



SHIPPING RATES & BUNKERS (9:40 am ET)

Thursday, December 6, 2018

DIRTY TANKER (KT - \$/day)		Voyage	Spot TCE earnings	2018 avg. rate	10 day trend
VLCC, 270		AG-FE	57,100	17,400	
Suezmax, 130		WAF-UKC	30,400	9,300	
Aframax, 70		CAR-USG	9,700	11,700	
Panamax, 50		CAR-USG	12,800	8,700	
CLEAN TANKER (KT - \$/day)		Voyage	Spot TCE earnings	2018 avg. rate	10 day trend
MR, 37		UKC-USAC	18,800	6,400	
MR, 38		USG-UKC	20,800	1,800	
TIME CHARTER (KDW T)		1yr eco vessel rate (\$/day)	Yearly trend	Newbuild price (\$M)	Secondhand 5yr old price (\$M)
VLCC, 200+		33,000		90.0	62.0
Suezmax, 130-200		24,000		60.0	44.0
Aframax, 80-130		19,000		50.0	30.0
LR2, 80-130		18,500		52.0	31.0
LR1, 60-80		14,250		43.0	26.0
MR, 42-60		14,500		36.0	26.0
Handymax, 30-42		13,000		33.0	23.0
US FLAG (KT - \$/day)		Voyage	Weekly spot rate	2018 avg. rate	10 week trend
Handy, 38		USG-USAC	64,116	61,262	
LNG (\$/day)		Weekly spot rate	Sentiment	Current month rate	2018 avg. rate
160M3 Tri-fuel diesel electric (West)		140,000	Flat	130,000	78,563
138-150M3 Steam turbine (West)		100,000	Flat	94,000	56,083
160M3 Tri-fuel diesel electric (East)		180,000	Flat	177,000	78,479
138-150M3 Steam turbine (East)		110,000	Flat	114,000	51,729
LPG (KT)		Last posted spot rate (\$/mt)	Spot TCE rate (\$/day)	1yr time charter rate (\$/day)	
VLGC, 44 (AG-Japan)		39.32	25,822	21,382	
BUNKERS (\$/mt)		IFO 380	10 day trend	MDO	10 day trend
US Gulf		382.0		615.0	
Rotterdam		379.5		542.5	
Singapore		422.0		566.0	

DEVELOPMENTS

Iraq requires two years to free itself from reliance on Iranian gas. According to an Iraqi energy official, the country needs at least two years to boost its gas production to a level that allows it to stop importing Iranian gas used to feed its power stations. The head of state-run South Gas Co (SGC) said that Iraq's gas output is expected to reach 1.3 McFee/d by the end of 2020, an increase of 400 McFee/d from current levels. This rise in production is expected to come from two new projects, including a \$367M natural gas processing deal with GE, expected to begin producing 160 mcf/d in two years. The government will also sign another deal early next year for a gas plant expected to produce around 300 mcf/day by the end of 2019. The US has granted Iraq exemptions, which allow it to continue importing natural gas and other energy supplies from Iran for 45 days as long as the payments are not done in US dollars. Iraq is hoping to extend the exemption. [Reuters Dec. 6, 2018](#)

Novatek to launch small-scale LNG plant in Baltic Sea. Russia's largest non-state natural gas producer, along with Gazprombank, is building a LNG plant and terminal in the Baltic Sea port of Vysotsk with a capacity of 660,000 tonnes per year. Capacity could be expanded to 800,000 tonnes in 2021. The project's contractor said the plan is to launch operations and load the first LNG cargo in Feb. 2019. [Reuters Dec. 6, 2018](#)

India to import Iranian oil using rupee payment mechanism. 50% of rupee-based payments will be used for exporting items to Tehran. India's state-owned UCO Bank is expected to announce the payment mechanism in the next 10 days. Government documents indicate that an agreement had been signed by the two governments. Russian and Chinese shipping companies are reportedly pitching to facilitate India-Iran trade. [Reuters Dec. 6, 2018](#)

Traders Vitol, Glencore, and Trafigura face bribery probe. The commodity traders are being investigated on suspicion of paying bribes to employees of state-controlled oil company Petrobras in exchange for contracts. Brazilian prosecutors speculate that between 2011 and 2014, the three companies paid more than \$15.3M in relation to over 160 operations "of purchase and sale of oil products and rental of storage tanks". Other unnamed companies are also being investigated for paying a similar amount in bribes to Petrobras' employees. This is part of a sweeping corruption campaign that has so far resulted in the arrest of 11 people and the questioning of an additional 26. Petrobras this year agreed to pay two large settlements; one for \$2.95B in Jan. to end a class-action lawsuit in the US from losses caused by the scandal, as well as another graft-related one for \$853.2M in Sept. to Brazilian and US authorities. [FT Dec. 5, 2018](#)

COMMODITIES, (9:55 am ET)

CRUDE	Source	Unit	Last price	Δ Prior day close	
Brent	ICE	\$/bbl	60.50	↓ -1.06	
WTI	NYMEX	\$/bbl	51.71	↓ -1.18	
Dubai (Spot)	Bloomberg	\$/bbl	59.33	↓ -0.90	
PRODUCTS		Source	Unit	Last price	Δ Prior day close
RBOB Gasoline	NYMEX	¢/gal	143.07	↓ -1.49	
Heating Oil	NYMEX	¢/gal	186.10	↓ -2.76	
NATURAL GAS		Source	Unit	Last price	Δ Prior day close
US Henry Hub	NYMEX	\$/MMBtu	4.31	↓ -0.16	
UK National Balancing Point	ICE	\$/MMBtu	8.14	↓ -0.11	
NATURAL GAS LIQUIDS		Source	Last Price (¢/gal)	Last Price (\$/mt)	Δ Prior day close (¢/gal)
US Mont Belvieu Propane (Spot)	Bloomberg		74.50	388.35	↑ 1.00
PRICE SPREADS (\$/bbl)		Source	Last price	Δ Prior day close	
Brent 3-2-1 Crack	ICE		5.62	↑ 0.26	

MARKET ANALYSIS

Asphalt: Gulf Coast retail asphalt and flux prices remained unchanged last week.

LNG: The Atlantic and Middle East continued to be quiet last week with little fixture activity and discussions for prompt tonnage. However, Atlantic Basin discussions were picking up for tonnage for late Dec./Jan. loading.

LPG: Following a trio of concluded resale transactions in Nov., the tally of sales for second hand VLGCs has reached 19 this year to date, roughly equivalent to the total number of deals through the previous four years combined, according to Poten.

MARKETS, (9:55 am ET)

EQUITIES		Region/Country	Last value	Δ Prior day close
S&P 500		United States	2,662.60	↓ -37.46
FTSE 100		United Kingdom	6,753.68	↓ -168.16
DAX		Germany	10,905.26	↓ -294.98
Nikkei		Japan	21,501.62	↓ -417.71
SH Composite		China	2,605.18	↓ -44.62
CURRENCIES		Region/Country	Last value	Δ Prior day close
£/\$		United Kingdom	1.28	↑ 0.00
€/€		European Union	1.14	↑ 0.00
\$/JPY ¥		Japan	112.32	↓ -0.87
\$/CNY ¥		China	6.88	↑ 0.03

POTEN EVENTS

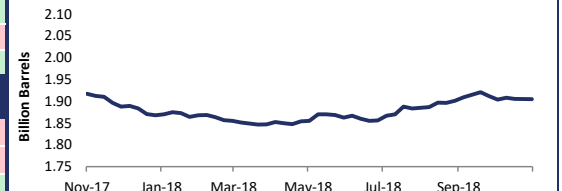
WORLD EVENTS

Jan. 28-30: European Gas Conference, Vienna, Austria. Oleg Vukmanovic speaking.

Dec. 6: EIA Natural Gas Report, 11:00am, ET.

Dec. 7: Baker Hughes Rig Count 1:00pm, ET.

EIA US WEEKLY ENDING STOCKS OF CRUDE OIL & PETROLEUM PRODUCTS (Nov. 24, 2017 - Nov. 23, 2018)



DOE US INVENTORY (mb)		Week ended Nov. 23	Δ Prior week	Δ Prior year
Crude		450.49	↑ 3.58	↓ -3.23
Distillate		121.80	↑ 2.61	↓ -5.98
Gasoline		224.55	↓ -0.76	↑ 10.45