80 bbl should global producers fail to offset falling production from Venezuela and impeding US sanctions on Iran's energy exports, said the International Energy Agency. Exports from Iran have already fallen by about 500,000 bpd since May as large consumers cut their purchases in compliance with US demands. OPEC has stepped in to make up for the shortage, with output rising to a nine-month high of 32.6 mbpd in Aug. However, it remains unclear how much more output from Venezuela and Iran could slip and how quickly other countries can offset that. According to the agency, OPEC has 2.7 mbpd of spare capacity, 60% of which is in Saudi Arabia.

[FT Sept 13, 2018](#)

Iranian crude floats as demand falls ahead of US sanctions. Two tankers carrying Iranian condensate have been floating off the UAE for nearly a month due to falling demand. The tankers carrying a total of 2.4 mbpd of South Pars condensate have been floating since Aug. after South Korea halted imports from Iran and China's demand weakened in the summer. Emirates National Oil Company, another buyer of Iranian crude, has been asked by the government to replace Iranian volumes.

[Reuters Sept 13, 2018](#)

Saudi Arabia ramps up efforts to counter NOPEC. The kingdom has hired former Solicitor General Ted Olson as a lobbyist to campaign against the act. The Saudi embassy contracted with Olson's law firm to develop a white paper opposing the "NO Oil Producing and Exporting Cartel's Act" legislation. It would also prepare a legal analysis of the bill and write an op-ed against it. The firm could also be tasked with lobbying members of Congress and their staffs. In previous attempts by congress targeting OPEC, Presidents George W. Bush and Barack Obama threatened to use their veto power to prevent it becoming law. President Trump, however, has repeatedly criticized the group. The proposed US legislation could expose the organization, which is pumps about one-third of the world's crude, to antitrust lawsuits.

[Bloomberg Sept 12, 2018](#)

COMMODITIES, (9:45 am ET)

CRUDE	Source	Unit	Last price	Δ Prior day close	
Brent	ICE	\$/bbl	79.06	↓ -0.68	
WTI	NYMEX	\$/bbl	69.36	↓ -1.01	
Dubai (Spot)	Bloomberg	\$/bbl	76.99	↓ -0.07	
PRODUCTS		Source	Unit	Last price	Δ Prior day close
RBOB Gasoline	NYMEX	¢/gal	201.98	↓ -1.50	
Heating Oil	NYMEX	¢/gal	225.09	↓ -0.68	
NATURAL GAS		Source	Unit	Last price	Δ Prior day close
US Henry Hub	NYMEX	\$/MMBtu	2.84	↑ 0.01	
UK National Balancing Point	ICE	\$/MMBtu	9.19	↓ -0.20	
NATURAL GAS LIQUIDS		Source	Last Price (¢/gal)	Last Price (\$/mt)	Δ Prior day close (¢/gal)
US Mont Belvieu Propane (Spot)	Bloomberg		107.50	560.37	↓ -0.25
PRICE SPREADS (\$/bbl)		Source	Last price	Δ Prior day close	
Brent 3-2-1 Crack	ICE		8.51	↑ 0.16	

MARKET ANALYSIS

Asphalt: Gulf Coast retail asphalt prices firmed in some areas last week, with flux pricing unchanged.

LNG: Last week in the Atlantic, Project structural needs and re-export opportunities continued to stimulate the spot chartering market although the region remained relatively quiet in comparison to the Far East.

LPG: The Mariner East 2 pipeline is expected to be in 'initial service' at the end of Q3 2018 after reaching 99% completion.

Oil prices slip as economic concerns offset tighter supplies.
Asian market relieved by US invite to China for trade talks.

MARKETS, (9:45 am ET)

EQUITIES	Region/Country	Last value	Δ Prior day close	
S&P 500	United States	2,888.92	↑ 1.03	
FTSE 100	United Kingdom	7,295.86	↓ -17.50	
DAX	Germany	12,091.46	↑ 59.16	
Nikkei	Japan	22,821.32	↑ 216.71	
SH Composite	China	2,686.58	↑ 30.47	
CURRENCIES		Region/Country	Last value	Δ Prior day close
£/\$	United Kingdom	1.31	↑ 0.01	
€/€	European Union	1.17	↑ 0.01	
\$/JPY ¥	Japan	111.54	↑ 0.27	
\$/CNY ¥	China	6.83	↓ -0.02	

POTEN EVENTS

WORLD EVENTS

Sept. 17-20: Gastech, Barcelona, Poten sponsoring.	Sept. 14: Baker Hughes Rig Count, 1:00pm, ET.
	Sept. 19: EIA Petroleum Status Report, 10:30am, ET.

EIA US WEEKLY ENDING STOCKS OF CRUDE OIL & PETROLEUM PRODUCTS (Sept. 8, 2017 - Sept. 7, 2018)



DOE US INVENTORY (mb)		Week ended Sept. 7	Δ Prior week	Δ Prior year
Crude		396.19	↓ -5.30	↓ -72.05
Distillate		139.28	↑ 6.16	↓ -5.27
Gasoline		235.87	↑ 1.25	↑ 17.56