



SHIPPING RATES & BUNKERS (9:45 am ET)

Wednesday, October 10, 2018

DIRTY TANKER (KT - \$/day)				
	Voyage	Spot TCE earnings	2018 avg. rate	10 day trend
VLCC, 270	AG-FE	37,000	11,600	
Suezmax, 130	WAF-UKC	20,500	5,600	
Aframax, 70	CAR-USG	15,300	7,500	
Panamax, 50	CAR-USG	3,900	6,700	
CLEAN TANKER (KT - \$/day)				
	Voyage	Spot TCE earnings	2018 avg. rate	10 day trend
MR, 37	UKC-USAC	5,000	6,100	
MR, 38	USG-UKC	(700)	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	15,250		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	55,965	61,479	
LNG (\$/day)				
	Weekly spot rate	Sentiment	Current month rate	2018 avg. rate
160M3 Tri-fuel diesel electric (West)	90,000	Flat	90,000	70,525
138-150M3 Steam turbine (West)	68,000	Flat	68,000	49,975
160M3 Tri-fuel diesel electric (East)	110,000	Increasing	110,000	61,425
138-150M3 Steam turbine (East)	70,000	Increasing	70,000	41,075
LPG (KT)				
	Last posted spot rate (\$/mt)		Spot TCE rate (\$/dav)	1yr time charter rate (\$/dav)
VLGC, 44 (AG-Japan)	47.93		27,138	19,737
BUNKERS (\$/mt)				
	IFO 380	10 day trend	MDO	10 day trend
US Gulf	477.5		763.0	
Rotterdam	482.0		705.5	
Singapore	525.0		754.0	

DEVELOPMENTS

Trump raises ethanol use in gasoline ahead of elections. The administration has announced lifting the ban on summer sales of gasoline blended with 15% ethanol. The move is supposed to boost ethanol demand while also cutting costs for refiners. It also is designed to politically support Republican candidates in the Midwest facing a harsh farming economy. In a Iowa rally, Trump warned the audience that Democrats would "end ethanol" if given the chance. Iowa is the US' biggest producer of corn, and farmers there are suffering from falling corn and soybean prices due to a trade war between the US and China. The Administration hopes to pull pump prices down, which are 40 cents higher than a year ago.

[Reuters Oct. 10, 2018](#)

Chevron marks first oil major exiting Norway. The US oil firm will become the first major to formally abandon the Norwegian continental shelf as it transfers its last stake in an exploration license. Rivals such as Exxon, BP and Shell have scaled back their presence in the area by selling or merging their assets in the mature region in order to concentrate on growth elsewhere. The US oil major has agreed to transfer its 20% stake in exploration licenses in the Arctic to Norway's DNO. Chevron is also looking to sell assets in the British North Sea in order to focus on growing US onshore shale production as well as the Tengiz field in Kazakhstan.

[Reuters Oct. 10, 2018](#)

European environment ministers agree to 35% vehicle emissions cut by 2030. Germany had insisted on a maximum 30% cut, but agreed to strike the deal after it won a concession to conduct an interim review of the rules. Germany's position had been supported by car-producing nations such as Bulgaria, the Czech Republic, Hungary and Poland. The 35% reduction of carbon dioxide emitted must be from recorded levels in 2020. The agreement also includes an intermediate target of a 15% reduction by 2025.

[CNBC Oct. 10, 2018](#)

Gunvor sees the US as main beneficiary of new IMO shipping regulations. The UN's IMO is imposing new rules that will ban ships from using fuels with a sulfur content in excess of 0.5% from 2020, unless they are equipped with scrubbers. As a result, a demand hike for cleaner distillates like diesel is expected to come at the expense of fuel oil. Gunvor's CEO said that the US will be the major overall winner.

[Reuters Oct. 10, 2018](#)

COMMODITIES, (9:35 am ET)

CRUDE				
	Source	Unit	Last price	Δ Prior day close
Brent	ICE	\$/bbl	84.42	↓ -0.58
WTI	NYMEX	\$/bbl	74.45	↓ -0.51
Dubai (Spot)	Bloomberg	\$/bbl	83.13	↑ 0.21
PRODUCTS				
	Source	Unit	Last price	Δ Prior day close
RBOB Gasoline	NYMEX	¢/gal	206.36	↓ -1.38
Heating Oil	NYMEX	¢/gal	241.55	↓ -0.83
NATURAL GAS				
	Source	Unit	Last price	Δ Prior day close
US Henry Hub	NYMEX	\$/MMBtu	3.33	↑ 0.07
UK National Balancing Point	ICE	\$/MMBtu	9.36	↓ -0.10
NATURAL GAS LIQUIDS				
	Source	Last Price (¢/gal)	Last Price (\$/mt)	Δ Prior day close (¢/gal)
US Mont Belvieu Propane (Spot)	Bloomberg	104.50	544.73	↑ 0.37
PRICE SPREADS (\$/bbl)				
	Source	Last price	Δ Prior day close	
Brent 3-2-1 Crack	ICE	7.37	↓ -0.66	

MARKET ANALYSIS

Asphalt: East Coast asphalt prices were unmoved last week, with some areas slipping.

Chartering interest surfaced again last week, focused mostly in the Far East on the back of firm Project/Majors/Traders structural needs during the winter period. Discussions in the basin continued based on loadings during Oct. and Nov. for single and multi-month voyages.

LPG: On the back of a tight USG position list for early month dates rate levels firmed close to mid \$80s pmt Houston - Chiba via Panama last week with the major Owner's asking level around the \$85 pmt.

Oil prices slip lower as the IMF cuts its outlook, but remain supported by concerns over supply stoppage due to Hurricane Michael.

Pound hits multi-month high levels on renewed Brexit deal hopes.

POTEN EVENTS

WORLD EVENTS

Oct. 16-19: CWC Asia Pacific Summit, Singapore. Poten sponsoring, Stephen Thompson speaking.

Oct. 11: EIA Natural Gas Report, 10:30am, ET.
Oct. 11: EIA Petroleum Status Report, 11:00am, ET.

HISTORICAL DEMOLITION PRICES



MARKETS, (9:35 am ET)				
EQUITIES				
	Region/Country	Last value	Δ Prior day close	
S&P 500	United States	2,884.43	↓ -1.14	
FTSE 100	United Kingdom	7201.11	↓ -32.22	
DAX	Germany	11,893.71	↓ -53.45	
Nikkei	Japan	23469.39	↓ -314.33	
SH Composite	China	2,721.01	↑ 4.50	
CURRENCIES				
	Region/Country	Last value	Δ Prior day close	
£/\$	United Kingdom	1.31	↓ 0.00	
€/€	European Union	1.15	↓ 0.00	
\$/JPY ¥	Japan	113.26	↑ 0.03	
\$/CNY ¥	China	6.93	↓ -0.01	

DEMOLITION VALUE ASSESSMENTS (US\$MILLIONS)			
	Current	3 Mos. Ago	1 Year Ago
VLCC	19.1	18.5	17.4
Suezmax	10.5	10.1	9.5
Aframax	7.3	7.0	6.6
Panamax	6.1	5.9	5.6