



SHIPPING RATES & BUNKERS ( 9:40 am ET)

DIRTY TANKER (KT - \$/day)	Voyage	Spot TCE earnings	2018 avg. rate	10 day trend
VLCC, 270	AG-FE	17,000	10,600	
Suezmax, 130	WAF-UKC	7,100	5,200	
Aframax, 70	CAR-USG	18,400	7,100	
Panamax, 50	CAR-USG	9,100	6,800	
CLEAN TANKER (KT - \$/day)	Voyage	Spot TCE earnings	2018 avg. rate	10 day trend
MR, 37	UKC-USAC	200	6,300	
MR, 38	USG-UKC	1,200	700	
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	13,500		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	56,014	61,768	
LNG (\$/day)	Weekly spot rate	Sentiment	Current month rate	2018 avg. rate
160M3 Tri-fuel diesel electric (West)	95,000	Increasing	92,000	69,500
138-150M3 Steam turbine (West)	68,000	Increasing	68,000	49,026
160M3 Tri-fuel diesel electric (East)	95,000	Increasing	87,667	59,132
138-150M3 Steam turbine (East)	65,000	Increasing	63,333	39,684
LPG (KT)	Last posted spot rate (\$/mt)	Spot TCE rate (\$/day)	1yr time charter rate (\$/day)	
VLGC, 44 (AG-Japan)	46.57	27,303	18,421	
BUNKERS (\$/mt)	IFO 380	10 day trend	MDO	10 day trend
US Gulf	437.5		711.0	
Rotterdam	435.5		658.0	
Singapore	478.0		709.5	

DEVELOPMENTS

**Crude oil was the largest US petroleum export in 1H 2018.** Crude volumes out of the US surpassed hydrocarbon gas liquids (HGL) with 1.8 mbpd in 1H 2018. This marks an increase of 787,000 bpd, or around 80%, from 1H 2017 to 1H 2018. Much of this crude was destined to Asia and Oceania with Europe being the second-largest market for US crude exports led by Italy, the UK and the Netherlands. Meanwhile, volumes to Canada were slightly lower in 1H 2018 compared with the same period in 2017. In total, the US exported 7.3 mbpd of crude oil and petroleum products in 1H 2018, the largest amount of crude oil and petroleum product exports ever for the first six months of a year. [EIA Sept. 24, 2018](#)

**French giant Total makes major UK gas discovery.** The energy group said preliminary tests on the new gas discovery off the coast of the Shetland islands in the North Sea confirmed good reservoir quality, permeability and well production deliverability with recoverable resources estimated at about 1 Tcf. The discovery will be tied back to the existing infrastructure and developed quickly at a low cost, said Total. [Reuters Sept. 24, 2018](#)

**Saudi Aramco Trading seeks 50% increase in trade volume in 2020.** Aramco Trading Company (ATC) expects to increase its oil trading volume to 6 mbpd in 2020, 50% higher than current levels. The company is considering building its capacity in trading LNG, using its Singapore office as a trading hub. ATC also expects to benefit from a switch by ships to cleaner fuels in 2020 as mandated by the IMO. [Reuters Sept. 24, 2018](#)

**Iranian crude oil exports pressured by sanctions.** Although the start of the sanctions is still more than a month away, Iranian oil sales are already being impacted. According to Lloyd's list Intelligence data, Iran exported an average of 2.35 mbpd by tankers in the first 5 months of 2018. In August, seaborne exports fell to an estimated 1.77 mbpd. Korea has stopped all imports from Iran, which account for about half the reduction in Iranian exports. India imported about 180,000 bpd less crude from Iran in Aug., compared to the average imports in the prior three months, which were unusually high. Iranian exports to China, which had been averaging around 672,000 bpd over the first 7 months of the year, amounted to only 574,000 bpd in Aug. In addition, many companies in Europe are cutting imports from Iran, even though some European governments would prefer to continue trading with Iran. On the supply side, Saudi Arabia is seen as the likely replacement of Iranian oil as it has spare capacity that could be brought to market quickly. So far, the sanctions have not had a strong impact on the tanker market. A switch from Iran to Saudi Arabia does little for ton-mile demand. More US crude oil exports could be helpful, but this will be delayed due to logistical bottlenecks. [Poten's Tanker Opinion Sept. 21, 2018](#)

COMMODITIES, ( 9:25 am ET)

CRUDE	Source	Unit	Last price	Δ Prior day close
Brent	ICE	\$/bbl	80.54	↑ 1.74
WTI	NYMEX	\$/bbl	72.28	↑ 1.50
Dubai (Spot)	Bloomberg	\$/bbl	78.65	↑ 1.53
PRODUCTS	Source	Unit	Last price	Δ Prior day close
RBOB Gasoline	NYMEX	¢/gal	204.68	↑ 2.97
Heating Oil	NYMEX	¢/gal	226.72	↑ 4.12
NATURAL GAS	Source	Unit	Last price	Δ Prior day close
US Henry Hub	NYMEX	\$/MMBtu	2.99	↑ 0.02
UK National Balancing Point	ICE	\$/MMBtu	10.38	↑ 0.38
NATURAL GAS LIQUIDS	Source	Last Price (¢/gal)	Last Price (\$/mt)	Δ Prior day close (¢/gal)
US Mont Belvieu Propane (Spot)	Bloomberg	104.13	542.80	↑ 0.38
PRICE SPREADS (\$/bbl)	Source	Last price	Δ Prior day close	
Brent 3-2-1 Crack	ICE	8.19	↓ -0.17	

MARKET ANALYSIS

**LNG:** At least two vessels were fixed last week, both for loadings ex Far East in Oct.  
**LPG:** In the next four weeks, there are 24 spot vessels open for AG loading, 21 of which are owner tonnage and 3 are relets.  
**Oil prices** climb near 4-year highs as OPEC and Russia dismiss any immediate increase in production despite Trump's calls for lower prices.

MARKETS, ( 9:25 am ET)

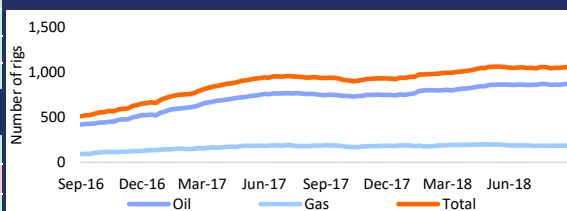
EQUITIES	Region/Country	Last value	Δ Prior day close
S&P 500	United States	2,929.67	↓ -1.08
FTSE 100	United Kingdom	7,467.98	↓ -22.25
DAX	Germany	12,376.80	↓ -54.08
Nikkei	Japan	23,869.93	↑ 195.00
SH Composite	China	2,797.49	↑ 68.24
CURRENCIES	Region/Country	Last value	Δ Prior day close
£/\$	United Kingdom	1.32	↑ 0.01
€/€	European Union	1.18	↑ 0.01
\$/JPY ¥	Japan	112.63	↑ 0.05
\$/CNY ¥	China	6.86	↑ 0.01

POTEN EVENTS

WORLD EVENTS

Sept. 17-20: Gastech, Barcelona, Poten sponsoring.  
 Sept. 26: EIA Petroleum Status Report, 10:30am, ET.  
 Sept. 27: EIA Natural Gas Report, 11:00am, ET.

BAKER HUGHES US OIL/GAS SPLIT (Sept. 23, 2016 - Sept. 24, 2018)



BAKER HUGHES DRILLING RIG COUNT	Week ended Sept. 21	Δ Prior count	Δ Prior year
United States	1,053	↓ -2	↑ 118
Canada	197	↓ -29	↓ -23
International	1,008	↑ 11	↑ 56